

STATES OF JERSEY

Health, Social Security and Housing Panel Quarterly Hearing with the Minister for Social Security

FRIDAY, 28th SEPTEMBER 2012

Panel:

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

Deputy J.G. Reed of St. Ouen

Witnesses:

Senator F. du H. Le Gresley (The Minister for Social Security)

Deputy S. Pinel of St. Clement (Assistant Minister for Social Security)

Mr. R. Bell (Chief Officer, Social Security)

Mr. I. Burns (Operations Director, Social Security)

Ms. S. Duhamel (Policy Director, Social Security)

In attendance:

Ms. F. Scott (Scrutiny Officer)

[13:30]

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

Good afternoon and thank you very much for joining us for this Health, Social Security and Housing Scrutiny Panel quarterly hearing. We will start off respectfully reminding the members of the public, thanking them for attending again and reminding them of the code of behaviour, which I know they will all observe very kindly for us. We will kick off by introducing ourselves. I am Deputy Kristina Moore, the Chairman of the panel.

Deputy J.G. Reed of St. Ouen:

Deputy James Reed, panel member.

Assistant Minister for Social Security:

Deputy Susie Pinel, Assistant Minister for Social Security.

Policy Director, Social Security:

Sue Duhamel, Policy Director, Social Security.

The Minister for Social Security:

Senator Francis Le Gresley, the Minister for Social Security.

Chief Officer, Social Security:

Richard Bell, Chief Officer, Social Security.

Operations Director, Social Security:

Ian Burns, Operations Director, Social Security.

Ms. F. Scott (Scrutiny Officer):

Fiona Scott, Scrutiny Officer.

The Deputy of St. Peter:

I give the apologies of Deputy Hilton; she is unfortunately unable to attend today due to illness. So we would like to start by discussing the draft Discrimination Law, if we could. Could you just inform the panel please, Minister, where you are at with this draft legislation? What progress has been made, please?

The Minister for Social Security:

Yes. We are at the stage where we have a draft law, which we are consulting with a number of groups. We have a meeting on Monday and, taking feedback from the consultation, we will do any final changes to the draft law. It has to go through a human rights check or audit and, subject to that being done by the Law Draftsman's Department, we hope to either get it lodged before the end of the year, which was our target, or certainly in the first few weeks of January.

The Deputy of St. Ouen:

Could I just ask, you say that consultation has taken place with a number of groups. Could you identify which groups?

The Minister for Social Security:

I can give you a list of the groups if that is what you would like me to do. I do not have the list here. They are in the main people who have kept in touch with us in the stages that this draft Discrimination Law has been ... it has taken about 12 years to get where we are. So you have J.A.C.S. (Jersey Advisory and Conciliation Service) obviously is the main people that we have been dealing with in particular we have the employment law lawyers in Jersey who have their own group; Community Relations

Trust; Human Resources, that is a States department; those are the sort of groups. We do have a list, we can provide you with a list. We have also sent the law out to various groups, the Chamber of Commerce, et cetera, for them to have a look at it.

The Deputy of St. Ouen:

Out of interest, you mentioned a couple of professional bodies there. One thing that comes to mind is the legal profession and certain individuals that are very aware of discrimination issues. Have they been and are they being fully involved in the consultation?

The Minister for Social Security:

We have kept it down to a select group because the technicalities of the draft law is quite complicated. We have written to your panel, as you know, and sent you a draft of the law. If your decision is that you wish to scrutinise this piece of legislation then obviously we will, in a sense, hand the scrutiny of it over to you. If you decide that you are not particularly minded to scrutinise it, we will probably have to do further consultation. So we are very much in your hands as far as your decision on whether you want to scrutinise this piece of legislation. But our instruction from the States was to lodge this piece of legislation by the end of 2012 and we have been working very hard to meet that deadline.

The Deputy of St. Ouen:

It was an interesting concept when you suggest that scrutiny can sort of, if you like, complete the job for you. But the reality is that obviously, as you are well aware, we have limited resources and it is important, I suppose, especially with this type of law which deals with discrimination at all sorts of different levels I would presume, that we do get, or you are provided with as a department that is promoting it and will be ultimately proposing it, proper and considered legal opinion as to how appropriate it is and whether it does meet the requirements of not only the States but the Island as a whole. I understand the Law Officers are involved, but one would presume that you are not just relying on Law Office advice in that regard.

The Minister for Social Security:

No, obviously we are working with the Law Draftsman's Department, but we are receiving expert advice ourselves from a U.K. (United Kingdom) lawyer experienced in employment law. So he has been helping us all the way through.

The Deputy of St. Ouen:

All right, and if, as a panel, if we do determine that this is a particular area that we need to review, and it might be, presumably all that sort of advice would be made available to us?

The Minister for Social Security:

I would imagine that would be the case. I have no reason to believe that we would want to hide anything from you.

The Deputy of St. Ouen:

Thank you.

The Deputy of St. Peter:

Thank you. That is certainly food for thought and perhaps not a decision that we can make immediately. It would need some consideration. But we need to overcome our current workload before we are able to give it more consideration. That should happen within the next week or so. So it is definitely something that is very much on our agenda. Having said that, I think perhaps it is useful to hear who has been providing you with advice at the moment because obviously that would close an option to ourselves. We would have to go elsewhere and we have perhaps people in mind who might be able to do that piece of work if we were to undertake it. So we maybe need to correspond with each other.

The Deputy of St. Ouen:

Can you just identify perhaps some of the likely implications that the instruction of a discrimination lawyer will have on the way that our current laws are constructed or arranged and some of the policies that we have in place?

The Minister for Social Security:

I think that is quite a difficult question to ask me. What we have done is come up with a discrimination law that will only deal initially with the characteristic or attribute of race. The other characteristics such as sex discrimination, age, disability, are characteristics that we would look at in subsequent months or years ahead, but particularly sex discrimination would need to be married with the work that we are doing on family-friendly legislation, for example, to introduce maternity rights and things like that. When the Home Affairs Department were looking at this law, that was before the Equality Act came into place in the U.K., which substituted lots of

previous pieces of discrimination legislation. So we have had to change the law, with the help of our expert, to reflect the changes in the U.K. with the Equality Act. So it is significantly different from the draft piece of legislation that was circulated back in 2008, I believe, by the previous Home Affairs Department. It is significantly different. We believe we have simplified it considerably. I think, in answer to your question, we are endeavouring to bring Jersey up to U.N. (United Nations) protocols, codes of practice, or whatever. We are behind when it comes to having the lack of discrimination legislation in our Island and this is something that will affect particularly our finance industry perhaps where they are being challenged on what laws pertain in the Island. If we do not have a discrimination law that could be regarded as something that we should be really getting on with and, yes, there will be obviously an impact on employers, but initially, because we are just dealing with the attribute of race, I do not envisage that it will place a great burden on employers.

The Deputy of St. Ouen:

So, are you suggesting that the draft Discrimination Law will be brought in in sections and the first focus will be on employment matters, then deal with other areas?

The Minister for Social Security:

Discrimination would tend to arise mostly in the workplace and so obviously the law allows for that situation occurring where we would be using the Employment Tribunal, which would change its name to the Discrimination and Employment Tribunal, to deal with most of the cases that might arise in the workplace, because that is where it is most likely to occur.

The Deputy of St. Ouen:

Just following this through on the development, I noticed that in the Medium Term Financial Plan £150,000 was being allocated in 2014 for anti-discrimination legislation, a further £200,000 in 2015 for the same item. Also, in last year's carry forward, the sum of £100,000 was allocated again to the discrimination legislation. Are you saying that predominantly that money currently is being used in the development of the law? If that is the case, what are the likely ongoing revenue costs once the draft Discrimination Law is approved by the States? Has that been allowed for in the Medium Term Financial Plan?

The Minister for Social Security:

Yes, post the approval of the law of course. It is a brand new piece of legislation, so we would have to go to the Privy Council for approval, so we would be looking possibly a year before the Appointed Day Act would take place. The Employment Tribunal, as it is currently constituted, would more than likely have greater activity as a result of the new Discrimination Law, therefore in our budgets in the Medium Term Financial Plan we have allowed for increased activity with the tribunal and also with the Greffe who look after the appointments and booking the rooms, et cetera, and preparing the papers. So it is an admin cost primarily related to the workings of the tribunal.

The Deputy of St. Ouen:

If it is preliminarily an admin cost on implementing the first phase of the Discrimination Law, what allocation is being made to allow for further development of the law in the way that you described earlier?

The Minister for Social Security:

As I told you, we have been using an expert U.K. lawyer in employment law and we would continue to use his services to develop any other attributes that we would wish to bring in, so there is a cost to his services obviously. Do you want to add anything extra with the budget?

Chief Officer, Social Security:

Not in terms of where we are, in terms of the ongoing spend, as it were. From the carry-forward money and budgets we have available within the department, we will deliver the implementation and development of the legislation. The bits that are in the M.T.F.P. (Medium Term Financial Plan) are in respect of almost entirely the administration costs of the law once it is in.

The Deputy of St. Peter:

I have to admit to not being familiar with the 2008 draft legislation, but was that primarily focused on race as well, or did it cover other areas?

The Minister for Social Security:

Yes.

Policy Director, Social Security:

The draft Discrimination Law, the main piece of work we are working on now is to set up the concepts of discrimination within the law, so it talks about what discrimination means, where you can have discrimination, things like that. When we talk about race, that is a characteristic, it is the kind of thing you can be discriminated about. The framework that we set up, the primary legislation will give us the way in which we define discrimination in Jersey and then it will talk about the tribunal process, as the Minister has talked about, using the existing tribunal so we are not kind of creating another bureaucratic process, but using the existing tribunal to also look at discrimination issues. Then to make the legislation work you then have to set up these various attributes. So we are saying race is the first attribute and we will put the Race Regulations in with the primary legislation, so you have the framework, which tells you what discrimination means, then you have regulations that tell you that you can discriminate against somebody on the grounds of race, which will be the first one we will do.

[13:45]

But age or sex or disability will not be covered, then you bring those in later on, you bring them in one by one, and bring in as many or as few as you want to, those things like sexual orientation, religion. There are all sorts of little things you can go to if you want to, but race is a straightforward one. Race also means nationality, so that is the most straightforward thing for people to get their heads around, and it is also the easiest one to do from a legal point of view. It is harder to do sex, it is harder to do age - we will come on to those later on - but those are very important for us because they link in with employment legislation. Then disability is another one again where you have to talk about physical changes to buildings and things, which is another kind of step to go to at some point in the future. Race is easy to implement but it will come through in stages.

The Deputy of St. Peter:

I think my question was whether it was so in the 2008 draft legislation.

Policy Director, Social Security:

The 2008 draft had the same structure. It told you what discrimination was, and it again had a list in it of types of attributes that discrimination would be applied to. Yes, there was always the structure that you would have to bring in extra regulations. Nobody has done any work in Jersey on anything other than race as an attribute,

because you do not really need special considerations for race, whereas you will need special considerations for sex and age and disability.

The Deputy of St. Peter:

I see, thank you. That is very helpful.

The Deputy of St. Ouen:

One more question, Chairman, with regards to the extension of the Discrimination Law into these different areas that you have identified. Are you suggesting it will be done through regulation?

Policy Director, Social Security:

They will be done as separate pieces of legislation. I cannot remember exactly whether they are ... they are regulation, yes.

The Minister for Social Security:

Can I just say, I do not know if you have looked at the proposition that Deputy Southern made when we were given the instruction, the then Minister for Social Security was given the instruction to bring in this Discrimination Law by the end of the year. It also coupled with it the requirements within 2 months to bring the other attributes. We have made it quite clear to you today that we will not be doing the other attributes straight away, we cannot do that. So we are starting with the attribute of race but we will be moving slowly through the other characteristics over a period of time. We cannot rush that sort of legislation through.

The Deputy of St. Peter:

Why is that?

The Minister for Social Security:

For the very reasons that my officers have explained, that they are far more complicated and we would need to have much more consultation with all parties and we have to take guidance from what has happened in other jurisdictions as well.

The Deputy of St. Peter:

Discrimination law is not really a new concept, and I appreciate, Minister, that you and your department have not held this responsibility for a very long period of time at

all, but are you content that over the period of 12 years that this draft law has been drawn up that enough work has been done to achieve this point?

The Minister for Social Security:

You are right in the sense that 12 years is a long time to bring to the States Assembly a draft law. We understand the sensitivity around the Discrimination Law and it is not our intention, having lodged it, to necessarily press for a debate within 6 weeks, which is what we could request. We understand the need for people to absorb the content and maybe feed back to yourselves if you do a scrutiny, feed back to us, so I will certainly not push for that law to be debated within the 6-week period that we could request. We would quite happily delay that for 3-6 months, and we can only delay up to 6 months, because obviously people need to take it all in. But until we lodge it there is nothing they can look at as to what we are proposing.

The Deputy of St. Peter:

Thank you. Shall we move on? You recently announced your proposals to tighten up the income support system. These are due to be rolled out and there was a warning that some Islanders could lose some of their benefits if they do not improve their efforts to look for a job. Could you explain what sanctions will be brought against those people, please?

The Minister for Social Security:

Yes, I have to stress that at the moment these are proposals that we are discussing within the department and also with the oversight group of Ministers who are involved with the Back to Work programme. Therefore today I cannot give you the detail that you might wish. I can certainly let you have that privately but I cannot discuss it openly because it has to be approved effectively by the Council of Ministers. We are preparing a paper for the Council of Ministers for next week with our proposals on sanctions and, subject to Council of Ministers agreeing, we will then be changing regulations to the Income Support Law or provisions. But essentially it will speed up the process by which somebody receives a sanction for non-compliance with job-seeking activities.

The Deputy of St. Ouen:

When is it likely that the public will be made aware of the sort of thoughts and issues and sanctions that are being discussed and the changes that are being discussed with your ministerial oversight group?

The Minister for Social Security:

I think I have just described the process there. The Council of Ministers will be looking at this next week. The Ministers who sit on the Back to Work programme have approved the changes that we are proposing. Subject to the Council of Ministers agreeing, we will lodge within the next 6-8 weeks our proposals.

The Deputy of St. Peter:

If you look at the reverse side of the picture, how will those who genuinely cannot find work be protected?

The Minister for Social Security:

These sanctions will only apply to those people who do not comply with job-seeking activities, so anybody who is actively seeking work with the help of our department officers will not be affected at all.

The Deputy of St. Peter:

But if somebody genuinely is unable to look for work ...

The Minister for Social Security:

We have set up a long-term unemployment unit recently as a pilot, for example, for people who have been unemployed for more than 12 months, and we are working very much on a one-to-one basis with people there. Obviously we now have the employment grant to offer employers to take on people who have been unemployed more than 12 months, and out of that pilot of 60 people, over the last 2 months we have placed 15 people in employment, so I think people who are genuinely seeking work need have no concerns at all about any tightening up of sanctions.

The Deputy of St. Ouen:

In a previous public hearing, you did make the comment that you thought that the States should have, or perhaps your department should have, a tougher regime on non-local licences. How does that fit in with some of the other initiatives that are being planned regarding providing employment for those that are unemployed?

The Minister for Social Security:

We have to work in conjunction with the Migration Advisory Group and my Assistant Minister sits on the Migration Advisory Group and I will ask her to speak in a minute.

But clearly we are all about getting people into permanent jobs and the permanent jobs that we anticipate arising tend to be in the private sector, not in the public sector, and there are a lot of particularly hospitality, I draw attention to hospitality, where there are jobs that could be done by local people with more than 5 years' residence, and we call it job substitution. It is important that we get some of our unemployed people to take these job opportunities and for those employers to come to us and accept interviewing some of our people. The pressure that will come on employers will come through the Migration Advisory Group and perhaps my Assistant Minister would like to talk a little bit about the work she is doing there.

Assistant Minister for Social Security:

There is great effort be made now to reduce the number of non-locally-qualified licences that are issued. In the 6 months to the end of June there were 9 non-locally-qualified issued and 119 refused, so definite progress is being made on that front. A similar situation with J-category licences, which tend to remain stable because as many J-cats leave the Island as are let in at the moment.

The Deputy of St. Ouen:

You speak about unemployment and the strategy you have in place to allocate or get local people into local jobs. Do the figures show that registrations for unemployment has increased among people from Europe and the U.K. and elsewhere or are we just noticing that it is our local population that still is struggling to access jobs?

The Minister for Social Security:

Well, it is not quite the answer to your question, but we have looked at the figures of people registering for social security for the first time and what we are seeing is a reduction in the number of people coming to the Island to get a social security card, so there is an indication that the message perhaps is getting out that there is unemployment in Jersey and it is harder to find a job if you just arrive on our shores. If we compare the 6 months of this year to the end of June, the number of registrations is 500 down on the same period of 2011 and 2010. So there is a reduction in the number of people coming to look for work in Jersey.

The Deputy of St. Ouen:

But do the unemployment figures show that? If we are being successful, one would expect an increase in those that are eligible and classed as unemployed to increase

within those from the Europe and the U.K. rather than in the local residentially-qualified area. Has that been the case or are we seeing something different?

The Minister for Social Security:

I think I might have missed the point of that question. Can I just pick you up on a word. You said “if” we are making progress. Can I just say we are making progress, hence the reduction in the number of unemployed in August, but that apart I did not quite catch your question, sorry.

The Deputy of St. Ouen:

First of all, do we capture the number of people that are unemployed with regard to whether they are U.K. or from Europe?

Operations Director, Social Security:

Yes, I have the figures here over the last 18 months, and the percentage has fluctuated slightly over the period, so it is like 82 per cent are British or Jersey on the actively seeking work register. However, that does not mean to say that they are all locally-qualified for work.

The Deputy of St. Ouen:

So we include the U.K. people within our locally-qualified group?

Chief Officer, Social Security:

Yes.

The Deputy of St. Ouen:

So one could argue that we are not necessarily getting as complete a picture as we could have with regards to providing work for our locally-qualified residents.

Chief Officer, Social Security:

The principal driver for the list, which is actively seeking work, arises from being unemployed but in receipt of income support. The majority of people who are on our actively seeking work register are those for whom they have to actively seek work in order to continue to receive income support. So they will have had 5 years' residency. The wider measure of the level of unemployment comes through surveys, so the last one of which would have been the census, undertaken through the Statistics Unit, to give a wider picture of the true level of unemployment.

The Deputy of St. Ouen:

The issue is that we have 2 different qualification periods; we have the 5-year one and we have the 10-year residential qualification. I think then you spoke earlier at a previous hearing that it was your intention to maybe look at that area. Has any work been undertaken to advance that sort of idea of maybe bringing it to one point?

The Minister for Social Security:

No, I think we have stuck with the understanding that anybody who has been living in the Island 5 years or more who is not classed as non-local under the Regulation of Undertakings and Development Law is the people we will help to find work. As my officer says, it is in the main because they qualify for income support in many households. So that is where we are going to concentrate our efforts. We are not going to distinguish between somebody who has 10 years, and therefore is qualified for housing, to somebody who has 6 years' residence and is still in non-qualified accommodation. We are not giving them a different service to anybody else.

The Deputy of St. Ouen:

Has any consideration been given to increasing the period of time to qualify to work to the similar level that is classed as a qualification for residential housing, move from 5 years to 10?

The Minister for Social Security:

Do you mean within the Council of Ministers or do you mean in our department?

The Deputy of St. Ouen:

Well, in your department. In the deliberation that you have had with regards to providing for the future has any consideration been given to raising that qualifying period?

The Minister for Social Security:

What we are talking about here is the replacement of the Regulation of Undertakings and Development Law with the Control of Housing and Work Law when that comes into force, and I am aware that when there were discussions about that law there was a view that perhaps 10 years should be the period for both residence and for work, but that was not pursued, so the new law says 5 years as far as being registered or entitled.

The Deputy of St. Ouen:

Thank you.

[14:00]

The Deputy of St. Peter:

There was a recent suggestion that people who were seeking employment should take part in volunteer work, particularly in this case restoring cliff paths was the example. We believe that you have been meeting with the Unite union and we wonder at what stage those discussions are at.

The Minister for Social Security:

I will defer to our Operations Director on this one, but I would just say that we have no difficulty with people volunteering to do work schemes or take any voluntary work because it is beneficial to their C.V. (curriculum vitae) and to their eventual return to employment. However, any voluntary scheme must not prevent them having time to look for paid work, because obviously income support is about supporting people, but if they are of working age they must be looking for work. So we cannot have work schemes that are taking them away from the opportunity to seek work in the normal hours that you would do that. So part voluntary, part job seeking, we are quite happy with, but as far as the work schemes we have been looking at, the Operations Director would be better placed to respond.

The Deputy of St. Peter:

Could I just pick you up on that though. In fairness, if a person was working and seeking another job, they would find other hours in which to undertake those activities.

The Minister for Social Security:

Yes, but, if we are going to have a regime that tightens up on sanctions, we have to allow people sufficient time to do their job-seeking activities and if we are going to be monitoring that as closely as we do, if they are going to spend 40 hours a week doing voluntary work, we are not going to be able to really check up on how much they have done seeking paid work.

The Deputy of St. Peter:

Unless perhaps you opened your offices at different hours I guess.

The Minister for Social Security:

Well, anything is possible.

The Deputy of St. Ouen:

But surely the issue is, Minister, that currently we are told we have about 1,700 people, 1,670 people, registered as out of work. We all know that there are not 1,670 jobs available to those individuals, or at least I presume so otherwise they would all be employed. So no matter what efforts some of these individuals put in, they will not, by the very nature of this current climate, access work. I suppose the question is, knowing that, is there anything that we can do, apart from the current schemes, to help and encourage these individuals to feel that they are contributing to our community in some form of work scheme that in fact we have had in the past?

The Minister for Social Security:

I agree with you. I would be honest with you, I am not a big fan of forced work schemes, if that is the intention in your question. If we set up work schemes I believe that they should be paid at minimum wage, for example, so that going out has a meaningful result; at the end of the week you will get your wage packet at minimum wage or whatever. That is the sort of incentive that I think would ... but we have to create schemes that do not take jobs away from people currently in work, so we have to be very careful that they are new projects that would not otherwise be done, and working with organisations such as the National Trust would probably be a good way forward where they take on a workforce perhaps and we come to some arrangement about payment. But it should be paying for reward rather than forced labour as far as I am concerned.

The Deputy of St. Ouen:

Is that the reason why you have been speaking to the Unite union, because of issues to do with the possibility of taking jobs away from local people?

The Minister for Social Security:

I think I would defer to Ian on that.

Operations Director, Social Security:

The discussions are taking place internally within the States, with T.T.S. (Transport and Technical Services) and the Environment Department, and those discussions, by the very nature of that workforce, they may be involved in helping supervise or support unemployed individuals, and for that reason there is always a crossover potentially between roles and responsibilities and whether that work would have been done by somebody else and so on. So clearly we want to find a way forward that ideally provides unemployed people with an opportunity to improve their employability as well as perhaps contribute as well to the community benefit, and we have to find a way of doing that with the support of Unite to make it happen and make it most effective. So that is what we have had initial discussions about over the Summer, and we are working still behind the scenes to make something happen.

The Deputy of St. Ouen:

Thank you.

The Deputy of St. Peter:

Are you working towards a conclusion?

Operations Director, Social Security:

Yes, we very much hope so that we will have something together that we can then take back to the unions and have more formal discussions with them and hopefully get their agreement to kick something off very shortly.

The Deputy of St. Peter:

When might that be?

Operations Director, Social Security:

We are looking to hopefully have something in place by the end of the year.

The Deputy of St. Peter:

Thank you. All right, if we move on to pensions, your department recently announced an increase in pensions and we wondered what discussions took place with the Minister for Housing in relation to these discussions?

The Minister for Social Security:

The pension increase of course is set in legislation, therefore we would not, in normal circumstances, need to consult with any other Minister about implementing what is in

the law. So the answer to your question is there were no discussions with the Minister for Housing because there was no requirement to do so.

The Deputy of St. Ouen:

But is it not the case that you are meeting regularly with the Minister for Housing to discuss a whole range of matters, including the proposed rent policy and how income support might provide for people in rental accommodation in the future.

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

In which case, I am surprised that discussions have not taken place between you regarding any changes that you might have or any impact of increases that he might introduce to the rental that are bound to affect your clients.

The Minister for Social Security:

I think we are getting our wires crossed here. The question I was asked was about, did we have any discussion with the Minister for Housing to do with the pension increase, and the answer was no, because we are not required to do so. We have to bring in the change under the legislation at the review date. I think maybe where you are coming from is the increase in the housing component of income support by 3.5 per cent, which came in from 1st October, to fit in with the increase in the fair rents within the social housing sector. So yes, there were meetings of officers to discuss that, and obviously we have matched the increase that they put into the housing rental sector.

The Deputy of St. Peter:

Have you any evidence as yet that more people are coming forward to income support to seek housing component, given the increase that the Housing Department have implemented across their properties towards their tenants?

The Minister for Social Security:

It would be too soon to assess that because it comes into effect on 1st October, so as far as we are concerned, and I am sure that Housing have done the same, we have notified now virtually everybody, I would imagine, of the changes in their benefit

entitlement. There will be some people who, when they start to pay the sums out, will start to apply to seek help.

The Deputy of St. Peter:

I think, on receipt of the letters, alarm bells have rung with some people and I, for example, have had constituents who have come to me and expressed concern because they do not currently receive income support and they are very concerned about how they will cope with the increase in rent.

The Minister for Social Security:

I say to all States Members, if they have constituents who are struggling, they must come and talk to officers, or ask their constituents to come and talk to us, to see if they qualify for income support or any other benefit that they might be eligible for, which they have not claimed before.

The Deputy of St. Peter:

I think the point, the reason that we are asking you about the housing increase, is perhaps this movement towards more people having to claim income support because of the increased housing costs, and whether that is right and proper that they should be sent along this path I think, because, for example, one of my constituents is over 90 years old and has never claimed income support in her life and is very anxious about succumbing to the poor laws. What do you say to a 90 year-old who faces that position?

The Minister for Social Security:

I mean, your reference to the poor laws is very unfortunate, if you do not mind me saying so.

The Deputy of St. Peter:

But that is her understanding of ...

The Minister for Social Security:

We have to go back. Income support replaced 14 benefits, tax-funded benefits. You are entitled to it as of right because it is in legislation; it is not a discretionary benefit any more. Included in that is what used to be the rent abatement, which States tenants enjoyed, and the private sector rent rebates. All of that is included within the income support, so I would just say to people, anybody listens to this hearing or

records it, that we are there to help people and they just need to come and talk to us and we can do a quick calculation at the counter if they wish, but we are happy to assist them fill in the application form and, if they qualify, they should receive ... and it is not just about just help with their rent, but they may have an impairment that they have not previously had any financial assistance with, and they would get help with fuel bills if they are over 65. So there are lots of add-ons that they could be enjoying if they come and seek assistance.

The Deputy of St. Peter:

Thank you for that. While we are on the subject, we believe that some figures were being collated with respect to the Housing Transformation Programme and the impact that might have upon income support. Has that information been prepared yet please?

The Minister for Social Security:

I understand that work is still ongoing. We have our expert adviser has come forward with a further update on his initial report about how we should move forward with regard to setting a fair level of rents for the private sector. The position we are at is that we expect the Minister for Housing to lodge his Housing Transformation Programme proposition in November I believe, and prior to that, or at the same time, we would lodge a report setting out how we propose to set rents for income support recipients who live in the private sector, to set out our proposals. But of course any changes would have to be brought in by regulation nearer to the time, which I think is scheduled about April 2014.

The Deputy of St. Peter:

So you are preparing to decouple the housing component for social rented sector and private rented sector?

The Minister for Social Security:

That is the direction we are going in, yes.

The Deputy of St. Peter:

Thank you.

The Deputy of St. Ouen:

Talking about helping people, I would like to just find out what is happening with the long-term care fund and your plans that were originally due to be implemented by your department in 2013 after being approved by the States. Perhaps you could update us on the progress or not of this particular important area, and when, if at all, we are likely to see the implementation.

The Minister for Social Security:

You will be delighted to hear that we are absolutely on target for implementation of the collection of the contributions on 1st January 2014 and the payment of the first benefits for recipients in July 2014. Working very hard with the Tax Department, because obviously we have to bring our social security contribution collection in line with income tax regulations or laws, so what will be the first thing that States Members will see will be an amendment to our Social Security Law by way of a regulation, to marry up the collection of the contributions through the tax system, and that draft regulation is being worked on at the moment. So obviously the taxation transformation programme, I think it is called, which is a piece of work that the Tax Department are doing, and our officers are involved with that, and I did notice in the annex to the Medium Term Financial Plan that the Minister for Treasury and Resources says that the highest priority for the taxation transformation programme is the introduction of long-term care benefit.

The Deputy of St. Ouen:

It is good to hear that we are going to see this particular long-term care fund introduced. Will the scheme vary significantly from that, which was agreed by the States?

The Minister for Social Security:

We have been waiting basically, I think I have explained this to members of the panel before. We need to understand the likely cost of the scheme going into 2020, 2040, et cetera, because it is going to be a scheme that is going to have a ring-fenced fund and it is a long-term commitment. We were waiting for the population model to be released by the Statistics Office. Of course that has now come out earlier than we anticipated because the original timespan was until December; it has come out in September.

[14:15]

So we are now able to use those figures on our model that we are creating to see whether, where we pitched the initial contributions, or what percentage, whether we get that right. We need to get it right, obviously, and certainly for the first 5 years without any increases. As far as the regulations that will be required with regard to the means testing for the co-payment, that is the only part that is means tested. We will be putting out our proposals on that hopefully towards the end of this year, certainly in the New Year.

The Deputy of St. Ouen:

How does this long-term care scheme fit with the proposals that are and will be debated I am sure from the Health Department with regards the provision of primary care and the development of more community services?

The Minister for Social Security:

It fits very well. We are not talking about funding. I am just talking about the fact that our scheme is going to be different from Guernsey in that we are going to provide money for people to have care in their own home, so care in the community, obviously by accredited providers. So it fits very well with the White Paper and the proposition from Health because it is very much about keeping people out of hospital as long as possible. So people will be able to avail themselves of money to pay for care in their homes, so that is where it fits extremely well.

The Deputy of St. Ouen:

When will we know the cost of this particular scheme?

The Minister for Social Security:

Sorry, when will you know?

The Deputy of St. Ouen:

When will the public know the cost of the scheme and what the contributions will be?

The Minister for Social Security:

That is the purpose of doing the modelling, is because obviously we know that we are supporting somewhere in the region of 550 people currently in residential and nursing care who claim income support or are receiving residential care support through income support. We know that when we open up the scheme there will be new claimants that perhaps we are not aware of who will come forward for

assistance with the co-payment. But the cost is the sort of work we are doing to work out, in a typical year, how much will we potentially be paying out in benefits.

The Deputy of St. Ouen:

So when will we know what sort of contribution cost that the public will have to meet?

The Minister for Social Security:

I would defer to officers, but I would have thought we would have that sort of information towards the end of this year. Yes.

The Deputy of St. Ouen:

Thank you.

The Deputy of St. Peter:

Have you spoken with family nursing and home care, for example, to gauge the costs of using their services? As you previously mentioned, one of the main aims is so that people receive care within their own homes rather than going into residential care.

The Minister for Social Security:

The officer at the department, who is not with us today, who leads the work on long-term care meets regularly with carers, Jersey Carers, and what we will of course have to do is we will have to ensure that, as we will be paying nursing residential homes and also people who provide care in people's homes, we will have to be sure that we agree, perhaps by contract or whatever, or commissioning, a fair price for the services that are going to be provided. We obviously will have to be in negotiation with people so that, if we are paying for somebody's care, then we need to agree a scale of fees or something of that type. So is that the answer to your question, more or less?

The Deputy of St. Peter:

That is very helpful, thank you.

The Deputy of St. Ouen:

Just in regard to funding, it is anticipated, the public or the individual will be making a contribution to the scheme, which will help to provide for their long-term care. Are there any funds, included in the Medium Term Financial Plan, to support this new initiative, or are you looking for it to be a cost-recovery type of scheme?

The Minister for Social Security:

If we go back to the Green Paper and the White Paper on long-term care benefit, it was recognised that there are already costs provided by the States of Jersey. For example our residential care costs within income support is about £17 million. So that money effectively would go initially into the fund on an annual basis, so that is already in the Medium Term Financial Plan. Health also provide their own facilities for care homes, things like that, so some of the money that they put into that will also be available to kick-start the scheme. But the finer figures have not been worked out until nearer the time.

The Deputy of St. Peter:

In our last hearing, we discussed low-income support, and you were waiting on 3 different pieces of work. We have not seen them as yet and wondered when they might become available. I can remind you of which they are, but you appear to ...

The Minister for Social Security:

I know which they are. They all will be with you within the next 4 weeks. Do you want me to run through which ones they are?

The Deputy of St. Peter:

No, I know which ones they are as well, I just did not want to reel off the list. Thank you.

The Deputy of St. Ouen:

We will tick them off the list as they come in.

The Deputy of St. Peter:

I just want you to be aware that we are monitoring these things. We briefly touched upon the Housing Transformation Programme earlier. I have a couple more questions if we could just go back to that. Firstly, we discussed the changes in rent and the work that you have been doing to figure out how many more income support claims you might receive. When will you have that documentation for us to look at please?

The Minister for Social Security:

Most of the work has been around the housing trusts and housing associations because we understand that I think it is roughly 50 per cent of their tenants do not claim income support. But, because they will be asked to put up their rents to 90 per cent of the market rents, we anticipate that we will have some new claims coming from tenants within housing trusts or associations. So we have been working with the various housing trusts and on this data to see whether we will have people who will perhaps come to us to claim income support. Perhaps, Sue, you could expand on what I just said there?

Policy Director, Social Security:

Yes, the Housing Department has made a commitment to provide protection to tenants when the new rent is brought in and that also applies to housing trusts. So at the minute there is some work going on in terms of the detail of the individual people. Obviously we do not know very much about people who are not on income support; that is one of the problems. We do not know who we do not know. But we are making what efforts we can do within the confines of appropriate data sharing and agreements and things like that to get at least some hands on this. But this is more a project for Housing than for us because it will be the Housing Department that will be providing the extra support to those tenants. Income support tenants will be perfectly well dealt with because legislation will come in. As the rents go up in Housing our legislation will change so that people on income support will see no kind of gap in support at all.

The Deputy of St. Peter:

That is quite interesting, we were lead to believe that the onus would fall upon the doorstep of Social Security and that people would, if they could not pay their rent, they would come to you for income support.

Policy Director, Social Security:

Yes, people needing income support, yes. Yes, we will obviously pick those people up, yes. There will be a small number of people that will be hit by that. There will be more people who will be above the income support level and above the higher income support level, but they will get some help from Housing as well. So, yes, we will deal with the small number of people who are just on the margins now, Housing will deal with the rest of the people.

The Deputy of St. Ouen:

One of the issues, as you will be well aware of, is that not everybody can be housed within our social housing, and that was the reason why initially we supported people in the private sector. There is also a view being expressed by the Minister for Housing and others that social housing should be used as a stepping stone and we should encourage people to move into the private sector. Is that scenario being considered when you determine how you provide support within the private sector? I suppose my question would be, if it is not worthwhile for tenants to move or be accommodated in the private sector, or should I say it is more beneficial if you are accommodated within the social housing sector, then we will really have a significant problem because demand will rise, we will have inequity, and in fact we will be faced with the situation where we will not be able to provide perhaps for those most in need. Have those sort of discussions taken place when you have been looking at the changes that are likely to be brought forward?

The Minister for Social Security:

At the moment, I have not seen completely up-to-date figures, but there are about 1,570 tenants in the private sector who currently claim income support. It is likely that some people who will be asked to pay the new rents, shall we say, in the States housing, perhaps, may be in the housing trust as well, will choose to move out. They may choose not to pay that because they believe they can find a cheaper rent in the private sector; it is possible. So some people may, as a matter of choice, move from social housing to private sector, but I do not envisage ... the Minister for Housing is adamant that his waiting list is growing all the time and therefore the indications are that the movement will be towards people moving into social housing but, by having higher rents, some people may decide that, perhaps they have saved some money up, and decide to buy. I think that is what he is hoping, that one or 2 of his tenants who are in a position to enter the property market may be prompted to do that by the higher rents and therefore make their properties available.

The Deputy of St. Ouen:

I hear what you are saying, but in the meantime there has to be some sort of equity in provision of assistance to meet a rent, whatever level you set it at, and I suppose I am asking, is the issue of equity across both the social and private sector being considered as you devise the new policies around how you support those in the private sector.

The Minister for Social Security:

Yes. This is the piece of work that we are doing, we are aware at the moment that approximately 56 per cent of our income support tenants who are in the private sector have to use a part of their other components to afford their rents. The piece of work that we are doing and using the money that has been provided for in the Medium Term Financial Plan means that potentially we will move from 44 per cent to 66 per cent of tenants who are able to afford their rent without having to use any other component within their income support claim. So less people will be topping up, if you like, the affordability of their rent than they do so at the moment within the current situation.

The Deputy of St. Ouen:

You say that information will be available, or further details of the scheme will be available?

The Minister for Social Security:

We will lodge a paper at the same time as the H.T.P. (Housing Transformation Programme) is lodged by the Minister for Housing. It will not be a proposition, because it will just be a report and our proposals, if you like.

The Deputy of St. Ouen:

Thank you very much.

The Deputy of St. Peter:

May we just ask you, Minister, if you are broadly in agreement with the 90 per cent rent policy?

The Minister for Social Security:

I think I have struggled with it, but I think we have to accept that there is a hidden subsidy for some people who have chosen not to ... I think where we are is that some tenants in the social housing sector, particularly States housing, have never needed to declare their earnings or their capital because they have always been willing to pay the full rent and there is no requirement for them to declare their total earnings or their total assets. By removing that subsidy, which some are receiving, because obviously we are told that it is a 30 per cent subsidy in some properties, people will be paying a fair rent for the property they occupy. If they feel they cannot afford that then, as my colleague told you, they will be able to declare their assets and income to Housing and have a 10-year phasing-in of their increases; that is the proposal.

But if the proposition looks as though they cannot afford to even cope with their rents then they will be referred to us for income support. Then there will be the people who say: "Well, I have that money saved, it is time for me to move on." By having this 90 per cent of market rents, we will tease some people out of the social housing sector, which will free up properties for those on the waiting list.

The Deputy of St. Ouen:

I hope you are right, Minister.

The Minister for Social Security:

That is the policy. I am just explaining the policy.

The Deputy of St. Peter:

Thank you very much. You will be pleased to know that the end of our hour is here and I can therefore close the meeting. Thank you very much.

[14:30]