

STATES OF JERSEY



DRAFT INCOME SUPPORT (SPECIAL PAYMENTS) (JERSEY) REGULATIONS 200- (P.91/2007): AMENDMENTS (P.91/2007 AMD.)– COMMENTS

**Presented to the States on 9th October 2007
by the Minister for Social Security**

STATES GREFFE

COMMENTS

1. Page 10, Regulation 3 – Repairs

Regulation 3(2) as proposed by the Minister permits a Special Payment to be made to cover costs to prevent a serious risk to the health, safety and welfare of a claimant.

Under this provision the Department will meet repair costs to keep a property wind, weather and intruder proof.

The Scrutiny Panel's amendment is therefore completely unnecessary and unlike the tightly defined conditions in the Minister's proposal can potentially be interpreted to go well beyond repairs necessary to maintain a property against wind, weather and intruders, going beyond existing Parish Welfare provision and adding significant cost.

The Minister opposes the amendment.

2. Page 10, Regulation 3 – Insulation

The Scrutiny Panel's amendment, whilst laudable in its intentions, allows all homeowners on Income Support to be funded to install insulation regardless of urgency and thereby add significant cost to the Income Support scheme, provision for which is not available.

The Minister cannot support this amendment.

3. Page 10, Regulation 3 – “reasonable means”

Income Support is a means-tested benefit targeted at need.

The Special Payments provisions allow for goods and services to be paid for where there is a need, which is often urgent, and where the claimant has no reasonable means of meeting the cost.

The amendment of the Scrutiny Panel will require the taxpayer to meet these expenses regardless of the expense of the item and the assets of the claimant.

For example, the amendment would require the Department to pay for a mattress costing £100 for a claimant with £20,000 or more in the bank.

The Minister has drafted guidelines stating savings amounts below which the Department would not require any contribution to any such expenses.

Those limits are –

Single adult under 65, no disability	£1,825
Couple under 65, no disability	£3,025
Single adult over 65 or with disability	£2,738
Couple over 65 or with disability	£4,538

These are contained in the “Guidelines to Income Support”.

The Minister will monitor the limit to ensure that they are fair.

The Budget available for Special Payments is based upon the budgets and rules for similar expenditure

currently funded by Parish Welfare. The Income Support budget will not be sufficient to meet the significant costs that could be added by the amendment if adopted.

The Minister opposes the amendment.

4. Page 10, Regulation 3 and 4 – Mortgage Support

Income Support as a regular weekly benefit is not intended as a Mortgage subsidy.

However, homeowners can face unexpected, significant and sudden drops in their incomes, as a result for example the death of the main wage earner, a major accident, illness or unexpected redundancy where the redundancy payment has yet to be made.

It would be ridiculous for a family faced with such circumstances to be instantly forced to sell their property, simply for the want of short-term assistance. In any event, an approach to the mortgage provider should be made as a first step.

The Minister, under discretionary powers, can initially pay the mortgage interest for such families for up to 4 months. As this is discretionary, it can be extended.

The Scrutiny amendments would place in Regulations the requirement that a family in “urgent need” would have their mortgage payments met for up to 12 months, at a rate equivalent to the housing rental component appropriate to the property. In many cases this rental component may not cover mortgage interest payments.

The Minister believes that the flexibility proposed in the guidelines will meet needs more effectively than the Sub-Panel’s proposal and cannot support the amendment.

5. Page 10, Regulation 4 – Second-hand goods

Special Payments to cover the cost of mattresses, carpets and electrical items will be sufficient to meet the cost of such costs as new, for very obvious health and safety reasons.

The Minister proposes however, as currently is the case within Parish Welfare, that Income Support provides support for second-hand furniture. There is a thriving second-hand quality furniture market in Jersey, and it is unnecessary and wasteful for new furniture to be made available at a higher cost.

If the amendment were adopted, significant cost may be added to the Scheme which would not be afforded from within the existing Budget.

The Minister opposes this amendment.

6. Page 10, Regulation 4 – delivery and installation

It is already the Minister’s intention that delivery and installation of such goods would be met as to do anything less would be irresponsible and the Minister welcomes the amendment.

7. Page 11, Regulation 5 – failed job seekers

A condition of entitlement to Income Support is that unless exempt (and there are numerous full and partial exemptions) then adult claimants must either be in or seeking full-time remunerative work.

Those who do not have work suitable to their qualifications, experience and circumstances, will be offered assistance to obtain work. The vast majority of claimants will want to obtain work and will be serious in their job seeking activities. However, inevitably there will be a few individuals who will set out to abuse the system.

After offering assistance over a number of weeks to such individuals, the Department will become aware of the intentions of such individuals and, having accepted the Scrutiny Panel amendments, would then issue such individuals with a notice warning them that if over the coming 28 day period they did not fulfil their job seeking obligations, their benefit would be at risk.

After having provided assistance, warned job seekers of their obligations and finally issuing a notice, over what would be at least 2, but probably 3 months or longer, those persistently abusing the system would be deemed to fail their job seeking obligations.

This would render them and their family ineligible for Income Support.

However, the Department would continue to pay all components for the household and its members except for that person failing in their job seeking activities, their personal component only would be reduced by £20 a week for one week. Were the job seeker concerned to fulfil their job seeking obligations for that week their personal component would remain at £20 below the full rate of £80 for 3 further weeks. If over those weeks the job seeker continued to fulfil their obligations then their benefit would be fully restored.

However, if over the 4 week period they continued to fail to meet their obligations to seek work, their personal component would be reduced by £20 for each week until it fell to zero.

The Minister believes that the penalty as proposed is sufficient to act as a deterrent yet at the same time protects remaining family members.

The Scrutiny amendment would allow someone determined to abuse the system, after weeks, if not months, of failing to meet their obligations to meet those obligations for just one week, forcing the Department to restore all benefit. The week after the individual would then be able to revert back to their previous behaviour and could continue to provide intermittent evidence of job seeking in order to maintain their benefit at income support levels or just below. This could carry on indefinitely.

The Minister considers the Scrutiny proposal to be a toothless deterrent and strongly opposes the amendment.