

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

**Question**

Given the rise in the Retail Prices Index of approximately 16.8% over the 7-year period from September 2009 to September 2016 (using June 2000 as the base measurement), will the Minister inform members of the extent that the disposable income of the following household types, where reliant on Income Support, has been reduced by the decision to freeze components, and by the additional changes made to Income Support components / disregards to achieve £10 million of savings from 2015?

- (a) single adult;
- (b) lone parent with one child;
- (c) couple with one child;
- (d) single pensioner on full States of Jersey pension; and
- (e) single person on 100% Long-Term Incapacity Allowance.

**Answer**

There have been many changes to Income Support since 2009, against a backdrop of a global recession and historically high levels of unemployment in Jersey.

In particular, the Income Support scheme now includes significant incentives for households to move towards financial independence. Back to work teams now provide tailored support and a number of innovative schemes are available to encourage employers to recruit local jobseekers. At the start of Income Support, a low-income worker would only keep 6% of their earnings on top of their Income Support entitlement. This has now increased significantly to 23%, providing a meaningful incentive for low-income households to find work and remain in work.

Difficult decisions were needed in 2015 when the States made a commitment to support strategic increases in health and education services at a time of restricted government income. All Departments agreed reduced spending targets but the measures approved by the States in respect of benefit budgets ensured that benefit spend was protected at its existing level throughout the MTFP.

Whilst this necessitated holding some elements of Income Support steady, funding has been made available to support the major improvement in the quality of social rental accommodation and to increase the financial support available to private sector tenants. The benefit changes adopted were carefully chosen to improve the targeting of benefits, support moves towards financial independence and minimise the impact on individuals.

It is an important role of government to improve long-term outcomes for low-income households. Since 2009 the States has made significant progress to support measures that help low-income and vulnerable households stay healthy, make the best of education, enjoy good quality accommodation and move closer to, or achieve, financial independence.

The success of these overall measures can be seen in the reducing need for Income Support over the last 5 years. As reported in the latest Annual Report, over the previous five years from 2011 to 2015, the percentage of working-age households receiving Income Support with no adults with earned income has decreased steadily from 60% to 49%. In addition, the percentage of children in Income Support workless households has decreased at a similar rate, as shown below.

<i>Year</i>	<i>% of Income Support Working Age Households with No Earned Income</i>	<i>% of All Children in Income Support Working Age Households with No Earned Income</i>
<b>2011</b>	<b>60%</b>	<b>39%</b>
<b>2012</b>	<b>58%</b>	<b>35%</b>
<b>2013</b>	<b>55%</b>	<b>35%</b>
<b>2014</b>	<b>52%</b>	<b>32%</b>
<b>2015</b>	<b>49%</b>	<b>28%</b>

The Annual Report also identifies the improvement in the number of households that are totally reliant on Income Support – i.e. they have no other source of income at all. This has fallen from 18% in 2011 to 13% in 2015. The Report notes that the previous five years have seen a significant decrease in the percentage of Income Support households that are wholly reliant on the weekly benefit as their source of income. This trend can be seen across all household types.

<i>Income Support Households by household type wholly reliant on Income Support income at 31 December</i>					
<i>Year</i>	<i>65+</i>	<i>Adult/s without children</i>	<i>Adults with child/ren</i>	<i>Single adult with child/ren</i>	<i>Total</i>
<b>2011</b>	<b>1%</b>	<b>34%</b>	<b>6%</b>	<b>20%</b>	<b>18%</b>
<b>2012</b>	<b>1%</b>	<b>34%</b>	<b>6%</b>	<b>17%</b>	<b>19%</b>
<b>2013</b>	<b>1%</b>	<b>32%</b>	<b>6%</b>	<b>17%</b>	<b>17%</b>
<b>2014</b>	<b>1%</b>	<b>29%</b>	<b>4%</b>	<b>17%</b>	<b>15%</b>
<b>2015</b>	<b>1%</b>	<b>25%</b>	<b>2%</b>	<b>14%</b>	<b>13%</b>

The disposable income of any particular household will depend on many different factors and will change over time. The recent changes to Income Support have helped low-income families improve their disposable income by supporting moves into employment, improving accommodation (with an emphasis on improved insulation leading to lower energy bills), and investing in the next generation through the pupil premium which has now been rolled out to all Income Support families.