

21.01.19

6 Senator S.Y. Mézec of the Chief Minister regarding income inequality (OQ.21/2021):

What evidence, if any, can the Chief Minister provide to demonstrate whether levels of income inequality and the number of Islanders living on relative low incomes have either risen or fallen during his time in office?

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

There are 2 ways of answering this question: what reports, i.e. what evidence exists and what have we done? The calculation of income inequality levels and relative low-income proportions within a jurisdiction relies on the analysis of detailed income and household information. In relation to reports, i.e. evidence, I have to say it is not from want of trying, so as Chief Minister, as the Senator will be aware, I confirmed funding for a new living costs and household income survey to collect the data. That did commence in mid-2019 and was due to run until mid-2020. It was significantly disrupted due to COVID-19, as a number of us Members are aware, some high-level results will be published once the analysis is complete. Also, as Chief Minister, I proposed an amendment to the most recent Government Plan, which builds on Deputy Pamplin's proposal to ensure additional funding is allocated in 2021 to allow any extra survey and analysis to inform the development of an overarching policy strategy, which will be included in the 2022 Government Plan. Reducing income inequality and improving standards of living is an important C.S.P. (Common Strategic Policy) of this Government. The Senator may also be aware of many of the measures which we have undertaken towards this end, i.e. achieving an improvement in lower income households. I am sure, given the time, I will reserve any of those measures in questioning on that for any supplementaries that come through.

10.6.1 Senator S.Y. Mézec:

That was a substantially better answer than the last time I asked a question similar to this. Can I ask the Chief Minister then if he is concerned at the length of time it will take to get the data on levels of income inequality and the particular levels of those living in relative low income, and whether he thinks that that data will be in our possession too late to make a meaningful change to improve things in this term of office? If that is the case, what action will he be taking in the short term to pre-empt receiving that data and make a real effort to drive out rising levels of income inequality?

Senator J.A.N. Le Fondré:

I retain a concern. We will get some data and I do know that from the survey, as I said, that was disrupted by in 2020 and we said all that. We have also said that we will get information in place for what I refer to loosely as the policy strategy, which has to be in place for the next Government Plan. I think we do have to recognise that there are 2 competing tensions going on at the moment, one is the sheer disruption of COVID; that has caused a problem, as we all know, in every facet of our society. The other one obviously also in more short term is the fact that Statistics Jersey are now very much focusing on getting the census all ready to go, which I think is 21st March, from memory. However, it is not like there has nothing been going on. Interesting also, bearing in mind that I have sort of anticipated some of these questions, the minimum wage, for example, has been increased 3 times, I think it is, since, I am going to say, 2018. In April 2018 it was £7.50 and in April 2020 it is now £8.32; that is quite a significant increase. In fact the 2019 to 2020 increase was more than roughly double the rate of inflation of the time. Do not forget things like the family friendly legislation has improved matters and also things we have done on G.P.s (general practitioners) and also providing

additional family support for families on income support with children have come through. Off the top of my head, particularly if I look at my notes, that is around an extra £3.5 million has been added to income of families with children since 1st January 2019. Obviously a lot of this might be better addressed in a written question. We have also there in the short term, which is the primary focus of course and remains that case for 2021; it is dealing with the impacts of COVID. There have been ...

The Bailiff:

Chief Minister, I am afraid I am going to have to ask you to bring your answer to a close, you have been going for 2 minutes at the moment.

Senator J.A.N. Le Fondré:

Okay, I will just say there has been significant funding and monies put aside to all elements of society but obviously including those at the lower income end of the spectrum.

10.6.2 Deputy R.J. Ward:

May I ask the Chief Minister, could he give me a figure on what he considers to be a relatively low income, for example, for a family with 2 children?

[11:45]

Senator J.A.N. Le Fondré:

I am sorry, off the top of my head oddly enough I cannot. I am going to say that from memory the median is around £37,000 and I believe, therefore ... but obviously we know that we also have to take into account pensioners, who are significantly lower than that, and obviously will not have 2 children and it will depend on their individual financial circumstances.

10.6.3 Deputy R.J. Ward:

Would the Chief Minister consider a universal basic income as a means for ensuring that people do not fall below the poverty line and their health and well-being is maintained in terms of their income?

Senator J.A.N. Le Fondré:

I think that a universal level income, I believe, has been mooted at various times. I have to say I would be quite reserved about that because it is a major societal kind of change in the way that society works. But I do endorse that, which I would hope we were starting to demonstrate in the earlier list I was referring to, that we have been putting measures in place to improve the longer-term position of families and individuals on lower income. But, more importantly, in the very short term because of COVID to support all Islanders through the difficult times we are having.

10.6.4 Deputy G.P. Southern:

Is the Chief Minister aware whether the income support scheme he has set up has kept pace with inflation? Also, is he not aware that the minimum wage in Jersey still lags behind that in the U.K. where we are a far more expensive place to live in?

Senator J.A.N. Le Fondré:

I always get a bit leery when we start comparing with other jurisdictions and, again, I think that is all part of the data we do need to understand. The point I was making on the minimum wage is that since 2018 it has gone up by just over 10 per cent.

10.6.5 Deputy G.P. Southern:

Am I to take it from his answers earlier that we are unlikely to see any movement before we pass and get accepted the next Government Plan?

Senator J.A.N. Le Fondré:

Sorry, I think I only got the last half of that question. Could he just repeat that? If I did not, any movement in what?

Deputy G.P. Southern:

Can I take it from his answers earlier that we will see no movement on addressing low income until the new poverty plan is in place in the next Government Plan?

Senator J.A.N. Le Fondré:

I would say no. The point I was trying to make is that since 1st January 2019 there is about £3.5 million recurring has been added to income of families with children. The care needs at home strategy, which has been delayed, we are just going to restart it in 2021. It is going to cost about £500,000 a year. Obviously, additionally, we have put an additional ... it is not direct financial support to an individual but it is about improving access to services and all those type of things that members of our society have. Do not forget in the Government Plan already approved there is additional investment of £7.9 million, which includes again for Pupil Premium and early years. Also, do not forget that just before Christmas the Health Access Scheme, which was about reduced costs for access to G.P.s, will also have a significant impact on measures to help lower income families. We are putting measures in place to improve the lot of individuals. What we may not have is a definitive analysis of how that is being improved but we are putting measures in place to achieve them.

10.6.6 Deputy K.G. Pamplin of St. Saviour:

Good morning and Happy New Year, all. In the opening answer the Chief Minister referenced my amendment to the Government Plan. Will the Chief Minister be able to give us any update on that evidence-gathering and will he set up a meeting between myself and the relevant people involved in achieving what we sought with that amendment?

Senator J.A.N. Fondré:

In order to start, I have spent the last 2 weeks or whatever, since the new year has started, bearing in mind the other somewhat interesting pressures we have, including Brexit, that have been going on over the Christmas period. I have not addressed matters on the policy strategy but I will be delighted to set up a meeting for the Deputy. In fact I rather suspect a board might well come into existence and I hope the Deputy would accept a membership of it.

10.6.7 Senator S.Y. Mézec:

The Chief Minister in his answer referred to the minimum wage being raised 3 times since 2018, and commendable though that is, does he acknowledge that it had a low starting point, which means that even today our minimum wage is lower than even that of Guernsey's? When you compare it to the updated living wage figure of £10.96 an hour, we are in the absurd position where a worker working on minimum wage full time, for every hour they work will have to be subsidised by income support by £2.64 to bump them up to the living wage. Does he think that that is acceptable and what action will he be taking to deal with poverty wages?

Senator J.A.N. Fondré:

I think the point we need to make is that we, as the Council of Ministers, are committed to the living wage. Indeed, that is why we have also committed about the Government being a living-wage employer. But the reality of the impact of COVID, as the Senator knows, we were not able to do the increases that we would have liked to have done as a result of the pandemic. As we have said, there are measures in there to support in the meantime people on low earnings or who have suffered the detrimental impact of COVID. But we have also got to make sure that people do have jobs to go to as we come out of this crisis. I would like to think that we will have a clearer sight of where we are going in terms of the economic impacts of what we are dealing with; I will say the middle of this year and that is very much an estimate. At that point we can then get a clarity around the path with air travel. But the commitment of the Council of Ministers has always been there. It has also always been to make sure that we take account of the economic impact of what we impose, and we have got to do that as a slow, steady progression. I think we have also committed during 2021 to review how the minimum wage is consulted upon, which may also assist in some of the ambitions that we all share in this area.