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Health and Social Security Scrutiny Panel

Quarterly Hearing

Witness: The Minister for Social Security

Tuesday, 10th June 2025

Panel:
Deputy L.M.C. Doublet of St. Saviour (Chair)
Deputy J. Renouf of St. Brelade (Vice-Chair)
Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter

Witnesses:
Deputy L.V. Feltham, The Minister for Social Security
Ms. S. Le Sueur, Chief Officer, Employment, Social Security and Housing
Ms. S. Duhamel, Associate Director, Public Policy

[13:02]

Deputy L.M.C. Doublet of St. Saviour (Chair):
Welcome, everybody. This is a quarterly public hearing with the Minister for Social Security. We are the Health and Social Security Scrutiny Panel. My name is Deputy Louise Doublet, I am the Chair of the panel.

Deputy J. Renouf of St. Brelade (Vice-Chair):
Deputy Jonathan Renouf, Vice-Chair of the panel.

Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter:
Deputy Lucy Stephenson, member of the panel.

Deputy L.M.C. Doublet:
If you could introduce yourself and your officers, please.

The Minister for Social Security:

I am Deputy Lyndsay Feltham. I am the Minister for Social Security.

Chief Officer, Employment, Social Security and Housing:

I am Sophie Le Sueur. I am Chief Officer of the Department of Employment, Social Security and Housing.

Associate Director, Public Policy:

I am Sue Duhamel. I am Associate Director at the Cabinet Office.

Deputy L.M.C. Doublet:

Welcome. We have got nobody in the public gallery, so just us today. We have an hour and a half for this hearing, aiming to finish at 2.30 p.m. I am going to open with some questions on the minimum wage. Obviously that was introduced in April of this year and, Minister, we understand that there is some level of confusion among the public, which you rectified by doing a blog post to explain that. I would like to open by asking about, what were your plans in terms of communicating the changes around that legislation?

The Minister for Social Security:

I think, firstly, the thing to make clear is that the confusion was not around changes that have been made to the legislation. It was around things that remained within the legislation, so around the age, for example, at which the minimum wage starts, which is school-leaving age and, also, how public holidays were to be treated. There were absolutely no changes in relation to the employment legislation in relation to those 2 items. It was somewhat disappointing that something that was positive got overtaken by some misunderstandings around the legislation. Of course I did contact the relevant trade organisations, such as the Chamber of Commerce and the Jersey Hospitality Association, to ensure that they went out also to their membership to clarify that there had been no changes in relation to the legislation in respect of those things. Also, I am in ongoing dialogue with J.A.C.S. (Jersey Advisory and Conciliation Service) around how they can improve their communications out to employers and employees as well.

Deputy L.M.C. Doublet:

Thank you. One of the other elements that I am aware that there was some confusion about because I had parishioners asking me was the actual date whereby it would come into force and whether employers would have to start paying the new wage from the legislation on that date or at the start of that month. Do you feel that that confusion has been ironed out? Is there clarity on those points?

The Minister for Social Security:

I was not aware that there had been any confusion about the date. If you could forward me any of the correspondence that you had, I would be really grateful for that. The date was set of course last year. There was a good advance warning that the date was 1st April and it will be 1st April next year as well.

Deputy L.M.C. Doublet:

Why do you think some employers and employees did not know about that then, employees perhaps specifically?

The Minister for Social Security:

It may be employees and I think that, again, comes down to where we can communicate as Government. For example, we have just started the communications campaign around income support and benefits, such as L.T.C. (long-term care). One of the conversations I have also had with our communications team is as well as there being a role for J.A.C.S. around communicating people's rights and responsibilities, I think there is also a role for Government as well. I have also asked our communications team to think through that and almost like a know your rights type of campaign. Obviously with the longer lead-in time I think that people should have enough time to know their rights. Of course employee organisations have a role to play, as well as employer organisations.

Deputy L.M.C. Doublet:

The unions.

The Minister for Social Security:

Unions will have contacted their relevant members as well. But I am always keen to know how we can improve communications because at the end of the day it is really important that people are aware of their basic rights.

Deputy L.M.C. Doublet:

Yes. You mentioned J.A.C.S. and there being responsibility there for communicating but also within Government. Who has the ultimate responsibility for making sure that employers and employees know about their rights?

The Minister for Social Security:

I think as Minister I have got to be held, ultimately, accountable for ensuring that things are in place so that people do know their rights. That is why I think it is important that I not only have conversations with J.A.C.S. around improving the communications that we have got that, effectively, is Government-funded communication through J.A.C.S., have those ongoing conversations with our communications team and the department to ensure that we are doing everything that we can, as Government. But also, like I said, maintain that communication with the employer representatives to ensure that they are giving accurate information to their membership, as well as the employee representatives as well. You can entirely hold me accountable for ensuring all of those things have been done and I am working with those people to do that.

Deputy L.M.C. Doublet:
Okay. While the accountability lies with yourself, what specific tasks or actions do you then require J.A.C.S. to do perhaps as a condition of their grant funding?

The Minister for Social Security:
We are in the middle of conversations with J.A.C.S. around communications and how we can ensure that the communications going out from J.A.C.S. are accessible and people are seeing them. I know that J.A.C.S. have upped the amount of social media postings that they are doing at the moment and also doing videos and things like that. Obviously, as those go out, I think we do need to monitor those and see how many views they are getting, what responses they are getting, to ensure that they are accessible and well communicated as well; that is one area. Like I said, I think the other area where I can have influence is the conversations that I have with the Government communications team as well.

Deputy L.M.C. Doublet:
Is there a duplication there in terms of comms around legislation that is part of your remit?

The Minister for Social Security:
I think duplication is always something that I would seek to avoid. That is where the conversation that I have had with my communications team is around, okay, what role, as Government, do we have and is it around people knowing their rights and knowing what legislation exists? Whereas J.A.C.S. is there to be a contact point for employers and employees and give advice around the employment legislation. I think they are 2 different things but avoiding duplication is something that I am very keen to do. Having those conversations among officers I think is incredibly important.

Deputy L.M.C. Doublet:
Okay, thank you. The improvements in the communication that you mentioned, whether it is through J.A.C.S. or Government, when can we expect to see the result of those improvements?

The Minister for Social Security:

I know that J.A.C.S. have already started the work that they are doing. We should already be starting to see improvements.

Deputy L.M.C. Doublet:
Are you happy with the improvements they have made already?

The Minister for Social Security:
I am happy that they are doing work and are taking communications seriously. I think that it is a work in progress and there is an ongoing discussion for me to have with J.A.C.S. around ensuring that the communications that are put out are easily accessible; they are hitting the right note. I am sure that J.A.C.S. will also be having conversations with their stakeholders about that. I think, fortunately, one of the things around online communications is that if something is not quite hitting the right note, you can change that. I also think that there is a place for paper-based communications as well in a lot of areas as well.

Deputy L.M.C. Doublet:
Yes, okay. Thank you. Specifically on the minimum wage, just moving away from the communication side of that and to the substance of it, could you just help me to understand exactly the approach around the different ages? Because I think that is where some of the confusion was around the younger workers and apprentices. Can you just very quickly give us a reminder of what that law says?

The Minister for Social Security:
That comes around the age at which the Employment Law, effectively, kicks in and that is school-leaving age. I am just trying to remember off the top of my head whether it is the June or the July I think that ...

Associate Director, Public Policy:
You get to schooling age on 30th June in your academic year in which you hit 16. Some people ...

Deputy L.M.C. Doublet:
It is age-based.

Associate Director, Public Policy:
If your birthday is between September and June you will be 16 on that day. If your birthday is in July or August you will be 15, waiting for your 16th birthday in July or August. It is 30th June in that year, see this is the end of Year 11.

Deputy L.M.C. Doublet:

I see, yes, so it could be before you turn 16 but, yes, okay.

Associate Director, Public Policy:

I have children who were born on 22nd July, so they would have been 15 on their school-leaving age, for example, yes.

Deputy L.M.C. Doublet:

Okay, yes.

Deputy J. Renouf:

The underlying issue is the sense that employers would like more flexibility in terms of paying, whether it is apprentices or young people; they are 2 different categories. Do you have any desire to see flexibility in either of those 2 categories?

The Minister for Social Security:

I think it is something that we had conversations around with the Council of Ministers as well before implementing the minimum wage change. There was not a strong desire around age-based differences. I think I would see that as being quite discriminatory. If somebody is doing the same job it does not matter what age they are. Also, by the time somebody has left school, leaving age, they could well be supporting themselves. I think we should be supporting everybody to do that. I think there is ongoing dialogues and conversation around what a trainee package might look like. Again, this is in the post-16 age group and it is something that I have conversations with the Minister for Sustainable Economic Development, as well as the Minister for Education and Lifelong Learning. I think it really does need to be led within the Education and Lifelong Learning piece because at the end of the day if what we are talking about is education and people leaving with qualifications and skills, that needs to be led by skills gaps and then what we want to foster and what skills we need to grow in the Island. I know that he will be looking at packages. Of course we have the Better Business Support Package as well in which we have got grants available to employers that have trainees.

Deputy L.M.C. Doublet:

Is that being targeted in the right places? Because the panel have become aware of instances where younger Islanders in particular are trying to find apprenticeships and are approaching sometimes 10s of different businesses and the apprenticeships are not there and they are just not able to find any work. Is the help targeted well enough?

The Minister for Social Security:

Obviously when it comes to apprenticeships that is not within my remit. That would be questions, I think, to be raised with the Minister for Education and Lifelong Learning because I do not have the data around apprenticeships.

Deputy L.M.C. Doublet:
Sure.

The Minister for Social Security:
But I am happy to have those conversations. If the Minister for Education and Lifelong Learning were to say to me: "In order to develop skills we need to look at how we look at traineeships within the Employment Law", then that is a conversation that I would have. I firmly stand by a fair day's pay for a fair day's work and ...

[13:15]

Deputy J. Renouf:
Are you at least sympathetic to the idea that just as the minimum wage allows offsets for accommodation for certain workers and so on, that you could have, effectively, a view that apprenticeship work or skills training in apprenticeships is a benefitting kind and, therefore, could attract a lower wage, a cash wage because there is an equivalent benefit being given elsewhere?

The Minister for Social Security:
I think any thoughts around that type of model would have to be taken very carefully. Because I think we are taking an assumption here that we are talking young people. When there was a trainee wage in place before the anecdotal evidence was that it was not always being used for young people. It may be used for people in their first 2 years of employment in an organisation when they might have been in their 40s or 50s. The way that that was done and the way that it is currently written in law I do not think is specifically targeted. I think that in order to target it you need to look at where the skills gaps specifically are and what the offering is to that person and what qualification they would leave with after that and their future career prospects. I think it is a lot more nuanced and that is why I talk in terms of more of a package that might be available. But, again, I think a lot of elements in that package are not within my remit. It has been dealt with within my remit within the Employment Law and the trainee rate before. But I do not think that that is the most effective way of supporting employers and trainees.

Deputy J. Renouf:
You have some sympathy, at least with the concepts there, from the sound of it. Do you have any appetite in the remaining term of this Government to try and advance progress in that?

The Minister for Social Security:
Like I said, I would be led by the Minister for Education and Lifelong Learning and his assessments of skills gaps and opportunities gaps that they may well be. I firmly see that he would be the leader in respect of that. But of course I am always happy to take representations from people who are concerned around the employment legislation side of things.

Deputy L.M.C. Doublet:
Would you raise this with the Minister and let us know whether there is going to be any work jointly to tackle that?

The Minister for Social Security:
Yes, I am quite happy to update you as I go with conversations I have.

Deputy L.M.C. Doublet:
Great, okay. Generally, measuring the impact of this legislation around the minimum wage, at what point are you going to be reflecting on what impact it is having, whether it has gone far enough or what are those points?

The Minister for Social Security:
Obviously we have spoken previously about the work on minimum income standards being progressed via the Cost of Living Ministerial Group. We will obviously receive the regular reports that we get on average earnings as well. Caritas as well will release its data on what it sees as a living wage in Jersey. I think always at points at which the information comes through, I would have a look at what the effect and the impact. I have made a commitment and that commitment was supported by the Assembly to move to two-thirds of the median wage for 2024 in 2026. That is a commitment that I have made and a commitment that I am sticking to.

Deputy L.M.C. Doublet:
Okay, thank you.

Deputy J. Renouf:
Can I move on to the transform project? Could you just start by telling everyone your understanding of the current situation?

The Minister for Social Security:
I am pleased to say that we have contracted suppliers in place. They are working in phases and the first phase that they are working on at the moment is income support. I think Sophie will be able

to speak in a more detailed way because obviously this is very operational. But we all know that our systems are ageing. This is an incredibly important piece of work for the department. I will let Sophie talk more about where we are at the moment, if that is okay.

Chief Officer, Employment, Social Security and Housing:
Yes. Our supplier is successfully on-boarded, fully engaged and we are working really closely together. We are in the process of design and requirement workshops. We, as a department, have done a lot of pre-work, so we are in a really good place to be able to properly engage with the supplier about what our requirements are. Our first focus at the moment is a proof of concept that we are doing, which we are developing and that is on track for delivery by August. That is just to make us all confident before we do the full income support, which includes all of income support impairment, fraud, in our first release, which will then be ready for delivery by Q2 2026. We are in the proof of concept phase at the moment but everything is going very well at the moment.

Deputy J. Renouf:
Government has a long history of overspending and not delivering what it says it is going to in these sorts of the I.T. (information technology) projects. What procedures have you got in place to keep everything in cost?

Chief Officer, Employment, Social Security and Housing:
I think we did spend a lot of time negotiating the contract and I think that was a really important thing that we did, is actually a lot of the pre-work to get us into a place where we were really confident with a contract with the supplier that we were signing. I think that has been really important. We have also got a very strong governance structure; that is something that we are priding ourselves on. Within that governance structure we have got different groups and we have got a proper financial oversight with that. Absolutely we know that there is not necessarily a good track record for I.T. programmes coming in on time, on budget. But absolutely this is something that even the budget that we have got we are very clear that that is not a commitment to spend. It is absolutely the maximum we want to be at. It is something I am very conscious of. The Minister has made very clear to me, as Accountable Officer, that the focus on doing this appropriately and keeping that financial focus. Sometimes it will mean making difficult decisions around the scope. Sometimes there will be things where we think in an ideal world we might have this but it might be that within the financial envelope that we have got, we have got to make those difficult decisions but that is what, as a board, we are there to do.

Deputy J. Renouf:
The budget was increased in the last budget, if you see what I mean and the reason given was that the costs were greater than expected. But there was also a note then that once the contracts were

signed you would look at seeing whether or not those costs could be borne down on again; have you done that?

The Minister for Social Security:

I do not think we are that stage because we are at the proof of concept but I will give assurance to the panel that I - and as Sophie has said - have given very clear direction to the department that just because we have a budget it does not mean that we should be seeking to spend it all if we can find savings within the terms of the programme. I have also been very clear that the programme team should take every care to pay attention to lessons learned from previous I.T. projects. We know that there is a number of lessons learned from previous I.T. projects. We want to make sure that the same mistakes are not repeated. I have also asked them to look at where mistakes have been made internationally with regard to Social Security-related project delivery as well. For example, I am aware of the Robodebt issue in Australia and the Royal Commission report that was issued as a result of that. I have asked the team working on it to be very aware of recommendations about those types of reports as well so that we know that we not only learn from our jurisdiction but we learn from lessons learned in other jurisdictions as well. I have made sure I have put all of those requests in writing. Because, as Minister, I have had to sign off on those budget requests. One of the things that I have raised - and maybe this is more of a P.A.C. (Public Accounts Committee) discussion, rather than a Scrutiny discussion - is where the role of the Principal Accountable Officer lays within some of those bigger strategic programme delivery because at the moment it comes from the Accountable Officer direct to the Minister. Again, I have stated quite clearly that I see that there should be a stronger role there for the Principal Accountable Officer to take when we are dealing with such large cross-Government projects as well.

Deputy J. Renouf:

The aim, presumably, is efficiency savings which will save money. Have there been itemised goals in terms of savings?

The Minister for Social Security:

Yes, there are and they are all in the business case that was developed by the team and submitted to me as well. Ultimately, as well though this is around safety and security and being able to deliver our services. We could not continue with the state of the outdated I.T. systems that we currently have and investment in those I.T. systems is long overdue. I cannot overstate the importance of those systems and the many multimillions of pounds that go through those on an annual basis. We cannot afford the flow systems to fail.

Deputy J. Renouf:

There is a contract being signed, can you itemise what it is that they are supplying and how long the contract is for?

The Minister for Social Security:
The contract is incredibly complex, so I am asking if Sophie can summarise the ...

Chief Officer, Employment, Social Security and Housing:
That is it. We expect the programme to deliver by Q2 2028. It is a multiyear programme with different releases. What that means is that because we are delivering in stages it means we are coming off our aged technology system which is 20 years old. We will be coming off that in stages, as we are not having to wait until the end to go live in one big bang. We will be going through until 2028. The basis of the contract is different schemes of work. It is set into different 5 main releases. Within each release we have different schemes of work. Even, for example, within the current proof of concept phase we have different schemes of work which are then signed off at each stage where there is very clear deliverables, expectations. For us that really close working with the supplier from the outset and just being really clear. We have to make sure we play our part of the bargain as well. We have got things that we need to deliver in terms of by giving requirements in the right way by certain times. But we really then also hold the supplier to account on the granular detail within each statement of work.

Deputy J. Renouf:
You have very clear indicators about whether you will go to the next stage.

Chief Officer, Employment, Social Security and Housing:
Yes.

Deputy J. Renouf:
If you were to decide things should not go to the next stage, what processes have you got in place? I imagine you would not suddenly wake up one day and decide that; you would have some indications in advance. Things go wrong and they do go wrong.

Chief Officer, Employment, Social Security and Housing:
Yes, the contract is being written and which is something again the Minister and the Political Oversight Group have been very interested and keen to make sure from the outset before we sign the contract that the contract is written in such a way. Obviously we all want this to go well and get to the end with our supplier and this sort of thing. But it is written in such a way that we absolutely do have break-out clauses at different points during the contract, so that gives the comfort that we were looking for.

Deputy L.K.F. Stephenson:

Can you remind me, what is the spending envelope if you go the whole way with it?

The Minister for Social Security:

I have got a figure in my head but I want to check it is the correct one.

Chief Officer, Employment, Social Security and Housing:

It is £30 million, let me think ...

The Minister for Social Security:

Let us see if it is in there.

Chief Officer, Employment, Social Security and Housing:

Yes. No, I do not think it is in there but I think you have probably ...

Deputy J. Renouf:

It is almost £10 million for 2025.

Chief Officer, Employment, Social Security and Housing:

Yes.

The Minister for Social Security:

Sorry, I should have brought the budget table with me.

Deputy J. Renouf:

It is £7.5 million for 2026. I have only got it until 2026.

Associate Director, Public Policy:

I think overall it was about £30 million.

Chief Officer, Employment, Social Security and Housing:

Yes, it was overall £30 million.

Deputy J. Renouf:

£30-ish million.

Associate Director, Public Policy:

Just over £30 million, yes.

Deputy J. Renouf:
Until 2028.

Chief Officer, Employment, Social Security and Housing:
Yes. The contract negotiations did take longer than we anticipated. We did not spend as much but it was really important for us, so we have elongated that ...

Deputy L.M.C. Doublet:
Just to help me understand it, that is with one supplier but in stages, the whole spending envelope.

Chief Officer, Employment, Social Security and Housing:
The spending envelope, the supplier is a part of that. But our programme, we have got quite a lot of costs internally, something as a lesson learned from other I.T. programmes and that sort of thing, is that our core programme team, we have got a number of internal Government of Jersey colleagues working on this. This is not contractor-led where we have not brought in a big 5 to run this programme for us. Our Programme Manager is someone who has worked within our department for a number of years.

[13:30]

It cannot be the Project Manager, we have got our programme team. The lion's share are our people and they have got skin in the game and that for us is really important is where people who know our systems, we know how we work. Obviously there is those costs, also keep part of it so it is not all going to a supplier.

The Minister for Social Security:
I think we could probably share that breakdown confidentially with Scrutiny. Obviously for commercial purposes because we could not do that in a public setting. But, yes, I am quite confident that the financing envelope includes all of the costs that we need. It was really important to me that I saw those internal costs as well being outlined because then at least we know that we have factored in the resourcing requirements. Because at the end of the day the department still needs to deliver on its day job. We need to ensure that the department can still function and deliver what it needs to do, in addition to delivering this really important programme.

Associate Director, Public Policy:
Just that you can confirm that over budget if you want to, yes, £30.6 million.

Chief Officer, Employment, Social Security and Housing:
Yes, that is £30.6 million.

Deputy L.M.C. Doublet:
Okay, thank you. In terms of you mentioned lessons learned and you were able just then to give us several things that you have reflected on and learned from and incorporated that learning into your processes, which I think differs from the responses that we have had from another Minister. Can you help us to understand how the learning that you have and that you have reflected, how could that inform similar projects in other departments?

The Minister for Social Security:
That is a really interesting question, is it not? I suppose there is the community of practice within Government around the Corporate Portfolio Management Office and the processes that are put in place centrally across Government by that office, as well as the Treasury business case function. I do think that Ministers obviously have a role to play in ensuring that we do look out for where there might be risks and issues arising. I think perhaps unfortunate from my background in project management, understanding how that C.P.M.O. (Corporate Portfolio Management Office) process works. It gave me background knowledge to ask some of the right questions as well. Whether that is then how we have conversations among Ministers and maybe there is the space for more informal conversations among States Members as well around best practice. I can use an example from when I was in Scrutiny and also then when I became a Minister because I knew that the Corporate Portfolio Management Office exists and has really good, robust processes around it. When I was in Scrutiny, I asked for my S.L.C. (Student Loans Company) and also my P.A.C. to be briefed on that process so that they could understand it. I asked similar for a C.O.M. (Council of Ministers) presentation when I became a Minister as well. Sometimes, you do not know what you do not know, and I think it is important that we are appraised of some of those processes. I am not somebody that thinks bureaucracy is always bad. I think there is such a thing as good bureaucracy and we should be making the best use of those good bureaucratic processes to make sure we are managing risk.

Deputy L.M.C. Doublet:
In terms of joint working going forwards, given that there are similar projects in other departments, are there overlaps in areas where perhaps there could be skills sharing or maybe developing systems that work together? How could that work?

The Minister for Social Security:
So the ... I am trying to get the title right.

Chief Officer, Employment, Social Security and Housing:
Digital Government Platform.

The Minister for Social Security:
The Digital Government Platform but also the Chief Information Officer sits on the Project Board...

Chief Officer, Employment, Social Security and Housing:
Programme Board.

The Minister for Social Security:
... so that we can ensure that we have people from our Digital Services area involved in this programme. I did mention C.P.M.O. as well. I know that they have a community of practice to ensure that things are being shared across programmes and projects across Government as well and, of course, we have got the Political Oversight Group which involves several Ministers which, again, we can share information among ourselves. Also, we have got the Comptroller and Auditor General, so we have sought advice from the Comptroller and Auditor General at key points along this process as well. I am very pleased that this programme is on her workplan, which means that the P.A.C. will look at it. I think all of those things are things to be valued.

Deputy L.M.C. Doublet:
If you had to identify some areas where perhaps you could look into further for joint working, what are those areas that you could consider about maybe cutting down costs for your department in this area and other areas? Have you done that reflection?

The Minister for Social Security:
Yes, before we went ahead with the contracting for this particular programme, for this system, we asked at a political level: are there ways that we can look to other jurisdictions? The other Crown Dependencies, for example, are there things that we can learn from them? Could we share knowledge and information around their systems? Also, how our systems interact with the health system is incredibly important. Those are the conversations that I know go on, on a daily and a weekly basis, between Sophie and the other members of the Executive Leadership Team. I expect that that is where those conversations be led because they are more operational than political conversations. Obviously, on a political basis, I do have regular meetings with other Ministers as well so we will discuss those larger projects.

Deputy L.M.C. Doublet:
Is there a concerted effort to find areas that there could be joint working and cost savings?

Chief Officer, Employment, Social Security and Housing:

Yes, just to reassure you, the actual foundational part of our Transform Programme is something called Our Digital Government Platform and although it is almost being built with Transform in mind, the whole purpose of it is this will then become reusable, and it will become the digital front door for Government services wider. We obviously want our people to be able to log in and see their benefit payments, know what they have got coming up, understand their ... see any correspondence online, this sort of thing. The vision is that although the initial phase will be for employment and social security data, that absolutely this is going to then be Government reusable technology, so even upcoming appointments, things like this. The last thing we want is to have multiple different systems by department so hence Digital Services are a really key part of our programme, so we are all very joined up in that space. It just happens that it makes sense that we are leading it now, but it is very much being built with other departments as well in mind.

Deputy L.M.C. Doublet:

Okay. Thank you.

Deputy J. Renouf:

Moving on to the H.I.F. (Health Insurance Fund), when you spoke to us before, you were talking about the H.I.F. as something that would go to ... responsibility would shift to the Minister for Health and Social Services. Is that still something that you think is happening and can you update us on what is underway?

The Minister for Social Security:

I think it is fair to say that there is still an ongoing live conversation about health funding. Myself, the Minister for Health and Social Services and the Minister for Treasury and Resources are all part of that conversation. The Minister for Health and Social Services has obviously presented to States Members and Scrutiny around his vision for the health service and then how a single source of health funding model would be his preference. That is as far as the conversations have gone so far. I think, obviously, any transfer or thought of transfer of the H.I.F. then suddenly becomes political. I think that there is more work to be done around the structure of health and getting that right first before getting into the politics of moving or not moving the H.I.F. because there are reasons why you might want to move it; there are reasons why you may not want to move it. It is all embedded in that whole of health system funding conversation and I have got a feeling I have got a meeting scheduled with the Minister for Health and Social Services and the Minister for Treasury and Resources very soon so that conversation is very much a live conversation.

Deputy J. Renouf:

I have a feeling, Minister, that that is a change of tone from when you last spoke about this to us in that you did seem much more happy with the idea that the H.I.F. would be transferred. Is that something that you have reflected on?

The Minister for Social Security:

I do not think my approach has changed. I have always been comfortable with the H.I.F. sitting with the best possible Minister for it. If the recommendation is and we can see everything panning out that it is more streamlined and more efficient to sit under the Minister for Health and Social Services because the Minister for Health and Social Services deals with secondary care funding and the H.I.F. deals with primary care funding and we need to make sure that both work together, I do not have a problem with that. I just think that we are not in a space to discuss talking about changing a fund at the moment until we have got that whole model ahead of us and we know that it is going to ...

Deputy J. Renouf:

You have not given it up yet.

The Minister for Social Security:

I have not given it up yet. No, but I will say I am in ongoing dialogue with the Minister for Health and Social Services. When I make decisions in relation to the H.I.F., I always make sure that the Minister for Health and Social Services and his team are updated around those decisions and the reason for those decisions and the rationale and then how those decisions might then interact and affect the secondary care funding as well.

Deputy L.K.F. Stephenson:

How far away do you think we are from making that kind of decision?

The Minister for Social Security:

I could not tell you at this particular point in time. Like I say, my preference would be to take that political decision after we have bedded out what the structure of health and whole health model looks like because I would not want to get in the way of that because that is really important frontline stuff around improving our whole health service and that quite clearly sits with the Minister for Health and Social Services.

Deputy J. Renouf:

To be clear, there are 2 things going on broadly in that. There is a restructure in terms of the organisation but there is also a funding question. Are you saying that both of those need to be sorted or just the restructure element?

The Minister for Social Security:

I think they are 2 separate things, but the funding element is far more forward-thinking and broad because we do have to plan for the future, plan for our ageing demographic and plan for what the Island's future healthcare needs will be. I can see the synergy between using our primary care funding effectively to ensure that we save money in the longer term so that people are not going into secondary healthcare and needing more hospital beds and things like that. I am just trying to think of something that ... if I take, for example, diabetes monitoring, that was something that I recently signed off on for funding from the H.I.F. around people having ... and I do not know the technical name for the monitor that goes in somebody's arm so they do not have to take their blood all of the time. That, quite clearly, is a sensible thing for us to fund because if somebody is managing and able to monitor their diabetes then the result for the effect then of further complications is greatly reduced. That is where the funding from H.I.F. has a real impact on future funding and future savings within the secondary care as well.

Deputy L.K.F. Stephenson:

I was just going to follow up on that, that given that you along with the Minister for Treasury and Resources and Minister for Health and Social Services and part of this group that is looking at health funding, do you envisage having those issues resolved in the term of this Government?

The Minister for Social Security:

I know the Minister for Health and Social Services will be very keen to get those issues resolved. I think that is probably more of a question for the Minister for Health and Social Services because he is, of course, leading on that piece of work. What I will say is those issues ...

Deputy L.K.F. Stephenson:

You are part of the group that is working on it though.

The Minister for Social Security:

Those issues are incredibly complex, and it will take the whole Assembly, I think, to come to an agreement about what healthcare funding looks like into the future. I will obviously play my part but I am very conscious that we have now got less than a year of this particular term of office so I need to be quite realistic about what is achievable within that but I am sure that health funding will be one of those issues that we are discussing with people on the doorstep in the next election.

Deputy L.K.F. Stephenson:

Yes. Thank you.

Deputy J. Renouf:

I am just getting the sense that you are talking about it as very hands off in terms of this and ceding all the leadership elsewhere. I am still keen to understand what you think is the best solution in terms of funding. You are the Minister currently responsible for the Health Insurance Fund. Do you want or think that it is the best solution to keep it with the Minister for Social Security, or do you think it should move?

[13:45]

The Minister for Social Security:

I think that there are a number of merits of seeing it move to be part of the whole health funding landscape. I think there is a lot of merit in that. What I would need assurance of before it moved is that we had funding for primary healthcare protected. My position at the moment is to ensure that our funding for primary healthcare remains protected because that is the purpose of the Health Insurance Fund and protecting that purpose is my role and function right now. We know that there are health funding issues and I would not want that to cause future problems for primary health funding so that is where my focus is right now.

Deputy J. Renouf:

You would not want to see the money currently reserved for primary care raided to save the overall budget for health or help the overall budget for health. Is that a fair summary?

The Minister for Social Security:

I think that is a fair summary, yes. I think that it is incredibly important that we protect that funding available for primary healthcare because we know at the end of the day it saves money in the secondary sense as well.

Deputy L.M.C. Doublet:

Okay. Thank you. We have some questions now around cost of living and specifically the Cost of Living Ministerial Group. We have asked you about this group at previous hearings and in March you said to us that the cost-of-living crisis needed to be dealt with by the whole Council of Ministers across a whole policy agenda for the whole Government. Could you give us an update on the progress of that in terms of the Cost of Living Ministerial Group, which you are part of?

The Minister for Social Security:

The last meeting in relation to it ... because there was a delayed Cost of Living Ministerial Group which I think I spoke about in Questions Without Notice. So that we could avoid any further delay with moving on the minimum income standard, I did meet with the Minister for Sustainable Economic Development and members of the Economy Team to discuss our preferred next steps around that which will be then presented to that broader group but what that means is the work can continue. What we have done is we have looked ...

Deputy L.M.C. Doublet:
Sorry, I just want to clarify, so when was the last Cost of Living Ministerial Group meeting since 3rd March?

The Minister for Social Security:
We have not had one on the ... there is one tomorrow, is there?

Associate Director, Public Policy:
These have been arranged and cancelled for a range of different reasons. It is just something that happens from time to time but I think it is tomorrow. Is it tomorrow?

The Minister for Social Security:
Yes, it says tomorrow.

Deputy L.M.C. Doublet:
How many have been rescheduled?

The Minister for Social Security:
I would need to come back to you on that, but I am quite happy to do that. Sorry my diary changes on a day-to-day basis, as I am sure you can appreciate.

Deputy L.M.C. Doublet:
Okay.

The Minister for Social Security:
I think what is important though is that the Economy Team have looked at what data they already have. We were conscious, and I think we have discussed before, that the money that we have got for minimum income standards would enable us to do 2 household types. I have made it very clear, and I have said to you in Scrutiny as well, that I think that we need to focus on households. If we can only do 2 household types, look at households including children. We know that childhood poverty is an area of concern, and I think that we can utilise the money that we have got to look at households where we can look at areas of childhood poverty ...

Deputy L.M.C. Doublet:
You are answering all of my questions before I can get to them.

The Minister for Social Security:
Sorry. I think we are probably in agreement across the table over that as being one of the things that is a key issue and then using some work that was done in previous years and updating that work so that we can have an understanding around what things might look like for other household types as well. I am conscious that we need to use the money we have got in the budget this year to do what we can in the most targeted and effective way but also try and understand how we can update previous data so that we can understand the cost-of-living pressures for other types of households as well.

Deputy L.M.C. Doublet:
I am hearing that tackling the cost of living is a priority for you. Do you feel given that the Cost of Living Ministerial Group has not met since March is it a priority for Government as a whole?

The Minister for Social Security:
I think it is a priority for all States Members to be honest, and it is something that comes up ... because you do not have to be sat in a specific group of Ministers for a topic like cost of living to rise to the surface of a discussion ...

Deputy L.M.C. Doublet:
But are we going to get the solutions that Islands need if Ministers are not working together in a group like that?

The Minister for Social Security:
I think Ministers are working together in a group. Because of that delayed meeting, we had that separate meeting between myself and the Minister for Sustainable Economic Development to ensure that that work was still progressing and that because we had not had the official meeting of the group, that it was not stalled. I will always ensure that officers are not waiting for Ministerial decisions where Ministers cannot meet for other diary reasons so if we need to take decisions and have additional meetings because of that, I am always willing to facilitate that.

Deputy L.M.C. Doublet:
Is it fair to say that you are the driving force behind the Government's work tackling cost of living?

The Minister for Social Security:

I think with my role of Minister for Social Security, I cannot help but it being front and centre of the work that I do because of the situations that I see on a day-to-day basis. I see that as a core focus of my role to deal with cost of living issues but I do not think I am any more of a driving force than say, for example, the Minister for Housing because we all know the cost of housing is one of the biggest issues in relation to cost of living so I know that his focus is very much around the cost of housing.

Deputy L.M.C. Doublet:
Do you think it is worth reflecting on the leadership of that Ministerial group to make sure that it is led by somebody who is prioritising this and who is calling meetings?

The Minister for Social Security:
I think that the Minister for Sustainable Economic Development is committed to cost-of-living issues. He, as well, will always raise the issues in conversations that we have in any Ministerial forum around cost of living as well so it is not an issue with leadership of that group. I think it has been an issue with diaries over the last couple of months.

Deputy J. Renouf:
What would you say that group has achieved?

The Minister for Social Security:
I would like to say that we have achieved the allocation in the budget to get the minimum income standard piece of work done. As you will be aware, any ongoing dialogue and keeping things on an agenda is incredibly important as well. We do need times outside of a Council of Ministers meeting for relevant Ministers to come together so I will be pleased when we get that piece of minimum income standard work across the line.

Deputy J. Renouf:
I guess for something that is a priority, it does not sound like a huge amount has been achieved. Are you frustrated by that?

The Minister for Social Security:
I would have liked the work to have started sooner. For a variety of different reasons, it has not, but I am very keen that I will continue to push for that piece of work to be done because it is so important from my perspective around what our future benefits might look like to ensure that people are getting the help when they need it and, of course, tackling issues such as child poverty.

Deputy L.M.C. Doublet:

What are the targets of that group in terms of what output they want to achieve?

The Minister for Social Security:
I am just trying to think if there is ... because the different targets would be in different Minister's department plans. It links together. I think when we meet in groups like that, we look towards the Jersey Performance Framework but also the different Ministerial plans, so each group does not necessarily have its own set of targets because it is working towards the targets already set out within those departmental plans.

Deputy L.K.F. Stephenson:
Does it have published terms of reference and minutes published and things like that from the group?

The Minister for Social Security:
They are not published publicly, to my knowledge but, again, whether that is something that we could share with Scrutiny ...

Deputy J. Renouf:
It is minuted.

The Minister for Social Security:
Yes, they are minuted.

Deputy L.M.C. Doublet:
Okay. I am just noting the time, and we have 35 minutes left so we are going to need to pick up the pace of our questions. I am going to move on to this one now, which is ...

Deputy L.K.F. Stephenson:
Yes.

Deputy L.M.C. Doublet:
Yes, if you could do the benefit overpayments.

Deputy L.K.F. Stephenson:
Yes, benefit overpayments. It is almost a year ago since you confirmed that any overpayments incurred due to administrative errors by the department were being written off. Obviously, everyone understands that some overpayments will sometimes happen now and again, but could you confirm what procedures and processes and changes have now been put in place to ensure that any such issues are minimised and how has that been working over the past year?

The Minister for Social Security:
I think this comes down as well to lessons learned again. I am sorry to be a bit of a broken record on that repeating myself but I am quite confident that the department - when they do come across an overpayment that has been a departmental error - have processes in place so that they can look at the lessons learned, look at that case and can see what has happened to avoid making similar mistakes in the future. Sophie will probably want to speak more around that. We have also done some work around smaller overpayments and, again, I think that that has managed to reduce our overall overpayments quite considerably within the department as well as reducing administration of chasing up some of those very small overpayments, but Sophie may want to speak more about the administration.

Chief Officer, Employment, Social Security and Housing:
Yes, I think we are in a good position because, yes, prior to this time last year, overpayments which had been caused by an administrative office error, we were not recording in a way so there was not a way of us being able to easily pull out and say: "Due to this reason compared to other reasons." I think now we have got ... on a weekly basis, I get a report, so I know exactly where we are week to week on what the situation is looking like by value, volume. The good thing is that when you are measuring something, you are really then focused on ensuring that it is minimised as much as possible. I mean just for context, if we look at so far this year, there have been 18 errors from office error and there have been about 7,000 benefit rate changes so we are talking less than one per cent.

Deputy J. Renouf:
Total value of those?

Chief Officer, Employment, Social Security and Housing:
For this year, that has been £16,000. That is about, again, less than one per cent. There has been about £35 million expenditure that that relates to but that is not to say we do not ... we know that errors can happen but absolutely we want to be focused on learning lessons. We have got a really good rhythm of ... and this is not about blame necessarily. It is looking at: "Right. Where can we do better training?" Some of our benefit areas are very complex. Let us use this as an opportunity to say: "How can we do refreshers on this? Is there a risk of this type of thing happening again?" We have got now a regular cycle of training for the team on key topics. We have refreshed standard operating procedures or determining officer guidelines where we have seen something that has tripped us up in the past. I think we are in a good position with this, but it is about really keeping the focus on that and because we are looking at it through a very regular lens, that is absolutely something that is really important to us.

Deputy L.K.F. Stephenson:

Thank you very much.

Deputy L.M.C. Doublet:

Have you finished that section? Okay. Thank you. We are going to move on to some questions around the family friendly legislation that we are currently reviewing. Obviously, there is a subpanel involved. The Members are not present today. The public hearing will be on 15th July but just a few general questions at the moment. In terms of the awareness of this legalisation and effective communication strategy, you spoke about this in your response to our letter, Minister, but could you detail to us what might have changed regarding your communication strategy since the post implementation report that you published? What have you learnt about comms and how has that been improved since that report?

The Minister for Social Security:

I am going to circle back to the conversation we had earlier around the role for J.A.C.S. around employers and employees and making sure that information is accurate and available and being pushed out as much as possible. I know that they do their training as well. I did look at the website the other day and we will pass that on to J.A.C.S. because I think that website does need to be updated and refreshed so that it is more user friendly. We will certainly work with J.A.C.S. to enable them to do that so that was a conversation I had with my officers just last week. In relation to communications, I have been dealing with that more broadly so not just related to family friendly legislation but to do with the whole of my remit.

[14:00]

I have asked communications to go out with some outward communications that involve personas so that people can see people that might reflect them and their situation as well. I have also asked for paper-based communications to be available as well. I know that my team work very closely with other relevant units so, for example, maternity unit and midwives in relation to the family friendly benefits as well. As I think I said in the last hearing that process is kickstarted by the midwives so everybody should be seeing a midwife and that is that key point of contact. Again, at fear of repetition around employer communications, I think there is still some improvement that can be done there. Only the other day I saw an email pass my desk where somebody said: "Oh, that person was still in their probationary period, so they were not eligible for parental leave." I went back straightaway on that and said: "That needs to be corrected because that person is." I am under no illusion that we still have got work to do in relation to that.

Deputy L.M.C. Doublet:

Yes, so is it fair to say that you are not satisfied with the way that this law is being communicated at the moment and that there are some big gaps that need to be addressed?

The Minister for Social Security:

I think there are some big gaps and while I am happy to be held accountable for the Government part in that, I think similar to the conversation that we had in relation to the minimum wage communication and employment law communication more generally, I think there are roles for the employer representative organisations. So there is a big role there for the Chamber of Commerce to make sure that its members are receiving accurate information as well as the Institute for Directors and organisations like Jersey Hospitality. Again, there is a role for, I think, all of us to have in ensuring that people know their rights.

Deputy L.M.C. Doublet:

I want to ask you about the unions. You mentioned that the unions have a role to play in this, and unions are largely staffed by volunteers. I understand that some union reps are allowed time within their contracts. Are they getting sufficient paid time to do the union work so that they can perform this function of communicating people's rights to them?

The Minister for Social Security:

I think that would vary according to the employer. I know that ...

Deputy L.M.C. Doublet:

Within government, say, unions that represent government employees?

The Minister for Social Security:

It is not a conversation that I have had with reps. Again, it is not something that comes under my remit, that would be States Employment Board remit around the agreements that are made in terms of facilities time. Having been a former union representative, like yourself, I can recall lots of conversations about facilities time and an appropriate amount of facilities time, but it is something that does not fall within my remit. That would be a question I think better directed to the Vice Chair of the States Employment Board.

Deputy L.M.C. Doublet:

Do you feel it is important though, facilities time?

The Minister for Social Security:

I personally do feel that is important. I think that having union reps that are available to give advice and support is an incredibly important part of the function. I think that it benefits ... I was chatting to an employer yesterday and making the case that I think it benefits the employers as well, because better informed workforce cuts down on the amount of questions that might be coming through to whoever's managing the HR within that organisation.

Deputy L.M.C. Doublet:
Thank you. We have spoken about communication of this legislation. What comment can you make on compliance with the legislation, particularly around job protection and non-discrimination during and after parental leave?

The Minister for Social Security:
Obviously, the data that we would have with regard to compliance. The only data would be around tribunal claims and data from J.A.C.S. I have posted your link to your survey for Scrutiny. I think it is going to be really interesting seeing what Scrutiny get out, because you might well get more informal feedback on compliance or non-compliance and understanding than what I can get, because, of course, the information I get is when people have already gone through the formal channels. That (a) relies on people knowing what their rights are in the first place, and (b) also relies on them somewhat sticking their head about above the parapet in order to raise.

Deputy L.M.C. Doublet:
Are you concerned that there might be non-compliance, or either willingly or unknowingly, given the comms issues that people might not know about the laws, and therefore might not be complying with them?

The Minister for Social Security:
Yes. As I said, an email passed my desk just the other day where somebody thought that they were not eligible to something that they were eligible for. I would always be concerned around that. I do not necessarily think it is people acting badly on purpose. The legislation is still fairly recent. I might take the assumption that employers should know what the legislation is, but I think, as your review will show, there will be some improvements that we can make, which is why I am so welcoming of your review.

Deputy L.M.C. Doublet:
Do you feel that everybody who is entitled to parental leave is accessing it, or do you have an idea of what percentages people are accessing that leave that they are entitled to?

The Minister for Social Security:

Of course, it is within the legislation that somebody who has given birth to a child has to take that first 6 weeks off and cannot work within that first 6 weeks for all sorts of obvious reasons. But the concern may well be around second parents as well, and the ability for parents to take those longer periods of leave outside of statutory leave. I get the same comments as you around the affordability of being able to take that leave as well. Again, that was something that I am keen to hear when we hear back from the Scrutiny and see what you get from your consultation.

Deputy L.M.C. Doublet:
Do you yourself have any understanding of the extent of that problem of people not accessing their rights?

The Minister for Social Security:
It is not data that I have or have access to. It is not data that would be within the Social Security systems, for example. We might well know what parental benefit we have paid out, but we would not then necessarily know whether people are taking leave beyond that, or how that is being shared out with parents. I have just had a note to say that with pregnancy and maternity discrimination, there were 3 claims in 2024, which was down from 7 claims in 2023. But, of course, that is kind of the official data. That is not necessarily reflective of what is happening.

Deputy L.M.C. Doublet:
Yes. Going forward to a tribunal does not necessarily reflect the level of issues that might be occurring without people ...

The Minister for Social Security:
Precisely, yes.

Deputy L.M.C. Doublet:
Okay. I want to ask about a specific issue that arose in the post-implementation survey, which suggested that some employers were reducing some pre-existing parental leave arrangements and making them in line with the legislation, whereas before they had been more generous. You did say that you had a meeting scheduled to try and ascertain whether this was true. Can you update us on those investigations?

The Minister for Social Security:
I am just trying to recall if I have had any update recently on that. I do not think I have. I also think that we are in a space where, due to our near full employment, employers are in a real marketplace for employees, and I think that that type of behaviour would reflect quite badly and make them less

competitive as an employer. But I will need to go back to what I said in that previous Scrutiny hearing and then track to see whether I have got more of an update for you on that.

Deputy L.M.C. Doublet:
Specifically, you said you were in meeting with unions to understand whether they had information about this happening.

The Minister for Social Security:
To my recollection, I do not think that they did have any information about that necessarily happening.

Deputy L.M.C. Doublet:
Okay. Yes, if you could doublecheck and let us know if there were anything.

The Minister for Social Security:
Yes, absolutely.

Deputy L.M.C. Doublet:
Yes. Sorry, we have just jumped around a little bit.

Deputy J. Renouf:
Long term care, we talked at the last hearing, you stated that you wanted to consider changes to earning limits. The long term funding of the Care Fund starts to get progressively worse after 2030. Have you made any sort of progress with those sorts of thoughts or discussions?

The Minister for Social Security:
I have continued those discussions with my officers around what that might look like. I mean, I think I have always been quite open with Scrutiny that I would not want to see the percentage go up for working people without looking at the upper earnings limit first. I have had papers initially presented through to me. My next step is to present that through as part of the budgeting process within the Council of Ministers and have those conversations around that table. We are ready to go on that subject, but it is a discussion that I need to have then as part of that budget process.

Deputy J. Renouf:
You have come to some conclusions, and you do know what you want to put into the government plan?

The Minister for Social Security:

I have got some options in front of me that have been presented to me by officers. I have not yet discussed those options with other ministers, so that is my next step to decide, but, yes, my preference personally would be increasing the upper earnings limit in relation to ...

Deputy J. Renouf:

The social security?

The Minister for Social Security:

Well, I think we can do it separately for long term care.

Deputy J. Renouf:

Right.

The Minister for Social Security:

We know the Long Term Care Fund is the fund that needs the income boost more than the other funds, so that is where my focus would be in the first instance, to see whether there is any appetite to do that politically in order to boost the funds to ...

Deputy J. Renouf:

Do you know how much that would increase the fund by? Does it do the job?

The Minister for Social Security:

It obviously would increase the fund by less than increasing the percentage that everybody pays, but I think that it is an important starting point, and from my perspective on the base of principle, I think that is where we should start when we look at increasing funds coming into the fund.

Deputy L.M.C. Doublet:

Would this form part of the budget proposals or would this be a separate proposition?

The Minister for Social Security:

I am seeing it as part of the discussion that we would need to have as part of the budget proposals. That is where I would see that fitting in.

Associate Director, Public Policy:

That seems true, but it could not have part legally of the budget, it is separate. But it could be discussed as part of the budget considerations.

The Minister for Social Security:

Yes.

Deputy J. Renouf:

What I am hearing is that politically you think you would not sanction any increases in earnings limits without first addressing the upper earnings limit?

The Minister for Social Security:

Are you talking about ... yes. Instead lower ...

Associate Director, Public Policy:

The Minister does not want to increase the rate for everybody, until the upper earnings limits has been submitted. Yes, that way.

Deputy J. Renouf:

"Until the upper earnings limit has been", yes, okay.

The Minister for Social Security:

Thank you. That was much clearer.

Deputy J. Renouf:

It is probably my confusing question, sorry. Okay. In terms of the long-term future of the fund, do you see any other necessary actions in this term of government?

The Minister for Social Security:

Not in this term of government, no. We need to be aware of the pressures with an ageing population and what then that looks like. It is also then linked to ensuring that our working age population remains healthy and is able to continue and have a good, active, healthy lifestyle as well. It is linked to all of those health promotion things that we are discussing as well. You cannot see everything, I do not think, in isolation, but certainly not in this term of office.

Deputy J. Renouf:

Okay.

Associate Director, Public Policy:

There will be actuarial reviews at the end of this year.

Deputy J. Renouf:

I was ...

Associate Director, Public Policy:

They will be ...

The Minister for Social Security:

Is that your next question?

Deputy J. Renouf:

I was going to, but I thought I would leave it slip. If you want to update us on that, then that would be helpful.

Associate Director, Public Policy:

No. Just to assure you that there will be actuarial reviews as at 31st December.

Deputy J. Renouf:

For the social security?

Associate Director, Public Policy:

Of the social security, the fund separately. They will be published mid to late next year. They will be kind of fresh, if you like, for the next council ministers to make decisions on. Long term care, as the Minister said, is the fund which has got a relatively small amount of assets in it and an increasing demand, so that is the one we are looking at very carefully.

Deputy J. Renouf:

That will be one of the actuarial reviews.

Associate Director, Public Policy:

That is one of the actuarial reviews, yes.

Deputy J. Renouf:

Okay. Thank you.

Deputy L.K.F. Stephenson:

Thank you. From one discussion about sustainable financing to another. I am talking about pensions and also touches on the ageing population. What work is being undertaken to ensure that the State pension remains financially viable into the long term and sustainable?

[14:15]

The Minister for Social Security:

Obviously, the Social Security Fund itself is in the type of healthy place that we want to see it in. That will also be subject to actuarial review as well next year. I think also related to your question around pensions is the minimum income standard and understanding. But, of course, what I have said earlier is that the piece of work that we will be doing this year, we will be talking about specifically households with children. It may well be that some of that more historic data that is already held might well inform any work that we do in relation to pensioner households. I do need to obviously make it very clear that if a pension is somebody's sole source of income, then that person would, in every likelihood, I think, if not in all likelihoods, then become eligible for income support. I think when people look at the amount of the State pension, again it is not something that we can look at in isolation because it had not been designed at the time to be a single sole source of income. As I have stated previously, that is where income support comes in for those lower earning pension households as well. I do not think we can look at the State pension in isolation without also looking at the income support provision as well. In relation to secondary pensions, as I have previously stated, that is on my work plan as a piece of work to pick up towards the end of this political cycle as well. The team that were doing that piece of work are currently focusing on some work around contributions flexibility, and when they have finished that piece of work, they will then pick up the secondary pension piece of work. But that piece of ...

Deputy L.M.C. Doublet:

It will not be complete before the end of the term, is that correct?

The Minister for Social Security:

That will be a complex piece of work that will also require legislation as well, so that will be one for the next term of office. But, of course, that will not prevent the work from starting at the end of this term of office, because I think it is related to pensions, the parts around flexibility and contributions flexibility in relation to pensions. I have received a fair bit of feedback from people who have worked there a number of years where they have got their full amount of pension contribution, so we are looking at what working more years might look at for them if they continue to pay contributions. Obviously, we want to encourage people to continue working if they can and they want to, but at that stage people are saying, "Well, what am I getting back for my money for those additional contributions as well?" That is where that piece of work is focused at this point in time.

Deputy L.K.F. Stephenson:

And given that the work on the secondary pension, as you described it, it will probably start under this term. What is the outline aims of it? Just remind us.

The Minister for Social Security:

The outline aims is to fill the gaps of people who currently do not have access to a workplace pension, and employers that currently do not feel, because of their size and the nature of their employment, do not feel that they can offer a workplace pension. It is about filling that gap for people that currently do not have access to a secondary workplace pension.

Deputy L.K.F. Stephenson:

Designing a government-backed scheme that small employers can use. Is it something you envisage being compulsory?

The Minister for Social Security:

In an auto-enrolment style scheme, was the type of scheme that was previously looked at by the previous government. I think that is the only type of scheme that is probably going to solve that problem for people. This is why I separated that out from the increase in the minimum wage, because my concern is unless we have got wages to a place where people can live comfortably, an auto-enrolment scheme, people will only opt out of if they feel like they cannot afford to contribute. That is why I have put the piece of work on minimum wage first, because very often I think the people affected are likely to be on the lower incomes. I would not want to start an auto-enrolment scheme for then only the people that need it to start feeling like they had no other option but to opt out.

Deputy L.K.F. Stephenson:

Auto-enrolment means everybody goes in. An employee can choose to opt out, but an employer cannot, so it is effectively compulsory for employers?

The Minister for Social Security:

This is why this piece of work is so complex and could not be done at the same time as the increases in minimum wage. My understanding is that employers that already had pension schemes would not be forced to participate in that scheme. It is all of those things that need to be ironed out, and this is exactly why that is such a complex piece of work. But, of course, they have a scheme now in Guernsey. We can learn from other jurisdictions that have those schemes. One thing I will say, because it has been out in media, people are also saying that there is a similar scheme in Australia. Having lived in Australia, I can say there is not, because, yes, you legally have to have a private superannuation scheme, but they do not have contributory benefits and contributions in the same way as we do. Again, we need to be very careful around how what is designed in Jersey is designed for Jersey and what works for our community so that it does not then get seen as something that is instead of our already very successful contributions process and our social security fund.

Deputy J. Renouf:

You mentioned that the on its own, the State pension should not be seen as the sole form of income that will raise you to a decent living standard, and income support should fill that gap. Are you comfortable with that position? In other words, the other option might be to increase the pension so that you would not need income support, and indeed in a way that is the philosophy you have applied to the minimum wage. Would you apply that philosophy to pensions as well? Would you prefer to see a higher pension?

The Minister for Social Security:
It was a challenge, I think it is fair to say, that I gave my officers as well when we discussed the secondary pension scheme. That was exactly the challenge I threw back around, "Well, hang on a minute. Why should we be doing this? Is that not what the State pension is for?" I think that there is a piece of work on people's perceptions around what the states pension funds was designed to do, and what the social security fund is capable of doing. Also, I think what we know from data and statistics that are available is that people at different stages of their lives do require different incomes. By the time you reach pensionable age, you may well own your own home. You do not have the same kind of financial pressures as somebody that is working age that is on a minimum wage and perhaps struggling to pay the rent. There are different factors that I think need to be considered in relation to what might well be seen as a sustainable amount to live on.

Deputy L.M.C. Doublet:
The perception is that if somebody owns their own home by retirement age that the State's pension should be enough. But given that not many people might be able to own their own home by the time they get to retirement, is the State pension adequate, or do we need to do much more?

The Minister for Social Security:
I think it is doing what it was designed to do when it was put in place. There are a number of different factors that we need to consider if what we are talking about is addressing pensioner poverty. Just doing something with the State pension, which is, at the end of the day, un-means tested, would not necessarily be an effective target on pensioner poverty. It is a more nuanced thing than what rate the State pension should be at. And, of course ...

Deputy L.M.C. Doublet:
The pension savers would target people who are retiring in the future, but, for example, in terms of the gender pension gap, and the understanding generally is that there would be more elderly women living in poverty in Jersey, disproportionately more women, what measures are you planning to help those people in the here and now?

The Minister for Social Security:

I think one of the things that I am conscious about is the gap for people that maybe just fall above the income support income tests. I am currently looking at things like how we may well be able to extend eligibility to things like Pension Plus. And that, again, is a paper that I have had put together for me from officers, because Pension Plus is one of those things that I think is incredibly beneficial to people. It provides kind of the right help at the right time around, again, keeping healthy, and it also provides access to the health access scheme and the cheaper GPs that are available through that particular scheme.

Deputy L.M.C. Doublet:
That is funded services around health, is it not, the Pension Plus?

The Minister for Social Security:
Pension Plus is a chiropodist, dentistry, and opticians. Then that coupled with access to H.A.S. (Health Access Scheme) provides quite a neat package around access to healthcare provision to help keep people healthy. At the moment that is where I am looking at, is people that might just be missing out on that Pension Plus.

Deputy L.M.C. Doublet:
Is it enough or do we need to do more?

The Minister for Social Security:
In relation to?

Deputy L.M.C. Doublet:
In terms of specifically pensioners living in poverty and helping them now.

The Minister for Social Security:
I think, again, that is where the income support side of things come in. Again, back to communications, one of the things that I hear quite often is that people do not want to, or do not feel like they should apply for income support. Again, changing that perception around who can apply, and also the perception around personal dignity around applying for income support is something that I am keen on changing. Again, that is part of that communications strategy at the moment.

Deputy L.M.C. Doublet:
Thank you.

The Minister for Social Security:

In addition to that, that is where the printed leaflet has come in as well, because we have got printed leaflets aimed at pensioners understanding what benefits they may well be eligible for as well.

Deputy J. Renouf:
A group that have campaigned very vociferously as those people who are just above the thresholds who want the tax reduced on pensions or got rid of, what view have you taken about that?

The Minister for Social Security:
Obviously, that is within the remit of the Minister for Treasury and Resources. That would have a significant impact on public finances, and then maybe impact my ability to be able to help people with the lowest incomes. Of course, removing the tax liability on pensions, it would ... I am just trying to think of the best words given I have been for an hour and a half and ...

Deputy J. Renouf:
Do not worry, you are almost off the hook.

Deputy L.M.C. Doublet:
3 minutes.

The Minister for Social Security:
The benefit would be applied equally to everybody, no matter what their means were, and if that then meant that I could not provide sufficient support on the basis of public finances to the people who most needed it, I think that would be inequitable.

Deputy J. Renouf:
Thank you.

Associate Director, Public Policy:
I can also say that a person who is living on a State pension, does not pay tax, and therefore has no debt to them whatsoever.

Deputy L.M.C. Doublet:
Thank you. A very quickfire round on benefits, and specifically for terminally ill Islanders. Minister, obviously you have made some recent changes in this area. A rough estimate, if there are 10 claims in a year, that could cost around £236,000. Is this able to be absorbed into your budget or will you need to seek increased funding?

The Minister for Social Security:

Yes, that is able to be absorbed into the budget.

Deputy L.M.C. Doublet:
What would happen if the claims were significantly above that? Where would the funding come from?

The Minister for Social Security:
It is unlikely that claims would be significantly above it. Of course, we have not changed eligibility. People were always eligible for this benefit. The reason why there was a possible cost included in the report accompanying that proposition, was because it may well have been the process previously was seen as too onerous for some people at a really difficult time in their life. We just wanted to highlight that it may well lead to more people making a claim, but it does not lead to more people becoming eligible. People would have always been eligible. That should have always been budgeted for, because the eligibility has not changed. That just goes by way of explaining what that increase in cost was.

Deputy L.M.C. Doublet:
In terms of eligibility, have you considered amending those regulations to take into account Islanders with degenerative conditions whose prognosis might not meet the 12-month threshold, but who still face substantial care needs?

The Minister for Social Security:
That is something I have not considered up until this point in time, but, of course, I am always happy to take advice and considerations on board and look into things.

Deputy L.M.C. Doublet:
If you could reflect on that and let us know, I would be grateful.

[14:30]

Associate Director, Public Policy:
Can I just say, so something like motor neurone disease, you would qualify. You may have more than 12 months to live, but your care needs will have accelerated to that stage where you will be getting help anyway, so at this point we are not changing. The benefits are already there. We are making it quicker for somebody with a short-term life expectancy to bypass the paperwork, if you like. But people with degenerative diseases will typically have care needs well before that 12-month period anyway.

The Minister for Social Security:

Yeah. That will already be assessed. We are always looking at ways that we can improve the processes though.

Deputy L.M.C. Doublet:

Okay. Thank you. Do you have any final questions?

Deputy J. Renouf:

No, thank you.

Deputy L.M.C. Doublet:

No, okay. Minister, would you like to add anything before we close the hearing?

The Minister for Social Security:

I do not think so.

Deputy L.M.C. Doublet:

Okay. Thank you very much to you and to your officers for your time today and for your answers to all the questions. There may be some brief follow ups. We have not done too badly, but we may have something to follow up in writing.

The Minister for Social Security:

Thank you.

Deputy L.M.C. Doublet:

Thank you.

Deputy J. Renouf:

Thank you.

[14:31]