

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY
COMMITTEE POLICY PLAN TO JUNE, 2020

Introduction

The purpose of the Committee for Employment & Social Security is –

To foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation.

The policy, advisory and general responsibilities of the Committee for Employment & Social Security are –

To advise the States and to develop and implement policies on matters relating to its purpose, including:

- 1. financial and social hardship;*
- 2. social housing, including States' housing and the States' relationship with housing associations;*
- 3. supplementary benefit and housing benefit;*
- 4. social insurance;*
- 5. pensions;*
- 6. health insurance;*
- 7. long-term care insurance;*
- 8. equality and social inclusion, including in relation to disability;*
- 9. the unemployed and the various initiatives to encourage employment and re-employment;*
- 10. labour market legislation and practices;*
- 11. health and safety in the workplace;*
- 12. industrial relations;*
- 13. legal aid.*

In November, 2016 the States agreed their overall objectives in the *Policy & Resource Plan Phase 1*.

In this policy plan, which is submitted to the States for debate, the Committee *for* Employment & Social Security sets out its main policies and priorities until June, 2020. The Committee explains **in bold text** how its actions will contribute to the States' overall objectives.

1. financial and social hardship
3. supplementary benefit and rent rebate

The States have acknowledged that **for a variety of reasons some individuals and families suffer from levels of financial deprivation and social exclusion which are wholly unacceptable in a generally prosperous society**. Such deprivation and exclusion will be alleviated, though by no means eliminated, by merging and improving two existing schemes of financial assistance: supplementary benefit and rent rebate, as proposed by the former Social Welfare Benefits Investigation Committee. These essential reforms were agreed by the previous States but their introduction has been delayed by the States' financial position. Further prolonged delay would undermine the States' objective for Guernsey to be **one community bound by a commitment to inclusion and social justice; a place where no-one gets left behind**. The States have made a commitment to **prioritise, resource and implement a social welfare system which unifies housing and income benefits and directs financial assistance to those in most need**. Having secured the support of the Policy & Resources Committee, the Committee *for* Employment & Social Security will ask the States to introduce the new social welfare scheme on the 1st of July, 2018.

In 2012 and 2013 previous States rejected more costly proposals to reform and improve social welfare. The current proposals are less costly because they are less generous and seek to establish only a level of income below which it is considered intolerable for any individual in Guernsey to be expected to live. The SWBIC estimated the costs of its proposals to be £3.4million in the first year, reducing to £2.9million by the third year and annually thereafter, but these costs were expressed in 2015 terms and account must be taken of inflation since then and an increase in the benefit limitation in 2017.

The merger of supplementary benefit and rent rebate requires considerable preparation while the schemes remain separate. This is an immediate priority for the Committee. In 2017 the administration of the two schemes will be co-located at Edward T Wheadon House; beneficiaries of the schemes will need to understand how they will be affected by the new unified scheme; and steps will be taken to ensure that the new scheme not

only operates efficiently but is sufficiently responsive to an even more diverse range of beneficiaries, whether they be in work, out of work, pensioners, in receipt of assistance related to housing alone or living expenses alone or both, etc.

In 2017 – or, depending on resources, possibly during the agreed three-year period of transition after the new unified scheme is introduced – the Committee will review certain features of its social welfare scheme(s) which it considers may benefit from adjustment. The following is not an exhaustive list. Prospective long-term beneficiaries should not permanently be denied financial assistance simply on account of not qualifying for less generous short-term rates. Rules relating to cohabitation should be no more invasive than absolutely essential to identify deliberate cases of fraud and should not inadvertently discourage the development of newly-formed relationships. Rates of benefit, including what is known as the ‘earnings disregard’, should always encourage work. In line with a resolution of the States, a study must be undertaken of whether adult supplementary beneficiaries should obtain medical and paramedical care through States-employed clinicians or specially-contracted private practitioners. The Committee will ensure that any proposed changes reflect an appropriate balance between the States’ commitments **to remove barriers that are discouraging or preventing some people from pursuing or remaining in paid employment**, to foster a **community where people look out for one another but also understand the importance of personal responsibility** and to address the uncomfortable truth that **some individuals...are not able to enjoy a standard of living or level of participation in society that would be deemed acceptable against independent measures of wellbeing.**

If the last objective in the foregoing paragraph is to be applied meaningfully, the Committee will need to follow its predecessors and recommend that between now and 2020 the supplementary benefit ‘benefit limitation’ rises at a faster rate than inflation.

2. social housing, including States’ housing and the States’ relationship with housing associations

Around 2,000 households (housing about 5,000 people or roughly 8% of the Island’s population) live in social housing. Approximately three-quarters are tenants of the States and one-quarter are tenants of the Guernsey Housing Association. Tenants’ rents are calculated according to their household income: more than 90% of tenants receive assistance through the States’ rent rebate scheme. Around 500 households in private housing receive financial assistance to meet the costs of their rent and this number is

likely to increase once the States merge rent rebate and supplementary benefit. In addition, more than 170 households live in partial ownership and more than 160 in extra care, both developed by the Guernsey Housing Association in conjunction with the States.

The States have agreed that their policies should promote Guernsey as **one community bound by a commitment to inclusion and social justice; a place where no-one gets left behind** and they have made a specific commitment to **improve housing options to ensure appropriate availability, quality and affordability**.

This implies that households which qualify for social housing should have timely access to homes of a good standard and an appropriate size. Preferably waiting lists for social housing should be eliminated; at the least waiting times should be reduced significantly. This requires an increase in the supply of social housing, which depends in part on allocating more land on which to construct it. The Committee has submitted a funding request for £73.3million as part of the States' 2017-20 capital programme in order to develop of up to 800 new homes. The Committee will be reviewing and revising this bid in light of the KPMG report and recent waiting list data. This programme is ambitious: as at February, 2017 planning permission has been obtained for only 216 new homes to be developed by the end of 2019. The Committee's actions will be further informed by an independent report on housing directed by the last States.

The GHA is a not-for-profit organisation funded by grants and loans from the States. Since 2002 all new social housing has been developed by the Association. The Committee does not at this time envisage the States creating further housing associations – indeed the Committee wishes to strengthen its partnership with the Association, not least in pursuit of the States' objective that **public services...are financially sustainable and provided efficiently whilst meeting public need**. The Committee and the Association are merging their waiting lists as part of a new and fairer needs-based single gateway to social housing and in the interests of transparency the numbers of households and individuals on the waiting list will be published. The Committee will work closely with the Association and other States' committees (in particular the Committee *for the Environment & Infrastructure*) in response to the aforementioned independent report. The Committee will work with the Association and with other States' committees (in particular the Committee *for Health & Social Care* and the Committee *for Education, Sport & Culture*) to review the provision of housing for key workers in the public sector. The Committee does not intend to propose a transfer of States' housing stock to the Association.

In some jurisdictions social housing tenants enjoy what are sometimes referred to as tenancies for life, which essentially means that secure tenants who do not breach the terms of their tenancy cannot be evicted irrespective of changes in their finances or household size. This has never been the approach in Guernsey and the Committee has no intention of proposing such an arrangement. Indeed, in pursuit of the States' objective that **public services...are financially sustainable and provided efficiently whilst meeting public need**, the Committee will do what it reasonably can to reduce misallocation – and the States must recognise that this inevitably requires tenants to transfer to more appropriate housing as their household circumstances change. However, the Committee is concerned that some policies adopted since the turn of the century may – with good intentions but nevertheless unreasonably – deny social housing to relatively low-income households. In particular the Committee will revise its capital sums policy which in some cases discourages saving and has the potential to require tenants to move into private housing which they can scarcely afford in the long term. The Committee will also review income thresholds mindful of the advantages of promoting diversity of income, background and demography among tenants living in the same area. Changes in these areas have the potential to make a limited but by no means insignificant contribution to the States' commitments to **foster integration within our community** and to **implement the improvements required to...reduce poverty and income inequality**.

In 2017 a reduction in the Committee's general revenue budget has required less routine maintenance and renovation to be carried out on States' housing. Further reductions in the general revenue budget may lead to more cuts in the maintenance and renovation programme and over a period of years this could present substantial risks. The Committee has a duty to bring this to the attention of the States early in their term.

4. social insurance
5. pensions

The Committee administers a social insurance scheme which provides financial assistance at times of life when income or earnings are likely to be diminished, for example during old age, during periods of incapacity or unemployment and in relation to childbirth, bereavement and death. The security provided by social insurance is intrinsic to all four themes in the *Policy & Resource Plan Phase 1*: **economy, quality of life, community and place in the world**.

Social insurance benefits are funded in the main by contributions from employees, employers, the self-employed and non-employed and an annual grant from States' general revenue which is calculated as a certain percentage of contribution receipts. Benefits are paid from the Guernsey Insurance Fund, which is financed broadly on the pay-as-you-go principle. The Fund receives contribution income to finance current and future benefit expenditure with reserves built up over time. An objective is that the Fund should maintain a minimum balance of two years' expenditure. At the end date of the last actuarial review (31st December, 2014) the Fund contained reserves totalling £702million, which is around 5.4 times annual expenditure. Based on a range of policy assumptions provided by the Committee the actuarial advice is that, without further changes to contributions and benefits, the policy of maintaining the Fund at no less than twice annual expenditure will be breached by 2035 and the Fund will be exhausted by 2046.

In 2017, social insurance benefit expenditure is forecast to be in the region of £140million, of which nearly £120million (or around 85p in every £1 spent) will be in the payment of old age pensions. Clearly social insurance benefit expenditure is overwhelmingly dependent on States' policies in respect of old age pensions.

The Committee is fully committed to maintaining old age pensions based only on a person's contribution record and would oppose any moves towards means testing. Previous States agreed to raise the pension age from 65 to 70 between the years 2020 and 2049 and the Committee has no plans to recommend changes to this policy.

Previous States also agreed to make the uprating policy less generous: until the year 2025 old age pensions are to be increased annually by the rate of inflation plus one third of the difference between the rate of inflation and changes in median earnings, and from 2025 by the rate of inflation only (depending on progress with the establishment of secondary pensions). The Committee is of the view that when the previous States agreed this policy it did not intend the annual increase to be less than the rate of inflation in the event that inflation exceeded changes in median earnings. The Committee will propose increases accordingly. The *Policy & Resource Plan Phase 1* envisages that Guernsey should be **one community bound by a commitment to inclusion and social justice**. Maintaining adequate old age pensions is critical to this objective and the Committee is concerned that the States' uprating policy after 2025 is likely to lead to a significant diminution in the purchasing power of the old age pension relative to changes in median earnings. The Committee is of the opinion that between now and 2020 the uprating policy should remain unchanged, but the Committee will review the policy and report to the States again by no later than 2020.

The States' uprating policy in respect of pensions applies also to all other contributory income replacement benefits such as sickness, unemployment and bereavement. The Committee will, therefore, for the time being continue to propose adjusting such benefits annually by the rate of inflation plus one third of the difference between the rate of inflation and changes in median earnings.

In 2016 the States approved proposals for the development of secondary pensions to supplement the existing basic old age pension. In 2018 the Committee will make detailed recommendations for the scheme to be established by 2020 at the earliest. It is being developed as an 'opt-out' scheme for employed persons – in other words all employed persons will be enrolled unless they expressly remove themselves. Exemptions will apply for persons already in recognised occupational pension schemes. It is expected that the contribution rate in the secondary pension scheme will initially be 1% of earnings from the employee and 1% from the employer, but by around 2030 these are expected to rise to 6.5% from the employee and 3.5% from the employer. These are clearly substantial contributions in addition to those made already to the Guernsey Insurance Fund, but without significantly and urgently enhancing pension provision across the community many more pensioners will face deprivation in the years ahead and there will be unsustainable demands placed upon means-tested social welfare benefits funded from States' general revenue. In any event, the benefits of a secondary pension provision are unlikely to be seen to any material extent for 20 years or more. The development of secondary pensions therefore contributes to the States' objectives to **maintain sustainable public finances and encourage personal responsibility among individuals and families in planning for the future, including retirement.**

6. health insurance

The Committee administers a health insurance scheme which provides financial assistance towards the costs of specialist or secondary health care, prescription drugs and medical equipment, general practitioner or primary health care appointments, and mental health and wellbeing services. The security provided by health insurance contributes to a range of themes and objectives set out in the *Policy & Resource Plan Phase 1*, in particular those associated with **quality of life** (e.g. **providing timely and appropriate diagnosis, treatment, support and care, based on need, for all those who need to access it**) and **community** (e.g. placing **equal emphasis on standard of living**

and quality of life and recognising that the success of a society is affected not just by how wealthy it is but also by the wellbeing of all its people).

Health insurance benefits are funded in the main by contributions from employees, employers, the self-employed and non-employed and an annual grant from States' general revenue which is calculated as a certain percentage of contribution receipts. Benefits are paid from the Guernsey Health Service Fund, which is financed broadly on the pay-as-you-go principle. The Fund receives contribution income to finance current and future benefit expenditure with reserves built up over time. An objective is that the Fund should maintain a minimum balance of two years' expenditure. At the end date of the last actuarial review (31st December, 2014) the Fund contained reserves totalling £103million, which is around 2.6 times annual expenditure. Based on a range of policy assumptions provided by the Committee the actuarial advice is that, without further changes to contributions and benefits, the reserves of the Fund will gradually improve in the years ahead until they reach 3.3 times annual expenditure by 2030.

Prescription drugs in the community are subsidised – they are provided at no cost to people who are 65 or over or receiving supplementary benefit and £3.80 per item to all other persons. At one time pharmaceutical benefit costs were escalating at an unsustainable rate, but the creation of the 'white list' some years ago brought expenditure under control. Two predecessor committees to the Committee *for* Employment & Social Security and the Policy & Resources Committee believed that nobody should receive prescription drugs for free: they advocated removing the universal exemption from prescription charges for over-64s by the year 2020 and making a charge of £1 per item to supplementary beneficiaries. The Committee has some sympathy with the first of these suggestions provided that safeguards were established so as not to make medicines prohibitively expensive for pensioners who are consistently in receipt of multiple prescriptions, but resources are not available to pursue this as a priority during this States' term. The Committee does not support the second suggestion and will pursue it no further.

Specialist or secondary health care is provided through contracts between the States and separately the Medical Specialist Group, the Guernsey Therapy Group and the Island Medical Centre in Alderney. The contract with the Guernsey Therapy Group for physiotherapy services expires on the 31st of December, 2017 and the Committee is working with other States' committees to put in place a new model for the provision of these services, albeit a short extension of the present arrangement may be necessary in the interim. A new contract with the Medical Specialist Group has been negotiated to take effect from the 1st of January, 2018. As well as contributing to the States'

commitment to **provide timely and appropriate diagnosis, treatment, support and care, based on need, for all those who need to access it**, it is anticipated that the new contract will support another States' objective – **the continuing transformation of the health and social care system, across and in partnership with the public, private and voluntary sectors**. The contract will rightly be managed by the Committee *for* Health & Social Care on behalf of the States – indeed in future the involvement of the Committee *for* Employment & Social Security will be limited almost entirely to administering the fund which finances secondary health care. This throws into sharp relief the question of whether secondary health care should continue to be funded by social security contributions on earned income. The Committee is of the opinion it should not be.

Schemes of financial assistance funded from the Guernsey Insurance Fund – such as old age pensions and unemployment insurance – are income replacement benefits. It is therefore logical and conventional to fund them from social security contributions based on individuals' earnings. In contrast, schemes of financial assistance funded from the Health Service Fund – such as secondary health care and prescription subsidies – are very obviously not income replacement benefits, but rather they are services provided at no or reduced cost for the overall good of the individual and society. The case for secondary health care and prescription subsidies, etc. to be funded out of social security contributions based on individuals' earnings is no stronger than the case for, say, education or policing to be funded out of social security contributions based on individuals' earnings. Education and policing are funded from general taxation – including taxes on all income and not just earned income – and in the opinion of the Committee that is how all health care should be funded too. The Committee is working closely with the Policy & Resources Committee to review this matter and within the next 18 months the two Committees will jointly present proposals to the States to restructure the funding of health care, which if approved would contribute to the States objectives to restore **sustainable public finances** and **raise additional revenue as far as possible from individuals and entities most able to bear the burden**.

Primary health care subsidies funded by the Health Service Fund in effect reduce the cost of a consultation with a general practitioner by £12 and with a nurse by £6. This costs the Fund approximately £3.4million per year. These grants were introduced in 1991 as a first step towards what the States of the time envisaged would soon become a comprehensive health insurance scheme covering primary care, secondary care and hospital services. This vision was not achieved – instead States' insurance cover was limited to the costs of secondary care where the financial risk to islanders was greatest and the primary care grants have not been increased for many years while primary care appointment costs have increased significantly. It is now unclear what policy objective,

if any, is being achieved by the grants in their present form. Two predecessor committees to the Committee *for* Employment & Social Security and the Policy & Resources Committee believed the grants should be phased out. The Committee has some sympathy for this view, especially if some of the expenditure could be reallocated to assist individuals and families not in receipt of supplementary benefit but for whom primary care costs are nevertheless prohibitively expensive, which could contribute to the States' commitments to **sustainable public finances** and to Guernsey being **a place where no-one gets left behind**. Indeed the Committee is extremely concerned generally about the costs of accessing primary care. The Committee will ensure that such considerations are taken into account in the work referred to at the end of the preceding paragraph but also remains open to the possibility of proposing the reallocation of this expenditure in advance of any restructuring of health care funding.

The Health Service Fund finances the primary care mental health and wellbeing service which is led by the Committee *for* Health & Social Care. It is intended to provide psychological therapies for people of working age, in some cases to help people to cope with mild to moderate mental ill health while remaining in work and in other cases to assist people signed off work. This is a vital service in pursuit of the States' commitment to **treat mental health with equal consideration and priority to physical health**, but it is not fully achieving its objectives – for example, waiting lists were too long, mainly because of a high number of patients requiring therapy at a higher level of need. Although the service is relatively new, the Committee has prioritised reviewing it in order to refocus its aims and outcomes.

In 2015 the States directed the Committee to report by October, 2017 on the merits of the Health Service Fund being extended to help cover some of the costs of health care and medical treatment for Guernsey and Alderney residents falling ill when visiting the UK. The Committee supports this proposal, which could partially mitigate the effects of the loss to islanders some years ago of the reciprocal health agreement with the UK, and is confident it can be introduced inexpensively and without any need to increase contributions to the Health Service Fund. The scheme which will shortly be recommended by the Committee would be of particular benefit to people who are unable to obtain insurance – or at least unable to at anything other than prohibitive cost – to visit family or friends in the UK and it would contribute to the States' commitment to foster **one community bound by a commitment to inclusion and social justice**.

7. long-term care insurance

The Committee administers a long-term care insurance scheme which provides financial assistance towards the costs of care in private residential and nursing homes. The security provided by long-term care insurance contributes to a range of themes and objectives set out in the *Policy & Resource Plan Phase 1*, in particular those associated with **quality of life** (e.g. **providing timely and appropriate...support and care, based on need, for all those who need to access it**) and **community** (e.g. **that the success of a society is affected not just by how wealthy it is but also by the wellbeing of all its people**).

Long-term care insurance benefit is a flat-rate, non-means-tested cash benefit funded in the main by contributions from employees, the self-employed and the non-employed – there are no contributions made by employers and there is no annual grant from States' general revenue. Benefits are paid from the Long-term Care Insurance Fund, which is financed broadly on the pay-as-you-go principle. The Fund receives contribution income to finance current and future benefit expenditure with reserves built up over time. An objective is that the Fund should maintain a minimum balance of two years' expenditure. At the end date of the last actuarial review (31st December, 2014) the Fund contained reserves totalling £56million, which is around three times annual expenditure. Based on a range of policy assumptions provided by the Committee the actuarial advice is that, without further changes to contributions and benefits, the Fund will be exhausted by 2047.

The provision and funding of long-term care is one of the most serious challenges facing the States. Last year an inter-committee working party was highly critical of the Island's approach to long-term care, concluding that *"neither the health and social care system nor the means by which it is funded are sustainable, and doing nothing is not an option...across all services and social security benefits, long-term care costs the States around £50million per annum [and without changes] it is projected this cost will rise to over £100million over the next 20 years, as the number of older people...increases"*. The Policy & Resources Committee is leading the States' response and is required to report to the States as part of this Policy & Resource Plan. The Committee for Employment & Social Security is contributing to various areas of the cross-committee work, including in relation to the accessibility of care home beds; the regulation of top-up fees made by care homes; whether the Long-term Care Insurance Fund should pay the costs of care and support only and the person in care should pay accommodation costs and living expenses; and whether the Fund should cover the costs of care and support for people

living at home as well as people living in a care home. Overall it is clear that major reforms are essential – and indeed now urgent after several years of delay. These reforms will need to take account of the States’ overall policy objectives, in particular **sustainable public finances, the continuing transformation of the health and social care system, health and social care services that respect individual needs and promote independence and personal responsibility, and inclusion and quality of life.**

The critical observations made in the preceding section of this policy plan about funding health service benefits from social security contributions based on individuals’ earnings apply equally to the funding of long-term care benefits. Long-term care benefits, like health care benefits, are not income replacement benefits and therefore in the opinion of the Committee long-term care benefits should also be funded from general taxation, including taxes on all income and not just earned income. Therefore the future of long-term care funding is included in the aforementioned review being undertaken by the Committee and the Policy & Resources Committee and within the next 18 months the two Committees will jointly present proposals to the States to restructure the funding of long-term care as well as health care with the same States’ objectives in mind, namely the need for **sustainable public finances** and to **raise additional revenue as far as possible from individuals and entities most able to bear the burden.**

8. equality and social inclusion, including in relation to disability

The present States, through the *Policy & Resource Plan Phase 1*, have placed social inclusion and equality firmly on their policy agenda. As well as familiar general statements such as **inclusion and equality of opportunity should exist from birth into adult life** and **Guernsey should be a place where no-one gets left behind**, there are specific commitments to **foster integration within our community** and to **monitor, understand and reduce poverty and income inequality in Guernsey**. The Committee welcomes these commitments, not only because the Committee’s very purpose is “*to foster a compassionate, cohesive and aspirational society...*” but also because there is considerable evidence which points to the success of a society being affected not just by how wealthy it is but also by how inclusive it is and how equal its people are.

Accordingly the States can expect to see a strong egalitarian theme running through the development of policies set out elsewhere in this policy plan, for example in relation to social insurance schemes, including the old age pension and secondary pensions, the SWBIC-led reforms and further improvements in social welfare, the minimum wage and

other employment legislation, the restructuring of funding for health care and long-term care, etc.

In 2013 the States approved a disability and inclusion strategy to be led by the then Policy Council, but progress on applying the strategy was slow to say the least. In the States' reforms of 2016 responsibility was transferred to the Committee and in November, 2016 the States agreed to **prioritise, resource and implement social policy initiatives which were agreed by the 2012-16 States, including in relation to disability and inclusion**. In this term the Committee will draft proposals which would allow for the States to adopt legislation to provide for equality for people with disabilities in all aspects of life and proposals which would allow for the States to establish an equality and rights organisation to promote the value of inclusion and accessibility, assist employers and service providers and advocate for people who face discrimination or exclusion. The States must acknowledge that enacting such legislation and introducing such an organisation would come at a cost to public finances.

In 2016 the Committee successfully proposed same-sex marriage legislation and will continue to work with the community and other States' committees to identify progressive changes in social policy and legislation, in particular where they could benefit groups of people who have too often been overlooked or felt excluded by society, and such changes help to fulfil the States' commitments to represent Islanders as **open, forward-looking people** and to **celebrate difference and diversity and freedom of expression**. The States wish to **progress work on signing up to appropriate and proportionate social...and justice standards** – and the Committee shares this aim, for example in relation to the Convention on the Elimination of all forms of Discrimination Against Women, the Rights of Persons with Disabilities, and the Elimination of Racial Discrimination, but limited resources mean that it may not be possible for some years yet to ratify or implement them fully and it would be unwise to pretend otherwise.

The States have committed to **prioritise, resource and implement social policy initiatives...including in relation to...children and young people** and to **deliver on responsibilities as corporate parent for all children in statutory care, including young care leavers**. The Committee will help to fulfil this responsibility by, where necessary, providing access to appropriate housing, employment support and training and financial support for young care leavers as they learn to become independent and responsible adults.

The Committee administers family allowance, which is a weekly universal benefit (i.e. it is not means-tested) funded from States' general revenue and payable to people living in Guernsey and Alderney who are bringing up children. The Committee's predecessor was generally opposed to universal benefits and on that ground favoured discontinuing family allowance. The present Committee is not opposed to universal benefits in principle – indeed it believes that universality can contribute positively to social cohesion and inclusion – but it does see considerable merit in the thinking behind a resolution made by the States in 2015 which directs the Committee to advise the States *“...on whether the universal payment of family allowances should be altered, reduced or ceased and the costs thereof redirected to allow the States to provide additional financial support for some or all of the following children's services: medical and paramedical, including but not limited to primary care, dental, optical and physiotherapy...and breakfast clubs, after school homework clubs, school meals and holiday clubs at States' schools.”* At this stage the Committee, pending further study and consultation with other States' committees, is inclined to believe that converting some or all of the expenditure on family allowance from a universal cash benefit into universal services could make a significant contribution to several objectives, including in relation to **healthy community, inclusion, social justice and quality of life** while possibly reducing public expenditure too.

The weekly rate of family allowance was reduced at the start of 2017 in order that the money saved could be reallocated to part-fund a new universal entitlement to pre-school education. The Committee reluctantly supported this reduction in family allowance as the only practical way of funding universal pre-school education, the introduction of which in Guernsey was long overdue having been recognised as essential in most other western jurisdictions some years ago. This budget reallocation was agreed very much on a *quid pro quo* basis: a portion of family allowance was lost specifically to pay for universal pre-school education. If, in the future, access to pre-school education is substantially limited beyond limitations agreed by the previous States, the Committee will immediately ask the States to restore the weekly rate of family allowance to its higher, 2015 level.

The previous States directed the Committee to consider *“...policy initiatives, including family-friendly policies, which would be capable of encouraging an increase in Guernsey's fertility rate [to] be as close as possible to the natural replacement rate...”*. The Committee considers that undertaking such work would be unproductive and unnecessarily consume considerable resources and therefore will ask the States to rescind their resolution. However, in general terms, the States can expect the

Committee to prioritise family-friendly considerations when developing policy across its mandate.

9. the unemployed and the various initiatives to encourage employment and re-employment

The personal and social costs of unemployment are significant. They can include financial hardship, debt, family tensions or breakdown, social exclusion, erosion of confidence and self-esteem, atrophy of work skills and ill health. They become more common, and are harder to address, the longer a person remains unemployed. In addition, unemployment tends to fall disproportionately on people in lower socio-economic groups. Unemployment – expressed at the time as idleness – was one of the five ‘giant evils’ of the Beveridge report of 1942 which has influenced so much social policy in the years since.

By international standards Guernsey has enjoyed extremely low rates of unemployment for the past 30 years. Between 2011 and 2016 unemployment increased somewhat as the economy grew more slowly, but for the past year it has again been falling consistently. The Committee considers it important that unemployment continues to reduce, as far as possible towards Guernsey enjoying full employment. The States understand well that **a strong economy is essential to maintain high rates of employment, low rates of unemployment and a diverse range of well-remunerated jobs** and acknowledge the role of government to **make sure those who want to work can work and to help them maximise their working lives**. Specifically the States have committed to **remove barriers that are discouraging or preventing some people from pursuing or remaining in paid employment and provide additional support to those who need it to find and sustain employment**.

The Job Centre, which is overseen by the Committee, plays a crucial role in keeping unemployment as low as possible by working with people in receipt of unemployment benefit, supplementary benefit or both. At the time of writing the Job Centre supports approximately 400 people registered as unemployed, around 350 supplementary beneficiaries who have a work requirement and about 65 people who are recovering from long-term illness. The activities of the Job Centre include advertising vacancies; one-to-one advice on job applications, interviews, etc.; courses to improve skills, primarily in conjunction with the College of Further Education; training schemes such as the community environmental project scheme; work rehabilitation for customers who

face particularly complex barriers to employment; and short-term trial placements with employers. Another employment-related scheme which was launched in 2015 and rolled out fully in 2016 is successfully reforming the management of sickness absence and sickness benefit claims with a view to reducing their incidence without compromising the health of the employee or the needs of the employer.

At the present time the Committee's responsibilities in relation to unemployment and re-employment can be met without the need to propose changes to policy or allocate additional resources. This would have to be reviewed, however, in the unhappy circumstances of a marked increase in unemployment, to which the Committee would wish to respond urgently and robustly. The Committee's main focus in this term will be to maintain and if possible enhance its many and varied successful schemes during a period of continuing financial restraint for the States. The Committee is also reviewing the presentation of statistics concerning employment and unemployment to ensure they are as clear and accurate as possible.

10. labour market legislation and practices

11. health and safety in the workplace

12. industrial relations

In accordance with a States' resolution made in 2014, this year the Committee will submit propositions necessary to introduce shared parental leave on the same terms as maternity leave. This would oblige employers to grant unpaid parental leave for employees who meet certain qualifying criteria, such as length of time working for their current employer. Any cost to public funds would be negligible. This legislation will contribute to some extent to the States' commitment to **recognise the value of the early years** and to **ensure every child has a nurturing and supportive start in life**, but the number of parents qualifying for unpaid leave and financially able to take advantage of it will necessarily be very limited. These commitments would be met best by enhancing existing provisions relating to leave and benefits enjoyed by new parents and the Committee's policy letter on shared parental leave will set out ways in which this might usefully be done in the future.

In the years ahead the labour market will need to evolve as demographics change, the proportion of older workers increases and the pension age rises. Some labour market legislation and practices will need to be reformed. The Committee is planning for these changes under its longer working lives project and in the first half of this term it will

report to the States with proposals to contribute to the States' commitments to deliver **sustainable public finances, maintain an appropriately-sized working population and encourage personal responsibility among individuals and families in planning for the future, including retirement.**

In 2016, in the first of its annual proposals since assuming responsibility for the minimum wage, the Committee successfully proposed increases slightly above the rate of inflation in the youth and adult minimum wage rates. Since January this year the adult rate has been £7.20 per hour, which is similar to rates in the other crown dependencies; but it should be noted that, unlike Guernsey, Jersey has no reduced youth rate. Since April this year the rate in the UK for workers aged 25 and over has been £7.50 per hour, which is around 55% of median earnings, and the UK Government has ambitions to raise it to around 60% of median earnings by the year 2020; whereas Guernsey's adult minimum wage is currently around 48% of median earnings. As required by legislation, the Committee will continue to propose minimum wage rates which take into account, *inter alia*, rates in comparable jurisdictions and changes in pay and economic and trading conditions in Guernsey. The States can expect the Committee to continue to propose increases above the rate of inflation, which would contribute to States' objectives in relation to **inclusion, social justice and reducing income inequality** – and also **sustaining public finances** because of the consequential reduced draw on in-work benefits funded from general revenue. In 2017 the Committee will change the consultation process on a trial basis and invite comments on the minimum wage rates it has in mind in advance of submitting final proposals to the States.

The Health and Safety Executive is a small but effective regulatory part of the Committee's mandate with separate statutory powers. Its primary function is to secure the health, safety and welfare of people at work and to protect others from risks to health and safety from workplace activity. Through inspection, advice and where necessary enforcement it regulates workplaces as diverse as onshore gas and petroleum facilities, farms, factories, construction, retail and hospitality. A great deal of health and safety legislation would benefit from modernisation and the Committee intends to start this work from 2018. The Committee is working with other States' committees where the Health and Safety Executive has identified improvements in areas of responsibility which fall to other committees. Increasingly, at an operational level, the Health and Safety Executive is working closely with other regulatory agencies which broadly have community protection responsibilities.

Industrial relations – in other words the resolution of disputes between employers and employees, with or without trade union representation – are managed through

legislation which dates back to 1993 and which would benefit from revision, but in this States' term the Committee is unlikely to be in a position to allocate resources to this work

13. legal aid

The Legal Aid Administrator is a statutory official created by the Legal Aid (Bailiwick of Guernsey) Law, 2003. The main purpose of the law is to provide financial assistance towards the costs of legal advice or representation to persons who might otherwise be unable to obtain legal advice or representation on account of their financial position.

The law includes provision for the making of ordinances and regulations to put the governance and rules of legal aid on a statutory footing. To date no subordinate legislation has been enacted, but the Committee is determined to bring the principal ordinance to the States in 2017. During this term the Committee will also review various policy aspects of legal aid, in particular the eligibility rules on grounds of low income, the use of legal aid by Sark and the rates paid to advocates. Legal aid helps to allow reasonable access to justice for persons who might otherwise be denied it and this is crucial in meeting States' commitments to promote **inclusion, equality of opportunity** and to maintain a **mature international identity** and **meet international standards in respect of social issues**.

Assessment of Resources

The Office *of the* Committee *for* Employment & Social Security runs an effective programme management system which can support multiple projects, monitors their progress and identifies issues and risks. However officers who are essential to progressing projects are generally spread thinly and this has been thrown into sharper relief following the additional responsibilities assumed by the Office since the reorganisation of States' affairs in May, 2016.

Much of this Policy Plan includes the development and implementation of initiatives which will require the commitment of senior officers. Several of these are already under way, including social welfare benefit reform, secondary pensions and disability discrimination legislation. Existing staff resources should be sufficient to deliver these initiatives provided that they are prioritised in place of other sizeable initiatives which are considered less essential or less urgent.

This implies that other projects already in train or identified as desirable but which are yet to start may require additional officer resources or need to be put on hold or be more constrained in scope. One example of a project which will require considerable officer support is CATS (Contributions and Tax System), which is likely to last several years and place a burden in particular on the most senior and knowledgeable officers working in these areas. Such projects often require the dedicated attention of certain officers – and then those officers' normal duties need to be undertaken by others at additional cost charged to the project, although this option relies on the availability of skills and can require additional training.

Across the Committee's responsibilities there are numerous smaller projects which are considered desirable but which have not begun due to a general shortage of officers.

In terms of financial resources, and in accordance with the request made of Principal Committees by the Policy & Resources Committee, the initiatives set out in this Policy Plan to June, 2020 can be carried out within the Committee's existing budget – with one exception. Social welfare benefit reform, which was agreed by the previous States and which the current States have committed to prioritise, will have an annual cost to general revenue of £3-4million with a higher cost for the first two years during which some beneficiaries will gradually see their benefits reduced.

Some policy development could have an impact on the social insurance contributions paid by employed, self-employed and non-employed people and employers. These include potential alternative approaches to funding long-term residential and nursing care. Such changes may be unlikely to burden States' general revenue further and indeed may guard against increasing public expenditure in the future, but they could have an impact on the tax and contributions burden of the public and therefore also affect the scope for fiscal change in other areas of the States.

Resolutions Recommended for Rescission

Year, Billet, Article	Subject	Resolution(s)
2001,19,9	Housing Associations in Guernsey: Funding and Regulatory Issues	<p>3. To note that the States Housing Authority will keep under review the need for specific Housing Association legislation and report to the States with its recommendations should it be concluded such legislation is required.</p> <p>19. To note that the States Housing Authority will in due course consider the merits of housing stock transfers and report to the States as appropriate.</p> <p>The Committee believe that Resolution 3 is, in effect, complete. Responsibility for social housing falls under the Committee’s mandate and they will as a matter of political responsibility ensure that appropriate legislation and policy is in place.</p> <p>In relation to Resolution 19, the Committee has addressed this in its policy plan and notes it has no intention to transfer stock at this time.</p>
2002,9,9	Survey of Guernsey’s Housing needs	<p>6. To note the States Housing Authority’s intention to implement the establishment of an “affordable” Housing Roll.</p> <p>The Committee do not currently intend to implement an “affordable” Housing Roll. Future policy will be informed by a report from KPMG regarding the Island’s housing needs.</p>
2003,21,14	Proposals for Comprehensive Equal Status and Fair Treatment Legislation	<p>1. That Legislation shall be enacted along the lines set out in that Report to make discrimination unlawful and to promote equality of opportunity and diversity</p>
This has since been superseded by other resolutions and commitments.		

2004,3,14	<p>Schemes for the Provision of Affordable Housing: Operational and Funding Arrangements</p>	<p>5. To direct that the Housing Department investigate and report back to the States, as soon as possible with proposals for an Assisted Purchase Scheme along the lines of that set out in paragraphs 25-31 and appendix 3 of that Report, having first considered the relationship between such a scheme and the existing States Home Loans scheme.</p> <p>The Committee do not currently intend to implement an Assisted Purchase Scheme, a Partial Ownership Scheme is currently offered by the Guernsey Housing Association. Future policy will be informed by a report from KPMG regarding the Island's housing needs.</p>
2007,11,11	<p>An Integrated Corporate Strategy to Meet the Island's Needs for "Key Workers"</p>	<p>1. That based on the recommendations set out in the Key Worker Housing Group's report, an integrated corporate strategy be formulated on the recruitment and retention of "Key Workers" that encompasses the provision and funding of suitable "key worker" housing initiatives, and the adoption of tailored housing licence and remuneration policies.</p> <p>2. To direct that the Housing and Health and Social Services Departments to report back to the States by March 2008 (earlier if feasible) with firm proposals based on the further investigations required, taking into account the views expressed by the States, together with the consultations undertaken with "Key Workers" and other interested parties.</p> <p>3. To direct that all States Departments that are recommended to take action for specific matters in this report do so in accordance with the Action Plan set out in Annex A to that Report, to enable the Housing and Social Services Departments to report back to the States by March 2008</p> <p>In its policy plan the Committee has noted its intention to work with the relevant Committees to review the provision of housing for Key workers, but believes that these Resolutions are too prescriptive.</p>

2007,20,7	Legal Aid	<p>1(1) To award contracts to the following firms of Advocates, subject to the successful outcome of post-tender negotiations: Atkinson Ferbrache Richardson, Carey Olsen, Albany Chambers, Ashton Barnes Tee, Babbé, F Haskins and Co, Randell and Loveridge Ozannes, Advocate L Strappini and co, Trinity Chambers.</p> <p>1 (2) To further authorise the Policy Council to continue to negotiate with the Guernsey Bar regarding the terms and conditions of the contract and the directions in the Practioners' Manual.</p>
These Resolutions are no longer relevant to the development and establishment of the Legal Aid scheme.		
2010,11,8	Corporate Housing Programme- Progress Against the 2009 Action Plans and Future Strategy	2. To direct that the CHP Workstreams set out and prioritised in Appendix 3 of this report be included in the States Strategic Plan and or/relevant States Departments' Operational Plans, as appropriate
This is no longer the tool for delivering new units of Social Housing.		
2012, 20, 14	Contribution Rates for 2013	11.To direct the Social Security Department to report to the States of Deliberation by no later than October, 2014 with proposals setting out any structural reforms and changes to contribution and/or benefit rates which it considers necessary in order to ensure the long-term sustainability of the Long-Term Care Insurance Fund.
This Resolution has been superseded by SLAWS Resolutions.		
2015,24,1	Maintaining Guernsey's working Population	6. To agree that the future Committee <i>for</i> Employment & Social Security, in accordance with its responsibilities for equality and social policy, and the future

		<p>Committee <i>for</i> Home Affairs, in accordance with its responsibilities for population management policies, shall consult with other relevant committees as may be necessary and shall jointly report to the States by no later than September 2017 setting out their opinion, together with any recommendations considered necessary, on policy initiatives, including family-friendly policies, which would be capable of encouraging an increase in Guernsey’s fertility rate and would be as close as possible to the natural replacement rate as described in paragraph 3.6</p>
	<p>The Committee has noted in section 8 of its policy plan that it does not feel that it has sufficient resources to prioritise this work. It is our understanding that the Committee <i>for</i> Home Affairs is of a similar opinion.</p>	
2015,4,1	<p>Planning a Sustainable Future- The Personal Tax, Pensions and Benefits Review</p>	<p>3. To direct the Treasury and Resources Department and Social Security Department to co-ordinate their actions and report annually to the States on the transitional measures required as a result of the approval of Propositions 4 to 41 to ensure that any groups of people disadvantaged by the measures agreed are adequately protected throughout the transition period detailed in paragraphs 6.1.1 to 6.1.7 of that report.</p>
	<p>The Committee do not believe it is necessary to continue to report on these matters.</p>	

Extant Resolutions (excluding those recommended for rescission)

Year, Billet, Article	Subject	Resolution(s)
2010,20,5	Traveling Allowance Grant	13. That the Social Insurance (Guernsey) Law, 1978 and the Health Service (Benefit) (Guernsey) Law, 1990 be amended so that the Travelling Allowance Grant provisions are transferred to the Health Service (Benefit) (Guernsey) Law, 1990
The Committee has not yet progressed this Resolution, but intends to do so when resources become available.		
2013, 20, 8	States support for the concept of a Guernsey based University of the Channel Islands	2. To direct the Policy Council and any Departments that may be affected by the concept set out in that Report to report back to the States should they have reason to consider that any significant policy changes are required in order for a Guernsey based University of the Channel Islands to develop along the lines described in that report.
The Committee is not aware of any significant policy changes required at this time but has not conducted an in depth investigation.		
2014,21,5	Benefit and Contribution Rates for 2015	17. That the Social Security Department be directed to report to the States of Deliberation after the conclusion of the Personal Tax Pensions and Benefits Review and the publication of the Supported living and Aging Well Strategy, with proposals to achieve the long-term sustainability of the Long-Term Care Insurance Fund.
The Committee is currently working on discharging the SLAWS recommendations including those related to funding.		
2015,4,1	Planning a Sustainable Future- The Personal Tax Pensions and Benefits Review	5. To direct the Treasury and Resources Department and Social Security Department, when making recommendations for changes in tax and benefits during the transitional period as detailed in paragraph 6.1.1 to 6.1.7 of that Report, to have regard to the numbers of people resident in Guernsey and Alderney, their demographic make-up and their level of economic activity and ability to pay. 7. To direct the Social Security Department, in consultation with the treasury and Resources Department, to present the States of Deliberation for approval a report

		<p>or reports outlining policies to ensure adequate personal or workplace pension provision in Guernsey and Alderney covering the following parameters:</p> <ul style="list-style-type: none"> • The enhanced take up of private pension schemes • The creation of a pension scheme designed to capture those not currently making personal provision (outside of the existing statutory old-age pension scheme); • The enhancement of incentives for contribution to a private pension scheme through the tax system. • The desirability of devising a scheme whereby pensioners may, if they so wish, invest their pensions in a fund tracking the performance of the capital funds managed on behalf of the States of Guernsey. <p>8. To agree that any additional pension scheme adopted as a result of Proposition 7 be made available to contributions no later than January 2020.</p> <p>9. To agree that long-term planning for statutory old-age pension provision be designed to maintain a buffer of at least two years of expenditure within the Guernsey Insurance fund.</p> <p>15. To direct the Social Security Department, in consultation with all other relevant departments, to investigate measures aimed at supporting longer working lives and assisting older people who wish to work to remain in the workforce, and to report to the States of Deliberation with its findings no later than December 2017.</p> <p>24A. To direct the Treasury & Resources Department and the Social Security Department to reflect on the views expressed during debate of this report before presenting to the States any firm proposals on the matters dealt with by Propositions 19,20,23 and 24, and to outline the mitigating actions to be taken in respect of any group of people disadvantaged by these proposals.</p> <p>26. To acknowledge that there are risks and challenges associated with the States' considerable reliance- by international standards- on direct personal taxes and social insurance contributions; and to agree in principle that it would be</p>
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		<p>advantageous to diversify sources of States' income in ways which take account of the principle of 'ability to pay'.</p> <p>33. To direct the Social Security Department to review the assessment of Social Security Department to review the assessment of Social Security contributions to ensure that the treatment of contributors in different contribution classes is equitable; such review to have particular regard to the upper earnings limit on contributions, the rate charged for self-employment and non-employment contributors and the definition of income used in the assessment of contributions for non-employed contributors.</p> <p>33A. To direct the Social Security and Treasury and Resources Departments to investigate options to make the tax and social security system as a whole more progressive, through the withdrawal of personal tax allowances (such investigation to include consideration of the interaction with the upper earnings limit on Social Security contributions in order to avoid high marginal rates of taxation) and to report to the States with their findings no later than June 2017.</p> <p>34. To direct that, subject to the implementation of suitable administrative systems and suitable alternative sources of revenue, the Social Security Department further investigates a restructuring of Social Security contributions to apply an allowance for employed and self-employed individuals, such investigation to have regard to the findings of the report as described in proposition 27A in relation to high earners.</p>
	<p>The Secondary Pensions project has been allocated a full time officer resource and the Committee intend to report back in 2018 with more detailed proposals. The Longer Working Lives project is also progressing and is expected to report back to the States in December of this year or thereabouts. The sustainability of the Social Insurance funds is a key priority for the Committee, and they will keep reviewing the suitability of the current funding model in light of changing demographics and economic circumstances.</p>	
2015,14,18	Extension of Non-Medical Prescribing	1. To amend the Health Service (Benefit) (Guernsey) Law, 1990 and related subordinate legislation to allow appropriately qualified non-medical health professionals who are

		<p>employed, contracted or engaged by the Health and Social Services Department, or otherwise authorised by the Department to work as such, to be empowered to issue medical prescriptions for the supply of pharmaceutical benefit for the purposes of the said Law within their own level of professional competence.</p>
		<p>Officers have prepared a first draft of the required Ordinance. It is expected that the legislation will be brought before the States before the end of the year.</p>
2015,14,20	Eligibility for Industrial Injuries Benefits	<ol style="list-style-type: none"> 1. To amend Section 40(1) of the Social Insurance (Guernsey) Law, 1978, to the effect that a person directed by the Administrator to participate in an employment training programme or an employment training course operated by or on behalf of the Social Security Department, or approved by the Social Security Department, shall be deemed to be gainfully occupied under a contract of service for the purposes of the Part of the Law relating to entitlement to industrial injuries benefits. 2. To amend Section 40 of the Social Insurance (Guernsey), 1978, to give the Social Security Department the power to prescribe by regulation additional categories of persons to be treated for the purposes of industrial injuries benefits as employed persons. 3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.
		<p>The Committee has not yet progressed this Resolution, but intends to do so when resources become available.</p>
2015,14,24	Minor Constitutional Changes to the Housing Appeals Tribunal and Appointment of Members to the Housing Appeals Panel	<ol style="list-style-type: none"> 11. To approve the introduction into the regulations the means by which members may resign from the Housing Appeals Panel. This includes the introduction of new provisions which specify that panel members cease to be members when/if: <ol style="list-style-type: none"> a) they reach the end of their term of appointment as specified by the States decision which confirmed their appointment; b) they reach the age of 72 years or, if the Royal Court sitting as a Full Court so determines, by reason of special circumstances in any particular case, 75 years; c) they resign from their duties: <ul style="list-style-type: none"> • In the case of the chairman, submitting their resignation to the Bailiff; and

		<ul style="list-style-type: none"> • In the case of any other member, submitting their resignation to the Tribunal’s Chairman. <p>d) they are removed from office by the Royal Court sitting as a Full Court if the Court is satisfied that they:</p> <ul style="list-style-type: none"> - have misbehaved in their office - are incapable of continuing as a member by reason of physical or mental illness - have been declared insolvent, or - have been unavailable without reasonable cause to sit as a member of the Tribunal for a period in excess of six consecutive months. <p>12. To approve an amendment to Part II of the regulations to specify the maximum time period associated with the internal review process, as detailed in paragraph 7.3 of that Policy Letter.</p>
	The Committee has not yet progressed these Resolutions, but intends to do so when resources become available.	
2015,16,14	Review of the Strategic Housing Target	4a. To direct the Housing Department and Treasury and Resources Department (and their successors) to report back to the States with their findings and recommendations in respect of Proposition 4, annexed to which is a copy of the independent report, referred to in that proposition, no later than the end of July 2016
	The Committee will report on this Resolution after the Local Market Housing Review is published and the Committee has had time to consider its findings.	
2015,16,15	Joint report on First Time Buyers Scheme	4. To direct that the Housing Department and Treasury and Resources Department (and their successors) to report back to the States with their findings and recommendations in respect of Proposition 4, annexed to which is a copy of the independent report, referred to in that Proposition, no later than the end of July 2016.
	The Committee will report on this Resolution after the Local Market Housing Review is published and the Committee has had time to consider its findings.	

2015, 18, 8	Benefit and Contributions Rates for 2016	<ol style="list-style-type: none"> 2. That the Social Security Department be directed to take the above guideline in Proposition 1 into account in its recommendation for the annual uprating of statutory old-age pensions, and to provide the States of Deliberation with detailed reasoning for any recommendation to deviate from it in its annual uprating report. 3. That the Social Security Department be directed to review the guideline for the annual uprating of statutory old-age pensions no later than 2020, having regard to progress made in establishing support policies to enhance personal pension provision and the actuarial projections for the Guernsey Insurance Fund at that time. 30. To agree that, after consultation with other relevant committees of the States, the Committee for Employment & Social Security shall report to the States by no later than October 2017, setting out their opinion on whether the universal payment of family allowances should be altered, reduced or ceased and the costs thereof redirected to allow the States to provide additional financial support for some or all of the following children’s services: medical and paramedical, including but not limited to primary care, dental, optical and physiotherapy provided either by States-employed clinicians or contracted private practitioners; and breakfast clubs, after school clubs, after school homework clubs, school meals and holiday clubs at State’s schools. 31. To agree that the Committee <i>for</i> Employment & social Security shall report to the States by October 2017 setting out their opinion on the feasibility of medical and para-medical services being provided either by States –Employed clinicians or contracted private practitioners for adult Supplementary Benefit claimants. 32. To agree that the Committee <i>for</i> Employment & Social Security shall investigate the merits of including within the ambit of the Guernsey Health Service Fund the costs of healthcare and medical treatment incurred by Guernsey residents while travelling to the United Kingdom which would previously have been within the ambit of the States’ reciprocal health agreement with her Majesties Government,
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		<p>or alternatively of the States entering into partnership with one or more private insurance providers to ensure that any such insurance cover can be made available to Guernsey residents at reasonable cost; provided that such investigation shall be undertaken on the presumption that any such insurance scheme would most probably require any claim to be subject to both maximum and minimum conditions in relation to cost coverage; and further to agree that the Committee <i>for</i> Employment & Social Security shall report to the States thereon by no later than October 2017; and further note that, for the purposes of Rule 15(2) (a) of the Rules of Procedure of the States of Deliberation, carrying into effect the proposals in this amendment, i.e. the carrying out of such an investigation, will not increase the expenditure of the States.</p>
	<p>The Committee is continuing to progress work towards establishing a secondary pensions system and has just completed a tender process for an economic impact statement. The Committee is also investigating the reallocation of family allowance and a scheme for off-island health cover and intends to report to the States by the end of the year.</p>	
2015,20,7	<p>Update on the Disability and Inclusion Strategy</p>	<p>1. To note the update on the implementation of the Disability and inclusion Strategy provided in that Policy Letter, and to direct the Committee with responsibility for the Disability and Inclusion Strategy to report back to the States on the implementation of the strategy no later than November 2017</p>
	<p>The Committee intend to report back to the States by November 2017.</p>	
2015,21,1	<p>States' Review Committee: The Organisation of States' Affairs- Third Policy Letter</p>	<p>12. To agree that, as set out in paragraph 5.3.4 of that Policy Letter, the Policy & Resources Committee and the Committee <i>for</i> Employment & Social Security shall review the case for maintaining and the case for reforming the arrangements in relation to which committee of the States should have political responsibility for the States " insurance funds and shall jointly report to the States by May 2017 setting out their findings and any recommendations considered necessary"</p>
	<p>This remains under review and is linked to work being undertaken with Policy & Resources on Long Term Care and Health Care Financing.</p>	

2015,23,9	Domestic Abuse Strategy	<p>5. To agree that the Committee for Employment & Social Security, in accordance with its responsibility “to advise the States and to develop and implement policies on matters relating to... equality and social inclusion” shall report to the States by no later than March 2017 setting out the progress made to date towards extending the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) to Guernsey, together with details of the remaining work necessary to enable the convention to be extended to Guernsey, including a timetable for such work to be completed and the resource implications thereof.</p>
<p>The Committee has commenced work on the underlying actions, but has made no progress on reporting to the States.</p>		
2016,3,10	The Review of the Financial Relationship between Guernsey & Alderney	<p>8. To direct the Education Department, Health and Social Services Department, Home Department, Public Services Department & Social Security Department (and their successors) in Guernsey, which provide Transferred Services for Alderney, to review the services provided (including how they are provided) in line with Section 4 of Appendix A to that Policy Letter, and to reach outcome focused agreements with the appropriate authorities in Alderney, having due regard to cost effectiveness and efficiency for such services, and on a timescale to be agreed between the Policy Council (and its successors) and the Alderney Policy & Finance Committee.</p>
<p>The Committee has not progressed this resolution at this time though continues to review its relationship with Alderney and the services provided.</p>		
2016,3,4	The Supported Living & Aging Well Strategy	<p>1e To direct the Committee for Employment & social Security, in conjunction with the Policy & Resources Committee, to investigate in detail the implications for contributors, individuals and for the States of the application of the principle that the Long-term Care Insurance Fund should cover care and support costs only, and to report to the States with its findings and recommendations no later than October 2017.</p>

		<p>1f To agree that investigation of this principle shall be limited, in the first stage, to the implications related to care and support provided to individuals in public and private sector residential and nursing homes.</p> <p>1h To agree, in principle, that the Long-Term Care Insurance Scheme should be extended to cover care and support costs for people living in their own homes (including those accommodated in their own homes in sheltered and extra care housing)</p> <p>1j To agree that the investigation of this principle should include: A review of the role of related benefits such as Severe Disability Benefit and Carer’s Allowance; and Detailed investigation into the possibility of introducing personal budgets, including, if appropriate, the establishment of a pilot project to inform the research.</p> <p>1l To direct the Committee for Employment & Social Security to keep under review whether there is a strategic, long-term financial need to introduce:</p> <ul style="list-style-type: none"> i) the inclusion of capital assets in any means- testing of benefits associated with the provision of long-term care; and ii) the capping of care costs to set out the respective funding liabilities for individuals and for the States.
	<p>The Committee has allocated a full time staff resource to progress the SLAWS project and intends to report as soon as resources permit.</p>	
<p>2016,3,15</p>	<p>Proposed Development of Secondary Pensions System for Guernsey & Alderney</p>	<ol style="list-style-type: none"> 1. To approve in principle the introduction of automatic enrolment into private pension savings and the development of a Secondary Pension scheme based on the principles outlined in paragraph 161 of that Policy Letter, but subject to further research being carried out by the Committee for Employment and Social Security as to whether any distinction should be drawn between employer businesses of varying sizes. 2. To direct the Committee for Employment and Social Security to report back to the States of Deliberation no later than 31 December 2017 with detailed proposals for

		<p>the implementation of automatic enrolment into private pension saving and a Secondary Pension Scheme.</p> <p>3. To direct the Committee for Employment & Social Security, in reporting back to the States, to provide an economic impact assessment of the proposals.</p>
	<p>Officers have completed a tender process for the economic impact assessment and the Committee expect to report back to the States with detailed proposals and an economic impact assessment by September 2018.</p>	
2016,7,9	<p>Comprehensive Social Welfare Benefits Model</p>	<p>To agree, subject to funding being available, from January 2017 or as soon as possible thereafter, and subject to indexation as will in due course be proposed by the Committee for Employment & Social Security:</p> <ul style="list-style-type: none"> a. the rent rebate scheme be closed over a transitional period of 3 years; b. the short-term rates and long-term requirement rates for supplementary benefit be as set out in paragraph 87 of that Policy Letter, except that the single non-householder long-term requirement rate shall be £128.63 (instead of £105.16). c. the capital cut off limits for eligibility for supplementary benefit shall be as set out in paragraph 113 of that Policy Letter; d. the provisions in the supplementary benefit legislation concerning assumed income on capital shall be repealed; e. the system of maximum rent allowances within the supplementary benefit system be extended to include maximum rent allowances for families with 1, 2, and 3 or more children at the rates set out in paragraph 126 of that Policy Letter; f. the assumed contribution from a non-dependent adult living in the household

		<p>of a person receiving supplementary benefit shall be £75 per week;</p> <p>g. a non-householder rent allowance of a maximum £75 per week shall be introduced for non-dependent adults receiving supplementary benefit who are living in the household of another person;</p> <p>h. an extra needs allowance be introduced to the assessment of supplementary benefit, as set out in paragraphs 142 to 152 of that Policy Letter.</p> <p>2. To direct the Committee for Employment & Social Security to report to the States of Deliberation, no later than October 2017, with recommendations for reform of the arrangements for winter fuel allowances to householders receiving supplementary benefit.</p> <p>3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.</p>
	The Committee intends to implement these resolutions from 1 July 2018, provided that funding is available.	
2016,27,4	Benefit and Contribution rates for 2017	<p>26. To amend the Social Insurance (Guernsey) Law, 1978, and associated legislation, to rename 'invalidity benefit' as 'incapacity benefit'.</p> <p>Officers have prepared drafts of the necessary legislation and will bring this legislation to the States in due course. Subject to approval of the Legislation Review Panel on 22nd May, the legislation will go to the States for approval on the 6th September 2017.</p>

Resolutions Completed Since 1 May 2016

Year, Billet, Article	Title	Resolution(s)
2015,4,1	Planning a Sustainable Future- The Personal Tax Pensions and Benefits Review	16. To direct the Social Security Department to bring into effect as soon as possible the various parental benefits as described in resolutions VI.10a to 10d of Billet d'État IV 2012, either by the levying of an additional 0.1% on employee social security contributions and an additional 0.1% on employee social security contributions, or by any other means deemed desirable and appropriate by the Department, in order to achieve the objective of the implementation of the said resolutions, independent of other pension and benefit considerations, and to report to the States on the progress that has been made towards such implementation, including timescales, in their 2015 annual uprating report.
2016,3,4	The Supported Living & Aging Well Strategy	1a. To direct the Committee <i>for</i> Employment & Social Security to increase contribution rates to the Long-Term Care Insurance Fund for employed, self-employed and non-employed persons by no less than 0.5% from 1 st January 2017.
2016,3,18	Introduction of Parental Benefits	8. To direct preparation of such legislation as may be necessary to give effect to the above decisions.

2016,27, 4	Benefit and Contribution Rates for 2017	<ol style="list-style-type: none"> 1. To increase the percentage contribution rate for employees, self-employed persons, and non-employed persons under and over pension age, by 0.5 % with effect from 1st January 2017. This takes the current contribution rates from 6.1% to 6.6% for employees, 10.5% to 11% for self employed persons, 9.9% to 10.4% for non-employed persons under pension age, and 2.9% to 3.4% for non-employed persons at or over pension age. 2. To set the upper weekly earnings limit and the upper monthly earnings limit for employed persons and employers at £2,667 and £11,557 respectively, from 1st January 2017. 3. To set the lower weekly earnings limit and the lower monthly earnings limit for employed persons and employers at £134 and £580.67 respectively, from 1st January 2017. 4. To set the annual upper and lower earnings limits for self-employed persons at £138,684 and £6,968 respectively, from 1st January 2017. 5. To set the annual upper and lower income limits for non-employed persons at £138,684 and £17,420 respectively, from 1st January 2017 6. To set the allowance for non-employed persons at £7,875 per year, from 1st January 2017 7. To set the voluntary contribution for non-employed persons at £19.09 per week, from 1st January 2017. 8. To set the overseas voluntary contribution at £91,17 per week for non-employed people and £100.79 per week for self-employed people, from 1st January 2017. 9. To set the standard rates of pension and contributory social insurance benefits at the rates set out in Table 11 of that Policy Letter, from 2nd January 2017. 10. To set the prescription charge per item of pharmaceutical benefit at £3.80 from 1st January 2017.
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		<ol style="list-style-type: none"> 11. To set the contribution (co-payment) required to be made by the claimant of care benefit, under the Long-term Care Insurance Scheme, at £195.16 per week, from 2nd January 2017. 12. To set the maximum weekly long-term care benefit at the rates set out below, from 2nd January 2017: <ol style="list-style-type: none"> a) £807.38 per week nursing care benefit for persons resident in a nursing home or the Guernsey Cheshire Home; b) £569.80 per week elderly mentally infirm (EMI) benefit for qualifying persons receiving respite care in a residential home; and c) £432.46 per week residential care benefit for persons resident in a residential home. 13. To set the maximum weekly respite care benefit at the rates set out below from 2nd January 2017: <ol style="list-style-type: none"> a) 1,002.54 per week for persons receiving respite care in a nursing home or in the Guernsey Cheshire Home; b) £764.96 per week for the elderly mentally infirm (EMI) rate for persons receiving respite care in a residential home; and c) £627.62 per week for persons receiving respite care in a residential home. 14. To set the supplementary benefit requirement rates at the rates set out in table 17 of that Policy Letter, from 6th January 2017. 15. To set the weekly benefit limitations for supplementary benefit at the rates set out below, from 6th January 2017: <ol style="list-style-type: none"> a) £650.00 for a person living in the community b) £534.00 for a person who is residing in a residential home; and c) £766.00 for a person who is residing as a patient in a hospital, nursing home, the Guernsey Cheshire Home, or as an elderly mentally infirm resident of a residential home.
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2016,27,5	<p>Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st January 2017</p>	<p>To approve, pursuant to section 31(3) of the Minimum Wage (Guernsey) Law,2009 (“the Law”), the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) Regulations, 2016 (as set out in Appendix 2 to this Report), which, pursuant to sections 1 (3) and 3(1) of the Law prescribe the hourly minimum wage rates set out below with effect from 1 January 2017:-</p> <ul style="list-style-type: none"> -adult minimum wage rate: £7.20 per hour (for workers aged 18 and over), and -young person’s minimum wage rate: £6.50 per hour (for workers aged 16 and 17)