

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 14TH NOVEMBER 2017**

Question

Further to the Assistant Minister's answer to oral question 10 asked on 31st October 2017 (1(576)), will the Minister provide the following information about the current review of the Social Security contributory system –

- (a) whether it has been created internally or through an external agency and, if the latter, outline the tendering process, detailing the terms of reference employed and the budget for the contract and whether these were drafted internally or externally;
- (b) state what quality assurance measures are in place to assess the full range of options available to the Minister; and
- (c) explain why the second most popular option for paying for benefits in part 1 of the Social Security Review, that of increasing employer contributions, is not referred to in part 2 of the Social Security Review?

Answer

The Social Security scheme review is made up of a number of projects which altogether will:

1. **Rebalance the social security scheme over the next 30 to 40 years** as we tend to live longer and as more people reach pension age
2. **Reshape and modernise the protection and benefits the scheme offers** recognising:
 - a. Our society's values and the changes that have and are taking place in how we live and work
 - b. The government's role in supporting people now includes Income Support, which helps households with low incomes according to their situation and subject to eligibility.
 - c. Developments in international best practice in supporting people and protecting people during times when they are unable to work.
3. **Review and improve how people save for retirement** so that they can support themselves when they stop working, reducing their reliance on the next generation of taxpayers.

The first consultation last year, which started the review, focused on objectives 1 and 3. The current consultation is focusing on gathering views on the Social Security scheme's maternity and bereavement benefits. This is in line with the second objective above.

(a) My Department has created and developed the overall Social Security review and its underlying projects. Some individual aspects of the Review are being undertaken by external experts. For example, for the current consultation, my department is working with a company to run independently facilitated workshops to gather detailed public views and ideas about maternity and bereavement benefits. This company is also analysing the overall findings of the consultation and writing a report setting out the results. The tendering process for this work was carried out in line with the government's financial rules. Other external organisations and individuals have been used to provide design and print work, video content,

content analysis and specialist advice. In all cases financial directions have been followed and budgets identified within overall existing cash limits.

(b)

The full range of options are being considered across the Social Security scheme review.

The conversation about some of the main features of the Social Security scheme – such as contributions, the areas of protection the scheme covers, the size of the pension, and the pension age – started last year in the Living Longer, Thinking Ahead consultation in very general terms.

This first part of the review was designed to gauge public interest in these areas, gather views and ideas early on in the review and to raise public awareness of the Social Security scheme and the need to review it. All of the feedback from 2016 has been recorded and will be used to shape the work in the rest of the review.

Other areas of the review, including the current consultation, Living Today Thinking Ahead, are focused on specific aspects of the Social Security scheme. The 2017 consultation looks at two types of benefit associated with significant changes in society and life styles since the 1970s when the scheme was first set up. Next year work will be undertaken looking at incapacity benefits.

The aim is that over the next couple of years all of the projects, all of the views will be used to inform a detailed ending to the public conversation around what our Social Security scheme will look like in the future. This will shape the final proposals which will be taken to the States Assembly once the review is drawn to a close.

The Department is using independent advice from a range of sources to provide quality assurance throughout the review. In particular, the Statistics Unit has been involved in the design of both public questionnaires.

(c)

A similar question was asked and answered in Written Question 1240/5(568) on 31 October 2017.

Last year, the consultation focused on broader issues as to how we should adapt the overall social security scheme to longer lives. In particular one of the questions (question 9) asked: Which of these options do you think the government should look at in the next few years to adapt the Social Security scheme to longer lives?

The options chosen by the public were (in order of popularity):

- Tighten benefit rules
- Businesses pay more
- Less benefits
- People pay more
- Pension goes up less quickly
- Higher pension age

The second part of the review – concentrates on the details of maternity and bereavement benefits.

When a person taking part in the consultation questionnaire tells us that they think one of these benefits should be increased, the next question asks them to choose an option as to how this extra cost should be met:

- I would be willing to pay more contributions
- I would be willing to accept reductions in other working age contributory benefits

The other four options mentioned in the 2016 question were not included in this part of the 2017 survey for a number of reasons:

- We have already received clear feedback from the 2016 results that the public support an increase in employer's contributions. As such, the 2017 survey is probing further into some of the other options to understand these in more detail.
- This part of the review is focusing on specific benefits that people receive and how this affects them personally.
- We therefore chose two clear options that required the individual to judge the preferred impact on that person as an individual.

Each survey always includes a comments box to allow the respondent to add their own ideas.

In 2018 and 2019 we will build on the results of these surveys together with other planned work to provide overall options for the future of the Social Security Scheme so that it continues to provide benefits that people value and is sustainable for future generations. This will include options for contributions as well as benefits as the overall scheme is only sustainable if these remain in balance. Contribution options will consider the split between employer and employee and the value of the standard and upper earnings limits.