

2015.04.28

3.7 Deputy G.P. Southern of the Minister for Social Security regarding the Resources Statement to the Draft Strategic Plan:

Will the Minister inform members what “changes in benefit expenditure are being considered” under the themes of “promoting financial independence”, “improving targeting of benefits”, and “minimising individual impact” on page 18 of the Resources Statement to the Draft Strategic Plan, and if not, why not; and will she further state what proportion of the £35 million reduction in spending labelled “other” on page 19 has been targeted for benefit changes

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

As a member of the Council of Ministers I am working very closely with my colleagues on the details of the proposals that are outlined in the Resources Statement. All benefits are being reviewed, just as all areas of the public sector are within scope for restructuring. As the review has just begun it is too soon to be specific about which benefits will be affected. Proposals for 2016 will be lodged as part of the Medium-Term Financial Plan. Proposals for future years will be part of the annual budgets each year. The new Medium-Term Financial Plan will be published on 30th June in line with the 12-week lodging period required. The details of the plan will be finalised over the next 2 months in order to meet the statutory timescale. Likewise, it is not appropriate at this stage to identify the specific proportions that will make up the £35 million shown on page 19 of the Resources Statement. I will be working with my Ministerial colleagues on these details over the next 2 months. It is important that all options are carefully considered before the final plan is drawn up.

3.7.1 Deputy G.P. Southern:

Can the Minister, while revealing nothing, at least say whether the target for her reductions or savings in benefits are tax-funded or are contribution-funded?

Deputy S.J. Pinel:

As I said in my opening answer, the whole scope of benefits are being looked at, every single one, both tax-funded and contributory, and I appreciate that it is very frustrating that these details are not yet available. However, Members are now fully aware of the size of the financial challenge that we face and it is incumbent upon the Council of Ministers to explore all options to ensure that the final proposals put forward in the M.T.F.P. 2 will be achievable.

3.7.2 Deputy G.P. Southern:

The Chief Minister talked about flexibility of targets. Will the Minister for Social Security indicate how much flexibility she has with her targets? Is it possible, for example, that there will be zero cuts to benefits under her regime and is that an option or is she talking about, she must produce some proportion of that £ 35 million saving or not?

Deputy S.J. Pinel:

Firm savings and restructuring proposals for 2016 will be part of the M.T.F.P. in June. At that stage only broad figures will be available for 2017, 2018 and 2019 and firm proposals for those years will be proposed in the annual budgets. I repeat my answer in the first question that the whole of the benefit system in Social Security is being looked at.

3.7.3 Deputy G.P. Southern:

Does the Minister not appreciate that for those who have to rely on benefits, and nobody likes relying on benefits may I assure her, but to those who have to rely on benefits to eke out a fairly basic living it must be very worrying to the people out there to recognise what she is saying, that some benefits will be cut in the coming years. Does she not empathise and sympathise with those who are dependent on benefits at present?

Deputy S.J. Pintel:

Of course I do thoroughly empathise with people who are finding it very difficult to cope in financial circumstances at the moment but we have to review across the whole gambit of all the contributions and the tax-funded benefits and achieve a measure of affordability, balance and common-sense across the whole piece.