

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 1st DECEMBER 2015**

Question

At a scrutiny hearing on 3rd September 2015 the Minister did not accept that, following the withdrawal of the Income Support single parent component, child poverty might increase; however, in the light of the figures produced in the Income Distribution Survey 2014/15 does the Minister now consider that there is a link between single parenthood and children at risk of being in poverty?

Has the risk of child poverty increased given the significant rise in the proportion of single parent households below the low income threshold after housing costs over the past 5 years (from 46% to 56%)? Does the Minister have an explanation for the change, and if not why not?

What figures, if any, does the Minister have for the impact of the withdrawal of the single parent component on the proportion of single parents and their children living below the low income threshold and what justification, if any, can the Minister offer for the decision to cut the single parent component before seeing the evidence contained in the Income Distribution Survey?

Answer

The information provided in the Income Distribution Survey includes an analysis of relative low income.

The report notes that

“this provides a *relative* measure of low income, within the context of a particular jurisdiction, and relative to all household types, rather than an absolute measure of low income for a particular household. In addition, this measure does not take into account spending patterns, which are likely to vary between household types.

This measure of relative low income does not therefore indicate which households have an income level below that is necessary to maintain a certain standard of living for that household type.”

Whereas relative low income can be taken as a measure of being at risk of relative poverty, it is important that the two concepts are not confused.

Relative low income is calculated from the income distribution of households within a specific jurisdiction. Applying the methodology given in the Income Distribution Survey, it is possible to calculate that the relative low income threshold for a single parent with one child in Jersey, after housing costs, is £265 per week. An estimate of the equivalent figure for the UK, using the data provided in the survey, is £180 per week.

The Income Distribution Survey groups household by household type. From the 2011 Census, 4% of households are identified as single parents, equating to roughly 1,800 households across the island. This compares with 19% households identified as couples with children, equating to roughly 7,800 households.

In terms of relative low income, the proportions provided in the survey relate to approximately

- 1,000 single parent households and
- 1,700 couple families.

The Income Distribution Survey shows an increase in the proportion of households in relative low income across all household types, with the exception of “couple with no children.” This general trend reflects the local impact of the global recession particularly in terms of wage levels and housing costs.

The Income Distribution Survey provides for a comparison between different sized families, based on equivalised incomes.

As noted above, applying the calculation shows that the relative low income threshold for a single parent with one child aged under 13 after housing costs is £265. A single parent is entitled to basic Income Support components, excluding housing costs, of £207. This represents 78% of the relative low income threshold. This is a base figure and any earned income or maintenance income received by the single parent will provide them with a higher household income.

This proportion is similar to the calculation for a couple with one child under 13 shows that Income Support components make up 73% of the relative low income threshold. Again, earned income will increase this value.

Last month the States Assembly agreed to phase out the lone parent component which added an extra £40 per week over and above other components, as part of the MTFP debate. With this component in place, the support available to a single parent would be set at 93% of the relative low income threshold, considerably higher than the support available to a couple with children. As such, the phasing out of the extra £40 is an appropriate change to ensure that the benefit system is fair and well targeted.

The benefit changes approved as part of the MTFP ensure that growth funding can be targeted into priority areas. For example, a pupil premium is being introduced to support all low income children who need additional support at school, to help them achieve their full potential.