

4.8 Deputy R.J. Renouf of St. Ouen of the Minister for Social Security regarding whether the proposed increase in the adult component of Income Support would alleviate the financial hardship of persons unable to work through illness or disability: [1(322)]

Given that the adult component of income support has been held at £92.12 since 2010, during which time the Retail Price Index has risen by more than 16 per cent, will the Minister explain how her proposal to increase the component by 2.9 per cent will alleviate the financial hardship of persons unable to work through illness or disability?

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

In 2015, States Members agreed to hold the benefit budget at its current level until 2019 in order to release £10 million to help fund the key strategic areas of health and education. Within that budget, I have now put forward proposals to increase both income support component rates and income incentives, which will be of benefit to all income support households.

[10:45]

The increase of 2.9 per cent applies to every component of income support, including personal care, mobility and clinical cost components that are specifically designed to support people with long-term health conditions. Income support is a household benefit and many working-age adults with a long-term health condition will have a partner in work. The whole household has benefited from the significant improvements in income incentives since 2010. The number of households fully dependent on income support has reduced steadily over the last 5 years from 18 per cent to 13 per cent. Over the last 2 years, extra specialist support has been also provided from the income support and back to work teams to help people with long-term health conditions into employment.

4.8.1 The Deputy of St. Ouen:

Having regard to the statement in the Island's Strategic Plan that nothing undermines social inclusion more than financial hardship, does the Minister consider that allowing the real value of the adult component to fall over the last 7 years - even if numbers of households have fallen, there still remains a significant number - does that implement the Strategic Plan and promote vital social inclusion that would benefit these vulnerable persons?

Deputy S.J. Pinel:

I think we have been round this buoy several times before and I think everybody agrees it was a States decision anyway, an Assembly decision, and that the people in work are far better off being in work for their self-confidence, their self-esteem and also their financial situation. What we have done is to help people with long-term health conditions who can work find employment.

4.8.2 Deputy G.P. Southern:

For those who cannot work, the devil take the hindmost. Is it not the case that the freezing of components of income support has left a single person on 100 per cent L.T.I.A. (long-term incapacity allowance) some £34 a week worse off in terms of disposable income and this proposal gives back £4.20? So they will only be £30 a week worse off than they were in 2009. Is that not the case?

Deputy S.J. Pinel:

The Deputy is well aware that we removed the 6 per cent disregard for L.T.I.A. claimants. That was all part of a States decision as well, and now bringing back 2.9 per cent I think is a very

good way to move forward. We always said we would do this and we bring forward the regulations to supplement that in July.

4.8.3 Deputy G.P. Southern:

A supplementary if I may: the Minister said that those in work are better off because of the increase in disregards over the past whatever it is, 7 years. That is not a true fact. The disregards have been 23 per cent since 2010. There has been no change in that apart from the most recent one, another 2 per cent now. Is that not the case and will she stop misleading the House, accidentally or otherwise, on this particular issue?

Deputy S.J. Pinel:

The Deputy is very well aware that I am bringing forward in July, as I have just mentioned, an increase in the disregard from 23 per cent to 25 per cent, which I promised to do.

4.8.4 Deputy G.P. Southern:

But the Minister said that disregards have increased over the period. That is not technically true. It is not true at all. Will the Minister stand by that? Because she is misleading the House.

The Deputy Bailiff:

Deputy, that was your second supplemental at that point so I am going to move on to the next question.

Deputy G.P. Southern:

If I may ...

The Deputy Bailiff:

It is Deputy Tadier who is asking the next question so ...

Deputy G.P. Southern:

He may well be on a similar line. Let us hope he is.

4.8.4 Deputy M. Tadier:

Perhaps the Minister would clarify for Deputy Southern at the same time as answering my question whether or not that is the case. I am sure she will bring it back if she has inadvertently misled the Assembly. My question is: does the Minister stand by the comments of the Chief Minister in early 2015 who said that Jersey should not have such high levels of poverty? If that is the case that this is an overarching policy of the Council of Ministers, how is it possible for the Minister to be proposing over the period from 2010 to now a 13 per cent decrease in the effective value of the adult component and yet still aspire to this maxim of reducing poverty for the worst off in our society?

Deputy S.J. Pinel:

I am not quite sure how many questions there were in that. To answer Deputy Southern, which Deputy Tadier has just repeated, the increases in disregards have increased from 10 per cent to 23 per cent and hopefully with States approval in July will be 25 per cent. The second part of the question is that the increase of 2.9 per cent is in line with R.P.I., which is what we always intended to do. I do not understand why there should be criticism of an increase in income support components. This is income support components across the board, which means 6 different components.

4.8.5 Deputy M. Tadier:

As I understand it, the criticism is not of the 2.9 per cent being there at all, it is the fact that it should be a 16 per cent increase within the personal component in order to maintain the *status quo* due to drag in the last 7 years. Again, will the Minister explain why even under her figures if there are 13 per cent of claimants who are entirely dependent on income support for all of their income, how can it be acceptable that they are being worse off, having the value of their components eroded when the cost of living is going up? That does not fit, I would suggest, with the proposed reduction in poverty policy from the Council of Ministers. Will she answer that specific point about what she will change to make sure that it does meet that policy?

Deputy S.J. Pinel:

The change is an increase of 2.9 per cent, which is in line with R.P.I.

4.8.6 Deputy J.A. Hilton:

Getting back to the original question, which was asking about the 2.9 per cent - how will this alleviate the financial hardship of persons unable to work through illness and disability - does the Minister agree with me that there will be a group of single people in our community who through no fault of their own are not able to work because they have 100 per cent disablement, that are suffering through the increases that are being imposed or the lack of increases to keep up with R.P.I.? Does she agree that there is a small group of people in our community that this does directly affect?

Deputy S.J. Pinel:

A single adult living alone with a serious long-term health condition receiving full rate income support with no other income will receive up to £528 per week from 1st October, subject to the agreement of the Assembly. The Statistics Unit, which I know the gentleman on my right constantly asks if we consult with, have given their average mean income as £510 a week. So people are not being neglected.

4.8.7 The Deputy of St. Ouen:

In relation to the figure just given by the Minister, I trust she can confirm that that includes a rental component which will go straight to the landlord. But I would like to ask if the Minister will give her view on whether the support she is giving to persons who are fully disabled or ill and unable to work complies with the strategic aim in the Minister's own business plan for this year, which was to provide well-targeted social benefits and support to those unable to fully support themselves. How does the continual drop in real values support those persons?

Deputy S.J. Pinel:

I have said several times already that this is an increase of 2.9 per cent, which we promised we would do by this October. We are fulfilling that obligation from the Business Plan and the strategy and also, as the Deputy will well know, we are starting on the disability strategy ... sorry, the strategy is being published. We are starting on the Disability Discrimination Law, which will hopefully see a way forward in that way.