

22.11.22

9 Deputy G.P. Southern of the Minister for Social Security regarding the reduction in special payments for medical expenses (OQ.122/2022)

Further to Written Question 266/2022, will the Minister explain why the number of special payments made under the Income Support Regulations reduced by two-thirds between 2011 and 2020, with the total amount paid reducing by half? Will she further explain the reduction in special payments for medical expenses and the move from grants to loans for essential household equipment, including any developments in policy?

Deputy E. Millar (The Minister for Social Security):

The Deputy has asked why special payments have reduced between a relatively long period of 2011 and 2020. Over these years there have been both policy and operational changes and these will have impacted on the overall need for special payments.

[10:45]

The reduction in medical expense payments is associated with operational improvements in the management of Household Medical Accounts from 2016 onwards. The introduction of the Pension Plus scheme in 2017, which supports lower-income pensioners with the costs of optical, dental and chiropody services, is also likely to reduce the demand for special payments in this area. The move from grants to loans form part of a wider initiative that was approved by the Assembly and is set out in P.103/2015.

3.9.1 Deputy G.P. Southern:

Firstly, if I may, could the Minister provide figures showing the reduction in H.M.A. (Household Medical Account) awards and the use of Pension Plus to pay different bills? But can she address the issue of whether it is appropriate that those who are the very poorest in our society have to pay loans that they cannot afford to repay, rather than grants, as it used to be? Can she explain why that policy is taking place, apart from to save some money?

Deputy E. Millar:

I think there were several questions there; I am not sure I have got them all. The first one, I think ...

The Greffier of the States (in the Chair):

Yes, there were a couple of questions there, Deputy.

Deputy E. Millar:

There were 2 or 3, yes. I think the first one was about Household Medical Accounts. I do not have those figures at my fingertips, no. If the Deputy wishes them we can provide them. We have provided information in the answer to the written question that he mentioned in his question to start with. Pension Plus will have reduced the Household Medical Account. I am not familiar with details of the H.M.A. scheme that was put in place at the end of 2020 by the previous Minister. People on low incomes are now supported through the Health Access Scheme, which provides a very much subsidised cost for G.P. visits. We also have the Pension Plus scheme. Those on low incomes are supported to receive medical care. I think the second element of his question was the move from grants to loans; that was agreed by the previous States Assembly. I believe there have been numerous questions in the Assembly over the years about the payment policy for loans. The States agreed to move to loans rather than grants. Care leavers are provided with essential household

equipment; they are given grants for provision of household equipment and not loans. Other people, the States themselves, the States Assembly took the decision to swap from grants to loans. Sorry, I have lost my train of thought there. It was a States' decision and the issue of repayment of loans are considered on a case-by-case basis.

The Greffier of the States (in the Chair):

Thank you for that comprehensive answer. Can I just remind Members that questions should be related to one issue? I have given quite a bit of latitude because we did not have very many questions on the Order Paper today. But if Members could commit to sticking to just one issue per question, I think it would be helpful to the people answering as well. Because as we have seen that was quite an elaborate response you had to give, Minister.

3.9.2 Deputy S.Y. Mézec:

Does the Minister share my and others concern that a system for loans, as opposed to grants, for essential household equipment, essential i.e. obligatory and necessary, risks putting people into relative poverty for the time that they have to relinquish income that they would otherwise be using to support themselves to pay for things which are essential? Does she regard that system as more progressive or more regressive than the system that existed before that previous States decision?

Deputy E. Millar:

As I say, that was a decision of a previous States Assembly in 2015. I cannot account for that decision. My officers discuss with people repayment plans and repayment plans are calculated on the basis of what people can afford. We do not take more money from people than they can afford to pay. We all have to make decisions about repaying loans and buying things. But we do provide a means for people to have essential things like washing machines that they need in their homes and cookers. I do not think it is an unreasonable policy that people then own those things and pay back the taxpayer for the cost and for the purchase.

3.9.3 Deputy S.Y. Mézec:

I completely disagree with every word of that. But does the Minister accept that this position of providing loans rather than grants appears to be at odds with the Government's own economic advice, which says that direct payments are the most effective way of helping people with the cost of living during the turbulent and economic times that we are currently facing and it is at odds with the policies that were pursued in the mini-Budget on direct payments, rather than direct loans?

Deputy E. Millar:

I am not sure that it is at odds. Is the Deputy suggesting that we give people £200 and say: "Go and buy an oven or a cooker"? What if they do not buy the oven or the cooker and end up without the oven and the cooker because they spent the money on other things? It was a States Assembly decision and it is what we have at the moment. I have the ability to make special payments in cases of need. I am not aware of specific issues but if there are they will be picked up in our general review of benefits next year. If it appears that the policy is not sufficient we can review that when we flick to the benefit framework as a whole.

3.9.4 Deputy G.P. Southern:

Does the Minister appreciate that when you are on the lowest of lowest incomes you could possibly be on, income support, the addition of a loan rather than a grant puts you into relative poverty and

puts your livelihood at risk if you cannot make ends meet? Is she not aware that the move to loans from grants does exactly that?

Deputy E. Millar:

As I say, it was a decision of the States Assembly in 2015 to move to loans rather than grants. Again, my officers do not agree repayment plans that are not within people's means. I would emphasise again this year the amount of additional payments we have given to people through the mini-Budget. We have already talked about how the cold weather payment has been guaranteed at £70 a month. We have increased C.O.L.T.S. (Cost of Living Temporary Scheme), we have doubled C.O.L.T.S. We have made amendments to the tax allowances and social security contributions, pending those tax allowances coming through. We have doubled the community costs bonus. This Government has done everything it can to help people at the moment with the current cost of living crisis.