

STATES OF JERSEY

Health, Social Security and Housing Scrutiny

Panel

Quarterly Meeting with the Minister for Social

Security

FRIDAY, 27th APRIL 2012

Panel:

Deputy K.L. Moore of St. Peter (Chairman)
Deputy J.A. Hilton of St. Helier (Vice-Chairman)
Deputy J.G. Reed of St. Ouen

Witnesses:

The Minister for Social Security
Chief Officer
Assistant Minister for Social Security
Policy and Strategy Director
Operations Director

Also present:

Ms. K. Boydens (Scrutiny Officer)
Ms. F. Carnegie (Scrutiny Officer)

[14:00]

Deputy K.L. Moore of St. Peter (Chairman):

I will go through the opening remarks. Obviously welcome to our hearing, thank you for attending today. I have to draw everyone's attention to the code of behaviour for members of the public. There are no members of the public, so do I have to say this? I think they are waiting for the panel next door. Can we agree not to have to say all this?

Deputy J.G. Reed of St. Ouen:

Yes.

The Deputy of St. Peter:

Feel a bit silly talking to an empty chair. Here we go. For the benefit of members of the public, we have to draw your attention to the code of behaviour and in particular to remind you about mobile phones, which are to be turned to silent. Taking of visual images or audio recordings by the public will not be permitted. If you wish to eat or drink please leave the room and, finally, please do not interfere with the proceedings. If we could start by introducing ourselves. We will start with our side for a change. I am Deputy Kristina Moore and I am chairman of the panel.

Deputy J.A. Hilton of St. Helier (Vice-Chairman):
Deputy Jacqui Hilton, Vice-Chairman of the panel.

The Deputy of St. Ouen:
Deputy James Reed, panel member.

Ms. K. Boydens:
Kellie Boydens, Scrutiny Officer.

Chief Officer:
Richard Bell, Chief Officer, Social Security.

The Minister for Social Security:
Senator Francis Le Gresley, Minister for Social Security.

Assistant Minister for Social Security:
Deputy Susie Pinel, Assistant Minister for Social Security.

Operations Director:
Ian Burns, Operations Director, Social Security.

Policy and Strategy Director:
Sue Duhamel, Policy Director, Social Security.

The Deputy of St. Peter:
Again, thank you for attending. At our last hearing we discussed the Back to Work programme, which is obviously one of your department's main priorities. We thought it would be useful if we could start with an update of how that works progressing people.

The Minister for Social Security:
You are absolutely right in that we have officers working in conjunction with Education and Economic Development working as a team, which is working across departments, which is excellent. Careers as well. Obviously the 2 main schemes that you know about, Advance to Work and Advance Plus are showing great successes. From memory the Advance to Work have, since January, put 48 people into paid jobs. We are working obviously with other industries, hospitality, where about 50 people have been found employment. But there is a lot more work to be done as far as working with hospitality. We launched various training schemes to upskill people for roles, particularly in hospitality. We are putting more staff into the different areas. We have increased staff numbers in the work zone, in particular, which is the front face obviously of the contact of the public who are actively seeking work. More staff have been recruited for Advance Plus so we have more coaches to support people. We are looking at working with employers, particularly the fulfilment industry. We have been sending people in to talk to staff about what they may or may not need to do should they be made redundant. We have been working obviously with J.T. (Jersey Telecom) with gigabit installation. Great success story there. Having screened and assisted with the recruitment we have placed 78 people into the J.T. Gigabit scheme. Most of those will be coming off the unemployment register this

month, if not already. So we would see from the March figure that was released recently, we should hopefully see the impact of the J.T. Gigabit recruitment. We are working obviously on employment incentives, which is the thing that we have not announced in detail yet, but that is something we hope to announce in the next fortnight. That is really targeting the very long-term unemployed. People who have been unemployed more than 12 months, and in particular in that group we have two-thirds of them over the age of 40 and we also have 85 per cent of the 330 who have been the longest unemployed, have 10 years or plus residence, so it is an ideal group that we would see great benefits in getting them into paid permanent work or at least a long-term contract and of course there will be the knock-on effects of savings on income support because the majority of those, certainly the local people, will be on income support.

The Deputy of St. Peter:

Thank you for that information.

Deputy J.A. Hilton:

Are you able to give us some idea of what these incentives are going to be? Is this going to be social security breaks for employers?

The Minister for Social Security:

I think to be fair, because we have not announced the policy, and we are still discussing it, we need to meet with some employers, with union people, Chamber of Commerce. We have not had those meetings yet. But we will be obviously hopefully in a position ... the Back to Work ministerial taskforce have approved the scheme but we need to complete the round of discussions before we give any more details out.

The Deputy of St. Ouen:

Can I just pick up on a couple of points you make? You quite rightly point out the successes of the Back to Work programme. Why is it that we do not see those successes being reflected in the figures? In fact we continue to see increased levels of unemployment being published.

The Minister for Social Security:

Quite simply, it is a bit like immigration. You get people coming in and you get people going out and it is the net effect. We are having successes and that is exactly the reason we set up these extra schemes and extra assistance but there are people ... even in tonight's *Evening Post* HSBC announcing 90 jobs going. There are people being, unfortunately, made unemployed or the end of their contracts they are not being renewed so we have people joining the actively seeking work group. Obviously some people who have not been here 5 years continuously will still choose to do their own job search activities without registering because they will not be entitled to income support. We also have people who would prefer to use employment agencies because similarly they do not expect to qualify for income support. But the numbers losing employment is what is driving the gradual increase in the total number of unemployed.

The Deputy of St. Ouen:

I was just wondering, and thinking, that in order to get the right message across is there any consideration being given to the way Social Security publish the figures and

the changes to unemployment because sometimes, on the one hand, you have got the good news that the Back to Work programmes are helping people back to work. But, as I say, you have also got this increasing figure. You have given us an explanation of the reasons behind that, but it may be worth giving some thought to how you can portray that in some form of regular update that gives it not only Government but the public an indication of how effective you are being, and also what the challenges are ahead.

The Minister for Social Security:

I think if I could ask Ian, because Ian supplies the figures to the Stats Office. As you know, the unemployment figures are produced by a Statistics Officer, not produced by a department but obviously we feed them raw data and maybe you would like to comment on that.

Operations Director:

Yes, those figures are produced by the Statistics Office as a media briefing that takes place to inform media who obviously cover the results. There is a lot of work that has been going on for the last 2 weeks, for example, in conjunction with the *J.E.P. (Jersey Evening Post)* and their We Want to Work campaign. So there has been a lot of publicity in terms of all different schemes and efforts to try and get people back into work, and that has been a theme so far this year. That should continue, I would agree, in terms of publicising what is going on. That could have an impact and tending to consequence on the number of people registering because if more and more people ... you reach out to more and more people who may come in to register who may not have been registered but may have already been out of work, so it is an unknown quantity of how much we stimulate additional people coming in to register at the department, which will inflate the official figures. I do not think we should be distracted by that because those people are still out of work and we would welcome everybody to come in to register because we know who they are and we can then provide support for them.

The Deputy of St. Ouen:

Absolutely. I am pleased you mentioned the fact that there is a difference between the registered employed and the people that were identified within the census of being unemployed. You have this group that for various reasons do not choose to register and the like. It still comes down to the fact that if the public and the States are looking for some signs that the efforts that you are making are going to change and improve matters, and I keep looking at the statistics and, yes, they are useful but I am just wondering whether or not - it is a thought for you to think about - the department could, alongside of that, demonstrate somehow in relatively simple terms what the changes are over the period and how the effect is. We all hear about job losses. The public can put 2 and 2 together in that respect. But more importantly I think it is to try and understand the additional jobs that have been created and filled by the efforts, the excellent work, that has been happening in the Back to Work.

The Minister for Social Security:

The raw data is probably available but some people may be registered and actively seeking work but because they are not on benefits and because they are doing their own job search activities we may not know immediately they find employment, so your figures could be slightly skewed. I understand what you are saying, there is a

benefit of understanding how many people are newly registered and how many people have been de-registered in a particular period.

Chief Officer:

We do record for our own purposes the flows into and the flows out of unemployment, so that might help a wider understanding from that perspective. The Statistics Unit do provide details on where people were last employed, what sectors they were last employed in, which work groups, if you like, form their last jobs so maybe we could think about looking at providing information that shows the flow on to unemployment and the flow out. I can see exactly where you are coming from now, but times are hard and that is why the unemployment number is where it is at, yet the unemployment number as it currently stands does reflect the hard work because if that hard work had not been done that number would have been significantly higher, which is why we try and provide some of the numbers about what has happened.

Deputy J.A. Hilton:

I think the department has done some really sterling work and obviously it is reflected in the number of the people that you have placed so far this year. Can I just ask you a question with regard to new people coming into the Island and registering? Is that similar to last year, has it increased, decreased, are you still seeing the same number of people?

The Minister for Social Security:

This is for Social Security?

Deputy J.A. Hilton:

Yes, Social Security registration cards, registering for work. New people coming in from outside the Island.

The Minister for Social Security:

I do not know the answer to that, I have to look to my officers if anybody knows.

Chief Officer:

We have the figures, I do not think I have compared them to this time last year so we have the numbers and obviously this time of year you do get a lot of registration in respect of agriculture and tourism.

Deputy J.A. Hilton:

Another question leading on from that, because I am not too sure what is happening currently. Are work permits still being granted to Kenyan workers in the hospitality industry because I thought they were going to be cut back on because obviously you are doing really good work in trying to train local people up?

The Minister for Social Security:

The latest position is that, as you know, the Minister for Home Affairs issues the permissions, if you like, through his offices. This year there is the same number of Kenyans who came, I think, last year, maybe one or 2 down, have a work permit for this year.

[14:15]

What the Minister for Home Affairs has told the Hospitality Association is that his officers are preparing a paper on the situation with the issue of work permits for non-skilled people and that is going to be discussed with the Migration Advisory Group, on which Susie sits on my behalf or I sit as an alternative. So the Migration Advisory Group will discuss that with the Minister for Home Affairs. You are absolutely right when you say that we do wish to, as far as possible, train people for the sort of jobs in hospitality where we have an opportunity to use some of the money that has been allocated to put people through specific courses, which would put them in a position to take some of those jobs hopefully next year for the next season, but not for this season.

The Deputy of St. Peter:

When you mentioned in your first response, 50 people have found jobs in hospitality I was not quite sure if they were 50 people in addition to the 48 you found jobs through Advance to Work, I just wanted to clarify that.

Operations Director:

There will be some of those, yes. But obviously our specific efforts are to help people into tourism and hospitality, thankfully quite a few of the younger people from Advance to Work have found work through that approach and that has been one of the advantages of closer cross-departmental working, has meant that we have been able to seize opportunities for Advance to Work candidates because of our engagement with employers that they might not previously had an engagement with. So it has been very positive in that sense.

The Deputy of St. Peter:

Good, but the Minister said that more work needed to be done in that area but I guess now that we are meeting at the end of April the window of opportunity is somewhat closed because the season is well underway.

The Minister for Social Security:

I mean I feel quite strongly about this, is that we have a serious rising unemployment problem and yet every year the Island brings in about 2,500 seasonal workers into the industry. Apart from that, the licences currently issued across the Hospitality Association workforce, if you like, is predominantly for non-local people, more than 50 per cent, so there is a great opportunity if we can encourage, particularly people coming out of school in June or whatever, also coming out of Highlands College, that there are opportunities in hospitality and we need to do a lot of work and work with the hoteliers to try and persuade people that this is a career path that they can ... you may have to start at the bottom but there are prospects. It is an industry that has survived in Jersey and will continue to flourish, we hope.

The Deputy of St. Ouen:

One of your objectives in your Business Plan or success criteria, should I say, included in your Business Plan is to be a customer-focused organisation. How successful do you think you are at present of achieving that goal?

The Minister for Social Security:

That is a very good question. I pride myself particularly on good customer service in the industries that I have been in, in the past. I think it is very much the first person you meet in an organisation is how you judge the organisation. I have been very impressed with a lot of the people that I have met working on the ground floor at Social Security, which of course is our shop front, if you like. I have admitted to people that I was not happy with the way that we organised the split between people going to the Work Zone or to Income Support. With Ian's help we have been doing some work there. We have reorganised the flow of people. We have moved the computers that people look jobs up to the front of the building now. We have ideas about improving the seating area as well. We have also done some soundproofing to try and improve the booths because we were worried about transfer of sound. We turned up the music a bit to ... so there are a lot of things that we are doing. I think there is still more room for improvement but I do believe that the majority of people are met with a friendly welcome and a helpful team to assist them.

The Deputy of St. Ouen:

Do you seek any feedback from your clients about the initiative?

The Minister for Social Security:

We do a mystery shopper and maybe Ian could explain because I do not know much about mystery shopper.

Operations Director:

Yes, we do do mystery shopping so that we have professional recommendations and advice from people coming in who, of course, by their very nature they are in Jersey, they are customers as well of Social Security so they come in and they do give us reports on the service they received, issues around layout and tidiness of the office and so on, as well as very specific comments about how they were served and the information they were given.

The Deputy of St. Ouen:

How often does that happen?

Operations Director:

Every couple of weeks. And it is also physically in a branch as well as on the phone.

The Deputy of St. Ouen:

Because you spoke about additional staff. Why did you come to that conclusion? Just because it was supply and demand or ...?

Chief Officer:

It is dealing with the client ratios to the volumes of customers we have got. When we started from the perspective of looking at the Back to Work programme it was: "Have we got enough in any case to deal with the numbers of unemployed we would like to be assisting?" and then as unemployment has gone up and getting ready for the potential of L.V.C.R. (Low-Value Consignment Relief) may lead to more unemployment, maybe not directly but indirectly, and to continue with that level of service we need as many advisers again. So it is around that as opposed to previous deficiencies in customer care.

The Deputy of St. Ouen:

Finally, on the subject, do you seek the views of your frontline staff who are having to deal with people on a day-to-day basis?

The Minister for Social Security:

As far as I am aware, I certainly listen to comments that I hear fed up through the staff. I guess a good sort of information coming up to officers coming into policy decisions, and not just on customer service but on the benefit system in itself and the way we administer it.

Deputy J.A. Hilton:

I just wanted to ask you a question about the unemployment numbers around the loss of L.V.C.R. Since it finished have the number of people who have come forward who lost their jobs been more or less what you had expected or have you found that some of the companies have tried to diversify and kept staff on? How has that panned out?

The Minister for Social Security:

I think our original estimates were quite pessimistic, which was the right thing to do, but Economic Development have been working with a lot of the owners of these fulfilment industry companies to see if the model of what they were doing can be changed or they can move into new markets, and I think that has kept the confidence of the proprietors that Jersey is still a good place to be doing business. In fact, we know that some fulfilment countries are expanding their operation at the moment as evidenced by advertising for staff, which is brilliant. Also some of the redundancies that were notices for issue we have not seen them ... although the period has expired we have not necessarily seen people arriving at our door. While we are obviously cautious in anything we would say about what is going to happen in the future, I think there is some optimism that the numbers will not be anything like 800, I think, which was the figure that was originally suggested might be the fallout, but we do not know. It is a moving picture and we have sent in officers into the bigger companies to talk to staff, to talk to senior managers so that we are preparing the way, should we need to act quickly.

Deputy J.A. Hilton:

Are you aware of any companies that have closed down or relocated entirely?

The Minister for Social Security:

I have been made aware of one small operator who has relocated to Switzerland.

Deputy J.A. Hilton:

Thank you for that.

The Deputy of St. Ouen:

Because there are significant increases in unemployment and additional work you are undertaking, a simple question, where are you getting the additional funds from and how confident are you that those funds will continue past this year?

The Minister for Social Security:

Another very good question. We were allocated £7.4 million for the Back to Work programme from underspends, take that to mean whatever you wish.

Deputy J.A. Hilton:

Underspends within your own department?

Chief Officer:

Largely they were, yes.

The Minister for Social Security:

Largely they were, yes. That of course is, while there is the Back to Work programme, it is not just for Social Security because of course, as you know, Advance to Work Plus/Careers is still under Education, so the money this year, that is where we will be drawing down on, not only for any increase in income support budget but also for any programmes, and I alluded to one to encourage employers to take on the long-term unemployed, will involve cash incentives of some description, which will come out of that budget, plus the extra staff, because I should reiterate that the Work Zone, we are very much working on a one-to-one basis with unemployed staff. This would not have happened 18 months ago, we would not have had the resources to do that. But we realise that people need to be kept in contact with and supported, encouraged to send in applications, notified of jobs as they become available. So by working so proactively obviously there is a staffing cost to that but it gives people the confidence to know that the Government is, if you like, doing its very best to help people get back into work.

The Deputy of St. Ouen:

I come back to the question, how confident are you that funds will be made available after this year, and I just pick up the point you make. If you employ staff it is very difficult if you are just relying on perhaps a little bit of surplus cash at the end of the year to keep you tied over for another.

The Minister for Social Security:

We have made a bid for the medium-term financial plan. We do not know the final outcome of bids that we have made but obviously the Strategic Plan has put Back to Work, getting people back to work as a top priority.

The Deputy of St. Ouen:

There will be greater certainty that you will maintain the programme over the next 2 or 3 years when obviously it is going to be required.

The Minister for Social Security:

Yes.

The Deputy of St. Peter:

You mentioned earlier the looming end of the academic year, what work is being prepared to help those school leavers and college leavers into work specifically?

The Minister for Social Security:

It is a very good question - all good questions. I am not sure, myself. Ian is sure so he can tell you.

Operations Director:

We are working closely both through Careers and also Advance to Work to engage with young people, particularly those who may not immediately be very employable when they come out and we are trying to work with those in advance so we can understand their needs and issues so we can prepare them for when they do fly into the job market and an obvious route is for people to get involved in Advance to Work, which historically has been a success not everybody coming out of school has gone to Advance to Work, but we are trying to work with the schools and colleges to move people into it. We are also in dialogue with the Princes Trust who offer a very complimentary route for some groups of young people, and we are working with them closely to make sure we can work and make sure that no one goes missing, as it were. But that is quite a difficult task but what we are working to do is hopefully encourage as many people as possible to find work. Many of those young people will find work who are looking for work on their own anyway, but we will make sure that they do.

The Deputy of St. Ouen:

Are you getting good support from your other departments?

Operations Director:

Absolutely, yes.

The Deputy of St. Peter:

You mention the lack of skills and unemployability. What is done to help hone those skills and what skills do you try and work on?

Operations Director:

There is a lot of effort goes into helping people prepare for the actual changing in life from learning into a work environment. We help people mainly through placements and supportive placements with a mentor so that we help them overcome problems, even very simple things that you, as people who have been in work, you think you understand what work is about but young people do not. It is helping people along the way. There is about 8 weeks of training within Advance to Work, for example, it helps people think about their C.V. (curriculum vitae), interviews, team building, team playing and so on, so it is a lot of different activities that take place to help people get a work placement, and then hopefully they are successful in that work placement, find some work and that is what we do.

The Minister for Social Security:

There is also something that we are working with the States of Jersey itself as an employer to provide work placements for young people, in particular, or anybody really who is interested in learning some aspects. They will not lead to permanent jobs with the States of Jersey but it at least gives them the work experience that maybe they need to move on to work for other companies.

The Deputy of St. Ouen:

The one area that I would like to touch on briefly is prescription charges. We have heard a lot about that recently and there is a proposal at Health to introduce some form of charging and separately your department is looking into it, and alongside of that issuing a season ticket. Can you just tell me what collectively you are doing with Health to develop this policy and how it will work?

[14:30]

The Minister for Social Security:

At the moment we are talking about pharmacists receiving money from States of Jersey through the Health Insurance Fund. They receive a dispensing charge and then obviously we reimburse the majority of the cost of the drugs. That is the only role that the pharmacists play in the scheme of things at the moment in Jersey in delivering primary care. We have been advocating and we changed the Health Insurance Law to allow pharmacists, community pharmacists as we call them, to play a more active role in primary care. They could be delivering some of the things that you have to go to the G.P. (General Practitioner) for in the future, so we have been doing a piece of work with pharmacists and with the officers at Health about developing the role of the community pharmacist, looking at the dispensing fees, and some of that may need, in time, to be funded out of the Health Insurance Fund and therefore bringing in prescription charges at the appropriate time will deliver more money to the Health Insurance Fund. I am not saying we could not afford to do it now but we are not in a position to do it now. So we are working with professionals in the field of primary health delivery to arrive at a situation where community pharmacists do more than just dispense drugs on behalf of the States of Jersey.

The Deputy of St. Ouen:

I come back to the question, how does that fit in with the Health proposals? Are you adopting a co-ordinated approach to the introduction of charges or are there 2 separate pieces of work that just happen to be being developed?

The Minister for Social Security:

The hospital pharmacy charges was part of the C.S.R. (Comprehensive Spending Review) savings so it was in their 2012, I think, Business Plan, so they are delivering what they said they would deliver in the introduction of charges. What will happen, of course, is that by charging for people who visit outpatients and emergency it will mean that more patients will probably go to the community pharmacist because obviously they are not going to pay at the moment, so it will mean more people will have access to community pharmacists and a lot of the drugs that can be collected from the hospital pharmacy anyway can now be dispensed, in the main, by community pharmacists, unless they are particularly specialist drugs. Their decision to introduce pharmacy charges was totally separate, if you like, in the sense that it was a C.S.R. saving. Our plans are more intrinsic to the Health White Paper, and the reform of primary health care. At the moment, nobody pays so nobody is losing out. As soon as you introduce prescription charges we need to consider how we deal with people with chronic conditions of any age, whether it is young, middle-aged or old, in work or out of work, and that is where the season tickets are ideal, which is being worked on by the department for some time. It is not in our current action plan for this year to proceed with any more work on that but, as I say, we are using outside specialists to give us advice and this will probably feature in next year's business plan.

The Deputy of St. Ouen:

I find it odd because, if my memory serves me right, we have 2 proposals, which are interlinked because obviously any effect in increasing charges to the hospital I presume will have an impact on your budget in some shape or form, but more

interestingly I think in the Health proposal they spoke about a season ticket and separately, again in the Council of Ministers' comments, it was mentioned under your proposal. Are we talking about 2 different season tickets or one?

The Minister for Social Security:

I think Sue would be best placed to give you a bit more information about this.

Policy and Strategy Director:

It is all co-ordinated together. The Minister is right that the Health Fund was published last year as part of the C.S.R. savings but the move to reintroduce prescription charges has been carefully co-ordinated between the 2 departments. Health are going first and this was decided towards the end of last year because there are some inappropriate use of the hospital pharmacy at the minute, which is a bad use of States resources, so there is a small financial incentive to get people to use the right kind of pharmacy for the right kind of thing. So that is why they are going first. That is part of the co-ordination. They all have a season ticket and we are going to be talking to them very soon, in the next week or so, about the way in which their system will create exemptions or season tickets, whatever it might be, and then our system will follow later because it is more, at the end of the day, relatively smaller and people use the hospital to collect drugs from. There is a more specialist audience anyway, they are more likely to be more ill, so you have a small group there. The community pharmacies are a much broader picture so we need to get that right, and the Minister and the previous Minister were very clearly that we must include some support for people with chronic diseases. This could be people who are not quite on income support, not quite 65, there are lots of middle-aged people who rely on fairly large amounts of prescription drugs to maintain a healthy life. So we do have to think of that carefully and we have to be able to put the season ticket out to every single community pharmacist, that is why it is going to take us longer to do and it is not in our Business Plan for this year, but it is definitely a commitment to do it within this 3-year period. So we are working on that. We are hoping to use the same examples that Health are using, there is going to be more synergy there between the work it is doing with other areas of primary care and pharmacists. The Minister met with pharmacists themselves about a month ago and we hope to move forward with them over the next year or so. It will not be immediately but coming forward in the next 18 months.

The Deputy of St. Ouen:

Just to avoid any confusion, because I have some in fact, with regard to the season ticket. From what you seem to be saying, is that you are developing the idea around a season ticket and who may be eligible. At the same time Health are introducing charges and will introduce their own form of season ticket.

Policy and Strategy Director:

What I meant was, Health can literally give you just a bit of paper or something because there are not that many people who go to the pharmacy and it is only one place for the pharmacy, and so they can control a very simple admin procedure to create the season ticket. When we do it we will have to have a little more sophistication and a bit more kind of oomph to it. I imagine at that time Health will then just use our season ticket, but in the short term they will have that piece of cardboard or something which they will use just to get it going. So it will be a simple system now which will be replaced by our system, which will go across both sides.

So there will never be 2 season tickets at the same time. There will be a simple one now, just for the hospital to use themselves. Then when we do our one, they will use ours as well.

The Deputy of St. Ouen:

Will they both have similar criteria?

Policy and Strategy Director:

Yes. Exactly.

The Deputy of St. Ouen:

And who will determine that criteria; collectively but jointly?

Policy and Strategy Director:

Yes.

The Deputy of St. Ouen:

Is it possible for you to share that with us?

The Minister for Social Security:

The criteria?

The Deputy of St. Ouen:

The criteria that will be used for the Health season ticket?

The Minister for Social Security:

When it is developed. I am not sure ...

Policy and Strategy Director:

Health; they are thinking about it at the minute so until then ...

The Deputy of St. Ouen:

But it is combined with the introduction of the charges, am I right?

Policy and Strategy Director:

Yes. When Health introduce their charges, which will be later this year, they will have a season ticket.

The Deputy of St. Ouen:

When you are able that would be great to have it.

Deputy J.A. Hilton:

So at the present moment in time you have not or Health have not decided which illnesses will guarantee or allow somebody to have a season ticket?

Policy and Strategy Director:

The season ticket will be available to anybody who wants to buy it. It is more to do with whether there will be any complete exemptions. Health talked about cancer treatment and paediatrics, so children continue to get hospital drugs free, but that is

really Health's policy, it is not our policy. We will have a slightly different way of doing it, so the 2 things will combine eventually.

Deputy J.A. Hilton:

So currently anybody who is treated in hospital at the moment does not pay for their drugs?

Chief Officer:

And that will continue if they are treated in hospital.

Policy and Strategy Director:

Inpatients, yes.

Deputy J.A. Hilton:

So we are just talking really about A. and E. (Accident and Emergency) and outpatients?

Policy and Strategy Director:

Hospitals do have an issue with the improper use of A. and E. and that is one reason, is that you can get the drugs as well. So just by putting a small financial barrier to getting the drugs might encourage people to go to their G.P. more appropriately.

Deputy J.A. Hilton:

Do you foresee a time that, say, for instance, people who are diabetic will have a season ticket so that they will be paying probably a lot less than they are at the moment?

Policy and Strategy Director:

Diabetics already get a lot of subsidised products from the hospital. They supply things like needles and things that diabetics need as opposed to medicines. Social Security is only really concerned with the provision of medicines. We do not provide equipment through our fund at all. So the Diabetic Clinic provides things that you need, strips and ...

Deputy J.A. Hilton:

That will continue then. The needles for diabetics do not come out of the Health Fund, it is the Diabetic Clinic?

Policy and Strategy Director:

Yes.

Deputy J.A. Hilton:

And that will continue afterwards, will it?

Policy and Strategy Director:

Yes. That does have specific funding, has some charitable funding, so that is quite a good case, so you need to talk to Health about that.

The Deputy of St. Peter:

While we are on the subject of Health, they are obviously progressing their White Paper at the moment and it will be interesting to hear, not only the prescription charges but G.P. and dental charges will come into aspects of their planning because of the change in emphasis on care in the community particularly. What meetings have you had with Health since we last met with you and how has that work progressed?

The Minister for Social Security:

I did read the transcripts of what I said last time and I think I said that I had not attended a meeting at that stage. That was absolutely true. I have attended a few more since then. Yes, we are working obviously very closely with our colleagues at Health and I have attended ministerial oversight group meetings in connection with the White Paper. I should point out that you mentioned dental. As far as I have seen, dental is not covered at all in the White Paper and I do not think there is any intention to do so, certainly not in the 10-year transition period that they are looking at. But of course we are ourselves doing a dental review, as you know. So, yes, we are working very closely. We have had a chance to have an input into the wording of the White Paper and it is very much working with them on what they intend to do.

The Deputy of St. Ouen:

Have you identified a way of funding the new strategy that is being prepared or will be proposed in the White Paper?

The Minister for Social Security:

I think that is a question you should ask of the Minister for Treasury and Resources because he has to find the money to assist them.

The Deputy of St. Ouen:

Forgive me, but I understood that some discussion had taken place with regards some form of levy on individuals to help fund a new improved healthcare system. Is that not correct?

The Minister for Social Security:

I am sure that has been discussed but we can only forecast in the medium-term financial plan what funding is needed to roll out some of the business cases, I think they are calling them, as part of the White Paper. As far as I am aware, from my knowledge, it is not proposed that a new charge is introduced certainly in the medium-term financial plan to fund health care. Obviously the Health Insurance Fund, as you know, has provided in the past £6 million on 2 occasions to assist with the delivery of some aspects of primary care currently carried out by Health and Social Services. It may be in the future that when contracts are entered into with medical practices, which is what we intend to do, the changes to the Health Insurance Law allows us to do that, some of those could be funded through the Health Insurance Fund but at the moment - and I stress at the moment - there is no intention to increase either the current money that goes into the Health Insurance Fund or to introduce a new charge but that picture could change depending on how quickly we want to move to a modern acute service and a modern primary service.

The Deputy of St. Ouen:

Are you saying that the initial decisions, which all revolved around determining how this is funded and using the Health Insurance Fund or reinvigorating the Health Insurance Fund to help finance Health in the future is now being put to one side and other routes are being considered?

The Minister for Social Security:

What I am saying is, is that so far the Health Insurance Fund will be used for primary care purposes. It may be in the future that we will be asked to change the role of the Health Insurance Fund to cover other services than we currently provide but we have to remember that we also have the long-term care benefit coming in and that will be providing money for people to buy their own services in the community, particularly for services at home, tele care, tele health, all these buzz words that are going around. So you will be able to buy packages of care in your own home using your benefit.

[14:45]

There are aspects of the cost of an ageing population that the long-term care benefit will be able to assist with, depending at what level we set components, the rate, et cetera. So we have to be very careful not to be looking at introducing too many additional charges on the members of the public, bearing in mind we have long-term care coming in and the tax rate now for most people is 20 Means 20. If the current picture, as I see it, is that in the medium-term financial plan there should be an element of taxation that can cover the expansion of health but beyond that there may be a time when we have to introduce further charges.

The Deputy of St. Ouen:

To be clear, we use all sorts of different terms. You talk about primary care and the Health Insurance Fund is used for that purpose. As I understand it, following the Green Paper and the proposals contained within it, the whole point is to shift the greater emphasis on services provided in the community and in the primary care set. From what you seem to be saying to me is on the one hand the Health Insurance Fund is there to support primary care, on the other you are saying that you do not see it being used to help support and fund the new strategy that is being promoted and will be debated some time in the not too distant future with regards to improved services. I am struggling to put those 2 comments that you have made into context.

The Minister for Social Security:

There will be some figures in the White Paper. I explained some of the initial funding issues, there will be more information in the medium-term financial plan. Richard, you are bit more closer to the mathematics of these things.

Chief Officer:

Not necessarily the mathematics, the principles of announcements. So things will be announced in the medium-term financial plan over the first period. As you know the health strategy is going to be addressed around the first 10 years. Our current understanding - Sue, stop me if I am not going in the right direction - is that there may be some impact on Health Insurance funding over the period of the medium-term financial plan but I am expecting that more pressures will arise upon the Health Insurance Fund over the remaining period of that first 10 years. So the priorities within the period of the medium-term financial plan are not necessarily going to

impact upon primary care funding to the same extent as they will impact upon, for want of a better word, secondary care funding.

The Deputy of St. Ouen:

Can we expect that that impact over the 10-year period will be identified and included in the Health White Paper?

Chief Officer:

The way the Health White Paper is being scripted at the moment is around 7 outlying business cases. Those 7 outlying businesses cases will ... various parts of the Health Service do have implication for primary care. The piece of work that needs to be done now ... I presume you are aware of the overarching business cases that need to be developed around estates, in particular, I.C.T. (Information and Communications Technology) and others. There is one piece of work that addresses primary care and that piece of work will be done ... as I understand it, the intention is that that piece of work will be done in time for States decisions to be made around the strategy. So when States decisions have been made there will be a much clearer picture of what the Health White Paper is saying in terms of knock-on effects into primary care. From those outlying business cases certain specific measures look as though they come forward, when it is published you will understand more, but we have also got to take those specifics and say: "How does that turn into a strategy for the whole of primary care rather than maybe a specific measure about care for under 5s." So if there is a piece of work to be done that has been started, which is what we think the primary care strategy will be as opposed to care for children, that is the overarching strategy that is not complete at this stage.

The Deputy of St. Ouen:

You are participating in that?

Chief Officer:

Yes. I have had 3 meetings with Health this week so, yes, we are very much on board with all of that.

The Deputy of St. Ouen:

It is quite likely we are going to look at the proposals that Health are bringing forward. Can I ask when it is likely that some form of reliable information on finances to support the White Paper will be available?

Chief Officer:

You will have to forgive me on dates but ...

The Deputy of St. Ouen:

Maybe you could let us know.

Chief Officer:

Some of it will be in the medium-term financial plan. High level of costs I believe will be in the White Paper for the first 10 years' programme, so that will be there. But the medium-term financial plan will lay out specific numbers for the first 3 years.

The Minister for Social Security:

The situation is that it is a 10-year transition period within which there will be 3 medium-term financial plans, so the funding issues can only really be addressed for the first delivery of the first phase, if you like, the first 3 years, and then the next medium-term financial plan will probably be hitting a new States Assembly anyway, but you can then look at where Health need to go with their next stage of their transition. So each stage will be covered within the medium-term financial plan.

The Deputy of St. Ouen:

Just a final point. It is difficult to make decisions on a particular route at Health without fully understanding what the implications are. It is all very well to say: "Well, the first bit is going to be taken care of in the first 3 years and then we will come back to you with some other ideas, information." It is a bit of an odd way on that approach.

The Minister for Social Security:

It is the only way actually. It may be off but it is about the only way you can operate because you have to have a degree of certainty on income because it is only your income that can tell you how you can spend your money. You cannot predict, for example, tax income much further than a 3-year period. The third year you are probably going like that thinking, well, it could be about that level. It is very difficult. Outside of obviously revenue expenditure, which is the bigger cost, you have the need for considerable capital in expenditure as well.

Deputy J.A. Hilton:

Last time we met we talked about a review into survivors' benefit and invalidity benefit. Can you update us on any work that you have carried out on those 2 subjects?

The Minister for Social Security:

I have not seen the output yet. We have a meeting coming up very shortly with officers, but we have reviewed the current recipients of survivors' allowances, survivors' pension, and we are looking at when we have that meeting we would be in a position to see how many children might be within households, how many people might be on income support, how many people live in Jersey, the age span and that sort of thing. So it is work in hand as far as that one is concerned. Invalidity benefit, again, a review has been done and much as we expected, the majority - if not more than the majority - of current recipients are getting very close to pension age, and therefore clearly there would not be a lot of sense, if you like, in tackling that group in particular with any desire perhaps to or ability to return to employment. There are still some younger people on invalidity benefit and what we have the opportunity to do, we are talking about incentives to employers to take people on cash incentives. Initially of course we are concentrating on people who are fit and actively seeking long-term unemployed. But in the future if that is highly successful, and there is every reason why it should be, provided we can get the budget we can discuss with some of the younger people on invalidity benefit, because at the moment of course they are not allowed to work. But there may be the opportunity to talk to them about training, work experience, with a view to returning to some type of employment and having incentives for employers to take people on, working with J.E.T. (Jersey Employment Trust) and things like that. Lots of opportunities but it is a piece of work given the growth in the numbers of unemployed that we are really putting to one side

now. We have analysed, if you like, the data and it is clear that it is not a priority at the moment because so many of them are very close to their retirement age.

The Deputy of St. Peter:

We discussed last time your workload and I was just wondering if you still find yourselves in a similar position, that you are going to continue with the Discrimination Law, for example, and you intend to complete that this year, I think. Also the maternity/paternity legislation and ... there is another point.

The Minister for Social Security:

Long-term care benefit?

The Deputy of St. Peter:

Yes, thank you.

The Minister for Social Security:

Yes, you are absolutely right. I did stress last time the volume of new pieces of work following up on States decisions on long-term care. We have had the change to the social security contributions, which has been quite big, and there is still some more work to be done there. I would say our officers are working above and beyond the call of duty. I am amazed when I get emails at very strange times of the day and weekends, so officers are still working. We probably could do with more resources, certainly in policy. I have said that from the outset. The only one I would say, if we have not made it clear, maternity and paternity is not going to be looked at this year because we have put Discrimination Law as the priority because that is what the States instructed us to do. A lot of work has been going on with the Discrimination Law. We have had meetings with an expert employment lawyer from the U.K. (United Kingdom) who is assisting us with coming to a draft law, which we are working with the Law Draftsman.

The Deputy of St. Ouen:

We have spoken about a Health White Paper but obviously there is another White Paper out there, which talks about the Housing Transformation Programme and there has been quite large headlines recently about rents being increased by quite significant sums of money. I would like to know what involvement you had in those discussions and the likely impact that could have on the current system that provides support for those that cannot meet the full rent?

The Minister for Social Security:

Again, certainly the previous Minister and of course Richard has been involved all the way through, so with the development of the Housing Transformation Programme, I have obviously come in towards the end of it. I did have some input into the White Paper with Andrew. The key thing here is that anybody currently on income support will not notice any difference when their rents go up because the income support will go up at the same time; the rental component, if you like, will go up to match whatever rent the new standalone housing company charges. So the current income support people will not be affected and the Treasury will give us extra money to cover that. There will be some people who when they find out what their rent increase is going to be may fall into a category where they were on the margins of income support but suddenly need some assistance and we are doing some work around

profiling the database, if you like, to see the impact of the proposed changes. The group that we are involved with looking at, of course, is those who are not in social housing, not with the Housing Associations or with the new current States tenants. So we are working with advisers to the Housing Department who helped them with the Housing White Paper. As to the effect of private sector rents, as we move away from the link to the social housing rents, as the cap, the issue at the moment is that approximately half of our current income support households who are living in the private sector are having to use part of their other components to top up their rent cost, their actual rent cost, so we are not providing sufficient ... because we are using Housing's rates we are not providing them with sufficient money, so we are working with the Statistics Office to work out what is the likely level of rents by quintile, so the lower quintiles in the sort of rents they are paying, and maybe we will be able to move some of our rent components up so they do not have to find that difference. We do not believe doing that will have much affect on the actual rents in the sector because they are already paying those rents. All we will be doing is assisting them with a little bit more income support to afford the rents they are paying.

The Deputy of St. Ouen:

It sounds great that the Treasury will fund the increases but have you identified the sort of sums that may be required and also can you just confirm when that piece of work that you just spoke about will be completed because prior to getting any decisions being made on a particular selective route we will need to be clear about how any financial implications are being dealt with specifically, and the impact on the individual we are choosing to support in housing.

[15:00]

The Minister for Social Security:

The piece of work we are doing on rents in the private sector for people on income support we will have to have that ready for the same time that we debate the Housing Transformation Programme White Paper so that is towards the end of summer, I think, is when that is going to be debated. So our piece of work will be ready at the same time. I am sorry I have forgotten your other question, James.

The Deputy of St. Ouen:

It was the funding and how you identify or estimate the increase that you will require from the Treasury to help fund the changes.

The Minister for Social Security:

I have a figure in my head of £7 million but I will be corrected if I ...

Chief Officer:

That is the figure I have in my head as well.

The Minister for Social Security:

Good, we are both agreed on that then.

The Deputy of St. Ouen:

You have reassurances from the Minister for Treasury and Resources that that ...

Chief Officer:

It is circular, the working model will work. It will essentially be the external organisation that is Housing will be required to return an extra £7 million to the Treasury and that money will be made available into income support, rather as it does now.

The Deputy of St. Peter:

It is £24 million at the moment, is it not, I think.

Chief Officer:

The numbers do change.

The Deputy of St. Ouen:

Slightly different to how we had it explained to us.

Chief Officer:

Maybe I am wrong then. **[Laughter]**

The Deputy of St. Peter:

We seem to have discussed 2 circular flows with funds today, Health and Housing, but it is probably a good place to leave it for today. Thank you very much for your time. It is much appreciated and it has been very interesting and useful for us.

The Deputy of St. Ouen:

We would appreciate if you could keep us informed of progress on some of the matters that we have discussed because obviously we are not wanting to seek to delay decisions but we do have a responsibility.

Chief Officer:

Certainly on the housing one, when we have completed our piece, and the desire from our perspective is to make sure that that is debated at the same time so we do not split the decision, if you see what I mean. We do look for Health to lead on that but the implications into Social Security will ...

The Deputy of St. Ouen:

The earlier you can share some of your findings with us the better.

Chief Officer:

The employment grant period that the Minister has referred to, we can provide to you on a confidential basis ahead of announcing it if you would like to see it. Or would you rather wait and see it come down and scrutinise it afterwards?

The Deputy of St. Ouen:

Whatever you think is the most appropriate. We are wanting to obviously consider some of the major policies that are coming forward. The more information we can be provided at the right time the better.

The Minister for Social Security:

I think - Sue will correct me if I am wrong - the introduction of employment grants will be done by Order.

Policy and Strategy Director:
No, it will be M.D. (Ministerial Decision).

The Minister for Social Security:
So we will obviously, as Richard said, happy to share the paper with you. I am not sure if somebody has to call in, as such, if you wanted to. It is not like ...

The Deputy of St. Ouen:
No, I am not suggesting we do that. I am thinking more of the bigger matters.

Chief Officer:
Health and Housing.

The Deputy of St. Ouen:
There will be no coming and flowing through the system at the moment. The prescription, again that is something that ...

The Minister for Social Security:
Yes, but we stress that the employment grants, which we are talking about, and the scheme that has been put together by the Back to Work team is important, once it is agreed and finalised we need to start approaching employers and promulgating it because now is the time the economy is picking up with the season. While we are not looking to put people in seasonal jobs we are looking at definitely 12 months or more work, I think, for contracts. It is 18 months plus. This is the time not to ... we do not want to be launching it in November/December when nobody is going to be interested.

The Deputy of St. Ouen:
Anything positive you can do to help and deal with the unemployment and get local people back into jobs the better. We all support that.

The Minister for Social Security:
Thank you.

[15:05]