

### **3. Questions to Ministers without notice - The Minister for Social Security**

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

We now come to Questions to Ministers without notice. The first question period is to the Minister for Social Security.

#### **3.1 Deputy G.P. Southern:**

Does the Minister not accept that it was clearly stated when L.T.I.A. (long-term invalidity allowance) was introduced in 2001 that this benefit would not apply to existing beneficiaries on the old scheme and that his proposal or suggestion that he might transfer these people from the old scheme to L.T.I.A. is a breach of trust?

#### **Senator F. du H. Le Gresley (The Minister for Social Security):**

The Deputy has submitted a written question on this very subject and Members may well have read my response to that written question. He makes a number of mistakes in what he is saying to the House, unfortunately, because L.T.I.A. was introduced in October 2004, not in 2001. However, there was a debate back in 2001 which was to introduce L.T.I.A. When the Deputy talks about a breach of trust, he is referring to a particular phrase within the proposition, which was an amendment No. 14 to the law. If I may, I really want to dispel the opinion of the Deputy that this is a breach of trust. The clause he is referring to is in the explanatory notes to this amendment, which are written by the Law Officers, not by the Employment and Social Security Committee of the time. It states that the new provisions for incapacity benefit: "... will not apply to existing beneficiaries, whose entitlements will continue to be governed in accordance with the present law." That simply means that the Social Security Law of 1974 still applies to those beneficiaries. However, the House on the proposition from the Minister for Social Security can at any time review a law.

#### **3.1.1 Deputy G.P. Southern:**

A supplementary if I may. Does the Minister, notwithstanding his answer, accept that any reduction in incapacity benefit that he achieves will simply be transferred to income support in the majority of cases?

#### **Senator F. du H. Le Gresley:**

The review that I am proposing that the department carry out is to see whether we can assist some of the people who have been on this benefit for nearly 10 years. The fact is that about a third of them are under the age of 40 and it is clearly important that we try to assist these people if we can to return to the workplace, but that cannot be done while they remain on this benefit because the benefit prevents them from taking up employment.

#### **3.2 Senator A. Breckon:**

Can the Minister say what progress has been made in the introduction of the elderly care scheme?

#### **Senator F. du H. Le Gresley:**

The Senator refers, I believe, to the long-term care benefit, which was approved by this House last year. We are doing a lot of work in preparing regulations to bring back to this House and I hope that those regulations will be lodged some time this year. At the moment, our discussions are around the collection of the contributions and that involves discussions with the Income Tax Department. At the moment I am not able to give any indication of when those matters have been progressed.

#### **3.3 Deputy T.M. Pitman:**

If the Minister can cast his mind back to the questions asked of the Minister for Housing about how the 20 per cent rise had been discussed with himself, the Minister for Housing seemed to imply that

everything was very straightforward, it could all be done just like that. We were discussing it and I think rent rebate alone is £26 million or £27 million. Can the Minister give assurances that that really is achievable? Does he share the confidence of his colleague?

**Senator F. du H. Le Gresley:**

Yes, the Deputy is quite right to be concerned about the implications on people on income support with the proposed increase in the rents to 90 per cent of market value. I can confirm to the Deputy that the discussions have been agreed between the Minister for Treasury and Resources, the Minister for Housing and myself that the money will be made available through the Treasury to the Social Security Department to provide cover for those States tenants who are currently on income support that they will not feel any effect of the increase in the rents. I am quite satisfied that that protection is there.

**3.4 Deputy S. Power of St. Brelade:**

The Minister will be aware that his predecessor, the Chief Minister now, instigated a series of increased investigations into inappropriate claims, false claims and, indeed, fraudulent claims at times to his department. Can the Minister give the Assembly an indication as to whether he is keeping this impetus up and whether he has maintained the same level of activity and budget into this area of his department?

**Senator F. du H. Le Gresley:**

Yes, there was a press announcement towards the end of last year. I cannot remember, unfortunately, the figure for the Deputy, but the department is very much following up on messages given to the answer phone on the fraud line. We have employed 3 extra officers in that department and they have more than paid their way. We are always keen to follow up on any potential fraud because obviously this is taking money away, particularly on income support, from taxpayers.

**3.5 Deputy K.L. Moore of St. Peter:**

Could the Minister explain why only one carer's allowance is available to any family when there are some individuals who require care to a ratio of 2:1?

**Senator F. du H. Le Gresley:**

It is a very good question the Deputy asks. The Deputy is referring, of course, I think, to invalid care allowance, which is paid to one member of a household to look after somebody who needs I think more than 35 hours a week care. There is also a component within income support for a carer, which is sometimes appropriate, particularly if the carer is perhaps somebody under the age of 18 or a pensioner. But the Deputy makes a very good point and I will look further into that.

**3.6 Deputy G.P. Southern:**

Does the Minister accept that his decision to change the access of those on income support to special payments for dental services will reduce the number of visits to dentists by this particular section and reduce the dental health of these particular clients?

**Senator F. du H. Le Gresley:**

I do not accept the Deputy's assumption. In fact, what was quite clear when we reviewed the amount of special payments being issued for dental care is that they doubled between 2009 and 2010 from about £140,000 to £280,000 with many of the increases relating to dental care costing in excess of £1,000. Now, this is dental care that is not available to the ... or the cost is not available to the people who are not on income support in this Island and it seemed to us that there was possibly an abuse of the system. We needed to tighten up and I have no doubt that the changes that we have introduced, which is basically £500 by way of grants over 2 years, is quite fair and we have exempted pensioners over the age of 65 and people on personal care component levels 2 or 3. So I think we have been quite careful to be sure that we protect the more vulnerable and, in any

case, if somebody has a particular need which would take them over that limit we can do it by way of a loan or, alternatively, possibly a grant if it was, say, for a pair of dentures or something like that.

### **3.7 Deputy J.A. Martin:**

I must press the Minister on the discussions the Minister has had with Housing on the 20 per cent uplift in the housing component for people on income support. Given that the majority of people on income support, or many on income support, only receive that component, what discussions has the Minister had that this will draw many, many more people into it? I have just worked out that the benefit for the top one-bedroom flat, which is now £156, will go up to £183, where there will be some couples out there thinking: "Well, I will not claim for the £5 or £10" but they will certainly claim for the extra £30. Does the Minister know the unknown, I am basically asking, or has he even thought of the unknown because that is what will happen. How many are there?

### **Senator F. du H. Le Gresley:**

The Minister would love to be able to predict the unknown. He would be quite a valuable Minister if he could do that. However, I would say that the Deputy perhaps is misunderstanding when she says that the majority of people's income support goes towards the rent. Of course, what happens with income support, as she I am sure is aware, a number of components are added up. If the amount made available to that claimant is equivalent or less than their rent which they pay to States Housing, then that is where the money will go first to settle the rent. There is not a difficulty really, as I understand, with the proposed increase to 90 per cent of market rents because that will simply replace the current fair rent that we work to. We will have a new set of rents and we will pay up to those levels.

### **3.8 Senator L.J. Farnham:**

Does the Minister know the latest figure or could he update the Assembly as to the amount of money that is estimated that is lost each year due to fraudulent or illegal claims?

### **Senator F. du H. Le Gresley:**

That is quite a difficult question and I would need more time to give a detailed response to that. I am happy to look into it and come back to the Deputy.

### **3.9 Deputy T.M. Pitman:**

I hope the Minister is aware that there are known unknowns and unknown unknowns, according to Mr. Rumsfeld. Could the Minister clarify what progress has been made with the meeting he had and some of his officers had with several States Members regarding concerns about lost documents within the department? Has any action been taken and has anything new been put in place since that meeting?

[11:15]

### **Senator F. du H. Le Gresley:**

Yes, I am pleased that we had the opportunity to have a meeting with those Members who had concerns about the operation of my department. Those Members will know that we sent out the notes or minutes of that meeting and that I agreed to come back to those individuals in early April with how we are responding on the various points raised. We are taking those complaints very seriously, but I am not in a position to give a full response today.

### **3.10 Deputy G.P. Southern:**

What progress has the Minister made with the recommendations contained in Scrutiny Report 5/2011 into benefit levels of the interaction between income tax, the minimum wage, rents and income support?

**Senator F. du H. Le Gresley:**

The Deputy is aware that the income support system, for want of a better word, is always under review and the matter that he raises concerning the interaction with tax thresholds, *et cetera*, is one that is being looked at this year along with obviously the work that we are doing with the Housing Department in relation to the Housing Transformation Programme. I can assure the Deputy it is a matter on our agenda.

**3.10.1 Deputy G.P. Southern:**

When will the Minister come to the House with the conclusions of this review? Because it is absolutely imperative that it is there if we are to view the housing plan.

**Senator F. du H. Le Gresley:**

I am unable to give a specific timetable for the Deputy, much as I am sure he would wish me to. It is a matter that is being looked at by officers, obviously in conjunction with officers at the Income Tax Department, but it is quite a difficult piece of work and I am unable to give him a timescale.

**The Deputy Bailiff:**

Deputy Martin, I had you next on my list.

**3.11 Deputy J.A. Martin:**

Yes, it was just a follow-on because I think the penny just dropped when the Minister said about the rent rebate. My question would be I am a private landlord and at the moment I am charging my tenant £275 but you are going to give me over £300 because that is what it will be. So am I going to sit there and keep my tenant at £275? No, the 20 per cent on a 3-bed is over 55, which brings it up to over £300 a week and any private landlord worth his salt, if they do not chase that money, well... logic of lunatic strikes me. I just cannot get my head round it.

**The Deputy Bailiff:**

Is that a question?

**Deputy J.A. Martin:**

The question was have they thought about this? Is it directed at the trusts or the private landlord? These are the only people who will be getting any money.

**Senator F. du H. Le Gresley:**

As far as the housing trusts which provide social housing, the rents that they will be charging will be identical to those being charged for States tenants. They are part of the gateway and, therefore, they are covered by those arrangements. Private landlords: part of the piece of work that is being carried out by my department is to decide how we allocate income support component, housing component, for private sector tenants. We may well use ...

**The Deputy Bailiff:**

I am very pleased to hear that, Minister, but your time has now expired.