

STATES OF JERSEY

Health, Social Security and Housing Scrutiny Panel

Quarterly Hearing with the Minister for Social Security

FRIDAY, 17th FEBRUARY 2012

Panel:

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

Deputy J.A. Hilton of St. Saviour (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)

[13:30]

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

Thank you very much for coming to this hearing today. I would like to draw everyone's attention to the code of behaviour for members of the public that is displayed on the wall and, in particular, the following aspects of those which are that all electrical devices, including mobiles phones, should be switched to silent, the taking visual images or audio recordings by the public will not be permitted. If you wish to eat or drink please leave the room. Finally, I would like to ask that members of the public do not interfere with proceedings. As soon as the hearing is closed please would they be kind enough to leave quietly. Members and witnesses may wish to make themselves available afterwards but any communication should take place outside the building. Could we start by introducing ourselves first and then I will ask

you to introduce yourselves and state your position. I am the chairman of the panel, Deputy Kristina Moore.

Deputy J.A. Hilton of St. Saviour (Vice-Chairman):

I am the vice-chairman, Deputy Jacqui Hilton.

Deputy J.G. Reed of St. Ouen:

James Reed, member of the Scrutiny Panel.

Ms. K. Boydens (Scrutiny Officer):

Kellie Boydens, Scrutiny Officer.

Operations Director:

Ian Burns, Operations Director, Social Security.

Policy Director:

Sue Duhamel, Policy Director, Social Security.

Assistant Minister for Social Security:

Deputy Susie Pinel, Assistant Minister for Social Security.

The Minister for Social Security:

Senator Francis Le Gresley, Minister for Social Security.

Chief Officer:

Richard Bell, Chief Officer of Social Security.

Ms. F. Carnegie (Scrutiny Officer):

Fiona Carnegie, Scrutiny Officer.

The Deputy of St. Peter:

Thank you. If we could start, Minister, I think the best question we have really is what are your main objectives for the next 3 years?

The Minister for Social Security:

Well, obviously we are going to tie in our work with the Strategic Plan and because the main thrust of the States Strategic Plan covers back to work, which is obviously one of our prime activities, helping people back to work with the Back to Work programme, the issues around the housing, the Housing Transformation programme, we are involved with that. Health, we are involved with that, particularly in the primary care aspect. Immigration control, we are involved with the housing and work law and the registration. Planning for the future, we are involved with that. Long-term care benefits, bringing that into place. Looking at the pension age. So really we have a very busy schedule but obviously we have just produced our business plan for this year, which I think you have had a copy of and we are concentrating on a number of things this year, which we have promises made to the States that the department will come forward with proposals or pieces of legislation, so we have a heavy workload already for this year.

The Deputy of St. Ouen:

I suppose a question that comes to mind, and it is quite an impressive list that you have just reeled off, is how confident are you that you are going to be able to properly influence and deal with the matters you have just highlighted? It sounds a massive agenda for any department to be involved in.

The Minister for Social Security:

We have to remember that some of this work is already underway, for example the long-term care law was approved by the States last year, the primary legislation, so we are now working on the regulations to come back with regulations for things like the means test and how much the co-payment would be, and that sort of thing? For example, discrimination legislation we have taken that over from Home Affairs. There is a draft law already available which we are looking at. A lot of these things are work in progress. The Back to Work programme is the biggest for us because we are working across departments with Education, Economic Development, the Population Office, and that is taking ... we are putting more resources into that and looking at more work schemes, training schemes, et cetera, so that is a big extra to business as usual, if you like, for the department.

The Deputy of St. Peter:

What progress do you feel has been made so far in the Back to Work programme?

The Minister for Social Security:

Ian Burns has been heading up the Back to Work programme along with Richard obviously. I think we made some good steps. Obviously we are building on some of the successes, such as the Advance to Work programme, which has a 59 per cent success rate, the Advance Plus, which is I think round about 60 per cent success rate as well. We have had the enhanced work zone where we put more staff into the department assisting people to find work, helping them with work search activities, and since April we have had the enhanced work zone and the extra staff. We have helped over 600 people between April and December get back into work, specifically because of those extra activities. There is a lot of work going on. We have Workwise, which has been going for a number of years helping the people who find it hardest to get back into the workplace. We are also working with J.E.T. (Jersey Employment Trust). I think I have covered most of the areas but there is a lot of work going on in the Back to Work programme.

The Deputy of St. Peter:

There has been some media coverage in the last week about the warnings from some businesses that their jobs may be lost, large numbers of jobs. What is being put into place to prepare for a sudden influx of unemployed people?

The Minister for Social Security:

As I said, we have put extra resources into the department to cope with the current numbers, which is of course an all-time high for Jersey. We have to bear in mind the headlines last week, the company in question was preparing for the future, if you like, and obviously mindful of the employment law making sure that all staff were made aware of the possibility of compulsory redundancy, but we understand that they are also offering voluntary redundancy packages to those who might want to take them. There is very much paving the way for a possible withdrawal from the Island of that business, but, yes, I mean obviously the numbers involved are significant. It would put strains on our resources to cope if they all came at the same time, but we are already sending people from our back to work team into that business and talking to

employees and the employer, so paving the way to see what might need to be done to assist them.

Deputy J.A. Hilton:

Can I just ask you about long-term unemployed? Certainly there is real concern about the number of teenagers who are out of work and those people have been out of work for over a year. What extra special effort are you making with that particular group of people? Also can you tell me how many young people the department have employed on work placements?

The Minister for Social Security:

I would not have the last figure you have asked me for there, Deputy. Maybe one of my officers may be able to get that information. Because we recognise quite clearly that the age group 16 to 24 are finding it hardest really at the moment to find work, along with the people who have been unemployed for more than 6 months. So those are 2 main target groups for extra assistance, if you like, at the moment. We are obviously concerned that some of them are perhaps leaving school with lack of life skills, if you like, and therefore we are having to put them on appropriate motivational courses or things like that to make sure that they present themselves at interviews or when they get into the workplace that they can perform at a level that is acceptable to employers. Obviously Advance to Work is particularly helping that group with work placements. We are also looking at the possibility of a youth minimum wage. We have asked the Employment Forum to do some research on that and that research has already started by way of a survey.

Deputy J.A. Hilton:

I just want to press you on the point of placement for young people within the Social Security Department. I know in the private sector that they are doing great work in taking young unemployed people and offering them placement. It is a question that I have certainly asked, and probably other members have asked in the States, about what are States departments doing to help those young people who have been unemployed by placing them in States departments. I would like to press you on that and ask how many have you put in placements within your own department?

The Minister for Social Security:

We are working with Human Resources and other departments to place people in temporary jobs within the States of Jersey as the employer. Obviously, as you know, the States of Jersey have to contain their overall numbers so there is a question of whether they will result in a full-time job is probably unlikely in some cases, but we are working with the Human Resources Department.

Chief Officer:

The first comment, a lot of our jobs lend themselves well to the sorts of placements you may talk about from the likes of Advance to Work. However, saying that, we have over a number of years, quite naturally given that Workwise works within Social Security, taken on a number that we would be proud of but which I cannot give you right now who are former Workwise clients, if you like, to get some experience as Workwise clients in the department and a reasonable success rate of Workwise clients pursue taking up permanent employment. So very little from Advance to Work mostly because lots of the jobs are not necessarily appropriate, however a number of jobs over a number of years, particularly from the Workwise group. I will come back with numbers.

Deputy J.A. Hilton:

Okay, thanks.

The Deputy of St. Ouen:

Just sticking with Back to Work for a bit longer, in the business plan you quite clearly say you are the lead to the Back to Work programme but who is responsible for delivering a lot of Back to Work programmes? Do you do it yourselves or are you reliant on other people?

The Minister for Social Security:

We are the lead department on that. Obviously Advance to Work and Advance Plus is Education, Skills Jersey, whatever you want to call it, Skills Executive Initiative, but we have put more resources in there, we have recruited extra job coaches for Advance Plus recently and we secured funding to take those 2 schemes beyond

October 2012, which was when they would have run out. So we will be very much looking after those 2 schemes in the future.

The Deputy of St. Ouen:

Are you suggesting on the one hand you have the Education Department, quite rightly, providing all the education Advance to Work programme, but the additional resources have not been allocated to that department, they have been allocated to yours?

Chief Officer:

If I could clarify. Rather than going through processes of transferring people and money between departments given that we were asked to move quickly, while some people within the Back to Work team remain employed by other departments the lines of management and accountability are coming through the Social Security Department, so the management of those teams are now located within Social Security.

The Deputy of St. Ouen:

So you are directly responsible because you mentioned about being the lead department. Your department is directly responsible for delivering the Back to Work programme and, in fact, meeting one of the main objectives or priorities in the Strategic Plan is that you are reducing the number of unemployed Islanders and improve the skills of the local population; is that what you are saying?

Chief Officer:

Yes. We are the lead department. That lead department reports to the Chief Officers that are concerned or have, if you like, experience or a history of working across the individual teams and we collectively then report into a ministerial task force consisting of the Chief Minister, Minister for Treasury and Resources, the Minister for Social Security, the Minister for Economic Development and the Minister for Education, Sport and Culture.

The Deputy of St. Ouen:

How do you make sure the Education Department, for argument's sake, who are also responsible for the career service, are delivering the programmes and have sufficient resources and manpower to provide the appropriate programmes?

Chief Officer:

Because the management of each of those teams is all located within a single room in the Social Security Department working together to deliver those programmes. We are working as a team so as and when we collectively identify that more resources are needed, and that has been the case with Advance Plus, then we collectively made the decision the money that is committed by the Treasury will be available this year.

The Deputy of St. Ouen:

One final question: where does the Skills Board fit in to this arrangement?

The Minister for Social Security:

The Skills Executive met with the Skills Board a couple of weeks ago and obviously that was the first time I attended it as a Minister, similarly for the Minister for Education, Sport and Culture. I think we reached an agreement with the Skills Board that they were very much about developing ideas for education and working with employers for the future but existing schemes such as Advance to Work and Advance Plus were really being handed over to, while essentially funded by Education, Sport and Culture, they were coming more under the control of the Back to Work programme because clearly we need to have hands on control of those 2 programmes, so the Skills Board have stepped aside now. They created the idea, they developed it, but now it is very much being run by the Back to Work programme people.

[13:45]

The Deputy of St. Ouen:

Is it the department's intention and this new group that you set up, to oversee all vocational or educational type programmes to improve the skills of our local workforce to reduce the unemployment and match the requirements of jobs?

The Minister for Social Security:

Not for the Back to Work programme. We are very much about short term getting people into work. We are not about thinking of education in the schools. That will remain with the Skills Executive and with the Education Skills Board, but the 2 schemes we are talking about primarily are they were going to be short-term schemes, they are now needing to be long-term schemes, but they really are about finding work for people who are currently unemployed. So it is different to deciding whether you need more vocational courses in schools or whatever. All of that is being thought about and being implemented but that is not coming under the Back to Work programme.

Deputy J.A. Hilton:

Can I just ask you a question around low income support? I see in your 2012 business plan that you intend to review income support and also I was wondering if you could tell us, you talk about another tax-funded benefit to consider savings. I am not sure what your C.S.R. (Comprehensive Spending Review) savings are, but can you just give us some idea about where you are with that review and what benefits you feel that you might be looking at in an effort to reduce the amount that is going out?

The Minister for Social Security:

The income support review is an ongoing review. We made some changes last year in connection with the actual time before we take steps to reduce income support. We made some changes there. We also removed income support from young people under the age of 19 who do not live in an income support household, shall we say. We have also looked at the work incentives within the scheme as well. This year we are really concentrating on working with housing, on the Housing Transformation programme in relation to rents and the funding of rents through income support. We are also looking at, with taxation, the crossover between the disregards within income support and the tax thresholds, so there is work going on in that area as well. Really, income support is constantly being reviewed, in all honesty. You do not just stop because it is the sort of benefit that has to be reviewed regularly. As regards C.S.R., we hope to find some savings within income support but it is not an area that there is much fat, shall we say, at the moment. In fact the budget obviously is growing. The other tax-funded benefits, again there is not much room for finding savings within those, so we are looking at some of the benefits that are funded by the Social Security

fund, and so we are doing a review of survivors benefit and invalidity benefit, and there may be a way that our savings can be identified through reducing or changing the arrangements for those 2 benefits.

Deputy J.A. Hilton:

With regard to invalidity benefit, can you give us some indication of the numbers of people who are claiming that, whether they are resident on/off-Island and the sort of sums of money involved in that?

The Minister for Social Security:

This is all from memory. I think there are just under 1,000 current recipients of invalidity benefit. These were people who were in receipt of that benefit before October 2004 when we changed the benefit system to introduce short-term and long-term incapacity allowance. They were left on that benefit unless their illness at that time should change and they were diagnosed with some other illness, in which case they might be reassessed under the new benefits. The actual amount being paid out I think is in the region of £10 million, somewhere round there in total.

Policy and Strategy Director:

We do not give a separate figure for invalidity now, it is incorporated with the L.T.I.A. (Long Term Incapacity Allowance). We would have to give you the figures separately.

Deputy J.A. Hilton:

Have you any idea what percentage of recipients live outside of the Island?

The Minister for Social Security:

I think it is about 11 per cent roughly.

Deputy J.A. Hilton:

I am just trying to get an idea of how much money is going outside of the Island in this benefit and you are confirming that that is a benefit you are going to look at?

The Minister for Social Security:

We are going to look at the whole current recipients. What we need to do to assist some of those people, perhaps they are now ready to return to work in some shape or form, the younger ones anyway who are still on that benefit. What we can do to assist them, whether it is retraining or new courses, we need to really spend some time working with those people to see if we can assist them in any way.

Deputy J.A. Hilton:

Do you feel as a department you have the resources to target those people who have been in receipt of long-term benefits?

The Minister for Social Security:

The important thing for me is we must not forget them. It is all well and good to be concentrating on somebody who was made unemployed last week or the next week, but these people have, in my opinion, been somewhat neglected. We are putting into place, as I said, to you before, the Back to Work programme, all these initiatives, all these extra courses. It is on the back of that, that we can perhaps look at some of these people and say: "Right, we have these facilities in place. Hopefully the numbers of unemployed will start to reduce in 2013, 2014, we will have done our review by then, we will have spoken to a lot of these people and we may be able to bring them in on some of those schemes, whether it is Workwise or J.E.T. or whatever is appropriate.

The Deputy of St. Peter:

Just going back to your comments about the ongoing income support review. What are your thoughts on the capping debate that is going on in the U.K. (United Kingdom)?

The Minister for Social Security:

Are you talking about the 26,000 in the U.K.?

The Deputy of St. Peter:

Yes.

The Minister for Social Security:

We have not done any figures or research into that ourselves. Our benefit is different anyway from what they are talking about in the U.K. because, if you recall, we have combined 14 different benefits to produce our income support benefit. Obviously a big proportion of that is the housing component that people receive, they rent towards the cost of their property, and we have the impairment components within that. Really you are not comparing like with like and we have not discussed anything like caps on particular benefit households.

The Deputy of St. Peter:

If we could go to the proposition that was lodged today. I presume that you or the department will make a comment, but what are your initial feelings about the prescription charges being reintroduced?

The Minister for Social Security:

Well I only downloaded it this morning, like most Members perhaps we have not had actually officially received it. I have to be honest with you, there are 18 pages and I have not read the whole report because I have not had time in preparing for today's meeting. I have not had time to read it all. You asked me for my initial thoughts. It is asking us to review whether we should reintroduce prescription charges. I think we are always mindful that that is something we need to look at. In that sense, I think we may be in accord there that we always need to consider whether it was the right decision some years ago, 2008, I think it was, to do away with prescription charges. Insofar as the extra assistance to people on income support to do with medical costs, we are mindful that since H.I.E. (Health Insurance Exemption) was done away with when we went into income support that some people have found it hard to budget for their G.P. (general practitioner) bills. Each income support household within their personal component or their household component, one or the other, there is an allowance for up to 4 visits per year. I appreciate from my previous background that it is not easy for some people to put that money aside so that when they do have to go to the doctor they have it readily available. There was, in my view, a value in offering household medical accounts, which is how we started out with the people on ealth Insurance Exemption. The difficulty the department had was that some people, depending on their illness, would need in a short space of time, a lot of visits because of the treatment required or home visits, whatever, and so the money in the H.M.A.

(Household Medical Account), if you like, quickly became overdrawn because they had not put enough money in. At the end of each year there was a question of what do we do with these balances? Do we clear them out with a grant through special payments or do we ask the income support household to make a contribution towards the excessive, in some cases, perhaps G.P. visits? It is something that we are looking at and we have not yet got a new policy on it. I have been told that if somebody really insists on having a household medical account because it would really help them with their budgeting, or whatever, we could provide one. But it is an area that needs to be looked at. I am not sure I agree with what Deputy Southern is proposing, that all this would be free for income support households. You have to bear in mind that some people dip in and out of income support, depending on when they get work, and I think a blanket if you are on income support everything is going to be free is perhaps not the right way forward.

The Deputy of St. Peter:

Have you considered the operation of a season ticket formula for, say, older people or young families who do, out of necessity, tend to visit the G.P. more regularly?

The Minister for Social Security:

I am not quite sure of a season ticket, but what we are working with Health on the Green Paper, White Paper, on the review of the health service, clearly primary care at the moment is the responsibility of Social Security working with G.P.s. There is a sense in perhaps if somebody has a particular illness agreeing a fee for the treatment of that person with the G.P. practice, so that they monitor their health throughout the year, having agreed that fee then that would be all the money they would receive for that year for treating that particular person. There could be perhaps £200, £300, I do not know the figure. That way it would be very much the G.P.'s decision as to how often they need to see somebody and how they deal with the treatment of their condition. Whether that is exactly what you were describing, Deputy, I am not sure.

The Deputy of St. Peter:

That is a different way of looking at it. It is something that a parishioner highlighted to me the issue. Older people visiting the G.P. it can be quite onerous and the cost

deters people from making a visit, so I was interested to know whether you were looking at finding alternatives to cross that barrier for certain people.

The Minister for Social Security:

I think we have a great opportunity in reviewing primary care in Jersey and innovative in how we deal with patient care in the community rather than just giving a payment for each time somebody goes to the doctor to actually look at different ways of working with G.P. practices in the care of people in the community.

The Deputy of St. Ouen:

Who is going to ultimately determine the primary care and how it is funded because it seems to me that at the moment we have all sorts of different departments involved in different aspects of the delivery of a number of programmes? I suppose what the public want to know is who is going to be responsible to deliver the primary care? Is it your department, Social Security, or is it Health and Social Services?

The Minister for Social Security:

I would respond to that to say I do not think the public care who delivers it as long as it is the best quality and cheap. They do not care.

The Deputy of St. Ouen:

I disagree, but anyway.

The Minister for Social Security:

I would suggest that as long as the service is reliable and quick and produces results that they are expecting then they do not really care whether it is funded by Social Security or Health and Social Services. The position at the moment, of course, is that the Health Insurance Fund, which pays for the G.P. visits, and the pharmacy dispensing, is under the control of the Minister for Social Security and, as you know, we have allowed £6 million in 2 years to be passed across to pay for some primary care services provided by the hospital. That was a one-off or two-off, if I can call it that. The new medium term financial plan makes it quite clear that we will have to find a way of replacing that £6 million for Health. How that is done, I do not know but my own feeling is that a Health Insurance Fund should not necessarily be the

source of replacing that £6 million in the future. What I do recognise though is that some of the services that will be passed out of hospital permanently into G.P. practices or to pharmacies could, under contracts, be funded by Social Security, if we still have control of it, through the Health Insurance Fund. But all of this is part of the Green and White Paper and there is still much debate to take place.

The Deputy of St. Ouen:

The Green and White Paper is a Health paper and it is clearly, at the moment at any rate it seems, to be Health's responsibility to ensure that they provide and meet the expectations of the public.

[14:00]

The public, I think, and I come back to the first point I made, where the public interest does come in is that if the services are not delivered in the way that they would expect, I anticipate, they want to know who to look at to sort it out, and I think that ... I suppose that is the underlying point of my question, is that are you, as a department, going to be and take responsibility for the delivery of primary care and what is required and provided by the doctors or is it Health, which it seems to be at the moment.

The Minister for Social Security:

I was picked up on the *J.E.P. (Jersey Evening Post)* yesterday which said that the Chief Minister next week would have been in office for 100 days. Like the Chief Minister, next week I will have been in office for 100 days and there is a group that is meeting, and I cannot remember the name of the group because there are so many groups. But it is overlooking the White Paper issues and it includes the Minister for Social Security. They have not had a meeting since I have been appointed Minister so I have not attended one yet. I cannot tell you now because I do not know what the views are around the table of that group as to who will deliver what services. We have a meeting I think next week, there is certainly one coming up very soon and then obviously I will find out more. But I have not seen any papers so I do not know what is being proposed. I can only express my own view is that at the moment I would

need strong convincing that the Health Insurance Fund should be moved across to Health and Social Services.

The Deputy of St. Ouen:

Obviously as it does become clearer to the various different departments and Ministers it will be something that certainly we would be interested in knowing more about.

The Deputy of St. Peter:

It seems that it is not dissimilar to the situation we have with Housing in that there is money circulating around from a department to the Treasury and then back to a different department, which is perhaps something that could be reviewed as a whole. Can we move on to the business plan and you say you are planning to review the survivors benefit. We talked about this earlier, but do you have a timescale?

The Minister for Social Security:

This came about as a result of a private Back-Bencher's proposition, which was myself, last year which asked the department or asked the Minister at that time, to carry out a review of survivors benefit. I asked that that be done, I think, in the original proposition by the middle of this year. Obviously that timescale is very tight. We will hope to do this review during 2012. Again, it is a bit like the review of the invalidity benefit. It is about looking at what we are providing, whether it is comparable with other countries, because when I did my initial research there was no clear evidence that other countries had quite such a generous scheme. The fact is, and in this particular case, about 44 per cent of the recipients do not live in Jersey who are in receipt of the survivors benefit. That is a significant number of people and we currently have reciprocal agreements, so we have to be mindful that whatever we do we have to honour our reciprocal agreements. But it is something that needs to be looked at, in my opinion, and that will take place this year.

The Deputy of St. Ouen:

Can you just confirm, is it 44 per cent of all recipients ...

The Minister for Social Security:

The survivors pension, which is the bulk of it, because the first few year the survivors allowance is only for one year and then people move on to the survivors pension. They can carry on receiving that until they reach retirement age, as long as they do not cohabit or remarry. My view is that people who live overseas it is very difficult to monitor that and therefore there could be abuse of the system.

Deputy J.A. Hilton:

Can I just ask you a question around fraud? I know every now and again we read cases that have been taken to court and everything, how many people do you employ to look at potentially fraud cases? Whether you feel that you are directing enough resources or maybe you do not see it as a problem, what is the evidence suggesting to you, that you are aware of?

The Minister for Social Security:

I do not have the exact figures at my fingertips, and I may ask Richard to respond to this one, but it was ... we increased the number of officers investigating fraud as part of the C.S.R. saving initiative for 2011, I believe, on the basis that we believe they would easily cover their salary and also produce savings for the department by being quicker to pick up on fraud. Obviously we have had the anonymous telephone line you can ring, you can also email the department. Richard may have some more figures, which I do not have.

Deputy J.A. Hilton:

I am curious whether the cost of the officers has been covered and you have produced savings as well?

Chief Officer:

Yes. The target that was the C.S.R. target on top of the cost of the officers has been over achieved for 2011 and we will set the same target or maybe a more ambitious target for the coming year. The jury will be out on how many more staff you would take on to the point at which you did not cover your costs, but to date it has been successful in achieving what it was there to achieve. What it also achieves that you cannot count is how having a campaign, if I can come back, it is not all about fraud. It is just reminding people also of their responsibilities to let us know about change of

circumstance. So there is an advantage there. We believe that the campaign being undertaken will reinforce the need to make sure individuals do not inadvertently slip into not telling us of a change in circumstances, which could become quite difficult for them in the future.

The Deputy of St. Ouen:

It seems rather strange that something as basic as monitoring payments and ensuring that you limit fraudulent activity and other activities in that regard are only just being introduced, relatively recently being introduced, and then considered to be a saving rather than just a department delivering and managing its services appropriately. How would you respond to that comment?

The Minister for Social Security:

I think these officers are primarily looking at income support recipients, and income support was only introduced in 2008, so we responded in ... I guess we made a bid in 2010 for extra officers to monitor possible fraud. I think we have reacted because obviously I think the Parishes, when they had welfare, had people who used to check up on people and I think with 6,500 or so recipients or households receiving income support it is inevitable that you would have to have procedures in place to monitor. We are not saying we are policing it but it is important that, as Richard said before, the public are aware that we are alert to possible fraud and we will investigate it. That, in itself, is a deterrent because obviously we might recover some money from somebody who has committed a fraud but the people who come to us and tell us that their circumstances have changed means we pay out less income support, so we are creating a savings by having the warnings out there with the public.

Chief Officer:

It would be quite wrong to suggest that we do not monitor claims. We have a number of ways in which we can monitor claims, particularly in respect of things that people have not told us about, which do not necessarily come across our desks, and they are not, in some cases, things that we have not previously had to monitor and the 2 areas are undeclared earnings but, in particular, cohabitation. There have been areas that we would previously look at that have been snapped up to address wrong contributory benefit and contribution aspects but additional people being employed for, in

particular, the fraud campaign which creates work coming back from members of the public in respect of income support.

Deputy J.A. Hilton:

Just going away from that now. Discrimination legislation, it was mentioned briefly before, and I know it was transferred to your department, I think it was last year, from Home Affairs. Where are you with discrimination legislation? Where does it feature in your work programme and are you confident that you are going to be able to deliver something this year?

The Minister for Social Security:

We are working on primary legislation, which we hope to lodge before December, I would say. We are involving expert outside advice, if you like, to guide us through. The initial feelings are that the draft law that was prepared for Home Affairs may be fit for purpose but it may need some refinement, so we are working with an expert in that field who will give us some guidance on that. Once that is approved and obviously goes through the process of the States, et cetera, it will then be followed up by regulations in which particular areas we want to have discrimination, whether it is age, sex, race, disability, whatever, we would introduce those gradually on the basis that they will have implications on employers plus they are good things to have in the workplace. We have to be mindful that I think it is 70 per cent of businesses in Jersey employ less than 5 staff and very tight employment regulations in relation to discrimination could make it difficult for employers to operate, so we need to consult with them, but we have to ... certainly my priority would be sex discrimination because we want to introduce family friendly legislation in relation to maternity/paternity leave. We are working on that this year. Clearly you cannot have maternity laws if you do not have discrimination laws in that area. So the 2 go hand in hand really.

The Deputy of St. Peter:

We are going to come on to that. It leads me very nicely on to the next subject. You mentioned maternity/paternity leave. I remember interviewing Senator Le Sueur when he was the President of Social Services about when he was going to bring in part 2 of the employment law, so sometime - we were trying to work it out earlier - it

is probably about 8 years that has been waiting and I think at the time he told me: "Oh, maybe next year." Why has there been such a delay and are you really going to achieve it this year?

The Minister for Social Security:

I cannot speak for previous Ministers, that is impossible why there has been a delay. My own view is similar to yours, Deputy. In my old job I used to say in a modern society like Jersey why have we not got maternity leave, in particular? I think people who come over from the U.K. are very surprised that it is not in place. Whether we will achieve today the target of bringing a piece of legislation to the States ... I have to say we were concerned when we were given discrimination legislation that we could not do the 2 this year but by involving outside assistance and advice we may well be able to deliver maternity and paternity draft legislation to the House this year. That is our target anyway.

The Deputy of St. Peter:

In the business world I am sure over time there have been many consultations and you have received lots of feedback.

The Minister for Social Security:

The Employment Forum is the body that we use to consult with employers, employees, representatives of employees as well. They have done various pieces of work on family friendly legislation and no doubt when we fine tune what we are proposing to do we would ask them to do a further consultation exercise with employers and employee groups.

The Deputy of St. Ouen:

You mentioned earlier, and we are very grateful that you have provided us with your 2012 business plan, and I appreciate that it is not a finalised piece of work. I think coming back to the comments you just made and the points you made earlier, you have a seriously big agenda and I look at your business plan and there is a lot of items that you are planning to do in 2012 but you do not identify when in 2012. I do not know how you are planning to manage the way it is reviewed or different programmes of work but I would hope that prior to this being finalised you could identify and be

more specific about when these pieces of work will be finished. Is that your intention?

[14:15]

The Minister for Social Security:

Obviously within the department each officer, I would imagine, has his own tasks and target dates, particularly in the policy section, which of course is run by Sue, but the one that we have made a sort of commitment to the States of Jersey and also the public is to come back in the second quarter of 2012 with the regulations for the long-term care benefit. That is a target we are trying very hard to work to. The reason for that is that although the law will come back from the Privy Council - it may already have come back, I am not sure - if we are going to start collecting the new contributions we would like to do that from 1 January 2013 and we would also like to think that the first recipients of that benefit will be from July 2013. Those are tough targets and we will have to work quite hard to meet those, but that is very much our intention. As regards other pieces of work, I mean the Chief Officer and the Head of Policy would have said targets within their areas and with individual officers.

The Deputy of St. Ouen:

Why are those not ... I mean for argument sake you have got commence a review on survivors benefits some time in 2012, according to this, no date; complete review in pharmacy remuneration and the Health Insurance Bill, again 2012, no date. If you are saying to us that there is a proper work programme in place and officers know when they are expected to do a certain project I suppose my question is, is it not possible to identify those dates within your business plan so that it gives members of the Scrutiny Panel, the public or anybody else for that matter a clear idea of when to expect completion of the particular matters.

The Minister for Social Security:

I will counter that by saying workload does depend on what States Members produce and I was probably as guilty as most when I was in the States for asking questions and also lodging propositions. But, for example, we have a proposition lodged today which will divert efforts from working to that schedule, therefore it would be unfair

for us to say we will deliver something by March, then we get a piece of work, which we were not expecting and it landing on us to prepare a response to, so any short-term target that is a one-year plan. If you wanted us to finalise it down, “By the end of the March what are you going to do?” If we get, as I say, 2 or 3 propositions of the type that came today plus States Members questions then that will throw us completely off target, so our targets will disappear.

The Deputy of St. Ouen:

I would just like to say though, Senator, that I am aware of your background and I mean you have been responsible for a commercial bank and you are well aware that timescales are required and a manager, a person that is responsible for it, should allow for eventualities of all sorts of different shapes and form, but ultimately that manager will be held to the timescale that he identified. I suppose all I am saying to you ... and I understand and appreciate that there are things that you cannot plan for but it would be useful if you could identify whether it is first quarter, second quarter, third quarter, whatever, within your business plan when, as I say, we can expect these things to be done. It is not a case of wanting to necessarily hold you to account, it is just to have some comfort that there is an end date for a particular project that is being undertaken by your department.

The Minister for Social Security:

The officers are here, that is something we can discuss and come back to you if you wish us to with perhaps a more finite business plan. But I know, and again I am going by what I was informed but I can see exactly what happened is you were talking before about family friendly legislation and why that is taking so long. When the States decided in the F.S.R. (Fiscal Strategy Review) that year to introduce the 2 per cent contributions by employers over the lower threshold it created a lot of work and there is still another piece of regulation hopefully going through the States next week. That was part of an F.S.R. target, if you like, to introduce that. All it is doing is reducing supplementation, i.e. taxpayers' money. It did not actually help the Social Security Department particularly with any of our business plan or our strategic objectives but it had to be done. The States decided and it was put forward as a way of another form of taxation effectively. But all the work involved in changing the Social Security law and introducing a new form of contribution collection, et cetera,

does disrupt what you may well have planned to have done last year. So there are all these unexpected things. You made the comparison there, Deputy, with running an office and you are right. You do hold people to account in running an office but you do not, unless suddenly a brand new piece of business appears from a different country and you think, "Right, we have all got to throw everything into doing this", mainly workflow is fairly steady but I can assure you what I have learned so far in the Social Security Department that workflow can be, particularly working on policy, thrown completely out of sync with what you might have hoped to have done in a particular period. We will, and I am sure we can produce a more finite timetable, but I do stress that we are ... the States will and States Members will often spoil what we plan to do.

The Deputy of St. Ouen:

I hear exactly what you are saying. I just want to pick up the point because I think it is an important point, you just told us that we are going to do a Back to Work programme, the healthcare strategy is going to be delivered, and so on and so forth, this is all going to happen in 2012. You are absolutely right to highlight the fact that it is dependent on first of all whether there is additional work that is going to be put your way. There is also an issue, I think, which still needs to be addressed is whether your department is able to properly and appropriately deliver everything that you have identified to be delivered in 2012 at the time, and so there are 2 issues that I think I would hope that can be looked at. Whether it is in States management generally or work is that you highlight the fact that actually if we are going to be tasked with doing this piece of work this, this and this, it is going to fall behind. We are not going to be able to deliver and it would allow States Members generally, if nobody else, to consider the implications of what they are doing and what they are proving and when.

The Deputy of St. Peter:

Following on from the publication of the review by the Government Actuaries Department you announced that you did not anticipate making any further increases to contributions in your term. Do you still agree with your points you put forward then, having given it further consideration?

The Minister for Social Security:

That announcement was based on the advice of the Government Actuary and in the report that the actual Social Security fund reserve was building up surpluses to the extent that by 2019 of the current contribution rate of 10.5 per cent between employer and employees that we would have 5 times the amount that we pay out in any one year, built up currently at 4 times over the next 7 years, to 5 times. The States have never made a decision as to how big this pot needs to grow to. We were told that in the U.K. the National Insurance pot is only worth 6 months of pensions so we are looking very comfortable working towards 5 years. Do we want to go to 6 to 10 years, I do not know, the States have never made that decision. The reason I made that announcement is because that report was in a different time zone. It was a report to the end of 2009. Since then we have had the census, which of course is a really crucial piece of findings, if you like, which while the Actuary try to take them into consideration in making his presentation, his report did not really take into consideration the new census figures and the fact that he is seeing quite a large migration of younger people into the Island who of course affect the ageing population situation, et cetera. As a department and in speaking to the Actuary, the next review is due at the end of December 2012; we have agreed to give that priority with the Actuary. The Statistics Office are working on a population model for Jersey, which they will be able to project forward how the population may or may not grow, and armed with that information we hope to come back with a new Government Actuary report by the end of 2013 because that work is primarily done by the Actuary. On the basis of that new report we will know much more clearly if we do need to start gradually increasing contributions. It would be foolish to do anything until we have got that new report. But the other caution, and Deputy Reed is well aware, I mentioned this at the meeting, we have to bear in mind we have told the public that we will be introducing contributions for long-term care starting in 2013 and we can only put so much on people at a time when they are having pay freezes or even reductions in pay. To my mind, it is a sensible thing to allay any concerns about an immediate increase in Social Security contributions at a time when the fund is growing all the time. My only caveat on that is we still have to debate Senator Breckon's triple lock proposition and the indications there are that over a 30-year period we would need an increase in contributions of about 1.7 per cent. If that should be approved by the States when it is debated then I would have to review about

whether we start an immediate increase in contributions to cover that triple lock situation.

Deputy J.A. Hilton:

With regard to long-term care, is there any decision on what work you have been doing around the amount of the percentage increase, which obviously you are going to bring into force in January 2013, presumably? Who is going to be contributing towards that?

The Minister for Social Security:

This is work going on in the department at the moment. Obviously preparing for a proposition with regulations. When the previous Minister lodged his proposition to introduce long-term care law in his report he suggested that the early findings were that the contribution would need to be 1.5 per cent on employees. It would not be on employers, only on employees. There would also need to be a contribution from pensioners who perhaps have income above the pensioners' tax threshold, so it would not just be a fund built up from people in work but also pensioners who are fully paying tax, I would say probably. As to whether there is any exemptions from that, that is something we are considering whether people on lower incomes might be exempt if they are on lower incomes. I do not think we have come to any firm conclusions on that and we are talking to the Tax Department as well because it does make sense to marry, if we do bring in any exemptions, such as I suggested for pensioners who do not pay tax, we need to be working with their thresholds and looking at how we work the new benefit with the tax system as well.

Deputy J.A. Hilton:

Can I just ask a quick question over the dental scheme, the review that you were going to do into dental care?

The Minister for Social Security:

Another review.

Deputy J.A. Hilton:

That is exactly what I was thinking. It is in the business plan, it is another review, 2012, how much work have you done on that? How far have you got? When can we expect to see something?

The Minister for Social Security:

I am aware that one of our policy officers has been given this as a task. We are reviewing the payment of dental fees within the income support scheme special payments already. It is ongoing work. I mean we are consulting obviously with dental practices, the Jersey Dental Association. There will have to be quite a wide consultation before we come back with any proposals.

The Deputy of St. Peter:

I think that brings our hearing very neatly to a close. Thank you very much all of you for attending.

[14:29]