

4. Questions to Ministers without Notice - The Minister for Social Security

The Deputy Bailiff:

So, we come then to Questions Without Notice and the first period of questioning is to the Minister for Social Security.

4.1 Deputy K.C. Lewis:

It is a subject that is very close to my heart and I note that of Deputy Le Hérissier and Senator Le Main. Would the Minister update members on the proposed insurance scheme for long term care homes, thereby dispensing with the requirement for senior citizens to sell their homes being asset rich, but cash poor?

Senator P.F. Routier (The Minister for Social Security):

Certainly that piece of work is a major piece of work which needs to be carried out and as soon as we have managed to bottom out income support and have the officers in my department are settled with income support being in place, that will be the next major piece of work which will be undertaken.

4.2 Deputy G.P. Southern:

Has the Minister produced guidelines to accompany the Employment Relations (Jersey) Law and if not, when will he produce these guidelines which are essential to the running of the Employment Relations (Jersey) Law and further has he had any discussions with the officers of the Transport and General Workers' Union on the Island to discuss differences between them over the practices referred to the authorities?

Senator P.F. Routier:

I thank the Deputy for his question regarding the Employment Relations (Jersey) Law and I think the words he was trying to grasp were the Codes of Practice as opposed to the guidelines. The Codes of Practice will be published quite soon as it is statutory that they have to be consulted upon for a further 28 days so those are being finalised at this present time and the Deputy also asked whether I had had any discussions with the Transport and General Workers' Union. That will obviously happen and the Transport and General Workers' Union will have that opportunity during those 28 days. With regard to the ILO (International Labour Organisation), I think was what he was trying to remember, the response to the ILO will be happening as soon as advice has been concluded.

4.3 Deputy R.G. Le Hérissier:

Would the Minister tell us what the precise deadline is for this work on long term residential care insurance and, secondly, is the Minister any the wiser now than he has been previously, through no fault of his own of course, as to why supplementation is increasing at such a rate as it is at present?

Senator P.F. Routier:

The long term insurance scheme which is proposed in the States' Business Plan for us to investigate it, that is a piece of work, as I said, which will start as soon as income support has been concluded. It will not be a quick job certainly because the process will require us to consult with the public generally because they will be ones who are being asked to fund this because it would be an additional contribution. It is not something that can just come out of the blue and people be expected to take that on board straightaway. So, we would be doing a close piece of consultation work with the public to ensure that that is appropriate for the needs of long-term care. With regard to supplementation, the Deputy is well aware that there has been some initial work carried out by the statistics unit and it is very evident that with the growth in the economy we are seeing that there are more people in work and in general principles three-quarters of the

working population do receive supplementation. So if there is an increase in people in work there will be an increase in supplementation. But that has to be balanced also with the increase in income tax which is received from those people who are working. So there is quite a piece of work to be done to balance out the relationship by the expenditure and the extra income which comes through the people who are working.

4.4 Deputy R.G. Le Hérrisier:

So, is the Minister saying he cannot give me a deadline for the production of the report on residential care because he talks of surprises, but of course the surprise of having your home taken away is one of the biggest of all? Secondly, could the Minister say whether we can get sight of the supplementation work, and would he not say that if three-quarters of the working population attract supplementation, does that not say something terrible about salary levels?

Senator P.F. Routier:

I am sorry that I cannot give a deadline to the work for long-term care. As I say, it will be, quite a big piece of work and it will be carried out as soon as it possibly can be because I am as keen as the Deputy is to get this resolved because I recognise that it is an important matter which needs to be - as we are all getting older, we will all be keener that it is in place. The question about people's earnings in relation to supplementation, what we have done over the years is to increase the earnings limits every year to ensure that an appropriate amount of money is put aside for people's pensions in the future. It is an increasing amount which we need to do which obviously the Government Actuary does advise us on and we need to keep increasing it to ensure that we do have the appropriate amount of money invested for the future. People seem to think the supplementation is an evil. It is no way it is an evil. It is something that we are working very hard to ensure that we are having sufficient money to pay for people's pensions in the future and so I know that it does cause a lot of people a lot of grief, but I think it needs to be recognised that the money that the States are putting away for those people who are not able to pay the full contribution towards their pensions, is an appropriate thing to do. We are supporting people to make sure that they are covered in their older age.

4.5 Deputy A. Breckon:

I wonder if the Minister is aware of an insurance based scheme for elderly care in Guernsey and if he is, why could the details of this not be made readily available so that people may consider that as part of a short term exercise rather than a long term one?

Senator P.F. Routier:

I am certainly very aware of the Guernsey scheme. I have spoken with the Guernsey Minister several times about this scheme and they themselves recognise that the scheme that they have established does need tweaking and we recognise that one of the major problems that they have is the supply of long term care places. It is all very well having an insurance scheme in place, but that is not the issue. The issue is to ensure that we have sufficient long term care beds and residential care places for people to access them. They recognise that they perhaps want to tweak their system so that people can have care in their own homes paid for by the scheme. They know that they need to look at changing their system and we are looking at it. We have looked at it very closely and it will form a part of the proposals which we come forward with and for it to be shared with people. It is a public document and public policy which is available on the Guernsey website.

Deputy A. Breckon:

I wonder in the circumstances then if the Minister would consider doing a public attitude survey fairly early to find out what people's view is on this?

Senator P.F. Routier:

Yes, as soon as income support is finished I am sure the Minister, myself, will certainly be in a position whereby we will be looking to bring this forward as soon as we possibly can.

4.6 The Connétable of St Helier:

Could the Minister give the Assembly the exact date in January next year when the income support system will go live and could he tell us whether he is confident that given the short period of time it will have been in operation, he is confident that it will be adequate to safeguard those who are least well off if or when G.S.T. is introduced in May next year?

Senator P.F. Routier:

Yes, certainly. The implementation date will be a Monday in January and it is likely to be the third Monday in January. It needs to be a Monday because benefits finish the day before on the Sunday. With regard to G.S.T., members will have seen on their desks today that I have lodged the amended Regulations which do two things. One is to increase the rates for the ones that were published earlier in July, I think it was, which have now been increased by the up-rating which would ordinarily happen this October. We were not able to do that until we knew the earnings index. So, that has been done and also in that document you will see that there is an increase for the G.S.T. which would be appropriate for all the components within the income support bracket. So, certainly there is no problem with putting in place anything with regard to G.S.T. coming into place in May.

4.7 The Connétable of St Helier:

Supplementary, Sir, I did ask the Minister if he is confident that the new system will be adequate to safeguard those on the lowest incomes if and when G.S.T. comes into force in May?

Senator P.F. Routier:

I am very confident that those who will be qualifying for income support will be protected from G.S.T.

4.8 Deputy C.J. Scott Warren:

Does the Minister accept that it is often those people just above the benefit level who are affected most and will be affected most, or certainly possibly will be affected most, from next May in the introduction of G.S.T?

Senator P.F. Routier:

That question - not that I am trying to avoid it - as it does fall out of the Social Security remit would be something probably better aimed at the Treasury Minister. But certainly with income support being a totally different basis of assessing people's need than it has been in the past with there has been strict cut-off lines, the income support system will be far better than the systems we have for supporting people. So, there will not be just the strict cut-off which, you know, has been the existing benefit system. So, I do recognise it when people are just outside of a system they may feel that they are not being protected as much or at all, but the reality of it is they will have their own income at a level which is recognised as being sufficient to support their needs.

4.9 Deputy J.A. Martin:

Yes, I thank the Minister for the lodging of the weekly rate to be introduced following the introduction of G.S.T. My question to the Minister is - we are assured that G.S.T. will for at least the first three years stay at three per cent and on the introduction benefits will be up-rated by that amount. Can the Minister assure this House that there will be something being lodged in this House to bind the future States' Ministers to up-rate G.S.T. on income support when or if, G.S.T. does rise above three per cent or should I say when it rises above the three per cent?

Senator P.F. Routier:

I think that as of today's date we are aware that the Treasury Minister has given a guarantee that G.S.T. will remain at three per cent and I support that wholeheartedly. With regard to the future, I think it is probably a bit presumptuous of us to consider what might happen in that scale, but as far as income support is concerned, whatever happens to the retail price index in the future, that will be reflected in the increases in income support rates and obviously the retail price index will be affected by whatever rate G.S.T. is. So, I would imagine that we can be comforted by the fact that there will be a sufficient increase in income support rates at that time.

4.10 Deputy J.A. Martin:

As a supplementary, some people did not vote for exemptions because we were guaranteed the income support continuously will protect the less well off against G.S.T. at 3, 5, or 10 per cent. I am hearing no assurances from the Minister for Social Security that this will continue and whose job is it to bring Regulations to the House to make sure future Houses - because as I say, Sir, looking across the benches there were a few of the Ministers that will not be here in three years, they have already decided to retire or leave the States, and I am concerned decisions and promises made to this House will not be forthcoming if we do not bind the future States' members to hold to the promises that this House made.

Senator P.F. Routier:

Members will see from the amended Regulations which I have put to the House today that the increase that we are applying for general up-rating is above the R.P.I. figure. We have gone for the middle line which is in between R.P.I. and the full earnings index. So, generally people will be receiving a greater increase than just the R.P.I., that is the principle which we are working to. I know I am not answering the question with regard to the future about G.S.T. because I am unable to do that, because any decision that the States makes, you know, can be changed at any time. I do not know if I will be around in three years' time. I do not know if any of us will be around. It would be perhaps down to Deputy Martin to make the proposition at that time perhaps, herself. But certainly, you know, we cannot bind the House to that decision at this particular time. We have a three-year guarantee. We know that as a position and I think that is as probably as far as we can go.

The Deputy Bailiff:

I am afraid time has expired for the questioning of the Minister for Social Security.