

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 16th JUNE 2009**

**Question**

Following his announcement on 28th April 2009 that the period of Income Support (IS) transition protection was to be extended, will the Minister give a detailed breakdown of the amounts of daily benefit (in real not percentage terms) banded in £10 intervals which protected IS claimants will lose when protection is removed over the 3 to 5 year phased reduction period?

**Answer**

In the time available to prepare this response, it has not been possible to prepare information to the standard that the Department would normally provide.

While the information set out below does include assumptions for benefit rates and income levels in future years, it has not been possible within the limited time available to fully incorporate the proposals set out in P.93 for increases to Income Support rates and incentives in October 2009.

The underlying data used was extracted on 31st March 2009 and it would be preferable to use a more up-to-date data set.

The phasing used to calculate the transitional reductions in this answer matches that submitted as part of the Economic Stimulus Bid. When the bid was made, it was noted that the phasing was indicative and it would be refined if the bid was successful and taking into account more up-to-date data that will be available later in 2009, including the effect of the up rate in October 2009. This refinement has not yet been undertaken.

The question requests detailed information over the full length of the transitional period. The information provided is dependent on a large number of variables which cannot be forecast with a high degree of accuracy. In reality, the only fact that can be stated with confidence is that the actual figures in future years will be different to those stated in this answer.

The figures given below are subject to these caveats and should be treated as a broad indication of the actual reductions that households will experience over the transitional period.

As is more fully explained in the answer to question 4588 (also tabled today), there will be a natural reduction in the number of households requiring protected payments over the length of the transitional period. This will include claimants who die, those who are no longer eligible for the benefit on which their protection is based, and those whose Income Support entitlement increases above the value of the protection due to an increase in IS rates or incentives. The numbers in each category are therefore theoretical maximums and the actual number of households receiving reductions at each level will be less than the estimate given.

As noted by Deputy Southern in Question 4588, the number of households requiring protected payments has already fallen from 3,559 in June 2008 to 2,734 as at 31st March 2009.

The following table sets out a detailed breakdown of the amounts of daily benefit which protected IS claimants will lose when protection is removed over the 3 to 6 year phased reduction period. It is based on the phasing proposed in the Economic Stimulus bid, on the assumption that the bid will be approved. Depending on the outcome of the bid, the exact phasing will be agreed later in 2009.

Year	2009	2010	2011	2012	2013	2014
Number of households receiving protected payment for						

year leading up to 1 October	2734	2620	2223	1799	959	147
Number of households experiencing increase/no change to daily benefit on 1 October	2734	338	46	19	4	0
Number of households experiencing decrease in daily benefit of up to £1 per day on 1 October	0	427	321	526	159	2
Number of households experiencing decrease in daily benefit of between £1 and £3 per day on 1 October	0	1444	1047	970	612	29
Number of households experiencing decrease in daily benefit of between £3 and £5 per day on 1 October	0	235	458	209	156	101
Number of households experiencing decrease in daily benefit of between £5 and £7 per day on 1 October	0	148	140	29	17	9
Number of households experiencing decrease in daily benefit of between £7 and £10 per day on 1 October	0	17	173	19	6	6
Number of households experiencing decrease in daily benefit of more than £10 per day	0	11	38	27	5	0
Number of households receiving protected payment from 1 October onwards	2620	2223	1799	959	147	0

It must be emphasised that these numbers are extracted from a computational model that relies on a number of economic parameters that cannot be accurately forecast several years in advance.

The Department holds a ring fenced budget for protected payments and will continue to adjust the transitional phasing from year to year to provide the maximum protection within the budget available. This is very likely to result in a different transitional phasing from that shown above.