

<b>Memorandum for the Social and Community Development Committee</b>	
<b>SUBJECT</b>	<b>Social Security Amendment Bill</b>
	Memorandum by the Strategic and Social Policy Coordinator
<b>ADVICE SOUGHT</b>	SCDC is asked to endorse the attached amended Social Security Bill for presentation to ExCo on the 20 <sup>th</sup> July 2021 and to Formal LegCo on the 30 <sup>th</sup> July 2021.
<b>BACKGROUND &amp; CONSIDERATIONS</b>	<ol style="list-style-type: none"> <li>1. In May 2018, the Social Security Review Working Group (the ‘Working Group’) met to begin the process of reviewing the Social Security System. The Terms of Reference required the Group to scrutinise the 2011 Social Security Ordinance and recommend improvements and amendments in relation to providing more appropriate, justified, fair and proportionate financial assistance and support for vulnerable people. This provided a review of current welfare benefits including Income Related Benefit (IRB).</li> <li>2. The consequent IRB policy was endorsed by ExCo on the 15<sup>th</sup> December 2020.</li> <li>3. The overall aim of the Social Security Bill is to protect vulnerable groups of people from living in poverty in St Helena.</li> <li>4. The Bill: <ol style="list-style-type: none"> <li>a) Replaces the use of ‘household’ in IRB legislation with ‘family’ which includes an adult and their spouse, cohabiting partner or life partner and their dependent children under the age of 16, or 18 if in full time education. A family can also consist of a single adult.</li> <li>b) Means tests families, not households. However, it also ensures that costs for rent, or loan repayable, utilities and household goods and services are considered proportionate to the household.</li> <li>c) Allows families in full-time employment with a family income below the IRB threshold to apply for IRB because being in full-time employment does not mean that a family is not living in poverty.</li> <li>d) Introduces a category of job readiness, whereby conditions are attached to each category to better monitor the reasons for claiming IRB, e.g. whether through disability, medical or unemployment.</li> </ol> </li> </ol>
<b>FINANCIAL IMPLICATIONS</b>	5. The budget which builds in a large contingency is £1,465,604.20 for Y1. This is <b>£454,277</b> over the 2020/21 (baseline) budget of £1,011,327.20.
<b>ECONOMIC IMPLICATIONS</b>	6. Economic implications for families are set out in the <i>Discussion: Preliminary Draft of IRB Policy Reforms</i> , Annex 1.
<b>CONSISTENCY WITH INVESTMENT POLICY</b>	N/A.
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<b>PRINCIPLES</b>	
<b>PUBLIC/SOCIAL IMPACT</b>	7. There will be a positive social impact for IRB claimants with the change from household to family. Using the Shared Housing Dwelling (SHD) will have no impact on the income of families of two adults and will benefit larger groups of adults sharing accommodation (which is probably larger with higher overheads). The focus on support into work and reducing unemployment will also be positive for former IRB claimants and for employers and the community.
<b>ENVIRONMENTAL IMPACT</b>	N/A
<b>PREVIOUS CONSULTATION/ COMMITTEE INPUT</b>	<p>8. Social Security Working Group report <i>Review of the Effectiveness of the Current Social Security System in St Helena, 2019</i>.</p> <p>9. Approved by the SCDC 17<sup>th</sup> August 2019.</p> <p>10. Meeting of the SCDC 23<sup>rd</sup> September to advise on the direction of travel (Version 1).</p> <p>11. Meeting of the SCDC on the 12<sup>th</sup> October 2020 a) to comment on the revised Income Related Policy (Version 2) with a view to preparing a final draft for presentation to SCDC; and b) either endorse an option for Child Benefit Policy or to make a decision as to whether to proceed with Child Benefit. It was decided not to proceed with Child Benefit as it was considered unaffordable at the current time.</p> <p>12. Meeting of the SCDC on the 5<sup>th</sup> November to approve the revised Income Related Policy (Version 3). After reviewing the disregard SCDC asked for the asset disregard to be revised, which has been done for this Version.</p> <p>13. Meeting of the SCDC on the 12<sup>th</sup> November to approve the revised Income Related Policy (Version 4) with a view to presenting a final draft to ExCo. After reviewing edits were required by SCDC in the section on Temporary Work Placements and Payment to provide more details on the reasons by which IRB would be paid during absence from a work placement.</p> <p>14. Approval by ExCo on the 15<sup>th</sup> December 2020</p>
<b>PUBLIC REACTION</b>	IRB changes will be welcomed by the public.
<b>PUBLICITY</b>	A sensitive and extensive public communication campaign by SHG will be needed to explain the SHD and the asset disregard.

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<b>SUPPORT TO STRATEGIC OBJECTIVES</b>	This paper supports the following 10 Year Plan Goals: a) Altogether Wealthier: SO 3.1 <i>Ensure sustainable economic development</i> - We will ensure that the tax and benefit system protect the most vulnerable b) Altogether Safer: SO 4.2 <i>Care for vulnerable and disadvantaged groups in society such as people with disabilities, children, elderly people and low income earners</i> - We will protect and empower all vulnerable people c) Altogether Better for Children and Young People: SO 2.1 <i>Improve education and training to increase opportunities for all citizens to achieve their full potential</i> - We are committed to St Helenians being the leaders of the Island and we will equip them with the skills and experience to take up key posts.
<b>LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT PLAN GOALS</b>	This paper supports SEDP Goal 7: Developing, Maintaining and Attracting a Skilled Workforce
	<b>INITIALS OF PRESENTER</b>
<b>OPEN/CLOSED AGENDA ITEM</b>	Open Session on 14 July 2021 SCDC meeting.
Central Support Services	
<b>DATE OF MEMO</b>	13 July 2021

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