

STATES OF JERSEY

Health, Social Security and Housing Scrutiny Panel

Hearing with Minister for Social Security

TUESDAY, 2nd MARCH 2010

Panel:

Senator A. Breckon (Chairman)
Deputy G.P. Southern of St. Helier
Connétable S.A. Yates of St. Martin
Connétable D.W. Mezbourian of St. Lawrence
Deputy D.J. De Sousa of St. Helier

Witnesses:

Deputy I.J. Gorst of St. Clement (The Minister for Social Security)
Deputy A.E. Jeune of St. Brelade (Assistant Minister for Social Security)
Mr. R. Bell (Comptroller of Social Security)
Mr. R. Lang (Finance Director, Social Security Department)
Ms. S. Duhamel (Policy and Strategy Director, Social Security Department)

Also present:

Ms. C. Le Quesne (Scrutiny Officer)

[14:00]

Senator A. Breckon (Chairman):

Welcome, and thanks for coming. I am sure everyone knows the process and procedure. We are recording proceedings and a written record will be produced within 5 or 6 days. You will be given a copy of that, so if it says 60 when it should have been 16 there will be an opportunity to correct that. That is so you are aware of the process. I think everybody knows everybody but just for the record: the Constable of St. Lawrence, Deputy De Sousa, Deputy Southern, the Constable of St. Martin, Silva Yates. Carol is our Scrutiny Officer. Ian, if you would like to introduce your team for the record.

The Minister for Social Security:

I am Ian Gorst, Minister. This is Deputy Jeune, the Assistant Minister. We have got Richard Bell, the Comptroller; Richard Lang, the Financial Comptroller; and Sue Duhamel who is the Policy Director.

Senator A. Breckon:

Thanks for that. What we have done is we have given you some idea of the areas that we would like to explore perhaps in a little bit more detail and there might be areas where it is not appropriate or we need more information, so there might be some follow-up from us. The other thing, at the end, if there is anything you want to say that we might have missed or have not put enough emphasis on, then there will be an opportunity to do that. What I would like to do is, first of all, if you can tell me how long you have been Minister for Social Security?

The Minister for Social Security:

Fourteen and a half months.

Senator A. Breckon:

Jolly good. Then if you can tell us in general terms what you think you have achieved in that time on policy matters and where you are heading with your priorities in the Annual Business Plan?

The Minister for Social Security:

If we take the priorities first, the priorities for this coming year are to complete the long-term care Green Paper, to be producing that consultation document and taking that and looking forward to it being put into a White Paper, assuming that is what the public suggest they want to do. We are involved in the Comprehensive Spending Review and the Fiscal Strategy. That will come up the agenda, even though it was not necessarily something that we would have envisaged at the start of our term at Social Security. The other thing that is going to be a priority is considering what extra work we need to do to encourage people back to work. That will be picked up as not exactly a standalone piece of work but it will start out in some respects in that way. It will be, I envisage, picked up in the Comprehensive Spending Review. It will be picked up in the Income Support Review, which is another priority for us to start in this coming year. I am just trying to think whether they are the big priorities. They probably are the big priorities. Alongside that we have got a number of other priorities. It is, with the Fiscal Strategy, getting out a report on supplementation, doing a piece of work looking at what might be possible with regard to changing the pensionable age. Of course, we have got other little pieces of work in the employment arena that we would like to see t's crossed and i's dotted, not least of which is redundancy. Once that has come back from the Privy Council it will be a priority to get that into play alongside the insolvency scheme. They go hand in hand. Obviously we would hope one will be in before the other but that is another thing that we really need to get more or less there by the end of this year. If I then look at what have we achieved - I was not expecting that question - in the first year. We have brought forward the redundancy. We were involved in the pandemic flu approach, so that was extra work that we were not expecting to do, so we helped and played our part in that. We released the G.A.D. (Government Actuary's Department) report which started the conversation about what we were going to do about the ageing population. We did a lot of work in preparing our Green Paper for the funding of long-term care. Alongside all this we have our everyday paying of benefits, paying of pension, taking contributions, basically the everyday work of the department. I am probably not going to have picked up half the things that we did last year but I was trying to look forward rather than back so that is probably my fault.

Senator A. Breckon:

Okay, thank you for that. You touched on many areas there so what I would like to do is come back to that and go into a little bit more detail. Can I go back first of all to long-term care, and you have mentioned what you are doing this year. Could you just summarise for us how you responded to the scrutiny report and recommendations from last year?

The Minister for Social Security:

We did a formal response. I think initially we thought that the 3 departments were going to do a joint response and we inputted into Health and Social Services' response. Then I think you felt, as a scrutiny panel, that we should do our own response so we were delayed in getting that because we had already had input into their response. We then did it but it was quite a while down the line and we felt that the priority was to get our Green Paper out. I think that that, in effect, is the best response that we could have done to your review because we have taken on board some of the things that you have asked and we are getting on with the piece of work.

Senator A. Breckon:

In the scrutiny recommendations was that the Ministers - that is to say Health, Social Security, Housing, Planning and others - would come back with something by June of last year. What happened there?

The Minister for Social Security:

As I said earlier, early in the year we started to have to respond to other things that were happening, not least of which was the pandemic.

Senator A. Breckon:

The pandemic was after that. It was the back end of last year.

The Minister for Social Security:

Was it? The changing of our legislation I think was certainly before the summer recess. I have got to say, and I have said all along, that that piece of work is a piece of work which historically has not necessarily come forward as fast as politicians would have liked but all I can say to you is that we have put a lot of work into it and we will continue to put a lot of work into it and we will aim to have the primary legislation in this electoral cycle. I think that is going a lot further than anybody before us has gone.

Senator A. Breckon:

On elderly care - I do not know whether it is yourself or officers - can you tell us where you are with that? What is the need? Is the need being met? Is it being funded? What is happening out there? Is there a greater demand, leaning towards Income Support?

The Minister for Social Security:

I think there were 130 cases last year - I cannot tell you what the cases are so far this year - of people wanting help with residential care and the costs of that. I do not have the preceding years to say whether that has been an increase or not. Obviously it was previously undertaken by the parish as well. I do not know whether there was any central information held about that. I suspect there would not have been because each parish was responsible for its own inhabitants, natives and non-natives as they are

referred to. The Statistics Department quite clearly suggest with their numbers, and the U.K. (United Kingdom) have done their piece of work and they quite clearly suggest, that it is going to increase. You have seen the Green Paper, you know the expectation is that the number of over-80s will have increased if not doubled by 2026 and one would expect that that alone, along with the other factors, would drive an increase in demand for those types of care.

Senator A. Breckon:

Can you just remind us what the referral process is for people to come to you? How does that happen?

The Minister for Social Security:

It will be basically they go through what we call a placement tool, which is administered by Health. If the individuals, when they are going through that process, say that they require help then they will be referred to us and we will undertake then a piece of work to see if we are able to help them within the current means testing system.

Senator A. Breckon:

Are you aware of any trends through referrals with Health and work you are doing with other departments? How does that work? How does the joined-up bit work?

The Minister for Social Security:

In what respect?

Senator A. Breckon:

If you had a lot more people with Alzheimer's, for example, how would you pick that up?

The Minister for Social Security:

I think that would be something that Health would pick up rather than us. If I stand back and say: "Yes, I would like to see that in a more joined-up approach", and that is something which I think the work that has been undertaken with regard to the funding of long-term carers realises that there does have to be more joined-up work between us and Health in relation to dealing with those people that need this sort of care, and I think it is probably something that you picked up in your scrutiny report.

Deputy G.P. Southern of St. Helier:

I was stopped in the street the other day by an elderly gentleman who said: "I am worried about going into care in case I lose my house." Are we yet in a position where we can say with our hands on our hearts to anybody in that position: "Do not worry, you will not be losing your house"?

The Minister for Social Security:

It depends what you mean by saying: "Do not worry, you will not be losing your house." As you well know, the current system is if someone is above the means tested threshold then a charge may indeed be taken over their house. We will not force them to lose their house but obviously a charge taken over their house means that one would probably expect that the estate would probably need to realise that asset in order to meet the charge.

Deputy G.P. Southern:

At some stage?

The Minister for Social Security:

At some stage in the future, yes.

Deputy G.P. Southern:

But nobody is going to force anybody ...

The Minister for Social Security:

One would expect that that would be upon the death of that individual if they were a sole individual, or the partner if there was a partner that remained to live in the house. We have all been approached by people who are dissatisfied with the current system. Some people choose to sell their house at the point that they need, or a partner might choose at the point that they need, to pay for the care. I would, as an individual politician, advise caution on that and say that might not be the best case. It might be better to allow the department to take a charge over it so you do retain to some extent some control. You are not having to be forced out of the family home.

Senator A. Breckon:

I wonder is there any tension between supporting people through allowances, which has now been encompassed in Income Support, so that people could stay at home if the threshold is there then they are forced into care. So where is the balance between supporting people at home, perhaps when financially that is not the issue but they might need some support and assistance with that? Where is the tension between that? Is that self-defeating then?

The Minister for Social Security:

Staying at home for care, are you talking about, or you are saying that the partner or the person might want to retain the home? You are saying staying at home for care?

Senator A. Breckon:

Yes. If you have got a means tested system that gives support to people at home and then you disallow people, are you then forcing them into care situations?

The Minister for Social Security:

I am not sure what you mean by disallow people.

Senator A. Breckon:

Attendance allowance and things like that. If people are disqualified from that then where are they going if they cannot stay at home and be supported to do that?

The Minister for Social Security:

You either are able to access Income Support or you are not. You either fall under the care requirements currently within the system that Family Nursing could provide for you. If you fall outside of that then, yes, currently the system would be that you would go into care.

[14:15]

But, as you know, in the Green Paper what we are proposing is that they should not be treated differently. People should be able to access help for care at home, just in the same way that they could access help for care in a residential setting, but we have got to remember that that care at home will not necessarily be any cheaper. It is not about the cost; it is about the choice and perhaps the health benefits for the individuals or the families that choose to stay at home.

Senator A. Breckon:

I have one more question on that. Are you aware of the situation in the U.K. that if a couple have a house and one needs care there is no charge on the property while the second person is living in it? Do you know that it is the situation?

The Minister for Social Security:

I was not aware that that was the situation.

Senator A. Breckon:

Can you help us here?

The Policy and Strategy Director, Social Security Department:

That is true, yes.

Senator A. Breckon:

That is true? So why then, if we have 2 people living in a house do we do it differently here?

The Minister for Social Security:

It is the historic situation.

Senator A. Breckon:

It is historic from where then?

The Minister for Social Security:

My understanding is it is the way that the system was. The department took on the existing system, the system that was existing in the parishes, and I can see that there are unfairnesses in that system and that is what we are proposing to try and address.

Senator A. Breckon:

Do you have any guidelines on that?

The Policy and Strategy Director, Social Security Department:

There are also unfairnesses in the current U.K. system. There is no reason why we should slavishly follow the U.K. if what they do is not a very good idea either.

Deputy G.P. Southern:

Are you saying that that is an unfairness or there are different unfairnesses?

The Policy and Strategy Director, Social Security Department:

Yes, that is unfair on single people. It is very unfair on single people in the U.K.

Deputy G.P. Southern:

So the situation in the U.K. is unfair so we would not follow it?

The Policy and Strategy Director, Social Security Department:

One of the recommendations in the U.K. Green Paper is to move towards what they call a deferred payment system, which is exactly what we do at the moment on Income Support. I appreciate that that is still subject to review through the long-term care paper and it probably will fall away if people choose to go down a long-term care benefit but at the minute we are doing something that seems to be reasonably fair to the majority of people.

Senator A. Breckon:

The other thing, again just to clarify that, is how accurately do you think predictions could be made on numbers and needs? We know there is going to be an ageing population but how accurate is some of this prediction-wise?

The Minister for Social Security:

It is always very difficult to predict. We have to be able to have faith in the model that the Statistics Unit has produced for the ageing population. I think a scrutiny-employed expert has looked at that model and said that it is robust, it is fit for purpose, so that gives me a lot of comfort that the numbers that they are producing are as good as we can expect when we are talking about so far down the line. We talk about those numbers but the thing that obviously is more difficult to predict is the informal care: is that going to carry on in the same way or is it at a peak now and it is going to roughly stay at the same level? Expectations of conditions in accommodation which might drive costs, are they are going to change as well or are we at a peak with that? So those sorts of things - you might call them touchy feely, but they are not that - are more difficult to predict but the underlying model I think we can have confidence in those numbers that are coming out of there. They are not out of line either with the modelling that is taking place in the U.K.

Senator A. Breckon:

Obviously it is a ticking time bomb, I think it has been described as. I am conscious of the time. I would like to move on to supplementation. It has been an increasing cost to the centre, to Social Security. I think there was agreement on paper, something that Geoff had taken to the States about looking at everything including supplementation. I wonder if you could give us some idea of how you see the long-term strategy of dealing with supplementation and how that could affect benefits and people who are recipients of that at the moment?

The Minister for Social Security:

We use the word or term “dealing with supplementation” as though there was something we could do to get rid of that, shall we call it a cost, but if we remember what it is, it is us today saying: “We are going to pay our tax to ensure that the lower paid have a decent [we use that term] pension later in life.” So we then have to make a political decision. What we do then is we look at the amount of tax that is taken to be able to perform that function and we say: “Oh, that is a big number”, and indeed it is a big number, £60-70 million-odd. It is a big number but we have got to remember what it is. We had it in our Business Plan that we would undertake a piece of work. Geoff brought a proposition, which was unanimously supported, that we should carry

on with that piece of work and that is what we are doing and it is being, not subsumed but it is part of the Fiscal Strategy: do we want to change the way that we make that funding into the pension pot, which is what it is, and if we do what would that look like and how would we possibly do it? So that will be coming out in a Green Paper, along with other proposals for taxing measures that the Minister for Treasury and Resources has spoken a lot about recently, and it is my understanding that that will be out in May. I think we undertook, in approving your paper, that we would have a report by September anyway. So that is similar, if not slightly ahead on the time basis. So, what can we do? I think that is what you were really asking.

Senator A. Breckon:

Yes.

The Minister for Social Security:

We have said that we can reduce the cost of supplementation by raising the threshold. I think if we raise it altogether then we would reduce the cost of supplementation by around £30 million. Of course the higher you raise it the less return. So if you go to 115, like they are going to in Guernsey, the benefit basically at the top end is reducing because there are not that many earners. That is fairly straight forward. If we then ask ourselves do we want to eliminate supplementation altogether, that then raises other questions of are we going to raise contributions to take out that other £30 to 40 million. Of course what we are doing now is something different. Raising the threshold we are hitting, if I use that terminology, the (we might call them above middle earners if we take £30,000-odd to be the average wage) people over the £42,000 right through to, let us say for argument's sake, £115,000 so that is going to ...

Deputy G.P. Southern:

But they get a free ride now. It is proportionate, it is progressive.

The Minister for Social Security:

No, but that is what we would be doing with that and I think probably most people would say that is appropriate. Some would say we should have done it a long time ago. Perhaps let us just say we are potentially going to be getting round to it but it will have to be a States decision. If we then say we do want to eliminate the remainder and we are going to do that by putting up rates, if we put up rates across the board that then obviously starts to hit low earners in a way that we maybe had not necessarily thought about or necessarily wanted to do. So there are some other issues that we would need to consider, whether it is appropriate to eliminate it partially or eliminate it wholly, and they will have to be political decisions.

Deputy G.P. Southern:

The key question, though, is are you examining all of the options, including the total elimination of supplementation and the ways in which you might do that? For example, you just mentioned something that you might be hitting the lower end where you do not want to. For example the Irish and others have got multiple rates so the more you earn the more you pay, so you make it properly targeted. Are you looking at a wide range of ...

The Minister for Social Security:

It ends up being more like a tax than an insurance-based policy.

Deputy G.P. Southern:

Well, that is one of the corollaries, is it not?

The Minister for Social Security:

That is part of the process that we will have to go through as politicians.

Deputy G.P. Southern:

You say that will be wrapped up in a Fiscal Strategy policy?

The Minister for Social Security:

Yes. Well, a document, Green Paper.

Deputy G.P. Southern:

Green Paper in May to debate it. When is the Business Plan? What happens when?

Senator A. Breckon:

A Green Paper in May would not be this year, would it?

The Minister for Social Security:

In my opinion, decisions have to be made in a timely manner because if we are talking about raising the ceiling you cannot just say: "Right, tomorrow the ceiling is X from today being this." So you have got to make a timely decision in order to give yourself time to raise it in an appropriate manner, which is what they have done in Guernsey. They raised it a number of years ago to 60 and then they are talking about raising it to 115.

Senator A. Breckon:

On the numbers, have you any idea what the upturn for 2009 is likely to be? There was an increase of those on supplementation of 711 from 2007 to 2008 and that gave 32,195. Is there any idea at this stage what the situation was for the end of 2009? Have we gone up again on it?

The Minister for Social Security:

We will know an accounts figure but is that the actual figure?

The Finance Director, Social Security Department:

£65 million.

Senator A. Breckon:

So it is better. That was 65.2 and the estimate for this year is 67 but do we know the actual numbers claiming?

The Minister for Social Security:

The number of people being supplemented.

The Finance Director, Social Security Department:

It is still a big number.

The Minister for Social Security:

It is, if you think that the average is 30-odd and the ceiling is 40.

The Finance Director, Social Security Department:

We will not know the final figure until March 2010.

Senator A. Breckon:

Generally, what is the feeling of your colleagues on this? If the centre does not fund it and somebody else does then it fits in with the other boxes there about the Comprehensive Spending Review and other things but then where does that leave somebody having to pay for it? Where are you going to go: employer, employee? How is that going to fit if the States is not paying it?

The Minister for Social Security:

I suppose in some ways there is any number of combinations; in another way there are not very many. You can raise the ceiling on employer and employees and that means that you have got more money coming into the fund from contributors. Then you have to do a piece of work and say you are raising the ceiling for contributions but you are not going to raise the ceiling for the purpose of supplementation because otherwise if you did not do that then you would just sky rocket supplementation as well. So there is a piece of work to be undertaken to amend the Social Security (Jersey) Law to allow us, as politicians, to make any number of combinations, shall we say, of decisions in future.

Senator A. Breckon:

Including increasing the retirement age at the other end?

The Minister for Social Security:

Including the pensionable age, yes. I think I said at the start that we have already got an individual in the department doing some work picking up on the G.A.D. report and I hope to be able to make some proposals or present a piece of work making some suggestions about increasing the retirement age. We have got to say that if you look at the U.K. Green Paper on the pensionable age they have made assumptions that: "We have just go to do it." They are doing it in the U.K., they have done it in Guernsey; I am afraid we probably are going to just have to do it but we will undertake that piece of work and see if that is where we are going to go.

Deputy G.P. Southern:

But that produces only relatively minor returns, does it not?

The Minister for Social Security:

It does in relation to raising the ceiling, yes. It is also about a balance. When these schemes were set up people were expected to live a shorter length; now we are all expected to live a lot longer. So there is a balance of cost to be undertaken there.

[14:30]

Deputy G.P. Southern:

The report you are going to submit on supplementation, to what extent is G.A.D. involved in those alternatives or are you doing it in-house or who is doing it?

The Minister for Social Security:

Up until now we have done it in-house but I imagine that when it is presented to me I will want to know what G.A.D. ... no, having said that, I have got to remember what the information is that we have and what the information is that G.A.D. can help us with. We currently only have the information up to the ceiling and G.A.D. have already given us - I am trying to remember now back to September - some information about what the effects of raising the ceiling might be. So what would happen is we would make the political decision, because they are in some ways fairly straight forward, then that would feed into what G.A.D. were telling us about the pension going forward.

Deputy G.P. Southern:

I will have to go back to that G.A.D. report now, will I not?

Deputy D.J. De Sousa of St. Helier:

The strain on supplementation, we do know that over the last 10 to 12 years supplementation has greatly increased. What is your long-term strategy for dealing with that, for stopping the cost rising, bearing in mind what you have already told us? Is there anything else?

The Minister for Social Security:

No. We are undertaking this piece of work and then we will have to decide. It has increased but I think we have got to remember it has fluctuated as well. So it has gone up and it has gone down and there are lots of various drivers for that. One would expect that perhaps this year it might drop off a little bit but it is because there are so many drivers in the marketplace that it has always been historically quite difficult to project what it would be, even though Richard gives it his best shot and on the whole does very well but I know he has sleepless nights about it.

Deputy G.P. Southern:

You said you are co-operating with or involved in the Comprehensive Spending Review. How is that likely to affect your department when you basically deal with a hell of a lot of money with very few staff? How do you envisage making 10 per cent cuts anywhere by 2013?

The Minister for Social Security:

I thought you were going to say they do a very good job with very few staff.

Deputy G.P. Southern:

Your staff are over-worked and stressed and they do a good job with what they have got, a computer that says: "No, you cannot do it."

The Minister for Social Security:

With a law that the States approved and they administer within the law.

Deputy G.P. Southern:

A 10 per cent spending cut is projected for 2013. How might that affect your department?

The Minister for Social Security:

We are one of the departments that the Comprehensive Spending Review is going to look at. I know officers have had an initial meeting. I have had an initial conversation. It depends which side of the telescope you look at it from, because if I say: "How perhaps would I try and make savings in my department and what would be good for those individuals that we come into contact with?" then I would say it would be good to try and get people into work who currently struggle to work, and if we can do that then that will be a reduction in my taxpayer spend.

Deputy G.P. Southern:

As you are fully aware, you have got very low incentives to return people back to work in terms of what good it does them. It might do them a lot of good mentally; it does not do them a great deal of good financially. You know your incentives are already low and that means putting more money in to longer term get a return back. Are you prepared to do that?

The Minister for Social Security:

The incentives to get back to work, as you know, have increased. I increased them again this year.

Deputy G.P. Southern:

They are still very low, Minister.

The Minister for Social Security:

They are not at a position that I would like to see them at, no, that is absolutely right but you have got to remember they have improved and we have put more money into them over the last 2 years and I would like to see more money go into that. With savings sometimes one has to spend or invest to produce those.

Deputy G.P. Southern:

I could not agree more. Because of the balance in your budget, it is benefits getting paid out largely, and a few staff. You are not going to be making staff cuts, I do not think. Is any consideration being given to reduction in any benefits at this stage, Minister?

The Minister for Social Security:

To reduction in any benefits?

Deputy G.P. Southern:

Yes. It has been floated before as an option: how do you want to deal with the ageing population - cut benefits, increase contributions, increase taxes, import more people? We know what the options are.

The Minister for Social Security:

That is right and that is basically what G.A.D. said: you either deal with the benefit side or you deal with the contribution side or you fiddle around the edges.

Deputy G.P. Southern:

Has any consideration been given currently, in the light of the Comprehensive Spending Review and a large cut of 10 per cent in departmental budgets, to reducing benefits at this stage?

The Minister for Social Security:

I have not given any consideration to reducing benefits other than along the lines that I have just said to you. If we can invest, we have got some ideas about occupational health, we have got the pain clinic and we have suggested that we should be looking at broadening that, which will be upfront investment to help people stay in work or to get back to work. So that would be a reduction in my overall benefit budget if we kept people in work or we get people back to work.

Connétable S.A. Yates of St. Martin:

I am sitting here listening and I am getting more frustrated. I listened to the Minister about what he has achieved since he has been Minister and I would like to tell him what I have achieved since the advent of Income Support. I have achieved absolutely nothing because I have been cut off and cut off and cut off by data protection. I have great problems in the parish; I have no idea of the vulnerable need in the parish. I seem to be listening to Social Security members sitting here today talking about, plotting and planning about jam tomorrow, and I want to know really about what is happening today. I honestly am getting really irritated and frustrated about not knowing of your progress. You do not seem to be all that keen about starting your internal review. I think my place on this sub-panel is redundant. I do not know what I doing here and I just want to know what is happening today. I have got a couple of questions. Obviously I am not going to get an answer about the progress on your review because you have not started it yet, have you? You have not started your review yet?

Male Speaker:

Of Income Support.

The Minister for Social Security:

No. We have started a piece of work to look at incentives, which was always going to be part of our review, and how we can encourage and get people back to work. With regard to the overarching big review, we have always said that we needed to wait until we had got the figures from the income distribution survey. We have said that from day one.

The Connétable of St. Martin:

I would like to just say I am so depressed and frustrated about this whole Income Support issue. I have £4,000 from land rentals. I do not know where to give it in the parish; I have no idea of need in the parish. That is where I am at the moment and I would like to know a few things. For instance, talking about getting people back to work, do you believe that your current policy in this regard is sufficiently robust that it encourages Income Support recipients to seek part-time work?

The Minister for Social Security:

In answer to Geoff I have just said that I would like to see those increase. It is part of the piece of work that we are going to do: what will the effect be of increasing them or are there other things that we should be doing?

The Connétable of St. Martin:

This is important. We cannot put it off another 2 years.

The Minister for Social Security:

Absolutely, but we are not putting that piece of work off for another 2 years. As I said in answer to Alan right at the start, that is why we are prioritising this piece of work about employment because it is absolutely critically important. I could not agree more with you. We - I, Angela - the political lead in the department, we want to see people back to work and we want to do everything that we can to get them back to work. That is why we have said that we are going to be appointing an expert to help us so we can look across jurisdictions elsewhere to see what they are doing and to see if we can do that here in Jersey, because we recognise that it is absolutely important. We have had a recession, people have been made unemployed. We are not happy about that; we want to help them to get back to work. We have got all sorts of ideas. We will be considering a wage subsidy. There are lots of things that we need to look at to see if it is going to work in Jersey and to see if it is going to encourage people back to work.

The Connétable of St. Martin:

To be of help for the future. I am just frustrated. Talking about your determining officers and the way you work inside the department, I know nothing about it. I have got one or 2 little inklings where people have said to me or people have come to see me and it would appear to me that all has not been well but maybe it is improving. The question I have put down is: what is your guidance policy for determining officers in the case where anomalies clearly indicate a need for a discretionary determination? Can you be specific about that question, please?

The Minister for Social Security:

It is difficult to be specific about a question which is not specific. The determining officers determine applications within the law and the law does encompass the provision for special payments and then it encompasses a provision for discretionary payments.

The Connétable of St. Martin:

Are you saying the determining officers have no discretion?

The Minister for Social Security:

No. They do it within the law but within the law there is the ability for discretionary payments. If they think there is an anomaly, like the Connétable is saying, then they have the ability to put it up, it gets discussed at a policy meeting and then it can come up to me.

The Connétable of St. Martin:

That is good, that is what I want to know. There is a guidance policy then?

The Minister for Social Security:

Yes.

The Connétable of St. Martin:

You did not answer that straight away.

The Minister for Social Security:

I said it is difficult to be with a general ...

The Connétable of St. Martin:

We all know with the question of Income Support there are going to be anomalies. A computer programme does not fit everybody.

The Minister for Social Security:

Well, it is not a computer programme. It is the law that we as an Assembly approved. We have got to remember that.

Deputy G.P. Southern:

It is always the same. The Assembly can see the ins and outs of any law and we have to take responsibility for that. Ministers do not take responsibilities.

The Connétable of St. Martin:

Is it confirmed that there is a guidance policy, Minister, please? There is a guidance policy?

The Minister for Social Security:

There is a guidance.

The Connétable of St. Martin:

If there is an anomaly it goes to the top office and then it goes to you?

The Minister for Social Security:

There are Income Support guidelines.

The Connétable of St. Martin:

There is a guidance policy for anomalies?

The Minister for Social Security:

I have not yet ... I think that is it.

Deputy G.P. Southern:

That is the document. That is version 2.

The Minister for Social Security:

Exactly.

Deputy G.P. Southern:

I would like the Minister, or any of his officers, to tell me where it says: "There may be anomalies and discretion may be needed. Please use your nous and take ..."

The Minister for Social Security:

There is a section in there about discretionary payments.

Deputy G.P. Southern:

Discretionary payments? Okay, I will find it later.

The Connétable of St. Martin:

Can we just say to tidy this up, if there was something which was not in here, that it was obviously an anomaly ...

The Minister for Social Security:

Then it should fall under discretionary payments, yes.

The Connétable of St. Martin:

So the determining officer will take it up to his section leader or whoever and discuss it at a weekly meeting or a daily meeting. Yes?

The Minister for Social Security:

I think a weekly.

The Connétable of St. Martin:

A weekly meeting and then it will come to you to make a decision.

Deputy G.P. Southern:

Can I just ask how many discretionary payments you have made in your time, in the last 14 months?

The Minister for Social Security:

I cannot remember that off the top of my head.

Deputy G.P. Southern:

Hundreds or tens?

The Minister for Social Security:

I think the number of ministerial discretionary payments are in the 10s or 20s.

Deputy G.P. Southern:

So it is not regularly or often used?

[14:45]

The Minister for Social Security:

By its very nature, one would hope that the law captures most things but there are, as the Connétable says, anomalies from time to time.

Senator A. Breckon:

It is related to that, you talked about having an Income Support calculator. You have some software, do you? Is that fully functioning?

The Minister for Social Security:

It is a spreadsheet that details the various components and you put them in and it does the calculation for you.

Senator A. Breckon:

That is working now, is it?

The Minister for Social Security:

As far as I know it is working. I have seen it work with clients. So, yes.

Senator A. Breckon:

Of course, there was an issue where the sub-panel would like to have a look at that at some time in the future just to see ...

The Minister for Social Security:

I was going to suggest before I arrived but certainly in light of the Connétable's comments, whether panel would not like to come and visit the department and have a look around and just generally come and see our everyday work. I think you might find that helpful.

The Connétable of St. Martin:

Yes, I think that would be good. I apologise for sort of venting my frustration on you.

The Minister for Social Security:

That is partly the purpose of these meetings.

Deputy G.P. Southern:

Just to illustrate the discretionary payments that you have made here, the section 9 on discretionary payments seems to refer almost entirely to a discretionary payment in the event of an adult who dies. Is that really the extent of your discretion?

The Minister for Social Security:

I imagine that that is just providing an example to how that discretion might be used but I do not have that document with me.

The Policy and Strategy Director, Social Security Department:

There is a good reason why that is set out because that seems to be a very specific circumstance which we could identify what we do in advance and the Minister ... I think the original Minister approved that guideline then. In fact, the discretion is used in the cases that are not written down, for the very reason you just said, they are anomalies and people have not thought of them in advance. It is very easy to think about someone dying and leaving a child or something and what do you do about it. The actual discretionary payments we have made have been in respect of situations that you have not thought of because they are unusual ones, they are anomalies and that is why they are not covered by the law.

Deputy G.P. Southern:

I would be grateful, if it is only a matter of 10 or 20, if you could provide us with a list of under what circumstances discretionary payments have been made, if the Minister would not mind. I do not think that would be identifiable.

The Minister for Social Security:

I think we have already done that in asking in an anonymised way. We have answered that in a written question. But anyway.

Deputy G.P. Southern:

You talked earlier, if I can take this ... the review process. At the moment you are undergoing a review process of, it looks like, all awards on Income Support including those with transition protection. Now, you answered a question to me last week which included a figure of 6,000 plus no change in benefit, when you are referring to only to just over ... I was asking about 800 reviews of which 393 were the payments the income support was reduced, some quite significantly. Now you said to me that the only occasion that people would have their income reduced is where they are no longer eligible for the old transition protection and the example you gave in your answers were, for example, a family receiving family allowance, a child turns 16 and leaves and goes to work or whatever the family allowance ceases, obviously, under the old rule. To what extent are you examining the financial situation of that household unit and seeing whether it meets the old financial limits that were placed 2 years ago or 3 years ago on that particular award. So transition payments are, therefore, stopping because of a change in financial circumstances. To what extent is that happening?

The Minister for Social Security:

In that instance, the child would no longer have been eligible for it, so therefore the criteria for the benefit is no longer present.

Deputy G.P. Southern:

I accept that. I accept if the child grows up over the age of the rules, then fine, that element will be taken away. That might be significant, though, in a transition ... okay. In other cases, and we are talking about 3 forms of transition protection, it seems to me; family allowance, rental payments and transport this year. So they are the 3 elements which were protected, I think. To what extent if the household unit breaks the old rules, which no longer exist because it refers to an old scheme and, therefore, the protection disappears, are people having their Income Support reduced because they no longer fit the financial rules that applied and the limits that applied 2-plus years ago? Is that happening?

The Minister for Social Security:

I would hope that it is. If people are earning way above the threshold that would have been allowed under the parish system, then I do not believe that we should be continuing.

Deputy G.P. Southern:

Where that happens, does the phased protection that we built in then kick into that change?

The Minister for Social Security:

No.

Deputy G.P. Southern:

Why not?

The Minister for Social Security:

Because the phased protection ... they were no longer eligible for that benefit at the time that the review is being undertaken.

Deputy G.P. Southern:

So the protection that we put in, the phasing, in order that no family under the new system should suffer hardship by having a perhaps large reduction in their income at short notice, that protection is not being applied in some cases where a household undergoes a review and they are now all undergoing review. So that phasing does not take place?

The Minister for Social Security:

If they no longer qualify for the benefit that they would have qualified for previously, they were then protected throughout that period and then ...

Deputy G.P. Southern:

Are you saying that the States put in a system which was supposed to protect against financial hardship caused by a sudden reduction in Income Support by phasing it?

The Minister for Social Security:

Yes.

Deputy G.P. Southern:

Yet in these cases whereas some people presumably come October will receive phasing, we will not cause hardship, others by then will have had their benefit cut by, for example, over £90 a week.

The Minister for Social Security:

But they no longer qualify for the original benefit for which they were being in receipt.

Deputy G.P. Southern:

But the original benefit is now defunct, dead, it does not exist and you are using ... you are transferring the old thresholds from that no longer existing into the current time. So what is the difference between that and the phasing protection that we have put in? I do not understand. You seem to be ... you have put in a safety net, the phasing, which by the time you have reviewed everybody nobody will have because you have reviewed everybody and they will have changed ... their Income Support would have changed, anyway, surely?

The Minister for Social Security:

No, as you see from that answer there, some of those individuals have gone on to Income Support which is what we would have expected. Some of the individuals no longer qualify under the old criteria and, therefore, is it right that they should continue to be receiving that money?

Deputy G.P. Southern:

But we said we would protect them.

The Minister for Social Security:

Yes, but we are protecting those who would still have qualified. That is exactly what we are doing and that protection has continued to be extended and it has now been

extended until the first step down in October of this year. So they have had more protection, not less, like you are trying to suggest.

Deputy G.P. Southern:

Yes, I know, which has been ... you have received additional funding ...

Senator A. Breckon:

How do you know, then, if the circumstances have changed? Do you have a trigger that says: "Kids are 16 now. We should look at that." I mean, how does it happen? How do you review it?

The Minister for Social Security:

People are reviewing on a weekly basis but they are undertaking now on a more systematic basis reviewing the whole ... throughout the year we will be trying to review as many cases ... I think this year we will be looking at reviewing 5,500 cases between the start of the year and October and that, I think, is a real positive step forward.

Connétable D.W. Mezbourian of St. Lawrence:

If, for example, coming in on I think on what Geoff was saying, you have say a single mother with a 15 year-old who at 16 does not then advise you that their child has reached 16, so they may be due to a review if you were to know about it, if the mother was collecting ... still receiving money that she had been due to when the child was pre-16 and you later identify that she is in that position, would you treat it as a case of fraud because she had not advised you that the child was 16?

The Minister for Social Security:

We try and make sure that people do advise us of changes of circumstances. We do a lot of work around that. But, equally, we are understanding. Sometimes people have not realised. Sometimes we have not recorded things accurately but on the whole if it is the individual who has not informed us of some change then we do look to recover payment which might not have been correct.

The Policy and Strategy Director, Social Security Department:

We do know children at school leaving age are all automatically reviewed as are people of the pension age. So the ages that you know in advance are easy to check and the computer is very good at that kind of thing. It just, you know, prints it out.

The Connétable of St. Lawrence:

It gives them notice, then, that their payments are going to change from a particular date?

The Policy and Strategy Director, Social Security Department:

It depends on all sorts of things. The school leaving age. Many children stay in education so old benefits would have carried on so that ...

Deputy G.P. Southern:

So in the case of a child becoming 16, your computer will not have necessarily have picked it up because I had the case next week where the 16 year-old ... and it is 9 months ago since her birthday, she has been not working and she is not being

educated and so technically she is an adult and she will be applying for her own adult component on her own, living with a household, and that has not been picked up and there will be repayments. Now, what happens with repayments where you may know there are repayments and you are claiming it back, you say you do it at a reasonable rate. However, what you do is assess the income support and it comes out with a figure that says: "This is the level you need to live in your particular circumstances as a family, as a unit." You then say: "However, we have overpaid you in the past so, therefore, you will repay some of that. We will retain some of it." In some cases that might be - for example I met 2 just last week - £28 a week less that you have to live on. £28 a week does not sound a great deal although it is. £28 a week ... to survive off less than the minimum that we calculate you need to live at the rate of £28 a week and that is significant money per month and means that people find it very hard to survive. You say the States are beginning to argue the toss: "That £28 a week is perfectly reasonable. We want it paid back." However, what you are doing is putting those people in hardship. How does that work? You have a minimum level at which to live and yet, you say to these families: "Because we have overpaid you we will claim back and you will live on less than you need." How are people supposed to survive?

The Minister for Social Security:

The £28 that you mention there, I do not know how much other income the household has. I do not know the amount that was overpaid or what the repayment period will be with £28. I do know that officers try to be flexible and understanding. Sometimes people will say yes, they can pay it back and it is only once they have gone away and thought about it and perhaps done a calculation at home and thought: "Oh, I might struggle to do that," and then they can come in a talk to us about it. But just saying £28 is very difficult for me to comment on.

Deputy G.P. Southern:

It does not matter about the circumstances. For example, this person was, effectively, living on Long-term Incapacity and Income Support. That was the sum total of money going to the house and they were being asked to pay back £28 a week and there was 2 people in that household.

[15:00]

People do agree to ridiculous sums paying back, saying: "Oh, yes. I can deal with that," because the officer is sitting there and the officers ask for ridiculous sums, in my opinion. Not reasonable sums at all. The number of occasions on which I have gone in to negotiate: "This is not going to work. You are just putting these people into debt because they are not going to survive. What about minimum payment? What about suspending repayments while they get their budget sorted out and then talk about it?" It seems to me priority always comes with reclaiming that money and attention is not paid to what will claiming that money back from the minimum you can live on do to that family.

Senator A. Breckon:

Is there a policy on that?

Deputy G.P. Southern:

It comes back to discretion again and why you use discretion and how you can be flexible. It seems to me the system is very inflexible. The law is there. Everything is in black and white. There is very little discretion. There is very little flexibility. The welfare system ... and I would be the last person to praise the welfare system as it was, but the welfare system had discretion. You do not and that it is causing hardship.

The Minister for Social Security:

That is not fair. As you said the determining officers consider the repayment amount with the individuals. Sometimes, as I said, the individuals might say, yes, they can do something and afterwards they realise that, no, it is going to be slightly more difficult than they thought. Okay? It does depend what the amount is, the time scale over the repayment period. With regard to policy, I do not know if there is direct guidance for determining officers.

The Policy and Strategy Director, Social Security Department:

There is, but I do not know what it is, sorry.

The Minister for Social Security:

So we can go away and have a look at that and perhaps that is something that we need to have a conversation about.

Senator A. Breckon:

Conscious of the time, there are a couple of other things that you mentioned at the start. One was redundancy and also redundancy and insolvency. Can you give us any idea ... I think in some of the paperwork, I think in the recent report from J.A.C.S. (Jersey Advisory and Conciliatory Service) they talk about March 2010.

The Minister for Social Security:

Unfortunately, the redundancy legislation is still with Privy Council and, as you know, we as a department have no power over when it will appear before Privy Council. I do keep putting out feelers as much as we can to see what is happening to it but it must be, one would hope by very nature, nearer today than when we debated it in the States. I am pleased that a number of employers are more or less agreed to abide by the spirit of it even though it is not yet legislation but we do need to have it brought in and to be on the statute book as soon as we possibly can. So once it is back we will be bringing it forward with an Appointed Day Act as soon as we possibly can. With insolvency, I am due to consider the responses from the White Paper. I am trying to think ... it will be at my next formal meeting but I am not sure if that is next week or the week after. I think it is the week after but I have to say that from informal conversation with my officers, everybody that has responded they have only positive comments to make about it, and that should mean that it makes the process of bringing it forward and having it drafted into law easier because there are not big issues that have been raised that we need to consider.

Senator A. Breckon:

Something else you mentioned is encouraging people back to work. Can I ask where you are with training schemes, the Advance to Work, perhaps giving opportunities to people who are seeking work and if we are drawing lines on the 5-year rule or if everyone is in this together? Can you just explain a little bit about that?

The Minister for Social Security:

The Advance to Work Scheme is up and running. There has been the extra 100 places at Highlands. There has been apprenticeship places created. They have just launched the Hospitality Training Scheme and all those are working well. People from the Advance to Work Scheme, I think there is something like up to 15 are now in full-time jobs that were not before from that. Obviously, there is about 100 or so enrolled on that scheme and so it keeps going. The more experience they get the more we hope that they will find work and it creates capacity then at the bottom end. But we, as I said earlier, will be shortly employing an expert to advise us and to consider a number of ideas that we have had in the department to do even more.

Senator A. Breckon:

What about the increasing numbers on those actively seeking work, especially those under 25s? Would you like to comment on that?

The Minister for Social Security:

Before I took on this office, I was concerned about youth unemployment. I continue to be so. Obviously, we have created those extra places at Highlands. We have done the Advance to Work Scheme, the Trainee Scheme, all targeted at those age groups and we are going to go on and do more work and target it at those age groups because they are a critical age group to put back into work so they do not become dependent on benefits and not used to the work environment.

Deputy G.P. Southern:

Do you have any figures yet to suggest how effective your Advance to Work Scheme has been, for example, how many employers are involved in that, how many placements have you made? Is there any difference between them getting work and the rest of the cohort getting work? I suppose the final question would be what now is the ... you used to talk about the average time that people would take to find themselves in employment again. What sort of figure is that at now? How long is it taking people to find work?

The Minister for Social Security:

I do not have the first sorts of figures that you asked for but I know that Skills Executive will be compiling those and doing some analysis on that. As I said, I know that I think it is 15 people have got work out of that scheme. With regard to the length of time that people are unemployed, that is lengthening as we would expect and that is what concerns us and that is why ... maybe I did not make it clear at the start but that is why that is a priority for us now.

Deputy G.P. Southern:

It has lengthened to what? From what? Has anybody ... is there anything ...

The Policy and Strategy Director, Social Security Department:

It is on the website.

Deputy G.P. Southern:

Sorry, is it on the website.

Deputy D.J. De Sousa:

Firstly, on that topic, part of my amendment to the Strategic Plan was to create real training for real jobs for the future and they were accepted unanimously. What steps have your department taken to implement that within your Annual Business Plan? Because we are not just talking about youngsters, this is real training for real jobs, all ages.

The Minister for Social Security:

Yes, and the Skills Executive have taken that up. They have, obviously, come forward with the hospitality and that is real training for real jobs and that is one of the things that they have done there. There is the trainee courses as well that have been created and we, obviously, will be picking that up, asking ourselves when we start our extra piece of work about unemployment, what training is required or whether, as I said earlier, wages subsidies would work. We are going to be looking across multi jurisdictions to see what other people are doing and whether there are things there that we can be doing. So I am hopeful that will lead to real jobs.

Deputy D.J. De Sousa:

You said training, can you expand? You said, hospitality, what other ...?

The Minister for Social Security:

That is a scheme whereby people are enrolled on it. Economic Development are taking the lead on this so if somebody comes into us at Social Security and they are interested in the hospitality/tourism industry then we feed them through to the Hospitality Association. They have training courses. They go on those training courses and they then will, hopefully, lead to jobs with their members. So it is their, almost, controlling it so that there are jobs available.

Deputy D.J. De Sousa:

I did say what other training plans have you in place apart from the hospitality?

The Minister for Social Security:

That is the first one. As I say, we now will have to go away and start considering that as part of our ...

Deputy D.J. De Sousa:

So there are no others at the moment?

The Minister for Social Security:

Well, I cannot tell you exactly what Economic Development are doing. Some of the money from the fiscal stimulus did created apprenticeships, which are obviously training, but I do not have the numbers or the actual sectors they are in with me.

Deputy D.J. De Sousa:

Can you get those for us?

The Minister for Social Security:

Yes, I can find that out for you.

Deputy D.J. De Sousa:

The other thing is, I notice in your Annual Business Plan that the Dental Benefits Scheme, the budget is being cut from nearly £138,500 down to £134,000. Given that this is an area that clearly would expect more funding rather than less, can you explain why these cuts are happening within this?

The Minister for Social Security:

I am not certain they are cuts but Richard might be able to explain those numbers.

The Finance Director, Social Security Department:

We spent £131,000 in 2009 and we have £134,450 for 2010.

Senator A. Breckon:

So the estimate more accurately matches the spend?

The Finance Director, Social Security Department:

Yes, matches the spend.

Deputy D.J. De Sousa:

The Dental Department have said that the money put in by government departments to assist with the schemes that were in place, in real terms have not gone up since they were implemented. So what is the department doing to assist in this? Because, obviously, inflation has gone up, costs have gone up across the board.

The Minister for Social Security:

As I understand it, their spend is driven by the need and the people accessing the scheme. If the Dentistry Department are saying that it needs to be reviewed or looked at then I am certainly open to doing that but perhaps they need to come and talk to the department about it.

Senator A. Breckon:

Can I just ask perhaps more generally on the Health Scheme where you have prescription charges, or have not prescription charges, then perhaps there are issues where perhaps people need support with dental benefits, maybe optical which the scheme, the law, allows for but the clauses are missing - it can be done - and also the fact that the contribution at the moment to G.P.s (general practitioners), £15, has been at that level for a while. So that is related to the Health Scheme. Would you like to perhaps generalise on that?

The Minister for Social Security:

Yes, we are undertaking a piece of work now which I hope will lead to the re-introduction of prescription charge for specific groups. That piece of work ... I will hopefully have some figures in front of me by ... or due in April. That is one piece of work. The G.P.s have been going through a process of revalidation. We have been doing a lot of work over the last few months with Health and we will be presenting to the Council of Ministers on Thursday a paper about revalidation, quality standards and improvements to primary health care in general in the Island. There will be a cost associated with that which, at this point, we would expect to be met from the Health Insurance Fund as part of the general rebate. But the proposal will be ... I will just touch on it very briefly because Ministers have not seen it yet, that will be converted in 2 years time to, in effect, a contract element for services. We will be improving the

disease registers, we will have a central data base so that we can really start to step forward with the provision of primary health care to some extent in the way that New Directions, I think, drove at but never quite got at. I think it is a great piece of work and the Council of Ministers, obviously, have yet to see that. I hope they will be supportive of it and then I hope to be able to launch the proposal very short order, in a number of days or weeks, so that we as the States can start to develop that. There are some longer-term issues about the Health Insurance Fund. Should we be raising contributions because of the health cost time bomb? There are other things that will need to be considered that might have to be considered as part of the fiscal strategy and the Treasury Department might need to think about that. How should we be funding healthcare into the future? So there is a number of things that will be happening around the Health Insurance Fund.

[15:15]

Senator A. Breckon:

In relation to that, can you just confirm that some of those G.P. sort of compliance of conduct is post-shipment(?), where they must be sort of validated and whatever else and it relates to the General Medical Council.

The Minister for Social Security:

It does, that is right. That is why they, in the U.K., have proposed this line of attack for revalidation to try and eliminate those things happening again in that sector of health care.

Deputy G.P. Southern:

Would you care to let us have the paper that you think is a recent piece of work so we can précis it, too, in confidence?

The Minister for Social Security:

I said to Alan that when it is ready for the Council of Ministers I will give him a copy. It is virtually ready.

Deputy G.P. Southern:

Chairman, can I just take up 2 issues, finally?

The Minister for Social Security:

Can I just see what time I was supposed to be going because I have got ...

Senator A. Breckon:

Yes.

The Minister for Social Security:

Otherwise you will keep me here all day.

Deputy G.P. Southern:

No, just 2 quickies. We asked last week the Minister for Education, Sport and Culture if he knew what happened to the educational allowance that 16 to 19 year-olds used to get and he seemed to think it was being administered in exactly the same way as it previously was and everything is hunky dory whereas we know it has been subsumed

in the Income Support Scheme. Apparently, there is no ... I cannot see anywhere that some sort of payment is being redirected to encourage 16 year-olds to stay in education, which was its purpose originally. Has it just been subsumed in the general adult component or whatever?

The Minister for Social Security:

My understanding was that it was a means-tested provision and that means test is exactly as we means test Income Support now.

Deputy G.P. Southern:

Is there identified a special payment for 16 to 19 year-olds who are eligible?

The Minister for Social Security:

They receive the adult component.

Deputy G.P. Southern:

The component that everybody gets?

The Minister for Social Security:

No, the adult component. So the 16 to 19 year-old would go to Highlands ... I am going to get in trouble here because ...

Deputy G.P. Southern:

Would get an extra £10 a week, because that is what it was, is it not?

The Minister for Social Security:

... Sue knows the history of it because it happened before I was ...

The Policy and Strategy Director, Social Security Department:

Previously, a child of 16 would have still received family allowance from us and picked an extra about £30 a week ... the family would have picked up £30 a week from education if the child stayed in education until 18. All that we have done is that we have said that the adult component kicks in at school leaving age and, therefore, it moves from about £60 to about £90, about £30 more. That is exactly the same kind of difference between the child of 16 getting family allowance, the child of 17 getting family allowance plus education allowance, so about £30 extra. It is very similar.

Deputy G.P. Southern:

But if that person is out of work and still eligible for the Income Support, they still get that adult allowance?

The Policy and Strategy Director, Social Security Department:

Yes.

Deputy G.P. Southern:

So there is no difference between somebody staying at school and somebody going out to work?

The Policy and Strategy Director, Social Security Department:

No, that is true.

Deputy G.P. Southern:

As intended as a slight encouragement to help the low earners stay in education, it is no longer doing that purpose?

The Policy and Strategy Director, Social Security Department:

It is money that was administered by the Education Department for education and it is now ... so the net impact on the person in education is very, very similar to the previous system. The change is more around the treatment of school-leaving aged children who choose not to stay in education, which is a very small proportion of the total number of children of that age in Jersey.

Deputy G.P. Southern:

I will examine that answer on the transcript. The final one, it has come to my notice that the changes to people who used to have attendance allowance, for the quite severely disable. The attendance allowance was designed to help them with the additional costs of their disability and not anything else. It is being protected, effectively, until July 2011, I think, before any changes. When that happens, somebody who is an adult will not be disadvantaged, their attendance allowance, effectively, or its equivalent, will stay with them but for a child in a family who previously would have had an attendance allowance the earnings of the parents will now come into play and the previous high levels of earnings before you could not get attendance allowance will be changed. So there will be some children with quite severe disabilities whose families will be worse off after July 2011 because of the end of that protection. Are you aware of that and is that something you want to happen?

The Minister for Social Security:

I am aware of that and you have kindly asked a question about it. I am also aware that the previous Minister had made ... I am not certain if it was a commitment or comments about it and I just want to go and consider what it was that he committed. We have a little bit of time before that phases out so it is something that I am going to be reviewing.

Senator A. Breckon:

I did say at the start that if there is anything that perhaps we have not touched on and I cannot really think what that might be but if there is, if there is anything you want to say in conclusion or, indeed ...

The Minister for Social Security:

I do not. I am just trying to think of what you were asking me in your letter. I think we may have more or less touched on everything, I might have thought, and some more that I did not expect you to touch upon.

Senator A. Breckon:

That is to make sure you are on the brief.

The Minister for Social Security:

You will be pleased to see, though, that we have our unemployment figures now coming through the Stats Unit so that is another achievement of last year even though it has just happened for January's figures. So that is a ...

The Connétable of St. Lawrence:

I just have a couple of questions, Ian, and I started to ask you before when you were talking about specific examples where somebody has overlooked advising you of a change to their circumstances. The P.A.C. (Public Accounts Committee) have just put out a report which refers to the fraud that ... across government in particular to the Social Security Department and I know last year there was the high profile court case regarding, I think, the couple that committed fraud. What is your policy? Do you always prosecute in cases of fraud? Can you talk us through it? I would also like to establish how much you estimate you have been defrauded over, say, the past year?

The Minister for Social Security:

We do have a compliance team and, as you can see, from time to time we pick up cases and we prosecute them. I am not sure what exactly the legal grounds for why somebody would be prosecuted or somebody would work out a payment plan and perhaps I can ask the officers to come back to you on that, how they make that decision. We had this discussion the last time we met about the fraud office and the beefing up of it. We know that in other jurisdictions they tell us that fraud is a big issue and that we should be looking at it and, therefore, it is only appropriate that we, as the administer of benefits, take that seriously. We have been working on a draft fraud strategy which will coming to me shortly. The figure that we put on it was £500,000. We cannot be certain that that is what we might recover or not. It is just a ...

The Connétable of St. Lawrence:

A forecast?

The Minister for Social Security:

Yes, a possible forecast. So we will know once we start to do a bit of work on it and I know that Geoff is of the other view that that is not a problem. We will see when we started with this piece of work. PAC is obviously of the view that it is and that it needs to be taken seriously and we have taken the view that, yes, we do take it seriously but we are just going to do a bit more work on it. We will produce this strategy and then we will take that forward.

Deputy G.P. Southern:

Not that it is not a problem but it is less of a problem than under-claimed benefits in most countries with most benefits.

The Minister for Social Security:

That comes back to communication, does it not?

Deputy G.P. Southern:

Yes.

The Connétable of St. Lawrence:

So subsequent to the recent high profile court case, have you made changes to the combat fraud within the department? How many officers do you have to deal with it?

The Minister for Social Security:

I do not know how many individuals are dealing with it.

The Connétable of St. Lawrence:

Is it part of the compliance team or is there separation?

The Minister for Social Security:

I am going to try and guess at 4 or 5 but I could be totally wrong as I do not necessary have ...

The Comptroller of Social Security:

There are 2 officers concentrate on fraud. The remainder of the compliance team is largely, as it says, a compliance team which work with employers in respect of contributions. There are additional posts in this year's Business Plan for more fraud officers if this case is proved.

The Connétable of St. Lawrence:

How would that be assessed?

The Comptroller of Social Security:

How would that be assessed?

The Connétable of St. Lawrence:

Yes.

The Comptroller of Social Security:

Documents have been put together that would ...

The Connétable of St. Lawrence:

So coming back to what Ian was just saying. I have just have one other question, if I may. Angela, I am not sure what your remit is with Social Security. I have not been on this panel for very long so I wonder if you could ...

The Minister for Social Security:

She has a general roving remit. She has a lot of contact with individual people who are in receipt of various benefits in the department. She holds monthly surgeries and she has a general advisory role to me. She comes to our twice-weekly meetings and we often have meetings, ministerial meetings about various issues throughout the week. Whereas some departments have exactly separate functions or slightly removed ...

The Connétable of St. Lawrence:

That is what I was trying to establish.

The Minister for Social Security:

... we tend to do most things together.

Senator A. Breckon:

Then if you are globe-trotting or something she can step in.

The Minister for Social Security:

That is right, yes.

Deputy G.P. Southern:

Just for clarity.

Senator A. Breckon:

Last question.

Deputy G.P. Southern:

Just for clarity, you say you have 2 fraud officers specifically and you are thinking of expanding it more which comes to, I do not know. What does that come to? £150,000 to chase £500,000 is an approximate estimate. It does not sound cost effective to me.

Senator A. Breckon:

It is about contributions as well. It is not just about ...

Deputy G.P. Southern:

Yes, chasing employers. Please.

Senator A. Breckon:

Which is many millions. I do not know how many but many millions.

The Minister for Social Security:

Contributions? Hundreds of millions.

Senator A. Breckon:

All right, well thank you very much.

The Minister for Social Security:

Thank you.

[15:27]