

# STATES OF JERSEY

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

**THURSDAY, 3rd MARCH 2016**

**Panel:**

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

Deputy G.P. Southern of St. Helier (Vice-Chairman)

Deputy T.A. McDonald of St. Saviour

**Witnesses:**

The Minister for Social Security

Assistant Minister for Social Security

Policy Director

Chief Officer

[10:00]

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

Good morning, everybody. This is a public hearing of the Health and Social Security Scrutiny Panel, with the Minister for Social Security. This meeting is being recorded therefore we will start with the formalities and introduce ourselves and if I can ask the Minister and her team to introduce yourselves for the record as well. So I am Deputy Richard Renouf, and I am Chairman of the panel.

**Deputy G.P. Southern of St. Helier (Vice-Chairman):**

Deputy Geoff Southern, Vice-Chair.

**Deputy T.A. McDonald of St. Saviour:**

Deputy Terry McDonald, member of the panel.

**The Minister for Social Security:**

Deputy Susie Pinel, Minister for Social Security.

**Chief Officer:**

Ian Burns, Chief Officer.

**Policy Director:**

Sue Duhamel.

**Assistant Minister for Social Security:**

Deputy Graham Truscott, Assistant Minister for Social Security.

**The Deputy of St. Ouen:**

Thank you everyone, and thank you, Minister, and your team for coming to help us today. Can we talk to you first about primary care? Minister, could you give us an update on the implementation of the strategy?

**The Minister for Social Security:**

Yes, thank you, Chairman. We have now had a call for pilots of the scheme, of which 20 have come forward; so those 20 are being analysed as to prioritisation really. They will then, once that is established, go ahead and carry out their schemes, which will then be fed back to us in Health for a review and then take the necessary recommendations forward.

**The Deputy of St. Ouen:**

Okay, have there been any innovative ideas coming forward?

**The Minister for Social Security:**

It has only just started so it was ... Ian is chairman of one of the panels and so it is still assessing which of the pilots will be used out of the 20 of those that have come forward.

**Deputy G.P. Southern:**

Of those 20 what are we talking about? Can you give us a clue as to what sort of innovation, what sort of ideas are coming forward? How might you better deliver in the community, what services?

**Chief Officer:**

There are over 20, nearly 30 in total in the end, but they are grouped into themes. There is a broad range, again trying to move things out of the hospital perhaps, trying to move treatment closer to where the patient may want it. But there is a range, and they are quite a loose range of ideas. The idea is that those are worked up into more detail and that innovation is more articulated into what it will mean for the patient and how it will work in practice. But there is a broad range covering from pharmacists to G.P.s (general practitioners) to moving some things out of the hospital; optometrists and so on. So there is a broad range.

**Deputy G.P. Southern:**

Can you describe any of that in general terms? You say in pharmacy; what does that mean in terms of delivering in the community other than elsewhere?

**Chief Officer:**

Sorry, my slight hesitancy is because it is not a wholly commercial tender, in that sense. It is a process because at this stage we are hoping that our primary care providers will be working together to support pilots but there is a level of commercialism attached to this. So there is concern about going too far in discussing the level of data in pilots at this very early stage.

**Deputy G.P. Southern:**

That is surprising, to say the least.

**Policy Director:**

For example, you can identify a group of patients in the community that you feel are particularly at risk of perhaps going to hospital unexpectedly and then you can say that that group of patients, how do you organise your services better around them? You are doing that in the community, so you are not waiting for them to have to go into hospital and become an emergency and take up lots of very expensive in-patient care. You are saying: "I am going to look through the patient records upfront and find people who have these kind of characteristics who might be at risk of" whatever it might. I will then put some support around that person. I might have a care co-ordinator", is an idea that has been talked about, it is used in other countries, whereby you have got somebody who is perhaps not a clinician themselves but they know kind of who provides different services throughout the community. So you can wrap care round people much more effectively and you can also keep people out of hospital. So you can have that for children, you can have that for old people, you can have that for people with mental illnesses, as a practice you can do lots of different things. There are a range of different types of illness and types of patient that are being pursued in the pilots but it is a wee bit early to say exactly which of them are going to then come through.

**Deputy G.P. Southern:**

Are we talking about States bodies under their umbrella but in the community or are we talking about third sector deliveries or commercial deliveries.

**Policy Director:**

All of them.

**Chief Officer:**

All of them, yes.

**Policy Director:**

A really good range of pilots have come forward and it does encompass third sector organisations, commercial organisations, existing health organisations and the Health Department themselves. It has been really good.

**The Deputy of St. Ouen:**

Are there pilots proposed to specifically help low income groups who would not otherwise perhaps go to their G.P. because they cannot afford it? Is that in the mix?

**Policy Director:**

Within our business plan we have got an existing commitment to look at that in more detail, so that is one that ... at the end of the day the focus of the pilots was on encouraging the practitioners of the community to come forward with ideas themselves. That they took the initiative on some things. At the same time, the Health Department continues to take a whole pile of initiatives around the P.82 programme that is just rolling out over this M.T.F.P. (Medium Term Financial Plan) and the next one as well, so that is a long-lasting project. Social Security is also doing so much. There are basically 3 separate parallel pieces of work that work very closely together all going on at the same time. So the low-income side is something that we all do. It is not entirely a project. It is something that we are looking at as officers. Then there are other things around also I.T. (information technology), around needs assessment which are being looked at by officer groups across the board.

**Deputy G.P. Southern:**

Two things: when might we see a list of initiatives? When are they likely to be finalised and when are the public going to know about them?

**The Minister for Social Security:**

Following on from what Sue said there on I.T., we are supporting the development of an informatics strategy, which will help that and make ... we have already made significant investment with EMIS, the computer system for the G.P.s, and to help the sort of flow of information around the Health Department, our department, G.P.s, so it's all part of the primary care strategy.

**Deputy G.P. Southern:**

They are all now connected, are they, the G.P.s across the board?

**The Minister for Social Security:**

Certainly the G.P.s are.

**Policy Director:**

EMIS is the platform that all the G.P.s are now using. It has been extended out to some community providers, which I can tell you confidentially ... perhaps I will not say it in a public hearing. But that has already happened, so that is really good connections there. The hospital system is TrakCare. They are currently making improvements to TrakCare itself. There are all sorts of clever ways in which EMIS and TrakCare will be able to talk to each other, and that is currently the kind of focus as to how what is the most effective way of doing that, that cross kind of thing.

**Deputy G.P. Southern:**

So there is still work being maintained?

**Policy Director:**

There is a lot to do. The one thing that is being prioritised this year is the provision of the Path Lab results, so at the minute if you need a test from your doctor, from your G.P., they send samples to the Path Lab and the results come back in quite a long-winded way. There is an I.T. solution just to address that bit, to get your results back electronically much quicker and also much more accurately, so you are not having to transcribe things from one system to another system, to come back into EMIS directly. That is a really good simple kind of thing that we can do, which will save time and money at both ends and also through patient care.

**Deputy G.P. Southern:**

I will repeat my question. When are we likely to know when these initiatives are being trialled?

**Chief Officer:**

So we have a process to go through and all the detail that needs to be worked up by the providers. I would say that the initial phase will be completed ... in terms of assessment it will be completed

by the first half of this year, so by June, and then it will then depend upon negotiations and how fast different organisations can either agree to work together or can change their organisation to adapt to deliver the pilot they suggested. Those pilots may be short, they may run over a period, but the next couple of years we will see the results from the pilots starting to come through.

**Deputy G.P. Southern:**

The funding for the pilots; is that coming through Health or does it come through Social Security?

**Chief Officer:**

It is coming through Health, I think via the Treasury, was the agreed approach.

**Policy Director:**

Yes, there is one-off funding for the pilots. To a certain extent you need to have ... when you are doing a pilot you still have got to maintain your existing systems so there are separate money for the pilots. Then as time goes on you work out which ones will be easier to see how the money flows through in the future.

**The Deputy of St. Ouen:**

So once you have assessed and selected the pilots that you want to take forward does anyone in the group need to put forward a bid for this money?

**Chief Officer:**

Yes, that is part of the ... there is money being involved, again part of my hesitancy around the commerciality of it. There will be people who perhaps are involved in pilots going forward and there will be people who perhaps are not involved in pilots going forward who might have wanted to be. So there is a level there of selection that will need to take place, because there will only be a limited amount of money that will be available and we need to ensure that the pilots we run test out fully the principles of primary care we want to try and attract. You could run 5 pilots that are all very similar but do not really learn very much from it and it is better to have a range of pilots. One of the things in particular we are interested in is the method of payment, and having different methods of payment in terms of the practitioner or potentially for the patient. So trying out those different behavioural types of incentive around how the money flows is an important part of learning from the pilot process.

**Deputy G.P. Southern:**

If you say so. I did not understand that. The money will change behaviours in the practitioners or in the public?

**Chief Officer:**

Any or all.

**Policy Director:**

You have this very specific example of an Emergency Department - this is well-known because your Council have identified this - that because A. and E. (Accident and Emergency) is free some people will go to A. and E. because they want to avoid the cost of the G.P. There are many other reasons why people go to A. and E. which are also inappropriate - I do not want to make too much emphasis on that one - and that is a driver for some people. So those are the kind of drives that you want to look at. You want to see where, if you want to encourage people back into the health system and where do you want to discourage them, where do you want to put a financial barrier in their way. The low income groups will be treated quite separately to make sure that where a low income person might face a barrier due to income, the cost of something, that that barrier will be addressed separately. But the person who can afford to pay, which bit of the health system do you want them to get into first. Where do you want to encourage them to go? Where do you want to less encourage them to go?

**The Deputy of St. Ouen:**

You are not suggesting there will be a till at A. and E, would you, to take a payment?

**Deputy G.P. Southern:**

That has been suggested.

**Policy Director:**

It has been suggested in the past, yes.

**Deputy G.P. Southern:**

I think it has been given away.

**Policy Director:**

That is the whole point; you need to think about ... that is the whole point about it. We do not know what those answers are, and definitely not associated to A. and E., but I am saying that you need to think about how people react to there being charges in some parts of the hospital but not in other parts.

**Deputy G.P. Southern:**

Because the medical staff say: "On your bike, we are not upsetting people."

**Chief Officer:**

The strategy outlines that payment is one of the 5 principles of the primary care strategy; the others are obviously patients, getting people to work more closely into the partnership, how the process affects and workforce. They are all parts that we would like to test out in the pilot process to some degree or another.

**The Minister for Social Security:**

The other initiative is the skills for Health which started off with Health, but has now been extended to G.P.s and pharmacists to explore their workforce and the size of their practice and a possible retirement of nurses or consultants, so that is part of the ... and under the private care strategy as well. So there is quite a lot of reviews.

**The Deputy of St. Ouen:**

So what is happening in that skills practice?

**The Minister for Social Security:**

Well, that is again a Health initiative, but it is all part of the primary care strategy. So there is a lot of co-ordinated reviews going on at the same time, so the information will all be put together at some stage. I think June, July, something like that.

**Policy Director:**

Skills for Health are working at the minute on the major review of health staff, salaried staff, and that has been extended to primary care practitioners as well, which is really good. It means you see both sides of the picture at the same time.

**Deputy G.P. Southern:**

Critically you said the funding for these pilots under these initiatives is extra funding, is extra money.

**Chief Officer:**

That is my belief, yes.

**Policy Director:**

Where they need funding. Some will not need funding.

**Deputy T.A. McDonald:**



Could I just go back obviously to talking about the Path Lab and outcome and test results, and so on, because from the public's perception, especially from a patient's perception, getting the outcome of very important tests for them is vital?

[10:15]

What sort of thing ... are we trying to halve the response time or the results time or ...? How do you hope and see?

**Policy Director:**

I cannot give you the details about that. It is a Health initiative but what I can say is that we have had ... Health have pages of things to do around I.T. We have been able to push that one up the agenda. We have been able to identify some funding to get it done this year. I am very happy we can give you some extra details about the workloads. But it will remove letters, retyping and scanning things in from one system to another system.

**Deputy T.A. McDonald:**

As long as it reduces the delay, which is the most important thing.

**Policy Director:**

It will do, yes.

**Deputy T.A. McDonald:**

No, that is fine. Sorry to ...

**The Minister for Social Security:**

But also part of the whole strategy is to look at whether a lot of the work that the doctors do for instance now in blood tests or B.M.I. (body mass index) testing whatever, could be done by pharmacists, which would again speed the process up. It happens in Europe so it is being looked at, as to whether that could be moved, and prescribing also for some things by the pharmacist. So it is all being reviewed.

**The Deputy of St. Ouen:**

Perhaps if we could move on to a different topic, which is the proposed health charge. Minister, could you tell us what discussions have taken place since our last quarterly when I think you told us you had not yet been involved in any discussions about developing the health charge?

**The Minister for Social Security:**

I am afraid to tell you, Chairman, that nothing else has changed. This is for the Minister for Treasury and Resources to decide, along with the Minister for Health, and is certainly not under the remit of the Minister for Social Security. So there is nothing more that I can tell you from last time. I am disappointed to say so but that is the way it stands.

**The Deputy of St. Ouen:**

It is disappointing because you are involved in it, are you not? The business plan for this year says that you are to support the development of a health charge.

**The Minister for Social Security:**

Yes, which I am doing.

**The Deputy of St. Ouen:**

It would seem so. It is the policy of the Council of Ministers. In what areas do you envisage giving support?

**The Minister for Social Security:**

Until I see what the options are as to how a health charge ... I do not even know at what level it would be, how contributions would be made to it, how the charge would be broken up, broken down; absolutely no idea.

**The Deputy of St. Ouen:**

Absolutely no idea.

**Deputy G.P. Southern:**

And that is waiting on the Minister for Treasury and Resources ...

**The Minister for Social Security:**

It is.

**Deputy G.P. Southern:**

... who initiate that?

**The Minister for Social Security:**

He needs to come forward with options to the Council of Ministers as to what would be acceptable for the public and what would not, acceptable for the departments, but it is certainly not a Social Security initiative.

**Deputy G.P. Southern:**

Would it surprise you to know that when we interviewed the Minister for Health he was expecting to hear from the Minister for Treasury and Resources in the following week? I think that was probably 2, 3 weeks ago, was it?

**Chief Officer:**

I think it was about 6 weeks ago our last quarterly ...

**Deputy G.P. Southern:**

Six weeks ago? Possibly. But he was expecting a visit, a knock from the Minister for Treasury and Resources the following week and we let it rest there. But it has not happened then? Well, not your involvement?

**The Minister for Social Security:**

Well, Social Security work very closely with Health and to my knowledge ... I have not been told but I think that would be unusual. So we are just waiting.

**Deputy G.P. Southern:**

It is probably in the foundations to the hospital at the moment.

**The Minister for Social Security:**

There was a bit of a diversion.

**Deputy T.A. McDonald:**

Just before we move on again, a very important question I think, especially from the people's perspective, are dentists included in the primary care strategy reviews and so on?

**The Minister for Social Security:**

Yes, there is the Dental Action Group, which is being formed, and they are now doing ... we have all been involving the dentists in Jersey, which has not been done before. So there is again meeting with the 5 ambitions of primary care strategy. So a review of all dentistry is being undertaken as well. We have had the 2 previous reviews, one of which said that child dental health in Jersey is very good. Better than the U.K. (United Kingdom). The other one reported that adult dental health was possibly not as good percentage-wise as in the U.K., but of course it is very difficult to compare ourselves in that situation because we have different ways of doing the survey, different ways of obtaining the information.

**Deputy T.A. McDonald:**

I seem to remember that although it was described as very good, it was also described as being very old-fashioned. So obviously there is quite a bit of work to do.

**The Minister for Social Security:**

There is a lot of work to do on that. But I think it is about the first time it has been done in dentistry so, yes, that is ongoing work as well. It sounds terrible to say that everything is ongoing but there is review after review after review, and not before time. We need to be doing this.

**Deputy T.A. McDonald:**

A lot of people outside of these rooms and buildings waiting, for various reasons, for results and knowing what is going to happen to them in the future. That is fine, thank you.

**Deputy G.P. Southern:**

The dental fitness scheme, in particular, is that under review?

**Policy Director:**

The Minister referred to the Dental Action Group, so that is the specific action that has come out of the major review of dentistry last year, which looked at the existing funding ... of public funding of dental services, which does include the dental fitness review. So the outcome of the external review was that ... what I am saying is that things are quite old fashioned. We have got very poor data. We have limited governance locally about dentists and limited I.T. So we had a lot of foundation building blocks to build up before you could start to even understand where you should be spending the money better. So we are working. So there are dentists on the board of the Sustainable Primary Care Board, and as the Minister said, the Dental Action Group has now also got dentists sitting on it and we are looking across the board. But to a certain extent you have got to get the foundations right and therefore the existing systems schemes are kind of ongoing, they are not going to stop. There is work on the 65-plus because obviously there was extra funding agreed for that last year. The children's one, we are working very closely with it. We have a member of Education on the action group, so we are working very closely with the schools and seeing how we can improve that. So there are no specific actions in respect of that particular scheme. However, the whole thing is being thoroughly reviewed to make sure we are going to get it right moving forward.

**Deputy G.P. Southern:**

So the dental fitness scheme is being allowed to further atrophy with limited reach and limited volunteers from the practitioners? That is the state of play, you are not prepared to do anything immediate to prop one up and boost it while you develop, who knows how long down the line, new schemes which are more up to date and perhaps a better version.

**Policy Director:**

There are definitely short-term actions that can be taken and we will be looking to do some of those as well. There are ways in which you could perhaps improve some of the administration around existing schemes to free up more resource to do more things. There certainly was a slight glitch in the application process in the dental fitness scheme I think 2 years ago, and it is only just recovering from that. The glitch that happened has been recovered from but certainly we can do more to advertising the existing scheme and, as I say, the closer link to Education now make that much easier to do. So I think there is ... we are not going to change ...

**Deputy G.P. Southern:**

Will we see a promotion of the dental fitness scheme? We have got good health to a certain level, dental health among our youngsters, but by the time they get to adults sometimes their needs are not met. It seems to me that that adolescent area is the area you need to really get people to join in, and families to join in. Are we likely to see a promotion of that?

**The Minister for Social Security:**

I think it is well known that problems with dentistry or dental disease is a socioeconomic related factor and the Dental Action Group are due to meet, I think it is for the first time next week, on 7th March, so ...

**Policy Director:**

They are meeting, but next for the first time.

**Deputy G.P. Southern:**

Before I picked it up. **[Laughter]** I love meetings.

**The Deputy of St. Ouen:**

Mrs. Duhamel, you mentioned the 65-plus health care ...

**Deputy G.P. Southern:**

The question was and it has not been answered. Are we likely to see a publicity drive focusing on young people and the dental fitness scheme, trying to make sure with what we have got left in there that we do the best with it because it seems to me time and time again we invent a scheme and then we quietly bury it by not saying it is there, nobody comes. Are we likely to see an initiative on that?

**The Minister for Social Security:**

I think we are waiting for what the Dental Action Group advise. They have to come up with some recommendations as to where the drive will be but certainly, as Sue said, in the schools they have already started on the education and I think if you can educate the children, as with everything else, it goes through into adulthood but addressing the adult situation is part of what the Dental Action Group will be doing.

**Deputy G.P. Southern:**

On a completely different topic but one which is directly related to dental health, sugar tax. Would you be in favour, Minister, because it is a political decision, have you done any work on that, have you thought about it?

**The Minister for Social Security:**

No, I have not put a lot of work into it. But I do know that it is on the agenda. I do not think it is a bad idea but on the other hand I think it would be very difficult to administer, and it depends at what level you put it and who is going to oversee it. I think any legislation that comes in is only as effective as it being overseen.

**Deputy G.P. Southern:**

Since it is a tax we rely on a meeting between Health and Treasury and Resources presumably at some stage. So when you do meet him, if you still recognise him, do send him my regards.

**The Minister for Social Security:**

Certainly will, Deputy.

**The Deputy of St. Ouen:**

The 65-plus health scheme, additional funds were going to be available to the scheme. Have they been applied and are they in the scheme at the moment?

**The Minister for Social Security:**

The £200,000 that was voted for it are going to certainly fund it, to expand the way it can be operated, but I did say in answer to Deputy Southern's question I think in the States some time ago, that at the moment the administration of the fund is in question because anybody claiming ... it is like an insurance fund. You have the work done first and then claim it back. A lot of people are not in a position to have that sort of capital up front. We appreciate that, so that is going to be one of the first things, is looking at the administration of the fund and trying to change that so that we can produce capital upfront in certain circumstances. So that would be the first thing. Then to see from that how we can extend it to more treatments per year, because this is dentistry, ophthalmology and chiropody. So a whole review of the ...

**The Deputy of St. Ouen:**

But what at present prevents you from making a payment upfront?

**The Minister for Social Security:**

It is just the way it is set up. It is the Westfield scheme, it is not a local company and that is the way it was set up in the first place, but obviously we need to review that for the reasons I have just mentioned.

**Deputy G.P. Southern:**

Surely if they are processing claims after the fact and paying the dentist or paying the person, the individual, back in retrospect, but surely if you ... if it is a very straightforward matter, for you to front that money, have the treatment done and then to the department to be paid by the Westfield organisation.

**The Minister for Social Security:**

That is exactly what we are ... the options around that are what we have.

**Deputy G.P. Southern:**

That is what is happening as a first initiative?

**The Minister for Social Security:**

Yes.

**Policy Director:**

Just to expand on detail there. So we have been working very closely with Westfield, with local providers of the various; the dentists, ophthalmologists, and so on, and also with local community groups, perhaps only 65-plus people, to work out how we can improve the current system. So that work has been quite active over the last couple of months. The Minister has not yet seen the proposals but a proposal will be coming to the Minister in the near future. We have of course an idea of how to do it better.

**Deputy G.P. Southern:**

I accept what you are saying there. Any idea of how far £200,000 can stretch? How many people have we got on the scheme roughly and what sort of turnover does it do annually?

**Policy Director:**

It roughly doubles the existing budget for benefit provision. There are over 2,000 people on the scheme at the minute.

**The Deputy of St. Ouen:**

Can I understand how this works? You say it is an insurance-based scheme, so is the funding that Social Security are putting into it, is that essentially to pay a premium for the insurance?

**The Minister for Social Security:**

Yes.

**The Deputy of St. Ouen:**

And it is Westfield then?

**Policy Director:**

Yes.

**The Minister for Social Security:**

Administrative.

**Policy Director:**

So this is set up at a time when the States were keen to outsource administration, so it has been set up some time ago. The way it was set up was that an external provider provides health insurance for all sorts of people. The States pays a premium per person per month to Westfield, a fixed amount of money. Then the various benefits that are provided through the insurance scheme are clearly set out. The point about us paying upfront is we do not know anything about it at the minute. We know who is on the scheme, so people apply to us to start with. We send their details to Westfield and then Westfield administer it with a person directly. You go to the dentist, you are on Westfield, you know to send your receipt to Westfield. Westfield will send you a cheque for the amount of money that the claimant will claim. So we do not really have much to do with the ... we do not have anything to do with the administration of the scheme now once people are in the scheme.

[10:30]

Because that is the way it is done by that commercial organisation so we can either change the way that organisation does it or we can think about the way that we can do it more directly on Island ourselves, so we are looking at those 2 in a way. We did have a fairly practical solution, which we are just checking out with local practitioners at the minute because it is obviously really



important that, if we change the administration, the dentists and the chiropodists and so on are happy that they can cope with any change to the work that has been done. But we are also keeping track with the community groups to make sure they are happy with the suggestions that we are making. Also it is a bit of an iterative process about: "What could we do and would you be happy with that?"

**The Deputy of St. Ouen:**

Are you contractually bound to continue the arrangements with Westfield for a certain time?

**Policy Director:**

Yes. Obviously we have a contract with Westfield and we would have to serve a notice of period but because we would introduce any new arrangement it would not initiate break laws that are sometimes a penalty, we would let the contract run out in the proper notice period and therefore move to the new thing at the end of the notice period.

**The Deputy of St. Ouen:**

Do you know what that period of notice is if we need to do things differently?

**Policy Director:**

Six months.

**The Deputy of St. Ouen:**

Six months, okay.

**Deputy G.P. Southern:**

Again, I will talk about reach. What does it look like?

**Policy Director:**

I cannot tell you the exact number, it is 2,400 or something. Well over 2,000.

**Deputy G.P. Southern:**

Of 17,000 pensioners or over-65s on the Island, is that an adequate reach? Is that rearranged to expand it?

**The Minister for Social Security:**

Yes. I think there have been fair comments from the public that we possibly have not advertised it enough. Certainly in last October's pension information there was a very distinct flyer that went

with it, whereas before the information about the 65-plus scheme had been there but possibly buried in the details. So we have made a point now of notification far better to the public.

**Deputy G.P. Southern:**

Would you expect numbers to go up significantly if you make people aware, and it is about making people aware, that you are prepared to pay upfront on costs and claim it back through the insurance scheme so that you will not be laying out whatever it is?

**The Minister for Social Security:**

I would have expected the numbers to go up but then of course you never know. I mean people have to apply for it. We cannot force them to.

**Policy Director:**

There are 3 separate pressures on the cost of the scheme. It is ease of access and therefore more people apply for it. There is change in the way in which you ... the value of benefits provided for each thing, and who the criteria are on in the first place. So all those things are potential pressures on the amount of money we have got. We have got extra funding, but we need to be quite careful that we do not exceed that extra, so we will be quite conservative, I think, to start with to make sure ... the admin is important, so get the admin better for people who are already on the scheme and then see what impact that has and then increase it like that. We are interested in the value of check-ups, there are different parts of it. They talk about the proportion of people, obviously half the pensioners pay tax so you are talking about people who do not pay tax. And there will be people who do not pay tax who are quite happy to meet their own expenses. The scheme is available to people ... when people come in to claim their pension, because again because we are a small place when you come into Social Security to get your pension at 65, you are told about the pension benefits that are available to you. Everybody kind of gets that upfront briefing, plus the annual leaflet that goes out as well.

**Deputy G.P. Southern:**

You say there is a paper going to the Minister shortly, whatever that might mean. When it has been to the Minister would you mind sharing it with us either confidentially or otherwise so we can kind of look at which way you are going and how successful you are going in that direction?

**Policy Director:**

That will be a States decision anyway because we are currently running ...

**Deputy G.P. Southern:**

Before it comes to the States.

**Policy Director:**

Yes, absolutely. We have always ... yes.

**Deputy G.P. Southern:**

Because all the States does is sanction what the Minister says and it becomes a States decision then, written in blood or stone, whatever is appropriate. But if we could have a gander at it beforehand perhaps we can improve it.

**The Minister for Social Security:**

I think it is going to be a good news story inasmuch as we have more investment, we are changing what the criticisms have been, we are publicising it more, and it is available to more people.

**Deputy G.P. Southern:**

I hear the word "admin" all the time. I heard the word: "Right, fix the admin." That does not mend teeth.

**The Minister for Social Security:**

No, but as Sue has just said, we have to change the arrangement with the Westfield scheme.

**Policy Director:**

One of your key barriers at the minute, one of the main criticisms of the scheme, is that people do not use it because of the way it is administered. So we have for once gone to admin first, and make sure we can get the admin right and then we would also then think about the value of the benefit for the person, the range of things it provided. There are quite a lot of different options for this kind of scheme. But getting the payment mechanism right and have everybody be happy with that is really important, so that has been our concentration to solve it.

**Chief Officer:**

We have been consulting with not only the primary care providers, who are relevant to this particular benefit, but also stakeholder groups like Age Concern and so on.

**Deputy G.P. Southern:**

How long has the Westfield scheme been in place?

**Policy Director:**

Somebody said to me literally the other day 2003, but I did not check that. That was just a conversation, it is something around that.

**Deputy G.P. Southern:**

Have the sums ever been operated before?

**Policy Director:**

I think we would have to come back to you on that, I am not quite sure.

**Deputy G.P. Southern:**

I suspect not. It might be worth looking at what that means in terms of 13 years of inflation, and we have doubled the amount in the pot.

**Deputy T.A. McDonald:**

Again, looking at it from the pensioners perspective, the senior citizens, they always found that the allowance, in other words what they could claim, was quite low in comparison to the real cost of glasses, false teeth or whatever it happened to be. Obviously I am assuming, which one should never do, but obviously those benefits in the true sense will be looked at, the levels of what they can claim. That is the most important thing of all, I feel.

**Policy Director:**

So we just take it maybe a step at a time so you may be slightly disappointed we are not doing everything in one go, but that would be very risky. If you did not know how many people are going to apply, and you put the money up and you give them more options and more things all at the same time that might be too much money. So we need to do a bit at a time.

**The Deputy of St. Ouen:**

Can we move on, Minister, to the Social Security Fund and the Reserve Fund? Have we yet reached the breakeven point in the Social Security Fund where the benefits paid out outstrip the contributions?

**The Minister for Social Security:**

Which fund?

**The Deputy of St. Ouen:**

It is the Social Security Fund, is it not? Is that not the risk that what goes out exceeds what comes in?

**The Minister for Social Security:**

Well, the review that we started, which we have talked about for quite a while, is beginning now, this year.

**The Deputy of St. Ouen:**

It has started, has it?

**The Minister for Social Security:**

It has started and it will take time and I think the list of things that we have to look at were in the M.T.F.P. We have to look at the contributions across the board, the percentage rates, the balance between the employer and employee, the State pension age, the eligibility for pensioners. That was all in the M.T.F.P.

**The Deputy of St. Ouen:**

It was.

**The Minister for Social Security:**

But we have got some timelines here, which describes - if you look at the top one, the sustainability of the Social Security Fund - how we are going to do it over the next 2 to 3 years, and it is going to be a very comprehensive review. There have only been 4 previously happening, starting in the 1950s, then the 1970s, then the 1990s, and hence now, this one. They are roughly every 20 years. But there is a huge amount to look at, especially in review of the ageing demographics, which is obviously very much Social Security's problem. The good thing is that the fund is currently very healthy, so we have the time and we are not knee-jerking on this one. We are sort of doing it in advance of there being a major problem with the fund, and so hence the sort of long development time, and we are also waiting for the information from the Government Actuary Department's review, which will be, I think, mid-year this year.

**Deputy G.P. Southern:**

They were asked last year about their latest review; it is triennial, is it not?

**The Minister for Social Security:**

It is triennial, yes.

**Deputy G.P. Southern:**

Was this hit list that you just mentioned, was that: "Will you please consider these aspects about increasing contributions, changing the way self-employed contribute, pension age" et cetera, all those options, were they specifically asked to examine a way forward for those or not?

**The Minister for Social Security:**

I do not know whether they were specifically asked for.

**Policy Director:**

So the previous review reported on the end of December 2012 and that review identified, as the Minister has just said, that the fund was in a healthy short-term position but action would need to be taken soon, and that is kind of what the actuary says. So the next triennial review is 31st December 2015. The way that our data is collected means that they start with the review ... the data that they need will be available in April. We have already spoken to the G.A.D. (Government Actuary Department) and they are geared up to do that work to quite a tight timescale. It will not be ready by the first half of the year, it will be towards the end of the year, which will be very, very fast for an actuarial review. They tend to take ...

**Deputy G.P. Southern:**

The end of which year?

**Policy Director:**

This year. They will have broken all records. That will be really good, yes. But the question you ask is a slightly separate one. So the triennial review is a legal requirement and it looks at the health of the fund and it sets certain various set things. Separate to that, partly parallel and partly afterwards, they will help us with modelling of what if you put the pension age up again, what if you did this, what if you did that? So that will be a separate piece of work for that. But we are going to get the ...

**The Deputy of St. Ouen:**

The same actuaries, is it?

**Policy Director:**

It is the U.K. Government Actuary. They have worked for us for a long time. So they will be doing some separate pieces of project work against some of the options but the part of the review taking a long time is to have time for the public to understand some of the questions and to identify the kind of options they would like us to pursue in more detail, and then we will get more detailed modelling from the actuaries on those things. I suppose looking at everything which would be very expensive to do, lots of work so we are trying to hone down some of the options first of all, then get specialist advice on those, the preferred range of options.

**The Deputy of St. Ouen:**

You will hone down some of the options?

**Policy Director:**

We hope to hone down some of the options.

**The Deputy of St. Ouen:**

Yes, how do you exclude then before a public consultation?

**Policy Director:**

No, the public consultation will be first.

**The Deputy of St. Ouen:**

Okay.

**Policy Director:**

You can provide good high-level detail now. You can explain how the fund works now, you spend the pressures on the fund, use a population model to explain how the demographic changes, and the demographic changes not in like a nice design, but you get starts and stops, it is 2020, the 65-plus population grows quite fast for a certain number of years and it slows up again. So those things can be explained now. But the detailed analysis of what the impact of the pension age would be will be something that you would go and talk to an actuary about separately.

**Deputy G.P. Southern:**

But posing the question: would you rather receive a smaller pension or work longer before you see the pension age extended or some other alternative, that will be asked of the public? According to this it might start any time in this year before we see the actuary results, et cetera.

**Policy Director:**

Because that is the point you can talk about; this is the point. How do you create such a big ... how do you make a big review manageable? You have got to give people things that they can understand. So you can talk about the big picture. Absolutely, would you rather have a smaller pension when you retire or pay more contributions now? That is something you can talk about in general terms without being ... it is exactly 1.2 per cent or £50 a week. In general terms, where does the public want us to go? Do they want us to maintain the value of the pension, they accept the fact that it will cost more in contributions, they want to hold down the level of taxation across the board and therefore accept the fact that pensions might be worth less money as to what they are today. That is a kind of big picture thing.

**Deputy G.P. Southern:**

Or they might want to pay an increased contribution.

**Policy Director:**

Yes, exactly. When you get the general feel and the political feel for that then you go to the actuary and say: "Right, so our general direction is in this area, help us with the detailed options around this."

**Deputy G.P. Southern:**

And the detailed survey of public opinion is to be conducted by whom? Are you going to attempt it in-house?

**The Deputy of St. Ouen:**

How will it be done?

**Policy Director:**

Okay, so the department has historically, I know it is a long time ago, but the last one was done by officers from the department because of the experts in the Social Security system. When we have gone direct to them for advice in this area we have not ... so in terms of Social Security policy we probably are the people who understand our policy best.

[10:45]

Therefore we would know about that. In terms of presentation to the public, in terms of getting support for public consultations, making sure we have got the right kind of engagement with the public, obviously we get professional advisers.

**Deputy G.P. Southern:**

Sorry, I missed that.

**Policy Director:**

We get professional advice on public engagement to make sure that we hit people ... we make sure that we ...

**Deputy G.P. Southern:**

Are reaching the people that need to be.

**Policy Director:**

We reach the people that are interested, yes.



**The Deputy of St. Ouen:**

Do you have any thoughts on how you would like to do that on the subject of what professionals might say? Is it public meetings, is it workshops, is it leaflets through every letterbox?

**Policy Director:**

I imagine it would be a whole selection of all those things, yes.

**The Minister for Social Security:**

And interaction with stakeholders. As I mentioned in my Chamber of Commerce speech last week, there is a big pressure on whether workplace pensions should be looked at, whether they should be introduced and, in some cases, whether they should be increased. So there is a whole balance to be looked at before anything can be concluded.

**The Deputy of St. Ouen:**

How could you incentivise employers to provide pensions for their employees?

**The Minister for Social Security:**

There is a lot of evidence to say, for instance, if you are talking about short-term sickness benefit that if the employers provide it, as opposed to the States of Jersey providing it, you have far fewer people going sick. So there is lots of evidence that needs to be gathered. Basically that is just hearsay but hearsay from quite a few quarters. I think if people are encouraged to save for their own retirement as opposed to just assuming the States is going to pay for it ... it is a culture change. It is a mind-set change that we have to introduce to people really, but they should not just be relying on the States to support them in their old age, and that of course is going to be a considerable reliance with the number of people over 65 practically doubled by 2035. So we need to really look at other ways other than just having the ...

**The Deputy of St. Ouen:**

Yes, for small businesses or employers who will not introduce a scheme for their employees, is there something that the department can do?

**The Minister for Social Security:**

Again, as I say, it is all part of early conversations with stakeholders. The people who do ... small businesses who do provide a workplace pension maintains a loyalty of their workers, their employees, far more than those who do not. So there is a lot of incentive to encourage it, but it is at what level? Obviously it has to be pertinent to the business involved.

**Deputy G.P. Southern:**

That is not, in general, the voice we hear from small business. We hear their representatives saying that these must have less red tape, less burden on them. You have got a massive task there, I think, if you are going to persuade ...

**The Minister for Social Security:**

I was just saying, it is all going to be part of the consultation process because we have to look at that. The States cannot afford to keep funding at that level, the current level ...

**Deputy G.P. Southern:**

With the current tax structure. It is not that we will run out of money.

**The Minister for Social Security:**

That is going to be part of the review.

**Deputy G.P. Southern:**

We have got a tax structure budget that is designed exactly to do that, to provide public services, including those essentials, pensioners at the right level to maintain. We do not want pensioner poverty any more than anybody else. But there is a mechanism for that and it is not a question of we have only got a pot so big, we decide as Government how big the pot is and how it should be divided.

**The Deputy of St. Ouen:**

Is there any means whereby or might there be a means whereby people could enhance their own social security pension and making additional payments if their employer does not provide a scheme?

**The Minister for Social Security:**

I do not know ...

**Policy Director:**

Okay, so the States of Guernsey have very recently approved a scheme which has that kind of impact. So they have also made a decision to reduce the real value of their state pension over time by looking at R.P.I. (retail price index) rather than R.P.I. plus index, so alongside that they are going to introduce a compulsory employer workplace scheme, which will require ... so it is similar to the U.K. scheme, and that is in the U.K. So the employer has an obligation to provide a pension scheme. If you have an existing pension scheme, as long as it meets a certain criteria, that is fine, you do not have to do a new thing, an extra thing. But specifically for small employers who

probably do not have the resources to kind of run in a pension scheme of their own, it is too complicated to do, so the state would ... so in Guernsey they are just going to outsource it, but somebody would ... there would be a pension scheme that you could pay into. You do not have to organise yourself. Your employees have an opt-out option, so in other words everybody is enrolled into the scheme and they have to choose to get out of it. Any employee can choose to opt out of it, there is no penalty, it does not matter at all. But if you are in the scheme and the kind of human psychology is that if you are put in something automatically lots of them will say: "Oh, I am in the scheme" and they do not think: "Oh, I can get out of it" they will just stay where they are. Then inside the scheme the employer will make a contribution and the employee will make a contribution towards that pension pot. So that is sitting alongside your state pension. In Guernsey they are looking at, I think, rates that go up to a 10 per cent contribution over a number of years, so it is quite a decent level of pension contribution. I think it is 6.5 an employee and 3.5 employer.

**Chief Officer:**

It is, yes.

**Policy Director:**

That has just been approved by the States of Guernsey and that is something obviously we will be looking at as part of our research into this whole various ... that would be sensible. There are obviously some advantages to it and there are others that maybe they are not quite the right model for Jersey but we have models to look at, which do work and do address that kind of need in other places. So that will be quite good looking at.

**Deputy G.P. Southern:**

But the Minister also mentioned it is moving away from the area of pensions; perhaps we covered the pensions area, have we?

**The Deputy of St. Ouen:**

Yes.

**Deputy G.P. Southern:**

Into 6, we are talking about if employers were responsible for 6 payments then we might find that sickness went down in some way. Would you like to explore that a little bit further?

**The Minister for Social Security:**

Just that we paid out for the investigator we had; I think it was 29,000 short-term sickness claims last year, which is a considerable amount to have to deal with. STIA is paid for a minimum period of 2 days. So we have got to look at that as well. So it is all part of this whole review of examining

what we could do better, what emphasis would be placed on employers and it was just a question I threw out last week in the speech, inasmuch as it is something we are going to be reviewing, but to then pursue it with the stakeholders, the employers.

**Deputy G.P. Southern:**

Is this totally blue sky thinking or have you got the position there?

**The Minister for Social Security:**

We have a position inasmuch as we have the funding or not, as the case may be, but we hold the funds so of course we have a position. But it is making the fund sustainable, which is our intention.

**Chief Officer:**

If you look at the document in front of you, we intend to review the contributory work age benefits alongside the review of the sustainability of the fund and that ... clearly incapacity benefits, long-term incapacity benefits and all the other associated contributing benefits as part of this process. We threw out that question to a group in Chamber.

**The Deputy of St. Ouen:**

Yes, you did. Are you suggesting that short-term incapacity would not be allowed to people unless they have been ill for a longer period than at present?

**The Minister for Social Security:**

We are not suggesting anything at the moment other than it is incorporated within this review. Nothing is written in stone until such time as we have done the consultation with the public, we have had all our stakeholder communications and come to some way of making this fund sustainable. The other thing that is on here of course is ...

**Deputy G.P. Southern:**

It is sustainable at the moment?

**The Minister for Social Security:**

It is at the moment. The review of the self-employed, which I have always promised the Deputy I would do, and again there is nothing that we have come up with as part of the review but I always said I would do it to try and make things easier when we are trying to encourage as a Government entrepreneurship and setting up your own business. A lot of people are doing it anyway because of having been made redundant perhaps at an earlier age that does not leave itself to retirement and to try and make ... I think a lot of people setting up on their own find a 12.5 per cent

contribution immediately to Social Security on top of tax is quite daunting. So we want to see ... we already have some people at the deferred rate, which helps people but again that is possibly not that well publicised. So we want to do a lot of work on that as well.

**Deputy G.P. Southern:**

But the 12.5 per cent, it has been a long-term grumble.

**The Minister for Social Security:**

Yes. Which is why we want to ...

**The Deputy of St. Ouen:**

But coming back to what you said at the Chamber lunch, what message were you wanting to send to employees when you said that they would need to manage their employees' illnesses?

**The Minister for Social Security:**

I did not say we would need to. I said perhaps they might consider a workplace pension as an alternative.

**The Deputy of St. Ouen:**

But specifically illness, if their employees are ill they should fund that period of illness rather than Social Security, is that correct?

**The Minister for Social Security:**

It is a possibility. They do in a lot of other jurisdictions.

**Policy Director:**

I think that the issue of work age incapacity is a really important one. We are an Island that has population issues around migration and increasing the productivity of local people is really important for us to be able to do. One way you can do that is by helping people who have got long-term conditions find appropriate work, support their employers to help them to retain in work, and have a benefit system that encourages people to return to work. So that broader kind of theme is something that we do want to pursue. We currently have different ways of setting incapacity within the department. That seems a bit crazy from the outside. We have people on all benefits that have stopped in 2004, they still ... there are all sorts of things to do in that area. Therefore this is not an area the Government have made any decisions or policies at all yet, it is just an area to look at.

**Deputy G.P. Southern:**

This is a review of contributory benefits so it is ...

**Policy Director:**

This is a review of the Social Security Fund.

**Deputy G.P. Southern:**

It is outside of the tax, the issues that we talked about the spending.

**The Minister for Social Security:**

It is outside ...

**Deputy G.P. Southern:**

This is contrary to the benefits ... from these benefits. Is there any sense of priority that you have already got? I know you have got a big possibility that whatever ... there is 10 on the list of issues that you might consider and now you are looking at short-term incapacity as well and long-term incapacity, et cetera, it is a different set of benefits.

**The Deputy of St. Ouen:**

Although it does seem to be a priority in review of the self-employed contributions because you are proposing a States debate next year.

**The Minister for Social Security:**

It is happening, yes, because I have always said that I am very interested in looking at that, because I have taken Deputy Southern's notes from several times, and I agree. It is in some cases prohibitive for people to set up on their own, so we do need to look at it and see what we can do.

**The Deputy of St. Ouen:**

Is there a risk in bringing that in isolation to the States before the other changes planned for 2 years later?

**The Minister for Social Security:**

No, I do not think so. Obviously it is not going to happen until 2017 anyway, end of probably, and will not go to the States until probably 2018, so it is not really being done in isolation, it is being done along with all the other things. I just wanted to make sure that it was there as a standalone thing along with the other ...

**Deputy G.P. Southern:**

But is that the exception? Let us get on with it while we can, it is fairly separate from your other 4 issues. When we do the public consultation are we talking about all the issues or are you adopting a step-by-step issue at a time approach?

**The Minister for Social Security:**

I think we are going to try to do, as we did with long-term care, looking at all the issues because, as I think I have said before, the analogy of a gender tower that you have to make a package around these things. You cannot, for instance, raise a contribution on one hand and not do anything else. It has to be a balance. So by doing the work on everything together we should be able to achieve a final balance at the end of it.

**Deputy G.P. Southern:**

Except that that was an additional piece of funding, an additional benefit to what was carrying on, whereas here we are talking about a thorough examination of benefits that already exist. And making them sustainable as you say, but keeping them sustainable, if that is the phrase, it seems to me that that is a big range of issues.

**The Minister for Social Security:**

It is a big range of issues.

**Deputy G.P. Southern:**

A big piece of work.

**The Minister for Social Security:**

There is so much to look at with contributions. I mean it is the standard earnings limit, the upper earnings limit, whether you increase it ... whatever you do with these things will have a knock-on effect. That is why you have to look at it in the round.

**The Deputy of St. Ouen:**

Your timetable suggests that you are going to have focused engagement with self-employed people at this moment, so how is that going to take place?

**Policy Director:**

So we will write a paper on how things work now. I think engagement is with business groups, it is quite straightforward, you have one established. Well established local organisations who are very keen. The Ministers meets the Chamber of Commerce anyway. I mean I do not think that is going to be difficult to do.

**Deputy G.P. Southern:**

I am sure we will hear from business sectors.

**Policy Director:**

I just want to make a point about the size of the review. You asked us before that we could come to you with our 65-plus plans as soon as they were ready.

[11:00]

I did take that on board, yes. We have come to you with this timetable as soon as we have written it. We have not worked out all the detail yet. There is much more to do. We knew this quarterly hearing was coming up, we wanted to show you the shape of how it is going to work, the Minister is very keen that you saw the emphasis on self-employed people. That big brown bar across the bottom is all the benefits. Obviously it will have to be split up into separate bits. It is a bit too early. I do not want to say to you today we are definitely going to do S.T.I.A. (short-term incapacity allowance) in the third quarter and we do not. We will obviously develop a timetable over the next 6 months because it will come out in the big review anyway. So there is more to come on that one.

**Deputy G.P. Southern:**

What I was thinking of, if that lands on my doorstep I will stick it in the bin actually, if it is that big. Even I would.

**The Deputy of St. Ouen:**

Well, thank you for sharing your timelines with us, that is helpful. I suppose at each quarterly we would like to review that.

**The Minister for Social Security:**

I am sure you will, Chairman.

**The Deputy of St. Ouen:**

Some States Members will say that introducing a living wage or a higher minimum wage will also help you and help the sustainability of Social Security Funds because there would not be the same need to support people on low income if they were earning a living wage. Minister, you have been asked to prepare a report to investigate the impact on the tax and benefit system of a significant rise in minimum wage. Can you tell us how you plan to do that work?

**The Minister for Social Security:**



I think for clarification, I know obviously the panel will understand, but there was some difficulty in really understanding Deputy Mézec's question in part (b) of that proposition inasmuch as it is very confusing for everybody that the U.K. Government announced a national living wage, which will be statutory, as opposed to the living wage, which is already in existence at some figure that is pulled out of the air but greater than the national living wage. I think there is some confusion between the 2.

**The Deputy of St. Ouen:**

In the U.K.?

**The Minister for Social Security:**

I think there is here too because we do not have a living wage. The review was done under the auspices of the Chief Minister's Department on that. What we are talking about here is a sort of premium rate minimum wage, for want of a better description, but to avoid the confusion with the living wage. In the U.K. it is just described as the national living wage, which is to be set at £7.20 but is not in force as yet. The regulations are still ongoing. I think it is supposed to come in, in April.

**The Deputy of St. Ouen:**

1st April, I believe.

**The Minister for Social Security:**

So what we have asked the Employment Forum to do, the work will commence with them in April, is to look at increasing the minimum wage for over-25s so that it is comparable with the national living wage in the U.K., which is only for 25 and over. In Jersey the minimum wage can apply from 16 and above. So we have asked them to look at that, but also to look at what the effect of bringing in immediately, just look at what the effect would be of the 45 per cent of mean average wage, which would be £7.65, which is what we said we would do by 2026. So to look at what the effects could be, and they are the ones that sort of go to business, discuss it with agriculture hospitality, retail, stakeholders, Chamber.

**Deputy G.P. Southern:**

Occasionally an employee.

**The Minister for Social Security:**

No, they do. They are an independent non-political party, so they will be doing that review between April and come back with recommendations in September, along with what they do normally with the minimum wage.

**The Deputy of St. Ouen:**

Are they going to go out to any public consultation on it?

**The Minister for Social Security:**

They go out ...

**Policy Director:**

There is a public consultation every year.

**Deputy G.P. Southern:**

They contact their stakeholders and ...

**Policy Director:**

Yes, but it is a public consultation. We are always very keen for States Members to make representations in which people do not do very much. This is a completely public process.

**Deputy G.P. Southern:**

If they are to further impact under-25s, will you please ask them to consult under-25s because if you are talking about a minimum wage but not for the under-25s, I think you have a problem there because you have just withdrawn income support for many of those under-25s and they do not get housing benefit in any way, shape or form. You then take away the right to minimum wage. Effectively you are adding a youth rate, if you are excluding them.

**The Minister for Social Security:**

It is not taking away the right to minimum wage, it would still be a minimum wage.

**Deputy G.P. Southern:**

You said under-25s like on the mainland.

**The Minister for Social Security:**

Over-25s would be the premium rate, the under-25s would still receive whatever the recommendation was for the minimum wage, which as from April is £7.97.

**Deputy G.P. Southern:**

So it is a backdoor way of introducing a youth rate, which I have fought several times in the past.

**Policy Director:**

That is exactly what the U.K. have done. The U.K. already have youth rates and they have now differentiated between, so currently the youth rates went up to 21 and from April there will be a 21 to 24 rate and then a 25-plus rate. So there will be different levels of rates. So that is the U.K. system. That is what Deputy Mézec has asked us to look at and therefore it is appropriate that, as far as possible, the Employment Forum will look at that. But you are right, it is not the same as the Jersey system whereby we have a single minimum wage. That will be a big change for us. Therefore the impact of that needs to be taken into account as well as the level of it. The level of it and also differentiated by age. So that is 2 big differences between us and the U.K., so it is not a kind of ... it is an interesting question. It is a question that may not have a straightforward answer to it.

**The Minister for Social Security:**

Consultations are going to start in the next couple of days with the Business Tendency Survey as well, and we have submitted 2 questions within that survey totally relevant to this discussion. So from that survey that will also inform the Employment Forum.

**Deputy G.P. Southern:**

What is your focus of these questions?

**The Minister for Social Security:**

Exactly what we have been asked to do. "Do you employ any staff earning less than £7.65 an hour? If the minimum wage was increased to £7.65 in April for all staff ..." those sort of questions.

**Deputy G.P. Southern:**

But that is the 45 per cent mark, is it not?

**The Minister for Social Security:**

It is.

**Deputy G.P. Southern:**

I have been considering action on that since it has been moribund for the last 40 years.

**The Minister for Social Security:**

It did not seem relevant and they just necessarily blindly follow the U.K. £7.20, so we thought we would just look at what we have promised to do earlier.

**Deputy G.P. Southern:**

That is notable, the first time if that goes ahead in April, and it will go ahead in April, that we have fallen behind the U.K. rate for minimum wage.

**Policy Director:**

For people aged over 25?

**Deputy G.P. Southern:**

For people aged over 25 which we do not do.

**Policy Director:**

Which we do not do. So it is different.

**The Deputy of St. Ouen:**

Minister, so you will be asking the Forum to prepare a report for you. Will you be doing any other work as a department in relation to the proposition by Deputy Mézec?

**The Minister for Social Security:**

The Forum do their work from April to September, as I said. We obviously are very busy with the Social Security review, and then in September we are going to start a review of the Family Friendly law, which we said we would do after a year of its implementation, which was September 2015, so we will be starting that work. So we have to wait and see what ...

**The Deputy of St. Ouen:**

I was wondering if you were going to speak directly with Caritas who have assumed responsibility, I think, for promoting a living wage in the Island?

**The Minister for Social Security:**

That is a completely different issue. We have not been asked to look at a living wage, we have been asked to look at a premium rate minimum wage.

**Chief Officer:**

We will be discussing with the Economic Unit additional work to complete the whole picture of the impact on tax and so on.

**The Deputy of St. Ouen:**

Yes, of course, because you need to do that.

**Deputy G.P. Southern:**

On the living wage?

**Chief Officer:**

On the premiums.

**Deputy G.P. Southern:**

On the ...?

**Chief Officer:**

Proposition.

**Deputy G.P. Southern:**

On the proposition?

**Chief Officer:**

On the request of the report, yes.

**The Minister for Social Security:**

Most of the work will be done by the Economics Unit, will it not?

**Chief Officer:**

Yes.

**Policy Director:**

Just for the record, the U.K. living wage of 2016 is £8.25 so that is £1.05 an hour above ... outside London above the £7.20 that has been set by the Government and in London it is £9.40. So there is a considerable difference between the national living wage as required statutory by the Government, and the living wage done by the voluntary organisations, which is more relevant to the Caritas work that has been done over here. The U.K. Government have muddied the waters a little bit.

**Deputy G.P. Southern:**

Yes, it is invented for an election with consequences that are really difficult to predict. But by the very nature of our close links with the U.K. we have to examine that in setting our minimum wage. It seems to be me that that is straightforward, that we would have to look at indications of what was happening there on what is happening here. But under-25s is a frightening prospect. We are talking about youth poverty instead of pensioner poverty and child poverty. A new group we could have.

**The Minister for Social Security:**

That range will not change. That would still be determined by the Employment Forum's recommendation for a minimum wage.

**Deputy G.P. Southern:**

We do not have an age related rate. We have a trainee rate.

**The Minister for Social Security:**

Two trainee rates, first year and second year.

**Deputy G.P. Southern:**

Yes, fine, but that is dependent on receiving training not on being under 25, which is probably discriminatory but people seem to be able to get away with it.

**Policy Director:**

That is the point of Deputy Mézec's proposition is to ask us to investigate the U.K. impact. That is what the U.K. have done, so in order for us to do it we have to ask the Forum to talk about what the U.K. have done. We are not saying we want to do it, we are just saying we are going to ask them about it.

**The Deputy of St. Ouen:**

Perhaps moving on to something different. Minister, we ...

**Deputy G.P. Southern:**

Sorry, could not resist it. Monty Python.

**The Deputy of St. Ouen:**

Oh, I see. We wanted to ask about the benefit changes that we introduced from the beginning of the year and presumably those are now being implemented, and we were wondering as a panel whether you are receiving feedback on the impact of these changes and whether, as a department, you are monitoring them and working out what impact those changes have made to the various benefits and their recipients.

**The Minister for Social Security:**

Yes, we are only at the beginning of March and obviously 2 months is not enough time to go on ...

**The Deputy of St. Ouen:**

Not enough time to assess but are processes in place to monitor it?

**The Minister for Social Security:**

Yes, absolutely. It is all being monitored but until we have had at least 6 months, I would imagine, you cannot tell what any impact will be.

**The Deputy of St. Ouen:**

How are you monitoring?

**The Minister for Social Security:**

Because every request for a benefit is assessed and logged and either refused or given or ... it is all on the data system.

**The Deputy of St. Ouen:**

Yes, but you will have effected existing applicants, existing recipients, who will have a reduced amount. If they come and say: "I am finding it much more difficult to manage on this reduced amount" is that being monitored, logged, reasons why?

**Chief Officer:**

There have been very little, if any, feedback I am aware of coming up through income support claims for example. We know from earlier on from last year when we made the changes to the under- 25s, it was quite a positive response in terms of people finding work more quickly or those who left the income support system because they were living in higher income households, and we have had success with that. We promised at the last Scrutiny hearing that we would be looking at the level of maintenance and some questions around that, and we are trying to do that by the end of the first half of this year, so we will have some detailed analysis around the impact on increasing the maintenance disregard and to answer the questions that we were asked by the panel. We have an overall picture. The income support operational teams meet with the policy teams every week to look at individual cases, hardship maybe, and that there may be a Ministerial Decision. There is a well-defined route in the department to highlight issues that are emerging and at this moment in time I am not aware, as soon as I get alternative feedback, of anything emerging from those sources.

**Deputy G.P. Southern:**

Hardship cases, still deal with them and ministerial discretion is still applied. Can you send us a list of how many hardship cases are dealt with where ministerial discretion has been applied and not ... we do not want to know individuals, but the topic it concerned? The benefit concerned and what the issue was.

**Chief Officer:**

Sometimes they are of course not hardship they are just because someone has fallen outside the rules potentially.

**Deputy G.P. Southern:**

Those especially. The rules is the rules.

[11:15]

**Chief Officer:**

Yes, so it is not financial hardship, it is access to benefit.

**Deputy G.P. Southern:**

Access to, yes. That would be interesting. Also when tracking and monitoring you made changes in the items or the policies attached to your grants or loans and you changed the balance there. What would be an appropriate ... when did you change that?

**Policy Director:**

Middle of last year.

**Deputy G.P. Southern:**

End of last year?

**Policy Director:**

Middle of last year.

**Deputy G.P. Southern:**

So you have probably got a bank of old decisions, better new decisions, would you have something on that that would be of interest?

**Policy Director:**

Yes, the special grants, yes.

**Deputy G.P. Southern:**

Grants and loans and for what, that is fairly straightforward. I know you log that fairly rigorously.

**Policy Director:**



We do.

**The Minister for Social Security:**

The parent returners were one of those that were implemented in September last year. That has been a huge success with the Back to Work programme with, I think, there were 200 parent returners and a large percentage, you know, people putting their children in nurseries.

**Deputy G.P. Southern:**

Bringing the change of the supporting age?

**The Minister for Social Security:**

Yes.

**Chief Officer:**

There has been a very good response from the Jobseeker's parents who are getting the support and there is a lot of traction in terms of they are moving towards employment.

**Deputy G.P. Southern:**

I keep saying most of the people that we deal with do want to work. They are not skivers as some of the population might indicate. You talked about dealing with ... giving access to G.P.s for low income groups in the past. Can you tell us if you have started on mechanisms for G.P. payments and low income families getting better access with that? Where is that on your list of priorities?

**Policy Director:**

So we mentioned that before, so that is one of the strands of the primary care work that is being done altogether so there are some which are being led by Health, some which are very much joint ventures, and some which we are looking at more specifically. That is the area we are leading on so we are doing that at the minute, yes, as an active project.

**Deputy G.P. Southern:**

Sorry, that is in the initiatives that you were talking about right at the beginning?

**Policy Director:**

No, it is in our business plan. It is in the Social Security business plan.

**Deputy G.P. Southern:**

So you are examining it in what way?

**Policy Director:**

We are examining it in the sense of going back to administration how things are administered, how things are supported, what kinds of things are supported, whether we have more ... the doctors that changes the balance of how payments are made. So the whole range of issues around that area.

**Deputy G.P. Southern:**

Does that include examining and reviewing the Household Medical Account?

**Policy Director:**

Yes.

**Deputy G.P. Southern:**

Because that is certainly one where many people have problems.

**Policy Director:**

Yes, absolutely.

**Deputy G.P. Southern:**

You were asked a question in the last session in the States about impairment and have there been any delays in impairment payments. I do not think, while you produced an answer, it did not address the issue of have there been delays in administering and processing impairment claims. Has there been any noticeable increase in the time taken to do impairments?

**The Minister for Social Security:**

Not across the board. I think again it depends on the individual cases. I do not know if ...

**Chief Officer:**

There are sometimes delays getting medical reports, which is a frustration in terms of the current impairment assessment system. That is one of the biggest delays for customers to get their ... for us to do the impairment. But we always ensure we open up an income support account for new customers, for example, the income support claim has opened up any impairment or is considered separately. So we do not delay putting in place an income support claim but we do obviously need medical evidence to be able to process and assess an impairment claim. That is where it sometimes can be frustrating. We do chase doctors, we do encourage patients, customers, claimants to go and get the information themselves from the doctor. But sometimes it does take a while. There are all sorts of reasons potentially why it is for each individual case but there is nothing particularly unusual at the moment in that sense.

**Deputy G.P. Southern:**

How long on average does it take an impairment claim to be processed? Have you got a target or is medical advice so difficult to reach that you have not got a target? What is the average?

**The Minister for Social Security:**

It depends on the claim, I think.

**Deputy G.P. Southern:**

Do you have a figure?

**Policy Director:**

I do not have operational figures.

**Deputy G.P. Southern:**

It is the sort of figure you will have somewhere, is it?

**Policy Director:**

It is an operational figure, I can check.

**Chief Officer:**

We will see what we have got.

**Policy Director:**

The point that has been made is just that there will be a whole range of different types of claims going through that same process. Some of them will be very straightforward and will take a couple of weeks, and some will take ages to do because they are difficult.

**Deputy G.P. Southern:**

Exactly. So perhaps, I do not know, is an average more accurate than a median? I do not know.

**Policy Director:**

I do not think so.

**Deputy G.P. Southern:**

Either way, but some feeling for that, because it is certainly a problem for many of the people that come to me that we are putting in a fresh impairment claim and we are sitting there 4 weeks, 6 weeks later, it seems to me lengthy times, and nothing is happening. Often these people have

very little reserves and they are dependent on the new award to survive, especially in light of some of the cuts that have been made. Okay, if you do that. On a wider base, Income Support Medical Appeal Tribunal, and the finding in the last paragraph back in November that I supported, and it says the following, I just wanted to get the Minister's reaction to: "The tribunal wishes to draw the Minister's attention that the claim form and the guidelines about impairment are not well adapted to assessing loss of function in cases like this." I will not give away what the issue was. "It is clear that the condition is not susceptible to improvement and that this imposes a severe burden on her and her carers. But accurate answers to the questions on the claim form have the result that there can be no award under many of the headings. It may be that a more flexible form could be devised for use in cases which do not fit well into the form used or which do present unusual features. The Minister might give consideration to making a discretionary award to the appellant on the ground of exceptional circumstances" in that particular case. The criticism was the form we are using does not fit very well with certain types of impairment, and I know from helping people fill in the impairment form, a lot of the time you are doing none of the above, so you do not score any points above. But this is difficult and this is the need and this is the ability to do things. So if the basic request of the Chair was, Minister, could you please pay some attention to your impairment form and see if there is a way it can be improved because at the moment it is solely about what you can and cannot do.

**The Deputy of St. Ouen:**

So shall we ask the Minister?

**The Minister for Social Security:**

Yes, thank you for the question. I know what you are referring to. A form can only contain so much information and so many requests because it is a generic form. A lot of cases are completely unique and you cannot cater for that in a generic form, which is why there is the option to have ministerial discretion.

**Deputy G.P. Southern:**

Have you used it on many occasions on impairments, in particular?

**The Minister for Social Security:**

I think probably across the board, across everything, so hardship cases and medical cases, probably about 6 a year. So very, very few. Because it has to be exceptional circumstances obviously.

**The Deputy of St. Ouen:**

The tribunal's chairman suggested that maybe a more flexible form could be devised. Would you accept that?

**The Minister for Social Security:**

Certainly we will look at it in the light of what has been said, but it is very difficult. It is like a law. As you will know, Chairman, it cannot be all encompassing. There is always going to be an exception, as we have noted very clearly with the long-term care law, and with disability discrimination there is always going to be ... sorry, discrimination law. There is always going to be exceptions. You cannot have an all-encompassing law or survey that will take into account every disability or lack of medical function.

**The Deputy of St. Ouen:**

Perhaps not but there could always be room for improvement and improvement is suggested. So you will be looking at that form to see if it can be made more flexible, will you, Minister?

**The Minister for Social Security:**

Yes, we will look at it.

**Deputy G.P. Southern:**

If I can direct you to the actual report of the chairman on that particular tribunal, I think it might be useful for you to have a look at that and consider whether there is some flexibility or ability to better administer these particular claims. Because I know that in many cases, not just in the very exceptional ones, which this one was, which highlighted it, it is very difficult to relate that what can you do with how ill are you, how impaired are you. It does not necessarily ...

**Deputy T.A. McDonald:**

Not black and white.

**Policy Director:**

Sorry, just to clarify. The test is designed to know what you can do and therefore what you cannot do and not what is wrong with you. Tests are nothing to do with what is wrong with you. The test is all about what you can and cannot do yourself.

**Deputy G.P. Southern:**

Indeed, and the assessors, and I will just use this as one example, the test says: "Can you reach the top of your head like that?" as if to put a hat on. Whereas in fact the person involved in it could not reach downwards yet that did not count. The test was of reach and if you do that per test therefore you score nought even though you could not do reaching downwards.

**The Minister for Social Security:**

I understand that.

**Deputy G.P. Southern:**

That interpretation was very, very black and white and inaccurately measured the problem.

**Policy Director:**

So when income support set up the disability part replaced a range of benefits which tend to be done off a doctor's report, and therefore certain levels of activity among doctor's report is to how disabled or not somebody was. One of the features of income support is that it sets out a series of very well defined statements which do cover your basic functionality of your body. "Can you use your arms? Can you use your legs? Can you think well?" That kind of thing. You are absolutely right about the point you make about the reaching statements, which do require some slight adjustment. But the general concept that you go through a physical, cognitive, sensory parts of your body and check that they are all up to a certain standard or not, is really important that the level of that standardisation is there to provide fairness to everybody that applies for the benefit. Interestingly, flexibility introduces subjectivity and you just need to be careful about balance.

**Deputy G.P. Southern:**

We are talking here about decisions not by medical experts but by your officers who go to websites to assess whether that little statement is or it is not true and what is the test of. So it is already being interpreted by trained officers, admittedly, but non-medical staff and therefore is subject to interpretation.

**Policy Director:**

But also subject to appeal. For an appeal system to work well, as the Chairman I am sure understands, you need clear criteria, which you are appealing against. I said the more flexibility you draw ... I was just making the point, we will look at this and the particular point you are making was one that we feel that the statement was a wee bit too narrow and needs to be widened. But the general idea that the form that people fill in runs through the range of their physical, cognitive, sensory abilities is a sound principle, and so we are always very happy to look at the form and make it easier for people to fill it in.

**Deputy G.P. Southern:**

But you should not be reliant on the appeal system to put right what may be wrong with the original claim especially when the appeal system takes, by in large, a fairly lengthy period in which people are worried.

**Policy Director:**

The Minister has answered that question in the sense of that if there is an unusual one, and I can give another case where there is a very specific ... a person has a very specific condition which does not fall within the remit of things that we test, which does hit a ministerial decision very quickly. So we can do that. This particular case was an unusual one where there was what appeared to be a test but the test was not quite right, you are absolutely right. But it is nothing to do with the way the advisers analyse the test, it is to do with the way the test was written in the first place and we accept the fact that we will change that, yes.

**Deputy G.P. Southern:**

But I remind you, it is not just these exceptional cases, these very rare cases. I find it whenever I am dealing with somebody, it is very difficult to make sure that you hit one of the boxes and not have to fill in bottom, when the forms do not score points. There is a problem, which is not described by your particular criteria and it is a problem with the rigidity of the form, of the test.

**The Deputy of St. Ouen:**

The Minister said she is going to take on board what the chairman said and review the form so we look forward to learning of any changes. I think that brings us to our time unless the panel have got any further questions.

**Deputy T.A. McDonald:**

Just a final question: you said there was going to be a little bit more emphasis on doctors input, local input, when you were talking there, more consideration would be given to.

**Policy Director:**

The thing that we have done recently is to change the way in which evidence can be gathered to make it quicker to do, so we are aware it is a lengthy process and it does not matter how efficient you are it always takes time, so we are making that slightly more flexible. We always are trying to improve it. To a certain extent, this is the point, we build the rest of the system around the fact that the rest of the system works all on its own and always acknowledges the appellant process will take longer to do. There is not an awful lot we can do about that. You are drawing on scarce resources.

**The Deputy of St. Ouen:**

Okay, Minister, Assistant Minister and team, thank you very much and that brings us to the end of our hearing. Thank you.

**The Minister for Social Security:**

Thank you, Chairman.

[11:30]