

2019.09.24

7 Deputy G.P. Southern of the Chief Minister regarding methodologies to record progress on reducing income inequality: (OQ.220/2019)

As the U.K. Department of Work and Pensions has decided to use, from 2020, the Social Metrics Commission's methodology contained in the report *A new measure of poverty* to supplement the figure for households below average income, what measures will the Chief Minister put in place to ensure that Jersey has up-to-date figures to compare with those of the U.K., to help deliver his commitment to drive down income inequality?

Senator J.A.N. Le Fondré (The Chief Minister):

According to the official notice that was issued by the U.K. Government in May of this year, the D.W.P. (Department for Work and Pensions) is going to publish some experimental statistics in the second half of 2020, based on the work undertaken by the Social Metrics Commission that the Deputy has referred to. Those statistics will take the current Social Metrics Commission proposals as a starting point and they are going to assess when and how they can be developed and improved further to increase the value of those statistics to the public. As the Deputy notes, any new measures that are developed will be in addition to the existing U.K. statistics in this area, so it is supplemental to. Obviously, what we are doing at the moment is just monitoring the progress of the U.K. Government if any new measures are developed, but the main focus is to produce the regular measures of relative low income, based on internationally agreed standards. Also, it might be an appropriate time to update, because I think, hopefully, we are all fully supportive of it. I approved funding for a household Income Distribution Survey earlier this year. The survey commenced in July of this year and it is going to run for about 12 months, so the results of that will be available towards the end of 2020.

3.7.1 Deputy G.P. Southern:

It is all very well talking about there will be figures available come 2020, end of 2020, but what are the most up-to-date figures he has got for income distribution on the Island to date?

Senator J.A.N. Le Fondré:

As the Deputy will know as well as I do, the last Income Distribution Survey I think was around 2014, so this is 5 years later. As to why it was not done before now, I cannot answer that question. We have taken action to do it and the cost is around £200,000.

3.7.2 Deputy G.P. Southern:

Since the Minister does not know why we did not do it, I can assure him that it is because you took away the funding for an extra member of staff in the Stats Department, so it did not happen. The question is how are we going to address a measure of success by the end of this period of Government if we do not know now what our starting point is? We will only get some sort of starting point come the end of 2020, when the term will be on its last legs.

Senator J.A.N. Le Fondré:

I think the point is, we are taking action to try to put in play the measures that we will need. That action has been taken. Unfortunately, you cannot magic them up overnight. The survey has started. It takes about a year to bring that data together, which I am sure the Deputy is probably familiar with from the last time around, but we will, therefore, have it in time, during the course of next year, which can then influence the policies that we put in place thereafter. In terms of comparability

to the U.K., it will be comparable to the U.K. and international standards, but obviously what the S.M.C. (Social Metrics Commission) will be doing, we are watching with interest.

3.7.3 Deputy R.J. Ward:

May I ask the Chief Minister, would he not agree that the system used by the S.M.C., that methodology is highly relevant to Jersey, because it takes account of the fact that even though relatively high incomes are observed, it takes account of the very high cost of living, such as rent and childcare, in the definition of poverty? Would he not agree that that would be a significant step forward in us understanding the reality of poverty on this Island?

Senator J.A.N. Le Fondré:

I do not disagree at all. I think the point is that it also includes things like the level of overcrowding and the level of savings should be easy enough to identify. It is possible it may report less pensioners in low income, because they may be income poor, but asset rich. That is why, to an extent, I think what the S.M.C. has put together is of a very great interest. Let us see how the U.K. works it through and then see if there is anything we can learn about it, before we go through that process. The key thing, I think, is that we will have more up-to-date figures than something that is 5 years old during the course of next year, because of decisions we have taken earlier this year to deal with this matter.

3.7.4 Deputy R.J. Ward:

Is it not the case that if we do not have these sort of metrics in terms of really looking at our population, that is relevant to our population, then any solutions to income inequality could be misguided if we direct them in the wrong places, without this sort of data? There is a real urgency to produce this sort of data, as quickly as possible.

Senator J.A.N. Le Fondré:

I think the point is these are new metrics that are being put together. I think the announcement from the D.W.P. was May of this year, so it is comparatively new. We need to understand - and I believe the S.M.C. report was late last year, I was going to say November, I think - so it is quite new stuff. Let us see how that works. I agree it looks very attractive. I think you want to understand it is always useful to learn from other people's experience the difficulties about how you collect the data. I am not a statistician, I do not know that side of things, but we do not want to go off ... I was going to say half-cocked, Sir.

The Bailiff:

That is not a proper word. **[Laughter]**

Senator J.A.N. Le Fondré:

It is a shooting expression, Sir, I believe. But, anyway, when you are not ready; if you have got the opportunity to learn from someone else who is doing the methodology. This is the first time, as I understand it, those metrics have been put in place. Obviously, as well, it is only the U.K. that is doing it, so the Income Distribution Survey will be comparable not only to the U.K., because they will be doing their existing data, but it will be comparable to other jurisdictions, because they will be using the same methodologies. The S.M.C. is completely new, so let us learn from that and let us have that conversation once we have seen the results and if there is a benefit to the Island. I think, at this stage, it is probably that there is. There may be something we need to learn about how it is collected. It is highly boring stuff, to an extent, but it is quite important and I would suggest that

perhaps Deputy Ward and Deputy Southern, if you have not already - and I am sure Deputy Southern has - go and have a chat with the Chief Statistician and see what the issues are about the collection.

[10:30]

3.7.5 Deputy R.J. Ward:

Can I just confirm from that that the notion that we use data that is comparable to a number of jurisdictions is something that the Minister would support?

Senator J.A.N. Le Fondré:

I am always slightly careful when Deputy Ward tries to put me on the spot. In this instance, absolutely.

3.7.6 Deputy G.P. Southern:

Does the Chief Minister know if the Stats Unit is operating on these new standards, with these new standards in mind, or is it just repeating the previous analysis about low income?

Senator J.A.N. Le Fondré:

I am sorry, which new standards?

Deputy G.P. Southern:

The new standards, outlined by the S.M.C., are they in place now? Is that what this latest survey, which we are producing, is using as the basis, or is it a simple comparison with the figures from last time in 2015?

Senator J.A.N. Le Fondré:

My understanding of the survey is the Income Distribution Survey that we would be familiar with from the one that was done in 2014. I think "standards" is probably the wrong expression; I think it is "measures", because I think the quality of the standards and quality of the data-gathering will be what we usually expect from the Statistics Department. The inclusion of the measures is what I have referred to, i.e. at this stage, no, but we are watching, because the U.K. are adopting it on an experimental basis, which is exactly what they said. It is what I said at the very start of the question, the D.W.P. will publish experimental statistics in the second half of 2020, but that is alongside the normal statistics that they run. We are running the normal statistics in terms of as appropriate for the Income Distribution Survey and that means that will be comparable both to the U.K. and to other international *fora* that we would tie into. Let us see what the new U.K. measures come up with and then go from there. I suspect part of it, bearing in mind it is things like levels of overcrowding, it is how you measure that appropriately; that is what I suspect. But can I really recommend that the 2 Deputies go and talk to the Head of Statistics and just thrash it out a little bit? I would be happy to be party to that conversation. I am not saying no. We have got the Income Distribution Survey in place. I accept I signed off on it, I was very keen it happens and I believe it is important. We have got one measure. Do we need to go further? Let us see what the U.K. does, in my view, before we go down a line that might not necessarily work directly.