



St Paul's Community Centre  
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## Jersey Citizens Advice Bureau Limited

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I am the CEO of Citizens Advice Jersey, a position that I have held for the last 9 years.

I am pleased to respond to this review of the proposed Government Plan. During the course of our work, we see the problems associated with those that struggle to cope with the basic everyday costs of living and the negative effect that this can have on their health and wellbeing.

In **2018** we helped **283** clients to reconstruct their finances and these clients had an overall value of indebtedness in the sum of over **£2M**. So many societal problems can be attributed to low income and we believe that many of these problems can equally be rectified at the 'front end'.

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### Food Costs Bonus

Food Costs Bonus (FCB) is a valuable way to protect the most vulnerable in our society from the impact of GST on food and I believe that this bonus makes a large positive impact on a relatively small number of people. For this reason, it is incredibly important that the value of this bonus is regularly reviewed to ensure that it is keeping pace with inflation.

FCB is currently set at **£226.95**, a rate that was last reviewed in **2014**.

A calculation of inflation from **2014** to **2019** demonstrates that the rate for the bonus should be increased by a figure of **13.8%**, this would allow for the effects of inflation on the bonus to be mitigated, a breakdown of the base calculation is detailed, below;

**03/2014** = 157.9

**09/2019** = 179.7

Increase over the period = **13.8%**

Using the above calculation, the bonus should be set at **£258.25** from **2020**.



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### Financial and Manpower Implications

In **2018**, the numbers of claimants to FCB was 1,200 therefore, the total additional cost of this proposed **13.8%** increase is **£37,560**, per annum.

$£31.30 \times 1,200 = £37,560$

There are no direct manpower implications arising from this proposal.

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