

2020.02.04

**8 Deputy G.P. Southern of the Chief Minister regarding the agenda items relating to income inequality considered by the Council of Ministers: (OQ.44/2020)**

Will the Chief Minister inform Members of the agenda items discussed by the Council of Ministers in the last 18 months that have dealt with the issue of income inequality?

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

Whilst no individual items have come to the Council of Ministers that specifically refer to income inequality in their title, the Council has discussed a wide range of areas over the last 18 months that relate to the issue based on the aims set out in the C.S.P. (Common Strategic Policy). To give some examples, since the election the Council has discussed: family friendly employment rights, the Listening Lounge, the gender pay gap, the Jersey Care model and personal taxation. Obviously, we have had increases in the minimum wage very recently. So, we continue to address the income inequality issue. Just to remind the Deputy, the C.S.P., one of 5 priorities is around income inequality specifically and obviously page 193 of the Government Plan that lays out what we intend to do and we are intending, basically, to spend between £188 million and £200 million a year over the next 4 years to address these very issues.

**4.8.1 Deputy G.P. Southern:**

The question is, I think, directed otherwise than to the answer we received in that what we are talking about is the reduction of income inequality is the priority. What actions have been taken in order to reduce income inequality by this Government?

**Senator J.A.N. Le Fondré:**

I thought I had just said that in the previous answer. In terms of addressing income inequality, there are a range of components that come into this area and they cover things like the family friendly employment rights. Things like the gender pay gap side. Things like the issues around taxation. Things like increases in the minimum wage. Things like the changes in the social security ceilings. They all address dealing with the levels of income inequality. What I will also say, if one refers to the written question, or the answer to the written question 55 in the pack today to Deputy Ward, that gives quite a lot of detail about the actual work that is taking place on this area and what work is taking place this year to again improve the situation.

**4.8.2 Deputy J.H. Perchard:**

Given the wide range of areas quoted just now by the Chief Minister, it would be prudent to ask what he deems to be the main drivers of income inequality in the Island.

**Senator J.A.N. Le Fondré:**

Difficult to give a short answer to this. Can I refer the Deputy to the Written Question 55, the answer we gave to Deputy Ward, which is a 2-page quite detailed synopsis and then, perhaps, come back to me? I would say the answer is quite detailed and gave quite a lot of information there.

**4.8.3 Deputy R.J. Ward:**

I appreciate the answer to my written question and one of the areas highlighted is educational outcomes affected by income inequality. Would the Chief Minister, therefore, accept that because Jersey Premium is less than the U.K. should we not be addressing that issue and increasing it, given the recognition of income inequality and its effect on educational outcomes?

**Senator J.A.N. Le Fondré:**

I always urge caution about doing direct comparisons on what is paid in the U.K., versus what is paid here. Because they are always very different scenarios, very different circumstances and often you can target matters better here, I would suggest. What I will also say is, to go to the generic response, is that there is a review of education, as a whole, coming together, that will be coming forward over the next few weeks, probably few months and I suspect that will be considered in that area.

**4.8.4 Deputy R.J. Ward:**

Can I ask then what benchmarks the Chief Minister believes should be used, so that we can make the correct decisions and the correct judgments?

**Senator J.A.N. Le Fondré:**

What I look for is what is going to be the most effective. I was just making the point we do not automatically, just because the U.K. do such-and-such a matter, it does not automatically mean we should match them, because we may just be doing compensating measures somewhere else. We need to just understand that, that is to be part of the education review, as I understand it.

**4.8.5 Deputy G.P. Southern:**

Would the Chief Minister not accept that those people on minimum wage will have seen their incomes fall relative to the average wage in this Island and that the Chief Minister has done nothing to prevent this worsening of income inequality?

**Senator J.A.N. Le Fondré:**

What I can certainly accept is that since the survey that was done between 2009/10 and 2014/15 very clearly showed a drop in average household income after housing costs, particularly the layers of a further update survey, which is being carried out I believe ... it is going to be starting this year, I believe the results come out either towards the end of this year, or next year and that will give us the proper data. We need to understand what it is. We do need to address certain areas and that is why a lot of the pieces of work that are taking place are taking place.