

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 10th MARCH 2015**

Question

1. Why did the Minister announce the policy to apply sanctions to those on 35% Long Term Incapacity Allowance (LTIA) through a media release 2 hours after a scheduled quarterly meeting with the HSS scrutiny panel?
2. Those on less than 30% LTIA are already expected to work. How many recipients is this? What percentage do so? In what job sectors have placements been? How many are zero hours?
3. How many have multiple and variable symptoms; how many have mental/psychological incapacity, and what training is in place for support workers for these recipients? What role does JET play in the assessment process?
4. Can the appeal process give timely consideration for a sanction which may only last 2 weeks? What is the current average period for second determinations? How long does a full appeal to tribunal take?
5. What targets does the Minister have for the successful implementation of this new policy and how much taxpayer funding would this save?
6. The current guidelines for Income Support state that those with a medical impairment component score of 24 points will be exempt from seeking work. How does this compare with the new limit of an LTIA score of 35%?

Answer

Together with my colleagues in the Council of Ministers I remain fully committed to the strategic priority of removing any barriers to employment for certain key groups, which includes people with long-term illnesses. Long-term absence from the workforce represents a significant cost to Jersey's economy, not to mention a personal and social cost to the unemployed person, and so we have made significant investments in ensuring that anybody who can work is given our support to find a suitable job. For people claiming Income Support, taking up this offer of help is in many cases a condition of receiving the benefit.

It is important to make it clear that people who claim Income Support as well as receiving Long Term Incapacity Allowance (LTIA) have never been exempted under the Income Support legislation from looking for work, regardless of the percentage of their LTIA award. Many of them will be exempted from looking for work for other reasons, including the relevant level of an Income Support personal care component, but equally there will be people even with very high percentage of LTIA award who are fully capable of working in suitable employment .

The LTIA benefit does not assess fitness to work. It is a test of 'loss of faculty'. This may or may not affect the ability of the individual to carry on their usual employment, or take up employment in another

area. Therefore, there are no provisions under Income Support legislation for a blanket exemption from jobseeking to be applied to all people receiving the LTIA benefit.

During the introduction of Income Support an operational decision was taken to concentrate our work support resources on those people with the lowest percentage awards of LTIA, and this led to people with an award at 35% or higher being informed that they were not yet expected to be actively seeking work. Nonetheless, it was always the intention that those with higher percentages of LTIA would receive appropriate assistance as soon as there were sufficient resources to help them. The heightened levels of unemployment caused by the economic downturn meant that our efforts have until now been concentrated on other groups of unemployed people, but continued progress in this area has meant that we now have the resources available to help people with LTIA awards of 35%.

People who are completely incapable of work due to illness or disability will be exempted from job seeking, whereas those who require special assistance as part of a longer journey towards paid employment will be offered appropriate training and guidance from our specialist Work Right team.

I will address the Deputy's specific points in order.

- 1. Why did the Minister announce the policy to apply sanctions to those on 35% Long Term Incapacity Allowance (LTIA) through a media release 2 hours after a scheduled quarterly meeting with the HSS scrutiny panel?*

The change in our internal guidelines is not one that arbitrarily applies sanctions, but only serves to broaden jobseeking requirements to include people with an award of 35% LTIA. The same rules which have always been applied to people in receipt of LTIA at 30% or lower were simply extended to the group immediately above them. This was an operational decision extending the range of Back to Work support, and as such did not require a change to legislation or a Ministerial Decision, although I was of course aware and supportive of the principle. In order to properly manage their caseload operational staff had made the decision to write to this group of claimants and letters were sent on Wednesday 18th February, which happened to be the day before the Scrutiny hearing. On my return from the Scrutiny hearing I was asked to approve a press release; this was created because staff wanted to ensure that clear information was provided to the public that would contextualise the rise in the Actively Seeking Work figures that would result from this operational decision. There was at no point a plan to obscure these changes from the Scrutiny panel, although I do apologise to the Panel for any confusion that was created by the timing of this sequence of events.

- 2. Those on less than 30% LTIA are already expected to work. How many recipients is this? What percentage do so? In what job sectors have placements been? How many are zero hours?*

There are 339 people included on an Income Support claim who receive LTIA awards from 5% to 30%, and who are expected to either be in full-time work or to be looking for work. This excludes people who are exempt from jobseeking for other reasons, such as being over the age of 65 or being responsible for the care of a young child. Of these 339 people, 39% are in some form of paid employment. In 2014, there were 91 new job starts for this group, distributed across the full range of sectors of Jersey's economy. The top 3 industries were construction, retail and hospitality, however it is not possible to provide precise numbers broken down by sector as some numbers are small enough that there is the risk of individuals being identified. Our data shows that 12 of these jobs commenced as zero hours contracts, which is by no means unusual for new job starts in any sector of the economy at present.

- 3. How many have multiple and variable symptoms; how many have mental/psychological incapacity, and what training is in place for support workers for these recipients? What role does JET play in the assessment process?*

It is not possible to describe how many people exhibit multiple or variable symptoms without examining each individual claim. Many long-term illnesses will exhibit multiple or variable symptoms and the

assessment process will take this into account. Of the existing 339 people between 5% and 30%, 159 have a primary ailment that could be loosely categorised as mental and/or psychological. This is not an exact categorisation, as it is dependent on the initial recording of the primary ailment.

Employment Advisors undertake a comprehensive package of training during their induction, and continue to receive training as part of the ongoing development of their role. A substantial component of this involves work in understanding and responding to the individual client's barriers to employment, including long-term illness. One of the key strengths of the specialist service we provide is that staff work with clients on an individual basis, offering tailored support, motivation, understanding and where appropriate referral to a partner agency who might offer more intensive support. This can include Jersey Talking Therapies, Adult Mental Health, JET and other specialist agencies best positioned to help people with long-term mental and psychological illness.

No outside agency plays a role in the Department's assessment processes, but as part of the Income Support impairment assessment process many do take up the opportunity to submit evidence on a client's behalf. This evidence is always considered as part of the assessment of award.

4. *Can the appeal process give timely consideration for a sanction which may only last 2 weeks? What is the current average period for second determinations? How long does a full appeal to tribunal take?*

The Department currently processes 61% of requests for reconsideration (second determination) of sanction decisions within 5 days or less. Best practice suggests that they should be processed within 14 days and 94% of requests are completed within this period. There will however always be cases where the process is delayed to give the client the opportunity to provide supporting evidence for their case, and it is likely that this accounts for the majority of cases that take longer than 5 days to process. The very small percentage of claims that proceed to the independent tribunal take longer to arrange, as the process is more involved and depends on the time taken to produce case papers, and for the Registrar to liaise with the appellant and the independent tribunal members to arrange a sitting.

From the point at which a decision is issued to the customer, and including the Departments' internal reconsideration process, it typically takes 8 to 10 weeks for the conclusion of an independent tribunal.

As reported to the States in February in response to an oral question, recent statistics show that there have been 7 appeals to the tribunal in respect of sanctions and all of these appeals have been from only 2 people.

5. *What targets does the Minister have for the successful implementation of this new policy and how much taxpayer funding would this save?*

This change in our operating procedures was not designed to save money, although every individual who moves out of Income Support and into work represents a move towards personal financial independence and a saving to the taxpayer. I will consider this change successful if it helps people on LTIA into paid employment, but recognise that this is not going to be a process that happens overnight. The alternative is to do nothing, which has the guaranteed outcome of continued joblessness.

For example, at present roughly one in three people who are not on Income Support but who have an LTIA award at 35% are in paid employment. For people on Income Support with the same level of award, this proportion drops to around one in ten people. Taking this into account, our goal is to provide support to all those who have the capability to work; therefore the ultimate success for this programme would be to help IS claimants into suitable, sustainable work at a comparable level to non-IS claimants.

For each client who moves into paid work there will obviously be a saving to Income Support, as well as potential contributions and Income Tax revenue, although the amount would depend on the level of earnings. It is however recognised that a number of these clients have not worked for some time, and so investment of advisor support and training will be required to help them on their progress towards paid employment.

6. *The current guidelines for Income Support state that those with a medical impairment component score of 24 points will be exempt from seeking work. How does this compare with the new limit of an LTIA score of 35%?*

The two scores cannot be compared as they are the result of completely different tests, designed for separate benefits and producing outcomes that are not equivalent to one another.

LTIA is based on a loss of faculty; this is not related to an individual's functional ability to work but to the long-term loss of faculty to a specific area of the mind or body. An example would be the amputation of a leg, where the faculty is lost but modern medicine and appropriate aids can often allow for the function to be replaced, and for suitable work to be taken up. There is no direct correlation with the ability to work. Only by engaging with the individuals directly can the department understand where LTIA recipients have barriers to employment, and provide appropriate support to help them achieve the benefits that work can bring.

In contrast, the Income Support impairment test is concerned with the functional ability a person needs to care for themselves, and produces an outcome which is a much better indicator of whether or not the degree of impairment would limit a person's ability to work. People who reach the 24 point threshold of the personal care assessment are likely to be impaired in multiple areas and will require a consistent degree of assistance in caring for themselves, regardless of any aids or adaptations available to them. It is for this reason that the Minister used 24 points as an indication that these individuals would not be required to undertake work, and included this threshold in the Income Support legislation. The majority of people who reach this threshold will experience higher barriers to rewarding employment, although the Department and other agencies will continue to provide support, if requested.