

STATES OF JERSEY



STRATEGIC PLAN 2006 TO 2011 (P.40/2006): SIXTH AMENDMENT (P.40/2006. AMD.(6))– COMMENTS

**Presented to the States on 19th June 2006
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers does not support Senator Shenton's proposal to introduce a Winter Fuel Payment for pensioners in 2007. It opposes the amendment in both policy terms and in its practical application.

The Council of Ministers is committed to promoting a safe, just and equitable society in which **everyone** living in Jersey has the opportunity to enjoy a good quality of life. It is determined to tackle the inequalities that exist in Jersey throughout the population not just in one sector of it. The Council of Ministers believes that the ability to keep warm in winter is important for everyone especially for people with disabilities and young families, not just pensioners. Senator Shenton's proposal only helps pensioners and not other groups that might be at equal risk. In addition, the approach adopted by the U.K. does not target help specifically to those in financial need. It provides support to pensioners, including those who are on high incomes. Such an approach would have the same effect in Jersey, where pensioners with substantial incomes would receive benefit whilst those people in financial need below pension age would receive nothing.

The States has agreed to the development and implementation of an Income Support system that will protect households throughout the year, irrespective of age, if there is a financial need. The Council of Ministers believes that this is the vehicle to target help to those at risk rather than a new benefit. The income support system will target financial assistance according to need and means. By comparison the Social Security pension is not means-tested and is paid at a rate substantially higher than the pension in the U.K. A basic pension in the U.K. with non means-tested grants (such as TV Licences, Christmas Bonus and Winter Fuel Payments) is worth £4,716 a year whereas a directly comparable figure in Jersey of basic pension and Christmas Bonus is worth £8,050 a year. (The estimated cost of visiting a G.P. in Jersey once every month, and receiving 4 prescriptions a month is £400 a year.)

The Council of Ministers believes that the cost of Senator Shenton's proposal and its implementation is substantial (the initial estimate is between £1.5 and £2.5 million) and adopting it would reduce funding to essential services. If more money could be found, the Council of Ministers believes it would be better spent on issues of greater priority.