

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON MONDAY 13th JULY 2020**

Question

What estimates, if any, has the Minister made of the combined impact on current-year expenditure on Income Support of –

- (a) an additional 800 new claims for Income Support;
- (b) increased Income Support payments to existing claimants who have seen their incomes significantly reduced, and
- (c) claimants of the new Covid Related Emergency Support Scheme (C.R.E.S.S) scheme to alleviate hardship for those households with under 5 years of residency?

Answer

The cost of an individual Income Support claim will vary according to the number of people in the household, whether they are responsible for rent, and whether they have any income or capital with which to meet their own living costs. It is not possible to generate an exact figure for the cost of new claims made as a result of the coronavirus pandemic as some of these claims will be from households who are only temporarily out of work.

The forecasting model used to calculate the Income Support expenditure for 2020 contains a number of variables, historic trends and now assumptions regarding the impact of the pandemic. The overall change in forecast is £10.34m. This will also contain non-covid related changes.

- a) An estimate using the forecast described above generates an average of 771 additional claims between April and December, peaking in May and June. This is estimated to cost £7.7 million.
- b) A rise in Income Support expenditure in respect of existing claimants will also be affected by a decrease in income which may be temporary in some cases. A rough estimate using the forecast described above indicates that the increased cost of Income Support paid to existing claimants will represent an additional £2.5 million.
- c) The Covid-Related Emergency Support Scheme (CRESS) is specifically targeted towards people who do not qualify for Income Support because they have not been in Jersey long enough to meet the residency conditions of that benefit. CRESS is not paid from the Income Support budget. Therefore, CRESS expenditure has no impact on the expenditure of Income Support.
- d) In general, the cost of the CRESS scheme for its initial 13 weeks was estimated at £710,000 based on 400 claimants. The Minister's subsequent decision to extend CRESS up until 31 August 2020 has an estimated additional cost of £200,000 to £250,000; due to an underspend from the original forecast the total estimated costs remain within the original CRESS budget.