



Health and Social Security Scrutiny Panel

Quarterly Hearing

Witness: The Minister for Social Security

Tuesday, 22nd September 2026

Panel:

Deputy B.B. de S.V.M. Porée of St. Helier South (Chair)

Deputy L.D. Carpenter of St. Helier Central (Vice-Chair)

Deputy C.D. Leck of St. Saviour

Witnesses:

Senator M.E. Millar, The Minister for Social Security

Deputy P.J. Romeril of St. John, St. Lawrence and Trinity, Assistant Minister for Social Security

Mr. A. Hacquoil, Chief Officer, Employment, Social Security and Housing

Ms. S. Duhamel, Associate Director, Cabinet Office

[14:02]

Deputy B.B. de S.V.M. Porée of St. Helier South (Chair):

Welcome, everyone, to this public hearing of the Health and Social Security Scrutiny Panel. Today is Tuesday, 22nd September 2026, and this is our quarterly hearing with the Minister for Social Security. I would like to draw everyone's attention to the following. We have 1½ hours for this hearing, and the hearing will be filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. May I remind everyone to turn your devices off or put them on silence. I will begin with the introductions. With myself, I am Deputy Beatriz Porée, and I am the chair of the Health and Social Security Scrutiny Panel, and to my left ...

Deputy L.D. Carpenter of St. Helier Central (Vice-Chair):

Deputy Lee Carpenter, vice-chair of the panel.

Deputy C.D. Leck of St. Saviour:

I am Deputy Chris Leck.

Deputy B.B. de S.V.M. Porée:

Minister, we start with you.

The Minister for Social Security:

Elaine Millar, Minister for Social Security.

Assistant Minister for Social Security:

Deputy Phil Romeril, Assistant Minister for Social Security.

Associate Director, Cabinet Office:

Sue Duhamel, Associate Director for the Cabinet Office.

Chief Officer, Employment, Social Security and Housing:

Andy Hacquoil, Chief Officer of Employment, Social Security and Housing.

Deputy B.B. de S.V.M. Porée:

Okay, thank you very much. So we are all ready to start, okay. So again, good afternoon, everyone, especially to the Minister, and thank you for attending today's hearing. As this is the first quarterly hearing with a newly constituted panel, members are keen to understand your strategic priorities and objectives for this term of office. Before we turn to specific policy areas, could the Minister provide an overview of the issues you consider to be your most significant with this portfolio and where you intend to focus your efforts and could you tell us a bit of your key outcomes, your hope to achieve for the Island during the next term of office?

The Minister for Social Security:

You are going to have to remind me of all those things.

Deputy B.B. de S.V.M. Porée:

Just tell us about your priority for this term of office.

The Minister for Social Security:

We have had quite a lot of discussions about various aspects of the role. What we have not yet been able to do, we have had to defer the meeting a couple of times recently because the officers have been very busy working on the Budget and C.S.P. (Common Strategic Policy), so we have not formally sat down and set out the priorities. But what I expect them to be, certainly for the immediate

ones ... we are working through the C.S.P. and the Budget. We are clearly working on things like cost of living and how we mitigate cost of living for people as far as we can. That is going to be an ongoing theme. Obviously, we have some plans for 2027, which will come out in the Budget at the beginning of next week. Obviously I cannot tell you what those are, pending the publication of the Budget. Then we have an affordability group ... well, it has been called an affordability group, which is a kind of rejuvenation of what was the Cost-of-Living Group last time, and that will be a Ministerial group. Over the course of next year and the next ... well, the next few months we will be working on a longer-term plan for what affordability measures might be for the 20 to 30 period. So cost of living, affordability and supporting families on lower up to middle incomes will be one of the priorities certainly for the next ... I expect that will take up a lot of time next year while we get all that thinking in place. You will probably know by now that one of my personal priorities is the form of secondary pension scheme. We have talked about that. That is something I would really like to see happening. We have had only a very preliminary meeting on that, but that is something I would really want to focus on over the course of this term. I think the best - the most likely - outcome is that we possibly get legislation in. I would be delighted but possibly surprised if we got a scheme actually launched in that time, but if we could at least get some legislation in place, that would be a result. Then the most immediate ... the things that I think will take up most of our time next year will be looking at things like the Long-Term Care Fund, continuing the work that has been started on that, the Social Security Fund, how we respond to the actuarial reviews, what the outcomes are. There has already been a review going on. As well as the actuarial review, there has been an internal review of the Social Security Fund, so we will bring those 2 together by the spring of next year. With the actuarial reviews and that review, we will be able to come up with some thinking on the future of the fund, because clearly we cannot ignore the future of the Social Security Fund. We have got to think about future generations. I think over the course of next year we will also be working with the Minister for Health and Social Services in terms of a ... well, he has a piece of work going on looking at what our needs are for Health, what the costs of those needs are and then how we develop a funding model for Health going forward. The Health Insurance Fund I think will be part of that. I think it has to be part of that, it does not really make any sense for it not to be, and we will be working with the Minister for Health and Social Services and his team in terms of, again, a long-term strategic review of the future of the Health Insurance Fund, or the funding of primary care if that is ... there could be more than one way of addressing primary care funding, because while the H.I.F. (Health Insurance Fund) ring-fences funds for primary care, the ring-fencing itself can create barriers. So it may be we could have a more modern, more open view of how we finance primary care going forward.

Deputy B.B. de S.V.M. Porée:

It could be a whole new model.

The Minister for Social Security:

Sorry?

Deputy B.B. de S.V.M. Porée:

It could be a whole new model.

The Minister for Social Security:

It could be a whole new model. There could be any number of options. It could be keeping the fund. It could be doing some ... rolling the fund into some other vehicle. It could be some other method altogether. So I think the Minister and his team and I imagine the Treasury colleagues will be closely involved in that, and we will feed into that as well in due course.

Deputy B.B. de S.V.M. Porée:

Have you anticipated how long it may take to have a review of the fund? You did say starting next year, possibly.

The Minister for Social Security:

I think the preliminary work is already happening in terms of the funding model. I believe that is already underway - it has been underway for some time - and then when we start bringing it together. So I am saying next year. I have not really sat down and worked out what the timeframe would be, but I would think it will be quite a significant piece of work. I think it will take a reasonable amount of time to work through the options and decide on this one. Those are probably the main areas for the immediate term, and we will also be doing ... there are some little tweaks for the Social Security Fund I would like to look at. There are things with Employment Law that we could look at, that we have got some ideas about. I think the funds and the pension and cost of living, those are the immediate themes for next year certainly.

Deputy B.B. de S.V.M. Porée:

They are not small, by any means.

The Minister for Social Security:

They are not small, by any means. No, I think those will keep us busy well into next year.

Deputy B.B. de S.V.M. Porée:

Okay. Thank you, Minister. I think you have given us an overall view.

The Minister for Social Security:

Have I forgotten anything? Does anyone else think there is a priority I have forgotten about?

Assistant Minister for Social Security:

No. I think one thing that is interesting for me as a new Assistant Minister, and a very fast-learning brief, is the extensive support that is managed through the Social Security team. They are an incredible team, having met most of them now, and actually to a large extent form the public face of a lot of government services, particularly around supporting people in their day-to-day life. So we really want to build on what already happens. There is an element, with what we are looking after and steering here, is maintaining and a business-as-usual process. As the Minister has said, there is a certain amount of tweaking which will always happen throughout any term, I suspect, as well as the big priorities that she has highlighted. So I think there is some substantial work. One of the things that is present within the current Council of Ministers is a real commitment for Ministers working together to solve problems, and the cost-of-living issue is a particular one, and the affordability group, which when it is formed will definitely represent that. But what is interesting with Assistant Ministers like myself is I am working across a number of briefs, so that means that there is a certain amount of cross-department working, which I think can only strengthen the outcomes over the next few years.

Deputy B.B. de S.V.M. Porée:

Thank you. I am sure your multi-tasking abilities through so many different briefs will be a positive thing in the long run. But thank you both for your contributions, and we are going to start with our set of questions. I am going to hand over to the vice chair.

Deputy L.D. Carpenter:

Thank you, Chair. Just before we do move on, you mentioned the affordability group. Are you able to confirm who is going to make up that group at this stage?

The Minister for Social Security:

We were just having a discussion about it. We have had some preliminary meetings. I think the likelihood is that Senator Boleat may chair that, and I think he and the Chief Minister are going to sit down very soon and work out the terms of reference for the group. We had a Cost-of-Living Group last year which was made-up ... in the last few years was chaired by the Minister for Sustainable Economic Development and had the Minister for Social Security, the Minister for Health and Social Services and the Minister for Housing. I think it is a wider group of people who have an interest. I think I will be there, Senator Boleat, Deputy Curtis, the Minister for Education and Lifelong Learning, because we are aware that part of the challenge of affordability is ... it is not something you can necessarily answer by just giving people money. I think the whole thing about proposing apprenticeships, so the Minister for Sustainable Economic Development may have an interest. It is in terms of how we promote people doing more learning, more education, upskilling. That will be part of it. I think it will possibly have a wider remit than the previous group, but that is being worked

on at the moment. We have had preliminary meetings with third-party stakeholders to start really listening to what they think the issues are, and we will be continuing to do that, and then using those discussions as the groundwork for the longer-term view on cost of living and affordability.

Deputy L.D. Carpenter:

Thank you, Minister. Moving on, the States Assembly agreed in 2023 that whistleblowing legislation should be introduced. Can you provide an update on the status of the draft law and when you intend to lodge that?

The Minister for Social Security:

The draft law was lodged as an R. by my predecessor, I think, earlier this year.

[14:15]

Given what I have just said in terms of what we think the main priorities are going forward, I do not expect that to be coming forward again next year. It is important that we think about whistleblowing, but I think what I would like to do is just really be clear that there is a need and that this is the way to meet that need. So I would like at some point to do some further consultation. Whistleblowing is about good employment practices, but I think we already have quite a number of avenues if somebody in the workplace has concerns. There are lots of ways for people to raise concerns in a safe way, and I just think I would like to do a bit more work on are those avenues enough. Does this answer the problems? I probably have an underlying concern; we hear a lot from the business community about how difficult it is for them and the level of regulation, and it is all getting more than anyone can bear. So I just think I want to be clear that it is something that is really going to deliver. I have a slight suspicion on what we have at the moment, that it would create a lot more complexity around tribunal claims, a lot more cost for everybody. I think we just need to do a bit more work and that work will probably ... it will not be a priority for next year. As I say, I think there are things we could be doing in the employment sphere which would have a more direct impact on particularly low-paid employees. Unfortunately I am not able to talk about the Budget in any detail, so I think there are other things we could do in the employment sphere that would be more useful for everybody. Whistleblowing, will come back to it, but I think it will probably not be next year.

Deputy L.D. Carpenter:

Okay, thank you, Minister. What risks do you consider may arise from any delay in introducing that legislation?

The Minister for Social Security:

I am not sure there are significant risks because, as I say, there are methods for people to raise concerns already. The Financial Services Commission, I believe, have a supporting policy, the Care Commission have policies and procedures. I think if you were on a building site and thought people were being put at risk by health and safety practices, you could speak to the Health and Safety Inspectorate. There are lots of avenues around there, and it is not immediately apparent to me that it is something where there is a crying need, that there is a lot of evidence of need, of real gap in the gaps for employees who want to raise concerns. There are processes in the public sector health. We have the Freedom to Speak Up Guardian. There are lots of places where people can. So I think we just want to be ... deferring the work for a little while I do not think creates significant risk because I am not aware that there is a significant problem at the moment. So we just want to review those 2 things, that the need is there.

Deputy L.D. Carpenter:

With regards to the draft law itself, are you satisfied that it does provide sufficient protection against dismissal, detriment and retaliation for individuals who make disclosures in the public interest?

The Minister for Social Security:

I am not sure that if all we can do is say to somebody you get an unfair dismissal award, then that may not protect them. I think to truly protect somebody who was raising a massively significant concern about criminal behaviour or whatever the behaviour is that is of concern, an unfair dismissal award is not necessarily going to be enough. But if we are in the realms of unlimited fines and penalties, that is a very, very hard sell, even to the Assembly. So I am not sure, and I have read the report and I have read the background paper, I have not actually read the law, but I have some doubts about it, and I have doubts as to the necessity. I have doubts as to whether it will really do what it needs to do, which is why I just think it needs more work.

Assistant Minister for Social Security:

Do you mind if I just make a comment? Across our industrial base in Jersey, many of the industries already have whistleblowing protections hardwired into the way they operate. So actually, there are quite extensive protections already in place. Given the recent election and the demands of the public about what the Government focuses on over the next 4 years, I think, as the Minister said, we are going to deliver this, we are intending to deliver this, but it is not going to be one of the highest priorities while we focus on things that are really affecting people on the day-to-day, such as cost of living, et cetera.

The Minister for Social Security:

Yes. We will do more consultation on it. I just think it needs more work.

Deputy B.B. de S.V.M. Porée:

Can I just come in very quickly? In terms of whistleblowing and not being looked at as a priority, I know those structures are in place in many areas of employment, but not at all in some other areas. I think it would be interesting to look into that, especially for manual workers you find that those kind of protections are not applied as such, because people do still feel fearful of communicating issues due to the consequences.

The Minister for Social Security:

That is why we need evidence of that but, when we say whistleblowing, what is it that people ... because it has to be ... to have a law there needs to be something that is really either dangerous to the public ...

Deputy B.B. de S.V.M. Porée:

Based on evidence.

The Minister for Social Security:

... based on evidence. What is it we think that people are going to find that they want to complete, but not blow a whistle about, that is not already being addressed? Because so many businesses are audited and there are so many regulators. If you thought you saw criminal behaviour, you have probably heard the police are promoting an app where you can go on to an app and upload information, and the police have anonymous lines if there is criminal behaviour. So what is it that people are going to whistle blow? Because if it is an employment grievance ... and that is my concern, I think that is the thing that we need to guard against is something that is basically an employment grievance becoming whistleblowing when it is not whistleblowing. We need to be very clear about what it is that people are complaining about. I think it needs more work, given everything else that we have on. For example, the cost-of-living things is a priority more than this is. I am just querying the need for it in the form it is and whether it does the right thing, and we will come back to it.

Deputy L.D. Carpenter:

Finally, Minister, what feedback has been received from stakeholders since the draft law was published?

The Minister for Social Security:

Since publication I am not sure. Is the consultation still open?

Associate Director, Cabinet Office:

There is an ongoing email address for people to send responses in. There have been a small number of technical useful comments for that.

The Minister for Social Security:

I think even the consultation, before the law was produced, was relatively small as well. It was a handful of organisations for employees, 3 employers, and representative bodies. They were of a scale and size that it gave us acceptable data but there was a quite a small response to the original consultation. I think we also just need to think that are we getting to the ... have we got enough of a response. But I think everybody was happy with that, but it is quite small numbers.

Associate Director, Cabinet Office:

It is a very technical area and so the responses we got from the consultation were very long and very technical, and that is what you would expect. It is not one where you are going to get hundreds of people just writing in. Whistleblowing is different from employment legislation. As the Minister says, it is quite a specific right, and the people who will be interested and will provide good feedback to a Minister on those rights are going to be quite a small group of people in any event.

Deputy L.D. Carpenter:

Thank you, Minister.

Deputy C.D. Leck:

I have got some questions around affordability and the cost of living, which actually relates to the Back to School Bonus Scheme, which obviously is a pilot scheme introduced this year. I am just wondering how you intend to measure its success and what criteria will be used to determine whether it should be repeated, amended or made permanent; for instance, information on the number of families who applied, the number who received payments and the overall cost of the scheme.

The Minister for Social Security:

It was I think reasonably successful. We know the kind of numbers, so just over 1,800 families would have received payments. The payments were £100 for a primary child, £150 for a secondary child. So that was just shy of 1,500 primary-aged children and 1,150 secondary-aged children. Payments were made in respect of those. So that is just over 2,600 children; 1,800 households would have benefited. You would have to assume that receiving some element, depending on the number of children, would have been helpful to those families. We will do an evaluation of it, and it will have to be proportionate. It is possibly, I think, difficult to measure, so we will be looking at the numbers and how it was taken up as opposed to what our forecast might have been. We will try to go into the characteristics of the families using what demographic and data we have. We will also

look at the efficiency; administratively, how easy is it for us to deliver, because if we are ... it is relatively small amounts of money, so we do need to make sure that the administration can work cost-effectively as well. I have no reason to believe it did not, because I think we have used a system that was already largely in place, and some kind of overall evaluation of value for money. I think we will probably try to talk to families or talk to schools to see how they feel about it. Some of the stakeholders we have spoken to recently have said that is all very well but you have hit the wrong end of the school holidays.

Deputy C.D. Leck:

We have already bought the uniforms.

The Minister for Social Security:

It is not when we need it. There are various questions about school uniforms that could be addressed generally. We will look at all that data and we do have a plan for next year, but that is in the Budget.

Deputy C.D. Leck:

You mentioned that the amounts are relatively small. Do you think they were enough to make a meaningful difference to those who ...?

The Minister for Social Security:

I think they probably were on a per child basis. I have to confess, I do not know how much it costs to buy school uniforms or shoes, or whatever other things you need for school. But I would have thought £100, £150 per child to buy at least certain elements of a school uniform and shoes and things like that. That seems to me to be a decent number. We have been contemplating whether giving a larger number for older children was right, whether younger children are actually more costly than older children. These are all things that ... we will do an evaluation of this, but we already have some thinking about how it might be adapted for next year.

Associate Director, Cabinet Office:

I think we can say it was very well-received by parents in the sense that the take-up when the scheme was launched was immediate. We did not have to look around for people to claim the benefit. We got a very quick, very sharp uptake. People asked for it. It was very efficient. It was a very efficient process and we did not find many stragglers afterwards. People wanted it. I think there was a very clear understanding that it was useful to the parents who were able to get it.

The Minister for Social Security:

Yes, I think the households that received it I am assuming would have been glad of it.

Deputy B.B. de S.V.M. Porée:

So is it fair to say that you are already considering bringing the scheme back with an improvement?

The Minister for Social Security:

A variation for next year.

Deputy C.D. Leck:

Why was the household income threshold of £75,000 chosen and what analysis was undertaken to ensure that threshold was appropriate?

The Minister for Social Security:

I was not there.

Associate Director, Cabinet Office:

I can answer that.

The Minister for Social Security:

If you do, because I was not there when it was created.

The Minister for Social Security:

A different Minister set the limit. The previous Minister looked at the maximum income that a family with 2 children would get income support, and that was about that level. So that was the choice.

Deputy C.D. Leck:

Okay. Then the scheme used household income from 2025 to determine eligibility.

[14:30]

What assessment would you be making on the impact of families whose financial circumstances have worsened since then and who may therefore have been excluded from support?

The Minister for Social Security:

I think what we said there, because it is an unstatutory scheme and it has: "Here are the criteria", and I think with those it is quite difficult once you establish and publish criteria to say we will just change it on the hoof. So I think if somebody had ... who would have qualified or maybe just over if financial circumstances change and they have children, they may have fallen into the income support net. If you are on £75,000 and you are now on £60,000, our advice to those people was to

speak to the department and see what other benefits are available because they may have qualified for the Community Costs Bonus, they may have qualified for income support or there may be other support that is available to them.

Deputy C.D. Leck:

Would you consider an alternative eligibility criteria other than single household income threshold?

The Minister for Social Security:

I think lots of things do work around income threshold and number of children, because I think if you know you could have £70,000 ... if you have 3 children you will have income support entitlement and I think it gets very ... I am not sure how else you would do it other than make it universal or put a much higher limit on it. I do not know if you have got views operationally on how you would set the limits. I think we all think to income support you would start with your income support criteria as being the basis for some of these benefits.

Associate Director, Cabinet Office:

The single income limit, again, made it very simple to administer; it was very quickly checked.

Deputy C.D. Leck:

Yes, you said you did not want the administration costs to be too high.

Associate Director, Cabinet Office:

So the more you try to make it complicated, the more time you spend and the more money you spend actually administering the scheme, which is only going to give you £100 per child. So there is a balance to be met between complexity and simplicity.

Chief Officer, Employment, Social Security and Housing:

Especially when it is a pilot. If it is an ongoing benefit it is much easier to justify spending a lot of time designing it to make sure it is fair. When you are doing something which is for a year to see how it goes, having a simple criteria which you can apply means that you get it up to speed quickly, roll it out to make it easy for people to understand, and then do the evaluation on the data that you receive back from it to inform what may happen in the future, which is in effect what we have done.

Deputy C.D. Leck:

Okay, thanks. That covers the questions I wanted to ask on that.

Deputy L.D. Carpenter:

Sorry, Chair, can I just ask one more question on that? You mentioned, Minister, that you would be looking to go out to schools for feedback. Could I ask what kind of feedback you would be looking for from the schools?

The Minister for Social Security:

It would probably be very high level just to what was their experience of children starting school? Did they see? They obviously have got better ideas, but it seems to me if we can go to school teachers and say: "Well, did you see children coming to school in new uniforms and new shoes?" What was their take up as well? I think schools often have a better ... they have quite a good understanding of the circumstances of the pupils. So it would be just to see whether the schools thought it had been well taken up, but I think it was. If you had 3 secondary children, that was £450, so I think it was a good benefit. It was a good thing to do. As Sue says, it was taken up very quickly, and I think families have really appreciated it.

Deputy L.D. Carpenter:

Thank you, Minister. How would you be helping schools actually identify which children benefited from the scheme?

The Minister for Social Security:

I do not think we would. I think it would be just more a general, do you have a view? What was your observations? Do you have any observations? I think it would be along the lines of ... we would not be saying to schools: "Did this child turn up with new shoes?" It is not that kind of ... it would be very ...

Associate Director, Cabinet Office:

The schools would not know. We are not sharing that information with the schools.

The Minister for Social Security:

The schools would not share that information with us anyway. So it would just be more a general observation what was there. Did they notice any particular difference in children's readiness for the new term? They may well say: "Well, no." It is just really I think talking to schools, given that it was about back to school and readiness for back to school it would seem counterintuitive not to talk to the schools about what they saw on the ground.

Deputy B.B. de S.V.M. Porée:

Have you thought about extending that conversation further on to parents who have benefited from the scheme and perhaps asked what did they use the funds for in terms of priorities? Is that

something you would consider? Because that should give you a more accurate understanding of what the money has been used for rather than asking the schools. But just an idea maybe.

The Minister for Social Security:

Yes.

Deputy B.B. de S.V.M. Porée:

I know for a fact that footwear are very expensive for children. They go through quite a lot and they have different subjects where they have to use different shoes.

The Minister for Social Security:

Yes, and I am told you can spend a lot of money on football boots. I have never had to buy them myself.

Deputy C.D. Leck:

Not for nephews and nieces then.

The Minister for Social Security:

They are older. No children in my family anywhere.

Chief Officer, Employment, Social Security and Housing:

I think this has been a very interesting discussion. I think we can feed it back into the team. We will be shortly starting an evaluation and they can look at all of those options and how practical it is to go out. It is 1,800 households, the chances are not all of them will respond, but we could look at something simple to get feedback from them.

The Minister for Social Security:

A simple survey, yes.

Chief Officer, Employment, Social Security and Housing:

The schools as well, we do know ... I cannot share it, but we know which schools saw bigger take up than others, so we can ensure that we are targeting our engagement to the schools where we know there should have been the greatest impact and find out whether they saw that coming through.

Deputy B.B. de S.V.M. Porée:

It all helps towards data collection, does it not?

Chief Officer, Employment, Social Security and Housing:

Absolutely.

Deputy B.B. de S.V.M. Porée:

What generally are in the questions the more you will find out ...

Chief Officer, Employment, Social Security and Housing:

Absolutely.

Deputy B.B. de S.V.M. Porée:

... details of it.

Chief Officer, Employment, Social Security and Housing:

I very strongly believe if you are doing pilots, the whole point is ... or it is not the whole point, some of the point is to support the people immediately, but also collecting that information and using it to refine policy as we move forward is really important as well, and it is a really important opportunity that we need to take as we go through.

The Minister for Social Security:

Yes, and I would not want anybody to think that we are going to schools to ask them to tell tales. It is really just their general observations. That would not be a fair thing to do, so it is just a general observation at a high level what they thought.

Deputy C.D. Leck:

They might have views on the take up, might they not? They might think a certain number of pupils turned up with new uniforms and new shoes, and you would have expected maybe 10 or more to have come but did not. So that sort of raises the question on the take up, does it not? Why certain people would have used it.

Chief Officer, Employment, Social Security and Housing:

Even that tells you something. Because if the parents spent the money on something else, that is probably because that was a more pressing need than uniform. So assuming that they did not spend it on something on frivolous, does it need to be a uniform or a back-to-school amount, are there other pressures that parents are facing where the money was more sorely needed? It is a question that we can ask.

Deputy B.B. de S.V.M. Porée:

That is a very good point.

Chief Officer, Employment, Social Security and Housing:

So we can, as I said, pick it up as part of the evaluation.

Deputy B.B. de S.V.M. Porée:

Okay. Thank you. I am aware of the time, so we are going move on to the next area, and I am going to be asking some questions about a long-term care scheme and its financial sustainability. So recent expenditure on the Long-Term Care Fund has risen more quickly than anticipated in 2021 actuarial review. Minister, can you please explain the principal drivers of this increase? Would you tell us whether the Government remains confident that the fund is sustainable in its current form?

The Minister for Social Security:

I think the main drivers for the increase in spend from the fund are just that we have an increasing number of people asking for long-term care, needing long-term care, and needing the support of the fund. It is available to everybody who needs care. So it is the greater numbers of people coming through and greater numbers of people coming through who have more complex needs, and I think that will continue. People are living older, although my recollection from ... was it the Social Security Fund, not quite on point, but my recollection of the last actuarial review was that they kind of said: "Well, people are not living even longer, that there was a bit of drop in mortality." The big picture ... I have gone off on a tangent, but there was something. But people are living longer than they did 50 years ago, but while they are living longer they are not necessarily living longer in good health, so there are care needs, there is increasing care need. I think the cost of provision has gone up, and is it sustainable in its present form? It will need more income at some point. I do not think there is any question around that. We have done a review of the long-term care scheme and there are numerous options, but as usual there are things you could do, but none of them ... they are not all necessarily comfortable. So we either find more money for the fund, or you would look to reduce the benefit, which could be counterproductive because if people are not getting the level of care they need, they may end up having falls and injuries and illnesses and being in hospital more, or we look to the market. Looking to the market is something that we can do. Look at how care is provided, look at better use of – the word that strikes fear in everybody's heart – technology. There was a piece on TV yesterday morning about various things that can be placed in homes to enable people to live independently for longer. So there are things in terms of how can care be provided more effectively? How does the market work? But those are not things that we will necessarily work through quickly. So I think at some point in the not too distant future it will need more funding.

Deputy B.B. de S.V.M. Porée:

So in that frame, when you say "in the future", what timeframe are you talking about before you have to ask?

The Minister for Social Security:

Again, there is a proposal in the Budget so I cannot spell that out. But we have been thinking about that and it will have to ... we have a proposal in the Budget and something will come to the Assembly next year. But I think we have to remember that this is a really, really good scheme. It does pay out some very significant sums of money. If you have level 1, that is up to £28,000 a year, level 4 is up to £78,000 a year that people are receiving towards the cost of care. Now, the cost of care is very expensive. The cost of care generally seems to be very expensive, and that is something we need to almost try and think about why that is and why it is so expensive, and the more we can do to make it more efficient. But this is a very good scheme and not many people ... the U.K. (United Kingdom) do not have one at all. The new Prime Minister has said he is going to sort out the problem.

Assistant Minister for Social Security:

If I may as well. So Jersey's system around caring for the older generation is ... as the Minister said, the long-term care scheme we have in here on the Island compared to what is available in the U.K. is quite exceptional. We need to review it, I think. The growth in population, the longer life with necessarily more years of ill health which then needs more care around it is obviously impacting.

Deputy B.B. de S.V.M. Porée:

When you say, sorry, about reviewing, you mean what ...

Assistant Minister for Social Security:

Where the funding structurally is and sustainability of it.

Deputy B.B. de S.V.M. Porée:

To bring in line with what, U.K. is presently providing?

Assistant Minister for Social Security:

No, we are way ahead of the U.K., we are not going there.

The Minister for Social Security:

We are not suggesting ... the U.K. has not got anything like this.

Assistant Minister for Social Security:

So what is interesting though is the Minister has also already referred to some of the work that is happening across Ministries with the Health Department and a healthcare strategy, which I suspect you are going to come across in a different Scrutiny Panel, but that piece of work is in drafting form

at the moment, but like most jurisdictions in the advanced world is very much focused about community based healthcare modelling. So that tends to bring in, as the Minister said, the use of technology, the use of teams in the community where people are at home, and those healthcare models do tend to be slightly less expensive than care home facilities, et cetera. So there are different ways. The actual other advantage of that is people generally prefer to be in their own home rather than being in an institution or a care facility. So their outcomes tend to be better for longer in that respect. So there is not only a better outcome for the person in their quality of life but the cost is a bit lower, and so that will need to be factored in to whether this support package is reviewed. But it will form part of the wider healthcare strategy which the Island needs to introduce.

The Minister for Social Security:

We will have an actuarial report on this as well, will we not? Yes, in the spring. So that will help us with the planning. But we do at the moment have an increasingly older population and we will just need to monitor closely. But the thing is we will do something. You would not just sit and let it go, run out. We will be monitoring it very carefully and continuing to do work in the background with as much as we can in terms of the cost of care. I know that the Minister for Health and Social Services is, as most of us are, very keen on more preventative health measures. So the longer we can keep people healthy and independent, the better.

[14:45]

Chief Officer, Employment, Social Security and Housing:

Just to add a little bit of context, this is not new news. So the last actuarial review said the income ... all else being equal, income would have to increase, I think, by 2030. What we are seeing, is with some of the actuarial reviews working on long term, so in the short term it has come forward a little bit. That was signalled in last year's budget by the previous Minister and it will be covered again in this year's budget.

Deputy B.B. de S.V.M. Porée:

Yes, and that is obviously one of the priorities for you in the Budget, but would you be looking further in terms of maybe changing the contribution rates, eligibility criteria or benefit levels as part of the ongoing review of the scheme?

The Minister for Social Security:

Contribution rate, as I said, there will be something about that in the Budget. It is not massive. Well, there will be something about that. I think that is something that will need more money in the short to medium to long term. I think eligibility criteria probably not at this stage because it is available to

everyone, and reducing the benefit would be ... as I say, the risk of not giving people care when they need it is difficult. It makes that more difficult.

Deputy B.B. de S.V.M. Porée:

Okay. I think we are happy to leave this one there. Thank you, Minister. So how is the department modelling the impact of Jersey ageing population under future L.T.C. (long term care) demand? What are the latest projections for funding expenditure over the next 10 to 20 years. Is this something you would be prepared to tell us about now?

The Minister for Social Security:

I think that is something that will largely come out of the actuarial review. The actuarial review, as I understand it, will look at the demographic projections against the benefits against the costs. That will give us some guidance there and that will tell us how urgently we need to do things to ... I do not want to use the words "best case". The best case is the actuarial review says it was better than it was in 2021. We do not want to be significantly worse. If they are saying: "Well, it is pretty much what we said last time" ... we would hope not to have significant surprises out of that report. That is our next staging post, the actuarial review.

Deputy C.D. Leck:

What is the timing of that in terms of when the review is going to be completed and when you will have had enough time to consider it and decide what actions you are going to do? Do you plan to do that in the next 6 months?

The Minister for Social Security:

I think by spring of next year.

Deputy C.D. Leck:

Right.

The Minister for Social Security:

That may be end of quarter one, may be early quarter 2, once we have got the reports and digested and absorbed and done some thinking around them. I am not quite sure if there is a timing for publication, but I would think by spring of next year.

Deputy C.D. Leck:

Do you think today's working-age contributors can expect to see the same level of care, adjusted for inflation, compared to when the scheme was set up in 2014? Or is that crystal balling?

The Minister for Social Security:

I do not know. I think that is getting into crystal balling. If you are 30, if you are young man now, if you are at Deputy Carpenter's age - I am guessing your age - I think he has probably got a long way away from ... it would be difficult to say, but I would certainly think we have also got to think about intergenerational fairness. The principle of all these funds is that if you are making contributions you should have an expectation that you will get something back at some point. There is an element of crystal ball in that but the actuaries will hopefully help us with that.

Assistant Minister for Social Security:

On top of the actuaries and the work, healthcare by its nature is a rapidly moving sector. It is quite difficult to predict what healthcare could look like in detail in 5, 10 years because of the amount of innovation that comes through that industry and that sector and support. The Minister touched on A.I. (artificial intelligence) and we see across the world robots being used to deliver care. Now, that may not be everyone's ideal scenario but they are being very effective in Asia. That means that the potential is that you will get a better level of care in the future with the innovation. Healthcare, as an industry, as I have said, has been quite extraordinary in the amount of innovation that has driven through the system. It is one of the reasons why these systems are almost a bit of a victim of their own success because we live for much longer and the quality of life is going much longer into life as well. We just need to reinforce and help develop that. It makes modelling something like a long-term care scheme ... as the Minister has said, Jersey Islanders benefit from quite an exceptional scheme, so it makes modelling that into the future complex. There is a new healthcare strategy which is going to be more community based, as I understand it, coming through. These things are all going to lend into the quality of service and the benefits that people get. We just need to work out how we fund it and making it sustainable.

Deputy B.B. de S.V.M. Porée:

Making it sustainable in the long run and fit for purpose, not for us but for the likes of the younger generation.

Assistant Minister for Social Security:

Absolutely.

The Minister for Social Security:

I think Deputy Carpenter is more likely to get robotic care than we are. **[Laughter]**

Deputy B.B. de S.V.M. Porée:

We are going to move forward very quickly. Are you happy with that?

Deputy C.D. Leck:

My questions have been covered by that. Thank you.

Deputy B.B. de S.V.M. Porée:

In terms of domiciliary care reforms, the LaingBuisson financial review of the domiciliary care market in Jersey and the resulting Ministerial action plan states that the standard hourly rates and co-payments were intended to support both fairness and sustainability. What evidence is available that these reforms have achieved those objectives since implementation?

The Minister for Social Security:

We have gone for a standard rate. The LaingBuisson report did ... it was a known problem that providers were all charging different rates. That has developed into a standard rate which does create fairness. What also happened at that stage was we created a brokerage system where packages could be placed on different providers in a fairer way. It is definitely fairer to everybody; to the providers and to the clients. We have also added some other rates. Initially, there was a care rate. We now also have rates for ... if the care company is providing a cleaner, you would not necessarily want to be ... a professional carer is not necessarily a cleaner so there are different rates for things like that. Short visits, whether you are there mostly to sleep overnight or whether you are likely to be getting up and providing care overnight, and then for individual care. I think all of these things create a bit more flexibility and will make the system work more effectively.

Assistant Minister for Social Security:

There are 2 other elements which ... domiciliary care services are regulated and the Care Commission pays exceptional attention to the clinical delivery and the care delivery and the standards. They ensure that the organisations operating in this sector are operating at acceptable or more than acceptable levels. It is one of the areas that Jersey once again sets quite a high standard. The standard of care delivered to people through the domiciliary organisation, Jersey is actually ... there was never a race to the bottom in Jersey, which I am pleased to say. That is credit to the Care Commission for doing that. Also, as it does operate as a market, the J.C.R.A. (Jersey Competition Regulatory Authority) has done a review on the marketplace and how the domiciliary care agencies operate in that space. It has found from that point of view - which would feed into value for money from the long-term care scheme - it is a well-functioning market. On those 2 levels of cost of delivery and trusting whether that is a fair market delivery, but also more importantly the experience of the recipient of care are both covered with organisations that sit outside of Social Security. They are independent to this organisation. They hold the organisation to standard, so that can give us assurance that the money we are spending on long-term care is hitting the point.

Deputy B.B. de S.V.M. Porée:

Is there any provision to support those who have not been eligible for means-tested support but still face higher care charges? For those who, for some reason, are not entitled but, due to their condition, they become over burdened by ...

The Minister for Social Security:

The level of your finance should not stop you from getting care. The scheme works on the basis that if you have enough assets, you should make a contribution to your own care for a period but once you have made that contribution ... if you are unable to make the contribution, there are ways of addressing that. I am not aware that anybody should be denied care because of lack of funding.

Associate Director, Cabinet Office:

The scheme disregards the first £419,000 of assets. You would have to have more than £419,000 of assets and not be able to afford it, which seems unlikely. If those assets are in the form of a house, which is quite often the case, you can get a property bond so therefore you can release the money. It is almost like a government-sponsored equity release but it is at a much more reasonable rate of interest than the commercial equity release. It is quite a good deal. You should never be in a position where you would not be able to afford your own care because we have very generous disregards against people's assets. There are also extra rules around income which means that if you do not have enough money, if you have got a partner living at home and you need care, we make sure that the partner has sufficient income to live on. We do not expect you to use their money to pay for your care. The scheme, at every point, takes account of your household situation, the desire to maintain savings within the family unit, the desire to maintain the family home as an asset for future generations to decide what to do with it.

Deputy B.B. de S.V.M. Porée:

Thank you for that answer. The Jersey Audit Office noted that Jersey relies relatively heavily on residential care compared to other jurisdictions. What progress has been made in shifting support towards care at home? I suppose the Assistant Minister has responded to some of that. What effect is this expected to have on the long-term cost of the scheme? We are looking at where we can support people best, as you have mentioned earlier on, and how that can affect the cost of the scheme.

The Minister for Social Security:

I think the rates are the same regardless?

Associate Director, Cabinet Office:

Yes, the rates are the same. The data that we have got up to date is that we now have more people getting care at home than in residential care. That is a massive change from ... you must adjust ...

The Minister for Social Security:

Just over 1,000 at the end of August, 1,058 receiving care in their homes and 1,013 in residential accommodation.

Associate Director, Cabinet Office:

That is a good balance.

The Minister for Social Security:

That is the balance. There will be people who want to stay at home and have a care package and that is what is best for them. There might be other people for whom the best result is to be in a residential home. Possibly, if you are on your own, being in a residential may be a better environment for you because there are other people around than just being on your own and the carer coming in twice a day. It does enable people to get the care that suits them and addresses the level of their care need.

Assistant Minister for Social Security:

Going back to the 2 points about the healthcare strategy and how that is going to potentially change the way people access care, Jersey has got a really good private care system, et cetera.

[15:00]

But if you look around the world, there is some really quite innovative stuff going on. Housing plays a serious role in here. The new Minister for Housing is looking at housing models. There have been constant conversations around releasing housing into ... helping the housing system work for everyone, and that includes older people. Some right-sized housing models, et cetera, that you see operating in the world which then - by combining collocation with other people, the younger people the older people - create more a community that helps people stay in their own communities longer. That lends itself to a different kind of care and support. This leads quite well into the point earlier about the cross-Ministerial working that we are planning to have going forward. It will be quite interesting to see if Jersey can take learnings from other parts of the world in supporting people to live at home for longer.

Deputy B.B. de S.V.M. Porée:

Thank you. Did you want to say something?

Deputy C.D. Leck:

No, that is fine. Over to Deputy Carpenter.

Deputy L.D. Carpenter:

Thank you, Chair. I have just got some questions on the state pension and the pension saver project. Given that the full state pension is currently just shy of £300 per week, what assessment has the department made of whether this amount meets basic living costs in Jersey?

The Minister for Social Security:

The state pension is probably built on a model that was developed a long time ago; 75 years ago. I do not think pensions were ever designed to replicate a full wage. They were always designed as a safety net so that people had a very basic level of income, and I think really the ideal for most people would be to align that as a safety net and have additional savings. We could not, if we were to suddenly say we are going to double the state pension, we would need huge amounts of extra contributions. There would be a knock-on effect because the fund could not sustain it. That is one of the reasons underpinning the proposed secondary pension, is that people who are starting now will have no time to source funds and pension when they retire. I think the initial project was a financial independence and old age, and what is that, but the initial report has been about financial independence. I think some of the J.O.L.S. (Jersey Opinions and Lifestyle Survey) surveys do say to people do they wish they had saved earlier, and people do not have the mechanism to enable them to save. The state pension will go up fairly soon. The state pension will be going up on 1st October by 4.7 per cent, and that is based on the R.P.I. (Retail Price Index) pension rate. So, we have R.P.I., R.P.I.X (Retail Price Index excluding mortgage interest) and then we have R.P.I for low income and pensioners, so it will go up by the pension rate, which is higher than the other measure we might apply, which would be average earnings. That means that single pension full rate will go up to £312.48, which is just shy of £16,300 a year. That is an increase of over £700 a year. That is a reasonable increase. But I think we do need to do more to ... and there are still pensioners ... overall, I suppose you could say that we are fortunate in Jersey in that we do have quite a large cohort of pensioners who are quite financially secure, and where there are pensioners who are lower income, we do have a range of income support and then other benefits, like Pension Plus, Community Costs Bonus, winter fuel payments to help. But I think to just vastly increase the pension is something that would be very, very difficult to do, while ensuring fairness for future generations.

Deputy L.D. Carpenter:

Thank you, Minister. Have you considered linking future pension increases to things like minimum wage or a locally defined minimum income standard, rather than R.P.I. or average earnings?

The Minister for Social Security:

Not at the moment. There is a formula at the moment, because we have to remember that it comes from the fund. It comes from the fund, and if you ... what you do to the pension will impact, then

come into the fund, and that may mean contributions, there is States grant, it may mean contributions from the public. So, any dramatic changes would have to be looked at very, very carefully and in consultation with actuaries. I think setting it at R.P.I. or the R.P.I.X., which is a pension measure which reflects pensioner spending ... there are things in R.P.I. that pensioners would not ordinarily spend so much on, they will have more fuel costs and things like that. So, fuel is more heavily weighted in that basket, if you like - although I think you did tell us it is in baskets - but there is a pensioner basket, and I think that is good, because you cannot necessarily replicate wages, because there are so many variations in wages, and average increases in one sector could be quite different from average increases in another, as we have seen quite recently.

Deputy L.D. Carpenter:

Thank you, Minister. The previous panel heard concerns from individuals who had achieved the full contribution record for a state pension but are required to continue paying social security contributions until pension age, despite receiving no additional pension entitlement. Could you clarify what the policy rationale for this approach is, and have you considered reforms to address the perceived unfairness of that?

The Minister for Social Security:

I think the policy rationale is probably just it has always been that way. It has probably been like that for a very long time, and possibly it has not been such a big issue. People have not necessarily focused on it; people have stopped working it. I do not know. We think it affects about 50 people a year in that category, so it is not a huge number of people. But, yes, I do see the concern. We are going to look at it. That is one of the things I do want to look at. It is not necessarily as straight forward as it sounds, because if you are, let us say ... I do not know, what age would you be? Let us say you are 60 and you have achieved your full payment record, is that feasible? Anyway.

Associate Director, Cabinet Office:

No. Make it 64.

The Minister for Social Security:

If you are 64 and you have your full payment record and you are still working, and you are still happily working, that is fine, but you will not get more pension by paying more. But if you stop paying contributions and you are still working, what does that mean for things like short-term incapacity? Because contributions pay for more than just pensions, they would pay for short-term incapacity, they would pay for other kinds of grants. It is not inconceivable that somebody who is 64 could marry somebody who is much younger and have a child and want the parental grant, and that goes to contributions. I know, God forbid. So, that is probably an extreme example, but there are a range of other benefits for working people and if you say you cannot pay and there is a H.I.F. benefit, so

there is the prescriptions, the G.P. (general practitioner) visits. So, it is not necessarily ... I am sure we can find a solution, but we are thinking that and that is one of the things that we will look at next year.

Deputy L.D. Carpenter:

Thank you. Are there plans in place to expand access to schemes like Pension Plus and the Health Access Scheme, in particular for pensioners who fall just outside income support thresholds?

The Minister for Social Security:

I think that is something we would just generally keep under review, but it is not specifically ... I think with Pension Plus, the take up is already less than it could be. I think there are always things you could do in terms of possibly expanding the benefit, rather than ... or eligibility. I think it is something we just review on a regular basis.

Associate Director, Cabinet Office:

There has been an increase in eligibility quite recently, so earlier this year the tax limit ... so it used to be available to pensioners who did not pay tax - about half of all pensioners do not pay tax - and that was expanded to include pensioners who paid up to £1,000 tax. So, that is both the Pension Plus and for the Health Access Scheme. That is available to pensioners with incomes in that level, and also to pensioners who are on income support, who also get Health Access Scheme automatically. It has been expanded quite recently is the answer, and we have really led that.

The Minister for Social Security:

Yes, and we changed the asset criteria as well. Because I put the asset criteria up quite significantly.

Associate Director, Cabinet Office:

Yes, you changed that. Yes, and then it went up. It probably doubled. It went up a lot.

The Minister for Social Security:

We took it to over £64,000 and it is always the ... at what point do you say: "Well, if you have got £64,000 in the bank, you can pay to see the optician yourself", or at what point is it fair to say to people: "Well, you have got money there, and other people are really struggling"? So, it is always a difficult balance, but we have increased the asset criteria. There are things we could be looking at with pensioners, but it is just a general review on a regular basis.

Deputy L.D. Carpenter:

Thank you, Minister. With regards to the Jersey pension saver projects, you mentioned at the beginning of the hearing that you do not think that will necessarily be up and running within the next term, I think I am right in saying?

The Minister for Social Security:

I think maybe I am being pessimistic. I think the reality of us continuing work on a plan, getting the infrastructure around a scheme, getting businesses ready, consulting with everybody - consulting about what the kind of levels might be - I think that will take some time. The legislation, I imagine, will be reasonably difficult. We may have to do some work around ... there was ongoing work around pensions regulation that has - largely due to changes in personnel, I think - taken a bit of a back foot, but we might just bring that work forward as well. There are quite a lot of elements to be brought together. If we could do that in 4 years it would be fantastic, but I suspect it will take a little bit longer. But I think we should be trying to do it as soon as we can, because the sooner you start saving the better the outcomes are.

Deputy L.D. Carpenter:

Will the proposed scheme be mandatory for those eligible, and if so what exemptions or phased implementation measures are being considered?

The Minister for Social Security:

There would have to be a phased implementation. Pension schemes can vary in the contribution levels between employers and employees. I think we have to reflect that in a small community probably everybody needs to contribute for it to get to a mass where it works effectively and cost effectively and efficiently. I think the word "mandatory" makes everybody very nervous. I think we were previously looking at a format where people could opt-out for a period, but then we would opt them in at some point. They would come in or you would have to regularly opt-out, because it is in everybody's interest to have a pension. It is difficult to see you will not need a pension, so the more people have financial independence ... and I think those people recognise it is a good thing. If you have some kind of pension provision it is a good thing. So, it would come in on a phased basis. My view is that it would have to be as simple as possible, so not much in the way of bells and whistles. You put money in, you get a pension out at the end, and there would not be much more to it than that, to make it work effectively. I am not sure if that has answered your question or if I have gone off at a tangent.

Assistant Minister for Social Security:

If you do not mind, I would like to add something to that as well. It is quite an interesting situation, pensions. I remember when I was a young man, the idea of having a pension never really even entered my mind, and I think that creates a bit of an opportunity gap, because the earlier you start

a pension, as I have learnt - as I have got older and learnt - the earlier you start the pension, the better you are positioned later on in life. To your point about mandatory, statutory, whatever, it is something that will need to be played out through the framing of whatever scheme comes up here. But we should be making sure we reinforce what we are doing with some uplift in financial education around independence into the school system, because I think there is ... I did a project a year or so ago which was about longevity and led the project. The element of the project was about pension systems and talking to people in the schools, et cetera, the gap that sits within our school system around teaching financial independence is quite disappointing really.

[15:15]

Trying to embed into people the desire to have a pension at a young age is probably more important than making it statutory, so that people volunteer to do it. "Volunteer is best from the press stand" et cetera, et cetera. That is going to be a key part of this, and again, with the Ministerial teams in Education, there are certain elements that I think the Island's society would benefit from, if we enable that kind of work to happen alongside this, and in fact this piece of work could be a vehicle for helping that happen.

Deputy L.D. Carpenter:

Are there plans in place to raise awareness among younger workers or is it some ...?

The Minister for Social Security:

That probably sits with the Minister for Education and Lifelong Learning at the moment. Deputy Romeril's ...

Assistant Minister for Social Security:

I was going to say, I will immediately defer to the Minister for Education and Lifelong Learning on that, because that is obviously part of ... but there is a demand for it.

The Minister for Social Security:

But I think there will be a degree of education involved in rolling this out, but I think using words like "mandatory" and "compulsory" creates a huge level of anxiety, although I think that may be ultimately what we do need to go for. But it would be on a very phased basis, and we would have a lot of consultation.

Deputy L.D. Carpenter:

Thank you. How would the scheme ensure portability and accessibility for workers in low income or part-time roles?

The Minister for Social Security:

Those are part of the issues we still need to go through. When you say “portability”, my vision is we have a single pot that sits in the Island, and it is certainly not the case that employers would be setting up their own schemes, but everybody pays into ... everybody has their own pot, and if you move job, you pay into it. If you move job, you have still got that pot and your new employer pays into it rather than having ... because what can happen is if you move jobs, you end up with quite a ... you might end up, if you are very fortunate, with a number of little pots that you have then got to try and bring together. I think simplicity of ... it is almost like linking a person to a pot and everybody puts the money into that pot, and even if you have 10 employers, those employers are still just paying into the one pot. I think simplicity is absolutely key, and we just need to work out. But low-income workers, I would imagine, you would like to think that it would be generally all go up and all wage increases moving towards fair reward packages. But there are a lot of employers who do offer pensions, but not universally, and they can be difficult to get if you are not on higher earnings ... to get an effective pension scheme if you do not have higher earnings.

Deputy B.B. de S.V.M. Porée:

Would it be fair - sorry to come in to ask - particularly in this question regarding workers in low income or part-timers that we may have to put a bit more thought into how that is going to affect them, because ...?

The Minister for Social Security:

Those are all things that will have to be considered. When we started work when I was here before, we made a lot of progress, but we had not drilled down into all of the details; so all of those things still have to be worked out. I cannot tell you now how that might work, what we might do.

Deputy B.B. de S.V.M. Porée:

Because they are obviously the ones who are less likely to get the secondary pension in their old age.

The Minister for Social Security:

Yes, so you would want them to be in the scheme so that they have that extra pot of money when they retire and not be reliant on income support.

Deputy B.B. de S.V.M. Porée:

Yes, and this is where I am saying maybe we need to look at their needs and how can we provide that to them as well.

The Minister for Social Security:

That will be looked at very carefully. That will be looked at very carefully.

Deputy B.B. de S.V.M. Porée:

Thank you. Can I just say I am very aware of the time? We are now 3.18, so we may have to rush through some of these questions. If I could just pass to Deputy Leck and you may be the last person to have questions.

Deputy C.D. Leck:

Yes. Before I start, Joanna, for my sake and Elaine's sake, could you turn the air con off? I noticed you are freezing like me. Just on the Health Insurance Fund, the C. and A.G. (Comptroller and Auditor General) in its report published earlier concluded that it is not financially sustainable in its current model. Do you agree with that assessment, and what is the current estimate of when the fund could be exhausted if no action has been taken, or is this covered by the actuarial review process which is taking place on other funds?

The Minister for Social Security:

The C. and A.G.'s report was not a surprise. I do not think it told us anything we did not already know, because the previous actuary report which was 2021 - covered 2021, paid up to 2021 - basically told us that. So we knew that the Health Insurance Fund is diminishing. It is still running ... have we got figures on the Health Insurance Fund? So I think since then, since the last actuary report, we have basically been taking a lot more out of it because we have increased the contribution for G.P. costs, we have now got the free child visits, or the children do not pay to see the doctor, students do not pay to see a doctor. All of those things come out of the H.I.F. There is - and this is one of the things that I think the Assembly as well needs to recognise - that if we are going to give people more things that they do not have to pay for, there is a cost from somewhere and the cost is being borne by the H.I.F. up until now. So it is spending more than it collects. We will need to do something about that, and that is why we have the ongoing work with the Minister for Health and Social Services about what we do in the long term, because while the projections are that it would expire, if you just keep taking money out without enough going in, it will eventually be exhausted. I am not sure if I have got an exact date.

Chief Officer, Employment, Social Security and Housing:

I am not sure of the exact date, but it is a medium-term issue. The deficit in the fund last year was around £4 million. So, £4 million going out than went in, and the fund is over £100 million at the moment. It is a truth that if we continue with that tracked trajectory eventually we will run out, but it is not within the next few years. It is certainly more of a medium-term issue.

The Minister for Social Security:

Yes, there is still ... so, I think last year, expenditure £60 million, income £56.5 million, with a balance of £107 million. So, there is still money there and it has still got money going into it all the time, but that is part of the ongoing work with the Minister for Health and Social Services' future funding strategy - I do not know if that is somebody else's - a long-term funding model for Health; the H.I.F. will be part of that.

Deputy C.D. Leck:

Do you see changes arising from G.P. fees and primary care of those benefits? Do you see those having to be reduced in order to make the fund last longer, or do you ...?

The Minister for Social Security:

Not immediately, no. We cannot keep taking things out of the fund at pace, but we have a system there. The system that is there at the moment, it is always very difficult to pull things back. Once people have things it is difficult to pull them back. I think that it will all be part of, because I do feel primary care sitting with Social Security does not really make any sense. The Minister for Health and Social Services, if you are going to have a holistic, coherent health system across primary, secondary and tertiary care, it really needs to be managed as one unit. That is why the work with the Minister for Health and Social Services is taking place. They are doing the visual work, and we will work with them in terms of what it means for the H.I.F. and what happens to that fund.

Deputy C.D. Leck:

What is the timescale for that?

The Minister for Social Security:

I think over the next year or 2. We are working on it at the moment. It is quite a complex area.

Chief Officer, Employment, Social Security and Housing:

Work has been done on that for a number of years already, and I think will continue through into this term. In terms of how the H.I.F. flows into that is something we will be actively looking at this year following the Minister's direction. But in terms of getting a sustainable healthcare funding model for Health, first you have to work out how much do you think health will cost and what it costs into the future as well, because, as you know, we have an ageing demographic and also people are getting sicker, there is more comorbidity. So, it is quite a complex modelling that needs to do just to know how much money you need. Once you know how much money you need to maintain the health service to the standard that all Islanders would like, how you pay for it and how you structure your financing to do that is another further question that needs policy work to happen. It is not a small

piece of work, I think it is fair to say, but, as the Minister said, the Minister for Health and Social Services and his team is leading that piece of work and we are inputting where we could.

Deputy C.D. Leck:

You see that in the next year or so, coming to being resolved, you hope?

The Minister for Social Security:

I imagine it will pick up over the next year, yes. There have been preliminary discussions about it, yes.

Assistant Minister for Social Security:

As far as primary care, there has been a quite sizeable evolution of primary care delivery over the last 20 years or so, where primarily this scheme was set up around G.P. appointments and medicine prescriptions, but the evolution of other providers bringing services in and taking services on, which may have a lower cost, is going to be impacting and, again, as technology feeds into healthcare services, particularly those in the community which is where the H.I.F. would tend to operate, there are going to be some cost deficiencies that are going to feed the system which, again, may mean that the patients will get better levels of care, at not necessarily higher cost. These are dynamics to be picking up on, on the point here, that we are in a really complex stage because of the work the Health Department is doing in assessing the longevity of the scheme, and it is going to be part of the mix that is coming down.

Deputy C.D. Leck:

Do you see the Health and Care Partnership Board having a role in its ...?

The Minister for Social Security:

No, I think that these are not really questions ...

Assistant Minister for Social Security:

They are not really a Social Security ...

The Minister for Social Security:

The delivery of care is not really a matter us.

Deputy C.D. Leck:

No, I was wondering whether it had an input into the H.I.F. and such like?

The Minister for Social Security:

I imagine it will have at some point. I do not know how the Minister uses it as a consultancy body, but funding, I think, may be slightly a different question. It is more governmental funding and how the funding works.

Deputy B.B. de S.V.M. Porée:

Sorry, I think I have just been made aware that there is some technical issue?

Female Speaker:

No, it is all right. We just have a final section on the Social Security Fund, but given the timing and the importance of that, we might put that in writing.

Deputy B.B. de S.V.M. Porée:

Okay, of course, yes. I will be happy. Have you finished?

Deputy C.D. Leck:

Yes, that is my questions done, yes, on that. Thank you.

Deputy B.B. de S.V.M. Porée:

Okay. So, for me as the chair, I would just like to say that we did have for you another set of questions concerning the Social Security Fund and actuary review, and some questions on the population and immigration, but if you are happy, could we follow those questions in a written format just in term of timing? We need to finish on time. So, okay. I would like to finish this public hearing by thanking the Minister, the Assistant Minister, the officers. Thank you all for your time and your questions. It has been invaluable just to have the essence of where you intend to move going forward. Yes, it has been a really good first public hearing to us. So, thank you for coming.

[15:27]