

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 28th APRIL 2009**

Question

Will the Minister inform members of the extent to which the income of families on transitional protection on Income Support will be reduced in October this year?

Will he advise whether –:

- (a) Only 13% of the (approximate) 3,800 households affected will lose less than £30 per week?
- (b) Over 2,000 households will lose an average of £70 per week, and
- (c) A further 1,000 families will see benefit cuts averaging £200 per week over the period of this phased benefit reduction?

Will the Minister produce figures for the Assembly to indicate how many, and what types of households will be so affected?

Will he also state what measures, if any, he proposes to ensure that hardship does not result from these cuts and what support, if any will be offered to those facing hardship?

Answer

Income Support replaced 14 separate benefits, payable under a wide range of different qualifying conditions and with different degrees of generosity. The Income Support budget was initially set as the total of the budgets making up the predecessor benefits. For individual claimants transferring to Income Support, many received additional benefit from day one but others were entitled to a lower rate of benefit under the new rules. These claimants were given an additional “protected payment” benefit equal to the difference between the total of their previous benefit and their Income Support benefit. A phased reduction of the protected payments over a period of years ensures that households have time to adjust to the new level of benefit.

The increases in component rates for October 2009 have not yet been approved by the States and the figures quoted in this answer will be subject to change depending on the exact level of increase agreed. As with any forecast, the changing circumstances of households in the interim will alter the impact on individual households and cannot be predicted. As explained below, the period of 100% protection is likely to be extended to January 2010, and hopefully to September 2010.

The figures suggested in the question are not accurate.

Based on data extracted at the end of March 2009, there are 2,734 households currently receiving protected payments. This figure excludes 744 individuals in residential care, who will see no reduction in benefit as they are not subject to the phased withdrawal of previous benefits. Of the 2,734 households, it is estimated that only 8% will see a reduction in total benefit of £30 per week or more following the first phased reduction of protected payments. These households will, on average, see a reduction of approximately £45 per week.

The Income Support Transition Order identifies five separate groups of households, and sets a separate timetable for the phased reductions for each household type. Where a household satisfies the conditions for more than one group, it is allocated to the group that is shown higher in the table (E.g. if a pensioner has a severe disability, they would be included in the “Those with moderate to severe disability”, rather than the “Those with a pensioner

recipient" group.)

	Total number of households (March 2009)	% Protection after first reduction	% Protection after second reduction	% Protection after third reduction	% Protection after fourth reduction	% protection after fifth reduction
Individuals in residential care	744	100%	100%	100%	100%	100%
Households where income exceeds IS entitlement by a factor of 3 or more	133	0%	0%	0%	0%	0%
Households with the biggest percentage reduction in income	468	80%	60%	40%	20%	0%
Households including someone with moderate to severe disability	289	80%	60%	40%	20%	0%
Households including someone with a low level disability	166	75%	50%	25%	0%	0%
Households including someone with a pensioner recipient	662	75%	50%	25%	0%	0%
All other households	1016	67%	33%	0%	0%	0%

I am pleased to confirm that a bid for additional funding for transitional payments from the Economic Stimulus package has been included within P.55 and my Department will be submitting a detailed request to confirm funding to extend 100% protection for a further 12 months to 30th September 2010. A final decision on the allocation of these funds is due in June.

In the meantime, it is my intention to extend the period of 100% protection to 31st January 2010, in light of the current economic conditions.

The households receiving protected payments are currently receiving benefit at a rate in excess of their entitlement under the Income Support system. In order to ensure that they are able to adjust their household budget to the reduced level of protection after the first reduction is implemented, all households will receive written notice of their revised entitlement several months before the reduction is made. The great majority (85% of those currently receiving a protected payment) will still be receiving a total benefit payment in excess of their Income Support entitlement after this reduction.