

2015.10.05

3.11 Deputy G.P. Southern of the Minister for Social Security regarding the impact of the removal of £40 per week from the lone parent component of Income Support:

What evidence does the Minister have that the proposal to remove £40 per week from the lone parent component of income support will not increase the numbers of children in relative low income, and, if none, why?

Deputy S.J. Pinel (The Minister for Social Security):

The proposal to phase out the single parent component of income support is just one of a wide-range of measures that form part of the Medium Term Financial Plan. This plan focuses on achieving the 5 strategic priorities agreed by the States. Holding the overall budget steady for the next 4 years will allow investment to be made in these strategic priorities, including Education investing in a pupil premium and Health and Social Services providing extra support for vulnerable families and services for children. It is the overall impact of the M.T.F.P. on all households, including households with relatively low incomes, that we need to consider, not just the impact of one proposal in isolation. The income support benefit is made up of a number of components to cover a range of basic household needs. Families receive support for their rental costs, their general household costs, their childcare costs and their living costs through a component for each child and each adult in the household. However, under the current system, a single parent is also given an additional component which is not associated with any specific household need. Removing this will mean that single parents will be treated in line with other families with children who claim income support.

3.11.1 Deputy G.P. Southern:

At a Scrutiny hearing on 3rd September, the Minister said the following statement: "Every single change we have made has been done on the most enormous amount of research and calculations. We do not pull things out of the air." Does the Minister stand by that statement?

Deputy S.J. Pinel:

Yes, I do, and for every proposal that we have made in the Medium Term Financial Plan there has been an enormous amount of research and calculations, as the Deputy has just quoted. We also listen to a huge amount of national and international research, and there is plenty of evidence that children do better while their parents are working. Children growing up in workless households, it is bad for the children and bad for the parents. The department continues to support low income parents into employment through its Back to Work programme.

3.11.2 Deputy G.P. Southern:

The fact is that something like half of our single parents do go out to work and their children do obviously thrive, but can I follow up? When talking to your Policy and Strategy Director we said: "Can you bring us the research that you have on this particular action?" and the Policy and Strategy Director said: "There is none, we have not done any field work." I said: "When the Minister says, 'We have done the research' are you saying we have not done the research?" The answer to that was: "yes". Does the Minister still insist that research has been done and evidence has been found that there will be no harmful effects from this decision to withdraw the additional £40 for single parents?

Deputy S.J. Pinel:

I can only repeat what I said before. We have done a huge amount of research and calculation in a whole programme of proposals, not any particular one in isolation, because it comes as a package. Interested groups were consulted, but we could not do a whole Island consultation and we are waiting for the Household Income Distribution Survey, which is only done once every 5 years because of the enormous amount of work that it takes. That is due out later this year.

3.11.3 Deputy M. Tadier:

The Minister will appreciate, perhaps, where we are coming from insofar as if we are to suggest, for example, changing the tax rate from 20 to 25 per cent, if we are suggesting maybe taxing what used to be 1(1)(k)s the same rate of tax as everybody, if we suggest putting the social security cap, lifting it for those most wealthy owners, the Council of Ministers would say: "Oh, but we do not know what the consequences are going to be of that; therefore, we cannot do it because we presume that these people will leave or it is going to cause an Armageddon of some kind of economic state in Jersey". But when we simply state that the consequences of the cuts and austerity that the Minister is putting through are going to cause hardship for families, we are told not only do we not need to worry about it because somehow it will all be okay, but we find out that the true impact on those individuals has not been assessed at all, it is purely ideological. So does the Minister think that there needs to be more research about how it will affect people on the ground because there will be consequences which will be negative on those individuals, be that intended or unintended?

Deputy S.J. Pinel:

Undoubtedly there will be consequences and in the case of removal of benefits, a lot of them will be negative. But we are not in this alone. This is a global situation that we are in and cutbacks have to be made. The Council of Ministers have come up with a very comprehensive plan to do so, specifically social security, with the savings in benefits in keeping certainly a lot of the components on a flat level. So avoiding cuts, just not increasing, that way we hope that the impact on people would be less severe than if we had introduced cuts. So in answer to the question, yes, there will be negative effects.

Deputy M. Tadier:

Can I just thank the Minister for that honest answer, that she acknowledges there will negative impacts on these families?

3.11.4 Deputy G.P. Southern:

It is a sad day, as far as I am concerned, because I cannot believe what the Minister has just said. Will the Minister come to the Assembly tomorrow, prepared with the evidence of research she has performed, or her department has performed, and evidence of the consultation she says has taken place so that we can believe when she says this has been thoroughly researched, all the initiatives have been thoroughly researched and consulted on, and we can see the list of those consultees and what the result of that consultation was, and what the result of the request for evidence was that we can safely vote tomorrow for the £10 million, eventually, of cuts to benefits. That we can do so in the safe knowledge that these have been thoroughly researched?

Deputy S.J. Pinel:

No, because there is no such evidence. The evidence is calculated by the staff at Social Security who are all very trained in calculating this evidence. That is together with calculations made by the computer as how we arrived at this particular component. Other research has been done into the other components but it has been extraordinarily thorough within the department.

3.11.5 Deputy G.P. Southern:

Is it not the case that the calculations have been performed, but no research has been done?

The Bailiff:

Final supplementary is actually final supplementary, Deputy.