

#### **4.2 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding his objective of achieving £3 million savings in 2014:**

Will the Minister explain to Members how the figures given in his statement of 21st January 2014 support his objective of achieving an additional £3 million cut in government-funded benefits in 2014?

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

The savings are clearly set out in the Ministerial statement I made on 21st January. Within the Income Support Budget funding was provided in the Medium-Term Financial Plan for increases in benefit rates. For 2013 and 2014 I have decided not to increase all income support components and by doing so savings are made. Furthermore, I have also utilised previous additional savings made by the department and invested these to improve the earnings disregard from 20 per cent to 23 per cent. The combination of these actions means that both the £3 million annual savings will be made by the end of 2014 and that the financial incentive to find and stay in work has been significantly improved.

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

I think I spot the redefinition. So these £3 million of savings were not additional savings for 2014 but merely a target over the period which may have started 2011, 2012, 2013 and 2014. Is that the case?

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

They were to be delivered by the end of 2014 and as I have already explained they will be.

**Deputy G.P. Southern:**

But they are not additional savings in 2014 which I thought they were? Is the Minister saying that?

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

The savings of £3 million, which were set out in the Medium-Term Financial Plan, had to be delivered by the end of 2014. Some of the savings, as the Deputy is aware, were achieved last year, totalling £2.2 million, as a result of freezing components apart from the housing component.

**Deputy G.P. Southern:**

Can the Minister confirm then ...

**The Bailiff:**

One moment. Let us see if anyone else wants to ask a question. Very well then, final question, Deputy.

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

Can the Minister confirm that what I thought to be additional savings in 2014 of £3 million; that was never the aim? Because what he is saying is he delivered £3 million of savings in total over the term of the Medium-Term Financial Plan or by 2014 and not in 2014 and that was always a target because the numbers that he has given are not £3 million in 2014.

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

I think we are splitting hairs here. The point of the Medium-Term Financial Plan was that by the end of 2014 the Social Security Department had to deliver £3 million of savings. Savings

are being achieved by freezing components and therefore by the end of 2014 we will have achieved £3 million of savings.

**Deputy G.P. Southern:**

For the avoidance, if I may for clarification sake ...

**The Bailiff:**

Final final.

**4.2.3 Deputy G.P. Southern:**

For avoidance of all doubt it was never the target to have £3 million worth of additional savings in 2014, it was always the target to have an accumulative total by 2014 of £3 million. Is that the case? Yes or no.

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

It is not a yes or no answer. There are various ways that we could have achieved savings. We could have achieved savings by reducing the current components. I was against doing that because, if the Deputy recalls when I made a statement to the Assembly, I did say that at all costs we would not make reductions in people's benefit. All we have done is frozen the benefits in 2013 and a further freezing in 2014 which by the end of this year we will have achieved £3 million of savings which is what the Medium-Term Financial Plan required the department to do.