

2015.12.14

4.4 Deputy S.Y. Mézec of the Minister for Social Security regarding the effect of the phasing out of the lone-parent component of Income Support:

Further to the Minister's answers to questions asked by Deputy Southern and myself during the States sitting of 1st December 2015 in which the Minister stated that the department had conducted research into the effect of the phasing out of the lone-parent component of income support upon the number of people living in relative low income, which currently stands at 56 per cent, could the Minister advise what that research concluded?

Deputy S.J. Pinel of St. Clement (The Minister for Social Security):

Deputy Mézec has asked me to comment on the impact of a change of one component within income support on the future household income of single parents. The change to the lone-parent component, as approved by the States, is one of a number of changes to benefits. The package of benefit changes is just one of a wide range of decisions agreed as part of the approval of the Medium Term Financial Plan. These changes must be taken as a whole and any judgment on the success of the policies will need to be taken in future years as their impact is assessed. For example, the investment in economic growth is designed to stimulate the economy and create more job opportunities for local people, including single parents. The continued support for the Back-to-Work teams at Social Security allows us to provide tailored support for all income parents. The investment in education is designed to raise standards and the pupil premium will provide extra targeted support for vulnerable pupils to help them achieve their potential. I am confident that the package of measures endorsed by the Assembly will have a positive impact on single parents over the next 4 years, helping to lift them and their children out of relative low income.

4.4.1 Deputy S.Y. Mézec:

What I would like to know from the Minister then is this figure of relative low income is based on a very defined formula. My question is: is she anticipating that over the next few years, with the reduction of the lone-parent component of income support, the phasing out of it, which once has been completed will see those families £2,000 a year worse off, does she anticipate that the number of people living in relative low income in the Island is going to go up as a result of the phasing out of that income support component?

Deputy S.J. Pinel:

I think I answered that in my initial comments: that we will have to wait to see what the impact is before we can assess any of it.

4.4.2 Deputy G.P. Southern:

We will have to wait and see what the impact of removing £2,000 from people's income produces, whether it produces more income or less. Was the Minister aware that over one in 2 lone parents was in relative low income when she proposed to reduce the one-parent family supplement?

Deputy S.J. Pinel:

Yes, and I produced the figures during the debate in the Medium Term Financial Plan.

4.4.3 Deputy G.P. Southern:

The Minister was aware of the predominance of relative low income among single-parent families before it was published? She was aware of it, was she?

Deputy S.J. Pinel:

As I have said consistently, we did know all the figures before we brought the Medium Term Financial Plan budget savings to the Assembly.

4.4.4 Deputy S.Y. Mézec:

How is the Minister saying she knew this figure when it was published a significant period of time later? It was published in the Income Distribution Survey report, which said that 56 per cent of single parent families were living in relative low income. That came out several weeks after the decision to ... that came out on Friday, 13th November, so that was a significant period of time after these changes in the M.T.F.P. were discussed and debated in the States. I personally do not remember it ever being told to me during that period that we were voting to take money away from a group of people in which over half of them are living in relative low income at the time. I believe I would have remembered that.

[15:00]

Is she telling the Assembly that she knew that that group of Islanders was over 50 per cent living in relative low income at the time she made the decision to essentially abolish the lone-parent component of income support?

Deputy S.J. Pinel:

I want to correct, or adjust a couple of things that Deputy Southern said. He said that lone parents would be reducing their income by removal of the lone-parent benefit by £2,000. This is over 4 years. This is not an annual reduction. As regards the 56 per cent: no, I did not have that particular figure but we did the analysis of how many lone parents there were, how many were receiving maintenance from their partners, and how the reduction of £10 a week over 4 years would have an effect.

The Bailiff:

We come to question 7, which Deputy Hilton will ask of the Minister for Health and Social Services. I am sorry, I missed out question 6. Deputy Southern will ask of the Minister for Transport and Technical Services. I am sorry, Deputy.

Deputy G.P. Southern:

Getting confused over numbers, Sir, but never mind.

The Bailiff:

Deputy Tadier is not here so ...