

STATEMENT TO BE MADE BY THE CHAIRMAN OF THE HEALTH AND SOCIAL SECURITY SCRUTINY PANEL ON TUESDAY 13TH SEPTEMBER 2016

In the foreword to the Panel's report on Living on Low Income I stated that Panel members had been alarmed and saddened but not altogether surprised by what we learned in the course of our review.

We were alarmed in considering the ramifications of an increase in the numbers of people living on low income – now one in four households rather than one in five in 2009. We were alarmed by the growing gap in income inequality, noting that the average disposable household income of the poorest section of our community had actually decreased by 17% over a five year period. All of this at a time when our Strategic Plan acknowledges that nothing undermines social inclusion more than financial hardship and we have set ourselves a strategic goal to help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community.

We were saddened by the evidence of hardship we received. There is a growing reliance on charitable help including food banks used by people from a range of backgrounds. These are not scroungers taking advantage of a hand out but typically are established working people who are coming as a last resort with heavy hearts.

We were saddened to hear from individuals, charities and doctors that increasing numbers of people feel they cannot afford to visit their doctor. When Income Support was introduced in 2008, this Assembly was told that no-one should fear the cost of going to their doctor because Income Support would cover that cost. Unfortunately eight years later, increasing numbers of people are fearful of just that because Income Support no longer adequately provides that support. We all know the potential consequences of not addressing health issues at an early stage. There is a reliance on doctors to offer discounts or judge from their limited knowledge who might be deserving of a free consultation. This is not sustainable. The fear of the cost of a doctor's visit is a serious and urgent problem for us to resolve.

We find that the Income Support Scheme is failing in to achieve its aim of reducing poverty in the Island as embodied in the principles of the scheme discussed by this Assembly more than 10 years ago. The real value of Income Support benefits has steadily declined over the years and now does not reach a significant proportion of people living on low income. A decade on from the approval of the principles, we recommend that the Minister begins a thorough review of the scheme to ensure it is aligned with its principles and reaching those in need.

One part of our report deals with what we have called the "Benefit Trap". I'm not aware of any other published work on this subject in Jersey and we hope our report will be useful to show how financially difficult it is for claimants to move out of Income Support. Other jurisdictions seem to have greater incentives to encourage this and we recommend the Minister include this area within her review.

The statistical evidence for the increasing number of people living on low income relates to the five year period ending in 2014. Since then this Assembly has approved £10 million of benefit savings which we fear will only increase the pressures on people relying on this safety net. We recommend that the Minister should review the impact of some of these changes and we suggest that in the longer term support to needy and vulnerable people should receive the same protection in the next Medium Term Financial Plan as has been accorded to Health and Education in the current MTFP.

Our report contains some short term recommendations but is also a report for the longer term. We hope it will inform future discussions on these issues and enable us to concentrate on achieving that important strategic goal. It will not be easy but dare we hope that the next household income survey (due in 2020) will show a narrowing of the gap between the Island's rich and poor.

I urge all members to consider our report and please respond to Panel members with your thoughts and comments.