

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 2nd FEBRUARY 2016**

Question

What estimate, if any, does the Minister have for the impact of her decision to remove the single parent component of Income Support from all single parent households over the coming 3 years on the median income for these households in nominal or real terms over the period, and if none, why?

Answer

Analysis of Income Support claims shows that 1 in 2 single parent Income Support claims last less than 20 months, with 1 in 3 of all single parent claims lasting less than one year.

This need for relatively short term financial support is to be expected because the situation of single parent households can change in several ways. Many parents will no longer need Income Support, for example, when a parent returns to full-time work as their child gets older. In other cases, the make-up of the household will change as the single parent moves into a new long-term relationship. In these cases the single parent component of an additional £40 per week has always been removed as part of the change in circumstances of the claimant.

Only a minority of current single parent households will remain as single parent households over the next three years and they will see the additional single parent component of £40 a week being gradually phased out over this period. This will put them in line with the support available to households that include two parents, supporting the principle of improving fairness within the Income Support system, as approved by the States last year. The diagram included as part of the response to question 9156, submitted at the previous sitting on 19/1/2016, illustrates this comparison. If there is no other change in the household situation during that time, the median income across this sub-set of ongoing single parent households would fall by £40 pw. However, other changes are likely to have an effect on household income and/or benefit entitlement over the same period for this particular group of claimants.

Since the start of Income Support, many improvements have been made to increase the amount of benefit available to single parents and encourage them to move towards financial independence. For example:

- **A higher earnings disregard** – This has increased from 6% in 2008 to the current level of 23% - a significant improvement that makes working more worthwhile, because benefit is reduced more slowly as earnings increase;
- **Back to Work services** - A major investment in employment support is reducing the number of claimants who cannot find work. Targeted support for parents has recently been introduced helping with the transition back into work.
- **A higher maintenance income disregard**: now providing an additional incentive for single parents to agree on maintenance payments with ex-partners where possible.

At the same time as phasing out the single parent component of Income Support, the States also agreed to increase the maintenance income disregard that benefits about half of the single parents who claim Income Support. This measure means that the single parent will keep a higher proportion of the maintenance payment that they receive for their child. The previous allowance of 10% has been increased in line with the allowance for earned income and is now also set at 23%.

Given the high degree of change seen in single parent households, the short term nature of most claims and the range of factors that can affect household income, it is not possible to provide an accurate assessment of the median income for this entire group in 3 years' time.