

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 19th JANUARY 2016**

Question

Does the Minister agree that the combined weight of evidence contained in the Income Distribution Survey (IDS) and her own departmental data seriously undermines the rationale behind her decision to stop the single parent component of Income Support (IS) over 3 years?

Does she accept that rather than waiting "to see what the impact is" more urgent action is required to prevent hardship to the households affected, such as single parent households, which have the greatest incidence of relative low income (56%), with a median income (After Housing Costs) of only £310 weekly, compared with an average across the other household groups of £600?

Given that figures from her 2014 annual report suggest that those households at most risk of relative poverty are well targeted, does she not see that the removal of over £2,000 from the 1,098 families in IS, whose average living components (less rent) is £10,792, representing 64% of total household income, and 186 of whom are totally dependent on IS, can only lead to increased hardship?

Will she agree to review this policy before the June debate of the next part of the Medium Term Financial Plan?

Answer

No, the Income Distribution Survey findings and Income Support data do not undermine the rationale for phasing out the single parent component over the next three years.

This change was one of the measures taken to achieve a £10 million reduction in the 2019 benefit budget. This is equivalent to holding the benefit budget roughly steady over the Medium Term Financial Plan 2016-2019. Taken collectively, the result of these decisions is to allow investments to be made in key strategic areas such as improving the educational support available to disadvantaged children through the introduction of a pupil premium.

All of the benefit measures were carefully assessed against three objectives:

- *Promote financial independence*
- *Improve the targeting of benefits*
- *Minimise the impact on individuals*

In this case, the extra payment of £40 per week made to single parents that is not linked to any specific, additional household cost that a single parent would face, is being phased out. The diagram at the end of this answer compares the weekly components that are included in a typical Income Support claim, for a single parent with one child and a couple with one child. For simplicity, this diagram does not show the effect of household income and is rounded to the nearest pound.

Once this policy change has been completed towards the end of 2018, all single parents receiving income support at that time will be in a comparable position to couples with children. 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 a child's living costs.

The best way to help single parents be financially independent is to make sure there are no barriers to returning to work. They are 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.

The aims of the strategic plan and the investments created through the MTFP are designed to lead to a healthier economy with more job opportunities for local residents. The success of these policies by 2018 will be reflected in the number of single parents returning to work, thus improving their household income and reducing their reliance on benefits.

Alongside the change to the single parent component, the treatment of maintenance income has been improved to increase the household income of single parents who enter into maintenance agreements and collect maintenance income.

I do not intend to review this particular area this year.

Diagram showing how an Income Support claim was made up before the changes. The single parent component is now being phased out over the next three years.

