

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 21st FEBRUARY 2012**

Question

Can the Minister explain the reasons for the reduction in the number of households claiming income support between 2008 and 2010 at a time of recession when the numbers who require assistance might be expected to be rising?

Is the reduction due to the impact of the removal of transition protection and, if so, will the Minister assure members that those households who have lost income support, or had their income support reduced, will not be suffering hardship and back this assurance with appropriate data?

Answer

The Departmental report and financial statements for 2010 identifies the number of Income Support beneficiaries as follows:

Date	Total Number of Income Support Claims, including protected payments
31 December 2008	8,362
31 December 2009	8,529
31 December 2010	7,617

These totals relate to all types of Income Support claims including some individuals receiving assistance with residential care fees and households receiving protected payments with no underlying eligibility for Income Support.

The initial timetable for the withdrawal of protected payments would have created the first reduction in October 2008, with subsequent reductions each October thereafter. Following agreement with the Treasury and Resources Minister, it was decided to maintain protected payments at their initial level throughout the whole of 2008 and 2009. The first reduction was only made in October 2010.

As can be seen from the figures above there was an increase in the number of Income Support claimants during 2009 with a subsequent reduction in the total by the end of 2010. As the Deputy correctly suggests in his question, the reduction in the year-end figure for 2010 is principally driven by the reduction in protected payment levels from October 2010.

There has been growth in the underlying number of Income Support claims, and also growth in the level of support provided per household as a consequence of the poor economic climate and the contraction of employment opportunities.

Protected payments were provided at the start of Income Support to ensure that no household experienced a drop in benefit income as a consequence of the change in benefits. Protected

payments were provided to households where the total benefit income received under the previous system exceeded the amount payable under the Income Support system. These households are in a better financial position than households who qualify for Income Support.

New claimants are only able to receive the Income Support rates.

Households receiving protected payments are being paid a higher level of benefit than those on Income Support. They have had the benefit of this higher rate of protected payments for an additional 24 months over and above the original timetable and there is no reason to suggest that these households are suffering financial hardship as a consequence of the phased removal of protected payments. However, that does not detract from the difficult situation that many local households face, at all income levels, as a consequence of the global downturn.

Many of these households are also now able to claim two new benefits introduced during this period.

As long as the household income is such that there is no Income Tax liability, they are now entitled to claim the Food Costs Bonus. The value of the Food Costs Bonus has risen substantially since its introduction in 2008 (at that time called the GST Bonus) as follows:

Year	GST Bonus	Replaced by Food Costs Bonus
2008	£ 50.00	
2009		£150.00
2010		£153.60
2011		£193.36

In addition from May this year pensioner households in this category will receive a Cold Weather Bonus, in respect of the temperatures experienced between January and April. In future, payments will be made twice a year in January and May. The value of the bonus depends on the temperature during the winter but the total payment is likely to be in the range £200 - £250 per annum, index linked to the fuel element of the Jersey Retail Price Index.

As I have already indicated, I will be publishing an Annual Report in respect of Income Support claims, in conjunction with the publication of the States Accounts later this year.