

# STATES OF JERSEY



Jersey

## **DRAFT INCOME SUPPORT (AMENDMENT No. 22) (JERSEY) REGULATIONS 202-**

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**Lodged au Greffe on 20th September 2022  
by the Minister for Social Security  
Earliest date for debate: 1st November 2022**

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**STATES GREFFE**



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## REPORT

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### 1. Proposal to increase Income Support

The Minister for Social Security has the responsibility to review Income Support, for example changes to the component rates and income disregards, each year. The Minister must bring forward any proposals to change Income Support component rates to the States Assembly. In most years, uprates are made in October.

Last year the States Assembly approved [P.46/2021](#) which provided for an increase in Income Support components in both October 2021 and October 2022. The 2022 uprate was agreed early as the timing of the general election did not allow for the normal uprating process to take place in spring 2022. Components will increase by 2.6% from October 2022 in line with the FPP forecast that was available at the time of the debate in 2021.

However, the Council of Ministers has considered the significant recent rise in the cost of living and is proposing an additional uprate for Income Support to take effect from 1st January 2023. This will allow Income Support components to reflect the recent increases in costs in Jersey. In addition to these component increases, the Minister for Social Security will also review the asset and income disregards which form an important part of the overall benefit system. This work will be undertaken over the next 6 months.

The most up to date information on cost of living rises available at present is the forecast provided by the Fiscal Policy Panel in their [Medium Term Report](#) published in July 2022. This included the following section:

*Inflation projections have also increased although they are still not as high as those in the UK. RPI, the headline measure of inflation is expected to peak at 9.2% in Q4 2022, and remain high for a protracted period, before slowly falling back to a long-run trend of 2.4% over the forecast horizon. The Panel has concluded that whilst inflation will not reach the peak expected in the UK, the impact will likely be more drawn out in the Island, with a longer period of above trend inflation.*

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 have been uplifted by 2.6% the combined increase will take components to 9.2% above their current level.

The official RPI figure for September 2022 will be published on 21st October.

The Minister will review the proposed uplift in light of that information. Depending on the level of the actual RPI, the Minister may seek to amend these Regulations in advance of the debate scheduled for 1st November. Due to the date of publication of the RPI report, this would necessitate a reduced lodging period for the amendment.

### 2. Details of the proposal

The additional funding allocated of up to £6.7 million for 2023 allows for an overall increase of 9.2% across most components from their current level.

This package includes extra support in the following areas:

## **Carers**

The role of informal family carers cannot be underestimated. Within the income support system, a carer's component is available, currently providing an additional £51.38 per week. There is no age restriction on this component and it is available to young people, working age people and pensioners who live in an income support household and act as an unpaid carer. This package of extra support includes an additional uplift to £63.35 per week – an increase of 20% over the October rate. This package of extra support includes an additional uplift to £63.35 per week – an increase of 20% over the October rate.

Note that the carer's component is separate from Home Carer's Allowance, and both benefits can be received at the same time by eligible claimants.

## **Hostel rate**

Some of the most vulnerable members of our society rely upon hostel accommodation, including that provided by the Shelter Trust. The income support system includes a hostel accommodation rate of £109.48 per week. This will increase to £112.35 on 1st October. This package includes an additional uplift of 25% from January 2023, to give a new rate of £140.49 per week.

## **Social rented accommodation**

Income support tenants who live in social rented accommodation have their rent fully taken into account within the income support system. Social rented accommodation includes Andium and the housing trusts. Andium rents will increase by 4% from 1st January 2023 and this increase will be fully reflected in income support payments. Likewise, increases in Housing Trust rents are automatically covered within the existing system. Different rules apply to households who are under-occupying a social rented property.

## **Private sector rented accommodation**

Around one-quarter of income support households live in private rented accommodation. In this case support for rental costs is capped at maximum levels for each size and type of accommodation. In recent years, rents across the overall private rental market have increased faster than the main RPI and this package includes additional support for those living in private sector accommodation. The maximum caps will increase by 18% over their current levels as at September 2022, from January 2023.

Some income support tenants rent accommodation in the private sector which is below the capped level and all their rental costs are included in the benefit calculation. These tenants will not receive any additional support in respect of the increase in the caps. However other income support private sector tenants pay rent that is above the current capped level and need to draw on other parts of their overall household income to meet their full rental costs. These tenants will see an increase in their income support payments.

In line with [P.80/2022](#), landlords are strongly encouraged to avoid inflation increases in rent and the Jersey Landlords Association has publicly called on its members and all other private landlords "to continue to exercise restraint when reviewing rents, if they are able (taking all tenant and landlord circumstances into account), during this hopefully temporary time of high inflation."

## **Other components**

In addition to the areas set out above, other income support components will increase by 2.6% in October and an additional 6.4% in January, giving an overall rise of 9.2%. For some components the percentage increase is a little higher, as fractional amounts are rounded up during the uprate calculation.

A full list of components is set out below.

The clinical cost component was introduced to provide additional help to claimants with a medical condition that required regular GP visits, totalling more than 4 per year. The component assists with the costs of the GP co-payment. With the introduction of the Health Access Scheme at the end of 2020, children and young person aged under 17 living in an income support household can visit a GP surgery free of charge. Charges for adults are limited to £12 per surgery visit. The need for additional financial support with these costs is therefore much reduced. The clinical cost component has been included in the October uprate and the proposed January uprate. However, the continued need for, and level of, this component will be considered during 2023.

### 3. Withdrawal of COLTS payments

The Cost Of Living Temporary Scheme (COLTS) was established in April this year to provide urgent support to low income families. Initially payments of £20 per person were made each month. This increased to £40 per person per month from August and this will continue until December. A pensioner couple currently receive an additional £80 per month and a couple with 2 children an additional £160 per month.

COLTS was set up as a temporary, non-statutory measure providing a standard payment per person. Whilst well suited to a short term measure, this type of support is not designed to provide comprehensive support across a range of households.

From January 2023, COLTS payments will cease. The proposed income support increases replace COLTS and provide more tailored support to support individual household types and needs.

The exact amount of income support received by each family will depend on a range of circumstances including the size of the household, the level of rent paid and the income of the household members.

However, a simple comparison of the basic components (adult, single parent, first child, child, household) that are available to all households demonstrates the relationship with COLTS.

#### *Monthly values*

<b>Household</b>	<b>Sum of basic IS components September 2022</b>	<b>Sum of basic IS components January 2023</b>	<b>Increase in IS components</b>	<b>COLTS payment</b>
Single person	£679.77	£742.56	£62.79	£40
Pensioner couple	£1,116.27	£1,219.40	£103.13	£80
Lone parent with one child	£1,214.55	£1,321.62	£107.08	£80
Couple with 2 children	£1,779.35	£1,943.46	£164.10	£160

NB – This table does not include rental, impairment, childcare or carer components, all of which are also proposed to increase.

#### **4. Financial and manpower implications**

The total estimated cost of the changes proposed for January 2023 is £6.7 million a year. The cost of these proposals will be included in the 2023 Government Plan. There are no staff or other resource implications to this proposal.

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#### **Re-issue Note**

This Projet is re-issued to correct the figure on page 3, section 2 from “£6.4 million” to “£6.7 million” and to correct an error in the formatting on page 8.

## APPENDIX TO REPORT

## Current and proposed rates

Component	Legislation	current rate	1/10/22	1/1/23
		£ / week	£ / week	£ / week
<b>Part 1: Basic components</b>				
Adult	Sch1. Para 2(1)(a)	£100.73	£103.39	£110.04
Single parent supplement	Sch1. Para 2(1)(b)	£ 40.39	£ 40.39	£ 42.98
Child (first)	Sch1. Para 2(1)(d)	£ 83.02	£ 85.19	£ 90.65
Child (subsequent)	Sch1. Para 2(1)(e)	£ 70.00	£ 71.82	£ 76.44
Household	Sch1. Para 2(1)(f)	£ 56.14	£ 57.61	£ 61.32
<b>Part 2: Housing component</b>				
<u>Private Rental:</u>				
in the case of a hostel	Sch1. Para 4(2)(a)	£109.48	£112.35	£140.49
in the case of lodgings or a bedsit	Sch1. Para 4(2)(b)	£144.13	£147.91	£170.10
in the case of a flat with 1 bedroom	Sch1. Para 4(2)(c)	£212.45	£217.98	£250.74
in the case of a flat with 2 bedrooms	Sch1. Para 4(2)(d)	£272.02	£279.16	£321.09
in the case of a flat with 3 or more bedrooms	Sch1. Para 4(2)(e)	£291.90	£299.53	£344.47
in the case of a house with 1 bedroom	Sch1. Para 4(2)(f)	£243.53	£249.90	£287.42
in the case of a house with 2 bedrooms	Sch1. Para 4(2)(g)	£309.19	£317.24	£364.84
in the case of a house with 3 bedrooms	Sch1. Para 4(2)(h)	£361.06	£370.51	£426.09
in the case of a house with 4 bedrooms	Sch1. Para 4(2)(i)	£393.54	£403.83	£464.45
in the case of a house with 5 or more bedrooms	Sch1. Para 4(2)(j)	£435.61	£446.95	£514.01
<u>Owner:</u>				
in the case of a bedsit or flat with 1 or 2 bedrooms	Sch1. Para 4(7)(a)	£ 7.07	£ 7.28	£ 7.77
in the case of a flat with 3 bedrooms	Sch1. Para 4(7)(b)	£ 9.94	£ 10.22	£ 10.92
in the case of a flat with 4 or more bedrooms	Sch1. Para 4(7)(c)	£ 14.07	£ 14.49	£ 15.47
in the case of a house with 1 bedroom	Sch1. Para 4(7)(d)	£ 7.07	£ 7.28	£ 7.77
in the case of a house with 2 bedrooms	Sch1. Para 4(7)(e)	£ 9.94	£ 10.22	£ 10.92

in the case of a house with 3 or more bedrooms	Sch1. Para 4(7)(f)	£ 14.07	£ 14.49	£ 15.47
<u>shared by two or more households:</u>				
in the case of a hostel	Sch1. Para 4(13)(a)	£109.48	£112.35	£140.49
in the case of lodgings or a bedsit	Sch1. Para 4(13)(b)	£136.57	£140.14	£161.21
in the case of a flat with 1 bedroom	Sch1. Para 4(13)(c)	£201.39	£206.64	£237.65
in the case of a flat with 2 bedrooms	Sch1. Para 4(13)(d)	£257.74	£264.46	£304.15
in the case of a flat with 3 or more bedrooms	Sch1. Para 4(13)(e)	£276.50	£283.71	£326.27
in the case of a house with 1 bedroom	Sch1. Para 4(13)(f)	£230.65	£236.67	£272.23
in the case of a house with 2 bedrooms	Sch1. Para 4(13)(g)	£293.02	£300.65	£345.80
in the case of a house with 3 bedrooms	Sch1. Para 4(13)(h)	£342.09	£351.05	£403.76
in the case of a house with 4 bedrooms	Sch1. Para 4(13)(i)	£372.82	£382.55	£439.95
in the case of a house with 5 or more bedrooms	Sch1. Para 4(13)(j)	£412.72	£423.50	£487.06
<u>B: Impairment component</u>				
Personal care element:				
for a score of at least 15 but less than 36	Sch1. Para 6(3)(a)	£ 25.20	£ 25.90	£ 27.58
for a score of at least 36 but less than 56	Sch1. Para 6(3)(b)	£110.60	£113.54	£120.82
for a score of at least 56	Sch1. Para 6(3)(c)	£158.76	£162.89	£173.32
Mobility element:				
(a)	Sch1. Para 7(3)(a)	£ 25.20	£ 25.90	£ 27.58
(b)	Sch1. Para 7(3)(b)	£ 50.33	£ 51.66	£ 55.02
Clinical cost element:				
(a)	Sch1. Para 8(2)(a)	£ 3.57	£ 3.71	£ 3.92
(b)	Sch1. Para 8(2)(b)	£ 7.14	£ 7.42	£ 7.84
<u>C: Childcare day component</u>		<b>Hourly rate</b>	<b>Hourly rate</b>	<b>Hourly rate</b>
(a) child under 3	Sch1. Para 10(3)(a)	£ 8.00	£ 8.21	£ 8.74
(b) child 3 +	Sch1. Para 10(3)(b)	£ 6.70	£ 6.87	£ 7.32
<u>D: Carer's component</u>		<b>Per week</b>	<b>Per week</b>	<b>Per week</b>
Carer's component	Sch1. Para 12	£ 51.38	£ 52.78	£ 63.35



## **EXPLANATORY NOTE**

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The Income Support (Amendment No. 22) (Jersey) Regulations 202- amend Schedule 1 to the Income Support (Jersey) Regulations 2007 in order to increase the rates payable for various components of income support with effect from 1st January 2023.

The amendments –

- increase housing components payable in respect of rental costs by 15% (other than in the case of a hostel, where the increase is 25%);
- increase the carer's component by 20%; and
- increase all other components by 6.4%.





Jersey

## **DRAFT INCOME SUPPORT (AMENDMENT No. 22) (JERSEY) REGULATIONS 202-**

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Jersey

## DRAFT INCOME SUPPORT (AMENDMENT No. 22) (JERSEY) REGULATIONS 202-

*Made* *[date to be inserted]*  
*Coming into force* *[date to be inserted]*

**THE STATES** make these Regulations under Articles 5 and 18 of the [Income Support \(Jersey\) Law 2007](#) –

### 1 Schedule 1 to the [Income Support \(Jersey\) Regulations 2007](#) amended

(1) These Regulations amend Schedule 1 to the [Income Support \(Jersey\) Regulations 2007](#).

(2) 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)	£110.04
(b)	under Article 5(2)(b) of the Law (single parent component rate)	£42.98
(c)	under Article 5(2)(c) of the Law (first child component rate)	£90.65
(d)	under Article 5(2)(ca) of the Law (subsequent child component rate)	£76.44
(e)	under Article 5(2)(d) of the Law (household component rate)	£61.32”.

(3) For paragraph 4(2) (rates of housing component) there is substituted –

“(2) The rates payable under this sub-paragraph are –

(a)	in the case of a hostel	£140.49
(b)	in the case of lodgings or a bedsit	£170.10
(c)	in the case of a flat with 1 bedroom	£250.74
(d)	in the case of a flat with 2 bedrooms	£321.09

(e)	in the case of a flat with 3 or more bedrooms	£344.47
(f)	in the case of a house with 1 bedroom	£287.42
(g)	in the case of a house with 2 bedrooms	£364.84
(h)	in the case of a house with 3 bedrooms	£426.09
(i)	in the case of a house with 4 bedrooms	£464.45
(j)	in the case of a house with 5 or more bedrooms	£514.01”.

(4) For paragraph 4(7) there is substituted –

“(7) The rates payable under this sub-paragraph are –

(a)	in the case of a bedsit or flat with 1 or 2 bedrooms	£7.77
(b)	in the case of a flat with 3 bedrooms	£10.92
(c)	in the case of a flat with 4 or more bedrooms	£15.47
(d)	in the case of a house with 1 bedroom	£7.77
(e)	in the case of a house with 2 bedrooms	£10.92
(f)	in the case of a house with 3 or more bedrooms	£15.47”.

(5) For paragraph 4(13) there is substituted –

“(13) The rates payable under this sub-paragraph are –

(a)	in the case of a hostel	£140.49
(b)	in the case of lodgings or a bedsit	£161.21
(c)	in the case of a flat with 1 bedroom	£237.65
(d)	in the case of a flat with 2 bedrooms	£304.15
(e)	in the case of a flat with 3 or more bedrooms	£326.27
(f)	in the case of a house with 1 bedroom	£272.23
(g)	in the case of a house with 2 bedrooms	£345.80
(h)	in the case of a house with 3 bedrooms	£403.76
(i)	in the case of a house with 4 bedrooms	£439.95
(j)	in the case of a house with 5 or more bedrooms	£487.06”.

(6) For paragraph 6(3) (personal care element) there is substituted –

“(3) The rate of personal care element payable in respect of the total score calculated under sub-paragraph (2) is as follows –

(a)	for a score of at least 15 but less than 36	£27.58
(b)	for a score of at least 36 but less than 56	£120.82
(c)	for a score of at least 56	£173.32”.

(7) For paragraph 7(3) (mobility element) there is substituted –

“(3) The rate of mobility element of the impairment component is –

- (a) £27.58 if the person’s average weekly earnings do not exceed the amount in clause (b); or
- (b) £55.02.”.

(8) For paragraph 8(2) (clinical cost element) there is substituted –

“(2) The rate of clinical cost element of the impairment component is –

- (a) £3.92; or
- (b) if, based on the criteria set out in sub-paragraph (1)(b), the member will need at least 9 consultations with an approved medical practitioner, £7.84.”.

(9) For paragraph 10(3) (rate for the child day care component) there is substituted –

“(3) The rates payable under this sub-paragraph are –

(a)	for a child under the age of 3 years	£8.74
(b)	for a child aged 3 years or over	£7.32”.

(10) For paragraph 12 there is substituted –

#### “12 Rate for the carer’s component

The rate payable in respect of the carer’s component is £63.35.”.

## 2 Citation and commencement

These Regulations may be cited as the Income Support (Amendment No. 22) (Jersey) Regulations 202- and come into force on 1st January 2023.