

22.02.08

### **3 Deputy G.P. Southern of the Minister for Social Security regarding special payments for large one-off items (OQ.21/2022):**

Will the Minister explain why special payments for large one-off items (such as white goods) under the income support scheme, which used to be paid for as grants, are now paid as loans, requiring repayment by income support recipients, and how special payments operate in respect of medical expenses (particularly dental costs)?

#### **Deputy J.A. Martin of St. Helier (The Minister for Social Security):**

The Deputy is quite right. The scheme went from grants to loans but it went from grants to loans in October 2015 and it was a States decision. On the medical, I am not quite sure with the medical expenses. The Deputy knows we now have the health access scheme, which is free for children up to 17 and £12 for all other people in income support. That has just been renewed and will run through to March 2023. On dental it is still grants of up to £500 available towards essential dental cost but pensioners and people with disabilities are exempt from that limit. As of December, I have written to all children aged 11 to 17, as we are running a scheme to get them dental fit. They can go to any dentist on the Island and the invoice will come to us and we pay £350.

#### **3.3.1 Deputy G.P. Southern:**

Would the Minister care to answer the question and state whether these payments for white goods, whether that decision to move from grants to loans has been reviewed by herself, especially in light of the fact that these applications used to be around 450 a year and are now languishing around 170, 200 a year. There has been a reduction in the uptake of these payments.

#### **Deputy J.A. Martin:**

I have not had anybody ask me to review this. As I say, it was a vote in 2015. I do remember that some of the white goods, if you had a family of 4, were quite basic. You did not have a fridge/freezer, you had a fridge with a small freezer. With everyone else out there doing one or 2-year interest free loans people are probably voting with their feet. But the vote was taken, as I say, in March. Apparently I voted against and the Deputy was not here for the vote.

#### **3.3.2 Senator S.Y. Mézec:**

Since the Minister has just indicated that she quite rightfully took a stand against this when it was first introduced, would she be able to give an indication of what impact this has had in the 6 or so years that it has been in place in terms of levels of poverty for income support payments, bearing in mind that the original decision on this was made before the last income distribution survey was published?

#### **Deputy J.A. Martin:**

The grants and the loans are running about the same as they were. As I say, the goods were very basic. Some of them were not suitable for families. Adults, single men, were only offered a single bed. That might have been free or it might have been paid. Nobody has come to me and I am not sure it is causing any poverty. It has been running for 7 years and nobody, even before I was Minister, it was another Minister who obviously brought it in, and as I say, there are things that have been improved for income support families, components go up every year, and we now have cheaper doctors. We are trying to do as much as we can with dentists. I do not exactly know if it has

caused any poverty but it has been running for so long I think people now accept that it is either a loan or they will go to somewhere else and get what they want over a 2-year free period.

### **3.3.3 Senator S.Y. Mézec:**

It would of course logically follow that it would have an impact on increasing rates of poverty because what was otherwise provided as a necessary item at no cost to the claimant now does come at a cost to them by having to be paid through their income support. Would the Minister endeavour to ask some of her officers to look at the impact this would have had on claimants' abilities to make ends meet through their income, whether that is entirely through income support or with other incomes attached to that as well, and determine whether that policy can be held accountable for increasing rates of poverty for those people?

### **Deputy J.A. Martin:**

I could attempt to do that. Not everybody needs a new white good when they move in. Some people have their families purchase them. As I said, some people want the ones that they want that will last a lot longer than the ones that were going to be provided. But I will ask officers to see if there is any way that what the Senator claims is causing poverty. But as I say, it has been in now for over 7 years and I would be very surprised.

### **3.3.4 Deputy R.J. Ward:**

The claims for expenses of dental costs and optical casts, for example, are capped at £500 per year per household after which a loan is offered. The £350 that was mentioned for dental care, is that included in that £500? Given the increasing expense of dental care, is there any plan to review this level?

### **Deputy J.A. Martin:**

Sorry, the £500 is for essential dental work and that is a grant. If the person needs more work over a 2-year period we will help but that will be a loan. The £350 is for a dental fit scheme to get young adults from 11 to 17 fit. That is £300. We have written to every family. I am compiling a letter with the Children's Commissioner's office to now send out to children so they can pick a dentist, they will go, the bill comes to the department. The pensioners have dental; £40 towards a check-up each year and every 2 years up to £700 towards dental treatment or dentures. It is slightly all different things for different people.

### **3.3.5 Deputy R.J. Ward:**

Does that payment include work, for example, on children for braces, which I know from my own experience can be extraordinarily expensive? Because I do not think that would cover the cost of braces for a child, so is it a question of either pay the expensive dental care on top of that £350 or wait, which is a significantly long time for hospital care to take that on?

### **Deputy J.A. Martin:**

I have asked that. The £350 is, because of COVID and maybe the hospital treatment, they are now passed the age where they could have got the free treatment, is purely to make their teeth dental fit. It is a check-up. If they need fillings, et cetera. If it is more than that we are going to be very sympathetic. We do not want any child to have really bad teeth. This is the start. As far as I know, no, it does not cover braces.

### **3.3.5 Deputy M.R. Higgins of St. Helier:**

Does the Minister believe that the income support system provides more than subsistence levels to the people it serves and that many people, because of mistakes in the past, which has resulted in overpayments which are being clawed back, cannot afford to repay the loan? What does she do in those circumstances?

**The Bailiff:**

I am sorry, Deputy, is this specifically limited to the loans relating to white goods and medical matters covered by the question?

**Deputy M.R. Higgins:**

Yes, Sir, it is.

**The Bailiff:**

Thank you, that is fine.

**Deputy J.A. Martin:**

The Deputy asked a muddled question there. People who are paying back for white goods will be paying back out of some of their income support. That is what they do.

**3.3.6 Deputy M.R. Higgins:**

Maybe I did not say it clearly enough. Income support basically provides a subsistence level of support. Many people, through mistakes of the department or mistakes on their part, have been overpaid and are being forced to repay the money. My question is: what about those people? If they cannot afford, basically they are just covering the repayments and they have no surplus money, are they getting grants or are they being forced to take out a loan or to do without the white goods?

**Deputy J.A. Martin:**

I have not looked into every case but if there is a few thousand pounds overpayment it may be that they have brought the good and then they are paying the money back. This is not to do with the original question. The Deputy is asking me again if people get overpayments do I think they should pay the taxpayers' money back. It is my stance that I think they should.

**3.3.7 Deputy K.F. Morel of St. Lawrence:**

Apologies to the Minister if this question was answered earlier in her responses, I would have missed it. What is the interest rate that is charged on these loans for whitegoods? Are they interest free or is there an interest rate?

**Deputy J.A. Martin:**

No, they are interest free.

**3.3.8 Deputy K.F. Morel:**

What is the normal timeframe for repayment?

**Deputy J.A. Martin:**

If it is a small fridge you could get one down ... I must not product advertise. Probably a JEC over a year old or the electricals over a year or 2 years, again that would be ... if we know someone is really struggling we can extend it. It is interest free and that is what we will do. We will come to an arrangement with that person and the family and take all those circumstances. Because we do have

the office to do that, not like the JEC. If you bought their electrical it would be 12-months or 18-months interest free.

[10:15]

### **3.3.9 Deputy G.P. Southern:**

Is the Minister denying that the take-up rate for these white goods has been reduced because the loans have been introduced? Could she give a figure for repayments of these white goods loans? For example, in one case I heard from a person requiring dental work was asked to pay £22.50 from their £150 a week to live off, all-in, would have to pay 22.50 back as a loan.

### **Deputy J.A. Martin:**

The grants to loans have stayed about steady, over 30 per cent over the last 5 years. I have said that the first £500 is a grant. For pensioners it is much more; it is £700 every other year with £40 towards a check-up on year one. I do not know the Deputy's case. Maybe he needs to contact us because if it is over that amount of money and if it is really needed I know ... I have taken people to Income Support and we have come to an arrangement. What Income Support do not like you to do is just go out and have the dentist work done and say: "Here is the money." They like to know where you are going, what it is going to look like and then they will come to an arrangement. But the first £500 is a grant.