



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

FRIDAY, 24th MAY 2013

Panel:

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

Witnesses:

The Minister for Social Security
Assistant Minister for Social Security
Policy and Strategy Director
Operations Director
Director of C.E.C.B. (Contribution Enforcements and Contributory Benefits)

[14:01]

Topics Discussed

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

We will begin. Welcome to this hearing of the Health, Social Security and Housing Scrutiny Panel. Thank you for joining us today. We will start with our introductions for the record. I am Deputy Moore, Chairman of the panel.

The Deputy of St. Peter:

Excellent, thank you. So we will start by touching on the income support threshold, if we could. Obviously it was good news to see that there has been a reduction in the number of unemployed in the latest figures. But the panel has heard representations from some individuals who have issues with the 8-hour limit for people to work without incurring contributions and we would like to explore that area and whether it is a barrier to making work pay, which is one of the policies that you are trying to fulfil at the moment. Minister, do you have any ideas about what could be done to encourage people to work beyond those 8 hours while making work pay for them?

The Minister for Social Security:

Yes, I think the issue here is that we are talking about social security contributions and if somebody works more than 8 hours they have to pay contributions and there is possibly a disincentive for people perhaps, young mothers returning to work, who get past the 8 hours a week, then they have to have that deduction from their income, 6 per cent, and therefore if they are also on income support then there is this decision to be made as to whether it is worth working more than 8 hours and pay the 6 per cent or not.

The Deputy of St. Peter:

They have to work considerably more hours to make up that difference in pay once ...

The Minister for Social Security:

Well there are disregards within the income support system, particularly for single parents returning to employment but ... sorry.

Policy & Strategy Director:

Somebody on income support, the 6 per cent that they pay in social security is completely disregarded so it makes no difference at all. So there is no disincentive from only working from 7 hours to 9 hours on income support. When they start to work the 8 hours or 9 hours then that value of the contributions that they pay is left out of the cap for income support, so they do not lose any money at all because of that. It will not make any difference. And there are extra disregards on top of that, which as the Minister has referred to, is 2 separate ...

The Minister for Social Security:

For the single parent, yes. I am sure perhaps some income support recipients will do the sums and work out whether it is in their interest to work extra hours. The issue that has come to my attention is some people would like to work more than 8 hours but ... sorry, remain below 8 hours but also have the benefits that go with being a social security contributor. But obviously if you do not pay into the scheme you cannot receive short-term incapacity and those sort of things, so it is a contributory scheme, and that is the issue.

The Deputy of St. Peter:

I see. Perhaps would there be merit in increasing the number of hours that a person could work for making their contributions. It is a difficult one, is it not, because if they are not in receipt of income support then they have to earn a certain amount more to cover the contributions that they would have to pay and then see an increase in their own take home earnings.

The Minister for Social Security:

I think what we are looking at, and this is a piece of work that is not immediately on the agenda, is to look at different classes of contributors. At the moment there are only 2 classes, class 1 being mainly the employed people, and class 2, self-employed. So the issue is around perhaps introducing different classes of contributors to take into account that sort of situation, and that is a piece of work for the future. We have no immediate plans to do that.

The Deputy of St. Peter:

None at all?

The Minister for Social Security:

Well, it is not in our current business plan. It is something that we may be able to attempt to include in 2014 but we have no immediate plans to do it.

The Deputy of St. Ouen:

What is, in your view, the biggest barrier for those that are currently sitting in income support to enter full-time work?

The Minister for Social Security:

As we were saying before, the disregard is 20 per cent at the moment on their earnings, plus the 6 per cent for social security. I think the biggest disincentive perhaps, and we hope there are no disincentives because we do obviously encourage people, particularly if they are on income support and are actively seeking work, to take any job whether it is part-time, full-time, or whatever, would be the margins between the wage they might be receiving and the difference

between being on benefits. Some people say to me, and I have heard this reported, that there is a lot of sort of disruption in their lives if they come off income support, having produced all the appropriate evidence to be on a wage and come off income support and then if that job ceases, it is only a short-term job, they then have to be reassessed for income support. It could be that gap in there would come in paying their rents and things like that. So maybe that is something we should perhaps look more closely at, whether they could have a period where their benefit is suspended while they are in work for a short period and then they can come back into the system, but it is not something we are doing at the moment.

The Deputy of St. Ouen:

It was interesting, it was in the earlier Advance to Work type programme and who find work, and then for various reasons fall out of work after 2 or 3, 6-month period. What are you requiring them to do to re-access income support?

The Minister for Social Security:

Advance to Work is probably not a good example because that is for younger people and of course some are not eligible for income support. But if it was a person who was eligible obviously ... Advance Plus perhaps is a good example. They would be on their benefit while they are attending voluntary training schemes such as Advance Plus. If through a voluntary work placement they are successful getting some paid work then obviously that is the whole purpose of the scheme because obviously that scheme is something like 63 per cent success rate. I think the other thing that perhaps has not been made clear in what I have said so far, is that we pay income support in advance and if somebody is successful in finding work we continue their benefit for 4 weeks, so irrespective of what they might be earning there is this extra, sort of, bonus, if you like, when they get a job that they remain on income support for 4 weeks, so that is sort of another incentive to take employment.

The Deputy of St. Ouen:

One final question on Advance to Work and the initiatives that obviously you and others are providing, there was a question raised some time ago that you did not have the correct or complete information that show that the schemes were working and that people were remaining in full-time employment. Have you addressed that problem?

The Minister for Social Security:

Yes. In fact we had a briefing from Ian Burns today on this very issue. We cannot share the figures with you because they are only in draft form, but we know that essentially the period that we studied, the first quarter of 2012, and I can tell you that of those who found permanent work roughly on average 73 per cent of them remain in permanent work who came through the various

Back to Work schemes that we run. That is quite a high success rate and it also matches roughly the same success rate that we have had with the long-term employment grant and the Long-Term Un-Employment Unit who have been getting people into work who have been unemployed for more than 12 months. The success rate there is 70 per cent remain in that job after 6 months.

The Deputy of St. Ouen:

Will you be aiming to publish that information?

The Minister for Social Security:

We will, but because we are relying on the data that is feeding this research, if you like, is the social security returns, which are collected every quarter, we would want to do another full quarter and make comparison because one quarter in isolation may not be hard enough data. So we are working currently on the second quarter of 2012, but because the statistic we are trying to get is if people go beyond 6 months we have to wait until this quarter's returns for January to March, to see if they are still in their jobs. So once we have all that data in we will then be able to see whether what was achieved in the first quarter of 2012 matches the second quarter, and then we will be in a position to release some information.

The Deputy of St. Ouen:

We should celebrate success.

The Minister for Social Security:

Yes, and obviously some people go into temporary jobs and we have a statistic for that as well, but it is the permanent jobs I think we are all interested in.

Deputy J.A. Hilton:

Those success rates are to be applauded. They are really good. Of the ones that do not make it, the 30-odd per cent, have you done any work into that to discover why placement broke down or you have reasons why people left the employment? Do you know?

The Minister for Social Security:

I think, Ian, would like to ...

Operations Director:

Yes, it is a broad variety of reasons. From the job expectations not being matching what the individual thought versus the employer not ... the expectations of the individual not matching. So it is that. We know for example from the employment grant the average time that someone drops out of the employment grant is 11 weeks, and those are people who have been out of work for a

long time. So those who drop out it is roughly 11 weeks into the job where between the 2 groups they are either dismissed or they have resigned. We obviously work ... our aim with the Long Term Un-Employment Unit is to provide in-work support to try and extend that, to overcome the issues before they get to the point where someone is going to get fired or not turn up to work. So that is an area which we are investing in with the Long-Term Un-Employment Unit and we believe that will make a difference over time, particularly being able to place people who can have work for 12 months.

Deputy J.A. Hilton:

Where you have individuals who leave jobs for no apparent reason than other they cannot be bothered to get up in the morning or whatever, are they currently able to claim low income support as soon as they leave?

Operations Director:

Yes.

Deputy J.A. Hilton:

Are you perhaps thinking of introducing a period of time where if a person leaves work voluntarily that there is a period of time that they cannot claim income support?

The Minister for Social Security:

We are and we are calling these sanctions basically for leaving work without just cause and "just cause" has to be defined in law. So we have issued law drafting instructions and those are currently with the law draftsman. We have had the first version and we are working on ... hoping to get those completed so we can lodge them hopefully in July for debate by the States in the autumn.

The Deputy of St. Peter:

Of course 70 per cent of those who did find permanent work and obviously there are still, we saw some figures come out this week, to show there is still about 450 people long-term unemployed, which is a significant number when you look back at the figures and that figure used to be about 50, a pretty consistent level. What other work is being done to draw them back into employment? I appreciate that the economic situation is against you in this respect but it would be interesting to know what other projects are being undertaken.

The Minister for Social Security:

One of the first things that the Back to Work introduced was a long-term employment grant, or the employment grant for people who had been unemployed for more than 12 months if they secured

a permanent job or a 12-months or more contract. I think the figure is somewhere around 130 grants have been issued so far.

[14:15]

But we realise that it was not enough just to offer incentives, if you like. We set up a long-term employment project, a pilot, which is now a permanent team, who work with people who have been unemployed for more than 12 months working with employers also looking at what training needs they might have to prepare them for work, and also monitoring that person once they are in the workplace to see if there are any issues, any feedback, any extra training or talking to the employer, how it is working out. So a lot of extra help. I would only say that the ... I think the number went up by 10 between March and April, and we have to bear in mind that of course we talk in terms of people who are unemployed for more than 12 months, so we had a lot of people at 11 months. They would have slipped into 12 months if they had not found a job. The figures also show that the hospitality initiative really captured quite a lot of jobs for younger people, which is a good thing, but the actual age group over 60 was the only group in April that did not see a reduction in the number of unemployed.

Deputy J.A. Hilton:

I just wanted to move on to some questions around Social Security's role in low income support payments to people with addictions, whether that is drug addiction or alcohol addiction. What I wanted to ask you was is there any cross-departmental working between yourselves and Health in offering support to people who may or may not be living in a shelter, they may be in accommodation, with regard to addressing their addiction issues?

The Minister for Social Security:

That is a slightly different question than I was expecting. **[Laughter]** Well, the last thing you said about their addiction issues because obviously we are a benefit agency, we are not about people's health.

Deputy J.A. Hilton:

Okay, I will rephrase it slightly then. What I want to try and understand is when Social Security are paying low income support to people with addiction issues, how long do you continue to do that without trying to establish whether those people have been offered some sort of programme of assistance for substance abuse?

The Minister for Social Security:

I would say that in answer to that question that we obviously work very closely with the providers of sheltered housing, whether it is the Shelter Trust or other agencies. Some of the people that were often regarded as being dependent on alcohol or drugs or whatever are medically signed off and would be on possibly the old invalidity benefit and where they are not allowed to work, and that is a statutory benefit, or on long-term incapacity, or a percentage of long-term incapacity, so we may well be supporting them through that, firstly, benefits, or one of those 2 benefits, and a top-up for income support to assist them with their housing cost. We work with social workers obviously to make sure that people are being ... their needs are being addressed but really the care that might be needed or the referrals to Silkworth or other agencies would come through the Health Department or through the people who run the shelters, the hostels. Wherever possible, certainly as far as income support, we will pay the benefit direct to the provider of the accommodation and they will then arrange for money to be ... for the board to be taken out and then for money to be passed on to the resident either on a daily or weekly basis, depending on how capable they are of managing their affairs. But when it comes to a contributory benefit, such as invalidity benefit or L.T.I.A. (Long-Term Incapacity Allowance) that money is only due to the claimant because they paid the contributions and they have to give us written authority for that money to be passed to a third party.

Deputy J.A. Hilton:

So an individual who is on L.T.I.A. or invalidity benefit is on it for life once they are on it; is that what you are saying?

The Minister for Social Security:

They would come up for, certainly on invalidity benefit, medical board reviews from time to time to make sure their condition is such that they remain on that benefit. There are no new entries to invalidity benefit, the benefit has ceased for new applicants. L.T.I.A. is an award for what is anticipated to be a long-term condition but we do do reviews there as well, if there is any change in their circumstances.

Deputy J.A. Hilton:

We talked about individuals who may be on L.T.I.A. but what about those individuals who are on low income support payments with issues around drugs and alcohol? How does that work? How long are they paid benefits before there is any intervention from either yourselves and with regard to the benefit to address the underlying issue?

The Minister for Social Security:

If they are below 65 they would be required to seek work. If they are just on income support they would have to be a jobseeker and therefore their progress for job seeking would be monitored by

the people in the Work Zone or other ... Workwise or whoever might be working with them. Obviously if there is health or addiction problems that would be addressed by the Adviser that they are working with to see what treatment or what course might assist them because obviously if they are not medically signed off then they have to be actively seeking work. So we would work with other agencies to see if a referral is appropriate.

Deputy J.A. Hilton:

Are you aware of the numbers at the various shelters around the Island? Are you aware of the numbers of people who are in receipt of L.T.I.A. or low income support payments?

The Minister for Social Security:

We tried to look into that in order to provide you with an answer today. Unfortunately we cannot do that because of the fact that people move in and out of hostels and housing provide some units of accommodation. We do not have all those details necessarily, so I cannot give you a figure today of the numbers that we are talking about.

Deputy J.A. Hilton:

Okay, thank you very much.

The Deputy of St. Ouen:

Can I just ask, Minister, at the beginning of the questioning around this particular subject, you seem to suggest that there was no real sort of developed programme that was designed to support those with addiction in obviously the wider social aspect, including obviously getting back to work and coming off benefit and so on and so forth and seeking it out. But later on you did mention that there is some support. Can you just confirm there is a developed programme or there is not?

The Minister for Social Security:

I think I was drawing a distinction between somebody who is medically ill and signed off by the G.P. (General Practitioner) as such where we would not be involved in any interventions, as opposed to somebody who is on income support, who has not been medically signed off and is therefore if they are under 65 required to be seeking work. That is the difference. There is a difference between the way we treat the different people.

The Deputy of St. Ouen:

But if a person is medically ill they could still be accessing benefits although they might not be on income support.

The Minister for Social Security:

Yes, but they would be under the care of their G.P. and the G.P. would be the person responsible for pushing them forward for Silkworth Lodge or something like that treatment.

The Deputy of St. Ouen:

So if they are on income support there is a developed programme?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

So if we asked you for that programme you would be able to provide it to us, the policy or whatever.

The Minister for Social Security:

I am not sure it is as clear cut as that. What I tried to explain is if a person is required to be a jobseeker and is on income support during the interventions that will come into force after 13 weeks, because the first 13 weeks they are left to find work more or less on their own, but after 13 weeks we intervene with the jobseeker and try to see what their needs are. Whether they have any training needs or what other needs. But where they attend ... for example if they attended Advance Plus and in working with an Advance Plus adviser or coach clearly there are medical issues that are preventing them from finding work that is when those issues would be addressed, with the individual on a one-to-one basis basically. I do not know whether anyone wants to add to what I have said.

Operations Director:

Francis is absolutely correct, in particular the Workwise team who specialise with perhaps those with more significant barriers to work such as some of the issues, so we have a team of people who have a smaller caseload and some experience in assisting people with facing up to some of their issues and referring on to different partners. So probably we would refer people in to Workwise within ... a jobseeker would be referred first to Workwise who would then work with that individual pulling in some of the outside support that might be available. We also do work with other agencies and organisations to make staff aware to spot some of those signs in terms of when they are having perhaps someone with alcohol addictions, something like that, so they can make the right referrals at the right time. Francis is making a distinction between the jobseeker and those who are signed off by the doctor and obviously we focus on the ones who are jobseekers.

The Deputy of St. Ouen:

This help would only kick in after 13 weeks?

The Minister for Social Security:

Somebody newly registered as unemployed, in some cases they are able to find work very quickly on their own so we do not have interventions at that early stage. People would tend to look in the areas of work that they have previously been employed in so after 13 weeks if they have not found work we might say: "Well, you have been looking in that area but really we need to widen your job search activities. Is there an appropriate course we can send you on or ..." things like that. Or look at their C.V.s (curriculum vitae) and that sort of thing.

Deputy J.A. Hilton:

Can I just ask you another question around that? People and individuals on low income support who are jobseekers, are there any sanctions that you can use if you find that you have an individual who has a drug or alcohol problem who is refusing to address that problem through help with other agencies?

The Minister for Social Security:

There is nothing currently but I think with the new sanctions, if it is clear that that person is not going to be able to hold down a job because their addiction is the issue that is preventing them, it would have to be done on a case-by-case basis. We would have to be very careful how we deal with such a situation because for some people facing up to their addiction is the biggest issue for them. So I cannot really be too specific on that. It is not a common problem, there are some isolated cases I am sure, but we would have to deal with them on a case-by-case basis.

Deputy J.A. Hilton:

But it is the public perception that there are a group of individuals who are on benefits permanently and who basically drink their benefits away and why should they, as a member of the working public, through their taxes, have to support people who make that lifestyle choice?

The Minister for Social Security:

I mean I cannot say who these people are because I do not know. But I think some of the issues around the old invalidity benefit, because to remain on invalidity benefit you cannot work, that is one of the conditions. You are not allowed to work or seek employment. So if somebody has been diagnosed at some stage in the past and gone on to invalidity benefit and that condition, whatever it may be, it may be nothing to do with their current addiction, and they still have that condition and they pass medical boards that keeps them on that benefit, then they are not allowed to seek work. How they spend the money that we pay them is entirely up to them and, yes, you

could argue it is taxpayers' money but it actually comes out of the contributions that this person has paid in the past.

The Deputy of St. Peter:

I think shall we move on slightly. There was a question in the last States sitting regarding pensioners who also were, prior to receiving their pension, claiming a carer's allowance. This is an issue I had also brought up with the department previously and I wonder if ... you gave a very full response, Minister, in question time but I wonder if perhaps there is any work going on behind the scenes with the department looking at alternatives that could be offered to people who are in that position.

The Minister for Social Security:

I suppose there is no harm in me saying this, but since that States sitting the director and myself have had a meeting with Deputy Tadier and we have gone through the issues with him again. We are still of the opinion that the home carer's allowance is a benefit. It is for people who have to give up work to look after a person and therefore that person's care needs is more than 35 hours a week, and therefore that person, while they can work part-time they cannot work full-time so it is a compensation for giving up work. If that person starts on now home carer's allowance, previously I.C.A. (Invalid Care Allowance), and reaches pension age they have the choice of remaining on home carer's allowance if it gives them a higher benefit, i.e. the maximum benefit rate, because obviously pension is based on your contribution record so it could be a percentage of the full pension, so it could be lower. It is the only benefit that is an in-work benefit, if you like, that can continue beyond pension age because it gives them more money.

[14:30]

The other issue, which I tried to explain in the Assembly, is that if the household where the carer lives is an income support household and they are providing the care, whether it is somebody in their own home or somebody somewhere else, who has been assessed at what we call level 3 impairment, then they will be able to claim carer's component of income support, which I think is around £46.97 and that just goes to the person providing the care. So that is how it works really. We have no plans to change anything at the moment.

The Deputy of St. Peter:

Okay, thank you. That is very helpful.

The Deputy of St. Ouen:

The panel have heard recently about concerns regarding survivor's pension where a spouse is under the prescribed age of 55 and the husband is suffering with a terminal illness, we just wondered what discretion do you have with regards to individual cases and what advice would you be giving to the person that finds themselves in that situation?

The Minister for Social Security:

We changed the law of course last year, which means that anybody who was not born before ... sorry ...

Assistant Minister for Social Security:

1st January 1958.

The Minister for Social Security:

1st January 1958, I knew my Assistant Minister had it on the tip of her tongue. They continue to receive the survivor's allowance which is paid for one year, but they cannot receive the survivor's pension. If you remember my original proposition was 57 and I think Deputy Southern had a lower figure of 50, I believe, and we voted in favour of Deputy Young, which is 55. What could I do if that scenario occurred that the husband or the wife died and the spouse was under the age of 55 at that date, and there are no children of course because we do pay it if there are children up to the age of 25 in full-time education, because that could be a scenario as well where they would be entitled to the pension, as long as the child is still in full-time education and under 25. It would be unlikely that I would have any discretion. The Social Security laws do not necessarily give the Minister discretion but we of course have income support. So if the spouse was in any way suffering financially or whatever then under income support I could use discretion. Obviously any household where there is a significant drop in income can always come and see if they are eligible for income support.

The Deputy of St. Ouen:

But with regards to the changes you quite rightly say were made a year ago, what advice are you now giving to couples, families, with regard to making the appropriate provision for these sorts of eventualities given that the survivor's pension is no longer available to them?

The Minister for Social Security:

I would stress it is available if there are children. So we must not forget that we protected parents of children up to the age of 25. I am not sure it is the department's position to be advising people how they organise their affairs. Obviously some people will have insurance policies of their own through insurance companies, whole life or life insurance policies, so that probably they are

concerned if there is a big age gap between themselves and their spouse, then that is something that perhaps they need to be considering.

The Deputy of St. Ouen:

I think that is a good point and it is where perhaps, if the department would wish to be a bit more proactive, these are the sort of things that you could be encouraging within the public literature that you provide to our community, so that people will not find themselves in a very difficult situation where the husband perhaps is a major earner and they have commitments that suddenly need to be met.

The Minister for Social Security:

I do not dispute that we should be proactive in advising people of what their entitlements are but as to advising people how they should organise their own financial affairs, it is probably not the role of Government, I suspect.

The Deputy of St. Ouen:

Even though we advise people in all sorts of different ways to manage their affairs appropriately and ensure that the benefits are supposed to be targeted to those most in need, self-help in other words?

The Minister for Social Security:

I would still maintain my position is that we should not interfere in the lives of people unnecessarily and to tell people how they should organise their financial affairs, which is what we are saying, I think would be wrong.

The Deputy of St. Peter:

Shall we talk about the Discrimination Law, and that was obviously recently approved by the Assembly. We wonder what the next steps will be in implementing the law.

The Minister for Social Security:

The law of course is primary legislation, so it has to get Privy Council approval. We made it clear in the debate that we have to make changes to some regulations, in particular the Employment Tribunal would have to change its name and its role to be the Employment and Discrimination Tribunal. Those regulations will be brought to the States towards the end of this year, I suspect, and then there is further work that we need to be doing with J.A.C.S. (Jersey Advisory Conciliation Service) and setting up the conciliation process for non-employment claims, so the target is still to introduce it in the last quarter of 2014 and bring the Appointed Day Act at that time.

The Deputy of St. Peter:

What about the work to introduce other characteristics in the law? When does that begin?

The Minister for Social Security:

Again, we were working on the characteristic of gender or sex discrimination next year, work has probably already started to a certain extent, but we have always said we would only bring it in conjunction with what we call family friendly legislation on which the department have consulted before through the employment forum, so we will be looking at introducing things like paternity and maternity rights, time off for consultations for pre-natal, whatever. So all of those issues need to be worked in with the next characteristic.

The Deputy of St. Peter:

What sort of timeframe would you be working on to achieve all of those components?

The Minister for Social Security:

The work will be ongoing throughout 2014 and will be the main focus of the officer responsible for employment and discrimination law. We would envisage I suppose, if possible, lodging something before the end of 2014 but more likely it would be the early part of 2015, which will be a different States Assembly and Minister, possibly. **[Laughter]**

The Deputy of St. Peter:

The other characteristics of age and disability, would they follow at a later stage once that characteristic was in place?

The Minister for Social Security:

Yes, they would follow. Age, of course, is very much linked to the changes we are making to the State pension and so that has to be married in with those sort of changes. Disability is quite a complex characteristic to bring in because of the need for employers to change some of their working conditions, access to buildings, and all that sort of thing, so on all those 3 we will be doing further consultation before we bring in the characteristics.

The Deputy of St. Peter:

Okay, thank you. Would you consider looking at a Jersey disability and inclusion service? We are thinking for the future and improving accessibility in disability rights.

The Minister for Social Security:

Is that the same as they have in Guernsey?

The Deputy of St. Peter:

Yes.

The Minister for Social Security:

I am not sure that is promoted by Government or is it done by the third sector? I think it is run by the third sector. I think it is run by the third sector in which case it would be a question of whether somebody wished to set up such an organisation or feed off what they are doing in Guernsey. I am not sure it would be the role of the Social Security Department to set something like that up.

The Deputy of St. Ouen:

With regard to social policy, there must be proposals to look at how we provide for this particular group, but you cannot just say: "Well, we will leave it to the voluntary and community sector to undertake that work" surely.

The Minister for Social Security:

No, I think there are groups already actively involved in aspects of disability accessibility to buildings and all that sort of thing. I suppose the focus might be more effective if it is one group rather than spread across a number of groups. You could argue for example that the Citizens Advice Bureau give a lot of information out to the public on aspects of claiming benefits or cards for parking, and all that sort of thing. But having it more centralised would probably be a good thing but I am not sure, again I repeat, I am not sure it is Government's role to be setting up charities really, effectively.

The Deputy of St. Peter:

Have you had any discussions with Guernsey regarding joint working on equality issues?

The Minister for Social Security:

Since our Scrutiny Panel kindly suggested that we should possibly consider a joint appeals tribunal for outcomes of discrimination hearings we have been in contact with our Guernsey colleagues and we have a meeting in June.

The Deputy of St. Peter:

Excellent, thank you. We will move on to talk about the Housing Transformation Programme and the impact this may have on Social Security. You have recently published a report regarding the accommodation component for those in the private sector which will move up to 100 per cent of the market rent. Do you consider that this may encourage social housing sector tenants to move out into the private sector? Is that one of the wishes behind this?

The Minister for Social Security:

The recommendation of Michael Jones who did the consultation report for us was that the rents in the private sector should be set at the average equivalent rent in the social housing sector ... the market rent equivalent in the social housing sector, so we felt that is a good market because obviously if we just looked at the price sector only it would not necessarily be matching like with like. So by using the rents that would be assessed ... 100 per cent rents would be the starting point, if you like, for social housing rents and taking the average of those with different type of property, i.e. a flat, we can set up our own fair rents for the private sector and the impact will be that somebody has offered through the gateway a place in the new housing company or with one of the social housing providers, they will not notice necessarily a great change between the rents they are paying in the private sector to the social housing sector. There is more choice in the sense that if they remain in the private sector they can, within the limits they know is available to them, look around for different types of property, whereas if they are allocated something then they either have one or 2 choices and if they do not like it then they fall off the list for a while. So we think it may assist in the waiting list for the gateway at some stage. But we have no firm evidence of that.

Deputy J.A. Hilton:

Have you any idea how much the cost is going to be once you implement that new ruling?

The Minister for Social Security:

We have a budget and it has been worked through the paper that we presented at £1 million a year additional support we would put into the private sector, rental component.

The Deputy of St. Ouen:

With regard to potential changes in demand with benefits under income support, what is your thinking around that? Are you planning to change the different components that are in it?

The Minister for Social Security:

I think you are going to have to ask me that question again, sorry. I did not quite catch it.

The Deputy of St. Ouen:

At the moment we have a range of components that make up income support; do you have any plans to adjust or alter or add to that range of component that is currently used?

The Minister for Social Security:

Sorry, I did not quite understand. The key thing for us is the £3 million of savings that we have to identify and introduce for 2014 under the Medium-Term Financial Plan. So we have already had a

number of preliminary discussions with staff about where those savings might be found and further work will take place during the summer months.

[14:45]

In doing that obviously we will be looking at some of the core components of income support. I cannot tell you whether we will introduce any new ones or whether we will reduce or change some of the existing ones, but that is the sort of area we would be looking at in order to deliver the savings.

The Deputy of St. Ouen:

Have you any particular areas in mind?

The Minister for Social Security:

I cannot say at the moment because we have not reached any ... we have had a range of suggestions which have come up from staff who have worked with people on income support and we are going to sort of cost some of the options, so I cannot at this stage say any more really.

The Deputy of St. Ouen:

When is it likely that that sort of information would be available?

The Minister for Social Security:

We will be lodging very soon regulations to change the housing component of income support to increase the amounts in line with the request from Housing to increase their rents from 1st October. So in lodging that we will explain in the report what work we are starting to do with the other components in order to deliver the £3 million savings.

Deputy J.A. Hilton:

What sort of percentage decrease do you think there would need to be to achieve the £3 million worth of savings in low income support payments? Maybe sort of on an individual adult component, for instance, on your current figure.

The Minister for Social Security:

The total bill is about £90 million at the moment ... we are working it out. Four per cent reduction.

Deputy J.A. Hilton:

Has any consideration been given in the future to limiting income support payment to non-working households with, say, 2 children for instance?

The Minister for Social Security:

As opposed to 6?

Deputy J.A. Hilton:

Three, 4, 5, 6, 7 children.

The Minister for Social Security:

Those are the sort of areas that we could look at. I am not saying we are looking at that but there are a number of areas that we could be looking at. I have to re-emphasise that finding £3 million of savings has to come out of the tax-funded benefits, and income support obviously is the biggest by far of the tax-funded benefits we pay, but there are other benefits we pay, which comes from taxpayers' money as opposed to contributions. So there are benefits there we could look at as well.

Deputy J.A. Hilton:

Such as?

The Minister for Social Security:

Well I am not saying these are the ones, but in the past the Christmas bonus has been used as a C.S.R. (comprehensive spending review) saving. We have the 65 plus health scheme and things like that. I am not saying we are looking at them, but they are tax-funded benefits and it is out of the tax-funded benefit system that we have to find the savings.

The Deputy of St. Ouen:

I am no mathematician, Minister, but it seems rather confusing when you say that you are tasked with finding £3 million savings but at the same time you are saying the income support bill is going to increase by at least £1 million because of the proposals for rental components. Surely the result is not £3 million saving but £2 million.

The Minister for Social Security:

I think we had this discussion at the last hearing funnily enough, because I re-read the transcript, and my Chief Officer and I both attempted to explain how we achieve the £3 million savings. From the point of view of finding savings, it does not matter what new initiatives we might get States funding for, such as the private sector extra support. What matters is what the core funding is and how we can hold that down. If it was £91 million last year, the total income support including residential care, and we had to find savings, we would need to make that £88 million. But if the budget grows anyway because of the increased number of applicants we still have to have a £3 million difference. That is what we have to try and achieve.

The Deputy of St. Peter:

Another major piece of work that your department is undertaking is looking at long-term care. When can we see the results of your work?

The Minister for Social Security:

An enormous amount of work has been going on including using specialist advisers, modelling the system of the benefit. As you know we have a private hearing with you straight after this, so I am reluctant to obviously and unable to say too much in an open hearing, but as far as the target is still to introduce the scheme from 1st January next year, with the first recipients of the benefit on 1st July we will be ... hopefully we have a political steering group meeting on Tuesday when more or less the final details of the scheme need to be signed off by the group. We obviously will be in contact with yourselves about what our proposals are. We need to take it to the Council of Ministers but we hope to lodge our proposals before the summer recess for debate in September. The timings are very crucial because of the need to introduce the scheme through the tax system of collecting the contributions and so it is very time sensitive to get it in place in 1st January. You look worried.

The Deputy of St. Peter:

I was just thinking about my summer holiday. I do not mean to trivialise it. We will try and do some work on that before the recess.

The Deputy of St. Ouen:

Just picking up and following up from that. In a report written by the Jersey Consumer Council on primary healthcare issued in spring this year, they found that there was a widely held perception, an anxiety, that the Islanders have around long-term care and the funding of that particular matter. They gave a recommendation that you should deal with it and make clear what your plans are and how individuals will be affected by the proposals that are coming forward, even be it in general terms. Are you planning to act upon that?

The Minister for Social Security:

Yes. Obviously I am not able to talk in public about the scheme until it has been agreed by the steering group and the Council of Ministers. If all goes to plan I will be making a statement in the Assembly on 18th June setting out parameters of the scheme. Obviously we cannot promulgate literature about the scheme until it is approved by the States, which will be regulations later in the year.

The Deputy of St. Ouen:

But it might be useful, given that the decision was made some time ago, to introduce this scheme and obviously we appreciate it has been delayed for a year, but the public might benefit from being updated on progress.

The Minister for Social Security:

There is a difficulty with that because people will try and organise their affairs on the basis of what I may or may not say, and if the scheme then changes they will not be too happy. So until we have sign-up really of the Council of Ministers to the scheme, and hopefully your panel, and we can lodge the regulations, we would not want to ... not all the areas of the scheme because some remain for decision by Order, but the majority, certainly the disregard and the residency in particular have to be approved by the States under regulations.

The Deputy of St. Ouen:

I would just like to go back to another recommendation that this panel have to make on the ... that was contained in our review of the Housing Transformation Programme, and that was recommendation 15 which required certain action to be taken and consideration given to what support may or may not be offered to those on low income, especially if they are pensioners. Obviously the Minister for Housing's response he basically said: "It is not me, it is him" meaning the Minister for Social Security. I just wondered, have you given any thought to that particular recommendation and were you planning to respond to that?

The Minister for Social Security:

We already have. We have already been proactive. We did what we call a flyer or a newsletter to all States tenants, which was sent out with the newsletter that Housing provide to their tenants. I can give you a copy. We have had a number of responses from people who possibly were not on income support who made inquiries about whether they might qualify. We will continue to be proactive in the build-up to April when the first people may be affected by the changes as they move into new tenancies.

The Deputy of St. Ouen:

What about those who have been sitting, waiting for access to social housing, and have gone on the waiting list for maybe 12, 18 months, and who are likely to face a full increase when a property may become available.

The Minister for Social Security:

That crosses back to what we were talking about before about by increasing the amount of support in the private sector the gateway will more or less ... the majority of people coming through the

gateway will be people who are currently in the private sector, probably receiving help through income support. So they will already be income support recipients as they come through the gateway moving into States housing.

The Deputy of St. Ouen:

And those outside it is fend for yourself?

The Minister for Social Security:

Those who are in the gateway who are not on income support would be there for other reasons, perhaps health reasons or whatever, and certainly it would be very difficult to identify who those people are. But we will be, as always, advising people of the income support scheme, it is on the website. We have a new leaflet that has come out very recently and I am not sure how much more we can do to tell everybody ... we have also done, through the Consumer Council, articles about income support. Apparently the last one we did in April but because the newsletter was an edited version of all the information it was only available on a web base access and we have asked the Council to include a shorter version of our information about income support in their next newsletter that is distributed to all homes.

The Deputy of St. Ouen:

Just coming back to the Employment Tribunal and the links and issues to do with the Discrimination Law. I noticed that in the Jersey Employment Tribunal annual report, which was issued quite recently for 2012, they make a comment that a review of the cases heard by the Tribunal in 2012 most involve small employers without H.R. (human resources) support who failed to follow fair procedure, sometimes even when the disciplinary procedures were in the contracts that they had issued to the employee. I think it just highlights again the problem that certain employers do and are facing with regard to addressing some of the new legislation or relatively new legislation being introduced. In fact, one of the recommendations we made in relation to the Discrimination Law was that some form were very clear - I will not plain English because I have already been ticked off about using that, the language is linked to discrimination law - but a clear guidance and information that is easily understandable is disseminated to the industry and business, in particular the small businesses, so that they can help to prepare for this Discrimination Law actually come up to speed in relation to employment. Is that your plan?

The Minister for Social Security:

Absolutely. Obviously the main source of information for employers is J.A.C.S. on the J.A.C.S. website, and the J.A.C.S. website has recently been changed into 2 sections: one for employer and one for employee, so it makes it easier for people to access information. But we absolutely intend to work with J.A.C.S, C.A.B. (Citizens Advice Bureau), and any other organisation to

provide clear, simple guidelines on how to comply with the Discrimination Law race characteristic and I think we will ... J.A.C.S. are already delivering courses for employers on discrimination. I think some 900 employer representatives have been already through those courses. We agreed to provide money to J.A.C.S. to deliver those courses for free until the law comes in and I think we will obviously follow exactly what Scrutiny recommended, which is make sure that the information is available, particularly to smaller employers.

The Deputy of St. Ouen:

Thank you.

The Deputy of St. Peter:

Thank you all very much for your time. I close the meeting.

[14:59]