
STATES OF JERSEY



REVIEW OF JERSEY'S INCAPACITY BENEFITS

Presented to the States on 22nd December 2021
by the Minister for Social Security

STATES GREFFE

REPORT

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1. Executive summary

The Minister is pleased to publish this comprehensive review of Jersey's incapacity benefits. These are the benefits that Jersey's Social Security Fund pays to people who are affected by illness or disability during working life. They are an essential part of Jersey's social safety net, but previous work has indicated that they are badly in need of modernisation. This review represents a landmark in that process. It presents a set of recommendations for Jersey to develop a modern system that leads the world in supporting employees, employers and our economy.

The Minister's review builds on work carried out by previous Social Security Ministers, who commissioned experts to provide technical papers that outlined the issues facing Jersey's system. The current Minister revisited the findings from those papers and then engaged specialist consultants to work closely with stakeholders in the Island. They have delivered a series of findings and practical recommendations, contained in a detailed expert report published alongside this review.

The review sets out the issues in Jersey's system and contains the Minister's responses to the expert report. She has made a series of key recommendations for Jersey to act on. This review considers the costs to Jersey of working-age illness and disability, and sets out the potential benefits to the Island of making changes to the way our incapacity benefits support people.

Making changes to Jersey's incapacity benefits will be complex, requiring multiple stages of legislation, and so the Minister has asked officers to continue development of her recommendations with the aim of giving the next Social Security Minister a set of clear, practical options to respond to early on in their term. It will be for the next Minister, and the next States Assembly, to decide how to proceed.

The Minister is confident that her Review and the accompanying expert report provides a strong basis for Jersey to move forwards.

Why review Jersey's incapacity benefits?

Working age ill health is estimated to cost the UK economy over £100 billion a year.¹ This factors in sickness absence, long-term worklessness and extra costs to the NHS. Including the costs to government of benefits and lost income from tax adds an additional £50 billion to this cost. This exceeds the entire annual budget of the NHS itself, which is approximately £130 billion.²

The costs to Jersey are no less significant. The Minister estimates that working age ill health could be costing Jersey's economy up to £230 million a year, and that up to 250 people a year permanently leave work due to ill health. A person who leaves our workforce due to ill health will pay less tax, is likely to claim more benefits and might need to be replaced by a worker from outside the Island. They will generate additional costs for our healthcare and benefits systems, and we also know their health outcome is likely to worsen the longer they remain out of work.

¹ Background information and methodology for the UK's Work, Health and Disability Green Paper. P28-35. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/564274/work-health-and-disability-green-paper-background-information-and-methodology.pdf

² March 2021 figures from <https://nhsproviders.org/media/690968/nhs-providers-briefing-march-2021-budget.pdf>

Whilst there will always be serious health conditions that are incompatible with work activities, too many people in Jersey are leaving work due to conditions that shouldn't have this kind of impact on their lives. Our current system doesn't help people manage ill health because it doesn't provide the right help at the right time; there is little practical support available to workers or their employers to help a worker stay in or return to work, or to manage the effects of a health condition on work. This can lead to treatable conditions worsening to the point that people leave work, sometimes altogether.

This problem is forecast to get worse. The effects of certain kinds of ailment, such as mental health and musculoskeletal pain, will affect growing numbers of people during their working lives. Jersey will need to address this through multiple policy areas, but our incapacity benefit is often the first government service accessed by somebody with a health condition that affects their ability to work. If we want to support people to stay in work, we must do more to help them early on.

The expert report that accompanies this review provides recommendations that will help Jersey address these issues. If the next Social Security Minister can be presented with a set of mature options to consider early on in their term, Jersey has the opportunity to modernise the way benefits support working-age people.

The Minister believes that the Island should start by addressing areas where the benefits are inflexible and have ceased to meet the needs of a modern workforce. The evidence suggests that Jersey's system doesn't just fail to help workers manage ill health; it can actively encourage them to remain absent from work.

Recommendation 1: Redesign Short-Term Incapacity Allowance to allow partial work whilst in receipt of benefit

The Minister believes that there is strong evidence to modernise Jersey's short-term sickness benefit to allow people the option of doing some work whilst they get benefit.

Jersey workers can struggle to return to work after an illness because the benefit rules restrict how they can do this. Partial or part-time work is not allowed whilst in receipt of some benefits. The expert report suggests that we explore practical ways to address this, in particular by considering the scope to make short-term incapacity allowance more flexible, in line with other places. Jersey's system could give people the option of doing some work, training or volunteering whilst in receipt of sickness benefits. Changes could permit a gradual return to work after a period of ill health, or for people to consider "light duties" when they aren't fully prevented from working. The evidence is that good work is good for people, but there must be an individual balance between work and recuperation, rather than the current "all or nothing" approach.

Recommendation 2: Redesign Long-Term Incapacity Allowance to offer a modern assessment system

The Minister has reviewed successive expert reports, which have recommended that we improve Jersey's long-term incapacity benefits. The Island should offer a modern assessment system that reflects current understandings of the effects of health conditions on daily life.

The current system is poorly understood by sick and disabled people and is built on outdated concepts of illness or disability. This review recommends that the application and assessment process are modernised, and that more work can be done to ensure that Jersey people can quickly access long-term incapacity support for serious disabilities, or illnesses that are likely to last a long time.

Recommendation 3: Explore ways to offer new support to help Islanders manage the effect of health conditions on work

The work of the expert consultants has paid particular attention to what support Islanders might need to manage the effects of health conditions on work. This includes disabled people and those with long-term illnesses, but also people who are absent from work for shorter periods, and for recurrent or chronic illnesses. The Minister believes that Jersey should explore new ways to support people through the Social Security system to minimise the effects of illness and disability on their ability to work.

People in Jersey currently get little or no support to manage the effects of health conditions on work. This includes people who need help managing lifelong conditions or disabilities. We know that lengthy absences from work can actually worsen a person's health, as reductions in daily activity can cause or exacerbate health conditions. Improvements to Jersey's existing benefits should be underpinned by exploring how our system could offer more direct support, perhaps by investigating new ways to help people who might be at risk of leaving work for longer periods. The Minister believes that there is good evidence that we should prioritise this approach: this review makes the case that Jersey could deliver economic, health and social benefits by looking at how we could prevent short-term conditions from developing into long-term absences from work.

To progress these recommendations, Government will work together with employers, employees and Jersey's healthcare professionals. The Island needs to respond to the evidence for similar changes currently being proposed in the UK and elsewhere. In particular, an outcome of this review is that the Minister believes we should aim to ensure that all Jersey workers can access some level of practical work and health support, particularly for conditions where we already know that people are most at risk of leaving work.

Recommendation 4: Investigate the provision of a framework to help employers support employees with a health condition to remain in or return to work.

It is proposed that the next Minister can investigate how employers could benefit from help to promote a healthy workforce and to help support employees who experience sickness or disability. Jersey's benefit system could work more closely with GPs and employers, with our Health Department and with Jersey's voluntary sector.

The Minister is confident that working towards these aims can improve outcomes for people who experience illness and disability during working life. Jersey can improve the overall wellbeing of its population, target income inequality and improve the sustainability of our economy. We have the opportunity not just to improve the current system, but to investigate new ways to reduce the impact of ill health on our working lives and safeguard our workforce and economy for generations to come. This review indicates that these changes could be delivered on a cost-neutral basis, and that addressing the costs of working-age ill health could offer significant long-term savings to both benefit and healthcare expenditure.

2. The case for action: why we need to change Jersey’s system to better support people during working life

The review of Incapacity benefits is a core Government Plan commitment on behalf of the Minister for Social Security and builds on careful work that stretches back several years. The incapacity review is part of a broader review of the contributory Social Security scheme, which is necessary to ensure the long-term sustainability of the Social Security Fund.

Addressing the effects of ill health on working-age people within the Social Security review will help maintain the balance between those who pay into the Fund as they work, and those who receive the benefits paid out. In the case of incapacity benefits, people who receive benefits are those who are excluded from the workplace because of short-term illness, or who receive long-term support for health conditions acquired during working life.

This review responds to theoretical recommendations made across an earlier series of expert reviews into Jersey’s system. These are summarised in Appendix 1 to this report. The current Minister has worked with specialist consultants to revisit the previous recommendations, and has asked them explore the range of practical options Jersey should explore to meet the issues that have been raised in previous work. Their recommendations for practical changes are set out in the attached expert report.

A summary of the expert reports, and the Minister’s response to each recommendation from the consultants, can be found in Appendix 3 to this review.

2.1. Meeting our Common Strategic Policy

This review of Jersey’s incapacity benefits responds directly to three of Government’s five strategic priorities, as expressed in the Common Strategic Policy. These are:

We will improve Islanders’ wellbeing and mental and physical health – this can be achieved by designing a benefit system that provides early support, and by promoting specialist support that targets common conditions

We will create a sustainable, vibrant economy and skilled local workforce for the future – this can be achieved by a benefit system that aims to retain workers in our workforce, including people with long-term illnesses and disabilities

We will reduce income inequality and improve the standard of living – this can be achieved by helping people remain financially independent by continuing to support themselves through work, and by ensuring that we improve the support we offer for sick and disabled people in the workplace

2.2. Jersey’s current incapacity benefits

This section summarises Jersey’s current incapacity benefits. For many readers it will be useful to understand where they fit in Jersey’s broader social “safety net.”

Incapacity benefits exist to support people who experience temporary or long-term incapacity due to an illness or disability. They are available to all working-age people with a contribution record and are paid for out of the Social Security Fund. They are separate from the means-tested disability benefit offered by Income Support, although some people get both.

Headline costs of incapacity benefits

Short Term Incapacity Allowance (STIA) costs the Social Security Fund approximately £15 million a year in benefit payments, paid out against just over half a million days of absence from work, from 25,600 individual claims

Long Term Incapacity Allowance (LTIA) costs approximately £20 million a year in benefit payments, paid out to approximately 4,500 people

Invalidity benefit costs approximately £4 million a year, paid out to approximately 350 people

Incapacity pension costs less than £0.12 million a year, paid out to fewer than 10 people

Summary data based on 2019 Social Security expenditure

Short-Term incapacity Allowance (STIA)

STIA is only available when a person is certified as being completely unable to work and can be claimed for up to a year. The claim is usually initiated by being “signed off” by a GP or hospital doctor. Work of any form is not allowed. It is paid at the standard rate of benefit, at present £232.47 a week, and requires the person to have a full contribution record for an entire prior quarter to claim the full payment. STIA can be claimed for up to a year.

Some employers will supplement the STIA payment when an employee is off sick (i.e., “sick pay”), although others will not pay employees who are unable to work due to illness. There is no equivalent in Jersey of the UK’s statutory requirement for employers to offer sick pay, although STIA pays at a higher level than the UK statutory minimum amount.

Long-term Incapacity Allowance (LTIA)

A person who has a longer-term illness or disability can claim Long-Term Incapacity Allowance (LTIA). This benefit is awarded based on a percentage of the standard rate of benefit, according to the loss of faculty of the person (i.e., how much the impairment has affected their physical, mental or cognitive faculties). This is decided by a Social Security doctor, and LTIA is available whether or not a person is working. The most common percentage is 20%. Very few claimants are assessed at 100%

Many people start claiming LTIA when their STIA claim ends after the maximum period of 364 days, but a minority make a claim earlier because they want to claim an incapacity benefit and continue to work. The relationship between the two benefits, and with other benefits offered by the Government of Jersey, can be confusing and is generally poorly-understood by the public.

In addition there are smaller number of people who receive other, related benefits.

- **Incapacity Pension** is paid to a very small number of people who have been assessed as not being able to return to work. The value is calculated in a similar way to an old age pension. No work at all is permitted on this benefit
- **Invalidity Benefit** is a legacy benefit that is still paid to claimants maintaining a claim since at least 2004. Work of any form is not allowed. It is paid at the standard rate of benefit, at present £232.47 a week. This benefit has not been available to new claimants since 2004.

2.3. Why does Jersey need a modern incapacity benefit system?

Sickness, disability and incapacity are areas where medical understanding continues to evolve over time. The legislation behind Jersey's current incapacity benefits is old-fashioned; in the time since it was last substantially revised (late 1990s), Jersey has adopted more modern methods of assessing sickness and disability through Income Support and the Long-Term Care benefit. The Jersey Care Model establishes a focus on early intervention for medical conditions that can worsen over time, and care that is delivered outside the traditional hospital setting. The incapacity review also responds to the growing global understanding of the importance of joining health policy and employment policy, already underway and now accelerated by rapid changes during the COVID-19 pandemic.

The Minister believes that Jersey's incapacity system, which supports working age people, should be updated to reflect the realities of working life now and in the future. This review of incapacity benefits has given Jersey the opportunity to consider areas where improved support for working-age illness and disability could have a positive impact on long-term outcomes, particularly on a person's ability to participate in the workforce.

In many places social security models are shifting away from the narrow traditional focus on financial compensation for illness and injury. Countries are actively exploring the benefits of early intervention and prevention. This doesn't just benefit the individual worker but also makes financial sense for governments, as it helps align services and reduces costs across benefits policy, health and safety policy and employment policy. Most importantly, it helps these areas deliver savings against a background of growing healthcare costs and address an ageing population, who live longer but with greater health problems.

On a local level, preventing people from leaving work unnecessarily will also support policies that aim to balance the needs of our economy with migration pressures.

2.4. The future role of incapacity benefits within Jersey's Social Security Scheme

The incapacity review has focussed on the essential reason that a contributory Social Security scheme would offer sickness benefits at all, which is that

Jersey's incapacity benefits are part of a Social Security Scheme: an insurance model that directly responds to the needs of Islanders during working life, and offers support when incapacity has the potential to interrupt the earning capacity of the worker.

By providing incapacity benefits the scheme insures everybody who works and pays into the fund against the chance they experience ill health, whether they are on a low income or are a much higher earner. The Minister's review has considered what Jersey workers should expect in return for paying into the Social Security Fund.

When asked about the Social Security scheme, Islanders tell us that they appreciate this insurance-based model. People tell us that it's good that "you pay in, and get something out when you need it."³

However, Jersey's incapacity benefits are not intended to offer a direct wage replacement. This is not a realistic option within Jersey's current Social Security system and would require significant changes to the contribution system which is outside the scope of this review. Islanders who require support because their entire household has a low income receive targeted financial support through the Income Support scheme.

The Minister has carefully considered this issue as part of the review, and does not believe that there is evidence to suggest that Jersey can or should alter this fundamental aspect of how the Island operates its contributory system. Income Support is paid for out of general taxation, whereas reviewing Social Security benefits must always consider the sustainability of a fund that is based on employee and employer contributions and must cover the cost of old age-pensions and other benefits in the long term.

The long-term balance between contributors and claimants for the Social Security fund will respond to a principle that is essential to any modern economy facing the same challenges as Jersey:

Where a health condition or disability should not prevent a person from choosing to work and be included in working life, we must do all that we can to support them to remain in work.

The financial impacts of working-age incapacity are considerable. They are set out in detail in the next section.

³ Views on the Social Security Scheme are summarised in Appendix 1, which covers the engagement events that were delivered as part of the current incapacity benefit review. They build on a series of previous expert reports into Jersey's system.

3. The impact of working-age ill health in Jersey

The impact of working-age ill health is much more than days off work, it also includes the lost opportunity for people to earn, the lost opportunities for employers to do business, and the long-term impacts on the health and finances of people who remain out of work.

By taking steps to minimise the negative impact of ill health, the positive impact on our economy could be significant. The benefit to individuals would be lifelong.

This section explains the financial impact of working-age ill health, and the following section will make a case for some of the different ways that Jersey could help to reduce these impacts.

What is at stake when we talk about working-age ill health in Jersey?

We estimate lost productivity from working-age ill health at up to £230 million a year (this estimate is explained below). This is slightly more than the entire annual budget for Jersey's healthcare system.

Even a modest reduction of 10% of the costs of working-age ill health could benefit the Island by up to £23 million a year. In changing or improving the ways we support people; the Minister believes that Jersey should aim to exceed this target.

A 10% reduction in the number of days of Short-Term Incapacity Allowance alone would benefit the Island by 50,000 working days a year.

Returning 50,000 working days a year to our economy is the equivalent of over 200 people working full-time.

3.1. What is meant by “working age ill health”?

Working age ill health covers all of the reasons that we might take time off work, and all of the health conditions that would affect us throughout working life. Some of these conditions are more predictable in the way they affect our work, such as infectious diseases, whereas some can have less predictable effects on work, such as mental health. This incapacity review makes the case that further work to improve incapacity benefits should focus on increasing support for illnesses that have less predictable effects on our absence from work, and have a higher chance of recurrence. This would address specific illnesses such as mental health and musculoskeletal conditions, as well as long-term and chronic conditions more generally, and support for disabilities. We know that these are areas where Jersey doesn't do as well as it could.

Though life expectancy is improving, the impact of working-age illness and disability is increasing with time. Given the makeup of our population and economy Jersey is predicted to follow trends that see people living longer but also reporting disabilities and long-term health conditions in greater numbers. These will undoubtedly affect the ability of many people to manage their conditions alongside work.

The UK government estimates that “currently one in three people aged 16-64 in the UK has a long-term health condition and one in five people aged 16-64 in the UK is disabled. The number of working-age people reporting a disability increased by 20% between 2013 and 2019, and is forecast to continue to grow”⁴ This is partly driven by the increasing proportion of older workers caused by trends towards an ageing population and changes to the state pension age;⁵ these same trends apply directly to Jersey. In the Island, 14% of people are considered disabled according to the UK Equalities definition⁶ and 29% of adults report having a longstanding physical or mental health condition. This has increased from 25% of adults in the period between 2019 and 2020.⁷

Just looking at people in work, one in 4 UK employees reported having a physical health condition, and 1 in 5 of those employees with physical health conditions also reported having a mental health condition. These have a direct correlation with being out of work: people with one health condition have an employment rate of 61%, while those with 5 or more have an employment rate of 23%.⁸ In Jersey, 28% of disabled Islanders reported difficulties accessing the kind of work that they want.⁹

Unsurprisingly, the data also shows that people experience more health problems as they become older. Many people approaching the prime of their working lives (middle age) begin to experience the disabling effects of multiple conditions¹⁰, especially where a mental health condition appears following a long-term physical condition. This graph shows the number of grouped health conditions by age of the patient.¹¹

⁴P10

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1004042/shaping-future-support-the-health-and-disability-green-paper.pdf

⁵ Source: 2018-based National population projections, GB Principal projection, ONS – available at <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/2014basednationalpopulationprojectionstableofcontents>

⁶ Disability Strategy for Jersey 2017 <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Disability%20Strategy%20For%20Jersey%20Standard%20Version%2020170525%20DS.pdf>

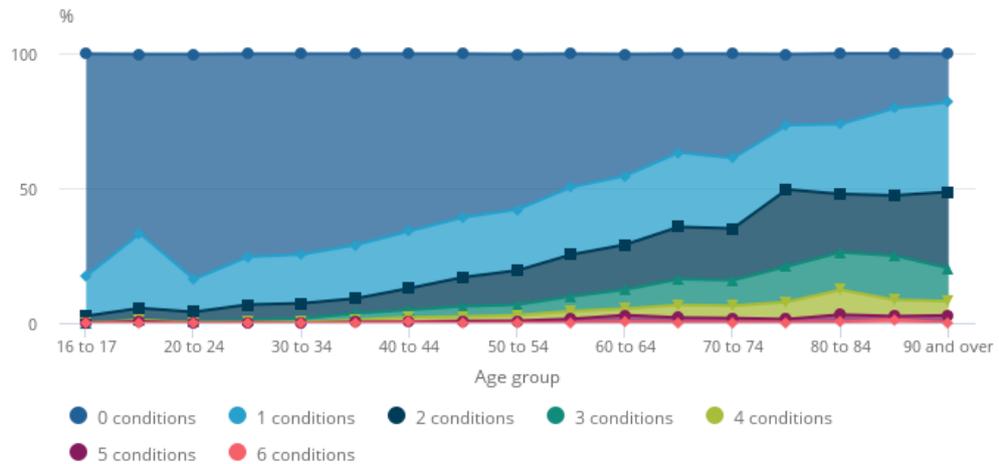
⁷ Jersey Opinions and Lifestyle Survey 2020 <https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Opinions%20and%20Lifestyle%20Survey%202020%20Report%2020200903%20SJ.pdf>

⁸ <https://www.gov.uk/government/publications/health-matters-health-and-work/health-matters-health-and-work>

⁹ Disability Strategy for Jersey 2017

¹⁰ Epidemiology of multimorbidity and implications for health care, research, and medical education: a cross-sectional study. Barnett, Mercer, Norbury, Watt, Wyke, Guthrie (2012) [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(12\)60240-2/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(12)60240-2/fulltext)

¹¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglongerhowourpopulationischangingandwhyitmatters/2018-08-13#what-are-the-implications-of-living-longer-for-health-services>



Source: Health Survey for England, NHS Digital

Experiencing multiple health conditions in middle age, even where no one condition is “serious,” drives reduced work capability or even early retirement on health grounds. This will be particularly challenging in an economy such as Jersey’s, where skilled older workers cannot easily be replaced.

Together, these patterns will mean more days of sickness that will affect our economy, and more people working but at lowered capacity (presenteeism), but will also translate into more people eventually leaving work altogether.

3.2. Reasons for claiming Short-Term Incapacity in Jersey

The most common reason that Jersey people need to claim Short-Term Incapacity Allowance is an infection, making up the quarter of all claims. The report by the expert consultants says that Jersey’s system functions well for these claims, which only last on average eight days. By contrast, claims categorised under the “depression, stress and anxiety” grouping last much longer, on average 27 days. Across similar economies the most significant reasons for long-term absence from work are musculoskeletal disorders and stress-related ill health.¹² The expert report says that Jersey does less well in these areas. This makes a case for future work to look at targeting support to these specific areas of ill-health.

Ailment Category	Number of Claims in Year	% of All Claims	Number Sick Days Paid in Year	Average Length of Claim (Days)
Infections	6,343	25%	51,730	8
Hospital Treatment	3,520	14%	84,666	24
Depression, Stress and Anxiety	3,281	13%	121,210	27
Back/Neck Pain/Injury	2,327	9%	42,211	18
Other Ailments	10,132	40%	208,524	21

¹² Higgins, O’Halloran, Porter: *Management of Long Term Sickness Absence: A Systematic Realist Review* Journal of Occupational Rehabilitation (2012) 22:322-332

Total **25,603** **508,341**

Most claims to STIA are short; over half of all claims last seven days or less and almost 90% of claims are closed within a month. However, there are still over 300 claims a year that extend beyond 4 weeks; at this point experts believe there is a sharply increasing risk that the person will experience a permanent absence from work, even for conditions that should not on paper prevent a person from being included in the workplace.¹³

Claim duration	Approx. % of all claims	Approx. number of claims
Up to 14 days	76%	19,550
Longer than 14 days	24%	6050
Longer than 28 days	12%	3050
Longer than 84 days	4%	1000
Longer than 6 months	2%	450
Longer than 9 months	1%	250

Note: percentages are a proportion of total claims, so “claims longer than 14 days” also includes all “claims longer than 28 days” etc.

Together, these numbers indicates that there are specific areas (both claim length, and type of ailment) where Jersey should investigate making improvements to its system.

Worryingly, the amount of ill-health actually caused by or attributed to work in Jersey is significant. The Statistics Jersey Opinions and Lifestyle Survey Report 2016 found that in 2015, one in ten workers had taken time off work for work-related stress, with over half of these taking more than six days off work. Outside stress, the most common type of other work-related ill-health was “problems with muscles, bones or joints” accounting for 82% of other ill-health reported. Overall, around one in eight workers (13%) had taken some time off work in 2015 for either stress, injury or ill-health that was work-related.¹⁴

3.3. Long-term incapacity benefit claim patterns

Long-term benefit claims are more likely to reflect chronic conditions, lifelong conditions, and those where treatment may be oriented towards minimising their effects rather than offering a “cure”. They may also involve “curable” conditions that last longer than the typical STIA duration, but have longer periods for treatment or recovery – such as some forms of cancer, or more significant injuries.

Mirroring international trends, claims associated with depression, anxiety and stress, combined with those for back pain and injury, make up over a third of all long-term benefit claims in Jersey. The recorded numbers are likely to be significantly lower than the actual number of people affected, due to limitations in the way Jersey’s system records and groups ailment data and also the number of claims in the ‘other’ category

¹³ p23 Health at work – an independent review of sickness absence by Dame Carol Black and David Frost CBE
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/181060/health-at-work.pdf

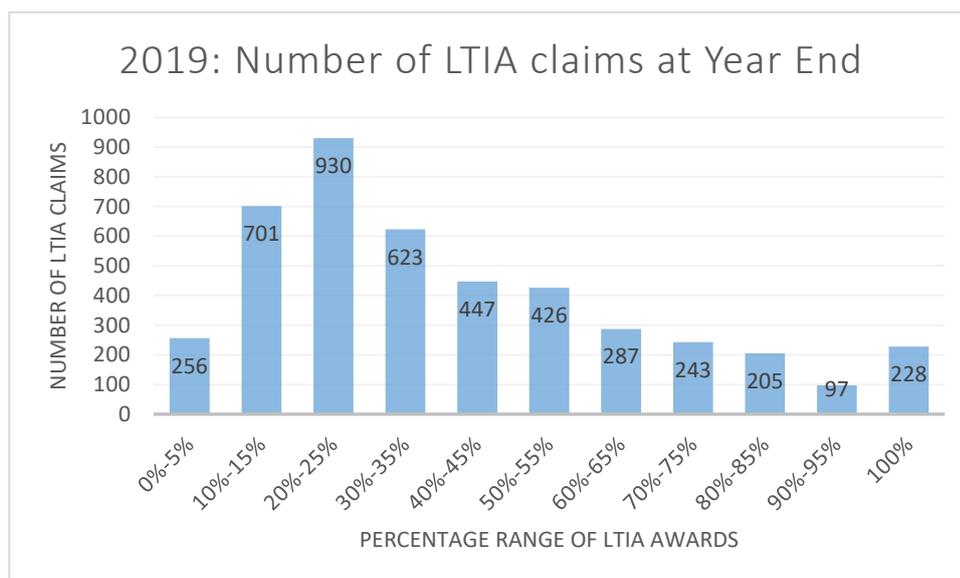
¹⁴ Jersey Opinions and Lifestyle Survey 2016
<https://www.gov.je/sitecollectiondocuments/government%20and%20administration/r%20opinions%20and%20lifestyle%20survey%202016%20report%2020161129%20su.pdf>

where these conditions may often be a secondary factor. There is strong evidence that shows the growth of mental health as a secondary condition amongst sick or disabled people - the number of people in the UK who report a mental health condition as well as a disability has increased from 24% in 2016/17 to 27% in 2018/19.¹⁵

Ailment Grouping	Numbers of claims (2019)	Proportion of all LTIA claims
Mental Health	934	21.0%
Musculoskeletal conditions (MSK)	545	12.5%
Other	2964	66.71%
Total	4443	100.0%

The grouping 'mental health' includes claims where the claim reason is recorded as depression, stress and anxiety. 'Musculoskeletal conditions' includes back pain/injury, neck pain/injury, arthritis and other muscular and skeletal pain.

Unlike STIA, LTIA is awarded as a percentage of the standard rate of benefit and is paid on that basis: A 50% LTIA award pays 50% of the standard rate of benefit. Of the 4,443 LTIA claims active at the end of 2019, the split of awards by percentage is as follows.



The number of awards made at lower percentages suggest there are many claimants who have a lower degree of loss of faculty that is likely to result in a lower impact on their daily lives and work capacity. Impact on work is not directly measured under the current assessment system.

Examples of what lower percentage claims might involve include:

¹⁵ UK Government Family Resources Survey 2018/19. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874507/family-resources-survey-2018-19.pdf

- Very mild back pain (described as moderate background local discomfort with some limitation of spinal movements) – equivalent to 5-10% LTIA award
- The loss of a finger is equivalent to 15% award
- Mild depression (described as some loss of interest in leisure activities, sleep and mood disturbance, with concentration problems, anxiety, irritability, tension) will lead to a 20% LTIA award.

3.4. The costs of working-age sickness in Jersey today

There are approximately 70,000 working age people in Jersey. According to what our population reported through the 2011 Census data¹⁶ we estimate that about:

- 2,000/2,500 Jersey people are unable to work due to sickness or disability (long-term), and
- At any time, a further 500 people are temporarily unable to work due to sickness or disability.
- Each year about 250 more people become unable to work due to sickness or disability for the longer-term. Some people will flow out of this group, as they reach pension age, for example.

As above, the Minister estimates that the cost to Jersey's economy of incapacity is up to £230 million a year in lost output. This is generated by:

£140 million lost output from the 2,000/2,500 people who don't work because they experience long-term sickness or disability; and
£90 million from lost earnings and business productivity.

From the Statistics Jersey earnings index, between 2015-2019 the average wage was around £725 per week, or £145 per working day. During the same period there were around 495,700 sick days covered by STIA claims.

The nature of STIA claims means that some of these will cover non-working dates (weekends), albeit some workers do work on those days. Using a figure of 230 working days in a year, this leads to an estimate of 320,000 working days of sickness absence covered by STIA in a year. This gives an estimated loss of earnings of around £45 million.

Not all sickness absence is covered by STIA claims. A similar calculation that uses employer Social Security Contributions data instead, cross-referenced with STIA claim data, gives 360,000 working days of sickness absence. This gives a slightly higher estimated loss of earnings of around £52 million.

These estimates represent the equivalent of 1400 to 1800 people working full-time.

¹⁶<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Chapter4Employment%2020120808%20SU.pdf>

Neither estimate includes the costs of healthcare, benefit costs, or the long-term effects of illness or disability on the earnings capacity of somebody who does return to work. These costs will be considerable.

3.5. The cost of short-term absences becoming long-term

In an average year, Jersey sees around 1,000 claims to Short-Term Incapacity which last longer than three months. Social Security data shows that around a quarter of people in this position do not return to employment within 5 years, and may never return. Those 250 people alone remaining out of our workforce for five years represents between £65 and £94 million in lost productivity to our economy, but also a potential cost of approximately £4.4 million in STIA/LTIA¹⁷ and £12.5 million in Income Support.¹⁸

There will also be a significant cost to government in terms of

- Healthcare costs – people unable to work for long periods often develop additional health conditions. The Jersey Care Model¹⁹ is designed to respond to the evidence that trends such as ageing populations, and the increasing rates of chronic and complex disease, will cause Jersey’s healthcare costs to rise
- Foregone revenue from tax and Social Security contributions

When considering the overall cost, this estimate also does not include the lost output of those sick or disabled people who can’t claim STIA (because they don’t have a contribution record), or stop claiming after a certain period yet continue to experience the effects of ill health. These “hidden costs of working-age ill health” will have a growing effect on both the Island’s economy and the long-term prospects of the individuals themselves.

3.6. Estimated cost to businesses

We don’t currently know the extent of the costs of ill health to businesses in Jersey. Some businesses offer sick pay, many do not. What all will have in common is that they will face some level of costs from an employee experiencing ill health, either through lost productivity or the costs of replacing staff.

The UK Government is undertaking similar work and has issued its own series of proposals to reduce ill-health related job loss²⁰. Through the “Health is Everyone’s Business” consultation response the UK Government estimates that a package of measures could save employers between £5,000 and £11,000 on average for each employee they prevent from falling out of work. Though the estimate factors in a statutory requirement to offer sick pay that does not exist in Jersey, the bulk of these

¹⁷ Scaled estimate based on average value of claims.

¹⁸ A “rule of thumb” estimate often used for Income Support is that 100 extra claims is on average an additional £1 million to the annual budget. In reality, household entitlement will vary considerably. Income Support has additional rules beyond incapacity benefit, so not all those who leave work in this manner would qualify for Income Support. Incapacity benefit is also taken off Income Support entitlement on a “pound for pound” basis, so the two figures do not provide a grand total.

¹⁹ <https://statesassembly.gov.je/assemblypropositions/2020/p.114-2020.pdf>

²⁰ See annex, p 53 onwards, of

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1004063/government-response-health-is-everyones-business.pdf

savings come from estimating the numbers of weeks of lost productivity and the recruitment costs associated with new hires. In Jersey's economy, where replacing skilled workers has additional challenges, the costs per employee are likely to be the same or even higher than they are in the UK.

The Minister recommends that, as a priority, the next Minister direct policy officers to work with the full range of employers in Jersey to better understand the costs they face from working-age ill health. This should help to shape Government's response to the problem.

4. The case for more support: reducing the length of absences from work and people leaving work altogether

The previous sections have set out the impacts of working-age ill health. This section makes a case that Jersey can take practical steps to reduce them.

The Minister believes that Jersey's Government, through modernised Social Security benefits, can do more to make returning to and staying in work something that people recognise as a good health outcome, as well as an economic one. There is growing international evidence to suggest that the state should be much more active in looking for ways to help people in cases where a significant illness or disability could nonetheless be managed alongside work²¹, or prevented from worsening to the point where work is impossible.²² This is not about forcing people to work when they feel they can't; only a proportion of long-term sick or disabled people will be completely unable to work, and many of them say they would prefer to return to work, if they felt that they could manage work alongside their illness or disability.²³

The Minister believes that we should explore how Jersey's incapacity system could be expanded to offer practical help. Jersey can aim to reduce the amount of time people spend off work and to minimise the number of people who feel they have to leave work completely. These would be new objectives when compared to our current system. In exploring ways to meet them the Island has a positive opportunity to address wellbeing, income inequality and the sustainability of our economy. Any improvements are likely to be cost-neutral against current expenditure, with the potential of long-term savings. According to the expert report, Jersey could improve its system by exploring opportunities for the Social Security system to offer

- Support that is oriented around the effects of health conditions on a person's ability to work
- Support that is targeted towards key conditions that can cause longer or repeated absences from work
- Support that is delivered earlier than it is now – acting earlier to reduce long-term or repeated absence from work

Similar work is being carried out through major initiatives in the UK such as the recent *Health and Disability Green Paper*²⁴ on future disability support, and related *Health Is Everyone's Business*²⁵ consultation on reducing ill-health related job loss. The UK government has proposed significant investments in changing the way their own system supports people. Much of this is likely to involve providing new support from government, particularly support that is targeted towards helping employers keep their

²¹ Waddell, Gordon, Burton, A. Kim and Kendall, Nicholas A.S. (2008) Vocational rehabilitation – what works, for whom, and when? (Report for the Vocational Rehabilitation Task Group) issued in 2008 by the Department for Work and Pensions

²² Health at Work: an independent Review of Sickness Absence" by Dame Carol Black and David Frost CBE (2011, Department of Work and Pensions)

²³ https://www.equalityhumanrights.com/sites/default/files/research_report_77_opening_up_work.pdf

²⁴ Ibid. Shaping Future Support: the Health and Disability Green Paper

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1004063/government-response-health-is-everyones-business.pdf

employees in work. To remain economically competitive and maintain our high standard of living, Jersey should consider the benefits of taking similar steps.

4.1. Areas where Jersey could start to offer more help

We know that longer absences from work lead to increased chances that a person leaves work, and that keeping people in work has health as well as social and economic benefits. Jersey's data shows that a group of specific ailments are more likely to result in longer periods spent off work.

For Short-Term Incapacity Allowance

- 35% of mental health (depression, stress and anxiety claims), last more than 1 month
- 11% of Back/Neck Pain/Injuries last more than 1 month
- 21% of musculoskeletal claims last more than 1 month; whereas
- Only 2% of infections last more than 1 month²⁶

Many of these absences will be for conditions where people could be in work, with the right help and support. Having looked at Jersey's situation, and met with a range of stakeholders, the expert consultants are confident that there is a sound financial case for investing to target help for these conditions. Improvements would also benefit the Jersey response to ill-health that is exacerbated or even caused by work itself.

To do this the experts recommend that Jersey's government consider designing a framework under which new forms of support can be delivered, as there are clear limitations about what the market can provide either through employers themselves or through our existing primary care system. The expert report refers to this concept as a "Work and Health" model, which can offer some new services and help tie together existing parts of Jersey's system.

4.2. Expanding access to occupational health in Jersey

A key area where Jersey can consider more support is in the possibility for expanding the provision of occupational health, the medical specialism that is designed to look at the interaction between illness/disability and working life. The expert report suggests that there would be significant benefits to ensuring that all Jersey workers have some access to occupational health support. Similar recommendations have been made in the UK. Occupational health support is much more widely provided in healthcare and/or benefit systems in other countries than it is in Jersey or the UK.

In Jersey's case, current provision on-Island is limited and there are practical barriers to the degree of support that can be bought in from UK-based firms to support employees in Jersey's distinct working environment. The evidence from the review indicates that it is not possible simply to scale up existing provision, and that careful work must be done to support and encourage occupational health provision in Jersey.

In Jersey, there are limitations in the market areas that would be used in other jurisdictions to deliver support with the effects of work on health.

²⁶ Analysing all claims to STIA made in 2019

- **General Practitioners (GPs)** – successive expert reports have shown that, despite strengths in other areas, Jersey’s current primary care structure doesn’t provide a strong incentive for local GPs to train in occupational health specialism. Patients don’t seek treatment relating to work because GP appointments are short and considered to be relatively expensive, and the evidence suggests that occupational health interventions are likely to take longer and require multiple visits. GPs understandably do not view their role as advising on the patient’s working life or offering advice on the rules of the benefit system
- **Jersey’s healthcare system** – Health and Community Services continues to face high demand for the types of services that could offer an early intervention - MSK and mental health referrals currently outstrip the Island’s current capacity to deliver specialist help early on in an illness or disability. The Jersey Care Model aims to address this with an increased focus on prevention and self-care and by integrating mental health and physical health services. There could be considerable practical benefits to healthcare delivery if work-focussed support could be offered earlier on as part of the incapacity process. This could prevent a proportion of mild or moderate cases from requiring clinical treatment through the hospital system
- **Small employers** – occupational health support is perceived as expensive, hard to scale for smaller firms, and there is a lack of knowledge and understandable worry about the legal ramifications of getting involved in the employee’s health. This can prevent employers from “doing the right thing” even where they want to
- **Many large employers** – commercial occupational health may be delivered with the aim of managing absence to minimise costs to the employer, and there is a limit to what is available on-Island. Even where available, resources may be targeted to employees who have already manifested a ‘problem’ – in the form of sickness absence, as opposed to early intervention²⁷. Some employers may use private occupational health to carry out a cost benefit analysis of whether it is preferred to support an employee through longer periods of ill health or let them go, at which point they can become a cost to government through the benefit system.²⁸
- **The market to individuals (including self-employed people)** – employees will generally not understand the cost benefit of purchasing such services themselves, and low-income people wouldn’t be able to afford it

Together these can be seen to represent a market failure for the provision of work and health support in Jersey. Similar problems are observed to exist in the UK’s system.²⁹

²⁷ Cited on p6 of expert report, which says “focusing only on employment-related outcomes or only on health outcomes can miss the interaction between health, work and wellbeing.”

²⁸ Expert report, p14

²⁹ Expert report p 32: “this mixed market, and market failures, means that it is often the case that employees of small- and medium-sized employers have no access to mainstream OH services.” This is also why the UK intends to directly invest in OH support targeted towards SMEs.

The Minister has asked that officers continue work to investigate the costs against benefits for how government can help expand access to occupational health, including by investigating whether there is a case for government to provide elements of this service directly for employees who are unlikely to access it through their employer.

The Minister has asked officers to ensure that the next Minister for Social Security can consider this proposal in detail early on in their term. However, even at this early stage the expert reports and wider evidence suggest that expanding access to work and health support would be a good investment. The UK has done extensive work in estimating the general cost benefits of returning people to employment: Public Health England has developed a model that is used to estimate the “return on investment” of a range of healthcare interventions to move individuals from unemployment into sustainable employment. The model is designed to analyse the range of small-scale and trial interventions focussed on return-to-work support, to make a financial case that the UK government should invest in making such services available nationwide. The model factors in financial gain to the person themselves, the government (in the form of tax and reduced health spending) and the local authority (health costs and benefits). Overall, the model reports that work-focussed interventions return of £1.54 for every £1 spent and each person returned to work benefits society by £23,000.³⁰

Investments in mental health investments could prove to be particularly beneficial: a separate study by Deloitte proposes that every £1 invested in workplace mental health delivers a £5 return.³¹

4.3. Evidence for work-focussed support around mental health

We know that poor mental health will be particularly costly to Jersey’s economy. This is one reason that the Jersey Care Model seeks to prioritise early intervention and sets out a commitment to “proactively tackling the wider underlying causes of mental ill health, increasing access to preventative care and support, treating people quickly and effectively.”³²

In the UK it is estimated that poor mental health among employees costs UK employers between £42 billion and £45 billion each year. This is made up of absence costs of around £7 billion, presenteeism costs ranging from about £27 billion to £29 billion and turnover costs of around £9 billion.³³

In Jersey, we lose over 120,000 sick days a year to depression, stress and anxiety, with an average length of claim of 27 days. We also know that without intervention this situation will get worse: the Statistics Jersey Disease Projections Report predicts that a

³⁰ Public Health England: Movement Into Employment: Return on Investment Tool Estimation of benefits from moving an individual from unemployment into sustainable employment. P40
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/772596/Movement_into_employment_report_v1.2.pdf

³¹ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-health-and-employers.pdf>

³² Jersey Care Model Briefing paper p28-33
<https://www.gov.je/SiteCollectionDocuments/Health%20and%20wellbeing/ID%20Jersey%20Care%20Model%20Briefing%20Paper%2020191029%20LJ.pdf>

³³ Deloitte (2020) Mental Health and employers. Refreshing the case for investment.
<https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-healthand-employers.pdf>

‘do nothing’ approach will result in mental health conditions increasing by 29% by 2036.³⁴

Of Jersey people who receive a long-term benefit for mental health problems, about 22% had not returned to paid employment at all within 5 years. Jersey has already responded, through its healthcare system, to studies analysing the benefits of embedding work support within first-line mental health treatment through the UK’s Improving Access To Psychological Therapies (IAPT) programme.³⁵ The Island’s response to IAPT established the Jersey Talking Therapies system, but there is newer evidence, from work-focussed trials, that show we could build on this model with earlier mental health interventions that support workers before they need to enter the healthcare system.

Outside government,

- the Royal College of Psychiatrists has made strong arguments for the social and health benefits of supporting employment for people with even the most severe mental health conditions, and points to an economic case for changes in this area across the entire scope of mental health illness.³⁶
- The National Institute for Health and Care Excellence makes practical recommendations over the benefits of returning to work for both mental health and musculoskeletal conditions³⁷ and has strongly encouraged further study to determine which types of intervention are most helpful to the growing numbers of people who experience longer absence from work.³⁸
- Evidence from the Journal of Occupational and Environmental Medicine shows that being in work reduces the effects of depression and psychological distress³⁹

4.4. Evidence for work focussed support for musculoskeletal problems

Alongside mental health, musculoskeletal conditions are those with the largest impact. It is estimated that only 59.4% of people of working age with a persistent MSK condition are in work. Furthermore, a fifth of people with arthritis (the most common chronic MSK condition) also report experiencing depression.⁴⁰

³⁴<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20DiseaseProjections2016-2036%20140917%20PH.pdf>

³⁵Employment Advisers in Improving Access to Psychological Therapies Process Evaluation Report https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817628/employment-advisers-in-improving-access-to-psychological-therapies-process-evaluation-report.pdf

³⁶ Royal College of Psychiatrists: Employment and mental health, Masood Khan and Jed Boardman (February 2017)

<https://www.rcpsych.ac.uk/docs/default-source/mental-health/work-and-mental-health-library/op101-final.pdf>

³⁷ <https://www.nice.org.uk/researchrecommendation/interventions-after-recurrent-short-term-sickness-absence-for-mental-health-conditions>

³⁸ <https://www.nice.org.uk/guidance/ng146/evidence/c-facilitating-the-return-to-work-of-employees-on-longterm-sickness-absence-and-reducing-risk-of-recurrence-pdf-6967146928>

³⁹ Van der Noordt M, IJzelenberg H, Droomers M, et al. Health effects of employment: a systematic review of prospective studies. *Occup Environ Med* 2014 ;71 :730-736. Available at:

<https://www.ncbi.nlm.nih.gov/pubmed/24556535>

⁴⁰ <https://www.versusarthritis.org/media/2071/working-with-arthritis-policy-report.pdf>

The UK estimates that 27.8 million working days a year are a result of MSK conditions; the second-largest cause of sickness absence⁴¹ and that 17% of the (English) population report a long term MSK problem.⁴² Of these lost days it is estimated that 6.6 million of them were lost due to MSK conditions actually caused by work or the workplace, with an average of 14 days lost for each case.⁴³ In Jersey, musculoskeletal conditions total 93,400 sick days per year.

Again, there is good evidence that early intervention can be effective,⁴⁴ including studies of interventions that reduced the wage costs of certain types of employee absence by up to 39%.⁴⁵

Early interventions focused on positive work outcomes for people with chronic ill-health can potentially reduce sick leave and lost work productivity among workers with MSK disorders by more than 50 per cent, reduce healthcare costs by up to two thirds and reduce the risk of permanent work disability and job loss by up to 50 percent.⁴⁶

⁴¹ Office for National Statistics (2018) Sickness absence in the UK labour market Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/sicknessabsenceinthelabourmarket>

⁴² Public Health England (2018) Musculoskeletal Diseases Available at: <https://fingertips.phe.org.uk/profile/msk/data#page/0/gid/1938133186/pat/6/par/E12000004/ati/102/are/E06000015>

⁴³ HSE (2018) Work related musculoskeletal disorders statistics (WRMSDs) in Great Britain, 2018. Available at: <http://www.hse.gov.uk/statistics/causdis/msd.pdf>

⁴⁴ Waddell, Gordon, Burton, A. Kim and Kendall, Nicholas A.S. (2008) Vocational rehabilitation – what works, for whom, and when?(Report for the Vocational Rehabilitation Task Group). <http://eprints.hud.ac.uk/id/eprint/5575/1/waddellburtonkendall2008-VR.pdf>

⁴⁵ p50. Health at work – an independent review of sickness absence by Dame Carol Black and David Frost CBE https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/181060/health-at-work.pdf

⁴⁶ Bevan, S. P3. Back to Work: Exploring the benefits of Early Interventions which help people with Chronic Illness remain in work https://static1.squarespace.com/static/5b3b875dcef372fc7822d05f/t/5b4ae808f950b741b8af1086/1531635721671/F152_Economics-of-Early-Intervention-FINAL.pdf

5. Next steps: recommendations of the Incapacity review

This section of the review expands on the Minister's four key recommendations.

The Minister is confident that this review, and the accompanying set of detailed expert recommendations, make the case for much-needed improvements to our Social Security scheme.

Due to the complexity and time requirements of designing and making any changes to the scheme, it is essential that the next Minister and States Assembly are provided with detailed options that have analysed the range of practical implications for Jersey's system early in the next electoral cycle to allow full discussion to be had so that decisions can be made and acted upon.

The areas covered by the Minister's four recommendations work together to meet the overall aim of modernising Jersey's incapacity system to minimise the impact of ill health on individual workers, employers and Jersey's economy.

Actions to redesign Jersey's incapacity benefit system should be designed to meet the following objectives:

- Jersey should aim to reduce avoidable sickness absence – days where somebody is completely unable to work
- Jersey should aim to reduce the long-term costs and impact of working-age illness and disability to
 - the individual worker
 - the Social Security Fund
 - Jersey's healthcare system
 - to Jersey's economy and its employers

This can be achieved by supporting employees in managing ill health and disability during working life, and by supporting employers in managing the health of their workforce.

These aims are related but won't be accomplished solely by adjusting the systems for short-and long-term financial support. Jersey will need to do more to address the links between short-term incapacity for work and long-term absence from the workforce.

Therefore, this review concludes that government should be prepared not only to improve the existing benefits, but also investigate new ways that the incapacity system can deliver new, cost-effective support to working people and their employers.

5.1. Recommendation 1: Investigate changes to Short-Term Incapacity Allowance to include providing support for a phased return to work

The Minister recommends that a priority for further work on incapacity benefit reform is to consider:

- a) Whether Jersey's STIA should support a gradual return to work; and

b) The benefits of allowing partial work whilst in receipt of STIA

Further work can explore Jersey's options to allow people the options to undertake some work whilst in receipt of STIA. This could be achieved by allowing Jersey's system to recognise the concept of "light duties" or a "Fit Note."

Though some conditions still require total rest, medical opinion is now that many do not. Doctors encourage their patients to maintain a sensible level of activity. Jersey's current benefits actually push people to remain absent from work, by making it impossible to do any work at all whilst in receipt of short-term benefit. This differs from comparable systems in the UK and elsewhere and fails to address situations where people feel they could return part-time, as they are forced to choose between being completely away from work, or working their full working hours despite the effects of an illness, injury or disability. This is especially problematic for people who need to return to work gradually after an illness, but also increases situations where short-term, potentially treatable conditions worsen into long-term conditions through lack of activity.

We should aim to help people manage a return to work that balances health and recovery needs alongside a desire not to lose touch with the workplace. There is good evidence that people will benefit from a phased return to work, and that this particularly effective in supporting individuals with musculoskeletal and mental health conditions.⁴⁷ This would also change the current situation where undertaking voluntary work, work training or educational activities is prohibited whilst claiming STIA.

The Minister also recommends further investigation of the possibility that other healthcare professionals could write the "Fit Note" - such as physiotherapists, mental health professionals or occupational therapists. Linked proposals for better work and health support will help people understand their options for gradual return to work.

The expert recommendations do not propose any changes that would oblige people to return to work part-time if there are no health benefits to doing so; any change should be designed with the rights of employees first. However, increased flexibility will be a development that is likely to be welcomed by employers. Many employers could, and some already do, support a gradual return to work. It will also be necessary to recognise the range of employment situations that exist in Jersey, and acknowledge that for some businesses it may not be possible to support a limited return to work.

5.2. Recommendation 2: Modernise Long-Term Incapacity Allowance to provide an assessment model based on the impact of the incapacity on the person's life, and to simplify benefit eligibility

The Minister recommends that consideration is also given to Jersey's scope for

- a) Modernising the assessment model for Long-Term Incapacity Allowance
- b) Updating the eligibility criteria and payment model for this benefit

⁴⁷ Studies cited in footnote 43 and 44 in The UK Government's response to the Health is Everyone's Business consultation see: <https://www.gov.uk/government/consultations/health-is-everyones-business-proposals-to-reduce-ill-health-related-job-loss/outcome/government-response-health-is-everyones-business>

Expert reviews have been clear that Jersey's current methods for assessing Long-Term Incapacity are not fit for purpose. Local stakeholders, including doctors, charities and disabled people, endorse this view. The Minister recommends that the next stage of work should improve the way Jersey delivers long-term support for working-age people with an ongoing health condition or disability.

The expert consultants have highlighted newer assessment models that could be considered. Changes to long-term support will always be complex to deliver and must be designed carefully; this means that detailed further development will be necessary to deliver a high-quality, modern assessment method that reflects current understandings of illness and disability. The Minister recommends work to deliver options for an assessment model that looks at how an illness or disability affects a person in their day-to-day life.

The existing English and Scottish system have some similarities to Jersey, and are currently under review with similar aims to modernise and improve their assessments. Jersey's own review is in a good position to benefit from the extensive consultation that has been carried out in both places, and their differing proposed approaches. In particular Jersey can learn from the way these redesigns recognise the views of disabled people and those affected by long-term health conditions.

As with incapacity legislation, there are also similarities between the disability criteria in Income Support and parts of the UK's system. The next stage of the work can reference the assessment principles used in Income Support, and whether there are any benefits to some common assessment principles being developed across both benefits in order to make it easier for those people who are potentially eligible for support under either of these benefits.

The next stage of development will also need to put forward detailed proposals for transferring existing benefit claimants to any new system, for careful consideration by the new States Assembly. They will also consider linked recommendations to simplify the calculation of benefit payable.

5.3. Recommendation 3: Investigate the extension of the use of the Social Security Fund to provide work and health support for working age contributors during a period of incapacity, to better support employees with a health condition to remain in or return to work.

The Minister also recommends further work to investigate whether the Social Security Fund can provide new support to support employees with a health condition remain in or return to work.

Based on the results of the expert report, the Minister is confident of a strong case for Jersey to investigate new support to help people remain in or return to work, when they experience ill health or disability during working life. Taken alone, any improvements to STIA and LTIA are unlikely to do enough to address trends that will see more and more Jersey people leaving the workforce unnecessarily. There is an opportunity to reduce the number of days that Jersey workers spend off sick, and to reduce the numbers of people who leave work for good after a longer illness.

This would represent the boldest change to the current system. The experts are clear in saying that Jersey should consider the possibility of a new provision of practical support for Jersey workers, alongside continuing financial payments. The consultants refer to this as a “Work and Health” model. It would be a wholly new concept for Jersey, so will require careful exploration to understand how it could operate in our economy, and work to complement rather than duplicate our health system.

The Minister is pleased to have received detailed and extensive suggestions from the consultants; and has asked officers to develop a range of options that explore how Jersey can practically meet them. These will estimate the costs vs benefits of doing so. Support is presently so limited in the Island that many people who are currently likely to experience long absences from work, or repeated smaller absences, could receive work-focussed support for the first time. This would offer particular benefit to smaller employers and employment sectors where there is limited or no support now. Based on trials cited in the expert report, across the UK, and internationally, even a limited trial service can be expected to offer measurable benefits to a good proportion of those who engage.

A service in Jersey must offer measurable economic/financial benefits. As a baseline it should deliver

- Early non-medical advice, signposting to other areas of help, and return to work assistance
- Measurable positive impact on key conditions (MSK and mental health)
- Increased earnings to the individual through reducing length of absence from work
- Reduction in people who become unemployed as a result of sickness absence
- Savings to the Social Security Fund through reducing the length of a proportion of STIA claims (as described earlier in this review)
- Increased support to GPs, other healthcare professionals and the voluntary sector in understanding work and health issues

As well as working with primary care practitioners and Health and Community Services Department, options for the new service will be developed with input from representatives from the voluntary and private sector who will work most closely with customers who might benefit from any new service – for example disability and mental health organisations, private occupational health providers, unions and employment support organisations. All of these groups have been well-represented in the consultation stage and the Minister would hope that they continue to be involved in further development. This work would also support Jersey’s GPs directly by coordinating the consultants’ recommendations to improve awareness and training around occupational health.

The Minister has asked policy officers to look carefully at whether Jersey should respond to developments in England, Scotland and internationally where governments support some form of occupational health support.

5.4. Recommendation 4: Investigate the provision of a framework to help employers support employees with a health condition to remain in or return to work.

The Minister also recommends that further work is carried out to investigate the benefits of offering direct support to employers, including

- a) the scope for a new “Work and Health” service to provide support to employers, focussed at first on the key conditions referred to in this review
- b) Consider an advice service to help those employers who don’t have a dedicated function to liaise with any employee with a health condition
- c) Investigate how to help employers offer Return to Work plans, where appropriate
- d) Consider better support with healthy workplaces and mitigating the effects of ill-health and disability inside the workplace
- e) Promote the effective use of private occupational health support

It is essential that any expansion of support offers help tailored to the specific needs of employers. Employers in Jersey currently get little or no support with managing the health conditions of their employees.

Whilst Jersey already offers the right under its employment and disability legislation for people to request certain reasonable adaptations to their working conditions, the incapacity benefit system can work directly against both employees and employers who want to manage these challenges early on. There are barriers to employers who would be prepared to offer a flexible return to work, but do not so as their employees would lose their STIA payments as soon as they returned to work in any capacity. Under the proposed changes to STIA these barriers could be removed. However, even if this were the case employers are still likely to require assistance to fully support workers with a health condition.

The Minister has asked officers to investigate the scope for any new “Work and Health” system to offer some or all of the following support to employers

- Help design return to work plans in “quick win” cases where the employer and employee both agree on the desirable return to work
- Offer advice on healthy workplaces, to be delivered alongside an increased role for Jersey’s Health & Safety Inspectorate
- Offer general practical advice on absence management, with reference to Jersey’s employment legislation
- Advice should also include specific support on supporting employees with mental health and MSK problems, and how to reduce the impact of these conditions in the workplace

Some larger employers do provide health-related support to their employees through company occupational health services. These firms already recognise the financial and cultural benefits of supporting their staff through illness or disability. This must be

balanced against the observation that private occupational health services may have different objectives to a healthcare or benefit system. It is essential for Jersey's economy to avoid situations where people with treatable long-term illnesses or disability become the responsibility of government, when support could have been provided to keep them in employment.

Smaller employers will require particular support, as many of them do not have the capacity to invest in occupational health support. Any new framework should be designed as a voluntary service that all employers can access, regardless of size.

Embedding the aims of inclusion and employment support in Jersey will also provide more opportunities for those living with significant long-term disability, particularly where it empowers employers to be "disability confident" and to consider the benefits of reasonable workplace adaptations, flexible and/or remote working.

Given the current barriers and low level of support available, it is anticipated that most employers would welcome the offer of specialist help and support.

6. Next steps / timetable

The Minister has directed policy officers to begin further development of the key ideas.

Detailed proposals will be available early on in the next Ministerial term. This will allow the next Minister to consider costings and any legislative changes.

The Minister recommends that future work should encompass the following high-level objectives

- Consider a redesign of Short-Term Incapacity Allowance legislation to allow some partial work whilst in receipt of benefit
- Consider recommendations to design and implement a new assessment model for Long-Term Incapacity Allowance
- Investigate the range of options for the provision of new “Work & Health” support in Jersey
- Investigate the provision of a framework to help employers support employees with a health condition to remain in or return to work
- Work with local primary and secondary healthcare practitioners, voluntary organisations and employer and employee groups to develop a range of options for the next Minister to consider

7. Appendix 1: Summary of expert work on the incapacity review: designing practical options for change in Jersey

This appendix summarises the previous expert reviews of incapacity, and the process of the current review. This has produced an expert report, which is provided as a supporting document to this proposition.

The review of incapacity benefits is part of the wider scope of the Social Security Review programme. It is designed to ensure the long-term financial and social sustainability of the Social Security Fund and its activities. The programme helps the government to meet strategic objectives, such as:

- Help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community
- Promote health and social wellbeing for the whole community, providing prompt services for all and protecting the interests of the frail and the vulnerable
- Increase the performance of the local economy, encourage economic diversification and improve job opportunities for local people

The incapacity review fits within this, addressing the role of these benefits within the wider sustainability of the Fund. This does mean that the scope of incapacity review is not intended to offer a review of general benefit levels provided by the Fund, which can only be considered in terms of assessing the long-term financial stability of the fund in relation to all of the benefits it provides.

Similarly, the incapacity review is not designed to review Income Support, which also provides payments targeted towards the costs of illness and disability, through a calculation of the financial needs and resources of an entire household. Reviewing income Support is out of scope because the Income Support benefit has a separate budget provided through general taxation, and is based on a complex assessment of household need. It has strict residency conditions prior to being able to make a claim.

However, the review has considered areas where the provision of incapacity benefits and Income Support disability components might overlap, particularly where the same person might be subject to medical assessment for both benefits. It will naturally consider the effects of working-age illness on disability on the broader concepts of working life in Jersey, including such factors as early retirement and caring for children.

7.1. Previous expert reports

As part of the Social Security Review the previous Minister commissioned a set of expert reports on incapacity benefits, looking at both long- and short-term incapacity and considering the development of Income Support in the time since incapacity benefits were last substantially revised. These were then subject to a peer review of their contents and findings, undertaken by a specialist occupational health doctor.

The previous reports can be found at these links. There are two reports by expert academics, and a summary by a specialist occupational health doctor who visited the Island to interview a range of stakeholders in Jersey's system in response to the two

academic reports. Taken together, they provided a set of clear recommendations for the current Minister to consider:

<https://statesassembly.gov.je/assemblyreports/2018/r.50-2018.pdf> - Report by Professor Bruce Stafford

<https://statesassembly.gov.je/assemblyreports/2018/r.48-2018.pdf> - Report by Dr Ben Baumberg-Geiger

<https://statesassembly.gov.je/assemblyreports/2018/r.49-2018.pdf> - Report by Dr Les Smith

Summarised from the expert reviews, as well as subsequent feedback from stakeholders, doctors, customer-facing government officers, and benefit claimants, the following limitations of the Short-Term Incapacity Allowance were highlighted:

- A person receiving STIA is completely prevented from working, an “all or nothing” approach that doesn’t allow the type of gradual return to work that is often recommended by occupational health experts
- The STIA benefit provides no incentive for the recipient to engage with their employer – the claimant may be left alone without support. This may create unnecessary anxiety/delay over return to work
- Compared to some other countries, STIA has an unusually long certification period – the GP can sign a person off for periods in excess of a month without review. Expert advice indicates this is not best practice
- The process behind the award of STIA benefit, including the certification process and the role of the Government, is often unclear to employers
- The STIA benefit certification is only available from GP or the general hospital – it isn’t possible to be signed off by any other medical professional, even if they are the main provider of treatment
- There is a low level of understanding in the general public as to the financial purpose of this benefit, or its relationship to Social Security contributions

In addition, the following limitations are applicable to the Long-Term Incapacity Allowance (LTIA)

- LTIA has no clear relationship to STIA
- LTIA does not assess barriers to work, or specific costs, associated with the person’s incapacity
- The benefit uses outdated assessment criteria that have been phased out in other countries. They don’t reflect modern understandings of illness and disability
- The design of LTIA means that it is poorly suited to support certain kinds of illness, particularly mental illness or intermittent illnesses
- Depending on a person’s social or economic position prior to claiming, LTIA can offer a poor long-term outlook in terms of return to work and general health

- The financial purpose of LTIA is unclear when compared to long-term help with the costs of illness and disability from Income Support.
- The jump from a payment of 100% of STIA to an LTIA award often at a much lower percentage can be difficult for the claimant to understand when the benefit relates to the same condition
- Although LTIA is an in-work benefit, it doesn't offer any incentives to return to work on the part of the employee, or any incentives for the employer to modify work or the workplace

7.2. Scope and outcomes of current expert report

In the latest phase of the work, conducted between October 2020 and August 2021, the current Minister engaged specialist consultants from Ferret Information Systems and The Institute of Employment Studies to help develop firm proposals that responded to the previous expert recommendations, taking into account best practice internationally and the distinct features of Jersey's employment and healthcare environments.

Within this context the consultants were asked to build on the recommendations made by the previous expert reports. In designing a framework in which to produce their recommendations, the consultants agreed early on with the Minister and officers that there are four key objectives for an effective incapacity benefit system. These exist within the overall objectives for the Social Security Scheme and the ongoing review.

These are

1. Support people to manage ill-health and injury
2. Support effective returns to work for those able to do so
3. Provide financial assistance while not working
4. Be fiscally sustainable

Taking these into account, and with reference to previous expert reports, this produced six key design principles that would be considered for any revision to the existing benefits. These were supplied to stakeholder participants in the engagement events that led up to the development of the expert report.

1. The level and nature of financial assistance – in particular the extent to which benefits should reflect contributions, the generosity of benefits, and whether and how extra costs of disability should be reflected;
2. Supporting effective returns to work – including the role of employment- and health-related support, early intervention and placing conditions on benefit receipt;
3. Reducing inflows to benefit – so whether and how the system should seek to intervene earlier or design the claims process so as to reduce the number making new claims;
4. Assessing entitlement – the purpose of the assessment process, what is assessed, and how this varies across different benefits
5. Support for those with the most significant impairments – including the role or nature of additional financial support, and/ or special employment measures

6. The role of the public, private and voluntary sector – so the relative benefits and role of different organisations that could deliver employment and health related support

The events were designed to engage local stakeholders with real working knowledge of Jersey's system. They were delivered under the oversight of the Social Security Minister, with support from the Assistant Minister for Health. Due to Covid restrictions, this was achieved by a set of intensive engagement events delivered by the expert consultants for small groups of stakeholder representatives from across Jersey's community, using remote meeting technology.

Participants included

- Ministers
- Jersey GPs
- Secondary care practitioners, including mental health specialists
- Voluntary and community sector representatives
- Employers and members of the business community
- Unions and employee representatives
- Human resources and wellbeing specialists
- Policy specialists in disability and inclusion
- Specialists in supported employment and retraining
- Customer and Local Services operational staff

The events were designed to respond to the previous expert recommendations and to narrow down towards realistic options for improving Jersey's current system. Professional facilitators were employed to ensure that people understood the possibilities as well as potential trade-offs in delivering a new system. In many areas a strong consensus was reached about desirable outcomes, although with some expected differences of opinion as to how this would be achieved.

However, in reference to the agreed scope of the incapacity benefits review a core principle was that participants understood that any new system should be paid for within the existing envelope of benefit expenditure, with an aim to delivering value to the Island's economy in the long-term.

7.3. Summary of stakeholder feedback from engagement events

Discussion was detailed and wide-ranging and produced the following summary of themes:

The value of work, and of a work-focussed benefit

Across all groups, participants agreed that work is beneficial to maintaining good health throughout life, and that Jersey's incapacity benefits should maintain a strong relationship to work and working life. Participants broadly agreed that incapacity

benefits should facilitate an appropriate return to work after any period of illness and should positively support the abilities of ill and/or disabled people to maintain and pursue appropriate work.

There was consistent agreement that a Short-Term Incapacity benefit should allow some work or volunteering whilst claiming. Participants identified that many health issues began at the earliest stages of the process and felt that STIA did not help people by allowing long claim durations and an assessment process that did not consider the effects of illness and disability on the ability to work.

Whilst most participants supported the concept of partial return-to-work, including the concept of “light duties”, it was felt that this would need to be carefully designed so that people did not attempt (or feel pressured to resume) inappropriate levels of work. Even discounting the restrictions of STIA it was felt that at present the concept of partial return to work is difficult for employers to understand, especially where they do not have access to occupational health advice, and that employers would benefit from support in this area.

There was consistent agreement that the assessment model and support provided through the current Long-Term Incapacity benefit were inappropriate and in need of redesign.

There was support for maintaining some kind of cash benefit, although differing opinions as to how this would fit with long-term support, particularly when considering the existence of disability payments through Income Support. Participants agreed that people with the highest levels of impairments will require distinct help.

An increased role for employers in managing the effects of illness and disability on work

Groups agreed that employers could have a greater role in managing the effects of illness and disability through work. It was acknowledged that this was a complex issue that would require careful further work. It could involve changes to Jersey’s workplace culture, but it was thought that these would prove to be positive and cost-saving for the Island, employers and employees.

Participants noted the number of small to medium-sized employers in Jersey, and that these employers would need support if any obligations were placed on them. Additional support would be needed in disclosing health information to employers, potentially through a neutral third party that could perform a mediation/conciliation role between employer and employee.

It was generally agreed that enhanced occupational health advice/support should be seen as a positive offering to employers, as opposed to a regulatory burden. The employer should benefit from advice in helping individual employees manage health conditions, but also in general terms from advice towards ensuring a healthy workplace and workplace culture.

It was suggested that employers in Jersey would benefit from being able to share good practice around workplace health, and it was thought that a government funded or

supported Occupational Health model could help facilitate this type of knowledge exchange in Jersey.

The value of occupational health specialism and early, targeted interventions to help manage the effects of illness and disability on work

Many participants supported the idea that support could be provided through a central occupational health and/or human resources type service. This could provide, or refer into, early specialist intervention for conditions that might cause a longer-term difficulty with work. Examples were given of comparable systems elsewhere and where these types of intervention are already being delivered on a cost-effective basis in Jersey.

It was agreed that employers and employees in Jersey would both benefit from formal support in designing a return-to-work (RTW) plan, where appropriate.

A range of opinions were expressed as to whether this service could be provided by Government, privately or by the voluntary sector – but groups did consistently agree on the need for better joint working and information sharing between these sectors. Many participants supported a caseworker model to support people in managing the effects of their health on longer-term ability to work.

Most participants felt that GPs in Jersey were not comfortable being seen as a gateway to cash benefit. The GP was seen, positively, as being a strong advocate for the patient, but also would not always understand the effect of a specific illness on work, and therefore would in many cases not be suited towards an increased liaison with the employer. Taking these observations together, it was widely agreed that the current role of the GP would be acknowledged and supported by the existence of a new service that some patients could be appropriately referred into for specific support on work and health.

7.4. The Minister's decision on preferred options for further development

The Minister reviewed the outputs of the engagement events, in conjunction with the expert consultants and Government of Jersey policy staff. The Minister then requested that the consultants carry out further development of certain preferred options.

The Minister made the following framework decisions.

The Minister decided that the review would not focus on requiring Jersey employers to offer statutory sick pay, or to put additional costs on employers at this stage of the review

The Minister carefully considered the degree to which it was appropriate to place more of the responsibility for addressing work absence on the person's employer, for example in whether the employer could be responsible for the initial period of sick pay in the same way that the UK's system required. It was also considered whether the employer could be responsible for some level of occupational health support.

Although participants in the engagement events agreed that employers could have a greater role in managing the effects of illness and disability through work, it was acknowledged that this was a complex issue that would require careful further work. It

was agreed that this could involve changes to Jersey's workplace culture, but it was thought that these would prove to be positive and cost-saving for the Island, employers and employees. However, this was balanced against a broad recognition that increasing the financial responsibility of Jersey employers would be difficult at the present time.

The Minister has carefully considered the number of small-to-medium sized employers (SMEs) in Jersey, and the existing challenges to some sectors of the economy by external factors such as Brexit and the COVID-19 pandemic. When considering the ability of the employer to buy in services, the expert report also identified considerable limitations to the extent to which private occupational health support is or could be available in Jersey, even where smaller employers had the means to buy in the required expertise.

In balance, considering stakeholder feedback and advice from the expert consultants, the Minister felt that making employers responsible for sick pay was not an area which was appropriate in Jersey at the present time. Where new services are considered, the Minister recommends that further detailed modelling is completed to provide options over who would be financially responsible for them.

The Minister decided that Jersey's incapacity benefits should continue to offer some form of cash payment and that this payment should not be means-tested

The Minister agreed early on that any changes to incapacity should be delivered within the current envelope for expenditure of the benefit. In particular, this precluded any extensive discussion of raising the relative generosity of incapacity allowance in comparison to the value of the other contributory benefits. Given the high average wage in Jersey it was agreed that raising the value of the incapacity allowance to reflect the average wage (in effect creating a Government-funded "sick pay" system) would be unsustainable for the Fund.

Participants in the engagement events broadly supported the existence of some form of cash benefit as part of Jersey's contribution-based system. There was consistent feedback to say that one of the fundamental principles of the contributory scheme were that "if you have paid something in, you should expect something out", and that this was distinct from Income Support and its understandable focus on supporting lower-income households. This feedback is consistent with previous public comment on the Social Security Fund.

The Minister agreed with the principle that support from the incapacity benefit should not be means-tested, particularly as it is then available to people in a household with another working adult, and to recent arrivals who immediately begin contributing into the Social Security Fund in a way that they do not always do for tax-funded Income Support.

The Minister requested that further work be undertaken to investigate whether the incapacity benefit system could offer services in addition to cash benefits

Whilst the Minister decided that the incapacity benefit should continue to offer some form of cash payment, it became clear that there was the broader opportunity to promote, develop or subsidise services designed to help people stay in work.

As a key theme of this review, and a key recommendation from the expert report, the Minister has directed officers to investigate the scope for new “Work and Health” support in Jersey, and whether it would be cost-effective to offer some of this support directly through the Social Security system.

8. Appendix 2: Summary table of core Jersey benefits available for sickness/disability

The following table summarises the financial benefits available to working age adults with a health condition in Jersey.

	Value	How is it assessed?	Are you allowed to work?	Means-tested?	Designed to meet full household costs	Available to recent arrivals?	How is it funded?
Part of this review							
Short-Term Incapacity Allowance	£232.47 weekly	GP certifies inability to work	No work is allowed under STIA	No	No	Yes, with a contribution record in relevant quarter	Social Security Fund contributions
Long-Term Incapacity Allowance	From £11.62 to £232.47 weekly	CLS medical boarding doctor	Yes	No	No	Yes, with a contribution record in relevant quarter	Social Security Fund contributions
Invalidity Benefit	£232.47 weekly	Not available to new claimants	No work is allowed	No	No	Not available to new claimants	Social Security Fund contributions
Incapacity Pension	From £11.62 to £232.47 weekly	CLS medical boarding doctor	No work is allowed	No	No	Yes, with a contribution record in relevant quarter	Social Security Fund contributions
Not part of this review							
Long Term Care	variable	HCS social worker	Yes	Some elements	No	No, 10 years residency	LTC Fund
Income Support health components	variable	CLS officer using medical info	Yes	Yes	Income Support meets household costs with health component available as part of that overall package	No, 5 years residency	General taxation

9. Appendix 3: Summary of expert recommendations and Minister's response

Consultants Ferret Information Systems and the Institute of Employment Studies were asked to respond to previous expert reports, the outputs from the series of stakeholder events, and contemporary best practice in the area of work and health.

Their expert report and recommendations are included in full as a supporting document to this Review. It divides recommendations for Jersey into four main categories

1. Managing short-term absence from work
2. Financial support for longer-term absence
3. Occupational health and rehabilitation support
4. Supporting healthy work

The Minister is pleased to have received a series of strong, practical recommendations that reflect Jersey's unique situation. The Minister has asked that officers begin the design of a range of options for the next Social Security Minister to consider.

The following table summarises the individual recommendations from the expert report, and the Minister's response to them. The Minister's response has led directly to the development of the headline recommendations for change in Jersey, which are explained in more detail in section 5.

Recommendation	Ministerial response
<p>1. A programme of awareness raising and training for GPs, including key principles of OH assessment, return to work planning, work adaptation and onward referral; and to raise awareness and encourage engagement with the proposed reforms and new services.</p>	<p>Accept. The Minister noted that the system overall does not currently help GPs to signpost to appropriate occupational health support as part of their remit.</p> <p>To help address this, policy officers will begin a process of consultation with GP and healthcare professional representatives to see what support from government is necessary. This will build on the evidence gathered by previous expert reports and draw from best practice in the UK and other comparable employment-markets, whilst recognising what makes Jersey unique.</p> <p>The Minister is keen that this support for GPs be aligned with the development of the Jersey Care Model.</p>
<p>2. Development of a 'Fit Note' approach to certification – to</p>	<p>Accept subject to further investigation. A 'Fit Note' is the modern replacement to the old-fashioned system of sickness certification used in Jersey. As opposed to</p>

allow GPs (and, potentially, allied health

professionals

working in the new early intervention service) to set out what work people may be able to do, and advice for patients and employers on how to support effective returns to work;

declaring a person totally unfit for work, it contains scope for the certifier to suggest appropriate work activities that may be possible during recovery from illness.

The Minister agrees that it is essential to create the option for Jersey's short-term sickness benefit to allow a partial or phased return to work, although only where this is supported by healthcare professionals, the patient and their employer. This certification process could be further supported by any new "Work and Health" service designed as part of the next stage of the work.

However, further work is necessary to assess the suitability of this model to Jersey.

Policy officers will be asked to develop a set of options for the next Minister that adapts from the successes of similar systems in other places, whilst creating a model appropriate to Jersey.

3. A shortening of the maximum duration of STIA to six months.

Accept subject to further investigation. At present, STIA is available for up to 1 year. This only affects a small minority of claims, many of whom transfer directly to LTIA when their STIA reaches that limit.

The Minister believes further investigation is necessary to determine the benefits to Jersey of bringing our system in line with other places. Although only a small proportion of claims even exceed one month, many of the smaller numbers of claims that currently exceed six months are likely to benefit from earlier intervention to help the person return to partial work.

To balance this, special attention would need to be paid to the support needs of people who have serious conditions where the prognosis will regularly exceed six months of total inability to work (for example some forms of cancer, terminal illness). These people are likely to require special support, and the Minister is clear that people should not be financially disadvantaged when they are genuinely unable to do any work at all.

4. Co-design and then commissioning of a specialist early intervention service, as part of a wider Work and Health Centre

Accept subject to further investigation. This is a key recommendation. The Minister agrees that earlier support with the effects of ill-health on work is essential to meet the needs of Jersey's workforce, as well as its healthcare and benefit systems.

Policy officers will be asked to investigate potential models for the provision of new "Work and Health"

model described in Chapter 4, but with the early intervention model accessed via primary care and providing return to work assessment, advice and support to those out of work for around four weeks;

5. Extension of STIA to support phased returns to work, where this is agreed/recommended by the new early intervention service and time limited for up to two months. The level of payment should be reviewed annually in order to minimise any risks of unintended consequences.

6. Move from the current loss of faculty assessment for long term support to a system of functional assessment based on the practical effects of illness or disability.

support with input from relevant local stakeholders, taking account of successful models that have been delivered elsewhere and trials of the type of model that might be most appropriate to Jersey. It will be considered whether GPs and other healthcare professionals could refer into any such service; and whether it can provide support directly to employers where requested.

Policy officers will be asked to develop a set of options for the next Minister that considers the models that might be appropriate to Jersey.

Accept subject to further investigation. As per recommendation 2, the Minister agrees that it is essential to create the option for Jersey's short-term sickness benefit to allow a partial or phased return to work, where this course of action is supported by healthcare professionals, the patient and their employer.

Policy officers will be asked to develop a set of options for the next Minister that adapts from the successes of this system in other places, whilst creating a model appropriate to Jersey.

Accept subject to further investigation. The Minister agrees with the results of the expert reports, which suggest that the current method for assessment of LTIA is an inappropriate and old-fashioned method of assessing long-term health needs.

This could be replaced with a modern model designed to offer a better way of determining conditions which will most affect a person's everyday life, including employment. For example, Jersey can consider a loss of function model, which is used in comparable benefit systems elsewhere, and a version is already used locally in Income Support. There are considerable advantages and customer-service improvements in establishing consistent, modern assessment principles across both of Jersey's

disability/sickness focussed benefits, that resemble those systems used in other jurisdictions.

In order to consider the costs and benefits of this technical change (a redesign of the assessment process), the Minister will request that policy officers commence the process to recruit an appropriate specialist resource to help design detailed options for a modern assessment process.

This new resource will be asked to respond to detailed suggestions put forward in the expert report, and to present these as a range of options to the next Social Security Minister.

7. Consider the potential for closer alignment with the assessment system in use in Income Support.
- Accept.** Although not within scope of the Incapacity benefits review, the Income Support benefit assesses disabilities with a more modern ‘loss of function’ assessment that is likely to have some overlap with the type of model proposed by the consultants for a new incapacity system.

The Minister agrees that there are benefits to having a consistent and modern assessment methodology across all of Jersey’s disability benefits. As per recommendation 6, the Minister will request that policy officers commence the process to recruit an appropriate specialist resource to help design detailed options for a modern assessment process. This new resource will be asked to respond to detailed suggestions put forward in the expert report, and to present these as a range of options to the next Social Security Minister.

8. Introduce a 3-level banding system for substantial, serious and severe loss of faculty, with associated levels of benefit payment.
- Accept subject to further investigation** The Minister notes the consistent feedback that the current LTIA system assessment system is confusing for the public and healthcare professionals in terms of how it relates to payments made under the benefit. A simpler system could offer advantages, but this must be balanced against the requirement to ensure people receive an appropriate level of support.

In order to consider the costs and benefits of this technical change (a redesign of the assessment process), the Minister will request that policy officers commence the process to recruit an appropriate specialist resource to help design detailed options for a modern assessment process. This new resource will be asked to respond to detailed suggestions put forward in the expert report, and to present these as a range of options to the next Social Security Minister.

9. Build a caseworker model to link more closely the benefit's assessment and operation with occupational health and employment support for claimants. **Accept subject to further investigation.** The Minister will request that further work to explore the potential for a new system considers whether it is possible to offer Jersey workers contact with a specialist administrative team where the worker is offered support via a caseworker, as far as is practicable. The Minister notes the success of having a direct named contact in areas such as Back to Work. Policy officers will be asked to investigate potential models for the provision of new work and health support with input from relevant local stakeholders, taking account of successful models that have been delivered elsewhere and trials of the type of model that might be most appropriate to Jersey.
10. Maintain the basis of the benefit as an insurance against the impact of health-related interruption to work, rather than linked to any assessment of financial need. **Accept.** The Minister has carefully considered the pros and cons of introducing means-testing to incapacity benefits, and agrees that one of the key principles of a contributory fund benefit is that people who qualify under the health-related criteria of the system should receive payment if they have paid in, regardless of their financial circumstances. Middle and higher earners also pay into the Social Security Fund, and somebody in this position who experiences a long-term illness or disability that results in a loss of function should qualify for support from the Fund. These people will also benefit from targeted support from any new "Work and Health" service.
11. Retain the levels of financial support for the most severe loss of faculty at the highest levels of award under the current scheme. **Accept.** The Minister agrees that the level of financial support for the most severe loss of faculty is appropriate and should be retained under any new assessment model.
12. Consider the ending of the Incapacity Pension and Invalidity **Accept subject to further investigation.** This has been a recommendation of previous reviews into the system.

Benefit schemes, with transfer of recipients onto the new scheme, where appropriate.

In order to consider the costs and benefits of this technical change (a transition of a small number of existing claimants, many of whom have claimed these benefits for many years), the Minister will request that policy officers commence the process to recruit an appropriate specialist resource to help design detailed options for a modern assessment process. This new resource will be asked to respond to detailed suggestions put forward in the expert report, and to present these as a range of options to the next Social Security Minister. These will include recommendations for any transition of existing claimants.

13. Invest in developing a new 'Work and Health Centre' model to extend and join up services and support around work retention and re-entry, to drive improvements in work and health outcomes, to provide early intervention support for those leaving work and at risk of longer-term absence and to deliver specialist, case loaded and multi-disciplinary support for those out of work and in need of more intensive help to manage a return to work.

Accept subject to further investigation. As per above.

Policy officers will be asked to investigate potential models for the provision of new work and health support with input from relevant local stakeholders, taking account of successful models that have been delivered elsewhere and trials of the type of model that might be most appropriate to Jersey.

14. Work with partners to finalise the proposed model, drawing on the learning set out above, and with a

Accept recommendations 14, 15 and 16. These recommendations are closely related. As per above.

Policy officers will be asked to investigate potential models for the provision of new "Work and Health" support with input from relevant local stakeholders, taking

view to then commissioning a consortium of organisations across health services, the voluntary and private sectors to develop and implement it.

account of successful models that have been delivered elsewhere and trials of the type of model that might be most appropriate to Jersey.

To meet these recommendations, the Minister will ask policy officers to develop options. The Minister notes the participation in the latest review from a wide range of stakeholders, and that the review has taken into account their constructive views and time shared with the project team. The Minister is confident that this process can be expanded to investigate the provision of any new “Work and Health” service.

15. As an initial priority, ensure that all of those reaching eligibility for the new longer-term benefit would be referred for assessment and (where appropriate) support, but that there should also be routes for early referral (via the early intervention service) for those identified as at greatest risk of long-term absence.

In particular, the Minister will direct policy officers to explore a formal role in the design process for appropriate specialists from the healthcare system and the voluntary and community sector.

16. Ensure that the new service can work in close partnership with existing provision, in particular the Pain Management Centre, Jersey Talking Therapies and the Jersey Employment Trust, with clear referral pathways and protocols to ensure that provision is

complementary and additive.

17. Give the new Health and Work Centre a specific remit for health promotion, awareness raising and good practice sharing – building on the models in Scotland and Wales. This could include an advice service and visits; sharing of resources (much of which already exist in UK nations); and an awards scheme.
- Accept.** The Minister agrees that health promotion and advice will benefit both employers and employees in Jersey. Policy officers will be requested to undertake specific work with Jersey’s Public Health team, Health & Safety Inspectorate, and other relevant organisations.
18. Promote the adoption by employers of NICE guidance on health management, the HSE stress management standards, and employer engagement in initiatives like the Investors in People wellbeing standard.
- Accept.** As per above, the Minister agrees that health promotion and advice will benefit both employers and employees in Jersey. Policy officers will be requested to undertake specific work with Jersey’s Public Health team, Health & Safety Inspectorate, and other relevant organisations.
19. Consider the resourcing of the HSI, and in particular the scope to increase resourcing in order to fund a specific ‘occupational health officer’ post
- Accept subject to further investigation.** The Minister agrees that part of the next phase of work should consider the scope to increase resourcing in the Health & Safety Inspectorate to fund a specific role (or proportion of a role) targeted at workplace health / occupational health.

that could support proactive and joined-up working with employers and the new health and work centre around improving workplace health.

20. Consider extending its Access to Work scheme, to provide specific advice and financial support to employers around reasonable adjustments, aids, adaptations and support for disabled workers and those with health conditions.

Accept subject to further investigation. The Minister will direct policy officers, as part of the next phase, to review the purpose of the Access to Work scheme.

21. If a step-change in employer practice cannot be achieved, then consider again how costs and incentives are shared between employers, employees and wider society – for example the scope for requiring employers to pay for part of any sickness absence, or for making social security contributions experience-based.

Accept subject to further investigation. The Minister notes that this recommendation will be considered in a later stage of the review.

22. In taking forward the Jersey Care Model and the proposed new Health and Work Centre, convene stakeholders across the wider health system to explore how we can embed good work as a health outcome within Jersey health services.

Accept subject to further investigation. As per above, policy officers will be asked to investigate potential models for the provision of new “Work and Health” support with input from relevant local stakeholders, taking account of successful models that have been delivered elsewhere and trials of the type of model that might be most appropriate to Jersey.

In particular, the Minister will direct policy officers to explore a formal role in the design process for appropriate specialists from the healthcare system and the voluntary and community sector.