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Deputy Le Hegarat
Chairman of the Health and Social Security Panel
States Greffe
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Date - 25th of September 2019

Dear Chair,

**Re: Health and Social Security Panel - Government Plan Review
Written Questions**

Thank you for your letter dated the 19th of September, received on the 20th of September 2019. I have complied a response as far as possible before your deadline of the 25th of September at 9am, in the time available.

General

1. Please can you provide a breakdown of your Departmental Budget for 2020?

As Minister for Social Security I do not have a departmental budget. For your information I have asked Customer and Local Services Officers to provide a breakdown of the departmental budget for 2020 which includes the main benefits and services under my responsibility. Please see the attached document which contains the breakdown as requested, however please note that the information supplied in the attached spreadsheet is confidential on the basis the financial presentation provided forms part of the draft Business Plan which is under development and intended for future publication.

2. How has the budget attributed to you on page 138 been calculated? Can you explain the elements of it?

Please see attached document.

3. What stakeholder consultation have you gone through before agreeing the actions and projects within your remit?

The Government Plan has been produced through a thorough process building on the strategic priorities approved in the Common Strategic Policy. The Government Plan was published on 23 July and is now subject to detailed examination before a debate at the end of November.

Financial Independence in Old Age (CSP4-01-02)

4. Please provide a breakdown of the proposed allocation of £150,000 funding for 2020 and £200.00 for 2021, 2022 and 2023?

The proposed funding in 2020 is for expert help to identify options, an approach and actions to increase retirement savings and income in retirement.

This help includes expert advice on pension reforms, research, analysis, engagement with stakeholders and project management

The proposed allocation of funding for 2021 depends on what decisions are taken in 2020.

5. We understand that originally the intention was to develop and run a significant workplace retirement savings scheme over the next few years to determine the running costs. However, the GP only reflects the costs of an expert review, advice and options appraisal. Why did this change?

The work in 2020 will identify the areas where operational development is needed. If a workplace pension scheme is confirmed as an appropriate action, there will be a range of options as to how this should be implemented. Development work as needed will start in 2021 and the 2021 Government Plan will include additional details and funding as needed as options are clarified and agreed.

Support for Home Care and Carers (CSP4-3-01)

6. What is the breakdown of the proposed allocation of £150,000 funding for 2020 and £620,000 for 2021, 2022 and 2023? How did you arrive at these figures?

The lower amount for 2020 has been identified as sufficient to support a pilot project to provide additional financial support to a small number of lower income families to help with extra domestic costs associated with having a family member with care needs living at home. There is also an allocation for administration resource to support the provision of personal budgets for a selected group of claimants. Experience gained in 2020 will be used to inform a wider scheme available from 2021. From 2021 there is also budget allocated to providing additional support for carers.

7. Of the £620,000 for the years 2021-2023 are concerned, £500,000 is allocated to the actual care package based on a maximum of £50pw for 2000 people, with the additional £120,000 being staff costs. On what basis has the £50pw x 200 being arrived at?

The amount of £50pw is based on an average amount set against an estimated figure of 200 lower income households who will receive Long Term Care whilst a family member is living in the family home. Some households won't need any additional money in order to help towards care in the home, whereas some will need more than the £50 average. This amount will cover a range of extra domestic costs associated with caring for a family member in the home, it doesn't represent a payment to the carer or a specific amount for

every claimant. Much of the work done in 2020 will be in establishing a fair and sustainable method to identify these additional costs for each individual care package.

Food Bonus Cost

8. Why does the allocated money increase over 4 years?

The increase is driven by the estimate of the increase in the number of expected claimants.

9. How many people are receiving the Food Cost Bonus?

Food cost bonus is a one off payment rather than a continuous benefit. It is available on an annual basis for those that continuously qualify.

We paid 1059 claims in 2018. Applications for 2019 will open in October.

10. How can people find out about this scheme and whether they would qualify?

Information about the Food Cost Bonus and qualifying criteria is available on the gov.je website, or customers can contact the Customer and Local Services department directly.

11. Does the scheme target an identifiable need?

The current Food Cost Bonus Scheme was originally set up as the GST Bonus Scheme. Its aim was to provide an annual lump sum to households who did not receive income support and had incomes below that at which they had an income tax liability. This group was identified at the time that GST was first introduced as bearing the full cost of the new tax without any mitigation through income support or income tax allowances. Income support was increased when GST was introduced and income tax allowances were raised. The original value of the bonus was set based on the GST that would be payable on food items for an average household in the second quintile (i.e. households sitting a little below the average).

12. What would happen if GST increases?

When GST increased from 3% to 5% in 2011, the GST bonus was increased in line with this rise. A political decision would need to be taken if any future increase would also be reflected in this scheme. Please note that the scheme currently compensates for not just the average cost of GST on food items but also provides an element to compensate for the cost of food itself.

13. Do you foresee this benefit continuing in the long term or is there a risk it could fall away when considered against wider issues?

At present, the bonus is paid for through triennial regulations which expire every three years. The Council of Minister intends to renew the current regulations next year to cover

2020, 2021 and 2022. Further political decisions will be needed after 2022 to determine the long term future of the scheme.

If you require any further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Judy Martin', with a long horizontal stroke extending to the right.

Judy Martin
Minister for Social Security | Deputy, St Helier No.1
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