



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

THURSDAY, 26th JUNE 2014

Panel:

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
Chief Officer, Social Security
Policy & Strategy Director
Operations Director
Director of C.E.C.B. (Contributions, Enforcement and Contributory Benefits)

[10.30]

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

Good morning and welcome to the Health, Social Security and Housing Scrutiny Panel. We will start by introducing ourselves. I am Deputy Jacqui Hilton, Vice Chair of the panel.

Deputy J.A. Hilton:

Thank you. I would like to start by drawing the public's attention to the notice on the seat. Thank you. I would also like to offer the apologies of the Deputy of St. Peter who is currently unwell. We would like to start, Minister, by asking you what you believe is the most significant achievement you have made as Minister for Social Security in this term of office.

The Minister for Social Security:

I would probably flag up long-term care benefit. Introducing the benefit. The States had, of course, agreed in principle to introducing the benefit but we are only literally days away now from paying out the first of the new long-term care benefit from 1st July, and I think it is a reflection on the work of the department that we have managed to work with Health and Social Services doing the assessments of those currently in care and working with Tax to introduce the new contribution for long-term care. So really it has been joined up work between 3 departments but I suppose that would be, I would say, probably the thing I am proudest of.

Deputy J.A. Hilton:

Thank you. That leads us very nicely into our first question. The long-term care scheme is going live on 1st July 2014, as you just said, can you tell us whether it is on target to start taking payments from January 2015?

The Minister for Social Security:

Of course that is where we are working with the Tax Office. The notices to advise people who currently pay through the I.T.I.S. (Income Tax Instalment System) scheme will be sent out towards the end of the year so that they are aware that the new contribution at 0.5 per cent commences from 1st January, and those who pay in instalments, like half-yearly instalments, particularly the pensioners who pay, will be advised separately as and when they are in contact with Tax Office. So that side of it is the Tax Office, they are doing the informing the public.

Deputy J.A. Hilton:

So as far as you are concerned everything is going well and is on track?

The Minister for Social Security:

As far as I am concerned, I do not know if any officer has any concern but I think it is all on track as far as I am concerned.

Deputy J.A. Hilton:

Okay, thank you. What ongoing relationship does Social Security have with Treasury regarding the payment from individuals into the long-term care scheme? Who ...

The Minister for Social Security:

Sorry ... carry on, you were going to ...

Deputy J.A. Hilton:

No, please go on.

The Minister for Social Security:

Well, the ongoing relationship, of course is that they account to us on a regular basis with the money that has been collected specifically for long-term care. We have already set up a long-term care fund using the money that was underspends from 2013 and also 2014 in our tax funded money. So we always have a pool of money there. I think somewhere in the region of £11.5 million, but obviously further monies collected will be paid into that new fund in order to enable us to pay out the benefits. So the relationship will be ongoing because they have to account to us for the loan.

The Deputy of St. Ouen:

So will individual's tax returns have a separate line showing the long-term care contribution?

The Minister for Social Security:

Yes, they will, yes.

The Deputy of St. Ouen:

So it will be relatively easy to determine the amount that will be required ...

The Minister for Social Security:

Clearly identified. Included on the notice that they give to the employer, the I.T.I.S. notice will show the split between tax and long-term care.

Quality Director:

Can I just say that there will be a single I.T.I.S. rate, but the liability on the income tax assessment will show the split. Because the long-term care contribution is quite small then it might be a fraction of a per cent and I.T.I.S. only works in 1 per cent bands. So the I.T.I.S. rate people get in November will be a combined I.T.I.S. rate, covering both income tax and long-term care. Your

assessment note would always say specifically: "This is your income tax liability, this is your long-term care liability."

The Deputy of St. Ouen:

Presumably all those that will be required to contribute will be made aware of how this additional tax is going to be taken?

Policy & Strategy Director:

There will be a publicity campaign in September probably. So it needs to be kind of not too soon because people will have forgotten about it, but well before the notices come out in late October/November. So Tax are planning that at the minute and the long-term care scheme will be in place and so there will be a mail drop to all households probably with information about the change and the effect rate notices and how the new tax will be collected.

The Deputy of St. Ouen:

What specific actions have the department taken to ensure that all those eligible to receive the long-term care funding as of 1st July will receive it?

The Minister for Social Security:

Okay, well we have obviously done a lot of work with those currently in receipt of income support in residential care, of which there is about - from memory - 550 or so. Those have all been transferred on to long-term care benefits automatically. They have been assessed in their care situation at the moment with the help of extra staff from Health and Social Services who have done the assessments. So all those people will be transferred across to long-term care benefit. In addition we have had just under 200 applicants who are currently self-funders as a result of notices going out and advertising the new benefit. So we are doing assessments on all of those. A lot of them will be working towards their care costs cap so they will not be immediately eligible but we will be setting up a care costs account for them. Of those just over 50 are needing to have means-tested help under long-term care, so we are giving priority to those so ...

The Deputy of St. Ouen:

Sorry, can you just say that again?

The Minister for Social Security:

Within long-term care there are 2 elements, well 3 elements but the 2 main ones are the universal benefit, which is available to everybody who qualifies on the basis of residency and the level of the care they need, but they have paid more than the cap which is set now at £52,120. So provided the ... do not forget we have been accruing care costs since 1st January 2013 so somebody in the

highest level of nursing care will have already probably accrued sufficiently by 1st July to be eligible for long-term care benefit on the universal benefit. So they do not have to give us any information about their assets or income, they are immediately eligible. That was the idea of the scheme. But for those whose assets are below the threshold of £419,000 they can come to us for means-tested help. As I said, of the just under 200 who have applied, who are not currently funded through income support, there is about 50 of them who would be looking for means-tested help. We are working on those as a priority so that we can start to pay them from 1st July. The scheme and the order that I am about to sign at the end of this week allows us to backdate for 6 months. So somebody who is a self-funder who is looking to receive the universal benefit, we can backdate it to 1st July in any event if they are already paid up to their cap.

The Deputy of St. Ouen:

You speak about 200 self-funders, are all of those individuals currently in residential care?

The Minister for Social Security:

I do not know the split but, Jonathan, you can provide more information.

Director of Contributions, Enforcement and Contributory Benefits:

There are approximately three-quarters of those in residential care and a quarter receiving domiciliary care, so care in their home.

The Deputy of St. Ouen:

Correct me if I am wrong, but anybody over 18 is able to access that.

The Minister for Social Security:

Yes, depending on circumstances.

The Deputy of St. Ouen:

Do you have a breakdown of the age groups?

Director of Contributions, Enforcement and Contributory Benefits:

Not by age group, no.

The Deputy of St. Ouen:

Is that information available at the department?

Director of Contributions, Enforcement and Contributory Benefits:

It is, yes.

The Deputy of St. Ouen:

It might be useful just to get a feel of how big the spread is because it is not simply just people in their old age that may be owed it.

The Minister for Social Security:

So just to be clear, children under 18 receive their care package through Health and Social Services at the moment if that is what they need and they are not charged for that. That is why the benefit kicks in once they are age majority of 18.

The Deputy of St. Ouen:

With regards domiciliary care, obviously the aim is to ensure that appropriate home care packages are available so people have choice. What progress has been made in that area?

The Minister for Social Security:

Well, there has been a lot of work. We at Social Security have predominantly been working with the care homes who are already registered under the nursing home law to arrive at approved care framework, which after many lengthy meetings of officers with the care federation, we have arrived at a framework which relates to the payment of the benefit direct to the home and the standards we expect in those homes and reporting, et cetera. The work with care providers who provide domiciliary care has been led by Health and Social Services. They have been working directly with ... I mean, some of the nursing homes also provide some nursing care in domiciliary situations but most of those providers are not care home providers so they would have to have been vetted by Health and Social Services and a similar framework has been drawn up with them so that until we get the Regulation of Care Law, which we are about to debate, and that comes into force, this is like standing in its stead so that we can ... anybody on the approved care framework, whether it is a home or whether it is a provider in your own home, we will be able to authorise payment of benefit.

The Deputy of St. Ouen:

Just sticking with domiciliary care for the moment, not looking at residential care. Will there be different levels of payment made to those that are receiving care within their home?

The Minister for Social Security:

There are 4 levels of care and somebody receiving care in their own home would have to be assessed at one of those levels to be eligible for either the ... more than likely the means-tested at this stage for the benefit. So those levels are the same whether you are in a ... the difference between being a home is the co-payment which is something in the order of £312 - it has just gone up. There is no co-payment obviously relevant to receiving domiciliary care in your own home

because you have your normal expenses of living at home, food, et cetera, so that element has gone, but we will allow ... whichever level you are assessed at, level 1, level 2 ... if you are level 4 you would be in a nursing home almost certainly. So it is level 1 or 2 probably. We allow that full rate to accrue and to be paid if you are receiving means-tested, even though you may not actually have that expense in total. So your care package could include some care provided by your relatives or whatever, but you will still receive and be accruing, if you are working towards your cap, at the full rate of that benefit. Does that make sense?

The Deputy of St. Ouen:

I think so. Just for the sake of clarification, you say that there will be 4 levels of payment. It is likely, as you quite rightly say, that the higher level is more likely not to apply because it would be tend to be ... the individual would tend to be cared for within the residential setting. Right so we have 3 levels of care which must be, I presume linked to specific criteria and packages. Where can I find or the public find a description of those home care packages?

The Minister for Social Security:

We will have a ... there we are, we brought them with us. Those will be available. Also that will be available on the website. We already have had information on the website, States website, about long-term care but that booklet you have there now specifically sets out the rates for the 4 levels and explains an idea of what level 1 ... what sort of care needs you might have a level 1 or level 2. So what you are asking is in that booklet.

The Deputy of St. Ouen:

Just for the transcriber's sake, the booklet that has just been provided is titled: "The Long-Term Care Scheme General Information." So just moving on, we have got clear descriptions of the care levels and the funding that is linked to it. How do you ensure that the individual is eligible for the right level of care? Who determines that right level of care and the associated funding that goes with it?

[10.45]

The Minister for Social Security:

There has to be an assessment of their care level needs in order to place them at one of these levels. That is done by Health and Social Services. I will authorise, in the order that I am about to sign this week, the classes of people, if you like, who will be allowed to do assessments. Which will include mainly social workers but it could include other health professionals, nurses or G.P. (general practitioner) or whatever but they would have to be approved as an assessor. What we have done with all those so far, the nearly 200 who are self-funders and the ones already in

homes receiving support through income support, extra staff have been brought in from the U.K. (United Kingdom) to help do the assessments, so that is why we have been able to assess as many people as possible in time for 1st July.

The Deputy of St. Ouen:

We are well aware currently that there are other assessments that are undertaken by your department, linked to other benefit support, including a carer's allowance. There are cases where it is open to challenge by the individual. Sometimes equally there is conflicting information that is presented by professional medical practitioners and the individual that ultimately determines the finance support that is provided. Sorry for the long-winded entry to the question, but what assurances can you give us that the assessment of the care level and the authorisation of the payment is going to be sufficiently robust that the department will not be faced with a load of appeals around the support that individuals should be getting, especially when they are specifically contributing towards that fund?

The Minister for Social Security:

Well, there is a very detailed order that I will be signing this week, I have said that a number of times, which sets out all the procedures you are describing. There will be 2 different areas of determination. One is the assessment of the care level needs of the individual, which can be appealed and a secondary determination done. Further than that on to an appeal tribunal. Then also the actual calculation of the benefit because, of course, if it is means-tested we are going to be looking at all their assets and their income, et cetera. So if somebody appeals that it would be redetermined within 21 days by another officer. If they are still not happy it would then go to a tribunal for an appeal. So all those procedures are set out in that order, it is a robust system that we use for income support and other benefits following exactly the same process. The person always has the right to appeal decisions until they go to the tribunal and that is the end of the line to a certain extent.

Deputy J.A. Hilton:

So the appeals process is exactly the same as you are currently using when it comes to low income support?

The Minister for Social Security:

It is particularly relevant to say when we assess people for the different impairment levels, 1, 2 or 3, so if somebody does not believe they are level 2 or whatever they can appeal it, it is redetermined. So all those processes we were familiar with, we will be following similar processes for long-term care.

Deputy J.A. Hilton:

Of the people you have already assessed who are in residential care or receiving domiciliary care, have any of them failed the assessment levels that they are currently ... somebody may be in a residential home but you do not believe that they meet the level required?

The Minister for Social Security:

Because we have not had these assessments to do before, other than for assessing people on income support, but there will be some people, and we have come across some people, who by choice have perhaps sold their house and gone into a home because they want the companionship, they do not want to be cooking meals or whatever. Now, they would not qualify for the benefit. Their level of care would not meet level 1 as we call it but in time, obviously, if they are fairly elderly, they could be reassessed and the homes would inform us if they think they are providing a high level of care to that individual than we see at the moment, and therefore they could enter the scheme but their current care costs will not be accruing because we have not assessed them as needing level 1. So they are not accruing towards their cap at the moment.

Deputy J.A. Hilton:

Okay, but for the people who are currently ... their long-term care needs are being paid for by low income support, you have not come across any in residential homes that do not meet the criteria?

The Minister for Social Security:

I would be very surprised. I would have thought not.

Quality Director:

No, because ...

The Minister for Social Security:

They have been assessed before.

Quality Director:

Soon after income support started a consistent scoring mechanism was introduced for people entering social care because the previous parish system had been slightly subject to that problem, that there was not a single gateway into it. So we have had a simple scoring mechanism in place for several years and we said that means that all the income support people now receiving residential care support had gone through that scoring mechanism and have been at a certain level. The minimum level of that is the same as the minimum level of long-term care, so the 2 things are aligned together. So it is not difficult to be able to make that. But with self-funders there

have been a number of people who came through the self-funder route who have been identified as having levels below the minimum level.

Deputy J.A. Hilton:

With regard to the parishes who provide long-term care, residential care, is everything in order, the working relationship with the parishes, have there been any hiccups to speak of?

The Minister for Social Security:

As I said earlier, we have been working with the Care Federation, which includes the people who run parish homes as well, faith organisations as well and this approved care framework that we have been developing with them, it has taken time to get everybody to agree the exact wording but we now have agreement and they are all sending back their agreements - we are calling them agreements - so they are all signed up to it basically. All the care providers are signed up to it.

The Deputy of St. Ouen:

How confident are you that the necessary professional staff will be available for those who wished to be cared for in their own homes, and access to the home care packages and the funding there?

The Minister for Social Security:

You will be talking about health care assistance and that sort of thing?

The Deputy of St. Ouen:

Whatever is necessary. Obviously you have just told us that there are 4 levels of support, generally there are going to be 3 levels that will apply to a home situation. You will have certain criteria that will need to be met at each level but obviously, I presume, it depends on being able to access staff?

The Minister for Social Security:

Well, the main provider, as we all know, is Family Nursing and Home Care who provide domiciliary care. They, of course, are in the approved care framework for domiciliary care. There are other organisations who are delivering nursing care or some sort of care in the home who have also applied and been approved but I foresee that this is a growth area for Jersey with the ageing population, et cetera, and more people will choose, I think, to have a home care package rather than possibly book themselves into residential care because it would be the preference for a lot of people, I think. The Trackers Apprenticeship Scheme currently has something like 46 healthcare assistants training at the moment and I do see that this is an area of growth in Jersey for ... but they have to be registered and in time the Regulation of Care Law will make sure that the people

who provide these packages are registered and meet the standards set out in the Regulation of Care Law.

The Deputy of St. Ouen:

Will access to long-term care funding being provided to those who are or would be classed as being hospice type clients?

The Minister for Social Security:

Yes, I think my understanding of the role of hospice now is they provide a lot of support on a day basis to people suffering from cancer or motor neurone or whatever. So they might go to hospice in the day time but they would return to their own homes so they would need to have care packages around their situation in the home and it is only towards the end of life that they are admitted into a bed.

The Deputy of St. Ouen:

So you say hospice would be eligible?

The Minister for Social Security:

Hospice itself?

The Deputy of St. Ouen:

Yes, as a provider of care to an individual.

Quality Director:

The services the hospice provided are specialist services which do not fall under the general remit of normal long-term care. So the hospice building is not registered as a care home under our law and ... so they do different things. They mainly provide specialist nurses who are providing medical attention to people. Long-term care is about satisfying your needs which are not medical needs but your kind of day-to-day living needs which you cannot somehow provide yourself. So that is what long-term care does. It is the same thing with district nurses where a district nurse is coming to your ... if you have care at home you have got home care assistance coming in to help you with your physical needs and day-to-day, the district nurse will come in, as they do now, as a free service and do a medical intervention with you. That is not necessarily part of the long-term care package, that is a separate thing. The hospice is a similar specialist service which is not directly covered by long-term care. Long-term care is about caring for you as a person, your normal everyday needs as opposed to your medical needs. So G.P.s are outside of long-term care, specialist hospice nurses are outside of long-term care. There are things that you will get

alongside your long-term care which are not covered by our scheme. Those are funded separately or potentially funded separately.

The Deputy of St. Ouen:

I just do not see why you seem to have selected out cancer sufferers and made them a special case, alongside perhaps some who has long-term heart problems or ...

The Minister for Social Security:

No, no, that is not the case.

Quality Director:

They can get both support at the same time. They are not mutually exclusive.

The Deputy of St. Ouen:

So if you have 2 patients, one with long-term heart problems and the other one with long-term cancer type problems, both being cared for in their home and accessing appropriate care, regardless if it is paid for or comes "free", they are treated the same. Is that what you are saying?

The Minister for Social Security:

Yes, in their own home the package that they need, at whatever level it is assessed, they combine service care providers to assist them. The fact that they have cancer or they have some other illness does not prevent them doing that. I think what Sue is making clear is that services provided by hospice are free anyway and they are provided as an add on to help that patient with their particular illnesses, as there are other services for people with other illnesses as well provided by the hospital.

The Deputy of St. Ouen:

But that was prior to introducing the long-term care scheme and the funding that it provides. What I am suggesting is that, yes, Family Nursing provide us with a subsidised type of care at the moment; yes, hospice offer incredible service with money from public subscription and contributions and sponsorship, however the reality is that that care costs money and it would cost money in a different situation, i.e. a residential care home. So I am just trying to understand, how do you recognise the cost or is it very simply because in one place you are lucky enough to be accessing these free services, on the other hand you are in a residential care home. Same sort or problem but you are paying £1,100 a week.

The Minister for Social Security:

I must admit I am losing the thread here a little bit of your argument. What we are saying is if you are receiving domiciliary care and you have been assessed at level 1 of level 2 - I think beyond that it is likely to be in a home - you are awarded that level, okay? This is for somebody who is means-tested because you have to reach your cap first before you would receive a universal benefit. Let us say they are means-tested. They then buy services from the approved care provider's list. Now, the people who are on that list are mainly private organisations but Family and Nursing Home Care is on there. Hospice does not really deliver domiciliary care. They may visit somebody in their own home but mainly they bring people into hospice. So they come in, they pick them up, they take them into hospice for the day, they spend the day at hospice and then they go home. So it is a different service.

The Deputy of St. Ouen:

But the G.P. cost would be picked up now, is it?

The Minister for Social Security:

No. No, no, as Sue has made clear, the G.P. continues to be paid through the co-payment by the patient and also by the ...

The Deputy of St. Ouen:

So while an individual is trying to reach the point at which they can access the fund, some costs that they are required to meet ... what you are telling me is that they are not accounted for?

[11:00]

The Minister for Social Security:

Well, G.P. costs are not accounted for, no. The same applies if you are in a home. If you have to either go and visit the G.P. or you have to call out the G.P., the patient in the nursing home or the residential home has to pay that cost. That has always been the case, that is not changing. But we give, as you know, money to reduce that cost through the Health Insurance Fund, but they have to pay to call out a G.P. Obviously if their G.P. says they have to go into hospital then obviously once they are in hospital they receive care through the hospital free.

The Deputy of St. Ouen:

So it is going to be extremely important that the public is very clear about what home care packages are available, linked to the different levels of need, so that then they can do some form of ... or some calculations can be made as to what that expense is going to be?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

Sorry, just one last question on that. If you are contributing towards your care in your own home rather than be within a residential care home environment, what mechanism is in place for Social Security, your department, to calculate the ongoing cost of that care so that until they reach a point of being able to access the funding, in other words until they reach the cap?

The Minister for Social Security:

We open what is called a care cost account for those whose assets are above the disregard and who are working towards their £52,120 cap. So as we accrue the care cost in the account, we are working towards their cap and we will inform them every year where they are with the cap. If they are in their own home it could take 2 years approximately, maybe, to get to the cap, I do not know, it depends on what level they are at. So we are accruing that in an account so they know exactly where they are in the steps towards getting the universal benefit. Obviously if they are a couple their cap is a combined cap of just over £75,000 ... £78,000 now, is it?

The Deputy of St. Ouen:

So the good thing is that from 1st July we will know to the nearest number, or have the actual number of individuals, that are receiving and requiring long-term care across the Island?

The Minister for Social Security:

Assuming they come forward and apply for assistance. Somebody very wealthy may not even want to go and apply for assistance, we do not know but it is possible. But, yes, we would have much better handle on the care needs of the population using these 4 levels of assessment.

Deputy J.A. Hilton:

Can I ask you, what impact has the long-term care scheme have on the development of the sustainable mechanism for health and social care?

The Minister for Social Security:

It is just slightly outside of that because ... did you say social care, sorry? Social care. I am not sure I am talking about the same thing.

The Deputy of St. Ouen:

There are 2 sustainable funding mechanisms that are required to be delivered by the end of this year.

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

One is to do with the primary care ...

The Minister for Social Security:

Primary care.

The Deputy of St. Ouen:

The other one is the sustainable funding mechanism for health and social care.

The Minister for Social Security:

Right, sorry, it was the health, the health and social care was missing. I was thinking: "Have we got another one?"

The Deputy of St. Ouen:

Sorry.

The Minister for Social Security:

That is okay. Well, there is a lot of work going on in that area since I last met with you. The project board has been set up and they have had 3 meetings. Jonathan is on the project board for the department. They are working with the professionals, the G.P.s, the pharmacists, optometrists, third sector as well, towards producing a report to the Ministerial Oversight Group. They are having a ... sorry, I forgot what the word I am looking for is. In July, what do you have, Jonathan, a meeting of some sort. Forum, is it?

Director of Contributions, Enforcement and Contributory Benefits:

Yes, there is going to be a forum where all of the individual board members representing all of the primary care groups, having done extensive research, will be providing some input into what they think the new model should look like. So that is to capture of the collective use of the Island's primary care professionals.

The Minister for Social Security:

So that will come back to the ... once they have formalised the initial plans for the primary healthcare new model, that will come back to the policy advisory group with a view to a White Paper being issued towards the end of the year for public consultation with the proposals of the project board supported by the ministerial oversight group. Did you want to know about funding?

The Deputy of St. Ouen:

Yes, because it is ...

The Minister for Social Security:

Funding is a separate stream that is being led primarily by the Treasury. We are aware that meetings have been taking place with Health, because Health will have to provide estimates of their budgets going forward into the next Medium Term Financial Plan and those have to be built into the total picture for not only the primary health care model but also sustainability of Health and Social Services going forward for the next 3 to 4 years. There is clearly going to be a need to review the role of the Health Insurance Fund going forward and also how if there is substantial rises in the costs, which there will be, for delivering care in the community, how that is funded going forward.

The Deputy of St. Ouen:

So you say you are planning to review the role of the Health Insurance Fund, this is the most favourable option that has come out of the discussion to date, that you would broaden the range of the Health Insurance Fund and increase the contributions made by individuals.

The Minister for Social Security:

It is likely that that will feature in the proposals. The reality is, of course, that the Health Insurance Fund, we are just awaiting the latest Government Actuary Department review of the fund, is that we are already at a point where we are not breaking even with the costs going out of the fund as against the income. So the services we currently provide, particularly the high cost of drugs and the other G.P. consultations, et cetera, the draw on the fund is now at a stage where we will be needing to consider increasing contributions in any event, let alone providing additional services funded by the Health Insurance Fund.

The Deputy of St. Ouen:

When do you see that issue being addressed?

The Minister for Social Security:

I think the commitment is to come back to the States before the end of year with proposals for sustainable funding.

The Deputy of St. Ouen:

Sorry, no, you just flagged up an issue around the Health Insurance Fund ...

The Minister for Social Security:

The Health Insurance Fund, okay.

The Deputy of St. Ouen:

... as it stands at the moment.

The Minister for Social Security:

Yes, I have not seen the Government Actuary report. Officers have seen the first draft of it. When I see it then obviously, as we did with the Social Security Fund report, we did a presentation to States Members so we will be in a position obviously ... we will release the report to States Members and to the public if they want to see it and we will be making certain ... the actuary will be making certain recommendations as to when and how soon we need to start increasing contributions because we are aware that we are already in a position where we are no longer breaking even.

The Deputy of St. Ouen:

That information will be provided in advance of any other information around about this new sustainable funding?

The Minister for Social Security:

Yes, it should be within the next month or so? That we release the actuary report?

Chief Officer, Social Security:

By the end of next month.

The Minister for Social Security:

Yes, end of next month. It is written for us, we do not control that report, it is written by the Government Actuary Department so we have to wait for them to be satisfied that the final version is ready to be released.

Deputy J.A. Hilton:

I think we can probably see an increase in Social Security contributions next year, based on what you have just said. Likely.

The Minister for Social Security:

You could call it Social Security contributions but the Health Insurance Fund contributions are made up of 0.8 per cent from the employee and 1.2 per cent from the employer. Of those collected alongside Social Security contributions is we set the money aside distinctly into that fund.

Deputy J.A. Hilton:

Following on from that, you were required to deliver £3 million worth of annual savings from the income support budget, are there any further savings being proposed to be delivered in 2015/2106?

The Minister for Social Security:

Not during the life of the current Medium Term Financial Plan, but you have to remember that those savings were ongoing savings, they were not one-off savings so the way we have chosen to deliver them has been achieved as ongoing savings. I cannot speak for the next Medium Term Financial Plan because there may well be a request for savings in that from tax funded benefits.

Deputy J.A. Hilton:

But at this present moment in time you have not been asked to target any savings for the 2016, 2017, 2018 Medium Term Financial Plan?

The Minister for Social Security:

Well, I am not privy to those discussions as yet. They have been at officer level to a certain extent, but I think the impression I am getting is that the large demands that Health are placing on the budgets of the States going forward means that departments will have to look to make savings at some stage.

The Deputy of St. Ouen:

I just want to challenge you on the previous comment that you made because - and correct me if I am wrong - you said that there were ... your department will not be required to deliver further savings in the life of the Medium Term Financial Plan, which is 2013 to 2015. That includes of 2015.

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

In a recent response provided by the States Employment Board regarding public sector pension reform it quite clearly says the additional money of £6 million that is required to meet the additional costs of reform, will be funded by corresponding departmental efficiency savings as highlighted to the Council of Ministers, of which you are part, when presented with the draft law. It says: "Departments will be making efficiency savings to fund the proposals and the savings will be phased over 2 years. £2 million in total to be delivered in 2015 and a further £4 million in 2016."

So would you like to consider the answer that you have provided previously and maybe give us your view on what is likely to be required from your department in 2015?

The Minister for Social Security:

Yes, I thought you were asking me before specifically to do with tax-funded benefits where, as I said, £3 million delivered this year is ongoing. With regard to savings in expenditure of the department relating to staff costs, that is not a matter I normally get involved in so, Richard, have you got anything to comment on that?

Chief Officer, Social Security:

Yes, so you are quite right, Deputy, we will be faced with efficiency saving targets as opposed to further savings to be made from benefits in 2015. The figure escapes me at the moment, that will be on a pro rata basis on the basis of the number of staff we have in the department. It is not the quantum of the saving that we have had to deliver with respect to benefits in the past. We are quite well placed to deliver those efficiency savings as and when they arise, given the investment in a particular lean, being an early adopter there to identify where will have efficiencies.

The Deputy of St. Ouen:

So, just to be clear, the savings you will be delivering in 2015 and 2016, because obviously it covers 2 years, will be all from staff costs?

Chief Officer, Social Security:

It will be from efficiency as opposed to anything to do with benefits bills. It will not be measured in respect of benefits from these savings, it will all come from ...

The Deputy of St. Ouen:

So there are no additional proposals at the moment to further reduce benefits?

The Minister for Social Security:

Well, there are a number of Back-Bencher propositions that would do exactly that. Would you like to talk about those?

Deputy J.A. Hilton:

Yes, we would.

The Minister for Social Security:

They will achieve exactly what you have just said. They would mean savings would have to be found from tax funded benefits if they were approved.

Deputy J.A. Hilton:

Can we just ask you about that, because there is an amendment to one of your propositions, I believe, being debated next week and according to the report an indication has been given of a budget of at least £750,000 will be required. Do you have any comment to make on that? How your department might fund that if the amendment to the proposition is successful.

The Minister for Social Security:

Just to set the scene, the proposal that I am making is that children under school leaving age who are currently assessed at what is called PC3, which is personal care impairment level 3, which is a very high threshold, will receive in their own right the impairment component of income support, which is about £150 a week. It is going up in October. Irrespective of the income of the household. We have been doing that by exceptional payments authorised by the Minister since income support started.

[11:15]

The amendment is to extend that to what we call PC2 and PC1, which are much lower levels of impairment for children under school leaving age and to be available across the Island, not means-tested, and basically ... it is very difficult because we have no idea the level of PC1 and PC2 children in the Island. We have assessed that that could cost in region of £750,000 per annum if that was to be approved. We have been told by Treasury, and we know anyway, that we cannot change our budgets for 2015. We could perhaps build it into the new Medium Term Financial Plan. So to deliver as requested this increased cost across the Island, non means-tested as I said, so families with high income could also claim, we would have to reduce tax funded benefits and we would have to look to either reduce the budget for income support, so taking money away from people who have the lowest incomes to award benefits to families with the highest incomes. It is totally contrary to what income support was set up to do.

Deputy J.A. Hilton:

So currently PC1 and PC2 is means-tested benefit?

The Minister for Social Security:

PC1, PC2 and PC3 are all means-tested but because PC3 children also come to our attention who are living in homes where the family do not qualify for income support, successive Ministers, since the introduction of income support, have awarded the PC3 component to that family for that child irrespective of their income. It is a continuation of the old attendance allowance that used to be awarded to these children.

The Deputy of St. Ouen:

What changes, if any, happen when the child turns 18?

The Minister for Social Security:

It is school leaving age, 16. After that they would be entitled to make a claim in their right because they would no longer be required to be in school. So unless they are the benefactor of a large trust or something, they would be assessed on their own income, which would presumably be fairly negligible, if anything, and entitled to that full income support claim in their own right at that age.

The Deputy of St. Ouen:

So would it be the case that once a child becomes an adult, young adult at 16, that they would be financially better off ... being provided for financially, should I say, than before that age?

The Minister for Social Security:

Well, by being able to make their own claim for income support, having reached school leaving age, it means they are entitled to the other components of income support. They would probably be living in a household anyway, so they would not be awarded anything for rent or something like that but they would be awarded a personal component. Certainly that would be the main one they would be awarded, in addition to their impairment component that they already have.

The Deputy of St. Ouen:

So you say that they would not be able to receive some of the benefits because, because of their particular needs, they are required to be cared for by their parents? Do you think that is appropriate?

The Minister for Social Security:

Well, if they are living in a household ... if it is an income support household, we would already be helping with the rent as part of the components we would award. There is no actual extra cost for that child just because they reached school leaving age. They would be assessed like any other person who is able, fit and bodied who is living in a household. They are assessed in their own right as opposed to being part of the family.

The Deputy of St. Ouen:

Right, so you currently ... help me here. How do you differentiate between a young adult, a child, that has special needs, significant special needs, and an able-bodied individual of the same age?

The Minister for Social Security:

Okay, there are various different situations. A fit young person who has left school, is living in an income support household, we do not pay the personal component until they have reached the age of 19. But if they are living in an income support household we will continue to pay the adult component to the head of the household for that person. Once they reach 19 they are entitled to make a claim in their own right as a separate household and we would award the personal component of income support, which is £90 a week. If they have a disability, irrespective of what level it might be, they could be awarded it at 16 ... sorry, this gets really complicated. I am going to be corrected if I have this wrong. But if they are already assessed at what we call personal care level 3, then they would continue to receive that in their own right and also the personal component of income support.

The Deputy of St. Ouen:

So the personal level 3 component would continue from childhood to adulthood regardless?

The Minister for Social Security:

Yes.

The Deputy of St. Ouen:

What about the component for levels 1 and 2, which is the issue, I believe that Deputy Martin has raised?

Quality Director:

Personal care component levels are single rates, so rates 1, 2, 3 and they do not depend on the age of the person but there are tests. So babies cannot walk so you cannot get points for not being able to walk if you are a baby. So there are lower age limits for some of the tests in the personal care element of it and therefore as you get older you have access to more points, potential points. So it is possible that your care level could increase depending on your age, however the amount of money that is associated with each care level does not change. So that is a slightly more generous system than before where the old child element was set at a lower level than the adult one. But, yes, if you get personal care level 2 at the age of 12, you will still get the same amount of money at the age 20.

The Deputy of St. Ouen:

So, in your opinion, do you believe that we are providing sufficient financial support for these children who have significant disabilities or special needs and that that support is maintained through from childhood to adulthood?

The Minister for Social Security:

Do you mean through the benefit system?

The Deputy of St. Ouen:

Yes.

The Minister for Social Security:

I cannot talk for the services provided by Health.

The Deputy of St. Ouen:

Through the benefits, financial support through your department.

The Minister for Social Security:

Yes, I think we are but we have to be clear that the States agreed that disability benefits per se would be means-tested through income support. Various decisions that were made prior to the introduction of income support that the benefits that were previously available as tax funded benefits would be means-tested within the income support. Some of them had income limits anyway that were pertinent to claiming that particular benefit. So they sit within income support. What Deputy Martin is trying to do is to extend it non-means-tested to anybody in the Island who has a child who would be assessed at either level 1 or level 2. That is where the cost is significant because at the moment we have no idea how many there are and we would have to do an enormous amount of assessments to decide what level they might be. But irrespective of that, this is a tax funded benefit so tax funded money would be used to pay universally, if you like, across the Island. Because our budgets are tightly controlled, the only way we could do that would be to remove or reduce means-tested benefits at the moment for other people.

The Deputy of St. Ouen:

Are you saying you do not support the underlying aims and objectives that Deputy Martin is trying to address?

The Minister for Social Security:

No, I do not. No. Mainly because the States have made a decision that these sit within means testing. Obviously for adults we pay out long-term incapacity, short-term incapacity and benefits like that but for children they sit within means testing based on the income of the household.

Deputy J.A. Hilton:

Thank you. I would just like to touch briefly on sanctions. When you were here last I recall that you said that 12 claims have been closed and I was wondering if you could give us some up to

date information on what has been happening since February and whether the response from people has been what you expected it to be?

The Minister for Social Security:

Yes, I will have to look at my notes on that one because the figures are quite hard to remember. The changes came into force mid-October and I have figures here for the first 6 months of the new sanctions regime, that takes us to mid-April. We issued 559 warnings; there were 232 breaches 1, as we call them; 110 breaches 2 and 37 breaches 3, which would mean the removal of the income support claim completely. To compare it with the old system we have done averages and the old system would have produced 200 warnings as opposed to an average of 93 per month. The reduction of benefits of level 1 and 2 would have been 20 under the old system and 57 under the new. Claims closed under the old system would be 9 and 6 under the new. These are per month. Since October we have also introduced the sanction for giving up work without just cause and I think 71 people have been sanctioned under that for 13 weeks.

Deputy J.A. Hilton:

So you have had 71 people come forward who have given up their work for whatever reason but have been told: "You are not liable for any benefit"?

The Minister for Social Security:

They have suffered the penalty of the removal of their personal component for 13 weeks, yes.

Deputy J.A. Hilton:

So 37 claimants had their benefit removed after receiving 3 sanctions?

The Minister for Social Security:

Yes.

Deputy J.A. Hilton:

That was for a period of 13 weeks?

The Minister for Social Security:

Sorry, how long is it for?

Operations Director:

Six.

The Minister for Social Security:

Six.

Deputy J.A. Hilton:

Just 6 weeks. Okay. All right, thank you for that.

The Deputy of St. Ouen:

Just to change the subject a little. What actions are your department taking to increase the job opportunities, especially within the public sector for those individuals that suffer from some form of disability?

The Minister for Social Security:

Sorry, we are talking about adults here? We must be talking about adults.

The Deputy of St. Ouen:

Anyone over school leaving age.

The Minister for Social Security:

Yes. Well, I think we have a number of schemes which we have been able to offer to people, for example, at J.E.T. (Jersey Employment Trust), such as the community jobs fund where we have been able to place some of the people from J.E.T. in positions in the community jobs fund. We have Workwise, which works with people who perhaps are furthest away from finding employment for various reasons. So they will work closely with employers to try and place people or find a suitable vacancy for them. We are doing a piece of work in particular where we are looking at people who are on long-term incapacity or the older invalidity benefit to see if we can do more to assist them return to work, even if it is part-time work. So, again, we need obviously co-operation of employers to try and place people but we are working hard to get those who wish to work and can work into employment.

The Deputy of St. Ouen:

I specifically asked what actions are being taken with regards the public sector ...

The Minister for Social Security:

The public sector?

The Deputy of St. Ouen:

The public sector and what success you had in increasing the number of individuals that are engaged in supporting them in the public sector.

The Minister for Social Security:

The public sector are on board with providing job vacancies for people with a certain degree of disability. I have figures somewhere but I do not have them to hand. Ian, you did a piece of work on this.

Operations Director:

Yes, so we have ... as well as the community jobs fund where we fund roles in third charitable sectors, we also have a fund where we fund placement and roles in the States for jobseekers and that will include candidates from J.E.T., for example. We have a number of those at the moment who are on placement, paid roles within the States, through that scheme as well as on the community jobs fund. So we have a good relationship with J.E.T. and we have typically between 10 and 20 of their candidates who we are helping to source roles for them. They have access to all the services of Back to Work, for example, all the incentives for employers, like the Youth incentive, which is also available to the States of Jersey as well to employ young people.

The Deputy of St. Ouen:

Would you be able to provide us with information as to how many individuals with disabilities are currently employed within the public sector and equally in the private sector over a period of say 2 years?

[11:30]

That would give us an idea of how successful you have been in that period of time.

The Minister for Social Security:

It will be a little difficult because it depends what you mean by disabilities. It could be relatively minor that does not prevent them working or are you talking about major disabilities that make it very difficult in the workplace?

The Deputy of St. Ouen:

I will leave it to you to determine. Because presumably you must have a criteria that you place on how you identify individuals with disabilities, whether it is hearing loss, sight, physical, there is a range, is there not?

Assistant Minister for Social Security:

From the J.E.T. perspective we have got 9, in the year to date, in paid employment and 20 in work placements.

The Deputy of St. Ouen:

Again in the public sector?

Assistant Minister for Social Security:

Total, in total.

The Deputy of St. Ouen:

In total.

Assistant Minister for Social Security:

Within the public sector, there are 3 in paid work and 3 in work placements with Fire Service, hospital, environment and T.T.S. (Transport and Technical Services).

The Deputy of St. Ouen:

So basically it seems that the private sector is doing far better at providing employment opportunities for these youngsters than the States? Do you think that is acceptable?

The Minister for Social Security:

I think we are focusing on a particular group of people ... the J.E.T. group is a specific group but if you are talking in terms of people with disabilities, they are not necessarily going to be at J.E.T. You have listed a number of things that ...

The Deputy of St. Ouen:

But that gives us a snapshot, Minister, does it not?

The Minister for Social Security:

It gives a snapshot, yes. For the information you are seeking we would need the States Employment Board to have a system whereby anybody with any relatively minor or major disability working in the States of Jersey, that that is recorded in some way so we could produce the figures you want. I am sure some people do not even inform the employer that they have a disability in case it jeopardises their job. So I am not sure how you are going to get the figures you are after.

The Deputy of St. Ouen:

Let us make it easier for you. The additional people that have been employed since the development of all the Advance to Work schemes and so on and so forth and the significant funds that have been used in investment to encourage more people back to work. It would be useful over a couple of years to identify, out of all those, the new people that have entered and have had the opportunity to access work.

The Minister for Social Security:

We will do our best but it is a tall order because people are not obliged and people will not in many cases advise you of a disability if they are coping with it without needing to bring it to the attention of the employer.

Deputy J.A. Hilton:

Thank you. I would like to bring the meeting to a close but I would like finish by saying, as this is the final public hearing to take place between the panel, the Minister and his department, I would like to put on record the panel's thanks for the co-operative working during the past 3 years between all parties involved. Thank you.

The Deputy of St. Ouen:

Thank you.

The Minister for Social Security:

Can I reciprocate by saying we have been very pleased to work with your panel. Obviously we regret that the Chair through ill health has not been able to attend our meetings but I think we have had a very good relationship and we have a few more pieces of work to finish off together but hopefully we will reach an agreement on those. I would like to thank you both and the officers. Thank you.

Deputy J.A. Hilton:

Thank you very much. I close the meeting.

[11:33]