



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

**THURSDAY, 19th FEBRUARY 2015**

**Panel:**

Deputy R.J. Renouf of St. Ouen (Chairman)

Deputy T.A. McDonald of St. Saviour

Deputy G.P. Southern of St. Helier

**Witnesses:**

The Minister for Social Security

Interim Chief Officer

Policy Principal

Policy Director

[10:02]

**Deputy R.J. Renouf of St. Ouen (Chairman):**

Could I just say good morning to everyone and welcome. This is our first quarterly hearing of the new States term and the first involving myself and Deputy Pinel as the Minister for Social Security. Welcome also to members of the public and to members of the media. The media and public will know there are certain rules that govern public hearings and they are printed up as a code of

behaviour on the wall. If you have questions they are available and we can elaborate upon them. To get down to business, first of all can we do introductions for the purposes of the record. I am Deputy Richard Renouf and I am Chairman of this panel.

**The Deputy of St. Ouen:**

Okay, many thanks. We are also accompanied at the table by our scrutiny officers. Minister, you kindly let us have, yesterday, a helpful document which was your draft business plan projects for this year, 2015, is that correct?

**The Minister for Social Security:**

Yes.

**The Deputy of St. Ouen:**

Can you tell us how you are proceeding with your full business plan?

**The Minister for Social Security:**

Well, as I say, this was only produced yesterday as a draft because I understand that it would be helpful to you in this hearing. It is pretty much laid out here as to what hope we will do in this coming year.

**The Deputy of St. Ouen:**

Right, I understand, thank you. Are there any particular items have the highest priority?

**The Minister for Social Security:**

Clearly Back to Work has always been a large priority of the previous Assembly and is currently a high priority with this one. We have reduced hugely the numbers of people on the unemployment register and will want to continue to do so. So we are constantly thinking of new initiatives in which to do this and the Back to Work team are very positive and we have got a lot of people back into work. So that is an ongoing priority but very high on the list. Of course so is bringing in the sex characteristic to the Discrimination Law, which we hope to do on the 1st September this year and you have had, I think, the regulations to have a look at already.

**The Deputy of St. Ouen:**

Yes, we have. On the Back to Work are there any new initiatives that you are planning to roll out?

**The Minister for Social Security:**

The foundations one is relatively new and that is really aimed at people who have been unemployed for a very long time, that and/or are finding it very difficult to get back into work. So

that is a 6 month programme which was introduced last year but the Back to Work team are constantly looking at new initiatives as to how we can motivate people, I think is the word, and incentivise them to look for work because it is a well known fact that when people are working they are happier, their self esteem goes up, it is not just the financial side of things, it is the psychological side of things as well.

**Deputy G.P. Southern:**

While the overall numbers are going down for the unemployed, it appears that young people in particular are not necessarily coming down proportionately, is that the case?

**The Minister for Social Security:**

By young people, what age? Are you saying the 19 to 25s or ...?

**Deputy G.P. Southern:**

Yes.

**The Minister for Social Security:**

I am quite sure exactly what the current figures are but certainly we are looking this year to target more the people coming straight out of education, be it college education or higher education, and hoping to encourage much greater numbers of graduates finishing in the U.K. (United Kingdom) and coming back to Jersey, which we are doing with all sorts of things with the Back to Work and also through the Housing and Work Law to encourage people to come back. At the other end of the scale ...

**Deputy G.P. Southern:**

What were the incentives to encourage people to come back that you are thinking of?

**The Minister for Social Security:**

Well, in skills, upgrading skills with people, because when they come back from university they do not necessarily want to go into the job for which they have been studying at university. So it is producing better skills training in alternatives.

**Interim Chief Officer:**

The number of young people has come down significantly in the last few years. It is pleasing that there are - for example, 16 to 19 year-olds - 70 fewer 16 to 19 year-olds registered unemployed compared to a year ago at the end of January. So that is ...

**Deputy G.P. Southern:**

The number just went up. The latest number just went up by 10, did it not?

**Interim Chief Officer:**

The latest number of people registered as unemployed went up by 10, yes, but compared to year on year, which a good measure ... there is a seasonal adjustment the Stats Unit will make to the official statistics and that takes it all into account really if you just look at the comparable periods, January to January, for example, there is 70 less young people, there is only 201 teenagers, 16 to 19 year-olds who are registered as unemployed. The year before it would have been 280.

**Deputy G.P. Southern:**

Those in the young age in particular, how many of those are on some form of work scheme. You talked about a 6 month work scheme, a foundation scheme. How does that operate?

**The Minister for Social Security:**

Yes, but that is not necessarily for that particular group that you are looking at.

**Interim Chief Officer:**

So the core support for 16 to 19 year-olds, or under 25s, is Advance to Work. That is a scheme which has been running now successful since 2009. It has at its core a 3-month unpaid work placement. Up to 2 work placements, in fact, can take place. They have a very good track record in supporting young people to move into the world of work. So there is a lot of training that takes place before they go on a placement and they are supported throughout the placement to help them adjust to the expectation of employers. They have a very good track record and has been one of the reasons why particularly the number of 16 to 19 year-olds unemployed has come down.

**Deputy G.P. Southern:**

What is your marker for success though? You say they are very successful, what is your marker?

**Interim Chief Officer:**

Well, for example, in January 34 young people found paid work through Advance to Work.

**Deputy G.P. Southern:**

What was the total?

**Interim Chief Officer:**

The total was about 110, I think.

**Deputy G.P. Southern:**

So about 30 per cent that are finding ...

**Interim Chief Officer:**

Yes, but there are obviously people moving into that and so on. So there are unemployment ... although the overall numbers may be go up or down by 10, there are another 300 people coming into the register or 300 people going out of the register so there is significant movement, even though the overall numbers do not necessarily move that rapidly because thankfully the trend has been consistently downward.

**The Minister for Social Security:**

At the last jobs fest, there was 104 people got work and 66 of those, I think, if I remember correctly, stayed in the employment that they had been offered.

**Deputy G.P. Southern:**

For more than 6 months.

**The Minister for Social Security:**

Yes. Not necessarily in the job they were initially offered but in work.

**Interim Chief Officer:**

Yes, in the first job fest, yes.

**The Deputy of St. Ouen:**

We would like to ask about you departmental budget. I think Deputy McDonald had some questions.

**Deputy T.A. McDonald:**

Indeed. Can you tell us, please, how the 2 per cent cuts are going to be managed?

**The Minister for Social Security:**

I thought you might ask that.

**The Deputy of St. Ouen:**

Well, it is important.

**The Minister for Social Security:**

Yes, of course. We are able to manage it, which I think Ian is probably better versed to say more about this. But obviously the 2 per cent cuts and the extra that we have been asked to produce, extra savings, are all in the mix at the moment. So each department has, as you are probably well aware, had to submit their savings plans. We do not know what other departments are doing at all yet so obviously it has to be balance out as a whole bigger picture. But we can make the 2 per cent savings. Perhaps Ian would like to ...

**Interim Chief Officer:**

Yes. So the 2 per cent savings the department has been asked to make are on administration costs and staff costs in 2015. We have identified that we can make those savings and we are very confident we can, mainly because we have been continually trying to improve the way we work and identified these savings last year, finding, identifying and reducing budgets to free up money towards the overall size of the 2 per cent savings. So we have managed to do that mainly through savings and administration costs. There has been no need to change our efforts to provide a good service through frontline staff and we are confident we can make the entire savings from improvements to the way we work in the back office, as it were.

**Deputy G.P. Southern:**

Can you just explain to us how that admin is now better than it was and less costly?

**Interim Chief Officer:**

Yes, so we are supportive very much of the Lean methodology to making customer improvements and while Lean as we use it is not specifically about saving money, it is about improving service. One of the by-products is typically that it will free up capacity of staff or reduce some administration expenses in the background. For example, we have improved the change of circumstance process for customers and we did a thorough review of that process. It is linked to income support, we did a thorough review of that process and out of that we have been able to, for example, reduce the number of letters we need to send, because we are producing letters for the customer there and then handing it to them. So that may be a very small example but the overall aim was to improve service for customers if significant numbers have changed circumstances, and we have been able to make improvements there that one of by-products of which is we are now spending less on postage than we would have done before. That is only a tiny amount but it is an example linked to a very important change for the department that will eventually save money.

**Deputy G.P. Southern:**

So there is no question at all of any service cuts anywhere in your department?

**Interim Chief Officer:**

To deliver the 2 per cent savings we have no need to make any reduction in service levels.

**Deputy G.P. Southern:**

The savings are above and beyond that, apparently there is a 7.5 per cent change to be phased over 5 years and a further sum to be saved from each department. I cannot remember what the figure was, but it was circulated by the Chief Minister quite recently. How will that impact on your department?

**The Minister for Social Security:**

I think that is what I was referring to earlier, was that that was separate from the 2 per cent and that is what each department has now put into the Treasury Department to ascertain the bigger picture. So until we know what other departments are doing we cannot ... we put in our bid, if you like, as to how we may be able to do it but until other departments have put in theirs and the whole picture is seen as a round then we do not know.

**The Deputy of St. Ouen:**

As I understand it from the Treasury and Resources new release, this year may be the 2 per cent savings required and then there is an ongoing 1.5 per cent each required from 2015 to 2019. So that is just trying to pare down on the administration costs.

[10:15]

Does it really need a plan from yourself as to how that is going to be done throughout the next 5 years, because you might be able to shave 2 per cent off this year and assure us that is not going to have any impact, but you have to look for the next 4 years and you are still being asked to make cuts? Does it need some planning now to do that and is that being done?

**Interim Chief Officer:**

So, as the Minister described, we have been working on the overall piece but within that there is specifically an amount of money we would need to save to balance that 1.5 per cent per annum. We are comfortable that we have invested in the right areas, so we have invested in specifically a Lean team within the department, which we have been able to find from resources that we would be able to free up through improvements. So we have created a sort of virtuous circle there in terms of improvement and we believe we can make improvements using technology, using improved processes that will deliver savings of that magnitude over the next 4 years.

**The Minister for Social Security:**

We are also working quite considerably more with other departments now, with the Tax Department and with Health and Social Services and I have always been a great believer in inter-departmental working to save on duplicating issues. So our first venture into working with tax of course has been the long-term care contribution of 0.5 per cent, which is part of the tax collection but ringfenced for long-term care. We hope to do a lot more working with the Tax Department, with e-Government and with Health and Social Services to reduce the duplication that has happened in the past.

**The Deputy of St. Ouen:**

But that needs to be planned, does it not? You are speaking about improvements in technology so that needs to be planned now and systems designed, I am guessing. Is all that in place because you know you have to meet 7.5 per cent cuts over 5 years and that is aside, I understand, from the Treasury Department also looking for a further £30 million across all departments?

**Interim Chief Officer:**

Yes, so the 7.5 per cent is specifically on staff and administrative costs. Yes, we would ... there will be a variety of things that we would want to do. Some of them are short-term improvements to service or short-term change of processes, some of them will involve slightly long-term planning but we are working very closely with the States e-Government programme, and clearly as a large customer facing department we would hope to be able to utilise their developments in improving access to services or new services, or even transform existing ones by using online portals and stuff. We have already done some work in that way with some web forms and that technology already exists. We hope to be able to utilise that more. So that is already technology we can have access to. Yes, it takes a bit of time to get it right for customers but that is something we can already access today.

**The Deputy of St. Ouen:**

So has any of this yet been rolled out to staff at the department, and particularly the changes you want to make this year, have they been reflected in a staff handbook, if you have such a thing?

**Interim Chief Officer:**

Well, managers will be aware of the small changes all over the department's budget and that has been done with them in discussion around what can we ... changes that have been made, can we now reduce and change those budgets. That has all been done in consultation with managers and staff are aware of the wider context of the need for the States to make savings of the magnitude you have described and have been asked to be included and involved in ideas, suggestions on how we might achieve that. So it is very much being considered and being developed with staff

input, which is important if we are going to have their commitment to delivering good service and maintaining our service levels while making changes.

**Deputy G.P. Southern:**

There was some talk from the Minister earlier in the week about the fact that the department had already suffered cuts and therefore there might be some question over the delivery of primary healthcare in terms of G.P. (general practitioner) access. Would you like to expand on that?

**The Minister for Social Security:**

Yes, I think there was a little bit of confusion or misunderstanding inasmuch as when I was referring to there not being an abundance of surplus to pay for what the *J.E.P.* (*Jersey Evening Post*) described as a surge in under 16, I think it was, people wanting free ... and they are not free because they are subsidised by the Health Insurance Fund to the tune of £20.28, so the description of free hospital visits is a misnomer, the taxpayer is funding that. This was from the Health Insurance Fund, which is now running at deficit so there is not the available money to cope with a surge - and that is not my terminology, that was the *J.E.P.* terminology - and we have not seen anything comparable to a surge, and young people under 16, or under 12 or whatever the age is you want to put, have often had free or discounted hospital visits dispensed by the G.P. in question. We do not know then what the numbers are because they are not reported as a hospital visit. So it is very difficult to ascertain what this difference might be. But certainly from the Health Insurance Fund point of view, it is running at a deficit and the £5 million, roughly speaking, amount was not out of contributions, that was investment revenue that applied to it. So without the investment revenue then it is running at a considerable deficit.

**Deputy G.P. Southern:**

Wisely you are not relying on that funding as extra, that one year was a one-off, you are treating it as a one-off and not to be relied upon?

**The Minister for Social Security:**

The interest revenue?

**Deputy G.P. Southern:**

Yes.

**The Minister for Social Security:**

Absolutely. With the Social Security Fund itself, or pension fund as people might like to call it, one year lost - it is a big fund understandably - it may have been 2010 in investment revenue £100

million, 3 years later there was £90 million. So one has to be very aware of the rollercoaster of investments and as it is already running at a deficit we cannot depend on the investment fund.

**Deputy G.P. Southern:**

So if the Health Insurance Fund is running at a deficit what do you propose to do about it?

**The Minister for Social Security:**

That is in the business plan, to look at that and the Social Security Fund as well as it how ... it is healthy at the moment, the Social Security Fund, but we have to appreciate that people will be claiming pensions for 35, possibly 40 years.

**Deputy G.P. Southern:**

I am talking specifically about the Health Insurance Fund, not the pension fund, which is a different matter, longer scale.

**The Minister for Social Security:**

It is in the business plan for this year to address the situation that it is in deficit.

**Deputy G.P. Southern:**

Are you in a position to tell us what the options are?

**The Minister for Social Security:**

No, because we are just starting to look at it in advance of it falling into deficit because, as you will be well aware, Deputy, if it continues to be in deficit then obviously the investment income, be it a good year or bad year, will drop.

**The Deputy of St. Ouen:**

What is the strategy for the Health Insurance Fund and the £85 million it? If you are aiming to match your expenditure with contributions and balance it, what is the current strategy with regard to the reserves in the fund? What is its purpose?

**The Minister for Social Security:**

Well, its purpose is to provide primary care and it is the subsidies for the G.P.s, it is the pharmacists paying for the dispensing and the cost of the drugs. That is one of the more considerable problems because the cost of drugs are escalating at about 7 per cent per annum. There is a view, which we will address, of course, in us looking at the Health Insurance Fund, as to whether we should reimpose prescription charges, which is not going to make a huge amount of money, because if you exclude the under 12s, or whatever one puts the level at, and the over 65s,

it is the people in the middle generally who do not require a huge amount of doctor's visits or prescription charges, based on the statistics. So it is not solely that it would make a huge amount of money but it might stop the stockpiling of drugs, which is a big problem.

**The Deputy of St. Ouen:**

Yes, I understand. Has the £85 million in the Health Insurance Fund built up by contributions paid over the years not being used and expenses going out? Is that how the balance is accrued?

**Policy Director, Social Security:**

Can I just make a point about the future of health funding in general? The Minister has already talked about some co-operation with other departments and this is an area where it is not the department that has taken the lead on this, the big piece of work which is the sustainable health funding as whole, that work is being run by the Treasury Department, not by ourselves. So we are kind of a junior partner in that. So the driver for this ... the sustainable funding of health costs in Jersey as a whole, the hospital and primary care ... and to a certain extent there will be much less distinction between those 2 things in the future, the whole point about the new hospital project is to have much more staff being in the community. That was in the draft of the P.82 proposition that the States agreed a few years ago. So there is much more ... the emphasis at the minute is a little bit of thinking about all the funding one go and not making artificial distinctions, and therefore the future of the Health Insurance Fund is being considered by the Treasury work on the future of health money as a whole. So we are basically holding the position at the minute to maintain our existing services through our existing funding system but we would expect ... the Minister sits on the Ministerial Oversight Group and its focus currently is very much on the design of the new hospital. That was a very big election issue and obviously the public are very interested in but the M.O.G. (Ministerial Oversight Group) will come back to the funding and all those separate areas will be considered.

**The Deputy of St. Ouen:**

I know there might be many funds to consider but is the Health Insurance Fund not funded by our social security contributions rather than our general taxation? Is it not ringfenced to pay for health benefits?

**Policy Director, Social Security:**

Of course it is, yes. It is absolutely ringfenced at the minute and that is a good thing but also it has a negative impact as well because it means that you create a distinction between the primary care and the secondary care and the way that people are looking for the future is to have a much more joined up approach so that you have less artificial distinction between: "That must be done by a G.P." or: "That must be done by a hospital doctor." So it is absolutely right to think of the funding as a whole thing. What the future will be, we do not know yet. Social Security, the Health

Department and Treasury are working very close together with the Chief Minister on the future of health as a whole.

**Deputy G.P. Southern:**

With hindsight, and as a new Minister, would you say that the decision to spend 2 tranches of £6 million out of the Health Insurance Fund, which is quite significant given that there is only £80 million in it now, was a good move? You would be far better to have £92 million in it, would you not? Was that a good move to raid that pot? To change the law to change spend from that Health Insurance Fund to deal with a short-term, temporary spending crisis in the Health Department.

**The Minister for Social Security:**

It was transferred for primary care. So it was transferred to Health and Social Services for primary care, because obviously they have to address it as well with the hospital, A. and E. (Accident and Emergency) and the pharmacy at the hospital as well.

**Policy Director, Social Security:**

You are absolutely right, it was transferred for primary care so it is not so much the spending in the hospital, it is the fact the Health Department already spent money in the community on what is really primary care so that is thinks like smoking cessation, new talking therapies. These are primary care services being delivered in the community by the Health Department and therefore some of our money has been transferred as a lump sum because that was seen as the most practical way of doing it.

**Deputy G.P. Southern:**

I was asking the question politically of a politician, not the officer. Do you think, with hindsight, that was a wise move at the time? Would you rather have some more money in your Health Insurance Fund and not be in quite such a hurry to decide what you need to do about it?

**The Minister for Social Security:**

I think, as Susan mentioned earlier, the conversation has been politically going on for quite a while as to whether the Health Insurance Fund should be transferred to the Health Department in the long run. The fact that it was transferred to help bail out Health and Social Services for primary care reasons, I think was justified at the time. Now we have to work together with other departments to decide where this fund for primary care is best placed.

**Deputy G.P. Southern:**

Can I put it in simply terms? When you have a fund, the Health Insurance Fund, which is just in balance and about to go out of balance you have 2 choices.

**The Minister for Social Security:**

It is currently in deficit.

[10:30]

**Deputy G.P. Southern:**

All right, it is currently in deficit, you have a choice, you either raise some more contributions or you spend less. What is the thinking about raising contributions or spending less?

**The Minister for Social Security:**

There are plenty of options and that is what we are going to be looking at this year, together with Health, as to quite where this fund rests and how we support it.

**Deputy G.P. Southern:**

Does it mean - and I will put this as an either/or - that either we are going to see increased contributions or we are going to see decreased spending? So a decrease somehow in the services it funds.

**The Minister for Social Security:**

It cannot be an either/or because it has to be looked at as a whole and what effect it will have on health and on benefits that the primary care pays for, and on where one may increase contributions across the board. Not necessarily just with the Health Insurance Fund. The whole situation has to be looked at, which is in the business plan and we will be doing this year.

**Deputy G.P. Southern:**

When you say "across the board", what do you mean by across the board?

**The Minister for Social Security:**

Well, meaning to the Social Security Fund as well. It is not something that one can just pick out and say increase the benefit or decrease a benefit or increase a contribution, it has to be seen as the bigger picture. It is like long-term care, you cannot ...

**Deputy G.P. Southern:**

Let me move on to a specific then. Can we talk then about how we support doctors, G.P. visits? We are at a crunch point, it is widely known that many people are putting off going to the doctor because they cannot afford £40 or whatever is. What thinking have we got so far, because we have been talking to the Health Department and talking to practitioners about how we deliver primary care in the future, where are we? Can you give us any clue as to where we are as to how

we ... what is the thinking about restructuring delivery in primary care, because that is the fundamental thing that we are paying for from the Health Insurance Fund?

**The Minister for Social Security:**

Yes, there is a review going on at the moment into primary care as you will be aware, which has not yet been completed, which is a shame in a way because we would like to get on with it ...

**The Deputy of St. Ouen:**

Do we know when it might be?

**The Minister for Social Security:**

No.

**The Deputy of St. Ouen:**

Is there a timetable for it?

**The Minister for Social Security:**

I do not think there is, is there? We are hoping it will be this year but ...

**Deputy G.P. Southern:**

At some stage we are going to be talking about what you do about the Health Insurance Fund, whether it is with you or it is carted off somewhere else, the ringfenced nature of that fund, and yet we do not have an overall plan for how we are going to deliver and where the subsidy is going in terms of our primary healthcare. Yet, this year you are going to be talking about that particular fund. When are we going to get something concrete because this is all very nebulous and it seems to me very serious decisions being made without the overall plan and without any serious thinking about what you are going to do about particular fund?

**The Minister for Social Security:**

In this review we are talking with a whole raft of people, obviously pharmacists, optometrists, dentists and G.P.s. G.P.s are private businesses and so there is not really a prerequisite that the taxpayer should subsidise private businesses necessarily. So the whole ...

**Deputy G.P. Southern:**

Is that an option that you are discussing?

**The Minister for Social Security:**

Well, it is part of this review.

**Deputy G.P. Southern:**

So you are discussing the option of withdrawing funding of G.P. services, are you?

**The Minister for Social Security:**

No, we are not. Not deciding that, it has all been discussed as part of a bigger picture. Now, I have not been part of the primary care body because it is ministerial attendance group. So I have not, in my new capacity been to one of these primary care reviews. I think Susan might be a better person because there was a meeting last night?

**Policy Director, Social Security:**

You talked about it being a very serious issue and if I could make the point that it is a very serious issue and has been taken very seriously. It is a big issue and it involves lots of different departments and Ministers, and the Ministers so far have been concentrating on the hospital design, location and cost, which are themselves enormous issues to be dealt with. You cannot do everything in one go. Once you have got the hospital design correct, appropriate to the size of Jersey, it will give you lots of guidance as to what you do with your future design in primary care. You cannot do these 2 things in separation, you have to start somewhere. Because of the political interest and public interest in the hospital design that is what the Ministerial Oversight Group has been concentrating for the first couple of months. We have only had 2 meetings. It is at the very early stages. So nobody is making decisions, nobody going and deciding what is going to happen to the future of G.P. visits and things like that. There are lots and lots of things to decide. It is very complicated and we will work through ... so you have the Health Department leading the review of primary care services, you have the Treasury Department leading the future funding, which I think is mentioned in the Minister for Treasury's press release and it talks about health as a separate issue which is being overseen through the Treasury Department. Social Security, mainly currently through officers as opposed to the Minister, are extremely involved in both those reviews of both the funding and of the future primary care but from the Minister's point of view they have to be allowed to make decision in a coherent basis, in a rational way so that the plan does build up from the building blocks and the size and the scope of the hospital is obviously an absolutely intrinsic, need to get right first. So that is where the concentration is at the moment. It will move on to the details of primary care and the details of the funding, because these also will run together, so you have to do things at step at a time. There is no point making decisions today how much the future cost of a G.P. visit will be because you do not know. It will be different in the future. We know that our primary care system is quite old-fashioned. We use G.P.s to do lots of things which in the U.K. would be done by nurses and healthcare assistants. That in itself creates expense in the system. It also creates the very personal service which many, many people value and appreciate and see as a kind of unique thing for Jersey. So those are difficult decisions to make but those things are

being considered. But, as I say, it is a bit early at the minute to be asking for a political steer on everything because there is just too much to do.

**Deputy G.P. Southern:**

Let us have a political steer on one thing. If I can just, for the final time, come back to the Health Insurance Fund which is in deficit and the basic decision somewhere in there lies between increasing funding, however you do that, or spending less. Now, can you, Minister, reassure us that you are not going to be talking about reducing what the Health Insurance Fund pays for? Or are you talking about ways of examining - if the options are there - ways to add to those contributions to make sure that Health Insurance Fund stays viable and funds pharmaceutical costs and primary G.P. visits?

**The Minister for Social Security:**

I think as Sue has just mentioned, the primary care is changing day by day and we have just seen in the last year 3 practices offering reduced - one cannot say free - visits for under 12 and under 16, which is bringing an element of competition that we have not seen before. So just in the last probably not even a year, 6 months, we have seen that change. So that might, in itself, reduce the costs of a visit. G.P.s are private businesses so they have to determine their own costs but because there is now competition which there has not been before ... so it is a constantly changing mechanism.

**Deputy G.P. Southern:**

Nonetheless those doctors are reliant on the £20 or £22 they get from the department for contribution towards that delivery of primary health care. That is not going to disappear, is it?

**The Minister for Social Security:**

Not in the foreseeable future, no.

**Deputy G.P. Southern:**

So how are you going to make sure that your Health Insurance Fund stays healthy? Are we talking about increased contributions?

**The Minister for Social Security:**

As I said to you before, Deputy, it is all in the process of being reviewed this year with Health and with Treasury. When the bids or the propositions come in or proposals for the Medium Term Financial Plan 2, then there will be an overall picture as to what we can do. We cannot do it in isolation, we have to work together as a whole. In this coming year we will be looking at the

Health Insurance Fund. It has only been in deficit for the last year and a half. That is the whole reason we are looking at it now.

**Deputy G.P. Southern:**

Yes, it is time to change the Social Security Fund overall, which is a different timescale altogether. You do need to do something in fairly short term, I think, about saying what you are going to do with that Health Insurance Fund.

**The Minister for Social Security:**

Which we are doing. We are not letting it drift into deficit for the next 3, 4, 5 years, which may or may not be topped up with investment revenue. We do not know, who can predict that. But we cannot rely on that, which is why we are looking at it and which is why we are looking at the Social Security Fund as well, which is very helpful.

**The Deputy of St. Ouen:**

So if we can move on to the Social Security Fund or wider financing. Deputy McDonald, you wanted to ask about small businesses?

**Deputy T.A. McDonald:**

Yes, indeed. Are you intending to reduce the rate of social security payments for new businesses and self-employed persons?

**The Minister for Social Security:**

A good question because I have been quite keen on looking at that. At the moment we have 2 classes, as you are probably aware, class 1 and class 2, but also - and it is not described as a class - a deferred rate, so if someone were to move from an employee position and be entrepreneurial and what to start their own business, possibly as a start out, it being considerably less in their salary, then the deferred rate takes into account a standard income of £14,000 and the contributions will be paid on that for the first year of business as opposed to looking backwards 2 year, so say if it was now looking at the 2013 tax return, which could have been £60,000. So to allow a deferred rate for the first 2 or 3 years and then look back on what the first year and the second year of business was. If it started at around £14,000 fine, if it was less then they have only paid for £14,000, if it is more then the business would be asked to pay back the difference or enhance the contribution that they have paid. So there is already that third ... it is not described as a class but that third option in place. That could be changed or re-evaluated into being a class 3 for start up businesses. But the option is already there because we totally appreciate that if you are starting a new business to be paying 12.5 per cent contributions as a self-employed person is a lot to ask.

**Deputy T.A. McDonald:**

Yes. What about the actual workers in the new business, the employees? Would they be affected in any way, shape or form?

**The Minister for Social Security:**

This is on a self-employed basis to start off with.

**Deputy T.A. McDonald:**

That is it. But obviously if it does develop into a business ...

**The Minister for Social Security:**

Then if you have employees you are paying the 6.5 and 6.

**The Deputy of St. Ouen:**

If an employer in a small business wishes to expand, taking on new staff, but is cautious about doing so because of the costs of doing so, and social security would be one cost, is there any proposal or consideration given to initially reducing the social security contributions paid for that employee for say the first year of the business, or the first year that employee is in post?

**Interim Chief Officer:**

At the moment there is nothing as you describe, Deputy, however we would be encouraging any employer, particularly setting up new, to help support the unemployed people through recruiting through Back to Work and potentially there are financial incentives there for recruiting people who are either young or long-term unemployed, which be significantly higher than the 6 per cent contribution. So our range of employer incentives and the Back to Work are up to £7,000, which covers almost a half year's wages and the contributions.

**The Deputy of St. Ouen:**

If they wish to draw on the persons in your Back to Work scheme, is that correct?

**Interim Chief Officer:**

Yes.

**The Deputy of St. Ouen:**

But not otherwise?

**Interim Chief Officer:**

Not otherwise, no.

**The Deputy of St. Ouen:**

So if they wish to recruit, build a business, recruit from the general market, which might encourage employment, more vigorous activity in the economy, we have not yet got that scheme. I know it exists in some other places. Has any thought been given to it within your department or elsewhere - perhaps E.D. (Economic Development) or something - as far as you know? Just to lessen the contributions paid for new employees. I suppose it is the government that would subsidise by helping employers, encouraging employers to take on staff and grow their businesses.

**The Minister for Social Security:**

We are doing that, as Ian has said, with the Back to Work Scheme. This is encouraging people to take the unemployed people into work because what we want to do is reduce the need for further immigration for jobs that we can fill with the skills that we have got with the unemployed people here. So the incentives for that are huge and we are constantly devising more.

[10:45]

But as a general scheme, I do not see that government should necessarily support all business to that tune. If you are setting up a business you must be aware of the consequences of doing so.

**The Deputy of St. Ouen:**

Yes, that is on view, yes. Okay, I will leave that ...

**Deputy G.P. Southern:**

Can I just come in there and ask where you got the £14,000 as the marker for that class 3.

**Policy Director, Social Security:**

It is a third of the standard earnings limit. So basically it was linked to an existing number and set at a rate considered to be a reasonable amount of contributions to raise. But it is a cost neutral thing because, as the Minister said, in year 3 you will be able to look back at the first year of the business accounts and you will adjust up or down the actual contributions. So if the business has done really well in the first 2 years, they will pay a bit more contributions but they will be a thriving business at that point so that will be fine. If the business has not done very well then they will have some contributions refunded down to the minimum level.

**Deputy G.P. Southern:**

The deferred payment, is that not a disincentive to expand the business, to keep it ticking over at a fairly low level.

**Policy Director, Social Security:**

I do not think ...

**The Minister for Social Security:**

If your business is expanding, it is ...

**Policy Director, Social Security:**

... you would hold your business down just so you did not get a bill for social security in the end.

**Deputy G.P. Southern:**

Okay, I am just suggesting. It is a third of the standard earnings.

**The Minister for Social Security:**

The standard earnings which is about £48,000.

**Policy Director, Social Security:**

Which means that it will adjust automatically ...

**Deputy G.P. Southern:**

Can I take us on to the wider issue then of supplementation? We have got a £60 million of tax funded supplementation bill which tops up our Social Security Fund. Any thoughts about how or whether you could get this £60 million subsidy from the taxpayer down?

**The Minister for Social Security:**

It fluctuates, not hugely in order to support the credits for the Social Security Pension Fund, if you like. It goes into a pot. It is not specifically for that one person, I think there is a great misunderstanding in general that your pension for which you pay for the maximum of 45 years or whatever, is your own particular account. That is not the case whatsoever.

**Deputy G.P. Southern:**

No, it has not been for some time.

**The Minister for Social Security:**

You are paying into a huge pot and people currently working are paying for our pensioners now. So the fact that you are giving supplementation in order to match the credit for the pension scheme, so that if somebody is on a low wage they will still be able to attain the pension when it comes around, is paying in now but not necessarily for their particular pension.

**Deputy G.P. Southern:**

No, we are fully aware that contributions today are paying pensions today. It is not in an individual account, we are fully aware of that. Nonetheless we are topping up the Social Security Fund by £60 million a year. Now, you took one small step quite recently in raising the contributions by 2 per cent over the standard earnings limit to the upper limit. Is there any consideration being given to further extending the contributions in that area in order to bring down the taxpayers' bill, which is where we are supposed to be saving?

**The Minister for Social Security:**

It is, like everything else, being looked at as a whole and, yes, I mean, Guernsey has a standard rate all the way through. We have a difference between the standard earnings limit and the upper earnings limit. At the moment, as you will be aware, there is 2 per cent extra being paid by the employers. It was talked about originally that it would be a standard rate being paid by the employees as well. So, yes, there is a possibility of introducing that. There is the possibility of making it 12.5 per cent or any figure all the way through up to the upper earnings limit of £158,000, I think it is now. So there are all sorts of permutations that one could do.

**The Deputy of St. Ouen:**

But what permutations are under active consideration? The press release that the Treasury Department put out just a few days ago says: "The Social Security Department is working on ways to deal with the impact of an ageing population on pension payments." So what work is being undertaken, can we ask?

**The Minister for Social Security:**

It is just all part of the work that we are doing this year.

**Policy Director, Social Security:**

Okay, so there are 3 big strands of work, which are quite separate in the department, so there is the tax funded one. You have asked us about the 2 per cent saving, so that is basically your tax funded budgets. You have asked us about the Health budgets and that work is being led by the Treasury but with us as kind of a partner to that one. Then the third that is absolutely our own thing is the Social Security Fund. We have already given some indication to the Council of Ministers on some of the challenges faced by the Social Security Fund going forward and we will be building on that work in the next couple of months to give them a broader ... so you are asking what are the options and that is exactly what the Council of Ministers is asking and that is what we will be giving them. The options are exactly as you described. You can reduce the amount of money you pay out or you can increase the money you bring in, or some combination of those 2 things. There is no kind of spare money floating around.

**Deputy G.P. Southern:**

You can do that in a numbers way and then you have to add in the political considerations.

**Policy Director, Social Security:**

Absolutely, and that is the whole point. Is to start off with theoretically: "These are your choices", yes? Political decision making as to which of those choices are even acceptable in terms of options, yes? We will then go back and do much more detailed work with the government actuary on the fine detail of what the different options might be. But you might have seen the Guernsey Government have put out a massive paper recently on all sorts of changes to their pension scheme, their health scheme, some of their tax funded benefits, enormous range of options that they are putting forward for their discussion in March. We will do something of that nature ... I think we will try and be a more focused about it but ... so in Social Security we feel that the public are very supportive of the old age pension and that should be protected at all costs, but that will come at a cost and therefore what are those options. What does that mean to the employer or the employee today? What does it mean to the pensioner today and tomorrow? These are matters of important public concern and we will put forward a range of issues. We will probably have some kind of consultation paper later in the year. This is very early days as to exactly how it will flow through but it will not be ... no decision will be taken lightly, no immediate decision to be taken. There is not the emergency to have to do something about the Social Security Fund this year, we have got time to plan and that is exactly what we intend to do over the next couple of years, is to plan carefully, research carefully, consider public opinion carefully, take fiscal direction and ...

**Deputy G.P. Southern:**

Is it not the fact that unless we were ... the major output, the major thing they pay for is pensions, that is what the Social Security Fund does largely, all the rest of the bits that it does are relatively minor, that is the chop. So if you are to protect the pension, which you are saying you are feeling that the public want it protected, that means one way or another paying additional contributions into the fund in order to do so. Is that the more real option that we are talking about?

**The Minister for Social Security:**

It will have to be additional contributions; it is just how you do it. It has to be looked at in all sorts of, as I was saying earlier, ways in which one could do it. There is very little point in increasing, for instance, as I know has been mentioned politically, the cap - the upper earnings limit rests at £158,000 - and make that higher. But the number of people that would be captivated would not necessarily make a huge amount of difference. So it is a matter of altering contributions to incorporate the bigger picture as to how ...

**Deputy G.P. Southern:**

But the cap is only an extra 2 per cent, it is not 6 per cent. So in fact it is a regressive tax in the sense that as you earn more you pay relatively less proportionately.

**The Minister for Social Security:**

As I said before, it could be 6 per cent, it could be 12.5 per cent with the employer and employee contribution all the way through up to £158,000, but it is something we have got to look at. What would produce the earnings into the Social Security Fund that we require to support an ageing demographic society and what is going to be the least impinging on people who would suffer most if we implemented? So it is a whole big ...

**The Deputy of St. Ouen:**

Minister, you say we have to look at it and the policy director has referred to a possible consultation document at the end of the year. It seems to me that you should now be preparing position papers, whatever you want to call them, on the financial ramifications of various options.

**The Minister for Social Security:**

We are, we are putting that into the M.T.F.P. Once that is sorted out then that will give us all departments' direction on what we then look at in our own particular ...

**The Deputy of St. Ouen:**

Yes, okay, so these proposals are going to come before the various Ministers involved for an initial consideration?

**The Minister for Social Security:**

Yes, once we have got the Medium Term Financial Plan, which is due to be debated in September, I think, then we will be able to see which department is doing what in the whole scheme of finance and savings and contributions and then be able to make a much clearer progress on where we are going to go.

**The Deputy of St. Ouen:**

Are you able to share your workings and calculations before that time so that the public might know the ramifications of putting up the threshold or an increased contribution of different percentages?

**The Minister for Social Security:**

They will as soon as the Council of Ministers has put together the M.T.F.P. That is really the next big stage after the strategic plan is to put together that and then going back to the Health

Insurance Fund is where Health will be coming from, where we will be coming from and so once we have got the bigger picture we can then move forward with how we are going to look to the future. As I say, we have not left this behind at all. We have realised and acknowledged that there is a deficit in the Health Insurance Fund, not the Social Security Fund, but equally recognised with the Social Security Fund that with an ageing demographic there is going to be a demand for that and so we need to address that now. So we are doing things well in advance of any catastrophe.

**The Deputy of St. Ouen:**

Yes, we certainly must not get to catastrophic conditions. Can we move on perhaps to consideration of a living wage and that issue? In your business plan you wished to complete the living wage report and consider the results of the household income and expenditure surveys and research in respect of a living way. Can you tell us when you might report on the living wage?

**The Minister for Social Security:**

Yes, we will have that report back at the end of March, or it will be published at the end of March. We will probably see it just before, together with the zero hours' contract as well.

**The Deputy of St. Ouen:**

At the same time?

**The Minister for Social Security:**

At the same time. Being done ...

**The Deputy of St. Ouen:**

At the same time in March?

**The Minister for Social Security:**

Both by the end of March but we are not doing the work on zero hours, it is the Statistics Unit so once they finish that and the living wage, we will be doing the same. It is a matter of just putting forward again options ... because as you will be aware the living wage is not statutory, so it is just putting forwards various statistics and options as to what may or may not be preferable. But we have not seen it so I cannot really give you any more detail than that.

**The Deputy of St. Ouen:**

No more detail. Do you have leanings yourself as a Deputy, as the Minister, as to how the living wage should be promoted?

**The Minister for Social Security:**

I am not sure that promotion is the right word really. It is up to an employer as to whether they adopt it. I know Deputy Southern is keen for the minimum wage to increase but all this has to be balanced - again and again I come back to balance - with the effect that an increase, a dramatic increase, might have on small businesses, agriculture is an example. The living wage can be a number, any number really. As you know in the U.K. there is 2. There is the London living wage and there is the not in London living wage. So you can pick a number. So it is going to be fairly ... I suspect the conclusions will be fairly arbitrary as to how an employer would want to progress it because it is not going to be statutory.

**The Deputy of St. Ouen:**

When you say "pick a number" do you anticipate your report will come out with a figure as to what is reasonable to ...

**The Minister for Social Security:**

I think there will be several options. It depends on the mean, the median, the average as to where you put your final deductions on the figures.

**The Deputy of St. Ouen:**

Do you think there is a role for government to ... I used the word "promote" before or to encourage employers to move towards paying a living wage which would help your department in that you fund by income support a lot of people who are working and receiving the minimum wage. Is there a role for government to play its part in encouraging employers?

[11:00]

**The Minister for Social Security:**

There is always a role for government to encourage employers but one has got to balance that with the fact that various numbers have been mentioned, £8.50, £9, £9.50, whatever, based on what the U.K. are doing as a living wage. You have to base that very strongly with employers who simply cannot afford to pay that. So do you then put people out of business because they cannot afford that but it is not a statutory wage so ...

**The Deputy of St. Ouen:**

No, it is not statutory.

**The Minister for Social Security:**

... it is a choice of the employer. There is some evidence to say that if somebody is paid more than the minimum wage then they feel more valued, they will stay more loyal to company. There is evidence to say that but that would be the employer's choice. It is not something that we can impose.

**The Deputy of St. Ouen:**

No, we are not seeking to say we should impose it because then it becomes the minimum wage, but I have asked the question and you have given that answer.

**Deputy G.P. Southern:**

But it all links into ... we were just talking about supplementation there. The higher your basic wages are the more tax you get in from them, the more contributions you get in from them and reduction in supplementation, for example, happens automatically. It is one of the keys to bringing down this subsidy for the low paid, high rent situation that we are in.

**The Minister for Social Security:**

There has certainly been some contribution from the public saying that the higher the minimum wage or incorporation of the living wage that more would be spent in the economy, more on taxes. That is not necessarily evidenced because a lot of immigrant workers, for instance, send their money back to their countries. So it is not necessarily being spent in the economy. So, again, it is speculative as to whether that would make a huge difference.

**Deputy G.P. Southern:**

Well, I am not here to argue with you over those particular issues, but I am pleased to see that both of those reports are coming by the end of March because then we can get on with some wider decisions. The zero hours work is being done by the Stats Department, is it not?

**The Minister for Social Security:**

Yes.

**Deputy G.P. Southern:**

So you have not seen that report?

**The Minister for Social Security:**

No.

**Deputy G.P. Southern:**

So it is pointless me asking you questions about it because you because you can just say: "I have not seen it."

**The Minister for Social Security:**

Well, I have not seen it.

**Deputy G.P. Southern:**

You will see it at the end of March. Okay, fine.

**The Deputy of St. Ouen:**

I appreciate how much work needs to be done at the beginning of a term but you and we are really waiting for so much of that work to be completed and options drawn together and initial considerations made, it is difficult to plot a way forward.

**The Minister for Social Security:**

A lot of our work necessarily is legislation and as you will know better than most it takes an awful long time to come to the fore. We are on a very tight schedule with the sex discrimination regulations, as you know, to deliver those and have them implemented on 1st September this year, along with the family friendly law on maternity and paternity, which have to go hand and hand. The Appointed Day Act will go before the States on Tuesday for the family friendly to come in on 1st September and we very much hope that the sex discrimination regulations will be approved by the States and come into effect on the same day.

**The Deputy of St. Ouen:**

Do you feel there are any concerns that have been raised by the previous consultations on sex discrimination? What were there greatest concerns?

**The Minister for Social Security:**

Well, there was a difficulty in the previous consultation that there were no exemptions or exceptions, now there are which I feel strongly about, and so did the team, to take into account religion, the size of private clubs ... you cannot say that, in my view, a club over 25 members which would be subject to this discrimination ... you then get into a major problem with the Women's Institute and the Freemasons and golf clubs and the United Club, all sort of things, and I think there has to be reasonably exceptions made. That is a difference from the previous consultation. But we sent out to a huge number of people ... 200 different people factions, not just Chamber and I.O.D. (Institute of Directors) and whatever, but to about 200 ...

**Deputy G.P. Southern:**

The usual suspects.

**The Minister for Social Security:**

Plus the usual suspects. For their views on it, which, of course, will all be taken into consideration, as were the views from religious groups and all sorts of different aspects in the last consultation.

**The Deputy of St. Ouen:**

If there are any fundamental problems that arise as a result of the consultation you are now embarking upon, have you left sufficient time to deal with those and make any drafting changes that might be felt necessary?

**The Minister for Social Security:**

I think so. We have done a huge amount of consultation, redrafting and redrafting ... how many redrafts have there been? So we are fairly confident that there will not be any major changes because we have already addressed what were major changes.

**The Deputy of St. Ouen:**

Yes, I see. Okay.

**The Minister for Social Security:**

I do not know if, Kate, you want to ...

**Policy Principal, Social Security:**

We have got plenty of time to redraft if necessary. We have a good month from the end of the consultation period and the law draftsman has been working very quickly on it and turning new drafts around within a day. So I do not see a problem with the timetable.

**The Deputy of St. Ouen:**

Okay, that is helpful and we will want to play our part as a scrutiny panel, I think, and help you reach that 1st September. But we must examine it, and we had a helpful meeting with your adviser just yesterday and we shall now consider how we wish to respond. We were very satisfied with his full explanations.

**The Minister for Social Security:**

We are also hoping - is it just after lodging the regulations - to have a States Members briefing, probably a lunch hour on a States day because that is always a good time and then Darren, who you met yesterday, will be here and has offered to do like an open surgery. If people think of

questions that they may be did not ask at the briefing that they could go back the next day with any queries they may have. So to make it as open and as transparent and as questionable as anybody can really.

**The Deputy of St. Ouen:**

That would help because there are some very detailed provisions and no doubt people will come with a scenario they can think of and want to work that through. Yes. Okay.

**Deputy G.P. Southern:**

Can I take us on and carry on the theme of family friendly? It seems to me that the latest phrase that has become every politician's well worn cliché is 1,001 days. Minister, in concrete terms, what contribution is your department going to make towards doing something for 1,001 days?

**The Minister for Social Security:**

Well, we have already started with the change to the maternity situation. In law with your 18 weeks, providing you have been in the job for 15 months, maternity leave you had to take 6 weeks before the due date and the rest of it afterwards. We have now changed that so you can take your maternity leave whenever you wish. You can work up to the day of the birth if you wish and take the whole time afterwards. The 1,001 days is very much concentrated on the forming of the first 2 years after conception, including conception, and making sure that the formative years are protected, loved, secure so by changing that I think we have almost pre-empted the 1,001 days because it gives the mother much more freedom to take her leave when she wishes. With the family friendly law, this of course allows for the paternity leave as well. It will be 2 weeks compulsory paid leave, which will be paid by the employer but the maternity allowance, which is paid for 18 weeks, will be deducted from that so the employer does not pay the full salary for those 2 weeks, because that, again, is quite an imposition on small businesses which is why we have introduced it as 2 weeks to start off with. Bearing in mind that Jersey and Guernsey I think are the only countries in the world that do not have a reasonable maternity law. So I think we are doing quite a lot and obviously we can do more.

**Deputy G.P. Southern:**

You have made some steps obviously, but as soon as you take the decision to say: "We are not going to load the burden on to employers" be it small employers or otherwise, then do we not, as a government, have a duty to fund decent maternity leave? The key here, I think, is 26 weeks, which is the recommended time period for breastfeeding and there is no better way of forming a bond and making sure you have got a whole human being being created rather than being damaged than that 6 months. Six months seems to me the key critical time. Would you consider

moving to 6 months as a contribution to the 1,001 days to make sure that this bonding process is enabled to the extent that we can?

**The Minister for Social Security:**

As a mother I would certainly agree and I have been quoted as saying that I would like it to be more, however we have to start somewhere. In all of these decision we have got to see the bigger picture, and it will have an effect on small business. This is why we are so very keen, if not determined, that it would come into effect at the same time as the discrimination law so that the 2 will tie in. So you cannot not hire somebody or employ somebody, or in the event dismiss them, because of being pregnant, which is why it is so important that the 2 come in together. We will then look at it again after a year. We have already said that after a year of it being in place we will review it and see whether we can extend it.

**Deputy G.P. Southern:**

Okay. Another topic which used to and still does disturb me, dental services and costs. I see it is on your list at number 10.

**The Minister for Social Security:**

Another review.

**Deputy G.P. Southern:**

Another review. I thought I did a proposition which reviewed one of our schemes, the young people's scheme.

**The Minister for Social Security:**

That has been done and published, the under 5s dental review has already been done.

**Deputy G.P. Southern:**

The under 5s? Oh, a review has been done?

**Policy Director, Social Security:**

That is the epidemiological review of dental fitness on 5 year-olds. That is quite a specific technical survey that has been completed.

**Deputy G.P. Southern:**

Yes, has that been published?

**Policy Director, Social Security:**

It has not been published.

**The Minister for Social Security:**

Oh, it has not been published?

**Deputy G.P. Southern:**

Will it be?

**Policy Director, Social Security:**

Yes, but it will be published as part of the package, because there is other work ongoing. So rather than kind of drip feed it out it makes more sense to kind of produce the package so you see all the information and suggestions at the same time.

**Deputy G.P. Southern:**

Sorry, what is the overall package? There are too many overall packages in front of me.

**Policy Director, Social Security:**

The rest of the review.

**Deputy G.P. Southern:**

The complete review of dental services and benefits in conjunction with H.S.S.D. (Health and Social Services Department), is that ...?

**Policy Director, Social Security:**

It does come from your proposition of a couple of years ago. So 2 pieces of work were undertaken, which are separate and parallel. One has been completed and the second one is nearly complete. The completed one was the epidemiological survey of dental health for 5 year-olds. That has been completed, that was done in March last year. I think almost every primary school in Jersey took part. It was a very good survey and that does not show ... if it had showed anything untoward we probably would have published it sooner but it confirmed good dental health of 5 year-olds so there is no secrecy about that. The second part was the slightly more complicated bit, which was to look at the way we spend money on the dental services in Jersey currently and try and find ways of improving the efficacy of the current budget. That, to a certain extent, has been drawn into the wider primary care review, which makes that more complicated again, but we are trying to, to a certain extent, keep it ... draw it to a conclusion so that it makes sense on its own but also within the bigger picture. That is nearly finished now, it is very much a joint review between Social Security and the Health Department and it is just a question of the 2

departments finishing off some of the details of the review itself. But the field work has been done and it is just being written up at the minute.

**Deputy G.P. Southern:**

When can we expect to see it as a panel or as a Member of the States, or as a voter?

**Policy Director, Social Security:**

It is not totally within our control as to the timescale because we have been doing it with Health, but certainly within the next few months. It is not a long way away.

[11:15]

**The Deputy of St. Ouen:**

So it sounds as if that will be independent of the primary care review.

**Policy Director, Social Security:**

It is because the primary care review is such a big piece of work and because the primary care review is also associated with the other health work that is being done, it would take ... if we put the dental review into the whole bit of it, you would not get the dental review outcomes come out for years because the whole of the health review is still going to take a considerable time to finish. The dental review on its own, we can make progress on that, which will be in line with the themes of the bigger review. But it is a relatively small bit of it.

**Deputy G.P. Southern:**

The bottom line of the dental review is better use of our current spend, is it?

**Policy Director, Social Security:**

Better use of the existing spend, yes.

**Deputy G.P. Southern:**

So it is not a question of an additional spend at all?

**Policy Director, Social Security:**

The remit of the review was to consider best use of the existing spend.

**Deputy G.P. Southern:**

Okay, that does not sound like a great deal because the spend is probably not all it might be, Minister, is it?

**The Deputy of St. Ouen:**

Can I ask how the spend is targeted at the moment for dental health care? Is it directed towards children particularly?

**Policy Director, Social Security:**

It is very much split between the 2 departments. It is quite a complicated thing to do because there is a lot of joint working. The Health Department have a budget for dental provision for under 11s and that is done through the dental clinic at the General Hospital, and then at 11 you can move on to a scheme which is, again, partly funded by us. So there is a dental fitness scheme which covers teenagers where the hospital makes sure that a child is dentally fit. So they will pay for any work that needs to be done and when the child is dentally fit they will move to a community dentist or a private dentist who will then maintain that child's dental fitness like in an insurance scheme, if you like. So the parent makes a small contribution and the department also pays some money towards it.

**Deputy G.P. Southern:**

The point of my proposition some time back, I do not know when it was, was that that scheme was massively underfunded so that dentists did not feel that it was worth their while taking it up. That essential to delivering something for that age group was an increase in the spend. I do not think there was any way around that. So you are saying it is just looking at this woefully inadequately funded sum of money?

**Policy Director, Social Security:**

There are a large number of dentists who are involved in the scheme. The scheme does very good work. The teenagers on the scheme are subject to a clinical audit, so again an independent dentists comes around and checks the health of the children on the scheme. It get very, very good results from that.

**Deputy G.P. Southern:**

But the number of people that signed up for this scheme has dwindled away to next to nothing. The fact is you are targeting a particular group and saying it is important that we get your teeth right before you become adults and nobody is signing up to it, and that is massively inefficient.

**Policy Director, Social Security:**

I do not think the number of ...

**Deputy G.P. Southern:**

I cannot remember the figures from 2 years ago but I am not arguing the ...

**Policy Director, Social Security:**

Yes, okay.

**Deputy G.P. Southern:**

But the figures have dwindled over time massively, but never mind. The key there is within the current spend, the current spend is inadequate, Minister, and needs a thorough review to look at how we can best do this spend to save long-term on young people making sure that their teeth are adequately cared for and they have got good dental hygiene from the very get go.

**The Minister for Social Security:**

Well, the prevention is better than cure adage comes in time and time again. That is whole part of your 1,001 days as well. It goes across the board, that if you can catch whatever the problem is early and prevent it from getting worse, it is not just dental fitness, it is mental health, it is physical health, it is everything across the board.

**Policy Director, Social Security:**

As the Minister has already mentioned, the big primary care review does include dentists and also optometrists and therefore the bigger picture will be covered as part of that bigger review and dentists are very much a part of the primary care review as a whole.

**The Deputy of St. Ouen:**

Okay, we look forward to that report then on dental services.

**The Minister for Social Security:**

A lot of reports this year.

**The Deputy of St. Ouen:**

It seems so, yes. Prevention better than cure, dealing with issues early on, that is a feature that we are looking at in the context of our respite, adult respite care review. It seems to us that if there are people in the community who are acting as carers that can introduce a great deal of stress into a family situation and it is important those carers have respite before they reach a crisis point. But I think we have learnt that it is proposed that the long-term care scheme should play a role in this in that if a person in middle age begins to suffer from a long term chronic condition their spouse or partner might need respite but the provision of that respite care will come under the long-term care scheme, we understand. We have a concern that in a period of middle age people are buying their properties on mortgage, they have commitments towards their children, they are trying to earn their living and keep their head above water but they are struck down with a chronic condition. If they are having to fund their own ... the carer's respite, we feel that will go to the ...,

we have yet to come along with our conclusions, but we are worried that may go to the bottom of the list of their expenditure and therefore they will not take up respite, therefore the carer and the person being cared for will get into that desperate position we want to avoid. Can you comment? Do you share our worries, Minister?

**The Minister for Social Security:**

Yes, as you rightly say, it does come under long-term care, is already for 6 weeks, which is a generous amount of time.

**The Deputy of St. Ouen:**

That is the aim of this.

**The Minister for Social Security:**

Yes, and it would be up to the carer as to how they chose to take that, which incorporates a carer coming in or the cared for person going into a care home if that is what is required for a day a week or 2 days a week or a day a month, or 2 blocks or 3 blocks of 2 weeks, it is up to them how they would take it. But the time taken and the cost of it would be accrued in the long-term care scheme to the eventual cap of the £52,000.

**The Deputy of St. Ouen:**

It would but if they had some savings behind them they are expected to dip into those savings to meet those respite costs in addition to their normal living costs they have. That did not used to be the case.

**The Minister for Social Security:**

Respite was under the Health and Social Services and there was discussion whether it was free anymore because it used to be.

**The Deputy of St. Ouen:**

That is right.

**Policy Director, Social Security:**

There is still free respite available through the Health Department and one of the things the long-term care law is achieving is a much more fair system for all people living in Jersey. So the Health Department holds the budget for respite, holds the budget for long-term care support but those budgets were obviously fixed and not everybody was able to access them and therefore there was a certain amount of rationing in terms of what was available. The Health Department could not support everybody. Some people were already being supported through income support, which

has also been transferred into long-term care. So the idea of the long-term care scheme is that people who can afford to will make what is in effect a relatively small contribution towards their total care costs before they receive a completely universal benefit. People who cannot afford it will get support, means tested support from day 1, which means that everybody will have access to respite. Everybody will have access to appropriate care and everybody will be encouraged to stay at home, subject to people having sufficient carers to care for them. So it is a question of ... depending on how you accessed health care in the past, sometimes you got it free from the Health Department, sometimes you did not, sometimes you paid large amounts of money yourself. In the future we are trying to make a system that is fair to everybody. Different people with different level of needs have different treatments in the previous system, now anybody with long-term care needs all have the same treatment, the care costs different amounts of money but the treatment of everybody is the same, the eligibility is the same. So we are hoping it will produce a fairer system in the future. Anybody that is currently getting a respite service from the Health Department is protected and will continue to get that. But not everybody was getting it in the past.

**The Deputy of St. Ouen:**

Yes, there may be some winners and some losers at the end of the day. On the long-term care scheme generally do you have any feedback as to people's understanding of the scheme? Because it occurs to some of us and some reports we are hearing that people are finding it is tremendous complex.

**The Minister for Social Security:**

It is.

**The Deputy of St. Ouen:**

Are there ways that you can achieve a better understanding among the public of what benefits are available?

**The Minister for Social Security:**

It has been complicated from the start because it was due to come into effect on 1st January 2013 and it was so complicated it just could not be. So it came into effect July 2014 but backdated, if you like, or retrospective to 2013 for people who had been in care so could then use that time to accrue their contribution to the £52,000. We have done, I think, as much as we possibly could have done with public awareness, with leaflets, with briefings, as much as we possibly could with communication to the public about it. But, you are right, it is a very complicated scheme and, of course, everybody is individual so there are pockets adjusted to suit everybody. There is 1,200 people now on the scheme so it is certainly coming into effect and, of course, we will not know until further down the line exactly what the position is because although in effect it has not been for

very long, 6 or 7 months or something, so it will take a while before we get the complete feedback as to what the effect has been and whether it is totally fair to everybody, as Sue says, which was the intention.

**Deputy G.P. Southern:**

What sort of numbers do you think you are catering for on the long-term care scheme? How many recipients do you see as being complete coverage?

**The Minister for Social Security:**

Well, there are 1,200 now. People have to put themselves forward to register so they would then be assessed by the Health Department, by social care workers, to be assessed on what their level of care is needed, because there are 4 levels in long-term care and how it progresses.

**Deputy G.P. Southern:**

Do you have any idea about how many people eventually will need to access long-term care?

**The Minister for Social Security:**

You cannot really say that because the whole innovative package, or part of the package, is the fact that it offers domiciliary care, so care in your own home, which is to be encouraged, I think, across every community. That is the difference between ours and Guernsey's, they do not have that. But that was very much a main part of this package so to try and encourage people not to stay in hospital, which Health are very keen to do as well so you are not staying in hospital because you cannot go home, whereas with the domiciliary part of the long-term care scheme, you can leave hospital earlier providing you have got the requisite care in your own home, which generally speaking the public want to do.

**Deputy G.P. Southern:**

But you are saying you do not know how many people would constitute 100 per cent coverage, basically? You do not know how many people there are with degrees of disability that you might be catering for, for example?

**Policy Director, Social Security:**

Can I just say, we work very closely with lots of the voluntary sector and charities? We recently did quite a large presentation to a variety of organisations which was co-ordinated by the Service Users Forum, which was set up by the Chief Minister to make that direct contact to people in the community who have a variety of disability needs. We had some extremely good feedback from that meeting. So that was quite a large meeting with people from Health and from Social Security providing presentations on the range of things that are available. So I think the coverage of the

existing scheme ... you asked about how many people, I think we have pretty much found ... so by formal and informal routes, by people approaching the department directly, through social workers, through existing charities, through organisations, through all the care providers we have been in touch with all those people. So I do not think there is an unmet demand for long-term care benefit today, there is obviously a growing need for it going forward in the future and the number of people will basically increase as we go forward. That is why getting it right now is really important because it will set us up.

[11:30]

**Deputy G.P. Southern:**

Minister, you are saying you have got 1,200 now. If you look, for example, at income support figures for impairment, you have got 1,200 with a degree of impairment there who might well be candidates for the long-term care scheme. Income support covers something like a fifth of households so you will be talking 4 times that amount in the rest who are not covered by income support, then we are talking about 4,000 perhaps or more people who might be eligible for long-term care, are we not?

**The Minister for Social Security:**

The 2 schemes do not ...

**Deputy G.P. Southern:**

No, I did not say they were but as an example of those who might be.

**Policy Director, Social Security:**

Can I just explain it? You are absolutely right, within income support we provide extra support for people on low incomes who have a disability or long-term condition, and that support starts at a very low level of extra need. So there are 3 levels within the income support scheme, which are for increasing needs, and that is assessed through a standard kind of process. Those needs are well below the level at which the long-term care scheme kicks in. So we talked the other day about the costs, so the top level of extra support within income support is £145 a week, the lowest level of long-term care is £350 a week. So the needs of the person who is going to be in the long-term care scheme are considerably higher than the range of people who are getting some extra financial support because they are in low income families on the income support scheme. We do have people who are in both schemes, that is absolutely fine, we expect that to happen and we can deal with those but the majority of people who are getting the lower level of the income support components are not people who would be eligible for the long-term care scheme. The one thing the long-term care scheme does not include is children so Children's Services continue to

support children with long-term conditions, the long-term care schemes takes people from the age of 18 upwards. We transition teenagers into the long-term care scheme at 18. Income support does cover children from the age of about one with various disabilities and supports them long-term.

**The Deputy of St. Ouen:**

We have reached our allotted time, Minister. Unless there is anything very pressing perhaps we should close the meeting now. Thank you very much for coming to speak with us. Clearly, as with any Minister, there is so much that you are developing in terms of policy and strategy but it is difficult for us to be definitive now and to really get to grips with all that will be developed, that is in the course of development. But we will meet again in the next quarter and hopefully you will be able to fill us in on the progress. Thank you for coming to answer our questions today.

**The Minister for Social Security:**

Thank you.

[11:33]