

2015.12.01

4.11 Deputy G.P. Southern of the Minister for Social Security regarding Income Support payments to single parent households:

Given the information revealed in the Income Distribution Survey 2014/2015 that more than half, 56 per cent, of single parents are in a relative low income does the Minister consider that the decision to remove income support payments of over £2,000 over time from single parent households throughout the next 2 years in the recent M.T.F.P. is appropriate?

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

Having previously received congratulations from Deputy Southern with reference to his previous question I am hesitant to correct him in his second. However, for the record, the phasing out of a single parent component will take place over 3 years rather than 2 years as suggested in the question. The detailed timetable is set out in the recent Income Support Regulations and phased payments will continue up until October 2018. The Medium Term Financial Plan has set us challenging targets to make sure that we achieve the twin goals of a return to sustainable public finances and essential investment in the key public services of health and education. For Social Security this includes holding the benefit budget flat over the course of the next 4 years. My proposals to achieve the benefit targets are based on improving the overall fairness of the benefit system. One area where support was previously uneven related to the additional support provided to single parents, and this has been addressed by the changes recently approved by this States Assembly. The results of the income distribution survey show that the changes that have been made do indeed create a much fairer balance between the support available to single parents and that available to couples who have children. The full details of this analysis are included in the written answer on Members' desks; that is written question 9. In summary, the survey identified a total of 2,700 families with children with household incomes below the relative low income threshold after housing costs. Of these households nearly two-thirds, 63 per cent, comprised 2 parent families. A much smaller percentage, 37 per cent, were single-parent households. The recent benefit changes have created a better balance between the supports available to a single parent with that available to a 2-parent family and I confirm that these changes are appropriate.

The Bailiff:

Minister, I should be grateful if you would pass back to your officials who assist you with your answers that that answer took 2 minutes and 35 seconds and that was too long because the guidance is one and a half minutes.

4.11.1 Deputy G.P. Southern:

Nonetheless I congratulate the Minister there for putting me right on the period of which she is reducing the incomes of single parents, over 3 years and not 2. But does she not accept that while we refer to low income thresholds and relative low income that is attached to the phrase and puts those people at risk of poverty? Does she accept that those single parent families, 56 per cent of them, who are below the relative low income threshold, are in fact at risk of poverty and does she not accept that removing £2,000 additionally from their incomes puts them at greater risk of poverty?

Deputy S.J. Pinel:

No, I do not and the Deputy knows that I do not entertain the word "poverty" very easily because it is relatively low income and, as I said in my opening statement, that the removal of this lone-parent

component over 3 years is merely putting it in touch and fairness and balance with couples with children.

4.11.2 Deputy G.P. Southern:

The Minister uses the words “fairness” and “balance” with no evidence that that is an accurate description at all. Does she not accept that the removal of this particular component moves those single parents and the children in those single-parent families down from 93 per cent of relative low income threshold, i.e. almost on a living benefit, down to 78 per cent at one fell swoop, so a reduction of 15 per cent in the standard of living of these particular parents just like that on the basis of no evidence, and we are only getting the evidence now about how much damage has been done by the recession now that we have the information from the I.D.S. (income distribution survey)?

Deputy S.J. Pinel:

The Deputy keeps referring to the household income distribution survey. The timing of the Medium Term Financial Plan did not coincide with this so we have had this information latterly from the I.D.S. I do not accept that the proposal by the Deputy that this is an immediate retraction of components is correct. It is timetabled over 3 years and is producing a balance between couples with children and lone parents with children.

4.11.3 Deputy S.Y. Mézec:

This figure of 56 per cent is not pulled out of thin air. There is a specific formula that is used to arrive at that figure. Given, technically, the abolition of the single-parent component for income support, which is going to see these people £2,000 a year worse off by the end of it, what number does she anticipate that 56 per cent rising to? If she has no idea what number that will rise to, will she undertake to do the work to find out how that is likely to be affected by this move?

Deputy S.J. Pinel:

I just wish to correct the Deputy. He said £2,000 a year. It is not. It is a phased reduction over 3 years.

[10:45]

It is not £2,000 a year. The amount of people, as we have been through many times before, certainly in the Medium Term Financial Plan, affected by this are about 1,500 people and it will be a gradual reduction in their components not an immediate reduction.

4.11.4 Deputy S.Y. Mézec:

I did not get anything that even approached an answer to my question there. I think that was just being pedantic frankly. The question I am asking is that 56 per cent of single parents are in relative low income, what number of those people in that position does she believe this change will make that rise to? If she does not know what it will rise to will she give the Assembly an undertaking to do the research, and I am being very specific there, to do the research, not just say one thing and pull a number out of thin air, actually look into it and find out how many more single parent families are going to be pushed into relative low income as a result of this change? It is a very simple question and a very simple undertaking. Is she prepared to do that?

Deputy S.J. Pinel:

We have already done that research on ...

Deputy S.Y. Mézec:

What is the number then?

Deputy S.J. Pinel:

I will produce the number for the Deputy. I have it front of me but in order to produce what he wishes I can hand the paper over to him.

4.11.5 Deputy G.P. Southern:

Could the public know what that answer is because it was a specific question asked of the Minister and she is saying: "I will pass it over on a piece of paper" and the public will not know what the answer is?

Deputy S.J. Pinel:

Right. The income distribution survey goes by household types and from the 2011 survey and Census, bearing in mind that the I.D.S. is based on 5 years' previous information, 4 per cent of households are identified as single parents equating to roughly 1,800 households across the Island. This compares with 19,000 households identified as couples with children, equating to roughly 7,800 households.

The Bailiff:

Final supplementary.

Deputy M. Tadier:

I did have my light on.

The Bailiff:

I know you did but we have had 12 minutes already on this question. Final supplementary.

Deputy M. Tadier:

It is one hour. We have done one hour of questions and there is an hour to go.

The Bailiff:

Final supplementary, Deputy Southern.

4.11.6 Deputy G.P. Southern:

Final supplementary. What Members have just heard was completely and utterly specious. The answer did not address the question of what will that number grow to from 56 per cent. The question avoided before that was, does the Minister accept that this move, over 3 years, losing these households £2,000 a year, eventually, not immediately, will in fact reduce the incomes of those households and those children in those households by 15 per cent from 93 per cent of relative low income to 78 per cent of relative low income thus making more of these families at risk of being in poverty?

Deputy S.J. Pinel:

No, the Deputy quotes a huge amount of percentages. All we have is the household income distribution survey, based over 5 years, and the research that the Social Security Department did very thoroughly in producing their proposals for the Medium Term Financial Plan. It is very difficult to predict whether, given the incentive on the maintenance disregards for lone-parent families, there will be more or less so I cannot answer that question on a forecast.

4.11.7 Deputy G.P. Southern:

The question was: does she accept the numbers which have come directly from her written answer to question 9? Does she accept her own figures or not? Is she now denying them?

Deputy S.J. Pintel:

No, they are in question 9, as I referred to in my opening speech.