

STATES OF JERSEY

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

THURSDAY, 23rd MARCH 2017

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
Deputy J.A. Hilton of St. Helier
Senator S.C. Ferguson

Witnesses:

The Minister for Social Security
Chief Officer, Social Security
Director of Policy and Strategy, Social Security
Operations Director, Social Security

[10:01]

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

This is a quarterly meeting of the Health and Social Security Scrutiny Committee and we are meeting with the Minister for Social Security and her team. If we can do introductions in the usual way for the record. I am Deputy Richard Renouf, Chairman of the panel.

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

Deputy Geoff Southern, Deputy Chairman.

Deputy T.A. McDonald of St. Saviour:

Deputy Terry McDonald, member of the panel.

Deputy J.A. Hilton of St. Helier:

Deputy Jackie Hilton, member of the panel.

Senator S.C. Ferguson:

Senator Sarah Ferguson, member of the panel.

The Minister for Social Security:

Deputy Susan Pinel, Minister for Social Security.

Chief Officer, Social Security:

Ian Burns, Chief Officer.

Director of Policy and Strategy, Social Security:

Sue Duhamel, Policy Director.

Operations Director, Social Security:

Steve Jackson, Operations Director.

The Deputy of St. Ouen:

Thank you. We have our Scrutiny officers with us, Kellie Boydens and Andrew Harris. Minister, can I begin by reminding you that the panel was keen that the department should encourage single parents to pursue maintenance, and indeed give them assistance. That was one of our recommendations of our low income review, to create a role to help one-parent families pursue absent parents for maintenance. Your response to that was that you did not consider that hiring an officer would be cost-effective, but you would request officers to investigate how families can be better helped to secure maintenance. Can you tell us the results of any investigations that have been carried out in the department?

The Minister for Social Security:

Yes. We have now got an increase up to 52 per cent, as opposed to 50 per cent, as it was before, of single parents having maintenance on their income claims. It is a growing number obviously from what it was before and claiming the 23 per cent disregard on their income that they have. So it is improving and the officers are on the case and also referring single parents to Citizens Advice Bureau, who also advise them.

The Deputy of St. Ouen:

Does that mean that 52 per cent of claimants are receiving maintenance or is it just that they have a maintenance order?

The Minister for Social Security:

They have maintenance on their claim, a maintenance order claim.

The Deputy of St. Ouen:

Does that mean they are receiving it, you know they are receiving it?

The Minister for Social Security:

Well, the ones that we know that are receiving it have their maintenance on their support claim.

Senator S.C. Ferguson:

Is there not a way of co-ordinating with the Tax Department and having garnishee orders on the other half of the partnership or the ex-partnership's salary?

The Minister for Social Security:

It is very difficult. We put a lot of effort, the officers and, as I say, Citizens Advice Bureau, into pursuing maintenance claims, but in some cases it is just impossible. I mean, the husband/partner, whatever it is - not always of course the female that is pursuing the maintenance claim, but in most cases it is - may no longer be alive, for instance, they may be in prison, in which case we cannot pursue it, or they may have left the Island, in which case we cannot pursue it. It really very much depends on the claim. So when we say 52 per cent are now receiving it, it does not mean to say that 48 per cent are just not pursuing it.

Senator S.C. Ferguson:

Yes, but if we have got agreements with other jurisdictions, we pay benefit to other jurisdictions and so on, can you not look into the fact that we could possibly have arrangements to claim maintenance across jurisdictions? Has nothing been done about this?

The Minister for Social Security:

We only pay pensions across the piece abroad and L.T.I.A. (Long Term Incapacity Allowance) payments, which are based on what we pay in Jersey. There are not a huge amount of benefits paid abroad at all. I think to tie in a reciprocal agreement with that would be extraordinarily difficult.

Deputy G.P. Southern:

Is 52 per cent, in your opinion or in your research, close to saturation? Is that as much as you are going to get, given the various circumstances - they could be off the Island, they could be in prison, whatever - or you think there is some mileage in trying to make that 62 per cent or 72 per cent?

The Minister for Social Security:

The difficulty is that what the statistics show is that lone parents do not stay lone parents for very long. It is, on a rough average, about 18 months, their situation, either moving in with another partner or moving away from Jersey, so it is very difficult to give a long-term view of that when the situation is constantly changing.

Deputy J.A. Hilton:

Do you ever carry out an audit of the 48 per cent that are not contributing towards their children?

Operations Director, Social Security:

Yes.

Deputy J.A. Hilton:

You do. So do you know what percentage the figure is for those parents who are still resident in the Island who are not contributing towards their children, other than the ones who might be in prison at the time that you do the order?

Operations Director, Social Security:

Yes. Within our statistics, we do know who is not contributing and the reasons why, so we do follow set guidelines with trying to make sure that people are paying maintenance. It is a list that we constantly look at.

Deputy J.A. Hilton:

Okay, so what is the percentage figure for those parents who are not contributing towards their children?

The Deputy of St. Ouen:

Who are local, yes.

Deputy J.A. Hilton:

Yes, that are resident in the Island, who might not be in prison at the given time.

Deputy G.P. Southern:

You say you have got the data on people who do not contribute and who are in the Island?

Operations Director, Social Security:

We have. As far as maintenance claims, yes, we understand. We have a list of people who are paying maintenance and who are not paying maintenance and the reasons as to why.

Deputy G.P. Southern:

Are not paying maintenance. Can you share that list with us?

Chief Officer, Social Security:

We can share the stats, yes.

Deputy J.A. Hilton:

So would it be fair to say that there are parents resident in the Island who do not pay maintenance, they are not pursued by any relevant department, who could pay maintenance, they just simply choose not to?

Chief Officer, Social Security:

We have covered the main reasons why we would not be asking someone to pursue ...

Deputy J.A. Hilton:

Yes, but outside of those main reasons.

Chief Officer, Social Security:

One of them is a safeguarding concern, so if the individual - the mother perhaps - is perhaps concerned about their safety, we would not be asking them to go and get that maintenance income.

Deputy J.A. Hilton:

But why can the Social Security Department not do it on behalf of the parents? For instance, in domestic abuse cases, quite often the Island will prosecute on behalf of the victim, as long as they have got the evidence. They would not ask the victim to appear in court. They took a stance that the prosecution would prosecute on behalf of the victim, so why can Social Security not follow up on behalf of the parent? Why can you not be the ones? I mean, you have the data, because anybody who is working is in the tax ... you have the Social Security records, you know where they are working, so you have all the records, so why can Social Security not do that on behalf of those parents who are worried about safeguarding issues?

The Minister for Social Security:

I think this question has been asked several times before and every single time we have said that it is not possible to provide an officer fulltime to deal just with that, with everything else we have got and the workload. It would not be cost-effective. I know this is not necessarily all about cost, of course, it is about morals and principles and safeguarding, but from that point of view, yes, we probably do have a lot of the information, but as I said before, the 48 per cent is very loosely termed. Out of that, there are a huge percentage that we could not pursue anyway.

Senator S.C. Ferguson:

Have you done a cost benefit, chasing up the maintenance that is not being paid by people who could afford to pay maintenance and just looking at the cost of getting the maintenance as opposed to the cost of what you are having to pay in maintenance?

The Deputy of St. Ouen:

In that, you would make savings in Income Support payments because a maintenance payment is being extracted from the natural parent.

Senator S.C. Ferguson:

Most single parents cannot afford to chase up the other party because of the legal costs, whereas the department ...

The Minister for Social Security:

But Legal Aid is available in a lot of cases.

Deputy G.P. Southern:

Has the cost benefit analysis been done on the possibility of having an officer do the chasing on behalf of single parents?

Chief Officer, Social Security:

Yes, I do believe we had an overview look at that back when you produced the low income report and the issue of maintenance and this question came up then. I believe we did consider briefly the financial impact of the effort required versus the return.

Deputy G.P. Southern:

Have you seen that data?

Chief Officer, Social Security:

You have not seen that data, no, but we ...

Deputy G.P. Southern:

Can you share it with us?

Chief Officer, Social Security:

It was probably more of a discussion that took place in terms of it, but we can produce something for you that confirms what the potential impact will be, yes.

Deputy G.P. Southern:

Thank you.

Deputy J.A. Hilton:

You can provide us with the data regarding the 48 per cent as well?

Chief Officer, Social Security:

Yes.

Deputy J.A. Hilton:

Thank you.

The Deputy of St. Ouen:

Minister, your formal response to the report was that you would investigate how families can be better helped to secure maintenance. Is there anything else you can tell us about what help you are giving?

The Minister for Social Security:

As I said in the opening remarks, that the officers are now concentrating much more highly on trying to establish the wherewithal, who could pay benefit, out of the ones that there are around and possible. We are working closely with Citizens Advice Bureau to refer some of them to Citizens Advice, who will help them further. Since you raised the point, a lot of work has been done on it, but obviously it is a very broad remit that Social Security has.

Deputy G.P. Southern:

Lots of work has been done on it, but we have not seen it.

Chief Officer, Social Security:

The work, we focused on making sure that lone parents were aware of the disregard position in terms of the income. That is what we committed to do and that is what we have done in terms of contacting, making sure that lone parents are - all parents, not just lone parents - aware of that.

The Deputy of St. Ouen:

I think we would next like to ask some questions about Income Support components and I will ask Deputy Southern to lead.

Deputy G.P. Southern:

Yes. In principle, Income Support components, many of them, the living components, adult, child, household, have been frozen since 2009 and this is while inflation has run away in that time and totals something like 16.8 per cent. What measures do you have in mind to restore the value of Income Support benefits in an appropriate manner to make them as valuable as they were initially in 2008, 2009?

The Minister for Social Security:

We are talking mainly about the adult components, which as you correctly say, have been frozen. That is going to be reviewed at the end of this year, as we said we would, and the childcare and rental component have been increased, as have pension components, but that is not what you are asking. Also with the disregard that we introduced and increased, it was 6 per cent in 2008 and is now 23 per cent.

Deputy G.P. Southern:

But that has been frozen, that has been static since 2010. That has not moved. The 28 per cent, once you established it, is still there.

The Minister for Social Security:

No, and that is ...

Deputy G.P. Southern:

Are you considering moving that again?

The Minister for Social Security:

Yes, absolutely. We would like to increase that as well, because the whole raison d'être behind all this is, as we have said time and time again, is to encourage people to financial independence. If you offer what is a carrot, essentially, of an increased disregard, so they keep much of the income that they have, then obviously it will encourage people to work, be it fulltime, hopefully, or part time.

Deputy G.P. Southern:

Nonetheless, there are some 800 families where no one is in work and no one probably can work. Because you have obviously made moves to try and get as many people back to work as possible,

they are significantly worse off now in real terms than they were in 2009. So that adult component, for example, simply looking at that change, for a single person on their own, that is £15 a week worse off than they would have been in 2009. What measures do you intend? Where will you get funding from to re-establish those at the level and at the real terms that they should be?

The Minister for Social Security:

You quote the figure of 800, but to turn that on its head, it means that there are 5,200 who are in work with Income Support outside ...

Deputy G.P. Southern:

No, that ignores those with a pension, pensioners who do not work, and it ignores those with a disability who maybe cannot work. So there is lots of reasons why ...

The Minister for Social Security:

There are some people who are never going to be able to work. We appreciate that and that has been the case for ever.

[10:15]

Deputy G.P. Southern:

But the figures you are quoting refer to all, not just those of working age, so 800 is significant. Yes, thank you.

The Deputy of St. Ouen:

Minister, I am sure everyone would accept that it is good that people find work if they can work, but it is the vulnerable people who, through illness or other injury perhaps, can never work again. It is those people that the system needs to particularly have regard to. With the adult component frozen for so many years, will it be reviewed and increased this October?

The Minister for Social Security:

It will be reviewed. We hope to be able to increase it, but of course there are other benefits as well for people with serious disabilities who are never going to be able to work. There are P.C. (Personal Care) levels, there is L.T.I.A., so there are other benefits. It is not just the Income Support.

Deputy G.P. Southern:

So are you planning to replace one with the other? Are you changing the system?

Director of Policy and Strategy, Social Security:

We are absolutely ... as we explained in the response to the Scrutiny review, there is budget in 2017 for an uprate. That uprate will come in force in October, but the work on that is being done at the minute and that will go the States in July. We are looking across the board in terms of Income Support at both the component rates and also the incentives against income. The 23 per cent which is now applied to earnings and pensions was established in 2014, so you are right, various things have to be held constant over time, but there have been quite recent changes to bring that up. Obviously when you apply certain disregards to somebody's income, to wages or their pension, every year the pension and the wages go up, they get a higher proportion of that and the 23 per cent is worth more money to them. There have been increases from that point of view and we can see that in the Income Support statistics, which show that the average total household income of Income Support households has increased year on year. We have got consistent figures from 2011 onwards and you are seeing an overall increase/improvement in the total household income of households.

Deputy G.P. Southern:

Can I give you another statistic, if you like? If you are a single pensioner, combining the lack of inflation proofing and the change of disregard, a single pensioner, for example, is something like £24 a week worse off now than they were in 2009. It is not just about working households, it is about pensioner households who are worse off.

Director of Policy and Strategy, Social Security:

Sorry, how did you make that calculation? A single pensioner in 2009 or a new single pensioner?

Deputy G.P. Southern:

It will be a new single pensioner.

Director of Policy and Strategy, Social Security:

Okay, so the pensioner ...

Chief Officer, Social Security:

Yes, because they have the option to stay on the old system.

Director of Policy and Strategy, Social Security:

To a certain extent, Governments have to make difficult decisions and the decision has been taken by the States as a whole to hold the Income Support budget more or less flat for the length of this M.T.F.P. (Medium Term Financial Plan). That has enabled money to flow through into Health and Education, which everybody sees as being particularly high priorities. That is really important. We have also made decisions in the previous strategic plan to put a lot of emphasis into housing and

improve the value of housing. So the one thing that you will not see if you do calculations around Income Support claimants is the improvement in people's housing conditions, the improvement in the insulation standards, the reduction in people's heating costs, so you have got other improvements other than just the physical amount of money people get in cash every week. Their heating bills have gone down as they have moved into refurbished accommodation.

Deputy G.P. Southern:

Does the department have figures which monetise the betterment that we produced in education, in housing and in other ways? Because I have got numbers I can quote at you.

The Minister for Social Security:

We have 1,000 students now receiving the Pupil Premium, which Sue referred to as being part of the money that was referring back to education. So 1,000 students from Income Support households are now being helped in education, which is a sum.

Deputy G.P. Southern:

Is that being spent directly with that child or that family?

Director of Policy and Strategy, Social Security:

Yes.

Deputy G.P. Southern:

Not in school?

The Minister for Social Security:

No, no.

Director of Policy and Strategy, Social Security:

No, the money goes to the school and the school applies it to that particular pupil in the way that is most ...

Deputy G.P. Southern:

Initiatives, yes. It is not money in anybody's pocket, the family's pocket, it is money in general.

Director of Policy and Strategy, Social Security:

No, but the school will make appropriate decisions for the individual children within the school. They can put on after-school clubs, they can fund equipment or books or whatever, they can provide extra one-on-one tuition. All these things will support the child in their education, which is obviously of

paramount importance, but also as a side effect support the family, who is getting more support from the school and therefore the family can be reassured that the child is getting extra support from the school and therefore they do not need to allocate precious income of their own to the child directly.

Deputy G.P. Southern:

But they are not getting any extra money. In fact, they are worse off than they were in terms of supplying that child a good breakfast, for example, in a particular household.

Director of Policy and Strategy, Social Security:

They are not worse off than they were, because if you look at the average amount of money ...

Deputy G.P. Southern:

Yes, they are, because their disposable income has reduced, because you have not inflated the components.

Director of Policy and Strategy, Social Security:

But looking at just the ... so we are talking about a family with children, so you have got working-age parents, so in the vast majority of cases, you have got one or both parents in work, yes? We have ...

Deputy G.P. Southern:

Not the vast majority, approximately half and half.

Director of Policy and Strategy, Social Security:

Couples with children, 89 per cent of those families have got earned income, yes. If they do not have earned income this year, they will have it the next year or the year after, because they are a couple with a baby perhaps, they are not working. The child gets a bit older, they go back to work. We can bandy statistics all day, but if you look at the average amount of income flowing into Income Support households, the total income, it is going up year on year. You are right the components have been frozen, but we are right that we have put money into Back to Work, we have put money into incentives, we are encouraging people this year, we are starting an enormous, fantastic initiative around financial independence, where we are working with individual Income Support families to help them ...

Deputy G.P. Southern:

What is the initiative around, family independence?

Director of Policy and Strategy, Social Security:

That is in our business plan this year. That is taking families who have already got a job to help them improve their job prospects, working out other ways in which we can assist them to improve their overall income, assist households with financial dependence on benefits into financial independence. This is a new project. We have not done anything yet, but we have allocated time and resources to do that this year. It is in our business plan this year and that is going to be a different way of approaching the support we can give Income Support families. So we have been concentrating getting people back to work. Now we have got lots of people back to work, so now let us try and get them into better jobs, better prospects, better organisation of household budgets, that kind of thing.

The Deputy of St. Ouen:

When you say the statistics show that there is more money going into Income Support households, are you including in that the Pupil Premium, for example, and saying that is an income?

The Minister for Social Security:

No, no. You will be well aware that I carry this around with me at all times. So this is the annual report that we publish.

Deputy T.A. McDonald:

I am expecting a new one soon, 2016 figures, wow.

The Minister for Social Security:

Yes. If you look at the total income, so we publish every year the total income for those that are Income Support households. We obviously have within our system the amount of income they have got themselves and the amount of income that we give through benefits. So you add those 2 together, that gives you the total income for that household. That lump sum out of that reached in the household type has gone up year on year from 11 per cent to 15 per cent.

The Deputy of St. Ouen:

You are saying that is down to their earned income rather than the contributions made with Income Support?

The Minister for Social Security:

That is down to a variety of things, us helping people get more jobs, people taking those initiatives on their own. Just in general, there is an improvement in the economy, we obviously know there is some of that, there has been an improvement in the economy, so again, when you look back over a long period of time you can do R.P.I. (Retail Price Index) figures, but other external things have

changed as well. People's wages have not really increased for that period, wages have not increased either.

The Deputy of St. Ouen:

Yes. So that is the broad picture, taking the average across the board, but looking at those that are the most vulnerable is perhaps where we ought to apply the test. That is where I think many people fear the components not having been increased. Minister, you had said, I think, that there is some money available to work into the revisions, your planning. How much money is available?

The Minister for Social Security:

I have no idea how much money is available.

Deputy G.P. Southern:

If you have got an estimate before you start out of how much you think you are going to spend, it would be a good start.

Director of Policy and Strategy, Social Security:

We have not brought the Finance Director with us today. He knows that. It is not a particular straightforward sum, but we do have an allocation of uprating for 2017, 2018 and 2019. We are actively working on this at the minute.

The Minister for Social Security:

We did say that the - which I think Deputy Southern is referring to - adult component of £92.12 is the one that is frozen ...

Deputy G.P. Southern:

Well, it is adult and child and maintenance. They have all been frozen.

The Minister for Social Security:

... and the child one of £64. Those are the ones that have been looked at. Obviously in anything we do in Social Security there are a huge amount of levers. With a certain amount of money - which, as you say, without the Finance Director here, I am not sure what the allocation is - do you increase every adult component, which would cost hundreds and hundreds of thousands of pounds across the board? Because it is £92 a week, so if you are going to increase everyone by £2, £3, £4, it is massive, which would then prevent you from making any difference to the child one, or do you increase the childcare component?

Deputy G.P. Southern:

We did childcare already.

The Minister for Social Security:

Sorry, not childcare, the child allowances. Do you change the difference in who receives it?

The Deputy of St. Ouen:

Yes, there are many permutations.

The Minister for Social Security:

There are a huge amount of permutations.

The Deputy of St. Ouen:

Can I ask, in addition to that sum of money, are there underspends that the department has made which could be applied?

The Minister for Social Security:

There are underspends the department has made, but the agreement with Treasury is that they would go back into L.T.C. (Long Term Care). That was always the agreement, because when L.T.C. started, we had no idea what the take-up was going to be. I say "no idea", we did not have a precise idea. Of course the more the public has gained knowledge of the L.T.C. scheme, more people are applying, so we have the agreement with Treasury that underspends should go back into ...

The Deputy of St. Ouen:

Has there been an underspend in the Income Support budget?

Director of Policy and Strategy, Social Security:

Sorry, can I make a technical point? We will never, ever use underspends to increase components or disregards, because underspends are a one-off amount of money. You cannot. That would be a terribly dangerous thing to do. We have got base budget increases. That is what you want us to tell you and that is what we have got. You do not want to use underspends to do that, you want to put underspends into one-off projects. If we put, as the Minister says, the adult component up by £1 a week, we need to pay that next year and the year after. We cannot rely on there being underspend next year.

The Deputy of St. Ouen:

Yes, I can understand the principle of that.

Deputy G.P. Southern:

Can you make sure that your Finance Officer communicates with us what the ballpark figures that you are playing with are? Because if it is £1 million, that is one thing. If it is £10 million, that is completely the other. It might make a significant difference.

The Minister for Social Security:

It will not be that.

Director of Policy and Strategy, Social Security:

More than £1 million, less than £10 million.

Deputy G.P. Southern:

The problem here is what you can and cannot do.

The Deputy of St. Ouen:

Without asking what might be done with any underspends, has the Income Support budget been exceeded last year or did it come under budget and do you know by how much?

The Minister for Social Security:

The expenditure was about £73 million last year.

Chief Officer, Social Security:

Income Support tax-funded benefits were underspent by around about £6 million last year. That was all explained in the M.T.F.P., but approximately £4 million of our underspend in 2016 is being used to effectively provide contingency, potential contingency, for the next 2 years, £2 million a year.

Deputy G.P. Southern:

What does that mean?

Chief Officer, Social Security:

It means that the budget for 2017, 2018 and 2019 end up being £2 million lower overall because our underspends from 2016 we would be able to use to provide the central contingency that is required that Treasury need to hold. Sorry, I am not being very articulate. That is because it is slightly on the edge of my expertise, but basically, if you like, it is money that we have underspent which has been agreed by the States we can put forward as a Treasury contingency. We have our own contingency in terms of benefit expenditure and our contingency plus that gives typically about £3 million of contingencies to cover issues of benefit expenditure and so on.

Deputy G.P. Southern:

So the contingency is an unforeseen overspend ...

Chief Officer, Social Security:

Yes.

Deputy G.P. Southern:

... which you cannot allocate an underspend to because it is a one-off, but nonetheless you have got a pot there that says: "If it goes wrong in 2018 or 2019, we have at least that cover"?

Chief Officer, Social Security:

Yes.

Deputy G.P. Southern:

Okay, I understand.

The Minister for Social Security:

But the number of Income Support households have gone down, which is marvellous, but there is nothing to say if there was some catastrophe, disaster, whatever - which is what the contingency would cover - they will not go up again, but at the moment they are going down quite considerably, because people are getting back into work.

Deputy G.P. Southern:

Whatever.

The Deputy of St. Ouen:

Okay, I think Deputy Hilton has a question.

Deputy J.A. Hilton:

Can I just go back to question 3? One of the bullet points was about will lean be brought into that process. Was that asked?

[10:30]

The Deputy of St. Ouen:

No, you are quite right.

The Minister for Social Security:

So this is your question or our question ...?

Deputy J.A. Hilton:

No, our question to you. One of the questions that has not been asked.

The Deputy of St. Ouen:

The Minister does not have our questions.

Deputy J.A. Hilton:

No, okay. Will lean be brought into the process?

Chief Officer, Social Security:

Lean?

Deputy J.A. Hilton:

Yes.

Director of Policy and Strategy, Social Security:

Can you explain, sorry, which process we are looking ...?

Senator S.C. Ferguson:

Income Support.

Deputy J.A. Hilton:

Income Support level.

Chief Officer, Social Security:

Oh, absolutely.

Deputy J.A. Hilton:

Did you want to, because you seem to know ...?

Senator S.C. Ferguson:

One of my fetishes. Presumably you are looking at the way you do Income Support. Have you had any success with the systems approach?

Chief Officer, Social Security:

Yes. We have been using lean in the department for a number of years or variants of continuous improvements, which are systems thinking and so on. We have been using lean and we have been

making improvements across the board. Of course in Income Support, we have talked here and I think we have been quite public about it, the improvements we made to handling the change of circumstances, which has been able to reduce the amount of time that customers need to wait in the department to have a change provided on their claim. We have made it recently easier for self-employed customers to keep us informed of their perhaps more fluid movements. They are just 2 examples of the improvements we have made. Those improvements have reduced the level of waste, failure demand and overall is helping us improve customer service.

Deputy G.P. Southern:

What is the improvement on self-employment? What exactly have you done? You said you had made improvements.

Chief Officer, Social Security:

Yes, so the self-employed, there are a number of things. Firstly, we have a self-employed adviser who is helping self-employed people consider whether their business is able to expand to the level that we would need them to get to to satisfy the requirements of Income Support and at the same time making sure that they can fill in movements in their income online much more easily and it gets processed much quicker.

Deputy G.P. Southern:

Does it get processed quicker?

Chief Officer, Social Security:

Yes.

Deputy G.P. Southern:

Because I hear people who are self-employed saying to me that it is a nightmare. Are they talking about history or are they talking about now? It takes a long time. They fill the information in, they send the information. A month or 2 months later, then they hear. In the meantime, they have built up a significant over-payment because of the changes.

Operations Director, Social Security:

We have made an amount of changes to the way we process. Historically what used to happen, paper would come into the department, you would take that paper off the counter, you would go upstairs and you would process. We have removed the over the counter process now, so it is just in time as far as the change of circumstance. When they come into Income Support today with a change of circumstance, they can be seen straight-away at the desk and it is changed and done there and then with the customer in front of them. The change is also done automatically on the

phone from back to work to Income Support. The new letter is issued to the customer, so the customer has a full understanding of the new level of benefit. That is explained to them in detail. They do not leave the department, it is done on the day. We have done other things. As Ian has already mentioned, we have got assisted digital at the front of the department where we have now got help and advice for people who want to do it online, we have e-forms now that we have for change of circumstances. Our changes within Income Support are much more advanced than they have been and it is allowing the customer to transact with us 24/7, which is very different to where we have come from.

Deputy G.P. Southern:

Have you got data that suggests that your turnover, as it were, is reducing and what is the range? What is the average and what is the range?

Operations Director, Social Security:

Most of these are done on the day, as people walk in. It depends how the customer wants to interact with us. I have mentioned assisted digital. We can help in the department if the customer wants to do it online; they can do it at home through the e-forms. If the customer wants to post it in, that is going to delay. If the customer wants the changes to be done on the day, they can come into the department and we can help in various ways to get it done straight away. We are very conscious we want to get the change of circumstances done as fast as we can.

Deputy G.P. Southern:

Does that cover email as well, because presumably ...?

Operations Director, Social Security:

Yes. If you go online just now, we have got the change of circumstance form embedded in the emails and the signatures. Customers can see that, click on that link and it takes them straight to the change of circumstance form and they can fill it in, it comes straight into the department to our team and it is done straight away.

Deputy G.P. Southern:

Can I just follow up that on a different subject? You said you were going to come in. I do not want to tread on your toes.

Deputy J.A. Hilton:

No, that is all right.

Deputy G.P. Southern:

A key element of that is the volume of over-payments in terms of what has happened to over and under-payments, if you like, but over-payments are the one that hurt the client. What is happening to over-payments? Have we got an overall sum, how much it has been reduced, how many cases are taking place, what sort of amounts are they paying back? Because that claiming back, that reduces people's income further from their obviously non-inflated levels.

Chief Officer, Social Security:

Yes. I think we have covered this before, but it might be worth just reaffirming Income Support is paid in advance and therefore paying it advance, changes will take place after payments have been made that will therefore generate over-payments. The system is designed, unfortunately, to have over-payments in it. If we were to look at changing that system, we would be looking to change that when we produce a new system, I.T. (information technology) system, which is not something you do without good cause to do so. That will be the time we would consider whether we would want to change that and manage that over-payment likelihood out of the system. But at the moment Income Support is as it is and our system is as it is and so therefore over-payments are a by-product of the speed at which we process customer requests and the speed at which they tell us about something. What we have been talking about here just now is reducing the time taken for something to be processed and making it easier for the customer to tell us about something. I think we have made some really good progress in those areas and I think it is worth to note that a lot of these improvements have come from staff themselves in terms of people working with customers and making suggestions and providing the challenges overall.

Deputy G.P. Southern:

So my question - and I have asked questions in the States in the past - but individual spots, what is the over-payment level, under-payment level like? Over what period have you made improvements, do you think, the last year, the last 2 years? Can you give us figures to say: "Over-payments are now down to this level, which is a historic low", for example?

Chief Officer, Social Security:

Yes. I think the big change of circumstance change was at the start of 2015, so that would probably be the bigger marker there in terms of when we started to be able to process change of circumstances live on the desk. We have also made some other changes and one of the by-products of those other changes is some of the previous reporting that we have been able to get out of the system. I think we have fed this back to you before, Deputy. But we can no longer get the same kind of data out of the system without making a further system change. I think you had some questions at the States and we provided the data that we can provide at this stage, but we do not perhaps have the historic data, we cannot get the same historic data as easily as we used to be able to until we have a further system change to correct it.

Deputy G.P. Southern:

That is the second time you have mentioned system change. When is it due, the system change?

Chief Officer, Social Security:

N.E.S.S.I.E. (New Employment Social Security Information Exchange) is our I.T. system. We are looking at - and it is in our business plan - starting the preparatory work for that, but probably the system will not change until 2022. The big thing at the moment is the change in tax system, that is the big project. Initially we thought there might be an opportunity to have tax and have a combined system that would effectively change our benefit system and the tax system. In reality, the initial discovery work really confirmed that those systems do not exist. There are revenue collection systems and tax systems and there are benefit systems; they are separate. So the effort really in Government is to get the tax system upgraded and sorted for the future and then after that we will be looking at what the impact is for the benefit system. But we can still start the thinking now in 2017, because it is going to take a long time to develop the right ...

Deputy G.P. Southern:

So no major changes before 2022, is that what you are saying?

Chief Officer, Social Security:

I would say so.

Deputy G.P. Southern:

Oh, God help us. All right.

The Minister for Social Security:

The tax I.T. system is the one that desperately needs changing. It is very seriously out of date.

Deputy T.A. McDonald:

I know.

The Minister for Social Security:

Whereas the Social Security one, it is not quite as desperate.

Deputy G.P. Southern:

I think they put a 2-year to 3-year window on that. If you are talking 5 years, then ...

The Deputy of St. Ouen:

Okay, let us not move into our tax systems.

Deputy G.P. Southern:

Could you produce some data on the over-payments to show how much more lean and effective and quick you are being, over and under-payments, in the last - I do not know what you can do - 18 months, can you compare that, or 2 years?

Chief Officer, Social Security:

I think we can look at what we have got, because there are other factors affecting over-payments: the number of claims, whether the claims that remain are changing more frequently, employment conditions and so on. There are lot of things ...

Deputy G.P. Southern:

I am sure if you put those other factors in it, I will be able to understand it. If I cannot, I will confirm them.

The Deputy of St. Ouen:

Thank you. So can I ask Deputy Hilton if she would like to resume?

Senator S.C. Ferguson:

Well, just one tiny little point. How much of your under-spends can be attributed to the increased efficiency through your application of lean?

Chief Officer, Social Security:

In 2016, our lean work produced benefits of approximately £300,000 directly. We have lots more people trained who are using those techniques on a small basis every single day, but the bigger lean products delivered about £300,000. Some of that will have been direct cost savings, as in cash saved - less stamps, for example - and some of it would have been just staff time that would have been freed up and used for other things or perhaps combined to allow us not to replace a particular role. But we do assess those benefits and it is roughly about £310,000, I think it was.

Senator S.C. Ferguson:

That is delayed?

Chief Officer, Social Security:

That was for 2016.

Senator S.C. Ferguson:

Oh, right. So how much have you saved overall, do you reckon?

Chief Officer, Social Security:

I do not have that figure with me today, but I think it is probably about twice that since we started lean.

Senator S.C. Ferguson:

No, I am curious as to whether your under-spend, how much of it was due to being more efficient.

Chief Officer, Social Security:

Yes. I think we are doing a good job. I have talked here before about our strategy for delivering M.T.F.P. savings and our strategy has been around delivering improvement and excellent customer service. Excellent customer service is a lot cheaper than bad customer service. That has been the focus of the department over the last few years and we are making great strides in that. I am pleased that the department got public recognition by winning the customer service awards for the public sector.

The Deputy of St. Ouen:

Yes, you did.

Deputy J.A. Hilton:

Are we moving on to the next question?

The Deputy of St. Ouen:

Yes.

Deputy J.A. Hilton:

Okay, thank you. Just a very quick question. I just wanted to understand better the process a claimant, a new claimant, would follow when they come into the department to make a claim, what evidence you require from the claimant to back up any part of their claim.

Director of Policy and Strategy, Social Security:

Income Support?

Deputy J.A. Hilton:

Yes.

Operations Director, Social Security:

Any person coming to do with Income Support will obviously have concerns around their level of income, so they are coming for an initial discussion with a member of the team at the Income Support desk. They will then have a conversation around where their income is. The Income Support adviser at that point would do a calculation, so we have got a calculator set up where we can take that information that the customer is giving us, punch in some numbers and get a kind of broad-brush understanding of whether the person will get a claim or not. So that is an indicator and it is based on the information the customer has given us at that point. So that is just the initial starter for 10, I suppose.

Deputy J.A. Hilton:

So when the claimant fills out the application form and follows the verbal information they have given to you, the department, to back up their claim, what checks do you make that the information they have given you is correct about their circumstances?

Operations Director, Social Security:

We obviously ask for bank account details, previous bank account details, in relation to the application and we would make sure that the amounts in the bank account statements are not contrary to what information they are giving us and that can lead to further checks. Sometimes the initial discussion can be one thing and then what you get as far as proof can lead you into a different direction. It is the responsibility of the team to make sure they drill down and check and make sure that the information the customer has given us is absolutely correct. Once that has been done, the claim then goes into an authorising stage where somebody has assessed it, then it goes into an authorising stage with a senior and then it will go into payment.

Deputy J.A. Hilton:

So if a claimant tells you that they have a partner and children, what checks do you make that that is correct?

Operations Director, Social Security:

If they have got a partner and children?

Deputy J.A. Hilton:

A partner and children, yes, and they are claiming for a partner and children, what information do you ask for to confirm that that is correct?

Operations Director, Social Security:

Our system gives us a lot of information in relation to children and individuals and you can check that system in relation to what the information ...

Deputy J.A. Hilton:

So if somebody said to you they were a claimant with 2 children, how would your system confirm to you that they do have 2 children?

Senator S.C. Ferguson:

That they are their children?

Operations Director, Social Security:

We have the birth details on our system, so that will be attributed to the parent.

The Deputy of St. Ouen:

If they were not born in the Island?

Deputy J.A. Hilton:

Okay. So you have got birth details of all children that were born outside of the Island?

Director of Policy and Strategy, Social Security:

No.

Deputy J.A. Hilton:

Precisely, so how do you ...?

Director of Policy and Strategy, Social Security:

But when you arrive in Jersey, you get registered, the children get registered when they arrive.

Deputy J.A. Hilton:

Yes, okay. So they are registered for schooling, you mean, but what if they are not of school age then? If somebody comes in and they say they have a year-old and an 18 month-old or something or a 2 year-old, how does that work? But they are not born within the Island, they are not in the Island, so what evidence do you require that they exist? That is what I am trying to find out.

[10:45]

Director of Policy and Strategy, Social Security:

The Control of Housing and Work (Jersey) Law, as I understand, does not require children to be registered, but it does require adults to be registered. I think we are trying to encourage parents to register children as they come in. The thing the parent will come a cropper on is going to the G.P.

(general practitioner), because the child will need a Social Security number to go to the G.P. Therefore, if the child has not been registered, they will rapidly realise they need to come in. In reality, we do get a very good view of the children that are in Jersey.

Deputy J.A. Hilton:

There is no evidence to suggest that people have put in bogus claims for children that are not here in the Island that might be living somewhere else? You have no evidence to suggest that that is going on?

Operations Director, Social Security:

No.

Senator S.C. Ferguson:

Do you have to have a Social Security number if you are going to one of the G.P. practices that do not charge for children?

Director of Policy and Strategy, Social Security:

Yes.

Senator S.C. Ferguson:

For the children as well as the parents?

Director of Policy and Strategy, Social Security:

Yes, because in effect, although they do not charge the patients, the G.P. is still getting income from that child by making a claim to us. They come to us and they have to submit the Social Security number.

The Minister for Social Security:

Because normally it is the children of the people who are registered that are free by the G.P.s. The G.P.s will offer free children's treatment because the parent is registered with them.

Senator S.C. Ferguson:

Yes.

Deputy J.A. Hilton:

Okay, thank you.

The Deputy of St. Ouen:

Okay, shall we move on to the flexible care component? Minister, the Income Support legislation was amended to introduce the flexible care component. We wanted to ask a few questions around this. The first, will that component be paid to the claimant or will it be paid directly to the care provider?

The Minister for Social Security:

The level that makes the ...

The Deputy of St. Ouen:

The new flexible care component, it sits within Income Support and it can be up to £350, as I understand. Say it is £350, will it be paid to the claimant to spend that money? How will we ensure that that money is spent by the claimant on the care the claimant needs?

The Minister for Social Security:

It has to be ...

Director of Policy and Strategy, Social Security:

Shall I answer? Yes. That care component is specifically designed to support a care package which has been approved particularly by a social worker. As with L.T.C., in the vast majority of cases the money will be paid directly to the provider. We already have an organisation within the department to do that for the L.T.C. cases, so basically all we will do is we will extend the existing administration arrangements which we use for L.T.C. home care cases to this additional relatively small group of people.

Deputy G.P. Southern:

How does the individual decide which care provider to use? What is the system in there to inform ...?

Director of Policy and Strategy, Social Security:

The social worker. This is the point. This looks like a mini-L.T.C. claim, so the individual will go through the social work service to have a full assessment, a proper care assessment of their needs and also to develop a budget summary, which is what they call the funding package. Therefore there will be a discussion as to which carers could provide that kind of support and an agency will be set up, I would imagine in a kind of loose partnership between the social worker and the claimant themselves.

Senator S.C. Ferguson:

But what about the ... you are saying that it has got to be paid to the care provider. What happens if the curator or whatever for the individual needing the care component does direct employment without going through a care provider?

Director of Policy and Strategy, Social Security:

So the flexible care component is a very personalised kind of scheme. Under the L.T.C. scheme, social workers will only approve a package if the package has been provided by - lots of "approved" here - an approved care provider. At the minute, those approved care providers are semi-officially regulated through the Health Department in advance of the Regulation of Care (Jersey) Law being introduced. That should be introduced late this year and that will replace it. So you would have to be a registered provider - there is a list of approved providers - or in the future, be regulated under the Regulation of Care (Jersey) Law. So the money does not flow to people who are not approved as providers.

Senator S.C. Ferguson:

Yes, but bearing in mind if you go to a regulated care provider, there is a certain amount of fee that you have pay to the care provider. If you decide that you are going to hire somebody qualified, with the correct qualifications, what are you going to do to accommodate them?

Director of Policy and Strategy, Social Security:

So that qualified person can apply to be an approved care provider. That is fine, yes. There is a local agency that is providing an umbrella service for that kind of individual situation, so where a person has got ...

Senator S.C. Ferguson:

Yes, but you are then losing part of your provision monies to that umbrella service.

Director of Policy and Strategy, Social Security:

But the alternative is that you suggest that we should pay public money to people who are completely unregulated and do not necessarily have any qualifications at all, so at the minute ...

Senator S.C. Ferguson:

No, I am not. I hired somebody to look after my mother who was qualified and I had the references and so on, and you are saying that if I wanted to do that in the future, I would have to do it through a regulated care provider who would then take, I do not know, 10 per cent off the money.

Director of Policy and Strategy, Social Security:

Sorry, your qualified person can just register to be an approved care provider. That will be fine, if they have got the ... there was an example of a gardener who was a friend of the family and the gardener became kind of almost informally to start with the person's carer. He was a gardener, he does not have any qualifications as a carer, but he became the carer and was chosen by the family. That situation in the future would not be supported financially by the Government, even if he was a good carer. But your situation, that would be absolutely fine, because the person had the qualifications and therefore they would just go to the regulatory authority and get the appropriate approval to ply that trade in Jersey. But this works. We have to have appropriate qualifications. We are very aware of safeguarding these days, we are very aware of the vulnerability of people who are receiving care packages. It is absolutely appropriate there should be regulations in place to identify who goes into people's homes.

The Deputy of St. Ouen:

I am just interested in the practical working of this, because we want to keep people in their homes, but the care package being delivered in their homes might consist of visits from family nursing, days out to day care centres, visits from a chiropodist or something like that. There will be a number of elements to a care package. Are you saying that the Social Security Department will receive bills from these care providers and pay them? That seems an awful lot of work.

Director of Policy and Strategy, Social Security:

We do it now.

The Deputy of St. Ouen:

Okay, so that is going to be done. That is fine if it is a fixed routine week by week. What happens if it is variable?

Director of Policy and Strategy, Social Security:

We pay the bills, so in the circumstances, your weekly amount will be a maximum amount and there will be weeks when not all the care is provided, maybe a family member is over on holiday and therefore you do not need the carer that week because somebody is providing that care. We pay on bills up to a maximum amount.

The Deputy of St. Ouen:

Can any underspend one week be carried forward to the next?

Director of Policy and Strategy, Social Security:

There is a way in which you can cope with emergencies. I think probably the way we will do it is that if there is an emergency, if you get a situation where there is a partner who is providing lots of

unpaid care and the partner has to go into hospital for a small operation or something and therefore you need to quickly move to a much bigger care package, we will just fund that separately. So we will make allowances for the getting care in when it is important.

The Minister for Social Security:

This care package is up to, I think, £350 a week before you then look at L.T.C.

Director of Policy and Strategy, Social Security:

Yes, that figure is literally just the bottom of the bottom end of L.T.C., so there is no overlap between the different systems. In the past, it has been slightly confusing. We have Health providing funding and us providing. There have been different system providing funding. We are trying to make this much smoother so that you move seamlessly from one area to the other.

Deputy G.P. Southern:

Can I talk about the seam or the seamless between the level 3 P.C. impairment award, which is based on a test administered by the department - your department - and measures your ability to do things or not? The next level up, the intermediate that we are talking about, the flexible care, which is supposed to be a stage worse than level 3, more demand, but it is run by officers of Social Services with a different test. Another difference is that the impairment component, at level 3 you do not have to spend on care, whereas this new flexible level, you do have to spend on care, as you said. Are you sure that the boundary between level 3 and the new flexible care beyond that is a smooth one and that is accurately reflected by 2 different tests measuring 2 different things between 3 and 4, that 4 is worse than 3 and 3 is accurate?

Director of Policy and Strategy, Social Security:

So this is the point. I know lots of people have called it P.C. 4 for a long time, but P.C. 4 is a confusing thing to say, because 4 is not ...

Deputy G.P. Southern:

You are talking flexible.

Director of Policy and Strategy, Social Security:

Thank you very much, absolutely. Flexible is an important word, so it is 1, 2, 3, flexible. Flexible is not necessary above 3, right, so the thing you need to think about more is L.T.C. is here and the flexible one is coming below L.T.C. By definition, legally if you have got L.T.C. needs, you will not be able to get the flexible P.C. component, because legally you should be in the L.T.C. scheme and we cannot give you the right to apply for 2 things.

Deputy G.P. Southern:

So you have got a whole pile of people, something like 300 people, receiving P.C. level 3. How are you going to check or who is going to check, you or another department, whether that is an accurate reflection of who should be on level 4 ... sorry, on flexible?

Director of Policy and Strategy, Social Security:

As I say, it is better to think about it the other way around. Think about L.T.C. L.T.C. supports formal care in one sense or another. You are either in a care home or you are getting care provided at home. What flexible P.C. does it is it extends that support for a formal care package down into a slightly lower level of care needs. Therefore that is the whole point. It is all about a person whose care needs are such that they need to have some form of formal care to them. With the P.C. 3 component, you do not have any formal care package, there will not be ...

Deputy G.P. Southern:

Because they have got family support working for them or whatever, doing the shopping for them. So a doctor identifies one of his patients as probably - possibly - having such a demand that they need a care package. Who do they go to? Do they contact your department and say: "I have got somebody. I think you should assess them for P.C. level 3" or do they phone the Health and Social Service Department and say: "I have got somebody here. I think they may be eligible for flexible care"?

The Minister for Social Security:

The assessments are done by Health and Social Services.

Director of Policy and Strategy, Social Security:

Yes. The doctor or the person that has kind of initiated that contact will go to Health first, because Health are the people who provide the assessment. Health get queries from people worried about their mum, their neighbour, whatever, and they will get a referral, they will be referred to the Memory Clinic or they will be referred for a social worker assessment or to something else, a variety of things that Health do. So it is absolutely appropriate that you have an initial query to the Health Department. Not all those queries will end up in a care assessment, but some of them will do. So we are now saying that that care assessment will be valid at a slightly lower level of care needs. So when I said things did not overlap, in actual fact you could get a care assessment which said: "You have got care needs that are a value of £50. You need a formal care plan for £50 a week." If you were a low-income person, you could apply for Income Support and ask for a care plan and get that £50 a week. But you can ...

Deputy G.P. Southern:

No, you could get £20 or £100 on this level 1, level 2.

Director of Policy and Strategy, Social Security:

Yes, but also you are not stopped at that point from applying for the existing P.C. components. So I have made it sound like there will be lots of overlaps, but people will, I think, quite easily identify themselves as people who have quite high needs. I think the ones that are going to get the flexible P.C. component will be in the £200 to £250 category and I think there will be other people, the people who are getting the existing P.C. components will probably be much as they are today.

[11:00]

Deputy G.P. Southern:

You are saying that there may be some people who are already receiving P.C. level 3 who may be on a different test have needs, identified needs, which are greater than that. I still do not understand what is going where and where the overlap is.

Director of Policy and Strategy, Social Security:

One of the key motivators for this piece of work was the change in the Family Nursing. So what you get at the minute, you will have a number of people - this situation is a real one - that have a package with Family Nursing, they have got people coming in during the week and the cost to them at the minute under the current subsidised Family Nursing, the fee is about £10 an hour or whatever. Let us say that was £80 a week currently and let us say - to make it simple - that the fees are basically double when they move to market rates, so that will go from £80 a week, this person who is on Income Support and they are getting P.C. 3 ...

Deputy G.P. Southern:

So the flexible component has been designed to cater for previous ...

The Minister for Social Security:

The movement in the subsidy.

Deputy G.P. Southern:

... treatment, the movement from district nurses? Wow, that is very significant.

Director of Policy and Strategy, Social Security:

Sorry, district nursing is different. District nursing is a free service.

Deputy G.P. Southern:

Sure, okay. Home care, sorry.

Director of Policy and Strategy, Social Security:

They are personal carers, okay, so they are providing things like the washing and dressing, not nursing services. So that person in the new system, their costs will double. P.C. 3 now, it will not be quite enough to pay for it and therefore they will have to get the higher one to give them the amount of money to cover the cost of the package at a market rate.

Deputy G.P. Southern:

So who is going to be recommended to apply for P.C. level 3, anybody from now on, or ...?

Director of Policy and Strategy, Social Security:

So people have ...

Deputy G.P. Southern:

Because the flexible component is there and is supposed to overlap with it.

Director of Policy and Strategy, Social Security:

Yes. So people will approach the States in one of 2 ways. They will be a low-income family who are obviously on Income Support and somebody in that family requires a care need. At that point they will come and talk to Income Support, because they know us, and we will say: "That sounds like you probably need a social worker to come in and do a formal assessment." That will be the route for that family. Many other people come through that Social Services route, they have been worried about their forgetful neighbour or relative or something and they will approach Health or they go to the G.P. perhaps, but then perhaps Social Services: "I need a bit more help" and they will go through the care assessment first. Then if the value of that assessment package is something they cannot afford, then they will be very carefully signposted towards Income Support to say: "There is a new component that will help you with that cost." So I think people will understand exactly what to do. Obviously it is a new system and I cannot tell you the exact flowchart ...

Deputy G.P. Southern:

I have looked at this for the last month or so and I do not know what to do. I do not know whether to go to your department, P.C. 3, with one of my constituents: "I think you need some assistance" or to go to the Health Department and say: "Please run an assessment on this person" because I am worried.

Director of Policy and Strategy, Social Security:

If you were ever in a situation where you felt that somebody needed more care, you should approach Health first, because at the end of the day, if that person needs a care assessment, they need a care assessment. We cannot do that. Going to ask for a benefit is not any good if you do not have the care assessment. You need a care assessment.

The Minister for Social Security:

Or, as Sue said earlier, your G.P., who will refer you.

Deputy G.P. Southern:

Summing up, to make sure I am clear and we are clear, you are saying that P.C. level 3 is not necessarily a lower award, or it is financially, but it is not a lower needs assessment than the new flexible component, even though there is a larger chunk of money attached to that?

Director of Policy and Strategy, Social Security:

Yes. People have different types of personal care needs and they cost different amounts of money to satisfy those needs. Therefore, the 2 systems run alongside each other and people choose the one that is most relevant to them. We will give them clear advice as to how to do that. We do not expect people to have to work it out for themselves, but you will not be able to get both at the same time.

Deputy G.P. Southern:

I am fully aware of that. I still do not see ... the starting point question, which was have you had a look at the system, have you tested it to see that P.C. level 3 is correctly being applied with its test and the new flexible component is correctly being applied to a different set of people, delivering help to a different set of people correctly and that the transition, if you like, from level 2 to flexible care is a smooth one and accurately accepted?

Senator S.C. Ferguson:

Because there are 2 different assessments, are there not?

Director of Policy and Strategy, Social Security:

The transition is likely to be the need to buy in formal care. What is going to happen from a practical point of view, you have got a husband and wife and one has got care needs. To start with, perhaps the other person can look after them, and they get to the stage at which they cannot cope, they need to buy in a few hours of care. That is the point at which you are going to have the care assessment, because you are going to have to work out what the care package is that you need.

Deputy G.P. Southern:

But previously, if the person was deteriorating, it is level 1, level 2, level 3. I have got £150 a week. I can buy in some care, an hour or day or whatever or get myself some respite and that would be a normal progression, whereas now we have got the flexible component, which is different, and a different group of people running it. If you set out to create a new scheme to deal with L.T.C., would you have had these 2 different assessment methods and different awards?

Director of Policy and Strategy, Social Security:

Just to broaden this out a little bit, as you are aware, we are doing a review of Social Security schemes over the next few years and one of those strands was a review of the way in which we test incapacity in the Island. So not only have we got L.T.C. and Income Support, but you have also got L.T.I.A. So we are planning to do a significant piece of work on looking at the way in which we test incapacity and allocate benefits to incapacity.

The Deputy of St. Ouen:

Okay, that is interesting.

Director of Policy and Strategy, Social Security:

So we are going to be doing that and that will draw in the existing P.C. components of Income Support. The Income Support system, the level 1, level 2, level 3, is a test of people's ability to do kind of varied activities. The test we use in L.T.I.A. is a test of people's functions of their body. Now, you can lose the function of something, a part of your body, and not have any impact on your activities of daily living at all. You could lose some relatively small functionality and it could have quite a big impact on your daily living. They do test different things. We think it is well worth spending time thinking about the philosophy behind that, why are trying to help ...

The Deputy of St. Ouen:

Okay. Yes, I am encouraged to hear that, because that has been an issue in the U.K. (United Kingdom).

Director of Policy and Strategy, Social Security:

Because that will bring these things together. The U.K., a lot of their recent moves have been very much around cutting budgets and that is not our intention at all. Our intention is to explain to the public: "When you put your taxpayer's pound into the pot, we are helping people, working with these people in this particular way. Is it because you cannot work, it is because you have something wrong with you? What is it that we are giving you the benefit for?" That is perhaps not particularly clear at the minute and looking at different benefits that we ourselves administer takes different approaches to that question. That seems to be difficult, it is difficult for staff to understand, it is difficult for customers to understand.

The Deputy of St. Ouen:

Yes.

Director of Policy and Strategy, Social Security:

Bringing those together will be of great benefit to the public on the process.

The Deputy of St. Ouen:

Okay. We look forward to hearing more about that.

Senator S.C. Ferguson:

Also incorporating mental health, which is a fairly recent ... it was more the physical loss of faculty before, but ...

The Deputy of St. Ouen:

Just coming back to the flexible care component, so the Social Services prepare an assessment which is a cost to us, presumably, and then does the claimant have to apply to you using the normal Income Support claim? Because you need to check, do you not, that the claimant is not barred from claiming Income Support because of capital and things like that, the normal criteria for Income Support, so does the claimant have to go through that process too?

Director of Policy and Strategy, Social Security:

Yes, but if you think about it, as I say, claims will come in in 2 different ways. The family will already be on Income Support and they require care needs, so that is getting Social Services involved with a low-income family, where everybody knows it is a low-income family and obviously the costs of the package will be fully covered.

The Deputy of St. Ouen:

That will be easier.

Director of Policy and Strategy, Social Security:

So the second one is you have got a family that is not on Income Support and these care needs develop, so you approach Health to start with and they say: "Oh yes, that is going to cost £160 a week" and they say: "Well, I cannot really afford that." At that point you then are being brought into the Income Support system. In a sense, that is no different to L.T.C. There is a point at which the cost of your care is something you cannot afford yourself and the Government knows how to help you in that situation. So we are not going to ... so these are typically going to be older people, so we are not going to be saying: "Oh, you have got to find a job." Income Support becomes quite

straightforward if you are older, you may well own your own house, but you will say: "I have got a Social Security pension and a small private pension. My total income is £220."

The Minister for Social Security:

There is a little bit of uncertainty, inasmuch as Sue said, this has been generated by the removal of subsidy in home care and it does not necessarily mean that because the care costs will double that the claimant, if you like, or the person who is being treated will need Income Support.

The Deputy of St. Ouen:

Indeed.

The Minister for Social Security:

It may well be that they are just on that sort of subsidised rate and can afford it when it comes up. So without means testing and without knowing what the asset criteria is, we do not know how many people will just carry on and pay the extra money or how many it will then throw into an Income Support situation.

The Deputy of St. Ouen:

How is the additional cost to Social Security being funded?

The Minister for Social Security:

By Health in the transition stage.

Senator S.C. Ferguson:

Which Health budget is it coming from?

Director of Policy and Strategy, Social Security:

The Health Department have used some of the M.T.F.P. growth money to fund new services in Family Nursing. Rapid Response and Reablement is a new P.82 funded service, so when Health explained that the total amount of money going into Family Nursing is about the same, it is about the same, that is correct, but it has been better targeted to specific things, so therefore some of the old money, if you like, that had been used subsidise the home care part of nursing, that money is not being provided any longer, so that is the removal of the subsidy for home care. Rapid Response and Reablement, which is a really good service, is being supported fully instead and then other parts of Family Nursing are getting extra support and therefore it is the old money, if you like, that has become part of the budget that will be transferred to Income Support to support those low-income families with the additional cost. As the Minister points out, there will be some families who are

currently getting Family Nursing care at the subsidised rate who will be asked to pay the full fee in future. That has been protected until the end of 2017. In 2018, they will be paying the market rate.

The Deputy of St. Ouen:

Equally, there will be some people then applying for the new benefit who will not have been Family Nursing clients and so the Health Department would not have been paying anything towards those, but that will ...

The Minister for Social Security:

But Health are only paying for the transitional clients, so new applications will be supported.

The Deputy of St. Ouen:

Entirely from your department's budget, yes. How long does the transitional period last?

The Minister for Social Security:

Until 2018.

Director of Policy and Strategy, Social Security:

Health are providing support to anybody who is not being supported in a different way until the end of this year.

Senator S.C. Ferguson:

But it is not going to be taken from the H.I.F. (Health Insurance Fund)?

Director of Policy and Strategy, Social Security:

No.

The Deputy of St. Ouen:

Okay. I wonder if that is ...

Chief Officer, Social Security:

We are talking about very small numbers of people, just to put it in context.

Director of Policy and Strategy, Social Security:

Yes. We do not imagine there is going to be very many people who will fall into that particular category, which is the care costs are in effect more than £150 but they do not have L.T.C. needs, that it will be a relatively small number of people.

The Deputy of St. Ouen:

Is that everything about the flexible care components? Deputy Hilton has some questions around L.T.I.A.

Deputy J.A. Hilton:

Yes, thank you.

Senator S.C. Ferguson:

What about L.T.C.?

The Deputy of St. Ouen:

We said we would not do the L.T.C. questions here because we have a review to deal with those questions.

Deputy J.A. Hilton:

Okay. With regard the L.T.I.A. being paid to claimants abroad, I wanted to ask you some questions around that. I asked you a question recently about how many claimants of the benefit were receiving that benefit outside of the Island, and in answer to that question, you told me that there were 177 claimants living outside of Jersey in receipt of that benefit. I was going back to a question I had asked last year, a similar question in 2016.

[11:15]

In the information that you gave me there, it would appear that there were 333 claimants, based on the information I was given last year, but this year it dropped to 177, which seems like a massive drop. Have I read that incorrectly?

The Minister for Social Security:

These are particularly the ones being paid outside Jersey ...

Deputy J.A. Hilton:

Outside the U.K., yes.

The Minister for Social Security:

... with a reciprocal agreement with another country?

Deputy J.A. Hilton:

I am just looking. The answer just says: "Number of L.T.I.A. claimants that have been residing outside of Jersey" there.

Deputy G.P. Southern:

Outside, yes, no parameters.

Deputy J.A. Hilton:

So those figures in 2015 add up to 333 claimants. Could you explain to me the difference, the big drop between the 333 last year and the 177 that you recorded this year?

Director of Policy and Strategy, Social Security:

We put those quite clearly in our recent response. What we have given you now is probably more helpful to you, which is the number of people who are claiming L.T.I.A. outside of Jersey. The previous answer was the number of claims. There will be people who have got multiple claims.

Deputy G.P. Southern:

More than one claim, yes.

Director of Policy and Strategy, Social Security:

So the way L.T.I.A. works is that if your arm is wrong and your leg is wrong, that is 2 separate claims. That is one payment, 2 claims. The answer last time, we had the number of claims, which is what is easier on the computer. This time we tried to be a bit more helpful, if you like, and we counted the number of people. So if you count how many people outside Jersey who are making L.T.I.A. claims altogether, that is the 177 is people. That is easier, that is a more sensible number for you to keep track of.

The Deputy of St. Ouen:

That is the number you wanted.

Senator S.C. Ferguson:

But usually arms and legs are connected.

The Deputy of St. Ouen:

Can you explain this issue of reciprocal agreements? How does it work? So if we have a reciprocal agreement with a country, it allows us to continue to pay the benefit to a person residing in that country, is that right?

Director of Policy and Strategy, Social Security:

Certainly. Each reciprocal agreement has got its own rules attached to it, but yes, that is the fullest forms of agreement mean that a person who has a claim for L.T.I.A. in Jersey and then goes to live in the U.K., for example, there is a full reciprocal agreement between those 2 countries, therefore we treat the person living in the U.K. as if they still lived in Jersey. Not all reciprocal agreements are that broad, but that is the main way it works.

The Deputy of St. Ouen:

Where is the reciprocity?

Director of Policy and Strategy, Social Security:

Well, it is just that, so in the U.K. it is true that they have changed their incapacity rules so that there is not much reciprocity that way, but, for example, old age pensions in the U.K. are only uprated through reciprocal countries, so somebody who has got a U.K. pension, a D.W.P. (Department for Work and Pensions) pension who then comes to retire, perhaps a Jersey person who has lived in the U.K. for a long time and comes back to Jersey to retire, that person is going to get their full value of their U.K. pension, whereas the U.K. does not export pensions to non-reciprocal countries other than at the rate which you first had it and there is no uprates for inflation. So that a significant advantage for people living in Jersey today who have previously worked in the U.K., so quite a lot of people. So there are advantages and benefits around it.

Deputy J.A. Hilton:

In answer to my question last year when I asked how much money was being paid out outside of the Island, the average for all L.T.I.A. claims paid outside the Island was £72. So based on the average claim being worth £72 that means that in rough calculation, L.T.I.A. claims are costing £12,000 a week. If you multiply that over a year it produces me a figure of £662,000 being paid outside of the Island. Would that be a fair assumption for me to make, based on the figures that you supplied me last year?

Director of Policy and Strategy, Social Security:

I just want to make sure, because we ...

Deputy J.A. Hilton:

It was in the answer that you gave me last year, average for all L.T.I.A. claims, £72 being paid out. So it is a simple calculation of £72 times 177.

Director of Policy and Strategy, Social Security:

It does sound right. It is correct, yes.

Deputy J.A. Hilton:

Okay. Really I just wanted to ask you, that produces roughly a figure of £662,000 being paid out every year to people residing outside of the Island, which brings me to the question about the medical boards, because obviously if claimants are living in Jersey, you have easy access to claimants to reassess them, basically. I wanted to ask you, how many medical boards have actually been arranged outside of the Island to those 177 claimants in the last 5 years?

The Minister for Social Security:

They have, as I think Sue said earlier, the same requirement to produce medical reports from a medical board or G.P. as they would here. So if they have to report back to Social Security being in Jersey every 3 years, they would have to do the same in the U.K. or Spain or wherever.

Deputy J.A. Hilton:

Is that what happens now then, people have to report back to Social Security every 3 years?

The Minister for Social Security:

Depending on what the requirement is.

Director of Policy and Strategy, Social Security:

So the way L.T.I.A. works is that you go to a medical board and they will say: "You have a 40 per cent incapacity and you need to be reviewed in 3 years' time." So they will set the percentage and they will set the review period. So those reviews are totally governed by the doctors, so it does not matter what country you are living in, some doctor has said it is a 3-year review. At the end of 3 years, you will need to have a medical. So in order to have your claim continue, you have to be reassessed by an appropriate medical board. That might be in the country you are living in or it might be back in Jersey. We can have a look and try and count the number of boards, but it will depend entirely on what is wrong with people. So if you had a leg amputated, you might have a very long ...

Chief Officer, Social Security:

It would not change much.

The Deputy of St. Ouen:

How do we ensure that a doctor abroad is asking the questions that you want to know?

Director of Policy and Strategy, Social Security:

I think the report goes to a local doctor, does it not? Yes, so the medical board, the interview you are having done in the other country, the results of that interview are then transferred to Jersey, and a Jersey medical board doctor will then examine and make sure that it is right.

Senator S.C. Ferguson:

Do you ever do a quality control of these boards overseas? Do we ever have anybody ...?

Deputy G.P. Southern:

That would be an expensive business, would it not?

Senator S.C. Ferguson:

Not necessarily.

Deputy G.P. Southern:

Nice trip though.

Senator S.C. Ferguson:

No, I am quite serious. Do you ever do a quality control of these foreign boards?

Director of Policy and Strategy, Social Security:

Not that I know of.

Deputy G.P. Southern:

Is that a no?

Chief Officer, Social Security:

It is.

Deputy J.A. Hilton:

Can I just ask you a question? Am I correct in thinking if an L.T.I.A. claimant is assessed at 40 per cent or more, there is not the requirement to work, is that correct? Or there is not the requirement to look for work?

Deputy G.P. Southern:

To apply for work.

Deputy J.A. Hilton:

My understanding is L.T.I.A. is an in-work benefit, so anybody who has a claim less than 40 per cent has to prove that they are looking for work, so how does that apply to a claimant who is living in another country?

Director of Policy and Strategy, Social Security:

Okay, so that is an Income Support rule, not an L.T.I.A. rule. So the L.T.I.A. is a benefit that is paid to working-age people and it is entirely on your contributory record and your income ...

Deputy J.A. Hilton:

So would it be fair to say that a person could come to Jersey, a young person could come to Jersey, work for 10 years, end up in receipt of an L.T.I.A. claim, go away to another country and carry on continuing, as long as the doctor said yes? If they still qualified for a 30 per cent L.T.I.A., they could go away and continue to claim that benefit until they reach retirement at the age of 65?

Director of Policy and Strategy, Social Security:

Yes, you might get a situation where a farmer has an industrial accident in Jersey and does go back to their home country to be looked after and is paid for a long period of time in that way. Yes, that is how the system works. But as I say, the L.T.I.A. needs have got nothing to do with job-seeking. Job-seeking is all to do with getting Income Support in Jersey. Income Support is only paid in Jersey and it is not extended out.

Deputy J.A. Hilton:

So the L.T.I.A. claimant who lives in another country and has been in receipt of that benefit for many years, when they reach age 65, I presume the benefit just stops?

Director of Policy and Strategy, Social Security:

Yes.

The Deputy of St. Ouen:

Has that answered your question?

Deputy J.A. Hilton:

It has.

Chief Officer, Social Security:

Chairman, can I just clarify, the Deputy mentioned the interaction between L.T.I.A. and Income Support being 40 per cent. It is now 45 per cent, so it was increased last year to 45 per cent.

Senator S.C. Ferguson:

Oh, really?

Deputy J.A. Hilton:

So if you have a 45 per cent award or more, you are not required to be actively looking for work, but anybody who is getting 45 per cent or less is?

Chief Officer, Social Security:

Yes. You can still receive the support, obviously you can still look for work and get all the support, but you are not currently mandated to need to look for work.

Deputy J.A. Hilton:

So presumably a person of working age who has a benefit or has an award of less than 45 per cent, but who is of working age, if they are not claiming Income Support, they can continue to claim that benefit until they retire?

Director of Policy and Strategy, Social Security:

Yes, that is the whole point. They are people who have got long-term conditions and that are holding down jobs and ...

Deputy J.A. Hilton:

No, I am talking about people who are not working, but who are in receipt of that benefit.

The Deputy of St. Ouen:

Okay, so we have got about 5 minutes left and there are 2 questions I would like to ask. Minister, one is about Employment Tribunal cases. There are a couple that I have read recently where the Employment Tribunal has found that an employer did not provide an employee with statements of terms of employment and neither did the 2 employers provide itemised pay statements. Those were decisions ... well, I can give you the details, but what I am wondering is that are there officers within your department that monitor these decisions of the tribunal and when they see a finding like that, what is the action taken?

Chief Officer, Social Security:

We do monitor the tribunal decisions and pick up points of potential policy, but also other actions. So, yes, they are picked up. For example, we would go and visit potentially that business.

Deputy G.P. Southern:

To do what?

The Deputy of St. Ouen:

Yes. Are businesses prosecuted?

The Minister for Social Security:

Officers are constantly monitoring businesses. It is not perhaps on a regular basis each one, but across the board to make sure that they are complying with what their contracts have dictated.

Deputy G.P. Southern:

What proportion of cases that you are looking at are there any other breaches you find, or are all employers meeting the needs of the Employment (Jersey) Law?

The Minister for Social Security:

Most do. If they are not ... J.A.C.S. (Jersey Advisory Conciliation Service) do a lot of this work as well, do they not?

Director of Policy and Strategy, Social Security:

Yes. Just to clarify, we cannot prosecute other than in terms of people not being paid minimum wage. Certainly the power now to the employee to bring a case to the tribunal, which is obviously what has happened, but we do have ... Steve's team do visit a whole range of employers on a regular basis and it is all voluntary. People do take advice and they do bring themselves up to scratch. It has worked well. Employers tend to be very well compliant, and where they are not well compliant or perhaps do not understand the rules, J.A.C.S. does provide advice. We fund a small business adviser who will go out to people's businesses. Perhaps somebody is very busy during the day and does all the paperwork in the evenings, the contracts and things, the adviser will go around and help them in the evenings and say: "This is what you need to do to make sure you meet the rules."

The Deputy of St. Ouen:

But this is a breach of employment law, is it not, but there is nothing you can do to enforce that, aside from the employee taking his employer to court?

Director of Policy and Strategy, Social Security:

That is the raison d'être of the Employment (Jersey) Law, is to give the employee rights. Is not for the department to prosecute employers, other than for minimum wage, which we have never done, because we have always had good compliance.

Senator S.C. Ferguson:

For instance, in the case where the employee did not have a properly constituted payslip or a proper contract of employment, you do not have any ability to check that all the other employees are correctly ...?

Director of Policy and Strategy, Social Security:

No. So we have rights of entry into employers' premises for Social Security purposes and while we are doing that, we are checking that people are being paid, the schedule complies with the wages and we also talk to people about the contracts, about the wage slips, making sure people are doing that correctly. We will give firm but informal advice to employers who are not following the Employment (Jersey) Law correctly.

Senator S.C. Ferguson:

With a case like that, where it has been done incorrectly, where you have one of the employees who did not have the proper contract and did not have the proper payslip, you would action that afterwards and go in and check all the other employees?

Chief Officer, Social Security:

Yes.

Director of Policy and Strategy, Social Security:

Yes.

The Deputy of St. Ouen:

Minister, one of those employers that was found guilty of this breach of the law was an approved care provider providing care to people in people's homes in the community. Does that concern you?

The Minister for Social Security:

Of course it would, but as Sue says, it is not down to us to make the prosecution.

The Deputy of St. Ouen:

Does it have implications for the delivery of safe care in the community?

The Minister for Social Security:

I think this is one out of ... I am not quite sure how many care providers there are, but ...

Director of Policy and Strategy, Social Security:

That is a care provider coming across Employment (Jersey) Law, but there are also additional protections for care providers.

[11:30]

So there is another funded post in the Health Department where a qualified nurse is responsible for checking that the approved care providers are satisfying ... are maintaining their status within the approved provider framework. So there is extra observance of those providers, yes. Health have the power to take people off that list - it is quite separate - in addition to Employment (Jersey) Law powers.

The Deputy of St. Ouen:

Okay, thank you for that. A final question. Can I ask Deputy Southern to ask a quick question?

Deputy G.P. Southern:

We are having a big review of the Social Security Fund. Are you looking at the H.I.F. at the same time, and if so, are you - will you - consider at some stage the reintroduction of prescription charges in order to help the Healthcare Fund survive?

The Minister for Social Security:

The Social Security review will look at the reintroduction of prescription charges, but the small amount of homework that we have done on it so far since the charge was removed is depending on what level, were it to be introduced, £3, £4, whatever, that the administration cost of it would almost outweigh the charge.

Director of Policy and Strategy, Social Security:

Can I slightly ... the Minister is right that we are going to do a review, but it is not a Department for Social Security review. The Social Security review is, as we have talked before, about the financial and Social Security system itself, the fund and Social Security benefits. The H.I.F. is a separately constituted fund and the review that is ongoing for that one is much more to do with the joint working with Health around the primary care strategy and with the funding for primary care, so that is within the context of the ... as I say, there was a primary care strategy issued by the Health Department at the end of 2015. In 2016 there have been some pilot projects taking place across pharmacies and G.P.s, various different types of service, and there has also been some work done by Deloitte, which I think you are aware of, in terms of the way in which primary care funding should flow in future. That is the review that the Minister is referring to. That is not a review of H.I.F. per se, it is a review of primary care funding in Jersey, because that is a slightly broader issue, because with the health system and the P.82 ...

Deputy G.P. Southern:

When are we likely to see the results of that?

Director of Policy and Strategy, Social Security:

The Deloitte work is split into various different components and some of those components will be finished during the course of this year.

The Deputy of St. Ouen:

Okay, panel, any other urgent questions?

The Minister for Social Security:

I think the H.I.F. is in a very good place.

Deputy G.P. Southern:

We can take money out of it then, £15 million next year and ...

Chief Officer, Social Security:

No, it is not any more.

Director of Policy and Strategy, Social Security:

No, we have kept some.

Deputy G.P. Southern:

Oh, of course, we have funded everything, have we not? All that has been ...

The Deputy of St. Ouen:

Minister, thank you, and thank you to your team for assisting us today.

The Minister for Social Security:

Thank you, Chairman.

[11:33]