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Health and Social Security Scrutiny Panel

Proposed Budget 2026-2029

Witness: The Minister for Social Security

Thursday, 23rd October 2025

Panel:
Deputy L.M.C. Doublet of St. Saviour (Chair)
Deputy J. Renouf of St. Brelade (Vice-Chair)
Deputy P.M. Bailhache of St. Clement
Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter
Connétable K. Shenton-Stone of St. Martin

Witnesses:
Deputy L.V. Feltham of St. Helier Central, The Minister for Social Security
Ms. S. Duhamel, Associate Director, Public Policy, Cabinet Office
Ms. S. Le Sueur, Chief Officer, Employment, Social Security and Housing Department
Mr. A. Hacquoil, Group Director, Strategic Finance

[10:32]

Deputy L.M.C. Doublet of St. Saviour (Chair):
Welcome, everybody. We are the Health and Social Security Scrutiny Panel and today we have a Budget hearing with the Minister for Social Security. I am Deputy Louise Doublet, the chair of the panel.

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

Deputy P.M. Bailhache of St. Clement:
Philip Bailhache, member of the panel.

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

Connétable K. Shenton-Stone of St. Martin:
I am Karen Shenton-Stone, Connétable of St. Martin and member of the panel.

Deputy L.M.C. Doublet:
Minister, welcome to the hearing. Could you introduce yourself and your officers, please?

The Minister for Social Security:
Thank you. I am Deputy Lyndsay Feltham. I am the Minister for Social Security.

Associate Director, Public Policy, Cabinet Office:
Sue Duhamel, Associate Director, Cabinet Office.

Chief Officer, Employment, Social Security and Housing:
Sophie Le Sueur, Chief Officer for Employment, Social Security and Housing.

Group Director, Strategic Finance:
Andy Hacquoil, Group Director of Strategic Finance from the Treasury.

Deputy L.M.C. Doublet:
Thank you, everybody, for making time to attend the hearing today. So we have quite a lot of questions and we have a bit more time than usual for this hearing. We have 2 hours, so hopefully we will be able to fit in all of our questions. Minister, the Budget that has been presented to the Assembly, for your part of the Budget but also for the discussions in terms of the wider Budget around the Council of Ministers' table, could you outline how your approach has covered inequalities and inequities in our society and how your part of the Budget and the Budget more widely addresses these?

The Minister for Social Security:
Firstly, I was very aware of the financial constraints that we are facing now. Obviously, my department has its role to play in being as efficient as possible and I am confident that the chief officer plays her part in the Executive Leadership Team on that. With regard to some of the issues that I wanted to address through the Budget, I was very aware of issues that had been brought to me in relation to child poverty in particular. I think we have spoken before about the pressures that we know families face, particularly at the start of the school year. So I wanted to ensure that we had

something within the Budget that enabled me to help with payments related to that coming into the school year. We are also very conscious of the cliff edge that happens when people are eligible for income support or not eligible for income support and other benefits. So smoothing out some cliff edges was also one of the things that was a priority for me, which is why there is money in the Budget to expand Pension Plus to more pensioners that would currently not be eligible for that. Also, one of the areas ... and we recently had the report out about progress on the disability strategy. I wanted us to be able to make quicker progress on our disability and inclusion initiatives, so that was another area that I wanted to see further funding available in my space. Obviously, I also have a role to play within the Council of Ministers in supporting other Ministers with regard to equity as well. So I was pleased to see that we have funding for childcare provision. That is really important and I am sure that your sub-panel will have some focus on that as well. So I think as we look to that, it is really important that whatever we do we think about equality. Obviously, I am very conscious around the Health budget and the pressures on the Health budget and enabling the Minister for Health and Social Services as well to meet the needs there.

Deputy L.M.C. Doublet:

Did you take a gender-sensitive approach to your budgeting?

The Minister for Social Security:

I personally would take a gender-sensitive approach. I do not think it is built into the process but ...

Deputy L.M.C. Doublet:

What could we do to build that into the budgeting process?

The Minister for Social Security:

I think that is an interesting question and perhaps that is part of the role of Scrutiny as well is checking that we have been sensitive to equity and inclusion as well. I think having women around the table of the Council of Ministers, obviously we can bring that perspective.

Deputy L.M.C. Doublet:

But you think it is something that should be built in at the beginning stages rather than the Scrutiny stages?

The Minister for Social Security:

We have spoken about this before, the need to ensure that policy is as equitable as possible and thinking through the ramifications of policy. Obviously, the things that we have funding for in the Budget still need to be scoped out, so I am quite happy to take on board what you are asking me to do and think through that as we scope out the measures that I have the funding for, if that funding is approved by the Assembly.

Deputy L.M.C. Doublet:

Sure. Thank you. So we have had a look at the business cases and some of the funding that has been allocated in your department, and there is a line called "Supporting Islanders, Strengthening Communities" that the panel is very interested in. So we are going to start by asking some questions on helping struggling parents with the cost of the new school year. Deputy Stephenson will take these.

Deputy L.K.F. Stephenson:

What amount is set aside for that project? How many families are you aiming it at and on what criteria is access being granted?

The Minister for Social Security:

I am conscious that what we have at the moment is the overarching Budget. If that is approved, then the department will continue to do scoping work on that. We have a project; it is one of those where you need to have the budget to justify the work. My instruction to the department so far has been that it should be targeted at lower income families, not necessarily just families that are in receipt of income support. We also know that, for example, we are concerned that Pupil Premium may not be being taken up by all of the families that are eligible for it. So one of the ways that we are intending to scope out these payments is to also link it to Pupil Premium to encourage people to access that help as well. Sophie, have you got anything to add from the departmental side?

Deputy L.M.C. Doublet:

Can I just ask a bit more detail about Pupil Premium? Is that not something that is delivered through the school, it is not something that goes to families directly?

The Minister for Social Security:

Yes, it is but, of course, there is an application process. So when I met with a headteacher at one of the secondary schools, they were very conscious that perhaps pupils were not ... or the families were not receiving help that they were eligible for.

Deputy L.M.C. Doublet:

It would not help with cost of living, though, would it? I might be wrong, but is Pupil Premium not things that are delivered in the school environment?

The Minister for Social Security:

Absolutely, but that then helps the school to deliver the right services to the pupils that need it. But enabling the schools to access that funding is really important.

Associate Director, Public Policy, Cabinet Office:
Yes. The Minister's point is that ... so there are 2 things but they come together quite nicely. Number one is delivering a cash benefit to parents before the beginning of the school year and making that benefit accessible to people across without any kind of normal restrictions on 5 years or income support or stuff like that, so a broadly-based support. The point is that when people access that who have not got 5 years' residency, we could signpost them to apply for Pupil Premium or even get them on to Pupil Premium automatically or something like that. We have not worked out the details yet. It is that way round, though. So the point is to make sure that schools have the funding that they are entitled to have for the pupils who might need extra help because they are coming from low-income families. If you are under 5 years, you can apply for Pupil Premium but very few people do because there is nothing in it for them directly. It does not give them any cash. It is just about the education of the child, and it is just one more form to fill in. So there is not strong enough motivation or contact. So although this benefit was not designed to do that, that might be a useful by-product, if you like. But we have a very broad, high-level plan at the minute. We will develop this once the funding is in place and the allocation of the individual bits are sorted out in more detail.

The Minister for Social Security:
I am also obviously happy to take comments from other States Members and Scrutiny around targeting because I know that is something that you feel strongly around is child poverty. So this is something that I would hope will ease some of the burden on families. We know it is a critical time period and we want children to be able to start the school year with the equipment and the uniform that they need because that is dignity, is it not, as well? So that is why that was particularly important to me.

Deputy L.K.F. Stephenson:
So acknowledging that there is still some work to do on it, there will be an outline business case that puts it together. How much of the £1.8 million for next year that I think is set aside for these 4 projects are you aiming to spend on that back to school part?

The Minister for Social Security:
So at the moment with the programme, we have the funding for those components of the programme. As we develop each of those initiatives we will be allocating that budget within the department. Sophie, have you got some high-level figures at the moment?

Chief Officer, Employment, Social Security and Housing:

Yes. We do still need to flesh it out, but I suppose an initial look at what might the cohort be for this, we are talking between 1,500 and 2,000 probably primary school-age pupils, we have sort of made an assumption of the target group, and around 2,000 secondary school pupils. So we think we are between the 3,500 to 4,000 potential applicants for that. We need to do some work on what would the right amount be. Would it be the same amount for primary as secondary or actually are there slightly more expenses that come with the start of a secondary school year than a primary school year? But at this stage that is the sort of numbers we have looked at. I suppose, yes, within the overall S.I.S.Co. (Supporting Islanders, Strengthening Communities) project covering the 4 different strands, we are comfortable within that that we should have enough but we are not going to say a definitive exactly a quarter per project at this stage. We have done some broad assumptions looking at what sort of target group do we think it is likely to be, but we really want to just make sure we look in detail at what would the right amount be and what would that split be.

Deputy L.K.F. Stephenson:
How much are you hoping to be able to give families, do you know that?

The Minister for Social Security:
We need to balance off the budget that we have within the Budget with the number of families that we want to help. Like Sophie said, there is some scoping work to be done from the department level on what is the right amount to give for a secondary school and primary school.

[10:45]

So the important thing is that we get the money in the Budget, the money agreed in the Budget, so that then we can actually know that we can undertake that work with certainty. As a former project manager within government, I will absolutely ensure that the correct processes and procedures ... Sophie knows and Andy knows I think that I am really keen to ensure that we always have the correct business cases and paperwork and documentation done. This is very much in scoping phase at the moment. I think we are very clear with our intention. I am hoping that the Assembly will support that Budget so that we can meet that intention and get funding out to families.

Deputy L.K.F. Stephenson:
I suppose the comment I would just add to that is that ensuring also that States Members have enough information to be able to make a reasoned, informed decision as well about it, about whether they are keen to put their name to that, would just be my feedback on that.

Deputy L.M.C. Doublet:

Can I just follow up on that? Will there be more detail, as Deputy Stephenson asked? Will that detail be ready in time for the Budget debate?

The Minister for Social Security:
My department at the moment is working very hard to implement the projects that it is implementing this year. I could get staff to do that work. Whether it is good use of staff time to do the work before the Budget is approved is one of those balancing factors. We can get further scoping done so that we are talking about the types of amounts of money, because I think that is what you are concerned around is how much money, is it going to be enough going to a family. So that is the type of work that we can do. What I would not want to do is stand up a whole administration process that may not be then utilised if we do not have the budget approved in the Budget.

Deputy L.K.F. Stephenson:
Thank you for that. What analysis was undertaken to identify that there is need for this service, for this benefit?

The Minister for Social Security:
It came from direct feedback from key stakeholders such as, like I said, school headteachers, the Children's Commissioner, also when we had discussions in the Cost of Living Group and representations from organisations that support families around what those crunch times are. We obviously have access to income support and again, like I said, I want to try and smooth out those hard cliff edges to receiving funding. Again, it was certainly something that I heard loud and clear that at the end of the school holidays, school holidays are costly times anyway for families and then there is that additional stress for families as they are starting that school year. So that seemed to me to be the most appropriate time to be able to give a funding amount to families to try and help.

Deputy L.K.F. Stephenson:
How do you intend on distributing the funds? Is it a voucher scheme, a cash benefit, the uniform itself? What is the policy intention at the moment?

The Minister for Social Security:
I would not be in favour of giving people the uniform itself. I think that there needs to be personal autonomy. That again comes down to the bit about dignity. So I personally do not like the idea of voucher schemes where people are identifying themselves as a low-income household, so I would be seeking to make a payment in such a way that the low-income households would not have to identify themselves when they are obtaining things like the school uniform and the equipment. That is my personal view.

Chief Officer, Employment, Social Security and Housing:
I think we have experience of doing cash just direct to bank account payments. I think from an administrative point of view that is simpler than getting into voucher situations as well but also, as the Minister says, it feels like ... we know that these costs get incurred, but give the autonomy to the individuals of which bits they spend it on exactly.

Deputy L.K.F. Stephenson:
With that in mind then, how do you intend to monitor the success of the project and that the money is being spent on what it is intended for?

The Minister for Social Security:
Obviously, we will maintain conversations and dialogue with our school headteachers. They are the ones that see it. They are the ones that see children turning up without uniform, without equipment, and having to deal with that on a day-to-day basis. I think parents will want to put their children first. I am not sure when you are saying how do we ensure that people spend the money on what it is there for. The money is there to alleviate a financial pressure on families. So that would be where I want to see that heading. Again, we can survey families. We can get some feedback from them following that. We can do that before as we are scoping out the project. But like I say, the key point at this point in time is making sure that we have the budget so that the department can undertake that work and know that it is undertaking the work that it is going to then be able to implement.

Deputy L.K.F. Stephenson:
Okay. We talked about who might access it from a financial level point of view, but do you intend it to be universal for all levels of need or is there any targeted funding for S.E.N.D. (Special Educational Needs or Disability) students, maybe with specialist equipment or anything like that?

The Minister for Social Security:
That is something that, of course, we could consider. I am quite happy as well to bring that up within the Disability and Inclusion Advisory Group as well around whether there are any additional forms of need. That is also why we are packaging this all together as a programme so that we have some flexibility within the Budget allocation. So we have the disability and inclusion allocation, so whether that type of thing could come out of that funding or the funding for the families, we want this to all work together and work as efficiently as possible. I think that is my biggest message because there is lots of talk about waste in government, but I need to know that my department are putting their energies on to things that are going to happen and that the Assembly is supportive of.

Deputy L.M.C. Doublet:

I have a couple more on this. So the numbers that you have identified, what parameters are there around those numbers? Are they income support families or is there another ... so you mentioned the 1,500 to 2,000 primary pupils and 2,000 secondary pupils.

Chief Officer, Employment, Social Security and Housing:
I think that was initial scoping, just looking at what are the actual cohorts.

Associate Director, Public Policy, Cabinet Office:
Yes. It is a quarter of the total. So on the grounds that you just take ... you look at low income statistics and you say roughly about a quarter of that is low income. So as the Minister said, it is all very early days yet because our very early planning is such that we just started as saying if we could target the bottom quarter of the income profile that would work quite well.

Deputy L.M.C. Doublet:
Okay. In terms of the targeting, Minister, you have mentioned child poverty and I can see that is a thread running through your work and a concern of the panel as well. You talked about cliff edges. So with this scheme, how will you ensure that it reaches families who are in need? Does low income always equal the greatest need or might there be families perhaps where there are disabilities present in the family that have a greater need or an equal need perhaps?

The Minister for Social Security:
Like I say, I am quite keen to balance across that budget for this programme so that we are meeting different needs. As Sue mentioned as well, I am always very conscious that we have families that have not been here for 5 years and do not meet that 5-year limit for income support that are families in need as well. So it was important to me that those families would be eligible for this payment. Again, I am aware that that is a cohort of people that the schools are concerned about as well. I think that is why I am really keen to get this budget approved so that we can do some work. It is around trusting Government as well. Part of the reason, say, for the lower than anticipated take-up of the Pupil Premium may well be because people are afraid or do not want to apply. It does come down to that dignity aspect as well. So we need to build up that trust and we also need to make people feel comfortable around applying for benefits that they are entitled for.

Deputy L.M.C. Doublet:
Thank you. Have you done any work or any modelling on the cost of buying uniforms at a retail price and how much money might go towards a cash benefit to allow people to do that, versus the Government or the schools themselves having the same amount of money and buying in bulk and potentially being able to just offer the free uniform universally perhaps or to a far greater number? Has that been considered?

The Minister for Social Security:
That is not something that I have considered so far. I am quite happy to take that away and have a conversation with the Minister for Education and Lifelong Learning about that. I know the cost of school uniform is a contentious subject and whether you can go and buy it on the high street or whether it needs to be branded and things like that. I get that States Members will want to see that we are getting as much value for money as possible. I absolutely agree that that should be a priority. My focus, of course, is on ensuring that we are trying to ease costs for families and financial burdens as well. So if uniform could be less expensive, then they have more of that payment to then ... because we also know that, for example, things during the summer holidays are incredibly expensive. So there will still be unmet need, so the more value we can get the better.

Deputy L.M.C. Doublet:
Okay. Thank you. Will you let us know the outcome of those discussions with the Minister for Education and Lifelong Learning?

The Minister for Social Security:
Of course, yes.

Deputy L.M.C. Doublet:
Thank you. I have a general question around this line on supporting Islanders. I understand that you said you are still working on exactly how the money will be split up. Are you able to say roughly is it going to be equal amounts for those 4 projects or is one weighted to a greater amount than the other?

The Minister for Social Security:
So like Sophie said, we are more or less equal across the projects, but once the scoping is done, if we find that ... at the end of the day this becomes about outcomes, does it not? So I am clear about the outcomes that I want to achieve, and then once that is scoped up it might well be that we need the flexibility within that broader budget to, say, put more money to one area than the other, which is why we have put that under that broader headline. Because I do really want to be outcomes focused.

Deputy L.M.C. Doublet:
Thank you. So it is £1.8 million for the next 3 years falling to £1.6 million. What was the reason for that drop in the fourth year?

Associate Director, Public Policy, Cabinet Office:

I can do that one. So one of the strands of the project as a whole is the Pension Saver work and we think that by 2029 the project will either have come to a close because it will not have been pursued or it will be actually moving into an operational phase. So developing in that last year will not be sensible and will not be needed for one reason or another. So we do not want to judge what that reason is but we did not feel there was a need to put funding into the last year. So there is 3 years of development funding for Jersey Pension Saver but not a fourth year, and others are more ongoing things so they have 4 years in each of those.

Deputy L.M.C. Doublet:
I see. Okay. In terms of next year, the £1.8 million, that was the bid that was approved by the Council of Ministers. Minister, what did you originally bid for year on year for this area?

The Minister for Social Security:
I am just ...

Associate Director, Public Policy, Cabinet Office:
I think we bid £1.8 million for all 4 years and we have just got that last bit ...

Deputy L.M.C. Doublet:
Okay. Did you have to justify that to the Council of Ministers? Was it an easy win or did you have to fight for it?

The Minister for Social Security:
I do not think anything is ever an easy win, is it? These things, they do go hand in hand with the wanting to ensure that we have the types of outcomes for Islanders. We want to have Islanders having a better life. People are concerned around that cliff edge. It is a conversation that I have with Ministers quite often, so I think in that sense it met what other Ministers were hoping to achieve in relation to that.

Deputy L.M.C. Doublet:
Was it unanimous?

The Minister for Social Security:
I cannot recall the conversation. I would need to go back to the minutes.

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

The Minister for Social Security:

There were lots of discussions around the Budget so, as you can imagine, we take that ...

Deputy L.M.C. Doublet:

So no opposition that you can recall from any particular Ministers or departments?

The Minister for Social Security:

Not that I can recall, no.

Deputy L.M.C. Doublet:

Okay. Thank you. Those are my general questions. The next section Constable Shenton-Stone is going to lead, and it is about the workplace pension.

[11:00]

The Connétable of St. Martin:

Yes. Thank you. Minister, given that money is being allocated to this project for mandatory workplace pensions within the Budget, could you outline why and provide more details of what it will cover?

The Minister for Social Security:

So I had obviously paused the work that had started earlier on in my tenure in this role. The reason why I paused that at that point in time was because I wanted to prioritise raising the minimum wage and I did not want to place the burden or what might be seen as a burden on employers at the same time. So I wanted to focus on implementing that. That said, I am very aware that particularly lower paid workers are more likely to be the ones that are most affected by not having access to a workplace pension. So this is about making it as easy as possible for people to be able to save for the future and picking up that piece of work again. I think that the timing now is better. What we do need to do is bring people along on the journey with us as well. I think I said at the time when I paused it I did not feel like I could ask people to save for their pension if I knew that the wages were such that they could not afford a loaf of bread on the table. So that is why I prioritised that first. But we do know that we have an ageing population. We know that people need to be encouraged. Sometimes just that auto enrolment into a pension, people then do not think about it. I am also conscious that younger people as well may not be inclined to save for a pension if they are saving up for their first home, so I would like to look in this project around flexibility around whether we enable people to save up for a deposit using the same scheme, for example. So anything that we can do to encourage people to set up that savings I think is a good thing. There are lots of decisions that will need to be made along the way. There will be political decisions and legislation that will need to be passed. So it is not going to be a simple project. It will be a complex project. We need to think about whether there should be compulsory employer contributions, for example, or not, but again if we think about what outcome we want out of it, the outcome from my perspective is where currently workplaces will find it too difficult to set up a pension scheme making it easy, and also making it easy for people to have that option to save. I did meet informally with my counterpart in Guernsey. I am obviously interested in how things are going from Guernsey's perspective because they have implemented their scheme already. There are things that we can learn from other jurisdictions. I think that this will be a really valuable piece of work.

The Connétable of St. Martin:

Thank you. I agree with that. What contingency is in place to support those who do not currently pay into a scheme and may reach old age without any income? As we have said, it is an ageing population and bearing in mind only about a third of Jersey residents are paying into a workplace pension, is there a contingency in place to support those who do not currently pay in or is it just the basic pension?

The Minister for Social Security:

I think it is really important to get across that if somebody is just receiving the basic pension as their sole source of income they would be then eligible for income support and that is where our safety net is for all low-income Islanders. So that is how we operate things at the moment.

Deputy L.M.C. Doublet:

Can I just ask a supplementary? Is that the case if they own their home?

The Minister for Social Security:

Yes. So the components ... they would be eligible for a small amount towards the cost of the home. Obviously, that is not the same amount as the rental component, but all of the other components if they do not meet the threshold they would be entitled to.

Deputy L.M.C. Doublet:

Is it a standard amount? Can you say how much it is?

The Minister for Social Security:

It depends on the household so the ...

Deputy L.M.C. Doublet:

I mean for pensioners who own their home and are just drawing on a state pension.

The Minister for Social Security:

We could provide that calculation.

Deputy L.M.C. Doublet:

My understanding was it was a very small amount, about £10.

Associate Director, Public Policy, Cabinet Office:

The Minister is describing the way that we do accommodation components in income support. So accommodation components in income support are basically 3 types. If you are in social housing, the full amount of the rent is included automatically if you are appropriately occupying the property. If you are in private rented housing, we support rent up to a cap. If you are in an owner-occupied property, then there is a much smaller amount. So the first 2 are hundreds of pounds a week and the third one, which is an owner occupier, is about paying for building insurance, the kind of expenses that are incurred by an owner of a property. So it is principally around building insurance. So they are £10 to £20 a week. They are much smaller amounts of money.

Deputy L.M.C. Doublet:

Understood. Thank you.

The Minister for Social Security:

It is important to remember that that is just one component.

Associate Director, Public Policy, Cabinet Office:

Yes. So that is that, but the amount of income support that you will get as a household is dependent on a whole variety of things, how many people live in the household, their income, their personal care needs, if there is disability, a range of different things like that. So you would have to do an individual calculation for an individual person.

The Minister for Social Security:

We can provide some scenarios, I am sure, if that would help the panel.

Deputy L.M.C. Doublet:

Yes, I think it probably would.

The Connétable of St. Martin:

It would, yes, please.

Associate Director, Public Policy, Cabinet Office:

I will just also expand on that to say that there will be some homeowners who probably do not qualify for income support, but if they do not pay tax and if they own a house and they get a States of Jersey pension and that is their only income, they will not pay tax. If they do not pay tax, they will be eligible for the Pension Plus Scheme. They will be eligible for other bonuses. They will be eligible for other things as well. So those things can be applied for separately. There are parallel schemes within income support, so income support people get them as well. Some of these things flow across into other pensioners who are not on income support but do not pay tax. So that is quite a nice smooth edge on those.

The Minister for Social Security:
Of course, from next year if the Budget is approved it is the intention that more pensioners will be eligible for Pension Plus. That also unlocks the Health Access Scheme for those pensioners as well, so the cheaper G.P. (general practitioner) visits, which is really important.

Deputy L.M.C. Doublet:
It would be really good to get some modelling for different types of households. We have asked lots of questions about the minimum income standard, so I am not sure if it is part of that and we are still waiting for it, but if you can provide in the shorter term some modelling of what is already available, I think that would help us.

The Minister for Social Security:
It is quite different because the minimum income standards will be an income standard about the amount of money, whereas I think the modelling that we are talking about here is what people should be expecting to receive right here, right now, in different scenarios. That is really important to me as well because part of the things that we have been doing communications-wise is trying to myth bust around access to benefits. I had a constituent come in to me. She actually had a question about tax, and as soon as I looked at her tax return I said: "Do you realise that you would be eligible for income support?" Again, this was a homeowner pensioner and she had not realised that she would be eligible. She went in, she sorted out her claim, and then the next time she came in to see me she told me how happy she was that she had received that. So I am really aware that having scenarios like that are incredibly useful.

The Connétable of St. Martin:
I understand that public consultation is expected at the end of 2025 or early 2026 to decide whether to introduce the legislation for this. Has any consultation already been undertaken with employers to ensure that they are fully aware of the proposed changes?

The Minister for Social Security:

So that is the part of the project that we are starting. If the Budget is approved we will be able to start that work. It is really important, as I said. This is going to be a complex piece of work and we are going to need to take people on the journey with us. It is my intention that part of the objective of this is to help employers as well because I am sure that there are a number of employers out there that would like to be providing the benefit of a pension to their employees but do not feel that it is accessible to them because they might be a small employer, for example. So that is very much part of the work that is planned for next year is to start that consultation process, again so that we can talk about the benefits. We talk a lot about the need to attract and retain talented people to the Island. Part of the thing that those people will want to ensure is that they are able to save for their future and that they are going to be looked after when they become pensioners as well. So I do see this as a positive thing for employers if they currently are not able to offer a pension. It brings them up to the standard of other employers as to what they will be able to offer.

The Connétable of St. Martin:
Thank you. Finally, what is the timeline for the implementation of the scheme? Do you have a timeline? It is probably difficult because you have not had the consultation yet.

The Minister for Social Security:
But also we will be dependent on legislation and things like that. I am just trying to think through in my head. What I do not want to do is promise a timeline right now when the scoping work needs to be done.

Deputy L.M.C. Doublet:
We will skip some questions, I think.

The Connétable of St. Martin:
Yes, that is what I thought.

Deputy L.M.C. Doublet:
Sorry, we are just looking at the question plan and noting the time. I think I would like to move on. Do you have any final ones that you would like to address in this section? If you are happy for me to move on, we can always go back.

The Connétable of St. Martin:
No, I am happy for you to move on, yes.

Deputy L.M.C. Doublet:

Thank you. I would like to talk about the section of this funding that addresses the disability strategy. Could you outline some of the projects in the section that will be delivered if the funding is awarded?

The Minister for Social Security:
So again the outcome that I want to achieve is making the delivery of the disability strategy quicker than it would have been otherwise. I do have the Disability and Inclusion Advisory Group and we also think that it is incredibly important that we hear from people with lived experience. So it will be that group and those people that I will be wanting to engage with when scoping how that money is spent. But again I can see Sophie is wanting to come in.

Chief Officer, Employment, Social Security and Housing:
There are some things that we know at the moment that we are actively looking at sort of trying to improve the transition for young people with a learning disability, for example, from one service into adult services. That is something where we know that we really want to be able to do more in the space and accelerate areas, also looking at things like the accessible venues programme. We think with this additional funding we can achieve more quicker with some extra funding. So there is a lot which is not necessarily new things but it is being able to try and get more delivery done because there are lots of really important areas.

The Minister for Social Security:
It was quite frustrating I think for both me and the Disability and Inclusion Advisory Group that we had a disability strategy, we had a team, so we had funding for a team, but we did not have funding to undertake any of the work necessarily. So that is why I thought it was important to get some funding in so that now we can get some real impetus behind some of these projects.

Deputy L.M.C. Doublet:
Okay. So the projects, I am looking at the report that was published I think on 6th October and 3 of the poorly scoring actions were highlighted: the preparing for adulthood transition pathway, appointment accessibility for disabled Islanders, and St. Helier road crossing accessibility. Are there any other ... so the full action plan was not published. I think first of all could we please have that, if that is possible?

The Minister for Social Security:
Yes.

Deputy L.M.C. Doublet:
Can you say, are those the only 3 actions that need more work or are there others that you can tell us about now that this funding will help to address?

The Minister for Social Security:
There are always more actions that need more work in this space. Those are 3 priorities, as Sophie said. Specifically, the pathway transitions to adulthood is something that we are working on across government, and that is a real priority.

Deputy L.M.C. Doublet:
Are they the 3 top most important priorities of the outstanding actions?

The Minister for Social Security:
At the moment those are the ones that were highlighted by the Disability and Inclusion team. I have a meeting of the Disability and Inclusion Advisory Group coming up in November as well. I always think it is really good to check in on priorities with that group, but also we have ... I have forgotten what they are, our panel of people with disabilities.

Chief Officer, Employment, Social Security and Housing:
Our lived experience.

The Minister for Social Security:
With lived experience.

Chief Officer, Employment, Social Security and Housing:
We do that to enhance and do even more engagement in that space.

Deputy L.M.C. Doublet:
Thank you. But just to go back to those 3 items, you have said again they were highlighted. Are they highlighted as the 3 most important? Are they the 3 least costly? Are they the 3 easiest to achieve? What criteria made this report highlight those 3?

[11:15]

The Minister for Social Security:
It would have been based on the discussions that were had with the Disability and Inclusion Advisory Group as well as those people with lived experience. The reason why I am being careful around saying that they are the top priorities is that because we are dealing with such a complex and broad space, the priority for some areas is going to be different to the priority for others, which is why I think, depending on who you speak to, their priorities will be different. As a Government, we know that we have work that needs to be done across departments around the transitions to adulthood

because we do not want people falling into a gap when they are transitioning from Children's Services through to Adult Services. That is really important. You know that I like to focus on things so that we get things done rather than do like the scattergun approach of doing all sorts at once. So that is where my priority is at the moment as a Minister to ensure that we have some real drive and impetus behind that piece of work.

Deputy L.M.C. Doublet:
Is it possible, when you can get that documentation to us, that there is some kind of indication there of what is a priority in terms of importance wherever possible?

The Minister for Social Security:
Yes.

Deputy L.M.C. Doublet:
What would be the easiest to achieve and the cost for each thing so that we could analyse that?

The Minister for Social Security:
Yes. We had a presentation done at the last advisory group meeting, which I think would be helpful to the panel.

Deputy L.M.C. Doublet:
That would be good.

The Minister for Social Security:
I am also really happy to arrange a briefing for the panel from the Disability and Inclusion Team.

Deputy L.M.C. Doublet:
I was just going to ask that. I think that might be ... yes, thank you.

The Minister for Social Security:
They are a great team with a lot of expertise. I know that we had Ant doing his "Ant talk" to States Members very recently, but again we are really keen to get information out there about what the team are doing. I will give a plug while I can to the "Embrace our Difference" event happening in December as well and encourage States Members to attend that.

Deputy L.M.C. Doublet:

Okay. Thank you. What was the overall feeling of that group in terms of funding that had been allocated in the past and this funding that is going to be allocated? What was the feeling in that group?

The Minister for Social Security:
I think there was a level of frustration in the group, it is fair to say, around being able to get things done and going far enough as fast as you would like to. Obviously, Budget discussions, I could not discuss with the group that I was hoping to get this funding. I was able to tell them about what we have in the Budget at the last meeting. They were really pleased that I had shown that this is a priority through having funding allocated in the Budget, so I think that really sends out a strong message, and I hope that States Members will support that.

Deputy L.M.C. Doublet:
Thank you. Going back to the original question, Minister, about inequity in society, did you take a disability-sensitive approach to the Budget overall and, indeed, did the Council of Ministers?

The Minister for Social Security:
I always try and take a disability and inclusion-sensitive approach to all of the work that I do. So that is the voice that I would bring to the table, and I think we go back to process. I think we all have our parts to play, have we not, and that is certainly something that I would see as my role in this Ministerial role to bring that voice to the table around discussions.

Deputy L.M.C. Doublet:
Thank you. We note from recent media reports that there is some conflict between the carer benefits of households that have people with a disability within the household and the pension, that they cannot be paid at the same time. Can you comment on whether that is something that you feel able to change and would there be scope within this current Budget to address that?

The Minister for Social Security:
So obviously I cannot comment on specific cases. That would be inappropriate. What I can do is explain a bit more about how the current legislation works.

Deputy L.M.C. Doublet:
Can I just make a note about time? I can feel my vice-chair getting fidgety next to me and we do have a lot of questions.

The Minister for Social Security:

So home carer's allowance is a working-age benefit from the Social Security Fund and obviously the state pension is a pension-age benefit from the Social Security Fund. So the way that the legislation works is that once you claim your pension, you are no longer eligible for working-age benefits. A change was made in relation to home carer's allowance, which I think was done with really good intention, to ensure that if somebody reached pension age when they are already claiming home carer's allowance but would end up worse off because they did not have their full pension entitlement, so switching from home carer's allowance to a pension would make them worse off, this is the only benefit where there is the flexibility to choose to take home carer's allowance rather than the States pension. So by way of example of how that might work in another scenario, if, for example, you are on long-term incapacity allowance, you would not have that option, but long-term incapacity allowance would cease when you take your pension. I think in the States, when I got asked about something similar, I talked about the need to take a holistic approach to benefits. So I had a really good discussion with Deputy Miles just a few weeks ago, who talked to me about the fact that ... so in an example where you have an adult child that is dependent and requiring care, that adult child is eligible in their own right for income support. This is where scenarios will help in relation to that.

Deputy L.M.C. Doublet:

Can I just refocus? So going back to the pension and the home carer's allowance not being able to be paid at the same time, the panel is aware of a U.K. (United Kingdom) report called the Scope *Disability Price Tag* that has very recently been published. That states that households where there is a disabled person living within ... a person with disability within the household faces additional costs per month of over £1,095 just to live at the same basic level as people without disabilities. Can you comment on this evidence, Minister, in the light of our benefit system?

The Minister for Social Security:

So the home carer's allowance is not there to deal with those costs. That is where we have the income support components that are there to deal with those additional costs. So where you have somebody with a disability who is unable to work, for example, and receiving income support, then you would have different components of income support which are there to help with those additional costs. The home carer's allowance is the working-age benefit that is available. It is like the equivalent to parental benefit for when you are not working because you are taking your parental leave. Does that make sense? So that is there for somebody who is unable to work full-time, although you can work up to 15 hours a week with home carer's allowance. That is the purpose of that benefit. The additional costs element is what is funded via the income support components, things like personal care benefit. We obviously have the carer's allowance within income support as well and we have the ancillary care cost component and personal care components of up to £198 a week. So by the time you add up all of those components ... because I was aware of that report as well and got asked about it a few weeks ago. When you add up those components together, it does equate to that additional cost as outlined in that report.

Deputy J. Renouf:
Can I just clarify then? Are you planning to make any changes to the Overlapping Benefits Order to deal with the issues that have been raised?

The Minister for Social Security:
I think that the issues that have been raised have been conflated and not necessarily understood appropriately. If I was to change the Overlapping Benefits Order, would we then, for example, enable somebody to claim S.T.I.A. (short-term incapacity allowance) at the same time as parental leave? So it is a wider issue than just home carer's allowance. So would we apply the same ruling to all working-age benefits? It is something I would be keen to understand the panel's view on as well.

Deputy L.M.C. Doublet:
Could you not just make the home carer's allowance a general ... not just a working-age benefit but just extend the criteria?

The Minister for Social Security:
That would be a fundamental change to the whole social security system. There are ...

Deputy J. Renouf:
Guernsey has done it.

The Minister for Social Security:
Obviously this came up in media. I have asked officers what would happen if we implemented the Guernsey system here. The people would be worse off under the Guernsey system than they are currently now under the Jersey system. My understanding is, and Sue can speak to the technicality ...

Associate Director, Public Policy, Cabinet Office:
Can I just say in terms of worse-off, the point was that the Guernsey Government does not provide any support for home care in Guernsey. So the long-term care scheme in Jersey was developed after the Guernsey scheme so we learnt from some of the things that Guernsey did not do. So what Guernsey did, Guernsey were ahead of Jersey and Guernsey created a long-term care scheme that supported the cost of residential care, moving into a care home. They did that at the time to address a specific issue in Guernsey. Jersey came to the table quite a lot later but had the benefit to look

around more generally with what the U.K. was looking at at the time and was able to produce a scheme, which is what we have today, which covers both the costs of care in a care home and the costs of care at home. So the Jersey Government has a scheme that covers very consistently and methodically the cost of care for adults being looked after at home. That scheme does not exist; that is why the Minister is saying you do not really want the Guernsey system. It has gaps in it which we have filled in Jersey. It is true that people living in Guernsey can claim an equivalent of a home carer's allowance. It is not part of their social security system. It is a means-tested benefit that comes through a different funding route. You would probably want to do that in Jersey if you were going to do it in Jersey. It is true that you can claim that and claim your old age pension in Guernsey at the same time. It is also means tested. It is a different benefit. It just is very different.

The Minister for Social Security:
It is the same as claiming income support at the same time as your pension, if that makes sense. So we have those types of provisions here already.

Deputy J. Renouf:
So, Minister, am I reading it correctly that you do not intend and do not wish to make any changes to the current system with regard to those overlapping benefits, the particular ones that have been raised?

The Minister for Social Security:
I do not think it would be the right thing to do. I think we need to be really careful to understand the problem it is that needs to be resolved and then the right solution to that problem.

Deputy J. Renouf:
Even though the relevant costs are very, very small?

The Minister for Social Security:
The relevant ...?

Deputy J. Renouf:
The relevant costs of doing that, of making ...

The Minister for Social Security:
On what basis are you suggesting that?

Deputy J. Renouf:
The figures that have been quoted.

The Minister for Social Security:
But those figures are incorrect.

Deputy J. Renouf:
Okay. So you would be happy to provide us with figures of what that would actually cost were it to happen?

The Minister for Social Security:
Yes, and also you need to be careful about what the definition of a carer is. Because at some point in our lives I think all of us are going to undertake caring responsibilities. So we need to make sure that the right level of support is available to people at the times that they are undertaking that responsibility so that they do feel valued. Changing the legislation in respect to overlapping benefits I do not think would meet that aim.

Deputy J. Renouf:
Is the wider issue not precisely the one you have just identified, which is that we have not traditionally paid and appreciated the paid work value of work in caring and that this would begin to address one of the most obvious deficits in that failure to compensate individuals for caring work that saves the state a lot of money?

The Minister for Social Security:
When you say failure to compensate, I think again we need to outline what support is available because home carer's allowance is not the only avenue for financial support for people caring. Also, I really want to make this point. What we must do is make sure that the person receiving care is right at the forefront and centre of this. Where people have the capacity to make decisions themselves we need to be empowering people to make those decisions themselves as well. So this is a complex area. It might appear on the surface of it that changing the order in relation to overlapping benefits would appear simple. What I am saying is it is not that simple and I do not believe that it would resolve the issues that I think the panel are concerned about.

Deputy L.M.C. Doublet:
Finally, to pick up on the very good point that my vice-chair just raised around valuing care, I personally do not feel that we have enough of an understanding of what care happens in our Island.

[11:30]

It is not measured in the same way that we measure other elements of productivity. It is not included in our G.D.P. (gross domestic product), for example. Do you feel that we need to do some work to understand care and measure the value of it to the economy?

The Minister for Social Security:
Yes. As I just said, I think at some points in our lives we are all going to find ourselves in a position where we are likely to be a carer, whether that be for young children or our elderly.

Deputy J. Renouf:
And being cared for.

The Minister for Social Security:
And being cared for, yes. So this is exactly why there is not a silver bullet of changing the overlapping benefits rule. That, to my mind, might appear to be a simple thing to do but is not going to provide the level of reassurance that I think you want. We would need to look then at the whole social security system and whether we think that other benefits should be able to overlap, so like I said, for example, short-term incapacity allowance and parental benefit.

Deputy P.M. Bailhache:
What you are saying is that when a person transitions from being an employed person to a pensioner, he is not actually worse off as a result of that if he is ...?

Associate Director, Public Policy, Cabinet Office:
Yes. The way that we calculate pensions these days was changed a few years ago. So the pension rate is probably a couple of pounds more than the working-age benefit rate at the minute, but in essence, yes, the Social Security Fund is set up to collect money from workers and their employers and it is set up to provide insurance-based benefits to workers at times when they do not work. So they do not work because they are old, you do not require people to work when they are old, and it also provides the same type of benefit to people who are caring for a child, caring for somebody else, sick themselves or long-term sick, and so on. So we have a worker compensation scheme which includes an old age pension and the Overlapping Benefits Order, being technical about it, is just stopping you from being able to claim 2 worker benefits at the same time because the scheme is set up to provide people with one benefit when they need something, and when they have got all of one thing, they do not get any more of the same thing.

The Minister for Social Security:
But I do want to give assurance that is also then where the income support system steps in. For example, the situation that I discussed with Deputy Miles the other day was in relation to adult

children living in the home not currently being eligible for the rental component of income support. That is something that I have undertaken with Deputy Miles and said to her that I am happy to look at changing, because when we are talking about things, that I would hope that the panel know by now that I do look for solutions to things and where I can find solutions that I think that can be changed in short order to make a real difference to people's lives, I will do that. That is my intention with that rental component in relation to income support, because when it is an adult child living within a household, they are an income support household in their own right, which again is really important because it is important that that person is seen at the centre of that.

Deputy L.M.C. Doublet:
Thank you for your answers. We are going to move on now and talk about the ring fence funds, and Deputy Renouf will start this one off.

Deputy J. Renouf:
If I could kick off with the Long-Term Care Fund; you have instigated an internal review, I believe, of the Long-Term Care Fund. Could you say what that review is designed to accomplish?

The Minister for Social Security:
So, I am very aware of the state of the fund at the moment, and my Treasury colleagues will remind me that we need to look at ways of bringing more money into the fund. What I was quite clear with officers around is that if we are going to do that, we need to make sure that we are getting the best value for money out of what we are providing from the fund. That was the intention of me asking for that internal review, to check that we are being as efficient and effective as possible in the way that we are spending that money so that we can ensure that we are providing the best value possible to Islanders.

Deputy J. Renouf:
So, it is designed to cover whether the fund is working efficiently? A question was raised about whether contributions would have to rise because of the rising cost of care and the rising uptake, presumably, of care, and 1 per cent was mentioned. Is that explicitly a part of the review to try and ascertain whether or not contributions need to rise?

The Minister for Social Security:
That would be part of the work the actuaries would do. But it is part of that review so that we can look at the value that we are getting out of that fund. What I want to feel comfort of is if there is going to be any rise in contributions to long-term care that we are assured that is going to provide the type of care in the most cost-effective way possible. I need any form of future rise justified to me, and that was the reason why I asked for that review to be undertaken.

Deputy J. Renouf:

So, the review will not report until, I believe, the next Government, or will it be ... I am getting a nod there. So, it will be the next Government that this will report to. What guarantees do we have that any Government will want to carry on that work?

The Minister for Social Security:

Any Government is going to have to think very seriously about a Long-Term Care Fund and what the future of that fund is. It is a young fund compared to the Social Security Fund. We need to look seriously at what it is delivering, what it is able to deliver, what our expectations are out of that fund, and then how we meet those expectations as well.

Deputy J. Renouf:

So, it is essentially a piece of work, politically neutral in your mind because of the scoping out options?

The Minister for Social Security:

Yes.

Deputy J. Renouf:

Do you want to move on to the health insurance?

Deputy P.M. Bailhache:

Can we move to the Health Insurance Fund? The Budget shows that the closing balance of the Health Insurance Fund moves from £92 million in 2026, down to £61 million in 2029. Is that a matter of concern?

The Minister for Social Security:

As I have said before to the panel, I think we need to look at the Health Insurance Fund in the context of health funding as a whole. I firmly believe that the expenditure that is coming out of the Health Insurance Fund is expenditure that the community wants to see being made. I believe that the community values the benefits that are put into our G.P. service to make G.P.s more affordable and free for children. I believe that our community values the expenditure that is being spent on things like the leg wound dressing scheme as well. I feel that we are expending the money in the Health Insurance Fund for the things that the community would want us to spend that money on.

Deputy P.M. Bailhache:

Is the falling away of the value of concern?

The Minister for Social Security:

Like I said, I think that we need to have a look at health funding as a whole. Health funding as a whole is of concern. We need to make sure that there are funds available to provide the health services that our community desires and deserves. That is a piece of work ...

Deputy P.M. Bailhache:

Minister, I am sorry, but you are not answering the question. The question is, is the falling off in value of the fund a concern?

The Minister for Social Security:

I think any expenditure is always a concern. Like I said, and I will reiterate this, the Minister for Health and Social Services is undertaking a piece of work to look at health funding as a whole. I think that the Health Insurance Fund is an important part of that jigsaw. I would be more concerned if we were not spending money in the Health Insurance Fund and that people could not afford to go to the G.P.

Deputy P.M. Bailhache:

Of course, but you are still not answering my question. Is it a matter of concern to you that the closing balance in the fund is diminishing to a very considerable extent between 2026 and 2029? Is it a concern?

The Minister for Social Security:

Public finances as a whole are a concern to me. We need to make sure that we have got enough money within our public finances to do the things that we need to do.

Deputy P.M. Bailhache:

So, it is a concern?

The Minister for Social Security:

That is why I am working with the Minister for Health and Social Services and supporting the work that he is doing to look at health budgets as a whole so that we can be assured that our community can receive the health care that it needs and wants.

Deputy J. Renouf:

The corollary of the figures that Deputy Bailhache has mentioned is that the Health Insurance Fund will run out if no other action is taken, and those things that you have mentioned that you think the public want will therefore not be fundable from the Health Insurance Fund. Is one of your considered options that the Health Insurance Fund should be replaced with some other funding mechanism for those things?

The Minister for Social Security:

I think it has been quite clear in some of the work that has been undertaken by the Minister for Health and Social Services, and we have discussed as well about whether the remit for the Health Insurance Fund should be transferred over to the Minister for Health and Social Services, whether we should have one single health fund for the Island. We need to make sure that our health service provision works across both primary, secondary care, as well as the pharmaceutical services that we provide. I think fixating on the level of money in the Health Insurance Fund on its own is not particularly helpful because we have got a far bigger issue that we need to tackle as an Island, which is around how we make sure that we have got the most efficient, effective Health Service that is working together and working across primary and secondary care. That is why the boards that are being set up by the Minister for Health and Social Services are so important as well, because that brings representation from both primary, secondary care, and obviously the pharmacies and other support organisations around the same table so that we can avoid duplication, so that we can make sure that we are working together, so that we can get our I.T. (information technology) system sorted out.

Deputy J. Renouf:

I get the overall point, but we are talking about ring-fenced funds, and Jersey has pursued a particular model with ring-fenced funds, one of which is running out. Is it your view that we should move away from that model of ring-fenced funds for the things that are covered by the Health Insurance Fund?

The Minister for Social Security:

I would want to form a view once I have seen the work that the Minister for Health and Social Services is wanting to complete. Because at the end of the day, again, and I am at risk of repeating myself, we need to focus on outcomes and whatever model is going to achieve the best outcomes for Islanders.

Deputy P.M. Bailhache:

I mean, something substantial is happening in relation to the Health Insurance Fund. The closing balance in 2019 was about £100 million. It was about £100 million in 2020, 2021, 2022, 2023. Now in this Budget, we see it dropping down to £90 million, £83 million, £72 million, £61 million. Something drastic is happening to the Health Insurance Fund. Why is that?

The Minister for Social Security:

I think one of the answers is that we are spending money on things that the community needs. A lot of this is around decisions of the Assembly, and good decisions of the Assembly. Things like funding the wound dressing scheme, for example, was additional money from the Health Insurance Fund. Things like providing free G.P. visits for children was expenditure out of the Health Insurance Fund. These are decisions that are being made as the Assembly ...

Deputy P.M. Bailhache:
They may all be needed, Minister, but they have got to be paid for, have they not?

The Minister for Social Security:
Absolutely. That is why I am working with the Minister for Health and Social Services to ensure that we work on a holistic level across the Health Service, both primary and secondary care, to ensure that what we design for the future is a model that is most efficient, effective, and most importantly, providing what our community needs out of our health services so that we all see the outcomes.

Deputy P.M. Bailhache:
It is not unfair to say, is it, that this work has been going on for 2 to 3 years at least? The Minister for Health and Social Services gave us the impression when he spoke to us about this topic that the work was at a fairly embryonic stage. It is quite a long way to go. Would you agree with that?

[11:45]

The Minister for Social Security:
We are talking about very serious things. We are talking about building a health service that is fit for the future of the Island. It is a piece of work being led by the Minister for Health and Social Services. The Minister for Treasury and Resources and I meet with the Minister for Health and Social Services on a regular basis. This is being taken extremely seriously, but it is important that it is done properly, and that we do not lose sight of what we should be doing, which is putting the outcomes for Islanders first, rather than fixating on one particular fund or another, or specific models of funding. We need to work out what that good health service looks like. We know that we have got funding in the Budget, for example, for digital services in Health. That is incredibly important. We are doing an important piece of work to enable pharmacies to access E.M.I.S. (Egton Medical Information System) for example. All of those things as well will lead to possible savings in the future because we do not have joined up I.T. systems at the moment.

Deputy L.M.C. Doublet:
Minister, just to reflect on the question asked: “Are you concerned?”, and to slightly rephrase, do you understand why some Members are concerned about this?

The Minister for Social Security:

I understand why Members are concerned. Members are concerned around funding for health as a whole. I am concerned about future funding for health as a whole as well. I want to see us in a place where we have got that unified health system. We know that things are working as efficiently and effectively as possible. We are making savings where we need to make savings, but we are also providing the services that we need.

Deputy L.M.C. Doublet:

Do you think there is a middle ground between those who are maybe not concerned and those who are concerned? What is the middle ground?

The Minister for Social Security:

I think everybody is concerned. It is our job to be concerned about these matters. We need to take them seriously. We need to think through things very carefully when we are looking at budgets. I think the Health Insurance Fund is providing for Islanders in a really good way at the moment. We have got our pharmaceutical benefits. I could list all of the things that the H.I.F. is ...

Deputy L.M.C. Doublet:

Sure, but ...

The Minister for Social Security:

What I would not want to do is start saying that we should protect that fund balance by stopping some of those things. What we need to look at is how we fund things into the future and we need to do that across Health as a whole.

Deputy L.M.C. Doublet:

Is there a middle ground or an alternative plan of action?

The Minister for Social Security:

An alternative plan of action to what?

Deputy L.M.C. Doublet:

Alternative to not putting as much money into the funds.

The Minister for Social Security:

We need to look at our revenue, our taxation, everything like that. We have to look at government as a whole, at our budgets and where we are prioritising. The alternative to where we are at the moment is improving services. Like I say, the piece of I.T. work is really important. The work that the Minister for Health and Social Services is doing on public health is really important as well. There are so many strands to this piece of work, we cannot afford, I do not think, to look at the H.I.F. in isolation of all of that.

Deputy J. Renouf:

Minister, the overall impression I am getting is a considerable distaste for the notion of a ring-fenced fund to fund these commitments going forward. Is that fair?

The Minister for Social Security:

I do not think that is fair. I have been quite clear to say that I do not have one single solution in my head. The piece of work is being undertaken by the Minister for Health and Social Services. Once I have the result of that piece of work, then I think that we can decide the best model for funding.

Deputy P.M. Bailhache:

Following on from Deputy Renouf, page 88 of the Budget says: "The ring-fencing also introduces barriers which can act against the best interests of the patient." How can those barriers not act in the best interests of the patient? The barriers are there for the patient, are they not?

The Minister for Social Security:

That comes back down to what we were talking around, around the need for our whole Health Service to be able to work together efficiently and effectively. At the moment, we have got decision-making that is made in relation to the H.I.F., that is separate decision-making made in relation to the hospital. Things like, for example, being able to get to your G.P. for free for children can then cause savings within the Health Service. When we are looking at the most efficient and effective way of providing services to Islanders, I do not think we can afford to look at things in isolation, and part of those issues are things like I.T. and processes and things like that.

Deputy L.K.F. Stephenson:

I will ask it then, because I think we are still on the subject. To look at those closing balances that are predicted for the Health Insurance Fund, and, Minister, I totally appreciate you have talked about spending money on good things that Islanders need right now. But to look at those figures, the spending can only continue at that rate until 2035, and there is nothing in there. Now, that is the reality of it, and that is the reality of a fund that you are currently responsible for, whether you are in future. How does that fit now in your current role? That is the outlook, and decisions are not made quickly in the Government of Jersey, are they, in the States Assembly, we know that? It is all well and good to say: "Yes, we have got to look at this", but that is a fund you are responsible for, and that is the outlook for it. How does that make you feel, is my question right now?

The Minister for Social Security:

Reality as a whole is that the cost of healthcare across the board is becoming more and more expensive. The cost of pharmaceuticals, things beyond our control, which is why we really do need to complete the piece of work looking at that whole health system. That is where my focus is on. We need to focus on what the outcomes are going to be for Islanders and then the best way of delivering those outcomes. At the moment, we know that fragmented I.T. systems, fragmented decision-making gets in the way of the best outcomes. We know it is inefficient. If changing the current models and methods of funding can lead to a more efficient process that is going to enable us to deliver more things for less money, then that, of course, is where we should be heading.

Deputy L.M.C. Doublet:

Thank you. I am just reflecting on that. How likely is it that these improvements, say in the health digital and efficiencies, how likely is it that those things are going to deliver necessary savings so that this fund is not going to be diminished, or will there need to be other revenue-raising measures?

The Minister for Social Security:

We can talk about one piece of work that is prioritised in our area. I am just thinking about the piece of I.T. work with the pharmacies. I do not know if you want to talk a bit about that.

Chief Officer, Employment, Social Security and Housing Department:

That is on a small-scale basis.

The Minister for Social Security:

But is a good example of efficiency.

Chief Officer, Employment, Social Security and Housing Department:

At the moment, pharmacies do not have access to patients' medical data. Pharmacists have to spend quite a lot of their time on the phone back to G.P. surgeries checking: "Does this look right?" Where there is any sort of queries, by giving that direct access, it can free up their time to be focusing on being able to make those calls, that is what they are trained for, being able to look at things. We are really keen to make sure we can support pharmacies by having this access so that they can do what they should be doing rather than a lot of time taking up with the admin of back and forth and navigating G.P. surgery admin as well. It is in no one's interest either side to be doing that. That is the piece of work that we are really trying to accelerate to enable better smoother working.

Deputy L.M.C. Doublet:

Sure, and I thank you. Every Government aims to make efficiencies, but there is an endpoint to that, is there not? There are only so many efficiencies you can make. If health costs keep rising, will we need to introduce revenue-raising measures or will we go down the route of the U.K. and see the erosion of services? Which road will we go down, or which road do you think we should go down?

The Minister for Social Security:
You know me well enough to know that I would not want to see the erosion of services. Revenue-raising measures will mean different things to different people and it will depend on your politics as well. My own view is health services should be free at the point of need. That is quite clear in my manifesto. But we need to look at the revenue that we have as a Government as a whole and how we prioritise that revenue. I think that most people would quite rightly see Health as a priority, which is why we have got the Budget that we have got ahead of us right now. It is why we are choosing to prioritise Health within this Budget as well. There are efficiencies that each department can and should be making, and we need to balance that. I certainly would not want to see services diminishing.

Deputy P.M. Bailhache:
Can I round off the Health Insurance Fund questioning by putting this to you, Minister. The Health Insurance Fund has served the Island by subsidising primary care for very nearly 60 years, since 1967, when it was introduced. For the very first time, the fund looks as if it is poised to run out, as the Deputy has said, in 2034, 2035. I do not really get the impression that you are concerned about this because you take the view that it is all going to be sorted out at some time in the future in relation to the general funding of healthcare. Is that a fair assessment?

The Minister for Social Security:
No, that is not a fair assessment. I have made it quite clear that I am working closely with the Minister for Health and Social Services, supporting the work that he and his team are doing in relation to health funding as a whole. We are taking this incredibly seriously. The costs of providing healthcare have risen over the years, so we are not now in the same position as we were when perhaps the funds were established. It is always really important to take stock at points in time and recognise that what may have been right previously may not be the right solution for the Island now. We cannot get stuck in the past. We have got to move towards the future, and that future needs to be one where we have got a unified Health Service that is operating in the best interests of Islanders.

Deputy J. Renouf:
A major feature of the Budget is the reduction in the States annual grant to the Social Security Fund in order to fund health and childcare and other things. Earlier in the week, you published a letter

from the actuaries, which you said gave you confidence that the Social Security Fund could cope with the reduction in the States grant. I want to start by asking some questions about that. When you wrote to the actuaries, you gave them some assumptions, one of which was to assume an increased rate of return compared to previous assumptions, of 1 per cent. Can I ask what was the basis for that?

The Minister for Social Security:
I think I was asked the same question in the States just the other day. I did refer to advice that I have had from Treasury colleagues as well as my own officers. I have brought Andy along and Sue so that we can give the technical answers.

Deputy J. Renouf:
I ask the question again because I want to ask a follow-up question related to that, which is the Treasury obviously have a desire to balance the Budget. They have an interest in making sure that money is made available. Was it appropriate to rely on Treasury advice about assumptions when they had a desire to ensure that the Budget would be balanced?

The Minister for Social Security:
I did not rely on Treasury advice. That is one of the reasons why I went to the actuaries as well, to get an independent view. In addition to Treasury advice, I also get advice from my own officers that provide impartial advice that is not from the Treasury. The scenarios were a range of scenarios being asked that present likely scenarios for the future, and in my view were sensible and measured.

Deputy J. Renouf:
In the Assembly, you said that the 1 per cent increase was something which you were reassured by Treasury, which was realistic. My point is, Treasury were essentially conflicted.

The Minister for Social Security:
Well, Treasury were providing advice based on the previous performance of the fund. That is factual and not something that can be a point of conflict.

Deputy J. Renouf:
The other point about that is that you mentioned the point that the Social Security Fund had outperformed in the past, and that the investment performance had been stronger than in the past, and that was another justification for increasing that expected rate of return. The figures that have been quoted, the Chief Minister said this, in fact, £450 million over the last 3 years, which is a 20 per cent increase. But inflation has been 20 per cent in that time. Has there been a real increase in the value of the Social Security Fund over that period?

[12:00]

The Minister for Social Security:
I think I would need to go to Andy to answer the question.

Group Director, Strategic Finance:
I do not have those detailed calculations you described, but my recollection is that the fund has close to maintained itself in real value over that period.

The Minister for Social Security:
It has maintained itself; it has not grown.

Group Director, Strategic Finance:
It has grown in nominal terms. It has got bigger. It is useful to remind ourselves that during that period, we have seen particularly high levels of inflation, which when you are talking about a fund which works in actuarial time periods, short periods wherein inflation is particularly high, if you can still achieve investment returns which keep up with inflation, that is quite good.

Deputy P.M. Bailhache:
But it stood still, essentially.

Group Director, Strategic Finance:
In real terms, it is more or less stood still. But also, that 4-year period still included some of the impacts of COVID as well. As you will all remember, the States grant was not paid in full each year, and obviously the formula for the funding of the Social Security Fund was based on contributions from employers, employees and a States grant being paid in. During those periods, there was a need to use some of the investment returns in the Social Security Fund, in the wider sense the Social Security Fund and the Reserve Fund, to make sure that pensions could continue to be paid. That was approved through multiple Budgets, the Assembly approving that as a way of helping manage that. So, with all of those things put together, maintaining it in real terms, it could be seen as a good thing that it has not reduced in real terms, and it is forecast to increase.

Deputy P.M. Bailhache:
I am entirely accepting that it is a good performance to be able to maintain the value of the fund in a time of high inflation. Nonetheless, the fund has stood still in real terms. That gives rise to the question of whether it is reasonable or sensible to ask the actuary to assume that there is going to be an additional 1 per cent real improvement in the future.

Group Director, Strategic Finance:

I understand your question. So, yes. But if you look at the investment returns during the period that you are talking about, which is not the balance in the funds due to those other facts I have just described, the investment return was more than inflation. I do not think I have the 4-year period you are referring to, but we looked back for the 5-year period up to the end of 2024. The actual return, the average annual return on the fund, was 9.3 per cent. The target return is R.P.I. (retail price index). The target return is R.P.I. plus 3 per cent, which would be 7.3 per cent, so it exceeded its target, which in itself is higher than inflation, so the evidence that the investment returns will be better is strong. The fund balance itself has other factors that have meant that it has not increased by that same level of the total investment return.

Deputy P.M. Bailhache:

Okay. The actuary has been told to assume an extra 1 per cent. Has the actuary been asked whether this is a reasonable assumption to make?

Associate Director, Public Policy, Cabinet Office:

Can I make a point about the way in which the actuary does the assumptions and also make a point about how the Treasury measure and how the actuary measures things? So we have just had a Treasury representative give you a figure in relation to R.P.I. and your figures are also ... you are talking about in real terms and against R.P.I., but in reality the Social Security Fund, as I said before, is about a workers' insurance scheme and it is based very heavily on wages. Therefore the actuary and Social Security Department will measure things against wage increases, which is just slightly different and will be less than the inflation, considering the very high peaks of inflation recently. But the actuary, if you look back to the 2021 report that was public well before all this, you will see there is a central scenario of wages plus 2 per cent for investment returns and then there are variant scenarios of that, so wages plus 2 per cent, and then we do a variance, plus 3 per cent and then minus 1 per cent, which gives ... so plus or minus 3 per cent to the plus 2 per cent - sorry, I am getting confused - so we end up with a wages minus 1 per cent, wages plus 2 per cent, wages plus 5 per cent. That is if you look into the published report, you will see those 3 scenarios being set out. The wages plus 2 per cent is the one which is the central scenario, which is the one that we use the most, but when we then look at the investment returns, we see that wages plus 2 per cent is under what has been consistent average performance. To go from wages plus 2 per cent to wages plus 3 per cent is a perfectly sensible thing to do, given the historic evidence that we have in front of us. The Minister gets that evidence from the Treasury because the Treasury is responsible for the investment function within the fund.

Deputy J. Renouf:

Minister, you have written a letter to the panel explaining that you will be asking the actuaries to give you further advice, for which we are grateful. Could you outline what further advice you are going to be seeking from the actuaries?

The Minister for Social Security:

So I was quite confident from the advice that I received that the time-limited reduction in the States grant does not have a material impact on the life of the fund and the fund itself. I sensed from the conversations that I had had with other Members on the panel that the panel wished to have more reassurance, so we have asked the actuaries to come back with just modelling that one-off reduction so that we can see the actual effect of what we are looking at in this Budget. There was some other questions, and off the top of my head I ...

Deputy J. Renouf:

Will you ask the actuaries to model different rates of return, not just the increased rate of the return? The officer has just mentioned the 3 standard rates of return. Could you use those so that we had a variation or a range, I should say?

The Minister for Social Security:

Yes, we can do that. Obviously I am happy to work with Scrutiny. This is an important process. It is really important that other Members have the information that can give them as much confidence as possible about decisions being made. I am also happy to have whatever briefings the panel or other States Members want around these matters. I was confident and did not need the actuaries to model the one-off change, which is why I asked, knowing that there would need to be decisions made in the future, about more of a future scenario. But I am keen to make sure that the panel and other States Members feel as confident as possible ahead of that Budget debate.

Deputy J. Renouf:

I think the point is that the tables which you have showed to the panel and now published make it very clear that the future state of the fund is highly sensitive to those assumed rates of return and therefore in fact it is by far the dominant factor in affecting what state the future fund arrives at as a result of these reductions. It feels - to me, certainly - essential that if we are to have confidence that those reductions in the grant are justified that we consider a range of scenarios because I do believe that the standard investment advice is that future returns should not be based on past returns. You cannot make those assumptions.

The Minister for Social Security:

We need to work with the best information that we have to make decisions for this Budget. I think that we have come to a good solution. Andy will know I provided Treasury with a lot of challenge in a number of meetings, which gave me confidence to agree the Budget as it stands. I am keen that both Scrutiny and other Members are given the same opportunity to give the same type of challenge that I have given Treasury and I am more than happy to facilitate that.

Deputy J. Renouf:
So you will be putting those extra scenarios into the questions that you are going to ask of the actuaries and we will get those answers before the Budget?

The Minister for Social Security:
Yes, I can do that. I am not personally sure what value that will have, but if that is something that will make you feel more assured, then I am more than happy to do that.

Deputy L.M.C. Doublet:
So in terms of officer advice, what was the plan B? So say officers had advised: “This is possible” and C.O.M. (Council of Ministers) had said: “No, we do not want to touch these funds, but we want to fund these bits” in terms of advice, what was the plan B?

The Minister for Social Security:
The other plans? I am just trying to recall because I know that we had a States Members’ workshop around budgets as well, I think. We all have the stark realities, do we not? If the funding is not available, what are you going to cut? So we have the things that we have been able to budget for, which are really crucial things, in my view; things like emergency services, teachers’ pay and conditions and childcare costs. So the starting point would have been we would have none of those things or you cut other services quite dramatically. We would have ended up with a deficit in our Health budgets.

Deputy J. Renouf:
You could not have increased personal tax allowances? This is all about cuts.

The Minister for Social Security:
Obviously changes in taxation could have been considered. You know, again, it is up to any Members. My own party has brought propositions to the States around changes in both contributions and personal taxation. Those particular propositions did not get approved by this Assembly, so we have to work in line with what the appetite of the Assembly is. I do not think that there is a broad appetite in the Assembly to change taxation or contributions at this point in time, so we were working within those parameters, so we do what we do. I think we have come to a good end point in relation to this Budget, an end point that we are able to put money into incredibly important things. We have to put money into our residential childcare services. That is an absolute

non-negotiable. If it means that we are not putting the money into the States grant, as would have been previously planned, I think that that is a good place to get to because, at the end of day, I have been assured that this temporary measure does not have a long-term impact on the fund, but it will have a very real impact to our community in the coming years.

Deputy P.M. Bailhache:
The Minister for Social Security has a conflict of duty in this area, does she not? Because on the one hand the Minister wants to be a collegiate member of Government and balance the books and so on, and on the other hand, the Minister has a duty to protect the Social Security Fund and protect the interests of pensioners and prospective pensioners, so it is a conflict. But my question to you is: you feel comfortable, do you, that you have reconciled that conflict of interest in the outcome to which you are a party?

The Minister for Social Security:
Yes, I do, because at the forefront of my mind as well is intergenerational fairness. As we can see from the advice provided by the actuaries, if you look at those, it is not pensioners of today that should be concerned - and I know that there has been a lot of misinformation around that for pensioners of today, and I think that is very unfortunate - it is planning for our children's generation and the generation that comes after that. Now, part of that planning has to be that we know that we have a working-age population living in the Island, and part of that has to be around ensuring that those children that are growing up today have access to the services that they need so that they have a good working life and they are able to enjoy their childhood as well. We have to tackle the big issues of today, such as child poverty, so that they can see a future in this Island, because if those children cannot see a future in this Island, then we will not have that working-age population to pay into the Social Security Fund for the future.

Deputy J. Renouf:
Under almost all scenarios in the letter you sent us, it does not affect pensioners today, but the fund runs out and it runs out more or less quickly according to the various assumptions that are about population and so on, but that is the point, you will have to balance things here. You are saying that the needs of the present trump the needs of the future because you think that there is a reasonable chance that we will still be able to meet those needs in the future.

The Minister for Social Security:
I am not saying that, and I think it is fair to say that even when the fund was established, there was always the tapering out of the fund. What we are talking about now is a really very healthy fund. We have a decision to make as a States Assembly: do we think that taxpayers want us to continue

putting money into a fund that has outperformed where we thought it would be now in terms of investment returns?

[12:15]

Do the taxpayers want us to put taxpayers' money into that fund or do they want us to put taxpayers' money into ensuring that our children's residential services are fit for purpose, into ensuring that we have well-funded emergency services, so that we have affordable childcare? All of those things are really important, so I do not think it is fair to say I am putting the needs of today ahead of the needs of tomorrow.

Deputy J. Renouf:
All right. I am grateful to the Minister for saying that she will consider these different scenarios when she talks to the actuaries and we will get that before the debate. Just to try to build on that reassurance, why does the Government not publish investment accounts and actuarial reports for the Social Security Fund on an annual basis, which would give us greater visibility on the health of the funds?

The Minister for Social Security:
I think an annual actuary ...

Deputy J. Renouf:
Or an investment ...

Associate Director, Public Policy, Cabinet Office:
It is 2 different things.

Deputy J. Renouf:
Yes, I know.

Associate Director, Public Policy, Cabinet Office:
The investment comes under the Common Investment Fund and there are regular reports on that, which Andy knows more about. In terms of the actuarial review, we currently have an actuarial review that is aligned to electoral cycles, so we are doing it every 4 years. The Social Security Fund, it is a major undertaking. We always use independent actuaries, obviously.

Deputy J. Renouf:

Can I interrupt? I understand that an actuarial review is a big thing, but there could be actuarial reports published. You published a report, a letter which is effectively a report. Could there not be reports published on a more regular basis, which would be snapshots or would be ...

Associate Director, Public Policy, Cabinet Office:
But I am not quite sure what would be in the report.

Deputy J. Renouf:
There would be ...

Associate Director, Public Policy, Cabinet Office:
So we do a review. The review takes a year to do, so if you were doing it every year you would have to be always doing a review. We are doing it every 4 years to make sure every incoming Government has good, up-to-date information. Even then we will not manage to get it ... the one that we are going to do for the end of this year, we will not manage to get it published until probably January 2027. That is our current planning date, so I am not quite sure what else you would like to have in between times.

Deputy J. Renouf:
I am asking if there is a midway house between a full actuarial review and ...

Associate Director, Public Policy, Cabinet Office:
No.

The Minister for Social Security:
I think that is down to the Minister for Social Security at points to ask for ... like I have done, so what you are suggesting is not happening is something that we have done in relation to needing to get advice and then publish it.

Deputy L.M.C. Doublet:
Like an update on the ...

Deputy J. Renouf:
Yes, or just an annual report.

The Minister for Social Security:

I think there would need to be a purpose for that update because, again, we talk about effectiveness and efficiency. If you are doing it for the sake of it, for no purpose, then that is not a very effective way to behave.

Deputy J. Renouf:

I think the purpose would be ... I mean, up until very recently there was no question around this because nobody was suggesting using the States grant as a method of funding current spending. Now it is, and therefore might there not be a need to provide more reassurance on a more regular basis?

The Minister for Social Security:

But that is exactly why I have taken the action that I have taken over the summer in requesting the additional advice. That is exactly why next year we are asking for additional review work to be done, knowing that decisions and questions are being asked and decisions need to be made, so I think I am already doing what you are asking me to do.

Deputy J. Renouf:

Okay. Just to close off the point, the investment accounts, are those published? If not, why not?

Group Director, Strategic Finance:

The Social Security Fund and the Social Security Reserve Fund are both included in the Annual Report and Accounts, so in the wider States of Jersey Annual Report and Accounts. There is a specific narrative on the performance of the Social Security Reserve Fund in the accounts in terms of how it has done and what balance it is holding, so that is set out. There is also a detailed note which goes through the audit process of what the balances in the fund are. I think, if I understand your question correctly, you are expressing that that is not enough detail on these funds, so I think it then comes to a question of does more detail need to go into the Annual Report and Accounts? It is already quite a lengthy document; it is 260 pages long. Do we really want to make it longer? Guernsey do, for example, I think, include a set of detailed investment accounts which are almost as long as the rest of the accounts put together. As the Minister said, there would be an overhead in cost to pulling that together, putting it through audit and so on as well. It is possible. What I think we have seen in recent years is that that high-level report lets people know what has happened at a high level, including details of what is going through the Common Investment Fund, which invests for both the Social Security Reserve Fund and the Strategic Reserve. To get into a more granular level, we have provided information, I believe through F.O.I.s (freedom of information) or States questions, so it is not that that information is all secret. What I think is probably a good point for us to take away is what level of information would be useful for people to get on a routine basis, which may be through the accounts or it may be through another method, say open data publishing, that would be useful for not just Members but also for the public as well. So the short answer is we do very high-level stuff.

Deputy J. Renouf:

That is a helpful comment.

Group Director, Strategic Finance:

If we wanted to do more, it is something that could be considered, but it is non-trivial, I suppose, to do it.

Associate Director, Public Policy, Cabinet Office:

I think, Minister, you have initiated a review with the government actuary outside of the actuarial cycle to look at the historical performance of the fund. We talked a little bit about the fund balance and the fact the fund balance is sitting at a high level. For the fund to work as a pension fund, it does not need to be at that high level. The intention of previous Ministers was to bring the fund up, to have a good reserve in it and for that reserve to then be used to help with the demographic bulge that we are currently seeing. You would expect it to rise, to reach a plateau, which is kind of where we are at the minute, and probably to fall off again to a level that is more in line with the needs of a pension fund of the sort we have. That is what this review - this is the Minister's second review - this one-off review is going to do and that will be really important to offer up options for the future, for the next Government to look at in terms of whether the fund balance should be reduced or not, and if it should be reduced, at what point. Talking about intergenerational fairness, you can use the fund to protect the contribution rate for quite some time probably, if that is what you wanted to do. There are options. There are lots and lots of options to be had. Again, the conversation just now also suggests that we can include in that review - perhaps not for the actuaries to do, but for the internal to do - as to what level of public information should be available to people on a regular basis going forward. Having finished this phase of the fund, the fund has worked very well from the late 1990s up until now. It has done what it was expected to do. This is a turning point, if you like, which we need to reflect on what the next generation needs and how we deal with that in the best possible way.

Deputy J. Renouf:

I have one final question, but it may be better at the very end. I guess my reflection on the points that we have been making across this whole hearing, Minister, is that almost every question has been about extra spending. There are demands for spending mounting in health, with caring, with disabilities and so on. We are taking money from the grant to the Social Security Fund to close the funding gap, but that only lasts, according to the Budget proposition, for 4 years and after that we will have to find other methods. Are we essentially reaching a turning point in Jersey's tax and spending model where we have a mismatch between what the public expect to receive and what we are prepared to pay?

The Minister for Social Security:
That is a very politically charged question, is it not? I think that as we come up to the election, that is going to be a very real election issue, around public expectations and what we are willing to pay and how it is paid for. I think we have all probably got different views around the table on that. I think it will be a matter for debate.

Deputy J. Renouf:
My question is: do you think we have reached the point where there is a fundamental gap between what we are gaining in tax and what we need to spend?

The Minister for Social Security:
This comes down to the decisions made into the future around States grant and whether, if we are going to continue ... so if we do stop the reduction in the States grant, there will then be a gap that needs to be filled. You have quite rightly highlighted that. I am very clear in my manifesto about my taxation policy. I think other Members are going to have to be very clear within their manifestos as we approach the election around how we intend to both collect revenue, but also spend. But from my part, what I can say is I am very confident that my department is run efficiently and effectively. We are playing our part in respect of the savings targets. In fact, I think it is fair to say - and Sophie will correct me if I am wrong - that the department is exceeding its savings targets.

Chief Officer, Employment, Social Security and Housing Department:
Ahead of schedule, yes.

The Minister for Social Security:
So we have all got a different part to play. This obviously is a Scrutiny hearing. You are questioning me as Minister. I think that is quite a politically-charged question and one that will play out in the election.

Deputy J. Renouf:
As Minister, you have just hinted that you might think there is a case for extending the reduction in the grant.

The Minister for Social Security:
I think that that will be a question that is asked during the next Budget discussions, which is why I have requested the information in advance from the actuaries so that if that is indeed proposed, the

States Members at the time that are considering it have all of the correct information ahead of time to consider that question.

Deputy J. Renouf:

Okay, understood.

The Minister for Social Security:

At the end of the day, what we are talking about is where we spend general taxation. At the moment we have a model that we have a third, a third, a third into the Social Security Fund. A third of that is through general taxation, so the question is: is that model still fit for purpose? That is what I am asking the actuaries, so that that information is available ahead of the next Budget.

Deputy J. Renouf:

Understood, thank you. I asked a very similar question of the Chief Minister in the other hearing, by the way, in case you are feeling I am singling you out.

Deputy L.M.C. Doublet:

Okay, any more questions on the funds? No, okay. This has been a hearing of 2 halves really, has it not, the social issues and how you are addressing those and then some questions on the funds. I wanted to take us back to the beginning of the hearing, Minister. You mentioned one social issue in particular and that was child poverty. I would like to understand whether you feel this Budget sufficiently addresses that problem or whether we need to be more ambitious, say in future budgets, in eradicating that problem. What might that look like?

The Minister for Social Security:

That is a big question for the end of the ...

Deputy L.M.C. Doublet:

You have 3 minutes to answer it, so ...

The Minister for Social Security:

I think it would be very bold of me to say that this Budget answers that problem. I am seeking, in what I do on a day-to-day basis, to deal with issues such as child poverty. As I said earlier in the hearing, where I see issues that I think we can resolve in short order, I try to do that. I hope that the Back to School bonus will be a welcome addition for families on low income, but we have still got a long way to go. I will continue making that one of my priorities to work towards. Yes, I have ...

Deputy L.M.C. Doublet:

What would it look like structurally if we were aiming to eradicate child poverty? In a fiscal sense, what would that look like in terms of the structure of our funds and taxes and what might it look like?

The Minister for Social Security:

That is one of the reasons why I wanted to undertake the minimum income standards piece of work, so that I can have a look at what that income standard looks like and then look at what levers we have that enable us to meet some of those needs. It troubles me that we have children going to foodbanks while their parents are working. That is of real concern to me and I am keen to continue to work with organisations to understand what the key drivers are which are leading us to that outcome so that we change that outcome. Quite clearly, we do not want to be in a situation where we have a very wealthy Island where we have children whose parents cannot afford a school uniform and who are needing to access a foodbank. So for me, resolving that means understanding those root causes as to why that is happening in the first place and then using the resources that we have and the levers that we have to do that.

Deputy L.M.C. Doublet:

Okay. When might we get the information on the minimum income standards?

The Minister for Social Security:

That piece of work is being led by the Minister for Sustainable Economic Development.

[12:30]

My understanding is there is a procurement process that is now nearing completion, if it is not already completed.

Deputy L.M.C. Doublet:

So it is still quite early stages?

The Minister for Social Security:

But the supplier has been chosen and my understanding is that that is within their work plan to deliver, but the delivery date is still the same, or my understanding is. I have not had an update that the delivery date has moved from mid next year.

Deputy L.M.C. Doublet:

Middle of next year, okay, thank you. Does anybody have any final questions? Okay. Thank you, Minister, very much for your answers over the 2-hour hearing. We really appreciate your time and the answers and the work that you and your team are doing. Thank you, everybody, and we will close the hearing.

[12:31]