

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 27th FEBRUARY 2007

Question 1

- (a) Comparison of the 2004 and 2005 Social Security Report and Accounts shows a growth in payments for Long Term Incapacity Allowance (LTIA) from some £1 million in 2004 to just over £5 million in 2005 without an apparent compensatory drop in funding elsewhere. Would the Minister account for this rise to members, inform members how many recipients of LTIA these figures refer to and state what estimate he has for 2006?
- (b) In a written answer on 13th February 2007 the Minister stated that data protection issues prevented his department knowing how many LTIA recipients were in receipt of additional welfare from their Parish. Would the Minister agree to seek anonymised data from the Parishes on the size of this sum which is soon to be transferred to Social Security under the income support system?
- (c) What start date is the Minister now working to for the implementation of the income support system?

Answer

- (a) The increase from £1 million to £5 million between 2004 and 2005 reflects the introduction of LTIA in October 2004; the figure for 2004 is only a part year figure.

Were Deputy Southern seeking a meaningful comparison between 2004 and 2005 for numbers of individuals in receipt of and the cost of Long Term Incapacity, the totals of the current benefit (LTIA) and the legacy benefits it superseded, Invalidity and Disablement Benefits should be analysed. In 2004 the total spent on all these benefits totalled £22.67 million and in 2005 £23.26 million. As at 31 December 2004 there were a total of 3,076 claims across these benefits, at 31 December 2005 the figure stood at 3,332.

The Accounts of the Social Security Fund are currently being prepared and I shall release final figures for 2006 once those Accounts are finalised and audited.

- (b) No. The data gathering exercise currently underway for Income Support will include Parish Welfare recipients so that by the time income support is implemented the Department will know the benefit position of all recipients.

I shall not be seeking this information from the Parishes, because as I currently understand matters, the information is not readily available. The Parish would only be able to provide this information by reviewing all claims and collating the data manually and I am informed that the Parishes would not have the resource to undertake such an exercise at this time.

- (c) The department is working to an implementation date of 30th July 2007.

Question 2

Would the Minister inform members whether the dates of incapacity on medical certificates completed by General Practitioners are intended to be inclusive and, if so, state whether the Social Security Department includes the second date in payment of sickness benefit?

Answer

The dates on the medical certificate designate the period of incapacity. The Social Security (Medical Certification) (Jersey) Order, 1974 lays down the rules to be followed by General Practitioners and claimants when making a claim to incapacity benefit.

The information given on the form by both the general practitioner and the claimant is used to identify the period of incapacity. The dates normally used are the date on which the person last worked and the date on which they resume work, neither of which is inclusive in benefit payment. That is to say that the second date is not included in the payment for Short-term Incapacity Benefit. The date of return to work is normally discussed by the general practitioner and the claimant at the time of consultation.

Question 3

Would the Minister inform members what progress, if any, has been made in assessing the causes of the unexpected large rises in supplementation predicted for coming years and state whether new estimates are available?

Answer

A larger than budgeted increase in supplementation is estimated for 2006. The final figure will not be known until the last quarter (October to December 2006) is processed in March 2007. The predicted figure is £56.56 million compared to a budgeted figure of £53.2 million. With the contributions collected from workers and employers estimated to be £123.155 million supplementation represents 31.5% of Social Security contributory income. This increase in supplementation follows on from a trend of relatively low increases in supplementation; 2002 £48.14million, 2003 £49.89 million (3.6% increase), 2004 £50.8 million (1.8%), 2005 £50.78 million (0.05% decrease) 2006 (estimate) £56.56 million (11.4%). By way of comparison increases in contribution income over the same period were; 2002 £103.99 million, 2003 £108.43 million (4.3% increase), 2004 £110.32 million (1.8%), 2005 £115.50 million (4.7%) and 2006 (estimate) £123.15 million (6.6%).

Table showing increases in contribution income and supplementation

	2002	2003	2004	2005	2006 (EST)
Contributions paid (£millions)	103.99	108.43	110.32	115.50	123.15
Percentage increase		+4.3%	+1.8%	+4.7%	+6.6%
Supplementation (£millions)	48.14	49.89	50.80	50.78	56.56
Percentage increase		+3.6%	+1.8%	-0.05%	+11.4%

The reason for this unexpected increase is that the average number of contributors attracting supplementation increased compared to the previous year and the average value of supplementation also increased. The average number of overall contributors also increased. In 2005, the average number of contributors was 55,180 of which 31,887 attracted supplementation with an average value of £132.70 a month. In 2006, the estimated figures are 56,169 (1.8% increase), 32,720 (2.6% increase) and £144.07 (8.6% increase). This trend appeared to begin in the last quarter of 2005, and continued throughout 2006. The Department is committed to analysing contribution data to determine the significant variables in the labour market that drive the total value of supplementation. This work will be undertaken with amongst others the Economic Adviser and the Treasury and Resources Department. The purpose will be to understand the sensitivities in the labour market so that even though supplementation is calculated in arrears and therefore reacts to changes in the labour market, better estimates and forecasts can be made in the future. This major review will also identify options for reducing or limiting expenditure on supplementation.