

2.3 Deputy R.J. Rondel of St. Helier of the Minister for Social Security regarding alternative payments to bring pension increases for 2012 and 2013 closer in line with the cost of living:

As the Social Security (Jersey) Law 1974 requires pensions to be increased in line with the Jersey Earnings Index, would the Minister advise whether he is looking at alternative payments to bring pension increases for 2013, and indeed 2012, closer in line with the cost of living?

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

I can confirm that I am looking at a variety of methods to provide targeted support to local pensioners. This was clearly set out in our States debate earlier this year on “triple lock” and more recently the Minister for Home Affairs confirmed that this matter would be investigated. I will be meeting interested Ministers in approximately 4 weeks’ time to discuss a number of possible proposals, which are currently being drawn up. Members will recall that a new cold weather bonus to support pensioners with fuel costs has already been introduced earlier this year and the second bonus payment in respect of October to December will be made next January. I do not favour a pension increase linked to the cost of living as it will disadvantage pensioners in the long term. Over the last few years we have experienced low rises in the earnings index due to the global economy and relatively high increases in the retail price index partly due to the introduction of G.S.T. (Goods and Services Tax). Despite this, the historic linking of the old age pension to the earnings index continues to ensure that the value of the pension has risen substantially above the increase in prices over the last 12 years. As I have previously stated, I do favour providing targeted support to pensioner groups, subject to agreeing with fellow Ministers, the source of this additional funding that will be required and I will be pursuing this area actively over the next few months.

2.3.1 Deputy R.J. Rondel:

I thank the Minister for that reply but I just wondered if he could give a clearer timeline on when he may be able to advise Members on other benefit schemes for the pensioners and, just out of interest, whether the Minister would be able to inform the Assembly what percentage of pensions are paid locally as opposed to off-Island?

The Bailiff:

I am not sure that last question arises out of the question. I do not suppose the Minister will have the information at his fingertips.

Senator F. du H. Le Gresley:

The meeting that I mentioned is scheduled for 30th October and so between now and then we will be drawing up proposals for the Ministers to consider and announcements will be made after that meeting. I have the information the Deputy is seeking. We have 16,000, approximately, local pensioners of which there are 1,570 pensioner households on Income Support.

2.3.2 Deputy G.P. Southern:

The Minister must be aware that at a time when pensions are going up by 1.5 per cent, States housing rents will be going up by 3.5 per cent, I believe many pensioners will be worse off before he has his meeting about what he plans to do about this. What is he going to do about this?

Senator F. du H. Le Gresley:

I may have misheard what the Deputy said, but the rise in the rents in the States sector of 3.5 per cent is matched by a rise in the rental component within Income Support. I accept that there are some States tenants who do not claim Income Support. That is not to say that some of them perhaps may be entitled but they have never come and asked for Income Support. However, it is

a fact, and I cannot deny it, that rents are going up in the public sector, which if somebody is not on Income Support the pensioners will have difficulty in finding the extra money.

2.3.3 Deputy C.F. Labey of Grouville:

Will the Minister be looking at the “triple locking” system as part of his review of the pensions?

Senator F. du H. Le Gresley:

No.

The Deputy of Grouville:

Could he expand on that and tell us why not?

Senator F. du H. Le Gresley:

Because we have had a States debate. The proposition was proposed by Senator Breckon, the proposition was lost and I do not propose to go and look at “triple lock” again.

2.3.4 Deputy K.L. Moore of St. Peter:

My question was related to that of Deputy Southern’s but I would like the Minister to elaborate slightly, if he could, because there are States tenants who do not claim Income Support currently who are very concerned about this rise in their rent. I would like to know from the Minister what communication has taken place with those tenants in order to reassure them about the future costs, because many are already concerned by the increased cost of food.

Senator F. du H. Le Gresley:

We are talking about, I assume, pensioners who live in States housing who do not claim Income Support. I do not know, and my department do not know, who those people are and therefore any communication would have to come from the Minister for Housing.

2.3.5 Senator L.J. Farnham:

Just a clarification: I think the Minister has acknowledged that pensioners have suffered extraordinarily over the last 2 to 3 years given the unique economic circumstances, and States policy such as the one-off hit from the increase in G.S.T. Will he just confirm to give pensioners in the meantime the peace of mind that he will be proposing some form of increase for pensioners and that it will be backdated accordingly?

Senator F. du H. Le Gresley:

I cannot confirm what the Senator is asking me to confirm. I would like to draw Members’ attention to what is happening in Guernsey. Members may be aware that the Minister for Social Security in Guernsey has proposed a 3.6 per cent increase in old age pensions. The Minister for Treasury and Resources in Guernsey is opposed to this because the fact is that their social security fund will be running out of money very quickly. They are currently running deficits of £7.67 million per year, which will increase with the proposed increase in the pensions. I am not prepared, as Minister for Social Security, to damage the prospects of people currently in work receiving a fair pension and therefore I will not be doing what the Senator proposes.

2.3.6 Deputy R.J. Rondel:

I would just ask the Minister, and indeed the Council of Ministers, to make it a priority to communicate as much as possible with the pensioners as to what they are planning to do because there are a lot of them who are very concerned about prices, such as of food, and are struggling. So I think it is important, we owe it to them to liaise and communicate as much as possible.

The Bailiff:

So the question is would the Minister agree to that?

Deputy R.J. Rondel:

Would the Minister agree? Thank you.

Senator F. du H. Le Gresley:

Yes.