

5.7 Deputy K.C. Lewis of the Minister for Social Security regarding the discrepancy between minimum Income Support benefits and the minimum wage:

Would the Minister confirm that some unemployed people currently receiving benefits would need as much as £8 per hour otherwise they would be working at a loss and, if so, how does the Minister propose to remedy this discrepancy and return local people to full employment?

Deputy I.J. Gorst of St. Clement (The Minister for Social Security):

The income support system provides a number of incentives for adults in employment so an income support claimant who is in work will have a higher household income than the same income support claimant who is not in work. People can claim income support while unemployed as long as they are actively seeking work and take up any reasonable employment opportunity that is offered to them. Income support is not available to individuals who are not actively looking to take up employment. When someone returns to work they will receive various incentives through income support. The benefit is not reduced for the first 4 weeks of employment. All earned income carries a disregard of 12 per cent, therefore an individual earning £8 pounds an hour and working 35 hours a week will be £33.60 better off working rather than unemployed.

5.7.1 Deputy K.C. Lewis:

I thank the Minister for his reply but there are still some discrepancies. Does the Minister not find it ludicrous that with over 1,300 local people unemployed as at the end of February that we are sucking in more and more foreign labour. Also with regard to people who may be disabled, does the Minister not find it odd that if someone is 70 per cent disabled how do they get 30 per cent of a job? Thank you.

[10:45]

Deputy I.J. Gorst:

There were lots of issues raised in that, what seemed like one question. There was bringing together of more than one benefit, the initial question was about income support, then we have gone into L.T.I.A. (Long Term Incapacity Allowance), then we have talked about foreign labour.

The Bailiff:

Let us just stick to income support.

Deputy I.J. Gorst:

I know you are about to stop me from answering anyway. **[Laughter]** If I try and take them in order. We are working very closely with Economic Development and with the Migration Advisory Group to ensure that they are aware of all the vacancies that come to my department and that they are aware of the skills that are available for those actively seeking work, part of the 1,200. Therefore, we are expecting them not to issue new licences to non-qualified workers so we are trying to address that issue in the best way that we can and we will be doing more over the coming months. With relation to L.T.I.A. that is a benefit which people can ...

The Bailiff:

I think, Minister, you should confine yourself to income support.

Deputy I.J. Gorst:

Thank you, Sir.

5.7.2 Deputy G.P. Southern:

Does the Minister not accept that incentives to work are in fact inadequate in the present system and that his predecessor was warned at the time that that was the case and chose to ignore the warning he received from the Scrutiny Panel at the time?

Deputy I.J. Gorst:

Systems can always be improved. The Deputy will be aware that I increased the incentive by 2 per cent last October, it is my intention to continue to work towards improving that incentive. I have got a growth bid - I am not going to look at the Minister for Treasury and Resources here but it is in the budget for 2011 - of £1 million. If I am successful in receiving that, I intend to apply it to work incentives to this very area.

The Bailiff:

Do you wish to ask a final question, Deputy Lewis? Very well we will move on to the next question then which Deputy Vallois will ask of the Minister for Treasury and Resources.