

2.3 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding additional funding required for the wide range of “adjustments” made to the Income Support (IS) scheme:

Will the Minister inform Members how much additional funding in total has been required for the wide range of adjustments that have been made to the income support scheme, where these funds have been sourced and how the total compares with the estimate given to Members in 2007 and with the total spent on all elements covered by income support in 2007?

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

The following information is all available and is already in the public domain. All funding for income support comes from the department's budget. The total budget in 2007 for all legacy benefits replaced by income support was £65,271,000. The 2008 budget was derived from a direct transfer of all of those benefits replaced by income support with additional funding provided for the transitional protection of £6.7 million, growth in residential care of £1.5 million, increased eligibility for winter fuel payments of £560,000, the usual allowance for benefit upraising in October of £1.268 million and a separate amount to compensate for the introduction of G.S.T. (Goods and Services Tax) of £1.75 million giving a total budget for 2008 of £77,049,000. In addition to the above, the debate on the 2009 Business Plan approved additional funding for transitional protection and an increase in the rate of cold weather payments for 2009. I can assure Members that there has been no need for wide-ranging adjustments as suggested by the Deputy. During 2008, 2 small changes have been made that affect the cost of the scheme this year. A small adjustment has been made to the definition of lone parent. This was approved on 16th July and the report at the time indicated a cost of £300,000 for a full year, which is the equivalent to about £133,000 for 2008. There has also been a change in the transition arrangements to introduce monetary value for the H.I.E. (Health Insurance Exemption) legacy benefit. The cost of this change is £150,000 in 2008. So the total cost of those 2 changes is £283,000 for 2008 which is equivalent to just under 0.4 per cent of the income support budget for 2008. The cost of both of these changes is accommodated within the budget agreed by the States.

2.3.1 Deputy G.P. Southern:

The Minister I do not think mentioned any changes concerned with what used to be attendance allowance and the components which have covered that which were subject to a major change early on. I do not believe he mentioned those. Would he address that issue now, please?

Senator P.F. Routier:

Yes, the people who are transferred to P.C.3 (Personal Care Component Level 3) were covered in the 100 per cent transition payment. That is covered in that figure that I mentioned earlier. People who are on P.C.1 (Personal Care Component Level 1) who have had a 100 per cent L.T.I.A. (Long Term Incapacity Allowance), there will be some regulations lodged quite shortly which will cover that but in the meantime what we have done for anybody who has come along in the meantime is that I have made a Ministerial Decision to make those decisions immediately, because we have not had the regulation in place. So I have made a Ministerial Decision.

2.3.2 Deputy R.G. Le Hérisier:

Does the Minister think in allocating this extra money that there may indeed be further unforeseen costs? For example, property owners who are currently seen as beyond the reach of income support could indeed be struggling in the new economic situation which we find and he may well have to re-jig it and indeed call for further funds or redistribute funds. Is he looking at these unfortunate developments?

Senator P.F. Routier:

The circumstances which are occurring to property owners currently who are perhaps finding it difficult with mortgages and that, I think is probably way outside of what income support will ever

cover. I cannot imagine we are going to come down to that level with regard to the safety net which is provided. Property owners may have to re-jig their lifestyles. I cannot imagine income support is going to cover those people.

2.3.3 Deputy G.P. Southern:

Would the Minister state for Members how the answers he has given today which amount to an additional £12 million of spending in 2008 over the budget that was previously allocated of £65 million in 2007, how that marries with the previous answer he gave to me that the funding was already allocated and that there was very little contingency for extra spending in 2008 from the 2007 budget; that virtually all funding had been allocated to services provided?

Senator P.F. Routier:

All of the changes - of which there have been few - have been States decisions. We have debated these in the House.

2.3.4 Deputy G.P. Southern:

Where did the funding come from?

Senator P.F. Routier:

I am sorry I just cannot follow the question.

Deputy G.P. Southern:

In answer to me in 2007 about whether there was a contingency fund to cater for changes, you said it is very small. That most of the funding from 2007 - from the pot - had been allocated directly to services and would be delivered. Now he is saying in fact an additional £12 million has been spent, only £3 million of which is about operating and G.S.T. additional spending so where has this extra money come from?

Senator P.F. Routier:

The statement I made originally about the budget allocations was correct and nothing has changed, other than we have been given additional funds by this House to spend on additional protection. We have been given additional budget money for residential care. We have been given additional money for winter fuel payments. We are spending the money that this House has given. I think the Deputy is trying to imply that there has been some sleight of hand with budgets but there certainly has not been. As I said in my initial answer which I gave which I nearly stopped at I have to say. I nearly said that the following information is all available and is already in the public domain. I nearly stopped at that and perhaps I should have done because it is public knowledge.

Deputy G.P. Southern:

I thank the Minister for his continued co-operation with my questions.

2.3.5 The Connétable of St. Helier:

Is the Minister aware that one of the recurring themes in the hustings, both in the Senatorial elections and the Deputy elections, was the ability or otherwise of income support to meet the needs of the vulnerable members of our community? Does he have concerns that this large amount of money is still missing the target in some significant cases?

Senator P.F. Routier:

During the hustings obviously I was party to the Senatorial Hustings and recognise that people have concerns about income support. Income support is a developing process. I think later on today when we deal with the budget amendments, there is more money going to be allocated to the areas where I do believe that we can make some improvements to income support. Income support will develop over the years. When we first debated it, we did recognise that the introduction is a change

from the previous system of benefits and it will be a gradual process and it will evolve. I believe what we are going to do in the budget debate today will evolve the system even further and for the better.