

23.07.04

4 Deputy G.P. Southern of the Chief Minister regarding relative poverty of children (OQ.137/2023)

Will the Chief Minister explain what evidence is available to measure how the relative poverty of children in households with an income below 60 per cent of median earnings has changed over the past decade, and what action, if any, she will take to ensure that the level of this poverty reduces over the next 3 years?

Deputy K.L. Moore (The Chief Minister):

As Members will be aware, Statistics Jersey recently published a report on household income distribution based on data collected between October 2021 and November last year. I am grateful to the Stats team for their detailed analysis, which includes statistics on the number of children living in a household with an income below 60 per cent of median. My written answer to question 294 on this subject provides a comprehensive analysis of these figures which, generally speaking, can be described as fluctuating. The Government has set an ambition for all children and young people to have the best start in life, recognising that the early years have a lasting impact and that being loved, being listened to, and receiving a good rounded education are essential to future life chances. Measuring income levels is one important aspect of understanding the support provided to children. But there are many other aspects of government policy, which can also directly benefit children. The Government is committed to improving the education that our children receive, improving the housing that they live in, improving the healthcare they receive, and maintaining a strong economy to give them the best chance of a successful life in the Island.

3.4.1 Deputy G.P. Southern:

In her answer to Written Question 294 that she mentioned, she talks about safeguarding a strong economy and maximising job opportunities. Does that involve a move to the living wage at this stage or remaining with the minimum wage and over what time period?

Deputy K.L. Moore:

A strong economy of course enables people to benefit from social mobility, and pay is an important part of that. I think the Reform members will be quite well aware that last year they committed to a £10 minimum wage in their manifesto, and when we entered Government the Minister for Social Security increased the minimum wage to £10.50. That was a great move in the right direction. We are committed to the living wage and living wage employers. And we have committed to moving towards that in a measured way that is achievable for employers so that they can better benefit both children and their families.

3.4.2 Deputy R.J. Ward:

It is good to hear that the Chief Minister has a manifesto to follow. Given that children in poverty is one of the issues, would the Minister agree that when families are on income support and then have to make a repayment which takes them below those thresholds, if they have children, or indeed if they have to pay off loans for carpets, which were not cancelled by her Government, does that not increase child poverty?

Deputy K.L. Moore:

We focused on putting more money in people's pockets and that last year began with our mini-Budget, which increased tax allowances for those on the lowest of wages and we have increased

them, as the Deputy will know, to £18,500, and will be looking to do more, as we can, in this year's Government Plan. There was a good debate in the last sitting with regards to the carpet issue that the Deputy raises, and I think what was agreed in that debate was that there would be a further discussion about how that issue in particular can be better dealt with.

3.4.3 Deputy R.J. Ward:

One of the issues in that debate was that we cannot cancel current loans because the computer system will not allow it and it will take too much staff time. Does the Chief Minister really believe that that is a relentless focus on reducing poverty when the systems that are in place are simply used as obstacles to reduce that poverty?

Deputy K.L. Moore:

I am no fan of systems that create frustration and one of the things that we will do through our value-for-money programme, but also through our drive to do things better, is removing those systems when they can be. I know that the Social Security system is beginning the process of updating and being replaced, so the full intention will be that people who use that system will find it much easier and less frustrating to do so.

3.4.4 Deputy S.Y. Mézec:

The Chief Minister referred in one of her most recent answers to raising the tax threshold in the mini-Budget. Could the Chief Minister explain how that move, in particular, reduces the number of children living in relative poverty?

Deputy K.L. Moore:

Gladly. By increasing the tax allowance it means that people who are paying tax pay less tax, and that has a particularly beneficial impact for those who are earning the lowest wages because, as a percentage, they pay less tax, given the additional allowance that has been granted to them.

3.4.5 Deputy S.Y. Mézec:

Does the Chief Minister not accept that the lowest earning households will be affected not one penny by the raising of tax allowances because they already fall below those allowances and that as a measure, in particular, lifts none of those people out of relative low income?

Deputy K.L. Moore:

Given that the tax allowance is beneath that of the minimum wage or 60 per cent of the median wage ... sorry, would the Deputy like to ask?

Deputy S.Y. Mézec:

Child allowances bring that threshold up.

Deputy K.L. Moore:

We also have increased child allowances and therefore that puts more money in the pockets of families.

3.4.6 Deputy G.P. Southern:

The Minister, and I think I quote accurately, used the phrase "moving towards a living wage". Would she refine that answer in order to give business more certainty as to how long it is going to take before we adopt the living wage?

Deputy K.L. Moore:

The Assembly, and I am sure the Deputy recalls this, has already agreed to move towards two-thirds of median wage by a date in the future, which I am afraid escapes me exactly but within the next few years, and that I would suggest is certainly moving towards a living wage.

Deputy G.P. Southern:

Could the Chief Minister hunt down that phrase that she missed there and explain to us and business how long it is going to take?

Deputy K.L. Moore:

I will gladly circulate the year of that target to Members.