



Health and Social Security Scrutiny Panel

Proposed Government Plan 2024-2027 Review

Witness: The Minister for Social Security

Wednesday, 1st November 2023

Panel:

Deputy R.J. Ward of St. Helier Central (Chair)

Deputy B. Ward of St. Clement

Deputy B.B. de S.DV.M. Porée of St. Helier South

Deputy A. Howell of St. John, St. Lawrence and Trinity

Witnesses:

Deputy E. Millar of St. John, St. Lawrence and Trinity, The Minister for Social Security

Deputy M.R. Ferey of St. Saviour, Assistant Minister for Social Security

Mr. I. Burns, Chief Officer, Customer and Local Services

Ms. S. Duhamel, Director, Strategic Policy, Planning and Performance

[09:31]

Deputy R.J. Ward of St. Helier Central (Chair):

Welcome to the public hearing for our review of the Government Plan with the Minister for Social Security. We will introduce ourselves quickly. I am Deputy Rob Ward and I chair the panel.

Deputy A. Howell of St. John, St. Lawrence and Trinity:

I am Deputy Andy Howell, Deputy for District 3.

Deputy B. Ward of St. Clement:

Deputy Barbara Ward for St. Clement and I am a member of this panel.

Deputy B.B. de S.DV.M. Porée of St. Helier South:

I am Deputy Porée, a panel member.

Deputy R.J. Ward:

Apologies from Constable Troy and Deputy Alves but we are quorate, so that is great.

The Minister for Social Security:

Elaine Millar, Minister for Social Security.

Assistant Minister for Social Security:

Deputy Malcolm Ferey, Assistant Minister for Social Security.

Director, Strategic Policy, Planning and Performance:

Sue Duhamel, Policy Director, Cabinet Office.

Chief Officer, Customer and Local Services:

Good morning. Ian Burns. I am the Chief Officer at Customer and Local Services.

Deputy R.J. Ward:

Thank you very much. We will start off with questions regarding department budgets and savings. In this year's Government Plan staff costs for 2024 were estimated at £16.1 million and reduced to £15.7 million in 2025. Can you explain that reduction?

Chief Officer, Customer and Local Services:

Yes, I can. In this year's Government Plan we have the Work Well scheme that we set up and that provides an extra £400,000 worth of staff costs on top of what we would normally have. That is a pilot. We have not forecast that through the rest of the Government Plan because we do not know what we will need. It is effectively funded from the Social Security Fund through a management recharge.

Deputy R.J. Ward:

Is that the scheme that we agreed recently with regards allowing people to go back to work and still claim for a while?

Chief Officer, Customer and Local Services:

Yes. So we have got a pilot but that is being funded from the Social Security Fund but the money comes across as income but our expenditure goes up but we have not forecast that through the remaining years. That is the main ...

Deputy R.J. Ward:

So if this scheme continues, how will it be funded?

Chief Officer, Customer and Local Services:

It will be funded from the Social Security Fund but not directly. The staff appear in the tax-funded expenditure and there is a transfer of monies from the Social Security Fund to the tax-funded to cover the cost of that scheme, but that already exists. The Social Security Fund effectively pays the taxpayer for administering the Social Security Fund and the Health Insurance Fund and the Long-Term Care Fund.

Deputy R.J. Ward:

So the staff will continue to do that but they will be funded in a different way?

Chief Officer, Customer and Local Services:

Well, we do not know what the funding needs to be, so we have not put it in all years. We have put it in for the first year, this year, 2024.

Deputy A. Howell:

Can I ask, have you used the £400,000 this year?

Chief Officer, Customer and Local Services:

Well, we only just set up the pilot from October, so we will not be using anywhere near that money in 2023 but we forecast what the cost would be for the whole year of 2024 and that is what is in the Government Plan. That is the key thing I think, expressing the difference between the 2 figures you gave which is ...

Deputy R.J. Ward:

£16.1 million to £15.7 million. It is £400,000, yes. Okay. C.L.S. (Customer and Local Services) is responsible for delivering £185,000 of value for money savings in 2024, in that year. You recently advised us that savings would be delivered for ongoing continuous improvement work to identify and deliver savings across staff and non-staff expenditure. Are you confident your department can achieve these savings?

Chief Officer, Customer and Local Services:

Yes. We have a good strong track record in delivering savings through continuous improvement, which allows us to ... the main focus of continuous improvement is to improve services but a byproduct of improving the service is you tend to make things less costly because you can remove out of processes unnecessary steps and actions.

Deputy R.J. Ward:

What is the actual saving and is it in staffing, is it in photocopying, if that happens anymore?

Chief Officer, Customer and Local Services:

It can be in a variety of things, yes, exactly. It can be a variety of things. Continuous improvement is not just linked to staff. It can help us with back office costs as well.

Deputy R.J. Ward:

Those things have been identified because I think whenever we talk about the value for money savings it is quite difficult because we get generic there will be savings across the department. When we are looking at the Government Plan - I think this is across the Government Plan - when value for money savings are mentioned, sometimes some tangible examples are really useful because otherwise it is very difficult to picture how they are going to happen.

Chief Officer, Customer and Local Services:

Yes. I think the key thing is that we will be able to deliver that level of savings without needing to restructure and, therefore, there is no risks of redundancies. That is the first important thing to be clear on. If we were going to do that, describing it in a public hearing would not be the best way of describing it because we would obviously have to make sure that the staff knew about it first if we were going to restructure, but we are not. The second thing perhaps to do is to stop the service or reduce the service and we are not planning on doing any of those. This is about 1 per cent of our cost base, so it is not significant in terms of when you look at the whole cost of operating the department. We think we can make that through continuous improvement in practices, which we are good at and have done many times before.

Deputy R.J. Ward:

You are happy with your current level of staffing and it can provide all the services you want to at the level that you want to provide them?

Chief Officer, Customer and Local Services:

Yes.

Deputy R.J. Ward:

Okay. Do you want to move on to the next one, Deputy Porée?

Deputy B.B. de S.DV.M. Porée:

Yes. I am going to ask some questions in relation to the revenue expenditure growth. The Government Plan requests £500,000 in 2024 for the continued development of regulation legislation procurement for a new Jersey pension service scheme. The aim was to have lodged and debated the policy proposal before the Government Plan debate. Why has there been a delay on that?

The Minister for Social Security:

I think just because it is a very complex subject and it has taken longer than we would have liked. Well, not we would have liked. I think I have set a fairly ambitious target and it is a complex thing for the pension scheme. I think what we will be doing over the course of next year ... I mean, we have done a lot of work this year in terms of refining how we think the scheme will operate, listening to the chatter that happens when you start talking about pension schemes and people making contributions and the wider frame, obviously. We have a good strong idea of how we would like it to operate. We want it to be simple and effective and as low cost as possible and then we will continue ... we have a model that we think is workable. We need to work through then how we service that model, how the I.T. (information technology) systems work. We need to go out to public consultation on it because many of the public would be affected if we are asking them to make contributions. We need to talk to businesses, service providers. So that will continue through this year with a view to legislation coming at the end of next year - hopefully with a view to legislation coming at the end of next year - and then the actual introduction will really depend on a number of things but we will have to look at the general economic circumstance at the time because if we have inflation going through the roof to then say to people: "We are going to take more money out of your salary to go into a pension scheme", while it is a good idea in the long term for people to save for pension schemes, it may cause anxiety if people are already struggling. So it is complex.

Deputy R.J. Ward:

I was just going to ask, just to check, because this a question for me, that is not the state pension scheme being re-established. It is something in addition to the state pension scheme for everyone to have, if you like, their own "private" pension scheme in addition to the state pension scheme that they pay into with their social security as normal?

The Minister for Social Security:

Yes. The social security scheme will not be affected. It will continue but the social security scheme is very much a kind of baseline and there are lots of people not saving, so it is to try to facilitate pension savings.

Deputy R.J. Ward:

Yes, I just ask in a public hearing because I know people are watching and they might be worried and thinking: “Hang on, what are they going to do with our state pension scheme?” but that is not the case, it is a separate thing.

The Minister for Social Security:

That will continue very much as is. It is a secondary pension.

Deputy R.J. Ward:

Yes, secondary pension. That is a good way to put it.

The Minister for Social Security:

We think there is about 30 per cent of employees have employer schemes already, so we do not want those to be impacted. Those will continue as they are, so this is really aimed at the people who do not already have a pension scheme. We do not want to say to businesses: “You have to set up your own schemes”, so we are trying to set up something that is much more centred on the employee and will assist the employee. So that is the general ...

Deputy B.B. de S.DV.M. Porée:

So just to recap, you felt that maybe the timeframe was a bit over-ambitious as you mentioned earlier on and it needs a bit longer?

The Minister for Social Security:

The timeframe ... I think we were possibly ambitious thinking we would bring legislation this year. That was probably ambitious, but we have continued working with advisers and we are now at the stage where ... what we will be doing ... there are further policies, there are still areas we have not really bedded down but we will then be looking at the real operations. We have to look at procurement and really get to how we administer it, how we run it and again we want it to be as simple as possible.

Deputy B.B. de S.DV.M. Porée:

Thank you, Minister. Would you at this moment in time have a new framework for lodging and debating the proposals or not, or how do you feel?

The Minister for Social Security:

I would still like to think we could bring forward legislation by the end of the year. Well, by the end of 2024. I would still like to see that coming forward for debate and it may be that what we would do at the end of 2024 is bring in a kind of framework law and we may then need to look at regulations

and any secondary legislation to just fill in the gaps, if you like, and then really look at how we implement it. We are looking at it coming in on a phased basis.

Deputy A. Howell:

Can I just ask, do you think you will still need the £500,000?

The Minister for Social Security:

I think we need that because we need to do things like we will still need to take advice. We will need project management time. We may need some early procurement. We will need to run a consultation. Yes, we think that is the money we need to do all the work, the preparatory work.

Deputy B. Ward:

I am always supportive of pension schemes because it is like deferred salaries and it is insurance policies, so you will get no gripe from me from that point of view. However, people who are already paying into a pension scheme from an employee's point of view are in the higher bracket financially, a lot of them. So this will be really for the lower-paid who are the ones where every pound really counts.

The Minister for Social Security:

Well, and that is the challenge.

Deputy B. Ward:

There is an awful lot of work and I do not disagree with the principle. Why do we not just raise the old age pension because that affects everybody because everyone is paying in and the ones who cannot pay in, the Government pays in that money for them, part of the funding stream? Would it not be better to have a better quality and uprated old age pension so that people do have some security in their retirement period?

The Minister for Social Security:

People do have the security from the social security scheme and, as you say, there are people at the higher end who are quite well off as pensioners but we are trying to get other people to take responsibility for their own savings. Yes, it is about how people can save for their own retirement. It sounds very easy to say we will just up the pension but that means we are getting everybody across the board more pension and that will mean having to look into the scheme evaluations. Everybody gets the same. What the new scheme will do, it will reflect people's own savings. So in the social security scheme, regardless of what you pay in, you get out the same amount depending on how many years you have worked.

Deputy B. Ward:

Okay, so the person puts the money in. Does the employer put the money in as well or is it Government that is putting in the other half?

[09:45]

The Minister for Social Security:

This one will be employer and employee. That is the current thinking but that in itself will be controversial.

Deputy B. Ward:

Just 2 contributor schemes, yes.

The Minister for Social Security:

Yes. It is to facilitate ... the state scheme is a kind of safety net for everybody and this is to facilitate other people saving for their own old age.

Deputy B. Ward:

If they are on income support, because they would be entitled to make savings, who puts in the employer's ...

The Minister for Social Security:

The employer will put in the employer. The idea is that if they are in employment, the employer will make a contribution as will the employee. Most workplace schemes, I believe, are set up in a way that the employer contributes and the employee contributes, so it is in the employee's interests because if they contribute they get something from their employer. I do not think there are many schemes where ...

Deputy B. Ward:

But if they are not working, they are on income support but they would like to contribute ...

The Minister for Social Security:

If they cannot contribute ... well, at some point they will work. It will be a lifetime scheme, so if you are working you can contribute. If you are on income support, if you are not working, you do not have to contribute but when you get a job you will then be able to contribute. If you are not working and, let us say you are a spouse who stays at home while the other spouse goes to work, as a couple you will be able to pay in for the non-working spouse. We want to try to make it that self-employed people can contribute to it.

Deputy R.J. Ward:

If you are long-term ill or have a disability?

The Minister for Social Security:

Well, you would then be on the benefits plus income support plus you would still have the state pension.

Deputy R.J. Ward:

I have never seen the state pension described as the sort of basic thing before because some people will just have their state pension and that is a concern.

The Minister for Social Security:

If you just have your state pension and you are struggling, that is where income support comes into play. At the moment if all you have is the state pension and you cannot get by then income support will come in at that point.

Deputy B. Ward:

I know I drifted off.

The Minister for Social Security:

This is very long-term, it is a very, very long-term scheme.

Deputy B. Ward:

We will come back to that.

Deputy R.J. Ward:

Do you want to do your last question? Sorry, we overtook the one before.

Deputy B.B. de S.DV.M. Porée:

Thank you. Are you able to provide any indication of the proposals you will be putting forward and how they increase the number and percentage of people saving for their retirement?

The Minister for Social Security:

Well, we think at the moment there is only something like 30 per cent of people have occupational pension schemes. That will predominantly be in the public sector and in financial services, although there are other employers have their own schemes. So it is trying to make it easier. Part of the problem at the moment is if you are a small employer, even if you want to provide a pension scheme,

it is difficult to establish at low levels and where there are ... it is difficult. I discovered this a few years ago when I was self-employed. There are no ... you cannot just go and buy something from a provider and just put money into it. You have to have quite complex arrangements which generally only help people at the higher end of earnings. So this is trying to help small employers help make provision for their employees and help employees to give them an easy way of saving for their own retirement.

Deputy R.J. Ward:

Is it likely to be compulsory?

The Minister for Social Security:

People will be able we would like everybody to be enrolled into it but the employee will be able to say: "It is not right for me. I want to opt out for 3 years." They can opt out for 3 years. They may say: "I have just started work, I have just bought a house, I have just had a baby, I do not want these deductions" but they can then ... at the end of the 3 years our thinking is that they would then be re-enrolled but they could opt out again. It is in the employee's hands.

Deputy R.J. Ward:

It is just that public pensions people ... for some reason public sector workers get criticised for paying into their pension but what it means in the long term is they claim less income support, so it is really good. So perhaps S.E.B.(States Employment Board) should stop using that as a reason for not having a pay rise, but that is a different issue.

The Minister for Social Security:

I think you are right. I think people do not realise that public employees make a contribution to their own pension scheme. It is not all the Government giving them ...

Deputy R.J. Ward:

They are less likely to be on income support in retirement because they have more than one pension, which is really quite important.

The Minister for Social Security:

Exactly and, to be honest, that is also part of the thinking because the more ... we know that we have an ageing ... well, everybody is ageing but we know that our population mix is going to change, that we will have more older people and by doing this it means we do not ... the more we can have people to save for their own retirement, the less demand there will be on income support and, we would hope, the less likelihood of younger people having to pay more in the future to support older people.

Deputy B.B. de S.DV.M. Porée:

So really later on moving forward it will kind of become compulsory in a way, even though you can get that option of people opting out of it but the idea is moving forward to be compulsory?

The Minister for Social Security:

I think compulsory is difficult. I think people will adjust to it. I think people will gradually adjust to it. It is like everything if there is a change, people go: "Oh, we cannot do this" but I think as people adjust to it ... it has been in the U.K. (United Kingdom) for a long time. The U.K. have had not a similar thing but they have had a workplace pension scheme. Guernsey is doing it, other people are doing it.

Deputy R.J. Ward:

We need to move on but I think the issue is that it will not be compulsory but it might become necessary if the state pension is eroded gradually with more people with less of a reliance on it, which is the subtle thing that happened I think in the U.K. There is less value in the state pension as you go forward although it has got the triple lock, or has it got the triple lock? I do not know any more.

The Minister for Social Security:

We have an increase. I think that stay. We know there is funding there. We know there is funding for the old age pension for many years but we say we are going to back it up and then suddenly we do not have the money for 40 years but we have it for 20 years.

Deputy B.B. de S.DV.M. Porée:

It is my next question in terms of funding, moving forward how are you planning to fund this scheme? At the moment you are saying there is money for the funding but how is that funding going to be created?

The Minister for Social Security:

The funding that we have at the moment is really establishment funding, I think. Is that fair to describe it? It is how we get it up and running and I do have to emphasise this is still ... we do have quite a long way to go and getting all the stakeholders on side with this. This is how we establish it. The thinking would be that we have a simple model, that we have a very simple collection model. It will be run in a way that people do not have to make complicated choices and they will get a pension at the end of the day. So we are trying to take all the ... there will not be many bells and whistles, let us say, to keep it as cost efficient to run. It should be self-fulfilling. It may be that Government - I do not know, we have not got to that stage - may have to put some money in at the early days to

fund the early years of administration and investment of funds but most pension funds aim to be self-funding, but because you are in it for the long term ... so there may be people going in who are in their 50s or 60s who will still get some benefit but really the people who will get the most benefit are the people who go in when they are 22.

Deputy B.B. de S.DV.M. Porée:

No hope for me then.

The Minister for Social Security:

Well, no, you have got a long way to go, Deputy Porée.

Deputy R.J. Ward:

I will just let Andy ask something and then we will come back.

Deputy A. Howell:

Would you only target the 70 per cent who have not got occupational pensions?

The Minister for Social Security:

Well, it is aimed at those because the people who are in occupational schemes ... what I do not want to do, what we really do not want to do, and this is where we need to be careful, is that we do not want existing schemes to be closed. If you are a bank and you have got a really good scheme, we want that scheme to continue. For employers who have schemes, it is nothing to see here, you can carry on doing your thing and providing the pension in the way you do at the moment, but for employers who do not have a scheme, it will facilitate them paying contributions, if that is the way we ultimately get to.

Deputy A. Howell:

So it will affect, will it not ... because it is not going to just affect the employee. It is going to affect the employer because they are going to be expected to put in some money, are they not?

The Minister for Social Security:

Yes, it will do but that is why it is such a tricky area and and that is why we are going to have a long consultation because we do have to talk to ...

Deputy A. Howell:

Yes, because it will impact on every business, will it not, if they are going to have to pay more?

The Minister for Social Security:

It will impact on every business who does not have a pension scheme at the moment but there are employers who pay 7, 8, 9, 10 per cent already.

Deputy B.B. de S.DV.M. Porée:

That includes all small businesses because as a rule small businesses have no protection or cover for pensions for their employees.

The Minister for Social Security:

Yes, exactly, yes, so it is aimed at helping that.

Deputy B.B. de S.DV.M. Porée:

It would be good to feel that the businesses are supported moving forward.

The Minister for Social Security:

Yes, it will be good to hear your views on that in due course, Deputy Porée, as a business owner. We will want to talk to all business owners.

Deputy B. Ward:

Just a comment which airs some concerns. Jersey has a very transient population, so people would be with one employer, I am guessing. It is about looking at the rules of the game of the pension scheme, that it has some transferability to any U.K. scheme and it is all these. Also they may have only done it for 3 years, so they move into the trivial pension rules in the game and it is about they might be 25 and they are going to have to wait until they are 68, 69 in the U.K. or whatever it is because pensions tend to move with what the U.K. retirement scheme is, and that is a long time. So there is a lot of rules that need to be looked at.

The Minister for Social Security:

Yes. It may evolve but what we are going in the first instance and we have to reflect that there are a lot of businesses who bring in seasonal workers who may not want to pay into a pension in Jersey for all sorts of reasons, so we are going to limit it, certainly when it launches, to people who are entitled to work. So we are trying to aim it at people who we think may stay in Jersey and I know that life changes all sorts of ...

Deputy B. Ward:

Crystal ball.

Deputy R.J. Ward:

If it is a clear scheme, it is going to be a choice for the individuals to look at whether they think they are going to stay here and it is about the clarity around it. As somebody who has had to think about pension schemes, they are an absolute nightmare. They are never clear.

The Minister for Social Security:

Yes, and that is why simplicity is ... because what we do not want ... all the research shows that when you say to somebody: "Here is a pension scheme, now you can choose this fund, this fund, this fund or there is a default", most people do not choose. They just go we will just have ... they do not do anything. The idea with this is that people ...

Deputy R.J. Ward:

If you can develop a scheme that will get my daughter interested you will have done well.

The Minister for Social Security:

This one is just you pay your money in, you do not have to make any complicated decisions and you get a pension at whatever age we decide the pension becomes payable at.

Deputy B.B. de S.DV.M. Porée:

Chair, can I just come in? Sorry, Minister, you just mentioned something that is of interest in terms of pensions and people who may not be here working in Jersey permanently. Are you looking at some of these pensions once it comes to the point that it will be compulsory for employers to contribute that that pension may be transferable if people are working in Jersey on work permits and they will not be remaining in Jersey throughout their retirement? Are you looking at transferring some of these pensions according to the category of employment and ...

The Minister for Social Security:

At the moment, people on work permits would not be part of this. So if you are an employer who has people on work permits, you will not have to put them ... they will not go into the scheme. If they were to stay in Jersey and become entitled to work or entitled through some third tier development or they decide they want to stay and something happens, they get married, then they could become part of the scheme, but we think that many seasonal workers are coming to Jersey to earn money to take home and that they will not want to put money into a pension scheme. Also it would add to the admin for everybody, finding somebody in 30 years who may live in another jurisdiction altogether. So certainly at the launch people on work permits will not be part of this scheme.

Deputy B. Ward:

We need to look at the detail.

The Minister for Social Security:

Yes, exactly, there is a huge amount of complexity, as you have all pointed out.

Deputy R.J. Ward:

Shall we move on to the next one because we have taken longer on that one? I think we will come back to that one at another hearing at some point.

The Minister for Social Security:

Yes.

Deputy R.J. Ward:

Deputy Howell, do you want to ...

Deputy A. Howell:

Thank you. I just wondered if you could explain what the Community Compass project is and how it benefits Islanders?

The Minister for Social Security:

Well, I think it has been incredibly helpful. The Community Compass originally started I think in 2022 and it has continued in 2023 and it is basically a means of giving small grants to various organisations in the community. It is grants of up to £5,000 for a purpose and the purpose is principally aimed at getting people of any age into doing sports activities, arts and culture. It was really a kind of a post-COVID response in dealing with social isolation and getting people into the community, giving them options to get into the community. I started on my first list marking ones that were interesting, so I will just give you ... there have been 90 grants and I have the list, but just for example, Macmillan Jersey for an allotment project, Mind Jersey for a drama group, Jersey Football Association, over 50s walking football ... just saying.

Deputy R.J. Ward:

No, I have got to say I was invited and I did not go but I must go. It is on a Wednesday night. I have got a friend in it.

The Minister for Social Security:

Well, there we go. So they have had some support.

[10:00]

Deputy R.J. Ward:

I have always got something on a Wednesday night unfortunately.

The Minister for Social Security:

The Sanctuary Trust, gym passes for their residents. Jersey Mencap, we gave money for that project. Basketball Association who had something called Project Bounce, which was setting up a women's only basketball league, which has been very successful. Rock N Road Runners, Age Concern. Age Concern was interesting because what they were trying to focus on was getting older men and I think older men can be particularly vulnerable to isolation, so what they have done at Age Concern, the new building, is they had a grant and that has paid for a snooker table and there is another kind of sports item but they have a great snooker table to attract men there and there has been other activities for men at Age Concern. Youth Choir, Shelter Trust again, walking football. Music lessons, writing for men. I am pulling out some ones for men. There has been a huge ... there has been a big take-up and it is empowering people within the community and community groups and I think it has been very successful and we are looking to expand it. We have a group of community connectors who are third sector organisations who will help either get people into these projects or help set them up.

Deputy A. Howell:

I just wondered if you could let us know how do people apply for these grants? Who do they apply to?

Chief Officer, Customer and Local Services:

I think there is an online route to apply. It is quite a straightforward process and it is quite a straightforward grant award. We have made it as easy as possible for people. As you can tell, we have had 90 projects. We can send that to you. It is all done online and very straightforward.

Deputy A. Howell:

Do you believe that the funding level is sufficient for this project if you are wanting to expand?

The Minister for Social Security:

Yes, I think so.

Chief Officer, Customer and Local Services:

This was funded from COVID money, as the Minister said, so we know the level of demand, we know the sorts of projects, we know the amount of money for each individual grant that will make a difference and we have got a very long list of successes, many of which you have probably read about in the paper as well as on social media. We know that is working, so the level of money bid

for to make this a permanent set of funding like in this Government Plan is based upon our track record in the last 18 months, so we have a good feel that it is the right sort of money.

Deputy A. Howell:

So will you carry on with the 90 projects? You will not need a new snooker table but perhaps ...

Chief Officer, Customer and Local Services:

Yes. So these are one-off funding, so once they have been funded ...

Deputy R.J. Ward:

How much is in the Government Plan for this fund?

Chief Officer, Customer and Local Services:

£380,000.

Deputy R.J. Ward:

I have got it. I asked you just as I have got it straight in front of me, sorry.

The Minister for Social Security:

I think the people who apply for the grant either get something up and running to establish it and then they ... I think the basketball is now running itself but people could come back and say: "We want to expand or to help promote." It has been very effective, I think.

Deputy R.J. Ward:

It is a really important thing. I think there are some really good ideas out there. Just to finish this off, putting them right in the hands of the people who are in contact means it is an effective use of the money where it is absolutely needed because people know about these things as opposed to having to look for things, so it is good.

The Minister for Social Security:

It is community empowerment.

Deputy R.J. Ward:

Yes. We have got some questions on the Health Insurance Fund. Deputy Ward?

Deputy B. Ward:

Yes, thank you, Chair. Minister, this year's Government Plan proposes to fund a new vaccination service from the Health Insurance Fund. Are you aware of the details of this service?

The Minister for Social Security:

I think that is something we are still working through. We are working through how that will be continued. Sue, do you want to add something on that in terms of how we do it?

Director, Strategic Policy, Planning and Performance:

I think you are absolutely right. At the minute it is just being looked at by the people who are experts in vaccination, which is not this team.

Deputy R.J. Ward:

Can I just ask on that, when we say “vaccination” now everyone goes immediately to COVID. I genuinely do but it is a wider vaccination, is it not?

Director, Strategic Policy, Planning and Performance:

It is, yes. This is adult vaccinations, so this is flu, COVID, it can be shingles, it can be meningococcal.

Deputy B. Ward:

The pneumonia jab.

Director, Strategic Policy, Planning and Performance:

Those are the 4 main ones that would be covered by this and that is why it is being reviewed at the minute. So the idea is to make sure that a comprehensive system can be set up that makes sure everybody gets what they need at the right time. Obviously there are things that need to happen at certain ages and certain priority groups. It is bringing that all together and seeing what is the best way of addressing all those different groups.

Deputy A. Howell:

So it will not include children?

Deputy R.J. Ward:

Not the H.P.V. (human papillomavirus)?

Director, Strategic Policy, Planning and Performance:

Children are separately. H.P.V. is through schools and there is baby vaccines I think are also separate.

The Minister for Social Security:

I think as I understand it the whole vaccination thing is very ... it happens all over the place, so this will bring some of it together.

Deputy R.J. Ward:

Adult health, yes.

Deputy A. Howell:

But where will the children's come from?

The Minister for Social Security:

Where it already comes from.

Director, Strategic Policy, Planning and Performance:

The issue was COVID obviously is a major cost as part of this extra thing. The children's vaccine system is currently funded, the H.P.V. is currently funded, so you do not see that in the Government Plan because it is already there. You are seeing what is extra. This is extra. The COVID funding during the years of COVID was funded through one-off funding. We have just talked about Community Compass. That was one-off COVID funding as well. There are quite a lot of things happening in the 2024 Government Plan which are the end of the COVID one-off funding moving into business as usual, public health as well. So this is one of those things. The COVID is the extra thing. Prior to COVID there was funding for flu, there was funding for children, there was funding for H.P.V.. So those ones have not changed. This is bring the adult ones all together into one co-ordinated programme and working out how best to deliver that.

Deputy B. Ward:

I am trying to tease out what exactly is the Health Insurance Fund going to be used for. Is it just for the vaccines or is it for a team of staff that was picked up normally by Health and Social Services or is it going back into ...

The Minister for Social Security:

How we do it has to be worked out, how vaccines are delivered has to be worked out and, as I say, it is a work in progress. There is no reason why the Health Insurance Fund should not pay for the vaccine because it pays for other vaccines but in terms of the delivery, how we deliver it, that has still to be considered.

Deputy B. Ward:

So it is about paying for staff and personnel to do this when the G.P.s (general practitioners) are already doing vaccinations in their practices?

The Minister for Social Security:

G.P.s are not doing COVID vaccinations, I do not believe.

Deputy B. Ward:

That is the only one that is outstanding but they do everything else, do they not?

The Minister for Social Security:

Yes, they do. We are working out a new model for vaccines and the decisions are then taken on the spend.

Deputy B. Ward:

We have had details from the Primary Care Board. They consider it inappropriate for the H.I.F. (Health Insurance Fund) to finance Health and Social Services to carry out vaccine services. How would you respond to this?

The Minister for Social Security:

Well, part of the question is value for money and we have to make sure that in any service we are getting the best value for money. In terms of delivery, it has yet to be decided how vaccines are delivered and how we do that most cost effectively to get the best value for our money.

Deputy A. Howell:

Would you not say that patient choice should come into it as well?

The Minister for Social Security:

Patient choice, yes, but patient choice depends on ... well, if a patient wants to pay £60 for a G.P. to inject them when they could have it free somewhere else, that is their choice.

Deputy A. Howell:

Yes, but I think perhaps you need to factor in the actual cost of the Fort at the moment and the cost of all the staff you have got up at the Fort.

The Minister for Social Security:

Exactly, yes.

Deputy A. Howell:

I think it is not perhaps quite as clearcut as it might be.

The Minister for Social Security:

Exactly but I think all of these things will be taken into account and we will be looking at the cost of all the delivery mechanisms and I think we will go with we have to look at what is the best value for money in terms of the delivery mechanism, but that is all being worked out.

Chief Officer, Customer and Local Services:

If I can just add, those conversations are taking place with the primary care body and also pharmacists as well to understand their views and also what they anticipate might be some indicative pricing for a combined COVID-flu vaccination programme.

Deputy R.J. Ward:

Do you think it might be sort of a hybrid system where people do have an option to go and see the G.P.? I agree with you. My concern is that people will miss out on vaccines if they have to pay for the G.P. It is a concern I have in general that they do not take their primary healthcare seriously because £60 it does not matter who you are.

The Minister for Social Security:

I would not pay £60 for a jab.

Deputy A. Howell:

Thanks to you, I do not think it is £60 any more.

The Minister for Social Security:

It is not £60, no. No, it should not be more than £40, I believe.

Deputy A. Howell:

Exactly.

The Minister for Social Security:

I think with the COVID jab there are still issues around how they are stored. Some practices may not want to do the storage, but to me it seems absolutely logical why can you not have somebody with a bag going to nursing homes and giving people jabs? Why can you not do that? Why can they not be delivered ... how can we do it easily for people? So there are lots of options and they are all being worked through.

Deputy B. Ward:

When it comes to storage, the way the new vaccines are they can be kept in ... all G.P. surgeries if they are doing any vaccinations they have their own specific vaccination fridge and it is fully

monitored and whatever. When you go into nursing homes it is kept within the cold frame. I have done it, going into nursing homes, so I know how to apply it.

The Minister for Social Security:

I am sure we will work through all those but there were issues about storage in the early days. Maybe that has moved on.

Deputy B. Ward:

That is when it first came in when it had to be kept at minus 70 but that all was kept in one place and that was at the hospital pharmacy up in the fridges up at Overdale.

Deputy R.J. Ward:

You never know what is coming in the future. If we learnt anything from COVID we learnt to expect the unexpected, to be quite frank. We have got to learn that. Have you got another one?

Deputy B. Ward:

Yes. Do you think that the Health Insurance Fund as a scheme being delivered by H.C.S. (Health and Community Services) fits with the original purposes of the Health Insurance Fund?

The Minister for Social Security:

I am sorry, what scheme do you mean?

Deputy B. Ward:

The vaccination scheme.

The Minister for Social Security:

As I say, that has not been resolved. We have to look at the delivery mechanism and we have to look at who is delivering it and how and when, so I cannot answer that question.

Deputy B. Ward:

We are being a bit sort of previous at the moment, so we need to sit down ...

The Minister for Social Security:

Yes, because we do not have any decisions on that yet. We just have to look at the best way of delivering vaccines that suits patients and is cost effective to the taxpayer.

Director, Strategic Policy, Planning and Performance:

Your point was about the use of the Health Insurance Fund. Vaccination is absolutely a service that should be delivered in the community, to the community and, therefore, it fits well with the other things that it is used for. Who delivers the service is, to my mind, neither here nor there. The point of the fund was to assist people with their primary care needs, of which vaccination is one.

The Minister for Social Security:

Vaccination is clearly primary care.

Deputy A. Howell:

Can you just also take into consideration that G.P.s do go and visit patients in nursing homes, so they could do it at the same time.

Deputy B. Ward:

And pharmacists. They go in as a team.

The Minister for Social Security:

Yes, we know about that. That is all being ... as I say, it is under discussion with all the relevant parties.

Deputy B. Ward:

Okay, and timeframe?

The Minister for Social Security:

I do not know. Timeframe, Ian, do you know where we are on that?

Chief Officer, Customer and Local Services:

Well, we are in middle of conversations at the moment. I hope that this will be resolved by the end of the year so we have got a clear way forward for 2024. Most of the vaccination activity is towards of the end of the year, so autumn 2024 is when most vaccinations are delivered for flu and COVID especially going into the winter period. I am optimistic that we will have good conversations this year to get things concluded.

Deputy R.J. Ward:

But we are okay for this year?

Chief Officer, Customer and Local Services:

Yes, obviously 2023's campaign is underway and, yes, the flu jabs are available, COVID jabs are available.

Director, Strategic Policy, Planning and Performance:

That is the point about the Fort. This is the last year of the special COVID funding with the facilities at the Fort. Next year it will be different because we are moving to business as usual next year, so whether or not it will be the Fort next year ... that seems, as you say it is now ... the volume of activity is right down. It will be different, so you can redesign it for 2024.

Deputy B. Ward:

COVID will not be delivered from the Fort as in 2024?

Director, Strategic Policy, Planning and Performance:

Well, we do not know but it seems unlikely.

Deputy B. Ward:

I think in the Government Plan it alludes to something different but also I do not know whether you are aware that they have moved the vaccination team up to the Fort. I do not know whether you are aware of that.

The Minister for Social Security:

I do not know. Delivery of the COVID jab is not my ...

Deputy B. Ward:

It just seems a contradiction why you would move some vaccination, immunisation staff up there.

Deputy R.J. Ward:

There is a plan for 2024 and we will come back to it when we know what the plan is.

The Minister for Social Security:

Yes, we will come back to it later on once we know what that is.

Deputy B. Ward:

Thank you.

Deputy R.J. Ward:

The next questions is from me on the Social Security Fund. In February 2023 during a debate on the States grant to the Social Security Fund in 2023, you advised that the grant would be returned to its full value of £82 million in 2024.

[10:15]

You added that the grant was an important source of funding to ensure long-term financial stability. Can you explain why this year the Government Plan proposes to reduce the grant from the consolidated fund by £20 million in both 2024 and 2025?

The Minister for Social Security:

I think essentially because money is very, very tight in the next couple of years. The Social Security Fund can bear the reduction next year and the year after. We will have the money paid in 2027 so it is simply, as you say, a deferral. Since the debate last year, we have had the actuarial reports. The Social Security Fund and the Social Security Reserve Fund are in very, very good health. We know that the Social Security Fund will be ... even if we have no migration at all, it will run to ... we have got enough money to pay pensions until 2066 and for very much longer if we have any degree of migration. So we have very good ... the fund itself is in very good health. The Social Security Reserve Fund has a balance of £2.1 billion, so we will draw from that if we need to and the Social Security Reserve Fund, as I read it, will have £109 million of income in 2024, 114 of income. So the £20 million is a relatively small amount even in comparison with the investment income going into the Social Security Reserve Fund. So I do not have any concerns with that money being deferred for a couple of years because it helps services be provided elsewhere.

Deputy R.J. Ward:

That was my next question that you just answered. Since 2015 the fund has not been paid in full. The States grant to the Social Security Fund, sorry, has not been paid in full. Let me be more specific there. I was trying to shorten the question but sometimes it does not work. I do try to shorten the big questions but it just does not always work. This year's Government Plan now proposes to reduce the value of the States grant by £20 million off its full value for 2024 and 2025 and it is being subsidised by the Social Security Reserve Fund. Are you confident that the funds will be returned back in 2027? The same pressures that we have now are, let us be honest, quite likely to be there in 2027 in terms of money and wherever the money is being used, which I will ask about in a moment. Are you confident for 2027? I suppose the question is what gives you the confidence?

The Minister for Social Security:

I am assured that the forecasts are such that the money will be there in 2027, so it is simply a deferral. We will go back to normal. We are down a little. Well, we are down by 28. We will still have a States grant of £57.5 million this year, £69 million next year. We are back to £89 million in 2026 and then we get the £40 million back, if you like, in 2027, at which point it will be repaid into

the reserve fund. So to an extent we are drawing from the reserve fund but we will pay that back. Yes, I am told the money will be there and looking at the forecasts for the 4-year period of the plan.

Deputy R.J. Ward:

The context for this is if you look at the formula set out in law, if it had been used every year since 2016 until now there would be, we estimate, £346 million richer in the fund, which is a significant amount. What impact has that over the 8 years had on the fund in terms of its long-term financial stability? I know you have just said ...

The Minister for Social Security:

Well, if you look at the graph it has had absolutely none because it says the Social Security Fund can pay pension with no migration, has sufficient money to pay pensions up to 2066, 2081 if we have 325 migration. So I think because we have ...

Deputy R.J. Ward:

It would have had an impact because it would have been even longer but ...

The Minister for Social Security:

It will have had an impact but we are looking at decades. It would appear to me, looking at the actuarial reports, it has not had an impact on the long-term sustainability of the fund and we also have the Social Security Reserve Fund which, as I say, has £2.1 billion and which already generates a lot more investment income than the States grant in total.

Deputy R.J. Ward:

Does that investment income stay in the reserve or is that moved into the Social Security Fund to fund it as well?

The Minister for Social Security:

We move money from the reserve fund into the Social Security Fund where we need it. So the £20 million reduction in the States grant for 2024, we will draw £20 million from the reserve fund and then that £20 million will be paid back in 2027.

Deputy R.J. Ward:

Okay, and with higher interest rates, would that reserve fund make more money and ...

Chief Officer, Customer and Local Services:

Well, yes. It is like having a current account and a savings current, if you see what I mean. The fund is used to pay out benefits today and as we need funds moved across. Typically over the

lifetime of the fund we have been saving money into our savings account, which has developed the £2.1 billion balance we have. Yes, some of the funds are invested in cash or near cash assets but most of this is invested in higher returning assets anyway.

Deputy B. Ward:

I think you probably know my views about taking money out of ... or not putting in the full value as set out by the law Section 9A which sets out the formula. I have concerns about when funding streams are interfered with.

The Minister for Social Security:

Yes, but you have seen the actuarial reports which were based on ...

Deputy B. Ward:

I know but that was this time. It could be different in 3 years' time. Actuarial reports is just taking one day in time. It could have gone either way, we do not know, because the markets are still extremely volatile. We have no idea what is going to happen when we have the next actuarial valuation. For the money that has not been put into the fund from the Government, the £300 million from 2020 to 2023, is that going to be put back into the fund?

The Minister for Social Security:

No, there is no ... the States Assembly in each of those years agreed that that money was not going to go in and it was going to be spent to support the COVID response and there was never any suggestion that it would go back into the fund and there is no plan I am aware of to put it in. I think the other thing to me we could put money into that fund but then it is ring-fenced and we cannot use it and if by not putting money into that fund, we have to cut benefits, cut other services by £20 million, I would rather services were not cut. How do we cut £20 million off services: shut a school for a year, shut a ward in a hospital for a year? I do not know.

Deputy B. Ward:

That is shroud waving, Minister.

The Minister for Social Security:

But that is it, the money in the fund just sits there and is not used. We do not need it in that fund at the moment. There is plenty of money in the fund and the reserve fund and I am assured that we will get the money back in 2027.

Director, Strategic Policy, Planning and Performance:

The Minister this week has lodged regulations that will change the Social Security Law and they will set the grant for 2024, 2025 and 2027. The £40 million in 2027 will be, if it is approved by the States Assembly, in law from after the Government Plan debate, so the law will actually say that.

Deputy R.J. Ward:

We have only just really seen that.

The Minister for Social Security:

Yes, it was only lodged yesterday.

Director, Strategic Policy, Planning and Performance:

I just want to reassure you it is going to be in the law itself.

Deputy R.J. Ward:

There is a lot to read at the moment going on anyway. Okay. The next set of questions is on the Long-Term Care Fund.

Deputy B.B. de S.DV.M. Porée:

As we have already said, this is about long-term care. The Government Plan states that in order to support the ongoing sustainability of the fund and to take account of the intergenerational issues, you will review the timing of the next increases in the L.T.C. (long-term care) contribution rate during 2024. What is the timeframe for this review presently?

The Minister for Social Security:

It will just be some time over the next year. I do not think we have done a workplan as yet. We do not know the exact timing but what I need to say on that is there is not specific urgency to do that work because again the actuarial reports show that the fund balance at the moment is projected to grow until 2030. It will then start to fall but not to a level where we would be anxious or imprudent until 2038. I think we do not have to do anything immediately but I think just for those reasons of intergenerational fairness it would be better if we have to start increasing contributions and that is a question mark - to we have to and when do we have to do that - to start thinking about that next year. That will be the early thought process of what do we have to do in terms of contributions because 1.5 per cent ... I think my predecessor tried to increase it to 2 per cent and I was going to say was beaten down by Scrutiny to 1.5 per cent. It will have to go up at some point.

Deputy R.J. Ward:

There is a question of whether that is rounded up sometimes, but anyway. You used the phrase "intergenerational fairness". We are in a public hearing so it is a good opportunity to explain that

term “intergenerational fairness”. It is something I find very confusing and there could be some people who say it is not intergenerational fairness. It is putting the burden on younger people because of effectively they are the ones who are earning the money that will go towards long-term care, which they hope they will never need.

The Minister for Social Security:

Yes. Well, we all pay for things that we probably do not ...

Deputy R.J. Ward:

I fully accept that. That is part of our ...

The Minister for Social Security:

I think intergenerational fairness is exactly as you suggest. My understanding of it is that we are trying to avoid a situation where young people ... with long-term care, all these things, you pay in on the assumption that when you need the care it will be available for you and I think we need to start funding things at the right level. There are people who will be getting long-term care who did not pay into that scheme because of their age. Other people are paying into it. So it is trying to make sure that it is fair, that if you are paying in that there is a service there for you if you need it when you are 70 or 80 or whatever.

Deputy R.J. Ward:

So the intergenerational fairness is to ensure that younger people as they come through have access to that?

Director, Strategic Policy, Planning and Performance:

Thank you very much for asking the question. As you said, it is useful to explain. In this context what we are saying is that the 1.5 per cent rate is okay at the minute. It will need to go up in the future. If we increase it sooner rather than later that improves intergenerational fairness. It is what you are saying, you are getting more middle-aged people to be paying today rather than waiting and then having to put the rate up more later on, which means that more younger people would bear the burden of that cost. So basically bringing the cost forward is helpful. It builds the fund up. The fund is really quite ... it is a very young fund and it is just bobbing along at the minute. Does that make sense?

Deputy R.J. Ward:

No, that is good. I am glad I asked the question because that makes it clear.

Deputy B. Ward:

You are saying it is about younger people paying in, but people who are retired and they have done their due diligence and got other pensions as well, they are still paying for long-term care. It is not just youngsters that are paying for the long-term care. The older person is if they still ...

The Minister for Social Security:

If you have the means to pay, if you have the means.

Deputy B. Ward:

Yes. We want people to invest in pensions through their working life and whatever but when they retire they are still paying for the long-term care.

Deputy A. Howell:

You can still be paying long-term care at 99.

Deputy B. Ward:

Yes, and there are people who are going into nursing homes are still paying long-term care on their investments.

Director, Strategic Policy, Planning and Performance:

The long-term care scheme does a few different things. It does something that we have always done, which is to support low-income people with care costs. People have always been supported through various government schemes and parish schemes and all sorts of things in the past, a bit of a hodgepodge but it was there. The long-term care plan, which is extra to what used to happen before, supports people with means. It stops them having to bear the full cost of their care themselves and, therefore, asking people who pay income tax to pay into the fund is again you are matching who is getting the most benefit out of it. The people who get the most benefit out of the Long-Term Care Fund are people who have means and are more likely to be paying income tax and therefore the politicians at the time viewed it was fair to use income tax as the way of levying that cost as opposed to, going back got intergenerational fairness, the other option that was available at the time would have been social security contributions, which are only levied on working-age people, which would put even more burden on the younger people and remove the burden from older people who are the main beneficiaries of the scheme.

Deputy R.J. Ward:

So if you do not pay income tax you will not be paying the Long-Term Care Fund?

Director, Strategic Policy, Planning and Performance:

If you cannot afford to pay income tax, you will not be paying long-term care, yes.

The Minister for Social Security:

If you have assets, if you have money in the bank you would have to pay something.

Director, Strategic Policy, Planning and Performance:

There is a difference between paying the contributions and paying the cost of the scheme, yes.

Deputy B. Ward:

Is there any thought about saying after a certain age that you do not pay the long-term care, say if you are 80 years of age? You may have some income.

The Minister for Social Security:

If you are 80 years of age with £3 million in the bank, I think it is quite difficult to ask people not to pay for your care when you can afford it. That is the problem. The system works on the basis ...

[10:30]

Deputy B. Ward:

Paying the 2 per cent on their tax.

The Minister for Social Security:

Well, if you are paying tax you pay long-term care contributions. If you are not paying tax but you have cash we would still expect you to make a contribution towards your care costs and I think that is fair but once you have paid that amount there is a kind of set amount and once you have paid that amount you then get long-term care regardless of your wealth, so that is quite clear. I do have to emphasise again our scheme is very generous in that people can keep over £400,000 of assets. In the U.K. they were talking about increasing that to £100,000 and they have not done it, so people will lose everything in the U.K. virtually and we do not. It is a very, very good scheme but it does say if you need care ... I do not think it is unreasonable to say to people who are able to pay something to their care that they do pay something to their care.

Deputy B. Ward:

I am not saying getting care for free. It is paying the long-term care, the 2 per cent after a certain age, say when you reach 80.

Deputy R.J. Ward:

I think we are talking about 2 different things there.

Director, Strategic Policy, Planning and Performance:

It goes back to the intergenerational fairness. If somebody does not pay, then the person paying is the younger person paying.

Deputy R.J. Ward:

The next question?

Deputy B.B. de S.DV.M. Porée:

I had the last question but I think I already know the answer, which was to find out in the long term what were you looking to increase the contributions for, but obviously it is something you are looking at and you have already said you are finding out what is the right ...

The Minister for Social Security:

Again, it is a complex area and it will be a difficult area and, as I say, I know my predecessor tried to increase it and did not get it through the Assembly. The Assembly and Scrutiny would not agree to 2 per cent so we have got 1.5 per cent and if the Assembly does not agree again then it does not agree. So it is not entirely in my hands.

Deputy R.J. Ward:

I think it was very context dependent though at the time. That is why.

The Minister for Social Security:

It is context dependent, yes.

Deputy B.B. de S.DV.M. Porée:

We are happy with that for now anyway. Thank you.

The Minister for Social Security:

Yes. I am not envisaging an immediate increase but I think we just need to look at it and have a plan for when.

Director, Strategic Policy, Planning and Performance:

Just thinking about the timetable, just giving a bit more thought, in reality it would be the first half of next year because if there was any changes they would feed into the Government Plan to follow for 2025.

The Minister for Social Security:

So at the start of next year then we will be thinking about it.

Deputy A. Howell:

You might bring a proposition for 2025; is that right?

Deputy R.J. Ward:

The 2024 Government Plan.

Director, Strategic Policy, Planning and Performance:

The next step of the Government Plan because long-term care is connected to the income tax system and any changes would have to be done at the beginning of the year.

The Minister for Social Security:

I do not want a headline saying "L.T.C. is going up from 2025". That is not what we are saying. We will just have to look at it.

Deputy R.J. Ward:

No, okay.

Deputy B. Ward:

Just a quick question. We have spoken about this briefly and it was about the carer's allowance. Is any consideration going to be made that someone who is caring ...

The Minister for Social Security:

We have discussed that many times and I said we will look at it next year.

Deputy B. Ward:

I just want the public to hear this because there are 5,000 people who are caring informally and I feel we should be doing something to support them.

The Minister for Social Security:

To give 5,000, that is tens of millions of pounds.

Deputy B. Ward:

You are going to be looking at in the future. Thank you, Minister, for giving us that assurance.

Deputy A. Howell:

My last question is: the Government Plan also states that the transformation of healthcare services and the proposed introduction of the new care needs at home benefit are intended to reduce the

number of individuals who will need a care home placement, therefore helping to reduce the extent of future increases in the long-term care expenditure. The panel understands that the scheme is due to be implemented by the end of the year and we are just wondering if this is still your intention.

The Minister for Social Security:

Implementation dates. Early next year.

Director, Strategic Policy, Planning and Performance:

The 2023 plan we are currently working to suggested there would be a pilot scheme set up in 2023 but in early 2023 we realised that the pilot scheme was a bit of side issue, a bit of a red herring, so we have spent our time looking at the main scheme straightaway. The main scheme is due to be done for next year, 2024, and we are still on track to do that.

The Minister for Social Security:

That will just go straight out but we have done a lot of work with the people who will benefit.

Deputy A. Howell:

I just wonder if you could explain it because I do not know anything about it.

The Minister for Social Security:

I think what it will do it will help ... it recognises that if you have a person who is being cared for at home there may be additional costs to doing that, so things like you may have higher fuel bills, you may need hoists, you may need special equipment. The care needs at home programme is aimed at meeting some of those costs.

Director, Strategic Policy, Planning and Performance:

The thing about hoists is whether they are in a care package, so you would get that. It is mainly aimed at the other things. We are aware that if you are a low income family looking after somebody at home you have got extra things that you do not get in your care package, your electricity bill, your food bill and stuff like that. You may need to buy special food, food might get wasted, you might be running the washing machine several times a week, you might need to keep the house warmer than it would be otherwise. It is those rather domestic things that do not form part of the care package but they are absolutely associated with having somebody with care needs in your house. The point about reducing the cost of long-term care by keeping people out of care homes will be just that. If people currently are taking a financial decision they cannot afford to look after their spouse or whatever at home because the heating is just too much for them to bear and they say: "You have to move into the care home, I am so sorry, I cannot do anything about it", that person gets some extra financial help to stay at home if that is what they want to do. You obviously still get a choice as to

what you want, but that is the point of this scheme to support people with those ongoing straightforward domestic costs that do not fall into a formal care package that may be creating financial barriers to people looking after people at home at the minute.

Deputy A. Howell:

Can you just explain how much payment will be made and to whom it will be made, please?

Director, Strategic Policy, Planning and Performance:

It will be made to the person receiving the care because they are living at home.

Deputy A. Howell:

Is there a specific income they are meant to be ...

Director, Strategic Policy, Planning and Performance:

That is what is being worked out at the minute. We will be getting a paper to the Minister in the next 2 weeks. There has been a significant amount of fieldwork gone on to identify people's actual needs and there has been significant planning around how you would do it, what methods you would use to make these payments, all that stuff. That is what the review is looking at at the minute.

Deputy R.J. Ward:

Have you got clear evidence? That sounds wrong, but is there a clear impact of this of keeping people out of care homes? I think that is a really important thing to do. Dare I say, it is probably something we talked about in the Jersey Care Model in terms of keeping people out of care homes and so on and when. I think there was a gap. It looks like it is left to say that is what is needed.

The Minister for Social Security:

I think this is running independently of ... I think the work on this started quite a long time ago, did it not?

Deputy R.J. Ward:

No, I have made that link. It might not have been there.

Director, Strategic Policy, Planning and Performance:

Again, it is supporting what the care model was trying to do but it is also supporting what people want to do, if you think, which is that people do want to be looked after at home if they can be. Jersey needs a variety of different things to facilitate that. One is some of the facilities that were identified in the care model, which are now going to come through in different ways and various concerns in the community. This is almost like the non-health bit of a care package. So it did not

feature in the care model because it would not have done because it was not a health thing directly. The Minister for Social Security at the time was thinking what else, what other barriers, what financial barriers exist that might stop people from being able to access community care as and when it becomes more available.

Deputy A. Howell:

The 5,000 people who are being cared for at home, it will be targeted at them but not all of them but because there has to be ... I just wondered how you were going to work out who was going to get the help.

The Minister for Social Security:

That is what is under way at the moment.

Director, Strategic Policy, Planning and Performance:

It will be people who do have a long-term care claim. If you are trying to stop people going into residential care homes, they have to have a level of need that means that they would be appropriately looked after in residential care and it is not going to be everybody. The informal carers relates to lots of people providing lots of different care across lots of different care needs. Some of those people will be people with high levels of care needs who would be appropriately looked after in a care home. Others will have quite a low level of need which is just being a neighbourly thing to help people.

Deputy B. Ward:

Long-term care has a very good assessment tool assessing whether you are on level 1, 2, 3 or 4 and let us use the same principle, but there would be a lot of people who are caring informally where the person they are caring for has not gone through the long-term care assessment.

Deputy R.J. Ward:

This scheme would not affect those because they have got to be involved in that scheme.

Director, Strategic Policy, Planning and Performance:

This scheme is currently aimed at looking after your long-term care claim. There are other existing mechanisms in income support to help people with slightly lower levels of care need, but they are slightly different. This is primarily aimed at helping lower income families support people at home and remove the need for them moving to a care home because of financial pressures on them.

Deputy B.B. de S.DV.M. Porée:

Can I just ask, with this particular care needs at home benefit, is that just focused on elderly people or you can ...

Director, Strategic Policy, Planning and Performance:

So the long-term care scheme is available for people aged 18 and above, so it would apply to anybody. Anybody with a long-term care claim that would be ... the Minister has not seen the papers yet but that would be the overall principle.

The Minister for Social Security:

There will be younger people who will benefit from this as well. It is not just older people.

Deputy R.J. Ward:

Are there any other questions? We have covered everything we wanted to and we just about got through it in the time set. Is there any questions you have for us as regards the Government Plan because we tried to focus on the Government Plan hearing? It is not always easy because you go off on tangents. Is there anything else?

The Minister for Social Security:

No. I must remember for next time to think of some questions for you.

Deputy R.J. Ward:

Well, it is a dialogue.

The Minister for Social Security:

Thank you for the opportunity but I do not think there is anything.

Deputy R.J. Ward:

With that then I will call the hearing to an end. Thank you very much for your time.

[10:41]