

# STATES OF JERSEY



Jersey

## **DRAFT INCOME SUPPORT (AMENDMENT NO. 19) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 3rd June 2019  
by the Minister for Social Security**

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**STATES GREFFE**





Jersey

## **DRAFT INCOME SUPPORT (AMENDMENT NO. 19) (JERSEY) REGULATIONS 201-**

### **REPORT**

#### **1. Proposal to improve income support**

The Minister for Social Security is proposing to improve income support this year by –

- (1) **Strengthening the financial incentives for households to increase their own income and move towards financial independence.**
- (2) **Increasing most of the income support components by 1.9%.**
- (3) **Increasing the first child component by just over £5 a week. The component was also increased by £5 a week in January to help support families receiving income support.**

The Draft Income Support (Amendment No. 19) (Jersey) Regulations 201- (“the draft Regulations”) cover the changes to component rates. The Minister will carry out the first part of the proposal by Ministerial Order, subject to the draft Regulations being approved by States Members. If approved, the changes will take effect from 1st October 2019.

#### **2. Summary of the draft Regulations**

These Regulations –

- (1) **Increase the first child component by £5.04 a week (a 6.9% increase).**
- (2) **Increase most of the Income Support components by approximately 1.9%.**

These cover: adult, household, child component (second and subsequent), carer, personal care, clinical cost, mobility and accommodation (owners and private sector rental). The single parent component will remain the same.

The draft Regulations have been submitted for approval before the summer recess in order to allow time for the new values to be processed before 1st October 2019.

#### **3. Common Strategic Policy 2018–22 priorities (see [R.11/2019](#))**

The States Assembly agreed 5 strategic priorities up to 2022. This proposal helps the Government to make progress towards 3 of these priorities –

- (1) **Put children first** – by increasing the first child component
- (2) **Reduce income inequality and improve the standard of living** – by increasing most of the income support components and strengthening financial incentives to increase income.

- (3) **Create a sustainable, vibrant economy and a skilled local workforce for the future** – by strengthening financial incentives to increase income.



#### 4. Details of the proposal

The Minister for Social Security is proposing to improve income support this year by both strengthening the financial incentives within the benefit system and increasing the value of components.

##### **Strengthening the financial incentives**

Households receiving income support are always better off in work than out of work.

The Minister for Social Security is planning to strengthen the financial incentives for households to increase their income, by increasing the income disregards for earned, pension and maintenance income from 25% to 26% from 1st October 2019.

This will mean that a household will be better off by 26p in the £1, for every £1 of income earned or received, after their income support benefit has been adjusted.

This is a key part of the Minister's proposal that will make it more worthwhile for income support households to increase their own income, if they are able to. It will directly help about 4,100 households (70% of the total) that have earned, pension or maintenance income.

This is estimated to cost £0.6 million a year. However, this does not take into account that over time, stronger financial incentives should help to reduce the cost of income support.

### **Support for low income families**

In January 2019, a supplement was added to the component for the first child in each family receiving income support, providing an additional £5.04 p per week.

The Minister for Social Security is now proposing to build on this extra help to families with low incomes, by giving a further £5.04p per week to every household that includes a child under school-leaving age.

This will increase the amount of income support available for the first child from £67.90 in October 2018 to £77.98 a week in October 2019.

At the end of 2018, there were 1,900 income support households (about 1 in 3, or 33% of the total) with children that will benefit from this.

The estimated cost of this is £0.5 million a year.

### **Support for all households receiving income support**

The Minister for Social Security is mindful that the cost of living is increasing in Jersey. The RPI figure for the year to March 2019 for households with low incomes is 3.3%.

Therefore, the proposal includes an increase of 1.9% in the components which will help all households receiving income support. This does not include the additional component available to single parents or the cost of social housing rentals, which are discussed below.

The cost of these changes is estimated to be £1.5 million a year.

### **Single parents**

The Draft Income Support (Amendment No. 17) (Jersey) Regulations 201- ([P.28/2018](#)) were approved by the States Assembly on 22nd March 2018. This amendment provides for an additional single parent component to be re-instated to all single parents receiving income support at the rate of £40.39 per week from 1st June 2018. The cost of this component is being met from underspends during 2018 and 2019.

The increase in overall income support rates provided single parent households with an increase of weekly benefit of £30.24 or £40.39 (depending on the start date of their claim) in June 2018. From October 2019, all single parent families will receive the child uplift of £5.04 as well as increases in the adult component and other relevant components. The Minister has not proposed a further increase in the single parent component this year.

The Minister will propose that the single parent component is maintained at its current level and fully funded in the next Government Plan 2020–2023.

### **Support for Social Housing**

Following the approval of the Housing Transformation Programme in 2013, changes were made to the [Income Support \(Jersey\) Regulations 2007](#). Component values are no longer specified within the Regulations, and rental components for social sector tenants (Andium and Housing Trusts) are adjusted automatically each year. Households receive the full value of their rent as part of their income support calculation.

In January 2019, the Minister for Children and Housing confirmed a new rent adjustment policy for Andium Homes, following an unexpectedly high increase in the Retail Price Index for the year to June 2018. The new policy means that annual rents will increase by RPI+ 0.75%, but will also be capped to remain within a range of 2.5% to 4% in the future. The rents for Andium tenants will rise on 1st January 2020.

### Financial and manpower implications

The total estimated cost of the changes proposed for October 2019 is £2.6 million a year.

Proposal	£ million
Increase financial incentives	0.6
Increase first child component by £5	0.5
Increase components by 1.9%	1.5
	2.6

The cost of this from October to December 2019 has been built into the current Medium Term Financial Plan (“MTFP”) 2016–2019. The cost of the proposals from January 2020 onwards will be included in the next Government Plan 2020–2023, to be debated in November 2019.

There are no staffing or other resource implications arising from the draft Regulations.

### Component increases from 1st October 2019

Component	Legislation	Current £/week	New £/week
<b>Part 1: Basic components</b>			
Adult	Sch. 1: Para. 2(1)(a)	97.72	99.61
Single parent	Sch. 1: Para. 2(1)(b)	40.39	40.39
Child (first)	Sch. 1: Para. 2(1)(d)	72.94	77.98
Child (subsequent)	Sch. 1: Para. 2(1)(e)	67.90	69.23
Household	Sch. 1: Para. 2(1)(f)	54.46	55.51
<b>Part 2: Housing component</b>			
<b>Rental:</b>			
in the case of a hostel	Sch. 1: Para. 4(2)(a)	106.19	108.22
in the case of lodgings or a bedsit	Sch. 1: Para. 4(2)(b)	139.86	142.52
in the case of a flat with 1 bedroom	Sch. 1: Para. 4(2)(c)	206.15	210.07
in the case of a flat with 2 bedrooms	Sch. 1: Para. 4(2)(d)	263.97	269.01
in the case of a flat with 3 or more bedrooms	Sch. 1: Para. 4(2)(e)	283.29	288.68
in the case of a house with 1 bedroom	Sch. 1: Para. 4(2)(f)	236.32	240.87
in the case of a house with 2 bedrooms	Sch. 1: Para. 4(2)(g)	300.02	305.76
in the case of a house with 3 bedrooms	Sch. 1: Para. 4(2)(h)	350.35	357.07
in the case of a house with 4 bedrooms	Sch. 1: Para. 4(2)(i)	381.92	389.20
in the case of a house with 5 or more bedrooms	Sch. 1: Para. 4(2)(j)	422.80	430.85
<b>Owner:</b>			
in the case of a bedsit or flat with 1 or 2 bedrooms	Sch. 1: Para. 4(7)(a)	6.79	6.93
in the case of a flat with 3 bedrooms	Sch. 1: Para. 4(7)(b)	9.59	9.80
in the case of a flat with 4 or more bedrooms	Sch. 1: Para. 4(7)(c)	13.58	13.86

<b>Component</b>	<b>Legislation</b>	<b>Current £/week</b>	<b>New £/week</b>
in the case of a house with 1 bedroom	Sch. 1: Para. 4(7)(d)	6.79	6.93
in the case of a house with 2 bedrooms	Sch. 1: Para. 4(7)(e)	9.59	9.80
in the case of a house with 3 or more bedrooms	Sch. 1: Para. 4(7)(f)	13.58	13.86
<b><u>Shared by 2 or more households:</u></b>			
in the case of a hostel	Sch. 1: Para. 4(13)(a)	106.19	108.22
in the case of lodgings or a bedsit	Sch. 1: Para. 4(13)(b)	132.51	135.03
in the case of a flat with 1 bedroom	Sch. 1: Para. 4(13)(c)	195.37	199.15
in the case of a flat with 2 bedrooms	Sch. 1: Para. 4(13)(d)	250.11	254.87
in the case of a flat with 3 or more bedrooms	Sch. 1: Para. 4(13)(e)	268.38	273.49
in the case of a house with 1 bedroom	Sch. 1: Para. 4(13)(f)	223.86	228.13
in the case of a house with 2 bedrooms	Sch. 1: Para. 4(13)(g)	284.34	289.80
in the case of a house with 3 bedrooms	Sch. 1: Para. 4(13)(h)	331.94	338.31
in the case of a house with 4 bedrooms	Sch. 1: Para. 4(13)(i)	361.83	368.76
in the case of a house with 5 or more bedrooms	Sch. 1: Para. 4(13)(j)	400.54	408.17
<b><u>B: Impairment component</u></b>			
<b>Personal care element:</b>			
for a score of at least 15 but less than 36	Sch. 1: Para. 6(3)(a)	24.43	24.92
for a score of at least 36 but less than 56	Sch. 1: Para. 6(3)(b)	107.24	109.34
for a score of at least 56	Sch. 1: Para. 6(3)(c)	154.07	157.01
<b>Mobility element:</b>			
(a)	Sch. 1: Para. 7(3)(a)	24.43	24.92
(b)	Sch. 1: Para. 7(3)(b)	48.79	49.77
<b>Clinical cost element:</b>			
(a)	Sch. 1: Para. 8(2)(a)	3.43	3.50
(b)	Sch. 1: Para. 8(2)(b)	6.86	7.00
<b><u>C: Childcare day component</u></b>			
(a) child under 3	Sch. 1: Para. 10(3)(a)	7.00	7.14
(b) child 3 +	Sch. 1: Para. 10(3)(b)	5.46	5.57
<b><u>D: Carer's component</u></b>			
Carer's component	Sch. 1: Para. 12	49.84	50.82





**EXPLANATORY NOTE**

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The Draft Income Support (Amendment No. 19) (Jersey) Regulations 201- (“the Regulations), if passed, amend Schedule 1 to the Income Support (Jersey) Regulations 2007 in order to –

- increase all income support components, other than the single parent component (where there is no increase) and first child component, by 1.9%; and
- increase the first child component by £5.04 per week.

The Regulations, if passed, come into force on 1st October 2019.





Jersey

## DRAFT INCOME SUPPORT (AMENDMENT No. 19) (JERSEY) REGULATIONS 201-

*Made* *[date to be inserted]*  
*Coming into force* *[date to be inserted]*

**THE STATES** make these Regulations under Articles 5 and 18 of the Income Support (Jersey) Law 2007<sup>1</sup> –

### 1 Schedule 1 to the Income Support (Jersey) Regulations 2007 amended

(1) In this Regulation, a reference to a paragraph by number is to the paragraph of the same number in Schedule 1 to the Income Support (Jersey) Regulations 2007<sup>2</sup>.

(2) For paragraph 2(1) (rates for basic component) there is substituted –

“(1) The rates payable for the basic components under Article 5(2) of the Law are as follows –

(a)	under Article 5(2)(a) of the Law (adult component rate)	£99.61
(b)	under Article 5(2)(b) of the Law (single parent component rate)	£40.39
(d)	under Article 5(2)(c) of the Law (first child component rate)	£77.98
(e)	under Article 5(2)(ca) of the Law (subsequent child component rate)	£69.23
(f)	under Article 5(2)(d) of the Law (household component rate)	£55.51”.

(3) Paragraphs 2(2) and 2(3) are deleted.

(4) For paragraph 4(2) (rates of housing component) there is substituted –

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

(a)	in the case of a hostel	£108.22
(b)	in the case of lodgings or a bedsit	£142.52
(c)	in the case of a flat with 1 bedroom	£210.07

- (d) in the case of a flat with 2 bedrooms £269.01
- (e) in the case of a flat with 3 or more bedrooms £288.68
- (f) in the case of a house with 1 bedroom £240.87
- (g) in the case of a house with 2 bedrooms £305.76
- (h) in the case of a house with 3 bedrooms £357.07
- (i) in the case of a house with 4 bedrooms £389.20
- (j) in the case of a house with 5 or more bedrooms £430.85”.

(5) For paragraph 4(7) there is substituted –

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

- (a) in the case of a bedsit or flat with 1 or 2 bedrooms £6.93
- (b) in the case of a flat with 3 bedrooms £9.80
- (c) in the case of a flat with 4 or more bedrooms £13.86
- (d) in the case of a house with 1 bedroom £6.93
- (e) in the case of a house with 2 bedrooms £9.80
- (f) in the case of a house with 3 or more bedrooms £13.86”.

(6) For paragraph 4(13) there is substituted –

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

- (a) in the case of a hostel £108.22
- (b) in the case of lodgings or a bedsit £135.03
- (c) in the case of a flat with 1 bedroom £199.15
- (d) in the case of a flat with 2 bedrooms £254.87
- (e) in the case of a flat with 3 or more bedrooms £273.49
- (f) in the case of a house with 1 bedroom £228.13
- (g) in the case of a house with 2 bedrooms £289.80
- (h) in the case of a house with 3 bedrooms £338.31
- (i) in the case of a house with 4 bedrooms £368.76
- (j) in the case of a house with 5 or more bedrooms £408.17”.

(7) For paragraph 6(3) (personal care element) there is substituted –

“(3) The rate of personal care element payable in respect of the total score calculated under sub-paragraph (2) is as follows –

- (a) for a score of at least 15 but less than 36 £24.92

- |  |     |   |           |
|--|-----|---|-----------|
|  | (b) | for a score of at least 36 but less than 56 | £109.34   |
|  | (c) | For a score of at least 56                  | £157.01”. |
- (8) For paragraph 7(3) (mobility element) there is substituted –
- “(3) The rate of mobility element of the impairment component is –
- |     |   |
|-----|---|
| (a) | £24.92 if the person’s average weekly earnings do not exceed the amount in clause (b); or |
| (b) | £49.77”.  |
- (9) For paragraph 8(2) (clinical cost element) there is substituted –
- “(2) The rate of clinical cost element of the impairment component is –
- |     |   |
|-----|---|
| (a) | £3.50; 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, £7.00”. |
- (10) For paragraph 10(3) (rate for the child day care component) there is substituted –
- “(3) The rates payable under this sub-paragraph are –
- |     |                                      |         |
|-----|--------------------------------------|---------|
| (a) | for a child under the age of 3 years | £7.14   |
| (b) | for a child aged 3 years or over     | £5.57”. |
- (11) In paragraph 12 (rate for the carer’s component) for “£49.84” there is substituted “£50.82”.

## 2 Citation and commencement

These Regulations may be cited as the Income Support (Amendment No. 19) Jersey Regulations 201- and come into force on 1st October 2019.

## ENDNOTES

### Table of Endnote Reference

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<sup>1</sup> *chapter 26.550*

<sup>2</sup> *chapter 26.550.30*