

2017.03.14

1 Deputy M. Tadier of St. Brelade of the Minister for Social Security regarding the impact of her Department's policies on households reliant upon income support: [1(163)]

Will the Minister confirm that, as a result of her department's policies since 2009, a family of 2 (a couple with one child) on income support is £45 per week worse off in real terms today than they were in 2009; and that the equivalent figure for a single-parent household is between £55 and £75?

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

The department's policies since 2009 have been to encourage low-income families to move towards financial independence. Since 2009, both couples and single parents have been able to keep substantially more of their own income under the income support calculation. In 2009, these households only kept 10 per cent of their income, today they keep 23 per cent. So I do not agree with the Deputy's calculations that ignore this important element of the income support calculation. Over this time, we have also increased the support available through the Back to Work teams for parents when their child starts nursery, helping parents to return to the workplace with the right support. The overall impact of these changes can be seen in the income support figures that the department has been publishing for the last 5 years in the Minister's report. These figures show that the average total income for lone parents has risen by £75 a week for a couple with children; their average total income has increased by £123 a week. Thank you.

4.1.1 Deputy M. Tadier:

Does the Minister accept that there are individuals and families in our society who, through no fault of their own, subsist entirely on income support without any other provision of private or separate income and that those individuals are not benefited by a 23 per cent disregard? Indeed, those on L.T.I.A. (Long-Term Incapacity Allowance) have had their disregard cast aside so they are even worse off. Does the Minister accept that these individuals in particular are worse off, given the fact that components have been frozen since 2009?

Deputy S.J. Pinel:

The Deputy is correct inasmuch as there are 800 households totally reliant on income support but this is out of a total of 6,194, so the things I mentioned in my opening remarks about the encouragement of Back to Work and encouragement towards financial independence is clearly working. **[Interruption]** Right, I will return to parent returners who have been very encouraged to go back to work when their child starts nursery. Although I agree with the Deputy that there are some people who are on income support without any additional earned income, the numbers of people on income support in total are falling.

4.1.2 Deputy G.P. Southern of St. Helier:

Is it not the case that the policy of her department is to freeze the 2 components, the adult component and the child component, at the 2009 figures and they have not moved since then, despite the fact that R.P.I. (Retail Price Index), the inflation over the last period, has risen by 16.8 per cent?

Deputy S.J. Pinel:

Yes, those figures have been frozen but in that time we have introduced, as I mentioned earlier, the increase in the 23 per cent disregard on any earned income which has been extraordinarily helpful in balancing out those figures but, yes, they have been frozen.

4.1.3 Deputy G.P. Southern:

The move to 23 per cent disregard on earned income has been equally fixed since 2010. It has not moved since 2010. Is that also not the case and that inflation is eating away even at that?

Deputy S.J. Pinel:

As I mentioned earlier again, the disregard or incentive, whichever way you want to call it, was 10 per cent in 2009. It was introduced originally at 6 per cent, 10 per cent in 2009 and 23 per cent in 2016.

Deputy G.P. Southern:

Would the Minister care to answer the question? Is it not the case that it has been 23 per cent since 2010 and that disregard has also been frozen during this period?

Deputy S.J. Pinel:

The disregard of 23 per cent has been in effect for, yes, about 4 years, I think, and we are hoping very much to be able to increase that, so we are looking at it within the income support review.

4.1.4 Deputy S.Y. Mézec of St. Helier:

Knowing what we now know because of the Income Distribution report and the levels of poverty there are in this Island, does the Minister believe that the rate of the adult and child components of income support in 2009 was too generous at the time and is it deliberately her department's policy to reduce the value of income support for those people in our society?

Deputy S.J. Pinel:

No, of course it is not a deliberate policy to reduce support but, as everybody is very well aware, there had to be some savings across income support and not just on those 2 components. It must be remembered that the rental component, along with the childcare component, increased.

4.1.5 Deputy S.Y. Mézec:

In an earlier answer, the Minister said that part of the reason for these cuts and these freezes is to encourage people to be financially independent. Does she accept that the clear implication behind that statement is that it sounds like she is suggesting that being poor is a choice? Does she accept that that implication is quite distasteful?

Deputy S.J. Pinel:

There was never such implication until we introduced the now extraordinarily successful Back to Work scheme. People did not often have a choice. If they had not worked for a long time, they may have not got the skills to move back into work which Back to Work now does in all sorts of varying ways and incentives and encouragement. I think before we had Back to Work then it was a problem with people not being able to work.

4.1.6 Deputy M. Tadier:

I thank the Minister and I hope that the 800 people on income support who are entirely reliant on that, 800 households in Jersey, will remember the words of the Chief Minister at the beginning of 2015 when he talked about poverty. As a member of his Council of Ministers, one would hope that the Minister for Social Security will also be taking action to help those

800 who have no income to be disregarded. But does the Minister accept that R.P.I. over the period has been 16.8 per cent and that the income has been reduced if you compound it by £41 to £42 for a week for a couple with one child and that what this is doing is further encouraging and perpetuating the poverty of these 800 households who are potentially the most impoverished in Jersey?

Deputy S.J. Pinel:

Yes, of course, I totally agree with the Deputy and we will continue to work to get people into work who can work. Not everybody can. I do not think Question Time really is the time for dishing out a long list of figures but I have some figures that I could give to the Deputy if he would like. Thank you.