

21.03.02

**4 Deputy G.P. Southern of St. Helier of the Minister for Social Security regarding the changes to Income Support components since 2014 (OQ.48/2021):**

Is it the Minister's assessment that the response to Written Question 54/2021 shows that the most basic components of income support have not matched inflation of 16 per cent over the period 2014 to 2021; and will she explain how the statement that average claims increased by 18 per cent is consistent with the concept of effective indexing?

**Deputy J.A. Martin of St. Helier (The Minister for Social Security):**

Written Questions 9 and 54 provide full details of all the income support component raised between 2014 and 2021. These answers show the increase in component rates varies across different components. It is correct that some of the components in this are below 16 per cent. For other components the increase is above 16 per cent. As explained in both written questions, the amount of income support received depends on the level of income disregards as well as component rates. Between 2014 and 2021, income disregards have increased from 20 per cent to 26 per cent. The overall impact of all these changes to income support over this time means that the average income support claim has increased from £218 to £257 per week. This is an increase of 18 per cent in the value of the average claim. It is the combination of increases in component rates, income disregards that ensures that the income support claim values continue to support low-income families effectively.

**3.4.1 Deputy G.P. Southern:**

Is it not the case that the 18 per cent increase she quotes is not comparing like with like and therefore is misleading in the fact that what is occurring is that the rental component cap has increased enormously by almost 30 per cent over this period and that is why the level of benefit appears to have increased by so much?

**Deputy J.A. Martin:**

I am not even sure this does include the rental component, but the Deputy is right. There have been massive increases in rental components, which is all money paid to the income support family.

**Deputy G.P. Southern:**

Not through, it goes directly to the landlord.

**The Bailiff:**

I am sorry, Deputy Southern, this cannot be an exchange. We have to allow the Minister the chance to answer.

**Deputy J.A. Martin:**

I was going to come on to that. Me and the Deputy have a different view on £300 a week that goes directly to the landlord. If it was not being paid by the income support scheme the person would be paying that out of their wages. It is money going to the family that they do not have to find. I really do not understand ... the Deputy is right, we are comparing apples and pears. I am probably apples and he is probably pears.

**3.4.2 Deputy R.J. Ward:**

Would the Minister concede that the larger proportion of income support increase that goes directly to landlords means that the direct living standards of those who are claiming income support does drop because they are not seeing any of that money? In fact, the only people benefiting from that increase are landlords.

**Deputy J.A. Martin:**

No, I do not agree with that. From 2014 to 2021 the disregards, and the disregard is not just earned income it is maintenance income and pensionable income.

[10:15]

All have received more money. The reintroduction of the single parent allowance and then the introduction in 2019 of the £10, which was a full payment in 2020 - it was £5 in April 2019 and £5 in October but a full £10 for the first child - which is 22 per cent. The majority of people are better off by the 18 per cent that I have quoted.

**3.4.3 Deputy R.J. Ward:**

How much does the Minister feel is a reasonable amount of increase that goes directly to landlords of public money and would she consider that she would cap rents with income support in some sort of negotiation with landlords so that so much public money is not going directly to them?

**Deputy J.A. Martin:**

I absolutely would like to have discussions with landlords and try and cut rents. The problem is, I am trying to keep up with what the landlords are charging for the people on income support. That is what we have tried to do. That is why some of the components in the rent have gone up by 34 per cent over those 6 years, because otherwise people will be taking the money out of the other components that they need to live on each week. There is work to be done. I do not disagree with the Deputy. I would rather not be paying over £30 million a year in rent subsidies but that is what we do.

**3.4.4 Deputy M. Tadier:**

The Minister said she would like to cap rents in the private sector. What does she mean by that and how would she do it?

**Deputy J.A. Martin:**

There is the million-dollar question: how would I cap rents in the private sector? I have been in this Assembly over 20 years and one of the big elephants in the room is rent. It is a massive amount of people's income, whether that is earned income or income support income. I can work, and I work very well with the new Minister for Housing and Communities, I do not know how it will be done. Again it comes down to supply and demand.

**3.4.5 Deputy M. Tadier:**

Does the Minister agree that capping rents is very simple? We have an income support component which we allow for accommodation, and we could simply say that is the cap for the private sector but it takes political will to do that. Is there the political will from this Minister to cap rents in the first place?

**Deputy J.A. Martin:**

Sorry, the Deputy is asking me would I cap the income support amount paid out to the rent ...

**Deputy M. Tadier:**

No, that is not the question.

**Deputy J.A. Martin:**

If I could do tomorrow then ... that is exactly what the Deputy asked me. I can cap the rent paid out tomorrow.

**Deputy M. Tadier:**

That was not the question.

**Deputy J.A. Martin:**

Well, I heard that as the question, Sir, and you said we should not be interacting. The Deputy is not letting me finish.

**Deputy M. Tadier:**

We are getting into Alice in Wonderland here.

**The Bailiff:**

I am sorry, you have asked a supplementary question, Deputy. The Minister is entitled to answer the question.

**Deputy M. Tadier:**

She has answered the question completely differently that she has chosen.

**The Bailiff:**

Well, I am sorry, but we have already passed the time allocated for this question. If the Minister answers in the way the Minister feels that the question has to be answered, the consequence of not answering it in the way you feel it should be must be political in nature. It is up to the Minister how she hears the question and how she answers it. Minister, have you concluded your answer?

**Deputy J.A. Martin:**

Yes, and I apologise to the Deputy. I thought the Deputy said can I cap the rent payment tomorrow. I can. That does not help the tenants. Sorry, if I misheard the Deputy's question.

**Deputy M. Tadier:**

That is not the question, Sir. I can ask the question if she wants.

**The Bailiff:**

No.

**Deputy M. Tadier:**

Can I have a point of order here?

**The Bailiff:**

Yes.

**Deputy M. Tadier:**

There has to be a limit here. If somebody asks the question and says: "What colour is the roof of Fort Regent?" and then someone gives an answer saying: "G.S.T. (goods and services tax) is 5 per cent" it needs an intervention from the Chair because that is not the question and we are wasting all our time here. That happens with a written question. I asked a clear question about whether she would be prepared to cap rents in the private sector that landlords can charge. She did not answer that.

**The Bailiff:**

Well, if that is your question, I will give the Minister the opportunity to answer that question. The question is: would you be prepared to cap rents in the private sector?

**Deputy J.A. Martin:**

That is not in my gift. I cannot cap rents in the private sector. The only thing I have control of is what we pay for rents. Sorry if I misheard the Deputy. I thought he said could I cap the payment tomorrow. So it is not in my gift and that is the answer.

**3.4.6 Deputy M.R. Higgins:**

The Minister said she is paying £30 million a year in rent subsidy. When is she going to be campaigning and getting her colleagues to campaign for a proper living wage to enable people to pay their own rents without having to go to the States cap in hand to get support?

**Deputy J.A. Martin:**

Well, income support on the living wage would still probably need some subsidy. Again, this is a massive picture of living wage, the minimum wage, how many people would pay it, how many people can pay it. That is always the question. At the moment that is what we pay out and it is a lot of money, a very lot of money. Last year it was £30 million and it has probably gone up.

**3.4.7 Deputy M.R. Higgins:**

The Minister has been in the States for far longer than I can remember and she has campaigned on these issues. Now she is the Minister, when is she going to do something to try to deal with these problems that she has complained about for years?

**Deputy J.A. Martin:**

The Deputy has been with me in this Assembly probably not far behind me. It is not as easy as the Deputy says. We go out for consultation on the minimum wage and it goes to lots of industries and they come back and say this industry ... and it has always been proven. Some of the industries that have been asked to put the minimum wage - and that is the minimum wage, not the living wage - have gone out of business or they have stopped doing things that they did do and then they do not employ as many staff. You are not achieving what you want to achieve.

**3.4.8 Deputy G.P. Southern:**

Will the Minister accept that indexing has not been matching the increase in inflation over this period? Will she act to make sure that proper indexing takes place from now on?

**Deputy J.A. Martin:**

I do not agree that there is not matched indexing because the Deputy, as I have said, is comparing different aspects of income support. When you take it all together, the actual money in the person's pocket and the average family has gone up.