

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 14TH FEBRUARY 2017**

**Question**

Further to the response to written question 1(9), tabled on 17th January 2017, and the reductions that it described being paid in Income Support, what assessment, if any, has the Minister undertaken of whether such reductions see the claims of those households affected reduced below the minimum level of income needed for their circumstances and of whether such reductions may thereby cause hardship for these households?

**Answer**

As stated in answers to the written and oral questions on this subject, there are a variety of different reasons that might affect the level of payments of Income Support benefit. They are not directly comparable, and are made on different legal basis depending on the type of reduction made. Many are carried out at the request of the customer. What can be said is that the impact of any reduction is considered on a claim-by-claim basis by Determining Officers, and there are always options that can be considered where there is a clear risk that the household will not have sufficient income to support themselves.

The caveat to this statement is that in many cases a household's benefit is reduced because of an action they have taken, or have failed to take. In particular, where a household has reduced income because of a failure for an adult member to look for work, this is because a person has chosen to ignore their responsibility to actively seek work and has also ignored a previous written warning from the Department. If this is the case, the person bears responsibility for reducing their household income.

For clarity, the response to this question has been broken down into the list of four areas that has been used in previous questions.

**a) Work-related sanctions**

For most working age adults, Income Support includes a requirement to be in work, or actively seeking work. The Back to Work teams provide a wide range of support to job seekers and have achieved significant results over the last few years. Alongside a financial incentive for finding work, there is also evidence that a job seeker regime that includes both incentives and financial sanctions is more effective than one that concentrates on one aspect or the other. As such, Income Support now includes a set of phased sanctions that increase in severity for repeated failures to actively seek work.

These sanctions are designed to function as a financial deterrent, so a noticeable impact on household income is inherent to the way they work. Jobseekers are comprehensively warned about the consequences of failing to look for work, and receive a detailed written warning the first time they break the rules. This explains that their benefit is at risk if they do not change their behaviour. The minority who go on to receive a financial sanction have therefore chosen a course of action that will impact their financial circumstances. This is initially for a short period, but it increases with each offence and ultimately for persistent offenders this can remove all entitlement to Income Support.

**b) Overpayments**

The Income Support system is designed to respond to current need and provides payments in advance to ensure that low income households can meet their basic living costs as they arise. The amount of Income Support received depends on the number of adults and children on the claim, rental and other costs as well

as the wages and other income of the household. A change in any of these areas can lead to a temporary overpayment of benefit. Claimants are advised that they should notify the Department as soon as changes in circumstances occur.

When this happens, the revised benefit level is confirmed, the overpaid amount is calculated and ongoing benefit payments are reduced to recoup the extra benefit that has already been paid. In each case, a Determining Officer considers the claim and sets the repayment at a level the household can afford, taking into account the extra payments that have already been received. The repayment levels used do not result in hardship.

### **c) Household Medical Account payments**

Each adult and child component within Income Support includes an allocation for four General Practitioner (GP) surgery visits a year. On top of this, additional components support those with health conditions who need regular GP check-ups. Most income support households receive these amounts as part of their regular benefit payment and are able to budget for their own GP costs.

However, the Income Support system does provide extra support with budgeting for some Income Support claimants. This support is provided through Household Medical Accounts, which are a mechanism for a claimant to allocate a set amount of their benefit each week into the account to ensure that they can meet the cost of GP visits in the future.

The HMA is simply a budgeting tool that allows a household to save small amounts from its own benefit. If the household prefers to manage their GP costs without the HMA, it can be closed.

### **Loan repayments on Special Payments**

As well as providing support with weekly living costs, the Income Support system also helps with the cost of larger, one-off items such as rental deposits and white goods. Most support is provided through an interest free loan with some payments being provided as grants.

If a claimant requests a loan, a repayment rate will be agreed at the start of the loan. The provision of a loan ensures that the claimant is aware of the value of the item, whilst enabling the claimant to spread the cost over a longer time period without incurring interest charges.

The recovery of a special payment loan will cause a small weekly reduction of benefit, but most households appreciate this facility as the alternative to having to find lump sums from their income to meet costs such as a replacement refrigerator. When a household is loaned the money for a rental deposit, they will receive this amount back at the end of their tenancy.

In each case of a special payment loan, a Determining Officer considers the claim and proposes to set the repayment at a level the household can afford. The repayment levels used do not result in hardship.