

2020.02.25

**14 Deputy R.J. Ward of the Minister for Social Security regarding the repayment terms for historic overpayments of Income Support: (OQ.56/2020)**

Given there was an underspend of over £6 million in Customer and Local Services in 2019 and that, as stated in response to Written Question 536/2019, over £2.1 million was returned from claimants via overpayment instalments in 2019, will the Minister commit to review the longer-term repayment terms set up for those with historic overpayments, particularly where the Department was at fault?

[11:30]

**Deputy J.M. Maçon (Assistant Minister for Social Security - *rapporteur*):**

There is no connection between the 2019 underspend for the Customer and Local Services Department and the requirement for the claimants to be paying money owed to the taxpayer. Much of the Departmental underspend relates to the original budget, as set out in 2015 as part of the previous Medium Term Financial Plan. Since then the economy has improved, unemployment has decreased and the overall need for households to claim income support has reduced. On behalf of the Minister, I can confirm that there are no plans, at present, to review this process.

**3.14.1 Deputy R.J. Ward:**

It was said that the £2.1 million in return was not part of the £6 million saving. Can the Minister [sic] explain how that is the case? Is that now kept in a separate pot as additional money for the Department?

**Deputy J.M. Maçon:**

No, the £6 million is what was budgeted in the M.T.F.P. (Medium Term Financial Plan). What may have come or entered the Department in between that time may, or may not, be included in that figure.

**3.14.2 Deputy R.J. Ward:**

Does that mean there is additional money lying around somewhere? The records that are being kept of overpayments, how far do they go back? Are they accurate and to what time distance?

**Deputy J.M. Maçon:**

Off the top of my head, I cannot tell the Deputy how long records are kept. Of course, I could find that out for him. I forget the first part of his question.

**Deputy R.J. Ward:**

So do I, Sir, sorry.

**3.14.3 Deputy M. Tadier:**

This is a recurrent theme, given the fact that there are underspends. Where there has been a longstanding overpayment to a client, or a constituent, though no fault of their own, where it is entirely the Department's fault, should there not be a cut-off point after which the constituent is not pursued for that claim? Perhaps just to focus the Department's minds on not making many mistakes.

**Deputy J.M. Maçon:**

I would need to know the circumstances surrounding that before really being able to comment. I understand the point the Deputy is trying to make, but I would need to know that in a better context.

**3.14.4 Deputy G.P. Southern:**

On the matter of overpayments, or underpayments, either way - and there are something like 1,000 of each in any one year - is the problem not the case that the awards of income support are made in advance and, therefore, automatically there will be errors made and people will be either overcharged, or undercharged?

**Deputy J.M. Maçon:**

The Deputy is right. In Jersey we pay upfront, in order to ensure that those people in hardship are not left without money. Whereas, if you look across the water at the U.K., they have changed it to the other way around where there is a delay in payment. That is leaving people in great hardship in the U.K. Therefore, the Deputy is right, inevitably that would lead to some anomalies within the system. The advice from the Department to individuals always is: whenever your circumstances change, let the Department know as soon as possible, so that they can adjust things as quickly as possible. Inevitably, when you have an in advance system of payments, the Deputy is right, you will have these circumstances.

**3.14.5 Deputy G.P. Southern:**

Given that the Department boasts that for change of circumstances it can do a 24-hour turnaround and, therefore, the risk of leaving people without payment is very minimal, would he not consider that the time has come to look at payment in arrears, rather than payment in advance?

**Deputy J.M. Maçon:**

No.

**3.14.6 Deputy R.J. Ward:**

Is there recognition from the Assistant Minister that when these overpayments are due to an error in the Department that is longer term and sometimes, having seen these letters myself with constituents, they really are not clear as to how overpayments are calculated? Is it not the case, I ask the Assistant Minister, that it is time for us to review those overpayments and see which of them need to be either written off, or ended? Because those, what appear to be small amounts, are having significant effects on peoples' lives as they repay them for sometimes years.

**Deputy J.M. Maçon:**

It seems to me, if that is the case, those individual circumstances should be raised with the Minister on a case by case basis.

**3.14.7 Deputy R.J. Ward:**

They are raised and there has not been an outcome. That is why I raised the question. We need a wider answer to that.

**Deputy J.M. Maçon:**

If it has been raised with the Minister and the Deputy is not satisfied with that response, then that is for the Deputy to decide how to progress matters.