# **STATES OF JERSEY**



# MINIMUM WAGE: ALIGNMENT WITH THE LIVING WAGE

Lodged au Greffe on 27th June 2022 by Deputy S.Y. Mézec of St. Helier South Earliest date for debate: 13th September 2022

**STATES GREFFE** 

2022 P.78

# **PROPOSITION**

# THE STATES are asked to decide whether they are of opinion -

to agree in principle that the Minimum Wage should align with the Living Wage, and to give effect to this –

- (a) to request that the Minister for Social Security, when prescribing the minimum wage or referring matters regarding the minimum wage to the Employment Forum for consideration in accordance with the Employment (Jersey) Law 2003 (as relevant), ensures that any such decision or consideration takes into account the view of the Assembly that by October 2022, the level of the minimum wage should be lifted to the hourly rate of £10; and
- (b) to request that the Minister for Social Security, further to the Act of the States dated 26th November 2021 (in which P.98/2021 (as amended) was adopted), ensures that all consultation and engagement with the Employment Forum in relation to the feasibility of devising a scheme to be brought to the States to convert the Minimum Wage over time to a Living Wage, including any legislative changes that may be necessary, be completed by end of December 2022 and such a scheme be bought to the States by the end of June 2023.

DEPUTY S.Y. MÉZEC OF ST. HELIER SOUTH

# **REPORT**

In lodging this proposition, Reform Jersey is fulfilling its manifesto commitment to immediately bring forward proposals to enact our pledge on the 'Living Wage'.

# Pledge 1 -

**Living Wage** We will raise the Minimum Wage to the 'Living Wage', starting by raising it to £10 per hour from 1<sup>st</sup> October 2022.

Excerpt from page 8 of 'The New Deal for Jersey', Reform Jersey's 2022 election manifesto –

"Reform Jersey will end poverty pay by bringing the Minimum Wage up to the 'Living Wage'. We will start by increasing the Minimum Wage to £10 an hour on 1st October and commit to matching it to the Living Wage soon after. We pledge to lodge the proposition to achieve this on the day that our successful candidates are sworn into office after the election. This will therefore be the first proposition that the new States Assembly will debate."

# **Summary**

This proposition asks the Assembly to agree that Jersey's Minimum Wage should align with the 'Living Wage', with the plan for achieving this to be in place by June 2023. It also asks the Assembly to agree to an initial step towards this by raising the Minimum Wage to £10 an hour on 1st October 2022.

# **Background**

In April 2021, the States Assembly voted to support part of a proposition<sup>1</sup> brought by Deputy Geoff Southern to require the then Social Security Minister to ask the Employment Forum to consult on the feasibility of aligning the Minimum Wage with the 'Living Wage'. The results of this consultation do not appear to be available yet.

In October 2021, a second proposition<sup>2</sup> was brought by Deputy Southern to agree that a scheme to transition to the 'Living Wage' (including any necessary legislative changes) should be brought to the States Assembly by the end of 2022. Unfortunately, an amendment from the then Social Security Minister was proposed and accepted by the Assembly, which altered this part of the proposition to merely reinforce the decision made in April.

# **Poverty Pay**

Jersey's Minimum Wage is a poverty wage.

Relative Low Income (i.e. relative poverty) is defined as living in a household with less than 60% of the median income. Despite this, the Minimum Wage was last calculated to be 45% of the mean earnings, which is a lower figure.

<sup>&</sup>lt;sup>1</sup> https://statesassembly.gov.je/assemblypropositions/2021/p.11-2021.pdf

<sup>&</sup>lt;sup>2</sup> https://statesassembly.gov.je/assemblypropositions/2021/p.98-2021.pdf

The 'Living Wage' is currently calculated by the charity Caritas, and is uprated every year, after examining the prevailing economic conditions and determining what someone would need to earn on full time hours to be able to sustain a basic standard of living without having to claim social security benefits to top it up. It is currently £11.27 an hour but will continue to rise during the course of this term.

As well as lagging behind the 'Living Wage', Jersey's Minimum Wage has also been behind the UK's Minimum Wage (although it is perversely now called the 'National Living Wage' there) for several years. This is despite the higher cost of living here.

A worker on the Minimum Wage in Jersey is now substantially worse off than a worker on the Minimum Wage in most parts of the UK.

It is therefore no surprise that the recent Jersey Household Income Distribution Survey<sup>3</sup> has confirmed that a greater proportion of households in Jersey (27%) are living in relative low income than in the UK (22%).

### **A More Equal Society**

The out-going government had pledged to 'reduce income inequality and improve the standard of living' in its Common Strategic Policy but made little effort to achieve this. The new States Assembly has an opportunity to begin on a positive note and take meaningful action to improve life for those on the lowest wages.

Throughout the election campaign, many candidates were asked for their position on the 'Living Wage', with most giving positive answers. There is therefore a clear mandate to support this proposition.

# Financial and manpower implications

Increasing the Minimum Wage in October will potentially lead to a reduction in Income Support payments, as those who are in full time work, but on the Minimum Wage, will receive a pay rise which will reduce their benefit entitlements.

There are no direct manpower implications for the government, as the work proposed in part B will be undertaken by the Employment Forum. The full implications will come back to the States before June next year, where any further implications will become apparent.

<sup>3</sup> 

# **Child Rights Impact Assessment**

Impact Assessment by Deputy Mézec

[It is noted that this CRIA is very similar to the CRIA for P.11/2021 submitted by Deputy Southern, as the aims of P.11/2021 are the same as those of this Proposition]

### **STAGE 1: SCREENING**

#### Question 1: Name the measure / proposal and briefly describe its overall aim

# **Minimum Wage Increase**

a) to request that the Minister for Social Security, when prescribing the minimum wage or referring matters regarding the minimum wage to the Employment Forum for consideration in accordance with the Employment (Jersey) Law 2003 (as relevant), ensures that any such decision or consideration takes into account the view of the Assembly that by October 2022, the level of the minimum wage should be lifted to the hourly rate of £10; and

b) to request that the Minister for Social Security, further to the Act of the States dated 26th November 2021 (in which P.98/2021 (as amended) was adopted), ensures that all consultation and engagement with the Employment Forum in relation to the feasibility of devising a scheme to be brought to the States to convert the Minimum Wage over time to a Living Wage, including any legislative changes that may be necessary, be completed by end of December 2022 and such a scheme be bought to the States by the end of June 2023.

# Question 2: What children's rights does it impact upon?

Article 3 The best interests of the child must be a top priority in all things that affect children.

Article 4 Governments must do all they can to make sure every child can enjoy their rights.

**Article 18** Both parents share responsibility for bringing up their child and should always consider what is best for the child. Governments must support parents by giving them the help they need, especially if the child's parents work.

**Article 24** Every child has the right to the best possible health. Governments must work to provide good quality health care, clean water, nutritious food and a clean environment so that children can stay healthy. Richer countries must help poorer countries achieve this.

Article 26 Every child has the right to benefit from social security. Governments must provide social security, including financial support and other benefits, to families in need of assistance

Article 27 Every child has the right to a standard of living that is good enough to meet their physical, social and mental needs. Governments must help families who cannot afford to provide this. For this to happen they should have access to adequate housing.

**Article 31** Every child has the right to relax, play and take part in a wide range of cultural and artistic activities.

# Question 3: What children and young people will be affected?

Children of low-income households.

# Question 4: What is the likely impact of the proposal / measure on children?

Improvement of quality of life, improvement of parent's abilities to fully provide and care for their children.

### Question 5: Is a full child rights impact assessment required? Explain your reasons

Yes. The impacts of low household income on children's rights is considerable – this proposition would begin the process of helping parents who are currently struggling, and therefore help their children.

# If a full child rights impact assessment is required proceed to stage 2

# **STAGE 2: SCOPING (Background and Rights Framework)**

#### Question 6: Name the measure / proposal being assessed and describe the overall aim

Proposition to request that the Minister for Social Security, when prescribing the minimum wage or referring matters regarding the minimum wage to the Employment Forum for consideration in accordance with the Employment (Jersey) Law 2003, ensures that any such decision or consideration takes into account the views of the Assembly that the minimum wage should be lifted to the hourly rate of £10 from 1st October.

And further that the Minister ensures that the consultation and engagement agreed in P.98/2021 (as amended), be completed by December 2022 and that a scheme to convert the minimum wage to living wage be in place by the end of June 2023.

The minimum wage today is set at the hourly rate of £9.22 in Jersey.

Despite several attempts to close the gap, the Jersey minimum wage still lags behind the UK, where the minimum wage is set at £9.50. Factoring in the higher cost of living on the island, this is a substantial difference.

The UK has committed to raise its minimum wage to the level of relative low income, that is, 60% of the median wage. This proposition seeks to implement a minimum wage which matches the Living Wage – and our urgency in this matter is increased by the cost of living crisis that is being felt by everyone, but especially for those low earners struggling to get by.

Human Rights Instrument	Article	Further analysis on the expected / actual effect
UNCRC	Article 3	The best interests of the child must be a top priority in all things that affect children.
		The previous Government/Assembly vowed to Put Children First. By not agreeing a living wage, what happens to this vow, and to the children of low-income households?
UNCRC	Article 4	Article 4 Governments must do all they can to make sure every child can enjoy their rights.
		As per Article 3 above
UNCRC	Article 18	Both parents share responsibility for bringing up their child and should always consider what is best for the child. Governments must support parents by giving them the help they need, especially if the child's parents work.
		This Article must also be seen to apply to single parent low income families. Such families have been proven to struggle far more with housing costs and the effects of low income
		Support from the Government in this instance should not be further benefits, but helping families to provide for themselves and their children.
UNCRC	Article 24	Every child has the right to the best possible health. Governments must work to provide good quality health care, clean water, nutritious food and a clean environment so that children can stay healthy.
		The <u>Jersey Care Model</u> reiterates the push for improved quality of life and improved health. However this change would help low income families actually implement such improvements — the Government can provide Healthcare through the Care Model, but the obligation to ensure access to clean water and nutrition is not so straightforward. The increase in income could begin to help in this regard.
UNCRC	Article 26	Every child has the right to benefit from social security. Governments must provide social security, including financial support and other benefits, to families in need of assistance

		One step towards financial security is the introduction of a living wage
UNCRC	Article 27	Every child has the right to a standard of living that is good enough to meet their physical, social and mental needs. Governments must help families who cannot afford to provide this. For this to happen they should have access to adequate housing.  Adequate housing is a continuing and demonstrated issue on the Island.  The CRIA attendant to P.20/2021 highlights further the Child Rights impacts of poor housing
UNCRC	Article 31	Every child has the right to relax, play and take part in a wide range of cultural and artistic activities  The effect of this proposition would be to assist families who may be struggling due to low income, to allow them the opportunities which others may take for granted.

# **STAGE 3: EVIDENCE**

Evidence collected	Evidence source	Explanation of the importance	What are the data gaps, if any?
One in four (25%) of children are living in relative low income households	Jersey Household Income distribution 2019/2020	A quarter of children on the island living in low income – the changes proposed could have a dramatic effect on improving situations for these children.	Pending next Income distribution survey

Figure 1.6 How have your household finances been affected by the coronavirus (COVID-19) outbr



more than a third (36%) of households reported that their finances had got worse due to the COVID-19 pandemic; in contrast, 11% reported that their household finances had improved • half (50%) of households living in non-qualified rental accommodation and a third (32%) of owner-occupiers reported that their household finances had got worse

R Opinions and Lifestyle Survey 2020 Report 20200903 SJ.pdf (gov.je)				
More help for young people and families who don't have enough money  55% of 7-11  40% of 11-18	Children's Commissioner's Survey 2018	Averaged, this means that 48% of respondents between the ages of 7-18 felt that it was important – in fact, a priority, to give more help for low income households.	Rationalisation of data – that is how high a priority the children considered this	
50% of 11-18 year olds states that it should be free to go to the Doctor if you are not well	Children's Commissioner's Survey 2018	Children and Young People should not be made to feel that they do not have access to health care because of cost	Whether they felt it should be free for all or free for children	
31% of children responding said more disposable income would encourage them to do more exercise	School Survey 2021	See Children and Young People's Plan 2019-23 –  Live Healthy Lives  Increase children's quality of life  Increase the number of children who are a healthy weight	Multiple reasons may apply	
33% of Year 6,8,10 +12 who responded said that being poor was a reason that children got bullied	School Survey 2019	See Children and Young People's Plan 2019-23 –  Grow up safely  Reduce the number of children being bullied  Reduce the number of children who are victims of crime	Multiple reasons may apply	
13% of Jersey children lived in households below relative low-income threshold.	In the Children and Young People's Plan 2019-23 –	Important to understand the number of children that this proposition might affect – hopefully it would lead to a	-	

44% of single-parent households find it difficult to cope.	Jersey Household income Distribution 2014/15	reduction of this percentage  N.B After Housing costs are taken into account, this percentage increases dramatically to 29% of children – showing the effect of housing costs on lower income earners	
5% of total dwellings in Jersey were classed as 'overcrowded'; 10% of households with dependent children and 19% of households with any children aged under 1	Children and Young People's Plan 2019-23	Article 27 UNCRC  Every child has the right to a standard of living that is good enough to meet their physical, social and mental needs. Governments must help families who cannot afford to provide this. For this to happen they should have access to adequate housing.	-
Jersey children's 'Health Related Quality of Life' score is slightly lower than European average <sup>4</sup> • Increasing trend over years on low levels of self-	Children and Young People's Plan 2019-23	Jersey 48.4	
esteem among young people			

Question 8b: What key missing information / evidence would have been beneficial to your analysis?

More detailed data on the number of children living in Low Income households

More specific analysis of how the impact of low income directly affects children.

Up to date surveys and reviews.

<sup>4</sup> All children in Jersey live healthy lives (resultsscorecard.com)

#### Question 9a: What qualitative evidence have you used to inform your assessment? What does it tell you? Evidence collected Evidence source Explanation of the importance Jersey Children and Self-assessment Young People's Survey 2021 1 in 4 children are living in relative who were lacking 2 or 1 in 10 poverty – which is more items reflected in the representative material said their family was said their family was belongings. not at all or not very not at all or not very well off well off However children may not realise, as is shown here by only 1 in 10 thinking their family is not well off. This is a concern as it normalises inequality and relative low income. P14 Children's "There is no garden or space Importance of space and privacy in children's development – See in area where I live. We just Commissioner's UNCRC Article 27 and 31 need a better flat where I can Survey 2018 have my one room, and all the children should have the same. But mum says that is to expansive to move to a different place a specially when she is not sure how much money she is going to get in a week. No child should have the same problem as my family." "Being able to go the doctors 7-11 Year olds When asked what the Children's without it costing my parents Commissioner could do to make lots of money." Page 22 Children's things better for Children in Jersey – these are some of the answers Commissioners "Make sure they all had a Survey 2018 given by 7-11 year olds. Simple home with food and drink." things that children should not need to be worrying about – the access to health care, to food, to play, to a "I would like to make play reasonable home. activities and outdoor activities something that all children can do without worrying if their family can afford it." "I think houses and flats are really expensive in Jersey and sometimes mums and dads don't earn enough money to

afford a nice house for them

and their children to live in and sometimes landlords have nice big houses but won't let children live in them."		
"Focus on the financial imbalance and fluctuating behaviour that affects low income homes and split families and how it can severely affect the education, livelihood and future of the children living in those homes."	11-18 Year olds Page 25 Children's Commissioners Survey 2018	When asked what the Children's Commissioner could do to make things better for Children in Jersey – these are some of the answers from 11-18 year olds. Again, the themes are clear – the access of all to education, comfort, enough food and decent housing.
"Make sure families have enough money to buy good food for their children. I've heard some children have had less food in their lunch boxes nearer the end of the month."  "Young families with limited money giving them a safe		
environment plenty of food and drink and a warm home."		

# Question 9b: What key missing information / evidence would have been beneficial to your analysis?

Further discussions with Children and Young People about what poverty means to them, about what they felt low income families needed to help them.

Discussions with low income families about what they felt the effect would be on their children

# STAGE 4: SCRUTINISING CHILDREN'S INVOLVEMENT

Question 10: Has evidence from third party consultations with children and young people been considered in the development of the proposal or measure?			
Groups consulted	Source of Information	Please provide a brief description of process	What were the findings?
Children's Commissioner	Online report	Survey of Islands Children undertaken in 2018	See Q 8+9 for relevant findings

School Survey 2019	Online report	children undertaken by Government in	See Q 8+9 for relevant findings
		2019	

Question 11: What groups of children and young people have been directly involved in developing the proposal or measure?			
Groups involved [✓ if those affected by the proposal]	✓	How were they involved	What were the findings
No children have been directly involved in developing this proposition			

# STAGE 5: ASSESSING THE IMPACT

Question 12: What impact will (or does) the proposal or measure have on children and young people's rights			
Type of impact [please highlight]	Justification for Argument	likely or actual short/medium/long-term outcomes	
Positive	Backs up the principles of the Children's Plan 2019-2022 – Valued and Involved – Reduce Children's experience of poverty and the impact of living in a low income family	Start to help reduce the disparity in family incomes which can lead to bullying, poor health and fitness, lack of suitable accommodation and/or care	

Question 13: Will there be (or are there) different impacts on different groups of children and young people?			
Group of children affected	Initial analysis of the positive impact on rights	Initial analysis of the negative impact on rights	
Greater impact on children from low income households	Potential to improve health, wellbeing and safety of children from low income families	None	

Question 14: If a negative impact is identified for any area of rights or any group of children and young people, what options are there to modify the proposal or measure to mitigate the impact?		
Negative impact	What options are there to modify the measure(s) or mitigate the impact?	

No negative impacts	
identified	

# STAGE 6: CONCLUSIONS AND RECOMMENDATIONS

Question 15: In summary, what are your key findings on the impact of the measure or proposal on children and young people's rights?

The impacts of the proposition would have a positive effect on the Rights of low income family children, and would be a step towards Putting Children First.

# **STAGE 7: PUBLISH CRIA**

Question 16: Should the full assessment or a summary be published? Will a child-friendly version be produced?

Yes, this CRIA will be published.

# **STAGE 8: MONITOR & REVIEW**

Question 17: Have the recommendations made in Stage 6 been acted upon?

Pending the results of the States Assembly debate

Question 18: Where recommendations have not been acted upon, is further action required?

It is acknowledged that this is one step on the road to addressing income inequality and to helping those children whose parents fall into the low income bracket.

# Appendix - links to research:

# 8 Pledges to Put Children First

Pledge 1: Listen to children and young people

Pledge 2: Support families that need extra help

Pledge 3: Provide children in care with a safe, loving secure home

Pledge 4: Expand Early Help

Pledge 5: Recruit and retain professional workforce

Pledge 6: Make it easier to share data and information

Pledge 7: Ensure sufficient funding is available

Pledge 8: Publish clear standards and be held account for achieving them

#### Jersey Children and Young People's Survey Report 2019

#### Children's Commissioner for Jersey – Island Wide Consultation: The Findings

# Children and Young People's Plan 2019-23

Putting Children First: The plan for Jersey's children, young people and their families

### **Jersey Household Income Distribution 2014/2015**

# Earning and Income statistics (Gov.je) Jersey Better Life Index 2018

#### **Extract:**

#### Housing

Adequate accommodation is considered to be a basic human requirement and it is widely accepted that where we live can affect our well-being. The quality and affordability of homes, coupled with their location and suitability to specific needs, are factors that can affect overall life satisfaction. Additionally, poor housing conditions, overcrowding and a lack of basic facilities can have a detrimental effect on both physical and mental health and a negative impact on the educational attainment and social behaviours of children. Similarly, high housing costs can leave little disposable income to spend on food, healthcare and other necessities

# Housing expenditure

The average percentage of household disposable income spent on housing related costs was

Worse than the OECI



**25%**In 2015



Worse than the OECD average of 20%

# Article 31 : Conventions on the Rights of the Child – Children's Right to Play and the **Environment**

International Play Association: Promoting the Child's Right to Play

Submission to: UN Committee on the Rights of the Child Day of General Discussion, 2016 Children's Rights and the Environment

# **Committee on the Rights of the Child**

General comment No. 17 (2013) on the right of the child to rest, leisure, play, recreational activities, cultural life and the arts (art. 31)

#### **Extract:**

Children living in poverty: Lack of access to facilities, inability to afford the costs of participation, dangerous and neglected neighbourhoods, the necessity to work and a sense of powerlessness and marginalization all serve to exclude the poorest children from realizing the rights provided for in article 31. For many, the risks to their health and safety outside the home are compounded by home environments which provide no or little space or scope for play or recreation. Children without parents are particularly vulnerable to loss of their rights under article 31; children in street situations are not afforded play provisions, and are commonly actively excluded from city parks and playgrounds, although they use their own creativity to utilize the informal setting of the streets for play opportunities. Municipal authorities must recognize the importance of parks and playgrounds for the realization of the rights provided for under article 31 by children living in poverty and engage in dialogue with them in respect of policing, planning and development initiatives. States need to take action to ensure both access to and opportunities for cultural and artistic activities for all children, as well as equal opportunities for play and recreation.

#### **Jersey Care Model**

# <u>United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill:</u> EOFSIA

Details of the Equality Impact Assessment (EQIA) and Fairer Scotland Duty carried out in relation to the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill.

# **Poverty and Children's Rights**

Aoife Nolan

The Oxford Handbook of Children's Rights Law

#### **Extract:**

In its General Comment No. 20 on the rights of adolescents, the CRC Committee addressed head-on the relationship between an "adequate standard of living" and poverty, stating that "[t]he impact of poverty has profound implications during adolescence, sometimes leading to extreme stress and insecurity and to social and political exclusion." In the same General Comment, the CRC Committee reminded states of the right of every child to a suitable standard of living for physical, mental, spiritual, moral development and "urged" them to introduce social protection floors that provide adolescents and their families with basic income security, protection against economic shocks and prolonged economic crises, and access to social services. <sup>49</sup>

In its next General Comment No.21 on children in street situations, again when discussing the right to an adequate standard of living, the Committee outlined a range of measures that states should take to address the structural causes of poverty and income inequalities so as to reduce pressure on and strengthen precarious families. These measures include "introducing tax and expenditure policies that reduce economic inequalities; expanding fair-wage employment and other opportunities for income generation; introducing pro-poor policies for rural and urban development; eliminating corruption; introducing child-focused policies and budgeting; strengthening child-centred poverty alleviation programmes in areas known for high levels of migration; and offering adequate social security and social protection." In doing so, the Committee emphasized that mechanisms and services making material support available to parents, caregivers, and directly to children should be designed and implemented on the basis of a child rights approach

# R Jersey Children and Young People's Survey 20220309 SJ.pdf (gov.je) Only thing I could find! Must be more.

 $\underline{https://www.gov.je/SiteCollectionDocuments/Government\%20 and \%20 administration/R\%20 Income \%20 Distribution \%20 Report \%202019\%2020220506\%20 SJ.pdf$ 

May be something in here?

CHILDREN IN LOCKDOWN - RAPID ASSESSMENT OF THE IMPACT OF CORONAVIRUS ON CHILDREN IN THE UK

Microsoft Word - Rapid Assessment Coronavirus impact on children final.docx (unicef.org.uk)

"Children in low income households are at greatest risk of nearly all the negative impacts highlighted in this report. Child poverty increased last year by 100,000 children, with 4.2 million children (30% of children in the UK) now living in relative poverty after housing costs, up from 4.1 million last year. International comparisons show the UK has the fifth highest child poverty rate out of 31 European countries.