

2020.07.13

18 Deputy G.P. Southern of the Chief Minister regarding reducing income inequality: (OQ.202/2020)

Given the budgetary pressures arising from the COVID-19 pandemic, what specific consideration, if any, has the Chief Minister given to adopting or supporting measures to reduce income inequality in the Island. If none, when will he do so in order to deliver on the aims of the Common Strategic Policy?

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

I absolutely remain fully committed to the aims of the C.S.P. (Common Strategic Policy) and particularly the objectives that state: “We will reduce income inequality and improve the standard of living.” As we are all aware, the COVID-19 pandemic has put a whole host of households under significant financial pressure. To address a number of the issues that have arisen there, we have, for example, protected jobs and wages through the co-funded payroll scheme. We have helped households get money quickly through a new faster track income support. We have helped redundant people with less than 5 years residence with a temporary support scheme and we have supported tenants by introducing a rent freeze and preventing evictions from COVID-19-related rent arrears. On Friday, as the Deputy will be aware, we announced the package of measures that will put money into people’s pockets to help the economy to recover, reduce unemployment and help self-employed people. In particular, as we know, there will be £100 for every adult and child living in Jersey and a further £100 for people receiving a means-tested benefit. I hope that gives an indication of the measures we have put in place and I hope that helps to answer the Deputy’s question.

3.18.1 Deputy G.P. Southern:

Did the Chief Minister not consider that £2 a week or £4 a week in somebody’s pocket regular throughout the year and building on year on year is a far better way to deliver a benefit to the poorest rather than a £200 or £100 one-off payment?

Senator J.A.N. Le Fondré:

I do make the point that the £100 voucher was more around the economic stimulus than helping people at the lower end or just helping people at the lower end of income measures. I do make the point that for people who are on what we have defined as means-tested benefits, which obviously includes lower earning pensioners as well, it will be £200 they will receive and not just £100. I think I will also make the point that obviously the usual income support measures have remained in place all the way through. So people are being supported particularly throughout this crisis. The £100 is very much a simple method to get some money into people’s pockets to help stimulate the economy. It was a temporary measure because it is time limited for no more than 2 months. It is hopefully timely on the basis we are getting it out in something like 7 weeks, that is early September, and it is obviously targeted at all Islanders.

3.18.2 Deputy R.J. Ward:

Given the Minister has just made a commitment to the C.S.P. commitments, can he reassure north of St. Helier residents of his continued commitment to a north of St. Helier youth centre and not any delay to what is a severely needed project?

Senator J.A.N. Le Fondré:

Sir, I rather think we are stretching the relevance of the question from an income inequality measure to a capital project for some specific Islanders in St. Helier, but obviously I will leave that for your judgment. No, I cannot give that commitment. What I have said is that everything remains on the table and nothing is off it at this stage. By that, I mean that if we had to reprofile capital projects according to priorities and according to cashflow challenges we will be facing, which obviously once things are buttoned down we will be briefing States Members on ... if there had to be a reprioritisation, which we have not yet done, I hasten to add, then obviously that as a capital project would be one of those things that would have to be in the mix. I can say on both sides that I cannot give a guarantee but equally I can confirm that is not in our deliberations as yet. So I am just being my normal cautious self. I do not guarantee anything at this stage but it is not presently in our discussions.

3.18.3 Deputy R.J. Ward:

Given that 462 new flats have been agreed in St. Helier District 2, some of them in the preceding week, is it not the case that any delay could lose sites and could miss out on an opportunity of desperately needed investment and very well spent investment in our community, which will lead to improvement in standards of living; which is what the answer was to the original question and why this question is relevant?

Senator J.A.N. Le Fondré:

As I said, the decisions that I am sure will be facing Ministers or, rephrase that, Ministers are having to face when we look at the capital programme is whether, for example, particular projects need to be deferred, which will have a cashflow implication, but it does not necessarily mean the project is cancelled. It might just be delayed for a year. The whole point on this is that we will be going through that as a process. It has to form part of the Government Plan. If there is any change, absolutely the Deputy will be made fully aware of it at the earliest possible point but, as I keep saying, the reason I cannot guarantee it is because, as we keep saying, nothing is off the table at this stage but equally it has not been one of our considerations to date.

3.18.4 Deputy G.P. Southern:

Does the Minister not consider that his actions so far have been about mitigation rather than reduction of income inequality? What further measures does he have under consideration to be active on this front?

Senator J.A.N. Le Fondré:

I am not too sure if I agree with it only just being about mitigation. The package that we announced on Friday for Islanders, obviously it is for households, each earning £32,000, I think it was, a year would put about £1,350 back into their pockets. I think that is per household but it is not an inconsiderable sum of money and, therefore, I would have thought would address some of the issues that the Deputy is referring to.