

**STATEMENT TO BE MADE BY THE MINISTER FOR SOCIAL SECURITY
ON TUESDAY 29th MARCH 2022**

Response to inflationary pressures

Last September, we first started to hear about significant increases in energy costs. U.K. gas prices rose sharply in October. Fortunately, the use of gas for domestic heating in Jersey is very limited and I was very pleased to meet the Gas Company last year and agree that they would fund a support package for any consumers affected by the price rises.

Unfortunately, since then, we have seen a rise in the overall rate of inflation and the conflict in U.K. has now made the economic situation much worse.

Recent U.K. forecasts are suggesting figures of up to 7 or 8% for inflation during the year. The U.K. inflation rate published last week for February was over 6%. Our own Fiscal Policy Panel will provide an updated forecast tomorrow.

These price rises are affecting the cost of many basic goods. International energy prices have risen sharply. The energy mix in Jersey is protecting us from the worst of these increases but there have been price rises for all types of fuel in recent months.

For people on a tight weekly budget, even small price rises can be difficult to cope with.

There are over 11,000 people in Jersey who receive means-tested benefits. This includes 9,600 adults and children living in Income Support households and about 1,800 pensioners who don't qualify for Income Support but receive help with heating, health or other costs.

Income Support rates will rise in October by 2.6% - this was agreed by the Assembly last year to make sure that these families were not affected by the timing of the general election. The figure of 2.6% was the best estimate we had at the time for inflation in 2022.

As at the end of last year, local inflation had already risen to 3.8% and we expect it to rise further during the year.

Because of the timing of the election, I don't have the option of proposing a higher uplift for this year. I also want to act without delay and provide extra help to these families as soon as possible. I will be setting up a temporary scheme to provide extra support to these 11,000 pensioners, adults and children.

From April I will be providing an additional £20 a month, per person. These payments will run until the end of 2022 and will be paid on a monthly basis to the household. A pensioner couple will receive £40 a month, a couple with 2 children will receive an extra £80. Payments will be sent automatically – there will be no need for people to apply. These payments will also go to everyone receiving the Community Costs Bonus (C.C.B.).

Making payments through to December will give time for the next Minister to assess the situation and put in place appropriate support for 2023.

The overall cost of this scheme is estimated at £2 million. This funding is available from budgets already allocated to benefit payments. The Jersey economy has recovered well from the impact of

the covid pandemic and the number of people who are actively seeking work is currently at an all-time low. The number of Income Support claims has also fallen and actual numbers are well below the estimates provided for in the 2022 Government Plan. These budgets can be redeployed to provide this temporary support without making any demands on the wider public purse.

As Minister for Social Security, my focus is on supporting those who are most in need of help. I believe that this scheme will make a real difference to these low income and just about managing families, struggling with the cost of their weekly shop.

Yesterday, I met with other Ministers as part of the Inflation Strategy Group. I was pleased to receive the strong endorsement of the Group for my scheme.

The Group will continue to consider other actions across Government.

I will be publishing full details of my scheme in the next few weeks and plan to make the first payment towards the end of April.