

#### **4.12 Deputy D.J. De Sousa of the Minister for Social Security regarding the effect of C.S.R. proposals on the most vulnerable in society:**

Following the announcement of the C.S.R. proposals such as those relating to the G.S.T. bonus, the reduction in housing adaptations by 50 per cent and the removal of Christmas bonus to certain groups, what steps, if any, is the Minister taking to ensure that those most vulnerable in our society will not be affected by the C.S.R. cuts?

##### **Deputy I.J. Gorst (The Minister for Social Security):**

My department's comprehensive spending review proposals have been carefully chosen, as I said earlier this morning in answer to Deputy Southern, to minimise any impact on the most vulnerable in society. For example, the Christmas bonus is currently paid to local pensioners aged over 65 and to low income individuals of all ages with disabilities. These groups will continue to receive their full Christmas bonus which is likely to be just under £100 this year. However, it will no longer be available to other groups, including overseas residents and people who have chosen to retire early.

##### **4.12.1 Deputy D.J. De Sousa:**

The Minister has only mentioned one of those that I listed. There are several. The 50 per cent adaptations to homes. These are usually for disabled people or people that have had strokes. Why is this included in this cut? Surely this is a vulnerable group.

##### **Deputy I.J. Gorst:**

Yes, I did only pick up on one of those points because I am aware that I am limited in the amount that I can say in response to an answer. That particular proposal is a reduction in the budget. The previous 5-year spends have been under what I am now proposing the budget will be and therefore I cannot see that it will affect this group. If it were the case that I were cutting the spend, which I am not, the Deputy would have a fair point. What I am doing is realigning the budget to become slightly above what the spend has been on average for the last 5 years.

##### **4.12.2 Deputy P.V.F. Le Claire:**

In a recent debate, the Minister agreed with me that it was preposterous that he had £70-odd million sitting in a bank account for Health purposes when the Minister for Health and Social Services, 4 seats away from him, had no money. Has the Minister begun to look at the suggestions which he agreed with at devolving some responsibilities in his own department, particularly in pensions and health issues, to those other Ministries to cut down the size of his Ministry to save money rather than cutting away in these important areas of our most vulnerable in society?

##### **The Bailiff:**

Deputy, that is a perfectly legitimate question but not as a supplementary to the question which was asked.

##### **Deputy P.V.F. Le Claire:**

I thought I would try my arm. You spotted it.

##### **Deputy I.J. Gorst:**

I am happy to answer it.

##### **The Bailiff:**

No, I know, I think not. We have other questions which are legitimate. Deputy Southern?

**4.12.3 Deputy G.P. Southern:**

Two-pronged, if you like. One following up from Deputy De Sousa's question directly. The housing adaptation budget has not been spent. Does the Minister not consider that that is because he does not actively go out to seek people who need adaptations but do not approach him because they are unaware it is possible. Secondly, will he state on what grounds he believes that people in receipt of survivors allowance, i.e. widows and widowers, somehow do not qualify or should not have a Christmas bonus and why, in particular, 100 per cent long term incapacity allowance - those with a serious disability - do not deserve a Christmas bonus. On what grounds does he justify that?

**Deputy I.J. Gorst:**

As I said in answer to Deputy De Sousa, it is simply for the housing adaptations which is the social fund; it is a realignment of the budget. For the last 5 years the spend has been under the budget. I am realigning the budget and therefore I do not believe that actual individuals will stop having any adaptations, because I have not been spending the budget that I have been allocated. It could not be more straightforward. No vulnerable individual should be affected. In relation to the second part with regard to Christmas bonus, yes, for those under 65, what I am proposing is a change to the eligibility criteria, and that will take out some of those who are currently eligible to a Christmas bonus; they will no longer be eligible. That will be people who might have been in receipt of survivors allowance or survivors pension. What we must remember, that receipt of that particular benefit from the Social Security Fund is in relation to someone who has to weigh if they themselves are over 65 and in receipt of pension, they will receive a Christmas bonus. It is a refinement, as it were, of eligibility criteria. Sorry to keep going, but he did ask 3 questions in one. He also referred to 100 per cent L.T.I.A. (Long Term Incapacity Allowance): if an individual is a low-income individual - that is they are on income support - they are in receipt of PC2 or 3, that means they have impairment requirements, even under these redefined eligibility criteria they will still receive a business bonus. So it is not fair for the Deputy to make the accusation that he does.

**Deputy G.P. Southern:**

If I may request politely that the Minister answer the question on what grounds were these particular groups chosen? What differentiates them from the rest of recipients of Christmas bonus?

**Deputy I.J. Gorst:**

I quite clearly looked through my benefits, as I stated earlier in answer to the Deputy, and tried to look at where I could make savings for those individuals among those benefits which were not means-tested, and perhaps went slightly further than was the initial intention when they were introduced. I must reiterate, 14,000 people will continue to receive a Christmas bonus. Even if we as a States agree with my refined eligibility criteria, everyone over 65 in receipt of a Jersey pension living in Jersey, and those individuals in receipt of income support who are in receipt of PC2 and PC3.

**4.12.4 Deputy D.J. De Sousa:**

The Minister has not fully answered all the questions. We have not even had an answer on G.S.T. bonus yet. The removal of the G.S.T. bonus budget is one.

[14:30]

The people that qualify for this are people that do not pay tax, therefore low earners. Why is this being removed, and how can the Minister say that vulnerable people are not being disadvantaged?

**Deputy I.J. Gorst:**

It is quite important that we do understand what the eligibility criteria are for each benefit that I administer. They are currently different. The Deputy is right; G.S.T. bonus is currently payable to those who do not pay income tax, but it is for those who have income above that that they would require in order to fall into income support. So, income support has been up-rated for the effects of G.S.T. twice in the past. It was also up-rated again for the effects of deciding to not zero-rate food in G.S.T. Therefore those individuals have been protected and will continue to be protected in the income support that they receive. They are the most vulnerable. Income support within our society is targeted at the most vulnerable. This is a benefit which is not targeted at the most vulnerable, and therefore it is one that I felt that it was appropriate to look at. What I should also remind Members is that that benefit was introduced under - I have to get this word right - Triennial Regulations, and therefore would be falling away anyway, which is why I have not removed the full budget in 2011. There will be a small amount for individuals who perhaps did not claim at the end of 2010 and will be able to continue to claim in 2011, therefore not hitting the most vulnerable within our society.