

# STATES OF JERSEY



## INCOME SUPPORT: MILEAGE ALLOWANCE

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Lodged au Greffe on 14th June 2012  
by Deputy G.P. Southern of St. Helier

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to request the Minister for Social Security to take the necessary steps to disregard any mileage allowances received when assessing household income for the purpose of income support awards.

DEPUTY G.P. SOUTHERN OF ST. HELIER

## REPORT

It is widely accepted today that if Jersey is to deliver high standards of care it must make better and wider use of its major resource, its people. For example, the Health and Social Services White Paper, "Caring for each other, Caring for ourselves", has the following –

Efficiency:

*"Many people felt that there are opportunities to improve the current system. Suggested ways to improve efficiency included reducing bureaucracy in health and social services, improving communication between organisations and bringing in more third party and private sector organisations to provide care."*

Services for older adults:

*"A wide range of care and support will be available, provided in a coordinated way by an integrated multidisciplinary community team. Individuals can expect their .... community based health provision and social care ..... to be coordinated. The Third Sector is essential, as Islanders will continue to receive support from Parishes and other community based voluntary organisations, enabling them to remain independent for longer through a range of activities such as luncheon clubs and voluntary visitors."*

Volunteers will be at the heart of Health and Social Services reforms it seems. One such vital service which we are being encouraged to encourage and support is the voluntary hospital car-drivers.

Under this scheme, volunteers use their own cars to transport patients, elderly persons, those with special needs, to and from appointments for treatment and activities. This forms one element of assisting people to remain living relatively independently in their own homes. As such, this clearly contributes to the community-based approach advocated in the Strategic Plan and to the direction of much of our health and social services.

These volunteers receive a mileage allowance for using their own car. This is currently 62.7 pence per mile.

In the words of one person whose mother is such a volunteer –

*"As it is voluntary she gets nothing but likes doing the service for meeting people and helping those less fortunate. And this is also saving the States of Jersey a lot of money as it doesn't have to pay someone to do this job."*

As the allowance is not regarded as income for social security contributions or for income tax purposes, it is therefore open to all those who have a car, and who wish to do so, to volunteer. (See Appendices 1 and 2 – letters from the Chief Minister's Department and Health and Social Services Department.)

Except that, under the Income Support system, all money coming into a household, from whatever source, is regarded as income for assessment purposes. For those on income support, these mileage payments are regarded as income and will mean that their income support award will be reduced.

When asked to address this issue, departmental officers had the following to say –

*“Income support is clearly based on the principle of individuals contributing to supporting themselves through paid work whenever this is possible. Voluntary activities are a vital part of community life, but an income support claimant cannot choose to substitute voluntary work for paid work, if paid work is available.*

*I can confirm that where a similar situation has arisen in the past, an allowance of 25% has been allowed in respect of the mileage allowance, with the remainder of the income treated as self-employed earned income.”*

There are several problems with this approach –

1. Are mileage payments set at the right level to compensate motoring costs?
2. Can mileage payments be regarded as a “substitute” for earnings?
3. Does a 25% allowance deter volunteering?

1. The AA analysis of the cost of motoring 2011 for petrol-driven cars is given in Appendix 3. Without attempting to adjust these figures for inflation or for Jersey costs, this shows that the average cost of keeping and using a car in the 2 lowest-value groups, at 5,000 and 10,000 miles annually, is 63.5 pence per mile, almost exactly equal to the mileage allowance.
2. There are several groups of people in receipt of Income Support who do not have to seek work and for whom voluntary work, such as driving, is an appropriate activity. This includes pensioners, parents with children under 5, and those with a disability that does not preclude driving. Given today’s level of unemployment, this activity might be useful for many.
3. Let us suppose a single pensioner with only a Jersey pension decides to become a volunteer driver. His or her weekly income support award would be as follows –

	£
Accommodation (one-bedroom flat)	156.31
Adult	92.12
Household	49.56
Total	<u>297.99</u>
Less pension (£184.45 disregard £42.28)	-142.17
Income Support	<u>155.82</u>



**Chief Minister's Department**

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**Mileage Allowance**

I am writing to you following a query your son has made on your behalf regarding the mileage allowance you currently receive in respect of your volunteer role with the Hospital Car Service.

I have enquired with our payroll section and can confirm that the mileage allowance you receive is not classed as an income. It is classed as a non social security, taxable and pensionable payment.

The States Mileage Allowance is payable in respect of journeys incurred in a staff members' (or volunteer in your case) own vehicle and the Allowance, which is currently 62.7 pence per mile, is paid as reimbursement for the miles associated with that journey.

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**States of Jersey**  
**Ambulance**  
**Service**



10 May 2012

Mr [REDACTED]  
Manager  
Income Support  
Department of Social Security  
P O Box 55  
Philip Le Feuvre House  
La Motte Street  
St Helier  
JE4 8PE

Our ref: [REDACTED]

Dear Mr [REDACTED]

Mrs [REDACTED]

I am writing to confirm that Mrs [REDACTED] is one of our Voluntary Hospital Car Drivers.

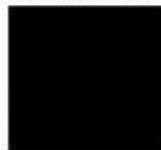
Mrs [REDACTED] does **not** receive any income whatsoever for her services it is as the title suggests purely voluntary.

Mrs [REDACTED] does receive her petrol money back but this is a reimbursement only **not** an income.

We are very grateful to people like Mrs [REDACTED] who give up their own time to ensure patients can attend Day Centres and Clinic Appointments, without this niche of people Islanders would be on a long waiting list to attend these venues, clinics.

I hope this letter is satisfactory to your requirements.

Yours sincerely



**Cert. CIB Int.Dip (Comp) MICA . MCMI**

**Combined Control Centre & Communications Manager | Ambulance, Fire & Rescue Service**

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## Motoring Costs 2011

### Petrol Cars

See note:	Standing charges per year, £	Purchase price of the car when new:				Over £32,000
		Up to £12 000	£12 000 to £16 000	£16 000 to £20 000	£20 000 to £32 000	
A	VED ( Road Tax)	130	165	245	245	460
B	Insurance	725	805	965	1281	2019
C	Cost of capital	236	300	380	578	1177
D	Depreciation	1217	1873	2467	3084	6439
E	Breakdown cover	50	50	50	50	50
	<b>Standing charges only: £</b>	<b>2358</b>	<b>3193</b>	<b>4107</b>	<b>5238</b>	<b>10145</b>

#### Standing charges as pence per mile

at 5,000 miles per year	46.67	63.11	81.15	103.53	200.32
at 10,000	23.58	31.93	41.07	52.38	101.45
at 15,000	16.04	21.79	28.04	35.74	69.35
at 20,000	12.40	16.90	21.77	27.73	53.94
at 25,000	10.02	13.67	17.61	22.43	43.67
at 30,000	8.39	11.45	14.76	18.80	36.61

#### Running costs, pence per mile

F	Petrol *	12.90	14.52	16.76	17.41	23.55
G	Tyres	1.07	1.14	1.65	2.00	3.21
H	Service labour costs	4.14	3.77	3.85	3.81	6.71
I	Replacement parts	2.04	2.03	2.08	2.54	3.05
J	Parking and tolls	1.80	1.80	1.80	1.80	1.80
	<b>Running costs only: p.</b>	<b>21.95</b>	<b>23.26</b>	<b>26.14</b>	<b>27.56</b>	<b>38.32</b>

\* NB: Petrol at 133.3 pence per litre

For each penny more or less,

add or take away: 0.10 0.11 0.13 0.14 0.17

#### Total of standing and running costs as pence per mile

at 5,000 miles per year	68.62	86.37	107.29	131.09	238.64
at 10,000	45.53	55.19	67.21	79.94	139.77
at 15,000	37.99	45.05	54.18	63.30	107.67
at 20,000	34.35	40.16	47.91	55.29	92.26
at 25,000	31.96	36.93	43.75	49.99	81.99
at 30,000	30.33	34.72	40.90	46.36	74.92

Please see the associated notes for more detail. These figures are typical but do not represent all types of vehicle and conditions of use. Once compiled, some of the variables may change at any time.