

STATES OF JERSEY



DRAFT INCOME SUPPORT (AMENDMENT No. 7) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 7th June 2011
by the Minister for Social Security**

STATES GREFFE



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 7) (JERSEY) REGULATIONS 201-

REPORT

1. Introduction

Income Support replaced the previous fragmented welfare benefit system in 2008, with a single, consistent benefit, accessible on equal grounds by all with 5 years' residence, administered from a single department and designed to meet individual needs.

This report addresses 2 separate aspects of the Income Support scheme. The first relates to the uprating plans for Income Support with effect from October 2011.

The second issue relates to the interaction between employment and Income Support. Income Support was designed during a period of low unemployment and buoyant economic times, yet since its implementation, Jersey has suffered the effects of the worst worldwide recession for generations and in particular has seen much higher levels of unemployment. The Minister has taken action over the last 3 years to significantly improve the work incentives within the scheme, and the Department and notably the Skills Executive have invested heavily in programmes to assist jobseekers, in particular the young unemployed and the long-term unemployed.

The Minister has commissioned an expert review, sought the views of other stakeholders and formed a political steering group to advise him. This report outlines initial proposed changes to the current scheme which will improve the attractiveness of work, encourage continued education beyond school-leaving age, as well as tightening sanctions for the minority of individuals who are intent upon abusing the system.

Certain of these proposals are presented for the States Assembly to debate as amendments to legislation; other proposals are presented for information and will be enacted through Orders to be made by the Minister over the coming weeks.

2. October uprate and benefit levels

Typically Social Security benefits are uprated in October every year. In June 2011, the incentives for work and benefits for pensioners were significantly improved, as well as an increase for each Income Support family, all funded from additional funds made available to protect the lowest income groups from the effects of the increase in GST.

Proposals for further increases to take effect from 1st October 2011 are outlined in this report.

The Income Distribution Survey, published last year, pointed to the improvements in the incomes of the lowest income groups relative to the average incomes in the Island since 2002, when the last survey was undertaken. In particular, there have been significant improvements in the relative household income of pensioners and parents with children aged below 15. This is in no small part a result of the significant sums invested into the Income Support system.

A major advantage of the single system is that for the first time it is straightforward to calculate entitlement, and this has enabled Islanders to debate whether the levels of payments for different family groups are set at the right level. Using the same set of figures, some have argued that benefits are insufficient, whilst others have claimed that they are over-generous.

Against the backdrop of improved absolute and relative incomes for the poorest in our society and a recession biting hard at all levels, with wage constraint the norm over recent times, and the cost of living outstripping wage-rises for many, comes the imperative to make savings across all States Departments to keep public finances in balance and to ensure that tax rises are kept to a minimum.

The Social Security Department is not exempt from these requirements, putting forward £2 million of reductions in budget for 2011, of which £1.8 million were agreed by the States. A further £4 million of savings is needed over the next 2 years.

Whilst efficiency savings are being pursued and investment continues to be made to improve services and to tackle fraud and error, achieving such savings inevitably requires changes in the level and scope of benefits over this period.

In considering the options for uprating proposals this year, the Minister has had to balance the need to deliver the savings committed to by the States and keep within the cash limit set for 2012 against the need to satisfy himself that the levels of benefit are adequate. It is important to demonstrate that any increases are appropriate against a backdrop of not only rising prices, but also the earnings squeeze faced by a large number of Islanders.

Evidence taken from typical Income Support family groups suggests that both benefit levels and total income levels have increased at a higher rate than the increase in average earnings experienced in the Island as a whole since the introduction of Income Support. This is consistent with the improvements identified in the Income Distribution Survey showing a reduction in the proportions of households at relative low income levels.

The knowledge that these lowest income households have seen their disposable incomes grow in comparison to their neighbours not on Income Support over this period has enabled the Minister to fulfil his commitment towards the savings targets agreed by the States, yet still provide improvements in benefit levels from the lesser but still significant sums available for uprating. The Minister proposes focussing those funds towards increases to components to cover the costs of accommodation for all families, across the board increases for pensioners, the increased costs of child care for working families on Income Support and the increased costs of G.P. visits for those with chronic conditions.

Pensioners

Income Support claimants aged 65 and above receive a disregard in respect of their pension income. It is proposed to increase this disregard in line with the maximum increase in the Jersey Old Age Pension this year, so that Income Support pensioners will receive the benefit of the uplift in the rate of Old Age pension.

The Jersey Old Age Pension is increased annually in October in line with the Earnings Index for that year. The current forecast for the 2011 Earnings Index is an increase of 2%. It is proposed to increase the pension disregard by the same amount. The exact value of the increase will be finalised at the end of August when the Earnings Index is published.

This increase in Income Support will assist approximately 1,800 pensioner households

Accommodation

In consultation with the Minister for Housing, it has been agreed that the accommodation component of Income Support will be increased by 2.5% from 1st October 2011 to match the proposed increase in Housing Department rentals. The Appendix includes details of the proposed rates for different property types.

This will ensure that all Housing Department tenants and Housing Trust tenants are fully compensated for the increase in Housing Department rentals. Private sector tenants and owner occupiers will also benefit from the rise in accommodation components, which did not increase last year.

This additional funding will be available to approximately 5,700 families.

The 2 Ministers and their Departments are undertaking a comprehensive review of the Housing Department rental structure and the relationship with Income Support housing components, which will be completed this year.

Childcare

The Income Support system includes assistance with childcare costs, for working parents who do not have family support to provide childcare. This extra assistance allows parents who would otherwise need to stay at home with their children, to take up employment, making a contribution to the economy and supporting themselves as far as they are able.

It is proposed to increase the maximum allowance for childcare costs for 0 to 2 year-olds by 5%. This increase acknowledges the additional costs associated with the care of very young children.

It is proposed to increase the maximum allowance for older children receiving childcare (up to the age of 11) by 2.5%. This is in line with the increase agreed between the Education, Sport and Culture Department and childcare providers in respect of the Nursery Education Fund (NEF) scheme for 3 to 4 year-olds funded by that Department.

Medical costs

It is proposed to increase the component associated with the cost of G.P. visits by approximately 2.5%. This component ensures that claimants with ongoing, chronic medical conditions can receive regular monitoring from their G.P.

Improvements since the Introduction of Income Support

Whilst Islanders will have faced the cost of living increasing by an estimated 12.5% (including the impact of GST) between December 2007 and September 2011, average earnings from June 2007 to June 2011 will have risen by an estimated 11%. Yet the majority of those on Income Support have seen higher increases in their Income Support benefit and, in many cases, even greater increases in their disposable incomes, mainly due to improved earnings and pension incentives.

The Table below provides examples for a range of typical Income Support households, showing the change in their entitlement to Income Support between January 2008 and October 2011. The first 4 examples are based on the households described in the recent Scrutiny Panel Report (S.R.3/2011 – Chapter 6 – Case Studies).

Table 1 – Changes in Benefit rates for typical Income Support Households – January 2008 to October 2011

Household	Accommodation*	IS weekly benefit Jan. 2008	Proposed IS benefit Oct. 2011	% change in IS since Jan. 2008	% change in disposable income**
“Marie” out of work – single adult	1 bed flat – rented	£269.92	£297.99	10%	12%
“Marie” in work – 37.5 hours at minimum wage	1 bed flat – rented	£91.72	£122.61	34%	36%
“Jackie and Bill” – both working at minimum wage	1 bed flat – rented	–	£39.35	–	39%
“The Maretts”, couple with 2 children – one parent working at minimum wage	3 bed house – rented	£381.45	£444.40	17%	22%
lone parent, 3 year-old child – not working	2 bed flat – rented	£350.40	£393.18	12%	14%
Single O.A.P. – full Jersey pension	1 bed flat – rented	£130.33	£155.79	20%	20%
Single O.A.P. – 50% Jersey pension	1 bed flat – rented	£213.18	£247.58	16%	20%
couple O.A.P. – full Jersey married pension	1 bed flat – rented	£120.93	£153.35	27%	20%
couple O.A.P. – one with moderate disability and chronic medical condition – full Jersey married pension	2 bed house – owner	£73.68	£112.26	52%	20%

Household	Accommodation*	IS weekly benefit Jan. 2008	Proposed IS benefit Oct. 2011	% change in IS since Jan. 2008	% change in disposable income**
young adult with moderate disability – no income	living with parents	£167.16	£193.27	16%	16%
couple with severely disabled child – one parent carer, one parent working at minimum wage	2 bed house – rented	£299.40	£362.33	21%	21%

*Accommodation – It is assumed that tenants are paying rent at the level of the appropriate accommodation component

**Disposable income – Income available after payment of rent and social security contributions

These examples demonstrate the very significant improvements to the Income Support benefit and disposable income of those on Income Support since the scheme was introduced compared not only against average earnings, but also in respect of inflation. The Table also sets out the significant improvements for those who are motivated to and can secure employment due to the increase in the earnings disregard from 6% to 20%.

3. Employment conditions within the Income Support scheme

When the Income Support system was introduced in 2008, it established for the first time in Jersey a requirement for working-age adults to support themselves through employment wherever possible, in order to qualify for financial support. The concept of “actively seeking work” was introduced – to provide a legal framework in which it is possible to decide whether an unemployed individual has taken all reasonable steps to obtain employment, and is therefore eligible to receive Income Support benefit. It is important to note that the Income Support scheme has been designed to support adults who are unemployed as long as they are taking all reasonable steps to find employment.

The global recession followed soon after the introduction of Income Support, and inevitably the number of adults now classed as actively seeking work has risen. Additional resources and funding have been made available to ensure that jobseekers receive appropriate support and that Income Support is available to the jobseekers and their families.

In particular, funding has been identified to strengthen the employment services provided by Social Security, and personal advisers are focusing on jobseekers that fall into 2 priority groups – jobseekers aged less than 25 years old and those who have been out of work for at least 6 months.

Significant funding has also been made available through the Fiscal Stimulus to provide extra capacity at Highlands and to run the Advance to Work schemes.

In addition to providing additional support services, the legal framework in this area has been reviewed and changes are now proposed in 4 areas. In general terms, these changes will help to strengthen the jobseeking regime and create appropriate financial incentives for individuals to fully engage with the jobseeking process.

The proposed changes fall under three headings –

- The treatment of young adults aged under the age of 19
- The sanctions in respect of those who fail to undertake “actively seeking work” activities
- The treatment of an individual who gives up paid employment.

The treatment of jobseekers aged under the age of 19

Income Support for those of working age is primarily an in-work benefit which means that a person is required to either be in work or actively seeking work to continue to receive Income Support. In addition, the system is structured so as to reward employment through disregards that allow individuals to have higher total incomes than those on Income Support who do not work.

Significant sums have been invested in the earnings disregard to improve the financial advantages of working.

However, for some groups, in particular the 16–18 age-group, job opportunities are currently limited and the existence of benefit at the levels currently paid can act as a disincentive to remain in education. While the advantages of both employment and education are well-documented, a significant minority of this group are currently not in education or employment. It is vitally important that a culture of dependence is not allowed to take a grip within this group. Small but significant changes are proposed to address this issue and the savings made will be re-invested in more productive means of aiding these young adults through the continuing difficult economic conditions.

At present, a 16 or 17 year-old who has left school, is still living at home, and is actively seeking work, is classed as a separate household and entitled to Income Support, regardless of the financial situation of the parents.

In Income Support terms, this young jobseeker is in a similar position to the young adult that has left school and started employment. The young worker is not expected to take on responsibility for supporting the parents’ household and so s/he is identified as separate to the Income Support claim of the parents.

This allows young working adults to remain within the family home without placing an undue burden on them to support the remainder of their family. However, since the introduction of Income Support, there has been a substantial growth in the number of young people who leave school and are unable to find employment.

It has become apparent that a number of young unemployed adults are living at home with their parents and claiming Income Support, although the household income of the parents is sometimes well above the Income Support level. If the young adult had remained in education, no Income Support would be paid to either the young adult or the parent.

Proposal

It is the Minister's intention to change the Income Support General Provisions Order so that young adults aged under 19 will be included within their parents' household if they are out of work and actively seeking work. This places the young jobseeker in the same position, for Income Support purposes, as if they were in full-time education.

This will remove the possibility of a "perverse incentive" for a young adult to choose not to remain in education, in order to be able to claim benefit. In future, the decision to leave full-time education will have no direct financial implication on either the parents, or the young person, in terms of their Income Support claim. The change will ensure that young people are treated fairly, whether they decide to remain in education or not.

The impact upon the "better-off" household, where the parents are not in receipt of Income Support, will be that the young jobseeker will no longer be able to claim Income Support in his/her own right. From the point of view of the parent, the young adult will remain financially dependent on the family unit, in the same way as if they had stayed in full-time education.

For the household where the parents receive Income Support, retaining the young person in the household increases the Income Support rate for the parents. At present, the Income Support component for the young person is paid directly to the young person. Under the proposal, the Income Support component for the young person will be added to the Income Support benefit paid to the parents. The total amount of money received by the household will not change.

If the young person finds employment s/he would no longer be included in the Income Support household of the parents and their benefit rate would fall by up to £92 per week. The minimum wage at which a young person could be employed would be the "trainee" rate of £4.74 per hour (this rate can be paid for up to one year). For a 40 hour week this is a net wage of £178.22, compared to the adult component of £92.12 per week. The young person, and their family, will be significantly better-off with the young person in work.

Estimates taken from current data suggest that up to 104 young adults below the age of 19 are claiming Income Support and living in a household that does not have any other Income Support claim. For a small number of these households, the parents will be able to claim Income Support when the young adult is added to the household claim. A further 88 young adults are claiming Income Support and living in a household that already receives Income Support. The removal of the Income Support payments from the first group will create a saving in Income Support costs, of £400,000 to £500,000 over a full year.

This saving is a result of the volume of young clients actively seeking work at present, and costs in this area will diminish naturally as the labour market improves. In light of this, the temporary saving will be applied to support the provision of employment services for this age-group in particular. The exact nature of this support will be agreed through the Skills Jersey structure (the ongoing collaboration between the Ministers for Education, Sport and Culture, Economic Development and Social Security). For example, this could include the provision of a training allowance for Advance To Work (ATW) participants undertaking work placements, the extension of current programmes beyond the time when existing Fiscal stimulus funding will

expire, or additional training resources for jobseekers needing specific assistance that is not currently available.

A related change will be made to at the same time to allow the part-time earnings of young adults aged under 19 who are in full-time education to be excluded from the calculation of Income Support benefit for the household. This will encourage young people remaining in full-time education to take up part-time employment without any negative impact on the Income Support rate paid to their parents.

Sanctions for not meeting responsibilities to seek employment

Under Income Support legislation, adults under the age of 65 are required to be in full-time remunerative work. However there are exemptions for those with caring responsibilities, either for a child or for someone with severe disabilities, and for those who are unable to work on health grounds. An unemployed adult who is not exempt must demonstrate that they are actively seeking work to maintain their entitlement to Income Support.

The vast majority of unemployed adults genuinely want to work and engage in a wide range of jobseeking activities. They appreciate not only the short- and long-term financial advantages of work, but also the health and well-being improvements associated with employment.

However, a worrying minority who do not fall into an exempt category would prefer not to work and, for these individuals, some characteristics of the existing system make it difficult to impose any meaningful sanction.

These features include –

- A protracted time period of non-compliance with jobseeking activities before benefit can be slowly reduced; and
- Being able to choose to give up paid work and immediately access benefits.

The timescale associated with invoking sanctions against those who fail to meet their obligations to actively seek work

Under the current legislation, there is a 12 week period between the identification that an individual may not be fully undertaking their jobseeking activities and the imposition of the maximum penalty currently available. In many cases, the sanction process is not viewed as a deterrent by Income Support claimants and the very long timetable allows for the possibility that individuals will seek to manipulate the system and maintain their benefit through relatively minor effort on their part. Advisors dealing with young clients actively seeking work note that the long time delays built into the process make it very difficult for the young person to make a firm connection between their actions/inactions in one month and the reduction of benefit in a future month.

The original proposal for “failing jobseeking” was a single 28 day period. The Scrutiny Panel successfully amended the previous Minister’s proposal (P.90/2007 Amd.(2)) to introduce a written warning letter at the end of the 28 day period and to create a further 28 day period before any sanctions could be applied. Under the current timetable, an individual who is determined not to meet the obligation to seek work will see no diminution in benefit for 8 weeks and it will be 3 months before the maximum sanction is applied.

The next Table shows how the current system works:

Table 2: Current timetable associated with actively seeking work test

	Person A	Person B	Person C
Weeks 1 to 4	Actively seeking work –gets IS	Not actively seeking work – gets IS	Not actively seeking work – gets IS
End of week 4		Send warning letter	Send warning letter
Weeks 5 to 8	Actively seeking work –gets IS	Actively seeking work – gets IS	Not actively seeking work – gets IS
End of week 8			Is a “failed job seeker”
Weeks 9 to 12	Actively seeking work –gets IS	Actively seeking work – gets IS	Reduce adult component by 25% per week (i.e. £23 per week)
Week 13			Maximum sanction has been applied

The type of behaviour that could lead to a warning letter being sent includes –

- Failure to take up a suitable job offer
- Failure to attend an agreed interview with the Department
- Failure to attend an agreed interview with a prospective employer
- Failure to attend an arranged training course or ATW activity
- Inappropriate behaviour with a prospective employer or on a training course/ATW activity.

Relatively few individuals get to the stage of receiving a sanction under the current system, due to the timescales involved and the opportunities within the current system which allow individuals to comply for short periods after failing to meet their obligations for longer periods and thereby avoid sanctions.

If an individual is identified as a failed jobseeker the sanction that is applied is a 25% reduction in their adult component. At present rates, this amounts to £23 per week. If the individual continues to fail jobseeker requirements for further weeks, additional 25% reductions are made each week until the adult component is reduced to £0. No other components are reduced.

Proposals

It is proposed to retain the two-stage warning process in place, but to reduce the length of time of each period. The first period will reduce from 28 days to 14 days. The second period, after the warning letter has been sent, will reduce from 28 days to 7 days. It is also proposed to increase the impact of the sanction by reducing the adult component by 50% for the first week of failed jobseeking and to remove it completely after 2 weeks.

However, when an individual does begin to actively seek work again, the benefit will also be restored more quickly, and the individual will be able to re-apply after 2 weeks in which actively seeking work conditions are fulfilled continuously.

These proposals require changes to the Income Support Regulations and the Income Support Special Payments Regulations.

There may be a small financial saving, in terms of the reduction of benefit from individuals who have failed the jobseeking test. However, it is hoped that the main

impact of this amendment will be to increase the motivation of individuals to fulfil their jobseeking activities each week, which will help them to regain employment more quickly, leading to the beneficial side effect of a lesser demand for Income Support benefit.

The treatment of an individual who gives up paid employment

Under the current Income Support legislation, there is no test or condition that prevents an individual from voluntarily leaving employment and immediately claiming Income Support. As long as the individual is actively seeking new employment, they can apply for Income Support.

Income-related benefits in other jurisdictions often include a waiting period, in which the individual cannot claim government benefits if they have chosen to give up employment or if they have been dismissed. For example, certain benefits cannot be claimed for 9 weeks in the Republic of Ireland, 13 weeks in New Zealand and up to 26 weeks in the United Kingdom.

Proposal

It is proposed to change the Income Support General Provisions Order so that the Income Support rate payable for a period of 13 weeks after employment has ended, due to the actions of the individual, should continue to be based on the income that the household was receiving before the employment ceased.

For example, an individual earns £400 per week, lives alone and is not entitled to claim Income Support. The individual resigns from the job. With no income, this person is currently able to claim Income Support (for a single person living alone, this could be up to £298 per week). Under the revised Order, financial assistance would only be available after 13 weeks.

For a household already receiving Income Support – say, a couple with one young child receiving £200 Income Support whilst one parent is earning £400 per week. If the parent gives up this employment without a valid reason, then the Income Support will continue at £200 per week for 13 weeks before it is increased to a maximum of £495 per week.

This would be applied if an individual has chosen to resign or been dismissed (excluding redundancy) unless they can show that the employer has acted unreasonably and, if appropriate, they are pursuing a case for unfair dismissal.

In the event that the individual has taken temporary employment or a short, fixed-term contract, there is no penalty at the end of the employment. There will also be situations in which the reason for the resignation is accepted and no penalty is imposed. For example, a worker could be offered a new job, resign from their current position and then find that the job offer had been withdrawn. As long as the individual had acted in good faith, then the Income Support claim would not be affected.

An individual who resigned due to a medical problem or who had caring responsibilities that made it impossible to continue their current employment would also continue to receive their full Income Support entitlement. The sanctions will not apply in the case of redundancy.

Further Proposals

This package of employment related measures is put forward as a reasonable and responsible first step towards a better reflection of the needs and responsibilities of Income Support claimants. Additional measures have been considered but have not been put forward at this time. For example, the financial sanction in respect of failed jobseeking could extend beyond the value of the adult component to some or all of the full value of the Income Support claim. Additional sanctions could be imposed upon repeat offenders.

Subject to the approval of the States, the current proposals will be monitored and further adjustments may be proposed at a later date.

4. Income Support Regulations

The sections above have described a range of proposals. This report accompanies the proposed changes to the Income Support Regulations.

These comprise:

Amendments to the schedules setting out component rates. Accommodation, clinical cost and childcare components are increased. The exact value of the components is adjusted to ensure that the daily value of each component is a whole number of pence. If approved, the changes to rates will apply from 1st October 2011.

Amendments to the conditions for actively seeking work. The number of days over which the actively seeking work test and the warning period apply are reduced. If approved, the changes will apply from 1st August 2011.

Related amendments to legislation

A separate proposition (P.109/2011) provides for amendments to the Income Support Special Payment Regulations, to reduce the value of the benefits available to an adult who fails to actively seek work. This change is proposed for 1st August 2011.

The Minister will make a Ministerial Order to adjust the definition of a household to include a jobseeker aged under the age of 19 as part of the parents' household and to exclude minor part-time earnings of a student under the age of 19 from the calculation of Income Support benefit. This change is proposed for 1st September 2011.

The Minister will make a Ministerial Order to maintain income in respect of the calculation of Income Support benefit, if the income has been reduced due to the voluntary actions of an adult giving up employment without sufficient reason. This change is proposed for 1st September 2011.

The Minister will make a Ministerial Order to increase the value of the pension disregard available to Income Support claimants aged 65 and above. This change is proposed for 1st October 2011.

5. Financial and manpower implications

The net cost of the changes to components and the increase in pension disregards is estimated at £870,000, which is allowed for in the planned cash limit for 2012, taking account of the Comprehensive Spending Review target set for the Department. This figure is the net increase in spend, having taken account of changes to the Income Support budget due to increases in contributory benefit levels, Housing Department

rent increases and the overall level of wage increases. There are no manpower considerations in respect of the change in component rates.

The medium-term financial implications of the adjustments to the timetable associated with the actively seeking work conditions should be to reduce the overall cost of Income Support benefit, as individuals are required to engage more closely with the actively seeking work requirements and so return to employment more quickly. In the short term, there is likely to be a small increase in the administration associated with unemployed Income Support claimants. This can be accommodated within the existing staffing levels, which have recently been increased to provide a full service to the current level of actively seeking work clients.

There is likely to be a saving of between £400,000 and £500,000 in respect of the changes to the treatment of a young adult aged under 19. The savings identified in this area will be used to maintain and extend services to jobseekers.

APPENDIX

The following Table shows the proposed rates for October 2011, compared to the October 2010 rates and the January 2008 rates when Income Support started.

The main RPI will have increased by an estimated 12.5% (including the impact of GST) between December 2007 and September 2011.

Average earnings increases for 2008 to 2011 are estimated at 11%.

A specific retail price index for low income households was set up by the Statistics Unit at the end of 2007. The actual increase between December 2007 and March 2011 in the RPI (Low Income) has been 13% and the estimated increase between December 2007 and September 2011 is 15.6%.

Components – weekly rates	Jan. 2008	Oct. 2010	Oct. 2011	Compare Oct. 2011 with Jan. 2008
Adult	£83.58	£92.12	£92.12	110%
Single parent	£120.68	£132.51	£132.51	110%
Child	£56.42	£63.98	£63.98	113%
Household	£42.84	£48.58	£49.56	116%
Personal care 15–36	£20.37	£22.96	£22.96	113%
Personal care 36–56	£83.58	£101.15	£101.15	121%
Personal care 56+	£122.85	£145.25	£145.25	118%
Mobility – non earner	£20.37	£22.96	£22.96	113%
Mobility – earner	£40.74	£45.92	£45.92	113%
Clinical cost 5+ consultations	£2.66	£2.94	£3.01	113%
Clinical cost 9+ consultations	£5.32	£5.88	£6.02	113%
Carer	£41.79	£46.97	£46.97	112%
Components – hourly rates				
Childcare under 3 years	£5.38	£5.83	£6.12	114%
Childcare 3–4 years	£4.21	£4.66	£4.78	114%
Childcare 5–11 years	£3.03	£4.61	£4.73	156%
Capital disregards				
single adult with personal care element	£11,443	£13,706	£13,706	120%
Other single adult under 65	£7,629	£9,137	£9,137	120%
couple with at least one with personal care element	£18,967	£22,718	£22,718	120%
Other couple under 65	£12,645	£15,145	£15,145	120%
Single adult 65 or over	£11,443	£13,706	£13,706	120%
Couple 65 or over	£18,967	£22,718	£22,718	120%
Pension disregards				
Pension – First pensioner	£26.11	£35.98	£41.37	158%
Pension – Additional pensioners	£16.38	£22.40	£26.60	162%
Earnings disregard	6%	16.50%	20%	333%

Separate rates are provided for accommodation, depending on the size and type of property. Details are provided in the following Table.

Accommodation Components – weekly rates	Jan. 2008	Oct. 2010	Oct. 2011
Hostel	£70.00	£74.41	£76.30
Bedsit/lodgings	£100.45	£106.75	£109.41
One bedroom flat	£143.50	£152.53	£156.31
Two bedroom flat	£180.46	£191.80	£196.63
Three bedroom flat	£205.03	£217.91	£223.37
Four bedroom flat	£217.35	£231.07	£236.88
Five (or more) bedroom flat	£225.54	£239.75	£245.77
One bedroom house	£163.03	£173.25	£177.59
Two bedroom house	£212.24	£225.61	£231.28
Three bedroom house	£236.81	£251.72	£258.02
Four bedroom house	£256.27	£272.37	£279.16
Five bedroom house	£278.81	£296.31	£303.73
Six (or more) bedroom house	£292.18	£310.52	£318.29
Bedsit – owner	£5.18	£5.53	£5.67
One bedroom flat – owner	£5.18	£5.53	£5.67
Two bedroom flat – owner	£5.18	£5.53	£5.67
Three bedroom flat – owner	£7.35	£7.84	£8.05
Four bedroom flat – owner	£10.43	£11.13	£11.41
Five (or more) bedroom flat – owner	£10.43	£11.13	£11.41
One bedroom house – owner	£5.18	£5.53	£5.67
Two bedroom house – owner	£7.35	£7.84	£8.05
Three bedroom house – owner	£10.43	£11.13	£11.41
Four bedroom house – owner	£10.43	£11.13	£11.41
Five (or more) bedroom house – owner	£10.43	£11.13	£11.41

Explanatory Note

These Regulations amend Regulation 5 of the Income Support (Jersey) Regulations 2007 (“principal Regulations”), to shorten the periods that apply in respect of the conditions that must be satisfied before a person is regarded as actively seeking work. The effect of the change is that in order for a person to be regarded as actively seeking work he or she must have taken the steps described in Regulation 5 to try to obtain suitable work during the previous 14 days (previously 28 days); and if he or she receives a notice warning that the Minister is of the view that the person has not been actively seeking work, the person must do so during the next 7 days (previously 28 days), otherwise he or she will be treated as a person not actively seeking work, and in consequence will be liable to lose entitlement to income support.

These Regulations also amend Schedule 1 of the principal Regulations to increase the rates payable in respect of the housing component of income support and the clinical cost element of income support by an amount equal to approximately 2.5%, and the child day care component of income support by an amount equal to approximately 5% for a child under 3 years of age, and approximately 2.5% for a child over 3 years of age, up to and including 11 years of age. The rate of housing component was last increased on 1st October 2009 and the rates of clinical cost element and child day care component were last increased on 1st October 2010.



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 7) (JERSEY) REGULATIONS 201-

Arrangement

Regulation

1	Interpretation	21
2	Regulation 5 amended.....	21
3	Schedule 1 amended.....	21
4	Citation and commencement	23



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 7) (JERSEY) REGULATIONS 201-

Made [date to be inserted]

Coming into force [date to be inserted]

THE STATES, in pursuance of Articles 3, 5 and 18 of the Income Support (Jersey) Law 2007¹, have made the following Regulations –

1 Interpretation

In these Regulations “principal Regulations” means the Income Support (Jersey) Regulations 2007².

2 Regulation 5 amended

- (1) In Regulation 5(1) of the principal Regulations –
 - (a) for the words “past 28 days” there shall be substituted the words “past 14 days”;
 - (b) in sub-paragraph (d) for the words “the 28 days” there shall be substituted the words “the 7 days”.
- (2) In Regulation 5(2) of the principal Regulations –
 - (a) for the words “past 28 days” there shall be substituted the words “past 14 days”;
 - (b) for the words “next 28 days” there shall be substituted the words “next 7 days”.

3 Schedule 1 amended

In Schedule 1 of the principal Regulations –

- (a) for paragraph 4(2) there shall be substituted the following sub-paragraph –

“**(2)** The rates payable under this sub-paragraph are –

- (a) in the case of a hostel £76.30

(b)	in the case of lodgings or a bedsit	£109.41
(c)	in the case of a flat with 1 bedroom	£156.31
(d)	in the case of a flat with 2 bedrooms	£196.63
(e)	in the case of a flat with 3 bedrooms	£223.37
(f)	in the case of a flat with 4 bedrooms	£236.88
(g)	in the case of a flat with 5 or more bedrooms	£245.77
(h)	in the case of a house with 1 bedroom	£177.59
(i)	in the case of a house with 2 bedrooms	£231.28
(j)	in the case of a house with 3 bedrooms	£258.02
(k)	in the case of a house with 4 bedrooms	£279.16
(l)	in the case of a house with 5 bedrooms	£303.73
(m)	in the case of a house with 6 or more bedrooms	£318.29.”;

(b) for paragraph 4(4) there shall be substituted the following sub-paragraph –

“(4) The rates payable under this sub-paragraph are –

(a)	in the case of a bedsit or flat with 1 or 2 bedrooms	£5.67
(b)	in the case of a flat with 3 bedrooms	£8.05
(c)	in the case of a flat with 4 or more bedrooms	£11.41
(d)	in the case of a house with 1 bedroom	£5.67
(e)	in the case of a house with 2 bedrooms	£8.05
(f)	in the case of a house with 3 or more bedrooms	£11.41.”;

(c) for paragraph 8(2) there shall be substituted the following sub-paragraph –

“(2) The rate of clinical cost element of the impairment component is –

- | | |
|-----|--|
| (a) | £3.01; or |
| (b) | if, based on the criteria set out in sub-paragraph (1)(b), the member will need at least 9 consultations with an approved medical practitioner, £6.02.”; |

(d) for paragraph 10(3) there shall be substituted the following sub-paragraph –

“(3) The rates payable under this sub-paragraph are –

(a)	for a child under the age of 3 years	£6.12
(b)	for a child aged 3 years or over but under the age of 5 years	£4.78

(c) for a child aged 5 years or over £4.73.”.

4 Citation and commencement

- (1) These Regulations may be cited as the Income Support (Amendment No. 7) (Jersey) Regulations 201-
- (2) Regulation 2 shall come into force on 1st August 2011.
- (3) Regulation 3 shall come into force on 1st October 2011.

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- ¹ *chapter 26.550*
² *chapter 26.550.30*