

**WRITTEN QUESTION TO THE CHIEF MINISTER  
BY DEPUTY G.P. SOUTHERN OF ST. HELIER  
ANSWER TO BE TABLED ON TUESDAY 2nd JUNE 2015**

**Question**

Figures produced by the UK Office of National Statistics (ONS) this week shows that one third of the UK population experienced income poverty (disposable income below 60% of median) in at least one year between 2010 and 2013, compared with 25% in the rest of Europe. What equivalent figures, if any, does the Chief Minister have for Jersey?

To what extent does the Chief Minister consider that figures like these are in part the product of, and not improved by, austerity measures such as reducing the public sector workforce and services, and cutting benefits as proposed by both the UK government and the Council of Ministers?

What estimates, if any, does the Chief Minister have for the impact on poverty figures of the proposed savings programme involving some £125m of savings and charges especially for pensioners, and lone parents who are 40% and 60% prone to falling into income poverty as defined above?

**Answer**

The Statistics Unit run an Income Distribution Survey approximately every 5 years. The most recent data relates to 2009/10. The analysis identified that:

- 13% of households had an income below 60% of the median household income (termed ‘relative low income’) before housing costs, and
- 21% of households had an income (‘relative low income’) below 60% of the median household income after housing costs are taken into account.

Comparison with the UK focussed on the proportion of *individuals* living in a relative low income household both before and after housing costs. The Jersey figures were compared with the most recently available UK statistics at the time.

- One in eight (12%) of individuals in Jersey were living in relative low income in 2009/10 before housing costs, compared to 18% of individuals in the UK (UK data source: “Households Below Average Income 2008/09” report, ONS).
- After housing costs are taken into account, 19% of individuals in Jersey were living in relative low income in 2009/10, compared to 22% of individuals in the UK in 2008/09.

The Income Distribution Survey 2014/2015 is currently underway, with the year-long data collection phase now closing. Results are expected by the end of 2015, and will provide updated information on the level of median household income, and the proportions of households and individuals living in households with less than 60% of the median household income (i.e. living in relative low income) for the period 2014/15.

To compare the fiscal measures undertaken by the UK government with those in Jersey is not informative. The decisions taken in the UK have meant that departmental expenditure has fallen in real terms every year since 2010, and further reductions are planned in coming years. In Jersey, we have continued to support public services since the global financial crisis and undertaken additional investment through fiscal stimulus.

The measures being considered over the life of the next Medium Term Financial Plan will fund increases in expenditure in areas like health and education, while looking at where savings can be made across all departments. They do not represent a reduction in public spending of £125 million.

As to the impact of the spending proposals, this is a complex picture. Much of the extra spend in health and education will help people at the margins of our society, like the planned ‘pupil premium’ which directs resources to those families who are most in need, and the investment in health as our society ages. Furthermore, when making savings, the emphasis is on public sector efficiency, not on service reduction, and any impact on individuals will be carefully considered.

The “Resource Statement to the draft Strategic Plan” lodged on the 23<sup>rd</sup> April, 2014, was clear that changes in the benefit regime, for example, would be focused on supporting financial independence, targeting benefits to those most in need, and limiting the impact on individuals. The full plans will be outlined in the Medium Term Financial Plan, including savings and the reprioritisation programme.

Putting Jersey’s public finances on a sustainable basis will allow continued funding of key public services, investment in our infrastructure, and the stability and confidence needed to facilitate future economic growth. This will ensure that Islanders from all walks of life benefit from the decisions we make.