

**5.9 Deputy M. Tadier of the Minister for Social Security regarding the impact of reductions in the Income Support single parent component by 2018:**

What impact does the Minister for Social Security estimate that the decision to cut the income support single parent component to zero over 3 years will have on the number of single parent households falling below the relative income threshold by 2018?

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

As the Deputy will know this change was one of the measures taken to achieve £10 million reduction in the 2019 benefit budget. This is equivalent to holding the benefit budget roughly steady over the Medium Term Financial Plan 2016 to 2019. Taken as a whole the changes that have been agreed over the next few years will ensure that the States can bring its finances back into balance and make investments in several key strategic areas. The planned investments will make our economy stronger, providing job opportunities and wage growth for single parents and they will improve our health and education services. The educational support available to disadvantaged children will be increased through the introduction of a targeted pupil premium and that is likely to benefit many low income single parent families. The best way to help single parent families by becoming financial independent is to support them into employment. Income support helps with childcare costs and the Back to Work team provides specialist support to help parents with the return to the workforce.

**5.9.1 Deputy M. Tadier:**

Listening to the Minister for Social Security I thought she was either the Minister for Economic Development, the Minister for Treasury and Resources or Minister for Education for a moment but she is the Minister for Social Security. She did come back to the 3 points that she has alluded to in written question 11 which says: "To promote financial independence and minimise the impact on individuals." Does the Minister for Social Security not agree that by targeting single parents, the majority of who will be women and who will necessarily have lower earning capacity because they are both single and women, does not promote financial independence. It exacerbates that and it certainly does not minimise the impact on individuals. It makes it even worse. Will the Minister for Social Security give an undertaking to review the policy given that it does not do what it says on the tin? It does exactly the opposite.

**Deputy S.J. Pinel:**

As the Deputy referred to the written question, there is a table at the back of the written question which clearly explains all single parents will still receive an adult component to cover their personal living costs, a rental component to cover rent, a household component to cover household bills and a child component to cover the cost of the child's living costs. They will also, as I mentioned in my opening remarks, be able to claim help with childcare costs when they return to work and receive specialist support from the Back to Work team to help them get back into the workforce. This by 2018 will bring them fairly into line with couples with children.

### **5.9.2 Deputy G.P. Southern:**

Does the Minister for Social Security not accept that the figures in the Income Distribution Survey show clearly that the incidence of relative low income is at the peak for single parents of 56 per cent, over half single parents below the relative low income threshold, and that threshold is on £310 weekly and the chart that she refers to shows that after housing costs - please do not conflate the before housing costs - take the rental element out, with the single parents' £40 allowance the income is only £250 rather than £310 with the median, the halfway mark, for lone parents? Fifty per cent of lone parents are being picked up by income support and their income will be significantly reduced.

#### **The Deputy Bailiff:**

Deputy Southern, could you ask your question?

### **Deputy G.P. Southern:**

Does she not accept that income for lone parents' households will be significantly reduced by her action?

### **Deputy S.J. Pinel:**

Certainly in the Household Income Distribution Survey the figures that the Deputy quoted are correct from that survey, a big difference between before and after housing costs, and what we are trying to encourage, as the Deputy mentioned, is financial independence and to encourage single parents - be they male or female - back into work which will improve their financial situation considerably. We are doing our best to support the return to work and support the childcare costs of the individuals while they find work.

### **5.9.3 Deputy G.P. Southern:**

Nonetheless does she not accept that 56 per cent are already in relative low income and that reducing their income by £40 a week over the next 3 years will absolutely - must - cause further families to fall into relative low income?

### **Deputy S.J. Pinel:**

No, I do not accept that, which is why we made it a staged reduction in the £40 per week, reducing it by £10 a week initially so that it would be £40 reduced by 2018. New incomers into the scheme will not receive any of the single parent allowance and will, of course, have known no difference because they will not have received it beforehand.

### **5.9.4 Deputy J.A. Martin:**

I think the question is slightly wrong regarding the number of single parents. The single parents are parents to children. What will the Minister for Social Security be doing in the next 2 or 3 years while they are cutting this money to make sure the pledge to get children out of poverty is reached because to me this is only putting children of single parents in a much worse position than they are today? Does she not agree?

### **Deputy S.J. Pinel:**

It is difficult to agree or disagree because we have not seen the impact. This only came into being on 1st November last year and until we can see the effect, which is not going to be immediate, and we are - as I have said time and time again - encouraging single parents to be

financially independent by getting work and their childcare costs are met, as are their child costs in the components that are under income support. It will make no difference to rental costs whatsoever.

**5.9.5 Deputy J.A. Martin:**

Just a supplementary. Would the Minister for Social Security agree that the life of a single parent is always much harder than that of a couple and she is imposing much more? It is not easy to get back to work if you have a shift pattern and you have no partner to back you up. Does she not agree that it is really hard for some single parents to do any sort of paid work with sometimes up to 3 or 4 children?

**Deputy S.J. Pinel:**

I absolutely agree with the Deputy that the pressures on single parents are considerable. What we are trying to do throughout the whole of this is to encourage people to be financially independent. It has been proven that people are much happier when their self-esteem grows when they are working and it is to encourage them. Nobody is going to be forced into work and certainly not until their child is able to go to nursery which is covered by the 20 free hours care.

**5.9.6 Deputy S.Y. Mézec:**

The Minister for Social Security never ceases to amaze me with her answers to these questions when they come to the States. Following on from the question that Deputy Martin just asked, the Minister for Social Security said this was about encouraging people back into work but from what Deputy Martin says there are some people whose family circumstances will mean that they simply cannot work or will not be able to work enough hours to make ends meet anyway. Given that fact, is this not simply a case of punishing poor people and making them even poorer, and will she finally come to this Assembly with figures to show what impact on the number of single parent families living in relative low income this will have because in her first answer to Deputy Tadier's question she did not say anything relevant to his question? She simply talked about pupil premium, which has no impact whatsoever on the relative low income figures. When is she finally going to come to the House with those figures so we can see what a failure this policy is going to be?

**Deputy S.J. Pinel:**

The impact of these policies, all of them combined, are - as I have said time and time again - to invest in health and education which for parents with, as Deputy Martin referred to, maybe 3 or 4 children is only going to be a benefit to those children. The assessment of the success or not - and I do not doubt that it will be a success - will be coming back to the States when we have had time to analyse the impact. It has only been in place for a few weeks so we cannot analyse any impact at this stage in the game.

**5.9.7 Deputy S.Y. Mézec:**

Another contradictory answer. In her answer there she spoke about the investment in health and education. Those figures have nothing to do with the relative low income figures. They are completely separate. My question is, and if the Minister for Social Security's answer we take it for what it is, she has said that we do not know what the impact is because it is going

to have to be done in the future. This contradicts what is previously said where she said that we do know what the impact going to be. What is the answer? Does she know what impact this is going to have on the numbers of those living in relative low income? Yes or no, and if the answer is yes when are we going to find out what these figures are?

**Deputy S.J. Pinel:**

I do think I have already answered the Deputy. It is impossible to assess an impact when a policy has only been in place for a few weeks. Relative low income in Jersey is not the same as poverty at all. It is particularly true in a place such as Jersey that is fortunate enough to have a higher average household income than many other countries including the U.K.

**5.9.8 Deputy M. Tadier:**

There is some common ground because I think the Minister for Social Security cares about educational outcomes, like I do and like my party does. She also cares about the 1,001 Days policy which she signed up to as a Minister, which we also signed up to. Does she therefore accept that there is a tension, and I believe a contradiction, in her policy given the fact that income inequality in households is very strongly correlated to educational outcomes so that those in lower income families, including single mothers who are being targeted here, there will be down the line a negative impact on the child not simply on the family? That is not a sustainable position for her if she wishes to pursue the 2 aforementioned policies of education and 1,001 Days. Will she seek to change her policy in the light of that?

**Deputy S.J. Pinel:**

I totally agree with the Deputy that there is a huge link - it is not just single parents but a lot of families on income support - between that and education which is why a lot of the money saved will be going towards the pupil premium, especially in education, to help those more disadvantaged young people or children. Again I cannot say that I am going to review anything that has only been in place for a few weeks. We have to see what happens by 2018.

**Deputy J.A. Martin:**

It is not supplementary.

**The Deputy Bailiff:**

No, I am sorry.

**Deputy J.A. Martin:**

It is something the Minister for Social Security has said and I am quite offended by it because is the Minister for Social Security saying that the pupil premium will go to families of children with single parents because they are the only ones who will need it and is she making this link? What statistics does she have for it?

**The Deputy Bailiff:**

That amounts to a supplementary question and we have closed the question on this particular matter, Deputy, so the Minister for Social Security is not in a position to answer it. The next question Deputy Doublet will ask of the Minister for Economic Development.