

2.17 Deputy G.C.L. Baudains of the Minister for Social Security regarding steps to ensure efficiency and reduce overpayments within the Income Support scheme:

I hope I get a more straightforward answer to this one. [Laughter] Would the Minister advise what steps, if any, he is taking to ensure efficiency and reduce overpayments within the Income Support Scheme?

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

The department commits considerable resources to the administration of Income Support. Over the last 12 months, a number of operational areas have been reviewed and improvements have been introduced that help to ensure that the benefit is administered efficiently and that overpayments are kept to a minimum. The 3 main improvements we have made are as follows. Firstly, a new income support application form to ensure that initial information is collected accurately and at the correct level of detail at the start of the claim. Secondly, a new award letter which gives a clear breakdown of claim detail. The new award letter gives the claimant full details of each part of their claim and a list of changes to household circumstances that must be reported to the department. Again, this improves the efficiency of the benefit administration and reduces the potential for overpayments. Lastly, invested in more staff in light of the increased volume of income support claimants.

2.17.1 Deputy G.C.L. Baudains:

I wonder if the Minister could enlighten me as to what steps he either is or might be taking to create an incentive for the work-shy to do some work because I am tired of hearing about people who apparently have to produce certain requirements to the department. One of these is that they have appeared for a job but they turn up on Monday and go home at lunchtime and phone in sick on Tuesday but still carry on collecting their £90 a week while living with their parents.

Senator F. du H. Le Gresley:

The Deputy asks about an incentive. Now that I have achieved my C.S.R. (Comprehensive Spending Review) savings target for 2013, I will be working with officers to see to what extent we can increase the disregard for earnings from the current 20 per cent. On the other side of the coin, I will be shortly bringing a proposition to the Assembly to introduce stricter sanctions for those people who do not fulfil job seeking activities to our satisfaction.

2.17.2 Deputy G.P. Southern:

Does the Minister not accept that the fundamental flaw with overpayments is that the assessments are done a month in advance and this inevitably leads to circumstances in which recipients are overpaid and this often causes hardship? Will he, at the very least, ensure that the cap of £21 per week of claw-back of overpayments is applied in every case and never breached because there have been a number of occasions where it has been breached?

Senator F. du H. Le Gresley:

The cap that the Deputy refers to is a guidance for officers. Where it is believed that the claimant can afford to pay more and agrees to pay more to recover an overpayment, we will do so. However, where I have been personally asked to intervene on a figure in excess of the cap, I have used my discretion to reduce it down to the cap.

2.17.3 Deputy G.P. Southern:

Will the Minister also pay careful attention to the use of non-medical components to prop up Household Medical Accounts to cater for medical costs because, again, I believe this is happening with enormous sums being taken out of people's benefit and shifted across to pay for medical costs when they should be additional and not coming out of an individual's benefit?

Senator F. du H. Le Gresley:

The Deputy refers to income support households who have Household Medical Accounts where we set aside money for the likely medical costs of all the members of the household. We are in the process of reviewing the use of Household Medical Accounts and which components within income support could be used to accrue money in the account. We have not completed this piece of work and I am therefore not able to provide any more information today.

2.17.4 Deputy G.P. Southern:

If I may just ask the Minister when he believes he is likely to complete that report because we have been awaiting it for some time?

[11:30]

Senator F. du H. Le Gresley:

As I said, I cannot give the Deputy a date. We are, of course, involved with the review of primary healthcare and that may, in fact, include the review of whether Household Medical Accounts is an appropriate way to assist people with their medical costs.

2.17.5 Deputy G.C.L. Baudains:

The Minister has spoken chiefly about overpayments and how he intends to deal with them, and the one I ask him is, does he consider it morally acceptable that ratepayers' money, not taxpayers, is used to subsidise those who choose not to work? I mean the example I gave earlier... in fact I ask is it right that somebody, a young person living with their parents, should receive that type of money? Once they have enough money for their beer and their telephone bill, where is the incentive to work?

Senator F. du H. Le Gresley:

The Deputy is probably aware that my predecessor removed the entitlement to the personal component for anybody under the age of 19. That is something that I have maintained and we currently only pay the personal component to somebody under the age of 25, as we do not provide any rental or household component for somebody under 25 unless they have a dependant, or perhaps have special circumstances such as coming out of care.