

STATES OF JERSEY



Jersey

DRAFT INCOME SUPPORT (AMENDMENT No. 22) (JERSEY) REGULATIONS 202- (P.94/2022): AMENDMENT

**Lodged au Greffe on 18th October 2022
by Deputy G.P. Southern of St. Helier Central
Earliest date for debate: 1st November 2022**

STATES GREFFE

DRAFT INCOME SUPPORT (AMENDMENT NO. 22) (JERSEY) REGULATIONS
202- (P.94/2022): AMENDMENT

PAGE 13, REGULATION 1(2) –

For Regulation 1(2) substitute –

“For paragraph 2(1) (rates for basic components) there is substituted –

“(1) The rates payable for the basic components under Article 5(2) of the Law are as follows –

(a)	under Article 5(2)(a) of the Law (adult component rate)	£115.80
(b)	under Article 5(2)(b) of the Law (single parent component rate)	£45.24
(c)	under Article 5(2)(c) of the Law (first child component rate)	£95.41
(d)	under Article 5(2)(ca) of the Law (subsequent child component rate)	£80.44
(e)	under Article 5(2)(d) of the Law (household component rate)	£64.52”.

DEPUTY G.P. SOUTHERN OF ST. HELIER CENTRAL

REPORT

The Minister for Social Security lodged her Draft Amendment to the [Income Support \(Jersey\) Regulations 2007](#) further to a need identified in the “Mini-Budget” adopted by the States Assembly on 21st September 2022. In her report she states –

“In recognition of a potential RPI of 9.2% by the end of the year, it is proposed to increase most Income Support components in January by 6.4% above their October figure. As rates will already been uplifted by 2.6% the combined increase will take components to 9.2% above their current level”.

However, this disregards the fact that previous increases in income support components have not been index linked.

An increase of 6.4% is still increasing a value that is substantially lower than it should be.

This can be seen in the answers to Written Questions: [WQ.9/2021](#) and [WQ.54/2021](#) which reveal the increases in Income Support component rates for 2014 and the increases (or lack thereof) over time.

Table of 2014 and 2022 Income Support component rates and the percentage change over this period.

Component	2014	2022	Proposed Regulations	Amendment in line with RPI
Adult	£92.12	£103.39	£110.04	£115.80
Single Parent	£40.39	£40.39	£42.98	£45.24
First Child	£63.98	£85.19	£90.65	£95.41
Further Child	£63.98	£71.82	£76.44	£80.44
Household	£51.31	£57.61	£61.32	£64.52

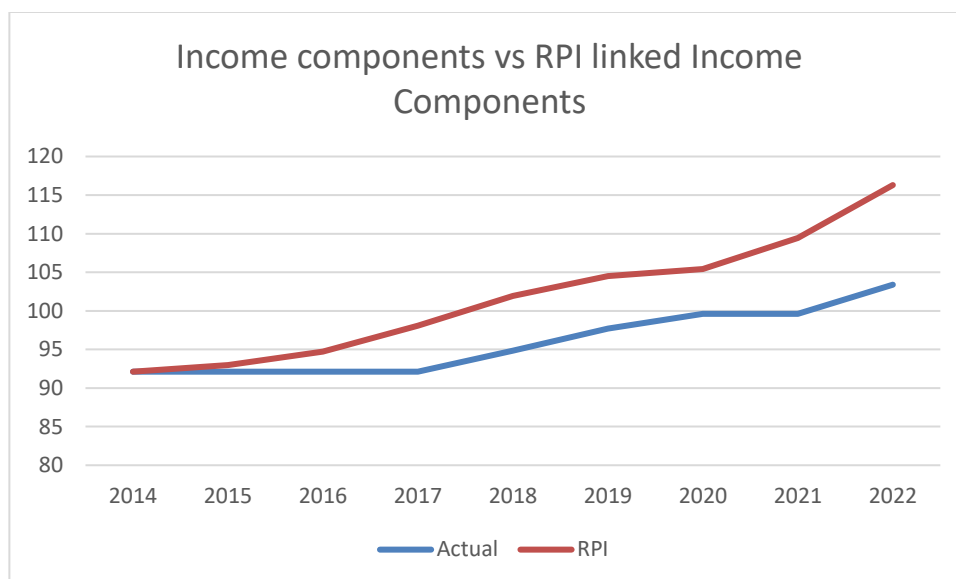
Over the past 8 years, RPI increased by 16% but, as the table above shows, because Income Support components have not been fully index linked during the interim period, apart from the first child component, they have fallen behind in value.

Whilst the Minister’s update of the components in these draft Regulations goes further than previously in trying to bridge the gap – and indeed, at a glance appears to be hitting that 16% increase, the fact still remains that it does not take into account the incremental increases over time that would have tracked RPI correctly.

As an exemplar, and using the RPI calculator on the Gov.je website¹, we can track the Adult income component from 2014 – the Government increases over time (as set out in [WQ.9/2021](#)) against the same figure aggregated against RPI over time.

¹ <https://www.gov.je/Government/JerseyInFigures/BusinessEconomy/pages/inflation.aspx>

Calculated from December to December RPI. The RPI ‘Current’ figure uses June 2022 as the latest date on the calculator.



This amendment is designed to finally realign IS components to (roughly) where they should have been if they had been correctly index linked.

I can accept that the Government appear to be making an effort to improve the correlation of components to the actual cost of living – my amendment gives them a more accurate place to start.

Financial and manpower implications

It is estimated that the additional costs of this increase would be in the region of £2 million per annum. It should be noted that this calculation is based upon the data available through Open Data. As the benefits claimed are categorised in a different manner to the categories within this amendment, this estimate is calculated upon a 12% increase in the Living component.

The timing of these Regulations, should they be adopted as amended, allows the Minister to lodge any necessary amendments to the Government Plan 2023-2026 to ensure funding is available.

Re-issue Note

This Amendment is re-issued to correct an error in the financial and manpower implications.