

STATES OF DELIBERATION

30th October, 2013

**Billet d'État No. XX
Article 11**

AMENDMENT (No.2)

Proposed by: Deputy D B Jones
Seconded by: Deputy M P J Hadley

**SOCIAL SECURITY DEPARTMENT – BENEFIT AND CONTRIBUTION RATES
FOR 2014 AND MODERNISATION OF THE SUPPLEMENTARY BENEFIT
SCHEME**

To delete proposition 28 (c) and substitute therefor:

- “
- (i) *supplementary benefit rates be increased as proposed in the two tables annexed to this Proposition under the columns headed “Housing’s proposed rates” (with rates for future years being inflated annually by RPI); and*
- (ii) *to note that the estimated additional expenditure of these increases is £6.58 million.*

Tables annexed to Proposition 28(c)

Short term rates (to apply for the first 12 months of a claim)

	Current rates*	SSD’s proposed rates	Housing’s proposed rates (61% of MIS)	Difference between Housing’s rates and...	
				Current rates	SSD’s proposed rates
Single adult	132.86	136.36	149.51	16.65	13.15
Couple	191.31	196.34	242.21	50.90	45.87
Non-householder couple	N / A	137.55	186.50	N/A	48.95
Non-householder (18+)	101.15	101.82	115.12	13.97	13.30
Non-householder (16 – 17)	68.81	101.82	115.12	46.31	13.30
Child (18+)	101.15	101.82	115.12	13.97	13.30
Child (16 – 17)	85.89	61.24	70.64	(15.25)	9.40

Child (12 – 15)	53.20		40.56	70.64	17.44	30.08
Child (5 -11)	38.64		40.56	52.72	14.08	12.16
Child (0 – 4)	28.14		40.56	52.72	24.58	12.16

Long term rates (after 12 months of a claim)

	Current rates*		SSD's proposed rates	Housing's proposed rates (70% of MIS)	Difference between Housing's rates and...	
					Current rates	SSD's proposed rates
Single adult	163.31		167.61	171.57	8.26	3.96
Couple	236.04		242.25	277.95	41.91	35.70
Non-householder couple	N/A		169.71	214.02	N/A	44.31
Non-householder (18+)	126.77		127.60	132.11	5.34	4.51
Non-householder (16 – 17)	68.81		127.60	132.11	63.30	4.51
Child (18+)	126.77		127.60	132.11	5.34	4.51
Child (16 – 17)	107.38		76.56	70.64	(36.74)	5.92
Child (12 – 15)	66.43		50.55	70.64	4.21	20.09
Child (5 -11)	48.16		50.55	52.72	4.56	2.17
Child (0 – 4)	35.49		50.55	52.72	17.23	2.17

NB: For reasons not explained in the States Report, SSD has chosen to use the same dependant rate for 0-4, 5-11 and 12-15 year olds; this is contrary to the benefit tables that were prepared, on SSD's behalf, by the Policy and Research Unit, which have a different, higher rate for 12-15 year olds. The benefit rates proposed by the Housing Department use this higher rate."

EXPLANATORY NOTE

This amendment will introduce a set of supplementary benefit rates that enable households to fund a standard of living that is explicitly linked to the Minimum Income Study (MIS).

The benefit rates proposed by the Housing Department will provide low income households in Guernsey and Alderney with income equivalent to 61% (on short-term rates) or 70% (on long-term rates) of the household budgets set by Islanders via the MIS process described in paragraphs 428 to 430 of SSD's report.

In this context, a household budget is, in effect, a minimum income standard tailored to a particular household size. Under this amendment, benefit rates linked to the MIS will be inflated annually by RPI so that they retain their value.

The two tables below set out and compare the current Supplementary Benefit rates with the ones proposed by SSD and those proposed by means of this amendment. The first table sets out short-term rates, the second one long-term rates.

Based on the Policy and Research Unit's model, if the States agrees the Housing Department's amendments, it is estimated that the Supplementary Benefit Scheme will cost an extra £6.58m compared with current expenditure, and £2.83m more than the proposals put forward by SSD.

As with SSD's proposals, funding for this additional expenditure will come from the Personal Tax and Benefits Review.

STATES OF DELIBERATION30th October, 2013**Billet d'État No. XX
Article 11****AMENDMENT (No.1)****SOCIAL SECURITY DEPARTMENT – BENEFIT AND CONTRIBUTION RATES
FOR 2014 AND MODERNISATION OF THE SUPPLEMENTARY BENEFIT
SCHEME**

Proposed by: Deputy D B Jones
Seconded by: Deputy M P J Hadley

To delete proposition 29 and to substitute the amount of “£650” for “£600” in proposition 28 (d).

EXPLANATORY NOTE

This amendment will increase the benefit limitation to £650 per week one year earlier than the Social Security Department (SSD) proposes (i.e. in January 2015 rather than January 2016).

STATES OF DELIBERATION30th October, 2013**Billet d'État No. XX
Article 11****AMENDMENT (No. 3)**

Proposed by: Deputy D B Jones
Seconded by: Deputy M P J Hadley

**SOCIAL SECURITY DEPARTMENT – BENEFIT AND CONTRIBUTION RATES
FOR 2014 AND MODERNISATION OF THE SUPPLEMENTARY BENEFIT
SCHEME**

To insert two new propositions 33A and 33B:

“33A. That the Social Security Department be directed to undertake a periodic Minimum Income Study along the lines of that described in paragraphs 428-431 of this report, each Study to be undertaken at intervals of no longer than 5 years apart.”

“33B. That the findings of each future Minimum Income Study be used by the Social Security Department to recommend to the States the appropriate benchmark(s) for setting supplementary benefit requirement/income support rates for the 5 years thereafter.”

EXPLANATORY NOTE

This amendment will ensure that: (i) there is a link between supplementary benefit rates and a MIS; (ii) this link is preserved for at least five years; and (iii) future policy in relation to benefit setting will be informed by an updated MIS.

STATES OF DELIBERATION30th October, 2013**Billet d'État No. XX
Article 11****AMENDMENT (No. 4)****(TO BE HELD IN RESERVE, TO BE USED IF NEEDED)**

Proposed by: Deputy D B Jones
Seconded by: Deputy M P J Hadley

To amend proposition 33 to read:

“That the States notes the cost of putting in place those transitional arrangements is estimated not to exceed £650,000.”

EXPLANATORY NOTE

This amendment is proposed if the Housing Department's other amendments are accepted, as the estimated costs of transition will reduce from the figure of £800,000 quoted in SSD's Report. This is because the benefit rates under Housing's proposals will be higher.

STATES OF DELIBERATION

30th October, 2013

Billet d'État No. XX Article 11

AMENDMENT

Proposed by: Deputy A R Le Lievre

Seconded by: Deputy M M Lowe

Social Security Department Benefit and Contribution Rates for 2014 and Modernisation of the Supplementary Benefit Scheme

To delete the figure of £500.00 in Proposition 18 (a) and substitute therefor the figure of £515.00

Explanatory Note

It has been the policy of the Social Security Department (since 1978) to increase the Benefit Limitation on each and every occasion that it has applied an annual or bi-annual increase to the basic Requirement Rates. Without such an increase, the Benefit Limitation nullifies any annual increase awarded in respect of those with the most need. The change in policy i.e. not to increase the Benefit Limitation is believed to be unduly harsh on large families or tenants in the private rented sector.

This amendment proposes an increase in the Benefit Limitation in line with RPIX of 2.1% with the figure rounded up to the nearest £5.00 as per convention.

In compliance with Rule 15 (2) of the Rules of Procedure, the attention of the States is drawn to the following extant States Resolution made on 8th December, 2010 –

“9 That the objective in the Fiscal and Economic Plan which provides for a ‘real terms freeze on aggregate States Revenue expenditure’ should henceforth be interpreted so as to include formula-led expenditure and that any additional formula-led expenditure which is greater than estimated will be funded

- (a) if possible from the Budget Reserve,
- (b) failing which, if it is not possible to balance States spending within the overall cash limit envelope then, notwithstanding that the Fiscal and Economic Plan objective of “real terms freeze on aggregate States revenue expenditure” will be breached, by an additional transfer from the contingency Reserve (Tax Strategy)”.

STATES OF DELIBERATION

30th October, 2013

**Billet d'État No. XX
Article 11**

AMENDMENT

Proposed by: Deputy A R Le Lievre

Seconded by: Deputy R W Sillars

**Social Security Department –
Benefit and Contribution Rates for 2014
and Modernisation of the Supplementary Benefit Scheme**

To delete Propositions 28 to 34 inclusive and substitute therefor:

“28. To direct that at their February, 2014 meeting and in accordance with Rule 18 of the Rules relating to the Constitution and Operation of States Departments and Committees the States shall form the Social Welfare Benefits Investigation Committee as a Special States Committee.

29. To agree that the membership of the Social Welfare Benefits Investigation Committee shall comprise seven members of the States as follows:

- a) A Chairman elected by the States who shall not be a member of the Housing, Social Security or Treasury and Resources Departments;
- b) A member of the Social Security Department determined by that Department;
- c) A member of the Housing Department determined by that Department;
- d) A member of the Treasury and Resources Department determined by that Department;
- e) Three other members elected by the States who shall not be members of the Housing, Social Security or Treasury and Resources Departments.

30. To agree that the mandate of the Social Welfare Benefits Investigation Committee shall be:

- a) To examine all aspects of the Supplementary Benefit (Guernsey) Law, 1971, as amended, and the States Housing (Tenancies, Rent and Rebate Scheme) (Guernsey) Law, 2004 in order to assess the appropriateness or otherwise of the legislation and associated policies in view of the economic and social changes since their inception;
- b) To develop a single, comprehensive social welfare benefits model to replace the Supplementary Benefit (Guernsey) Law, 1971, as amended, and the States Housing (Tenancies, Rent and Rebate Scheme) (Guernsey) Law, 2004, which single, comprehensive model shall be capable of fulfilling the social and economic objectives of the States;
- c) To ensure that during the formulation of a single, comprehensive social welfare benefits models, and in order to develop an objective rationale for the

determination of assistance that is both socially just and financially sustainable, detailed consideration is afforded to the long-term circumstances of, inter alia, the aged, the sick, the disabled, families on low incomes, families with three or more dependent children and persons with no further reasonable expectation of employment due to age or ill health;

- d) To ensure that during the formulation of a single, comprehensive social welfare benefits model consideration is afforded to the proposals of the Social Security Department laid before the States in Billet d'État V of 2012 and Billet d'État XX of 2013 and the letters of comment attached to those proposals by other committees of the States.

31. To direct that during the course of its deliberations the Social Welfare Benefits Investigation Committee shall consult with the full membership of the Housing Department, Social Security Department and Treasury and Resources Department.

32. To direct that the Social Welfare Benefits Investigation Committee shall have regard to the findings and emerging recommendations of the Personal Tax, Pension and Benefit Review.

33. To direct that by no later than June, 2015 the Social Welfare Benefits Investigation Committee shall lay before the States a policy letter proposing a single, comprehensive social welfare benefits model to replace the Supplementary Benefit (Guernsey) Law, 1971, as amended, and the States Housing (Tenancies, Rent and Rebate Scheme) (Guernsey) Law, 2004 together with recommendations which identify sources of funding for any additional expenditure likely to be incurred by the new single, comprehensive social welfare benefits model.

34. To direct that when reporting to the States in February, 2014, and pursuant to the obligations to comply with Rule 15(2) of the Rules of Procedure, the Policy Council shall give consideration to the Social Welfare Benefits Investigation Committee being funded by the Corporate Housing Programme Fund.”

STATES OF DELIBERATION

30th October 2013

Billet d'État No. XX

AMENDMENT

Proposed by: Deputy L B Queripel

Seconded by: Deputy H J R Soulsby

Social Security Department –
Benefit and Contribution Rates for 2014 and Modernisation of the Supplementary
Benefit Scheme

To delete Proposition 1 and substitute therfor:

“1. That from 1 January 2014, the percentage contribution rate for employees be increased by 0.5%, from 6% to 6.5%.”