

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 9th DECEMBER 2014**

Question

Does the Minister consider that any of the benefits administered by her Department are “generous” and would she outline how the reduction of Income Support from £86 million to £83 million in 2015, outlined on page 94 of R.167/2014, reconciles with the statement in the following paragraph that the number of new claims will continue to increase in current economic conditions requiring additional funding for staff?

Answer

R.167/2014 is the annual update to the MTFP Department annex for 2015. Page 94 of the annex provides information on the three-year funding plan for Social Security.

In approving the three year MTFP in 2012, the States noted that the island was facing the impact of a global recession and there were likely to be additional costs associated with an increase in unemployment amongst the local population. The prudent position suggested by the Treasury and Resources Minister and supported by the Minister for Social Security was endorsed. Substantial sums were allocated as part of the MTFP process for Back to Work initiatives and increases in weekly Income Support expenditure over the 2013 – 2015 period. The budget reduction of £3 million referred to in the question was also agreed in 2012 as part of the overall MTFP package.

The figures quoted in the question relate to the budget for Income Support, not the actual amount spent.

As anticipated, expenditure in this area has increased during the recession but, due to significant efforts by government and local businesses, the impact of the recession has not been as severe as originally provided for. Expenditure did not reach the budgeted level in 2013 and it was possible to transfer £11.7 million from unspent budget in this area into the long-term care fund at the end of last year, to allow the Long-term Care scheme to commence, as planned, in July 2014.

The provision for additional staffing costs agreed in 2012 was based on the increase in benefit activity associated with a weak labour market. As claimants are more likely to be moving in and out of jobs, and as wages fluctuate, additional staff are needed to maintain the correct level of benefit for all claimants.

The island faces significant financial pressures over the next few years. All departments will need to review the services they provide and the income that they collect. We already know that changes are needed to the Social Security Fund to maintain the viability of our pension scheme. As Minister, I am committed to reviewing and updating benefits to ensure that we continue to strike the right balance between the benefit claimant, the taxpayer and the contributor.