Health, Social Security & Housing Scrutiny Panel

Income Support Sub-Panel

PUBLIC MEETING

Record of Meeting

Date: **30th October 2009**
Meeting Number: **3**

Present	Deputy G.P. Southern, Chairman Deputy T. Vallois, Vice Chairman Connétable S.A. Yates Connétable D. Mezbourian Deputy D.J. De Sousa
Apologies	
In attendance	Mr. E. Le Quesne, Advisor Dr. M. Evans, Advisor C. Le Quesne, Scrutiny Officer

Ref Back	Agenda matter	Action
	1. Minutes The Sub-Panel received and approved its minutes of the 9th and 13th October 2009.	
	2. Oral report from Dr. M. Evans The Sub-Panel welcomed Dr. Evans to its meeting and was provided with an update on the meetings held the previous day. Notes of both meetings would be provided in due course.	**CLQ**
	Dr Evans provided the Sub-Panel with an overview of his work and his specialist areas working with a number of governments inclusive of the United Kingdom addressing child and other poverty related issues. The Sub-Panel discussed the Advisor's attendance at a meeting with the Policy and Strategy Director, Social Security and a letter dated 28th October 2009 from the Minister for Social Security. It was noted that the Minister and the Department were expressing concern over the timing of the review and at the academic approach proposed. In addition, they considered that the review would have a significant impact on their already overstretched resources. The Sub-Panel recalled the previous review, which focused on the delivery of Income Support to the client and the effectiveness of that delivery. It recognised that the current review would be different, as its focus would be on statistical analysis of benefit levels. It was accepted that officers operating the scheme had no ability to influence the levels of payment. The Sub-Panel recognised that the delivery of any benefit system was challenging. The Sub-Panel agreed that the Chairman should prepare a response to the Minister for consideration so that a collaborative approach to the review could be achieved and that whilst the timing may not be the best for his department the review could provide a useful body of work, which could form part of an external validation process in 2011.	**GS/CLQ**

	The Sub-Panel was of the opinion that it could lay the foundation for understanding what the system was doing then when new Income Distribution and Expenditure Survey was available at the end of 2010 a more comprehensive picture of what was happening would emerge. Subsequent to that the Social Security Review findings would be published and following that the three pieces of work could then be externally validated which would provide a robust model to access what was necessary to address poverty in the next decade. The available data to assist the Sub-Panel in its consideration of benefit levels was discussed: 2001/2002 Social Survey, the 2001 Census and many of the Statistics Units publications would form a starting point for the extrapolations required and that before and after housing costs data would have to be examined as rental costs could significantly distort findings. The Sub-Panel was advised that the projection of what the relative poverty level was would require a number of assumptions. Discussions had taken place with the Statistics Unit on how high, medium and low levels of poverty could be identified and updated but it was not certain how this would be achieved both the Stats Unit and the Advisor would liaise on progressing this. It was recognised that the current Income Support Benefit was not based on the CRSP work and was constrained by the funds available for the delivery of the system. The Sub-Panel would use the CRSP data as its starting point for its calculations. It would also consider the work undertaken by Rowntree in 2008. The aforesaid could be made relevant to Jersey and the Statistics Unit had indicated that it would be keen to develop a methodology for taking both sets of data forward to the present day and to have the figures appropriately weighted for Jersey including some local expenditure survey. It was noted that the CRSP work did not include housing and one of the things that would be required would be the integration of the housing element into the projections. The Sub-Panel agreed that in addition to the academic part of the review it was necessary for it to consider what evidence it would need in terms of cases that illustrate the general point. It would need to collect anonymised information that was current with regard to item 3 on its terms of reference. It agreed that a letter should be sent to all States members and key stakeholders asking them to keep a log of the relevant type of cases that required assistance over a period of time. It was suggested that this should run until the end of March 2010. The anonymised information would be provided to the Department in order that a positive solution could be found and the Sub-Panel would only use the information in an illustrative way. The following points were raised as issues for consideration - 1. The effect of GST; 2. What happens to Income Tax over time when allowances were frozen and the impact of fiscal drag; 3. The impact of inflation and the ability of Income Support to keep up; 4. Those working with some IS supplementation and minimum wage levels;	**CLQ**

	5. The problem with the state pension and the 1960/70 effect due to women who did not work; 6. How many older pensioners were at the level of £175 per week and how that had risen; 7. What the pension level was by age and how many were at risk at the point of retirement; 8. As pensions did not keep up with cost of living how would recipients be protected from sliding into poverty; 9. How much was paid out by the Social Security Department in respect of GST; 10. Illustrate the impact of the transitional payment tapers, the number of households that would be affected and what effect the withdrawal of the payments would have on the households; 11. Information was required on how many people were receiving transitional payments - the computer system could possibly do client flows on and off from its existing reports; 12. The cost of social rented and private sector housing on IS recipients. Dr. Evans advised that he would be developing the framework questions for the Department by December to ensure that the data required could be provided. The timescale agreed in principle with the Department as aforementioned was that it would provide the requested data by March 2010. It was noted that the contract for Dr. Harkness remained to be drafted as her exact role had yet to be defined and agreed to ensure the best use of her skills. It was agreed however, that she would deputize for Dr. Evans during any absences. Dr Harkness' experience included the whole level and issues of incentives to work and the impact of when mother's work, the reduced risk of poverty which could be an area of to investigate to assist with the review. The Sub-Panel requested that the old welfare rates be obtained from the Comité des Connétables.	**ME** **ME/GS /CLQ** **CLQ**
517/13(8)	**3. Fettered Discretion** The issue of fettered discretion was discussed and the Chairman outlined the impact of the approach on the Income Support recipients.	**GS**
	4. Next Meeting The Panel noted that its next scheduled meeting was due to take place on 10th November 2009 at 9.30 am.	

Initials .....

Date: 10th November 2009

Deputy G. Southern
Chairman, Income Support Panel