

**WRITTEN QUESTION TO THE  
MINISTER FOR ECONOMIC, DEVELOPMENT, TOURISM, SPORT AND CULTURE  
BY DEPUTY R.J. WARD OF ST. HELIER CENTRAL  
QUESTION SUBMITTED ON MONDAY 3<sup>RD</sup> JULY 2023  
ANSWER TO BE TABLED ON MONDAY 10<sup>TH</sup> JULY 2023**

**Question**

“Will the Minister advise what analysis, if any, has been undertaken of the impact of the Mini-Budget on –

- (a) income inequality levels;
- (b) locally-driven inflation pressures;
- (c) the number of people living at relative low-income levels after rents are removed from being taken into account; and
- (d) the number of pensioners on relative low income?”

**Answer**

The Mini Budget included an extensive package of measures including above-inflation increases in income tax thresholds and allowances, a temporary increase in cold weather payments, and increasing Income Support components to reflect the September 2022 RPI figure.

Income inequality and relative low income can only be measured through a large-scale survey such as the Living Costs and Household Income Survey, which is undertaken in Jersey every 4-5 years. The most recent survey collected almost all of its data before the Mini-Budget measures were put in place, so it is not possible to assess the impact of the Mini-Budget on income inequality or low-incomes. The focus of the Mini-Budget was to support households against high inflation and immediate cost of living pressures, through a broad range of measures. As such the policies would not be seen as inflationary.

The Government has undertaken analysis to understand how much money the Mini Budget measures put back into Islanders’ pockets, across a range of representative households<sup>1</sup>. This shows what the Mini-Budget measures mean for households’ weekly disposable incomes after housing costs, and is summarised in the table below.

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<sup>1</sup> This analysis simulated the ‘baseline’ disposable income after housing costs of different representative households, accounting for labour and pension income, benefits received and indicative housing costs. The impact of the Mini-Budget on each of these components was then estimated, and the resulting disposable income after housing costs was compared against the baseline.

<b>Household</b>	<b>Support from measures to disposable incomes after housing costs, 2022 £ pw</b>
Couple with full old-age pension in social housing	+£24 per week
Single adult working full time at the minimum wage, privately renting	+£53 per week
Single parent with 1 child below school-leaving age working full-time at the minimum wage in social housing	+£32 per week
Married couple with 2 children both working full-time at the minimum wage in social housing	+£38 per week
Married couple with 2 children at median income in social housing	+£15 per week
Married couple with 2 children, £100,000 gross income with a mortgage	+£18 per week
Couple with £25,000 pension income, owner-occupiers	+£5 per week
Couple with median income from pension, owner-occupier	+£11 per week

All households modelled have been made better off by the Mini-Budget, with increases to Income Support and cold weather payments particularly helping lower-income households, and changes to income tax thresholds and allowances helping middle-income households.

Furthermore, this analysis excludes further measures announced following the Mini-Budget, including

- Call for a rent freeze
- Hot meals for all primary school children
- £12m investment package for Pharmacies – including enabling prescriptions to cover longer than 30 days
- £20 reduction in cost of a GP appointment

These measures will benefit many households separately to the analysis above, which estimates the direct support provided to households. Increases to income tax thresholds and Income Support components will continue to provide support over the rest of 2023.