P.2022/91

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* EMPLOYMENT & SOCIAL SECURITY

NON-CONTRIBUTORY BENEFIT RATES FOR 2023

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Non-contributory Benefit Rates for 2023', dated 3rd October 2022, they are of the opinion:

1. To set the income support requirement rates at the rates set out in Tables 3 and 4 of the Policy Letter, from 6th January 2023.

2. To remove the income support limit of weekly income for a person living in the community, with effect from 6th January 2023.

3. To set the income support limits of weekly income for people residing in residential homes, nursing homes, EMI (dementia care) accommodation, and the Guernsey Cheshire Home at the rates set out in Table 6 of the Policy Letter, from 6th January 2023.

4. To set the income support earnings disregard at £40 per week, from 6th January 2023.

5. To set the income support disregards for carer's allowance and other benefits and income at the amounts set out in Table 7 of the Policy Letter, from 6th January 2023.

6. To set the income support capital limits, which also apply in respect of access to social housing, at the amounts set out in Table 8 of the Policy Letter, from 6th January 2023.

7. To set the personal allowances payable to persons in Guernsey and Alderney residential or nursing homes who are in receipt of income support and to persons in United Kingdom hospitals or care homes who are in receipt of income support at the amounts set out in Table 10 of the Policy Letter, from 6th January 2023.

8. To set the maximum rent allowances at the amounts set out in Table 11 of the Policy Letter, from 6th January 2023.

9. To set the rate of family allowance at £15.80 per week, from 2nd January 2023.

10. To set the rates and annual income limit for severe disability benefit and carer's allowance at the rates and limit set out in Table 12 of the Policy Letter, from 2nd January 2023.

11. To set the payment tariffs under the Mesothelioma Compensation Scheme at the rates set out in Table 16 in Appendix 4 to the Policy Letter, from 1st January 2023.

12. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* EMPLOYMENT & SOCIAL SECURITY

NON-CONTRIBUTORY BENEFIT RATES FOR 2023

The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

3rd October 2022

Dear Sir

1. Executive summary

1.1. The Committee *for* Employment & Social Security ('the Committee') has undertaken its annual review of the non-contributory benefits for which it is responsible. Non-contributory benefits are those funded entirely through General Revenue, which comes from tax income and not from Social Security contributions. These benefits include income support, family allowance, severe disability benefit and carer's allowance. In addition, the Work2Benefit Scheme, school uniform allowance, educational maintenance grants, the free TV licence scheme for persons aged over 75 in receipt of income support and the mesothelioma compensation scheme, are administered by the Committee and funded through General Revenue.

1.2. The Committee recommends that the rates of family allowance and severe disability benefit be increased in 2023 by 7.0%, being the annual rate of 'core' inflation (RPIX) for the year ending 30th June 2022. This is in line with the usual uprating policy for non-contributory benefits. The Committee also recommends that the rate of carer's allowance be increased in 2023 by 10%.

1.3. On 8th September 2022, the States considered a Policy Letter from the Committee entitled 'Emergency Uprating of Income Support Rates'[1] which set out measures to address higher than usual inflation throughout 2022. The States resolved to approve an interim uprating of income support rates, including requirement rates, the limit of weekly income (known informally as the 'benefit limitation') and the maximum rent allowances. The proposals in

[1] Emergency Uprating of Income Support Rates (Billet d'État XIV of 2022, Article I).

this Policy Letter that relate to income support take into account the interim uprating measures which will take effect from 7th October 2022.

1.4. The Committee has undertaken a review of the research into an updated Minimum Income Standard (MIS) for Guernsey, completed in 2021 by Loughborough University's Centre for Research in Social Policy (CRSP). The Committee has used the updated MIS, subject to proportionate amendments to ensure its suitability for benefit purposes, to rebase the list of goods and services from which the income support requirement rates are derived. The rebased requirement rates have been uplifted in line with inflation to generate proposed new requirement rates.

1.5. The Committee has also reviewed other limits and disregards with a view to ensuring that the Income Support Scheme is fit to meet the needs of Islanders. Amongst other more minor changes, the Committee recommends that the weekly earnings disregard be increased from £35.00 to £40.00. This proposed increase reflects the movement in the cost of living since the current amounts were set in July 2018. The Committee also recommends that the limit of weekly income for a person living in the community be removed on the basis that it creates severe financial hardship, which can have profound and lifelong consequences for those impacted by it, particularly children.

2. Income Support

Rebasing income support requirement rates using the 2021 MIS

2.1. The amount of income support that a person can receive is determined by 'requirement rates' which are based on household size and the age and number of dependent children within the household. The requirement rate is intended to cover all daily living expenses (including, but not limited to, food, clothing, household goods and services) with the exception of housing costs which are covered by a separate rent allowance or, in the case of homeowners, an allowance linked to mortgage interest payments. More information about requirement rates can be found at Appendix 1.

2.2. Since the inception of the Income Support Scheme in July 2018, the requirement rates have been derived from the overall weekly cost of set lists of essential goods and services. These lists are known as 'baskets of goods' and were compiled as part of an independent study carried out by Loughborough University's Centre for Research in Social Policy (CRSP). The research, which sets out a Minimum Income Standard (MIS) specific to Guernsey, was first conducted locally in 2010.

2.3. MIS research produces budgets for different household types, based on what members of the public think people need to participate fully in society. The outcome of the 2010 research and subsequent 2011 report was reviewed, amended, and adjusted for inflation by the Social Welfare Benefits Investigation Committee (SWBIC) to be used as the basis on which the first income support requirement rates were set[2].

2.4. In 2019, following consideration of the Policy Letter entitled 'Non-contributory Benefit Rates for 2020'[3] the States resolved to direct the Committee to take measures to update the Guernsey MIS with a view to using the results of the study to inform requirement rates.

2.5. Research to produce a new, updated MIS for Guernsey was completed in June 2021 and the final report was received by the Committee in September 2021.

2.6. In its Policy Letter entitled 'Non-contributory Benefit Rates for 2022[4], the Committee reported that, as expected, MIS budgets had increased over time. Furthermore, in some cases, the contents of the baskets of goods had also changed over the preceding decade. The Committee concluded that:

> "…the updated MIS research demonstrates that the current income support requirement rates, being based on 2011 goods and services, are outdated and require correction."

2.7. As there was insufficient time to use the findings of this research to inform the requirement rates for 2022, the Committee proposed, and the States resolved, to increase income support rates for 2022 by 2.3%, this being the annual rate of inflation as at the end of June 2021. This proposal was in line with the standard uprating policy for income support. The Committee committed itself, in that Policy Letter, to finishing the work necessary to examine the contents of the updated baskets of goods and assess their appropriateness as a basis for the income support requirement rates for 2023 onwards.

2.8. The goal of this rebasing exercise was not to arrive at a specific set of income support requirement rates that were higher or, indeed, lower than current rates. It was, instead, to revisit the very basis of those rates and ensure that each one was linked to a set of goods and services that were both essential to achieve a minimum acceptable standard of living, and appropriate for a social welfare system which must be both socially just and financially sustainable.

2.9. The outcome of the rebasing exercise demonstrated that, in some cases, the adjusted MIS baskets of goods supported a very minor real-terms decrease in the long-term requirement rates for certain categories of persons. However, it also demonstrated that some of the requirement rates, – particularly those

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2 These came into force on 6th July 2018.

3 Non-contributory Benefit Rates for 2020 (Billet d'État XXI of 2019, Article II).

4 Non-contributory Benefit Rates for 2022 (Billet d'État XXI of 2021, Article II).

paid on a short-term basis (i.e. for the first six-months of a person's claim) and those paid in respect of some age categories of children – no longer provided an income which was sufficient to achieve a minimum acceptable standard of living. This exercise reflected steps taken by SWBIC in the development of proposals for the first income support requirement rates.

2.10. The reason why the rebasing exercise resulted in both increases and minor decreases to the different requirement rates is twofold. Firstly, the updated MIS research produced baskets of goods which better reflected present-day ways of living for individuals of all ages. These changes were not homogenous across each research group (e.g. single working age adults, pensioners, families, etc). Secondly, the annual uprating process for income support since July 2018 has applied the annual rate of RPIX to each of the requirement rates. As RPIX represents an average of inflation factors across different categories of goods and services, some deviation from actual prices is unavoidable and will vary between requirement rate categories depending on the exact composition of the basket of goods on which the rate is based. The Committee intends to investigate other methods for uprating income support requirement rates in a more granular way in the future.

2.11. In its Policy Letter entitled 'Emergency Uprating of Income Support Rates'[5], the Committee noted that RPIX in Guernsey was increasing faster than usual. Between 1st July 2021 and 30th June 2022, RPIX increased by 7.0%. In comparison, RPIX increased by 2.3% during the preceding year ending 30th June 2021. Indeed, it is entirely possible that, by the time the States considers this Policy Letter, the annual change in RPIX may have increased further. At the time of writing, inflation forecasts[6] indicate that RPIX might peak between 8% and 9% late in 2022.

2.12. The Committee is conscious of the disproportionate impact this rise in inflation will have on Guernsey's lowest income households. It is of the opinion that to continue to base income support requirement rates on outdated baskets of goods from 2010 would force many of the most vulnerable members of Guernsey's society to live in 'intolerable poverty'[7].

2.13. To further inform its position, the Committee conducted a focus group with income support recipients. It also consulted with some of the local third-sector organisations that provide support to low-income households in

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5 Emergency Uprating of Income Support Rates (Billet d'État XIV of 2022, Article I).

6 Guernsey Quarterly Inflation Forecast – Quarter 3 2022 (https://www.gov.gg/CHttpHandler.ashx?id=156982&p=0).

7 In its 2016 Policy Letter entitled 'Comprehensive Social Welfare Model' (Billet d'Etat VII, Volume II, Article IX), SWBIC used a definition of poverty which referred to: "The income of an individual below which Guernsey as a society (represented by the States) considers it to be intolerable for that individual to be expected to live."

various ways. In all cases, feedback received indicated an increasing level of financial hardship among local families on low incomes.

2.14. The Guernsey Welfare Service (GWS), which operates a foodbank, said:

> "For a few years leading to 2020, we assisted a fairly static 450-460 households a year. In 2020, that figure rose by 23% to 560 and in 2021 it rose further to 584, a total increase of 28%. Compared to usage at this point last year, our 2022 figures are 9% up."

2.15. In its report, the GWS attributed cost of living increases and increasing private rents as the principal reasons why a greater number of households have sought support.

2.16. Based on feedback from the focus group, the Committee noted that some income support claimants were being forced to choose between paying rent or utility bills, and between buying food or replacing children's clothing and footwear. The Committee considers it to be unacceptable that some families are living in poverty, and are thereby excluded from many of the opportunities enjoyed by their peers.

2.17. The Committee therefore proposes that income support requirement rates be rebased using the baskets of goods derived from the 2021 MIS research, following the Committee's adjustments. It is of the opinion that this is an important measure to support low-income households by ensuring that income support rates are based on the most up to date lists of essential goods and services.

2.18. The Committee is strongly of the opinion that this approach to rebasing income support requirement rates represents the best balance of interests between income support claimants and taxpayers, noting that many people in receipt of income support do pay income tax.

2.19. For comparison purposes, Tables 1 and 2 overleaf set out the 'MIS-adjusted' income support requirement rates before inflation, alongside current requirement rates, the rates that will apply from 7th October 2022 and the 'full MIS' totals before the Committee's adjustments were made.

2.20. For clarification purposes:

- 'MIS-adjusted' refers to the cost of a weekly household budget based on the 2021 MIS 'baskets of goods' as adjusted by the Committee to create a list of goods and services that is considered appropriate as a basis for income support. These adjustments also include the removal of provisions already made elsewhere under income support, such as the rent allowance and school uniform grant.

- 'Full MIS' refers to the cost of a weekly household budget based on the 2021 MIS 'baskets of goods', less only provisions already made elsewhere under income support.

2.21. Further information about income support and MIS can be found at Appendix 1 and Appendix 2.

Table 1 – MIS-adjusted weekly long-term income support requirement rates (before inflation), shown alongside current requirement rates to 6th October 2022 and the 'full MIS' totals (before inflation)

	Rates to 6th October 2022	'Full MIS' total	MIS-adjusted rates
Householders:			
Cohabiting/married couple	£326.47	£375.10	**£322.90**
Single householder	£197.18	£247.77	**£194.21**
Non-householder:			
18 or over	£148.26	£172.09	**£147.87**
Member of a household:			
11 and over	£115.60	£155.44	**£113.44**
5 – 10	£86.86	£114.69	**£86.30**
Under 5	£58.13	£108.34	**£75.34**

Table 2 – MIS-adjusted weekly short-term income support requirement rates (before inflation), shown alongside current requirement rates to 6th October 2022 and the 'full MIS' totals (before inflation)

	Rates to 6th October 2022	'Full MIS' total	MIS-adjusted rates
Householders:			
Cohabiting/married couple	£198.96	£262.39	**£226.92**
Single householder	£113.88	£176.46	**£136.03**
Non-householder:			
18 or over	£86.85	£120.76	**£103.82**
Member of a household:			
11 and over	£81.11	£141.48	**£99.60**
5 – 10	£61.00	£109.39	**£77.95**
Under 5	£40.90	£98.02	**£63.92**

Impact of inflation

2.22. The goods and services in the updated MIS 'baskets of goods' were priced in the summer of 2021, meaning that the MIS-adjusted rates set out in Tables 1 and 2 do not reflect the current cost of living. Instead, they offer a like-for-like comparison with the income support requirement rates applied from 7th January 2022 to 6th October 2022. For the avoidance of doubt, the 2022 requirement rates that applied for the first nine months of 2022 serve as a baseline of comparison.

2.23. The Committee proposes that income support requirement rates for 2023 be based on the MIS-adjusted figures and uplifted by 7%, this being the rate of inflation between 1st July 2021 and 30th June 2022. The only exception to this level of increase is the inclusion for household waste disposal, which is based directly on the cost of the standing annual charge and pay-as-you-throw stickers. The proposed rates are set out in Tables 3 and 4 below and overleaf.

Table 3 – Proposed weekly long-term income support requirement rates, shown alongside current requirement rates[8] and the rates that will apply from 7th October 2022

	Rates to 6th October 2022	'Rates from 7th October 2022	Proposed 2023 rates
Householders: Cohabiting/married couple Single householder	£326.47 £197.18	£342.79 £207.04	**£345.50** **£207.80**
Non-householder: 18 or over	£148.26	£155.67	**£158.22**
Non-householder: Rent allowance	£80.50	£84.50	**£86.00**
Member of a household: 11 and over 5 – 10 Under 5	£115.60 £86.86 £58.13	£121.38 £91.20 £61.04	**£121.38** **£92.34** **£80.61**

8 Rates for 2022 in this case mean those applied between 7th January 2022 and 6th October 2022, not the interim, emergency rates from 7th October 2022.

Table 4 – Proposed weekly short-term income support requirement rates, shown alongside current requirement rates and the rates that will apply from 7th October 2022

	Rates to 6th October 2022	'Rates from 7th October 2022	Proposed 2023 rates
Householders:			
Cohabiting/married couple	£198.96	£208.91	**£242.80**
Single householder	£113.88	£119.57	**£145.55**
Non-householder:			
18 or over	£86.85	£91.19	**£111.09**
Non-householder:			
Rent allowance	£80.50	£84.50	**£86.00**
Member of a household:			
11 and over	£81.11	£85.17	**£106.57**
5 – 10	£61.00	£64.05	**£83.41**
Under 5	£40.90	£42.95	**£68.39**

2.24. The cost of applying the MIS-adjusted income support requirement rates, before inflation, is estimated to be in the region of £55,000 per year.

Limit of weekly income

2.25. In the majority of cases, a household's net income, including any income support, equals their total personal and family requirements, including their rent. However, in some cases, a household's net weekly income (i.e. the combination of net earnings and benefits) is capped by the 'limit of weekly income' (informally known as the 'benefit limitation'). The limit of weekly income for people living in the community is due to increase from £930 to £980 (5%) with effect from 7th October 2022 as part of the package of emergency uprating measures.

2.26. The limit of weekly income does not affect those households with a total requirement below this level. A relatively small proportion of households in receipt of income support have a total requirement of £980 per week or more. As at 20th August, this was roughly 1.17% of all income support claims. The vast majority of these households have income from other sources (e.g. earnings or family allowance), meaning that the amount of income support received is less, or far less in some cases, than the limit. There is sometimes a misconception that many claimants will receive £980 per week in benefit. This is certainly not the case – in fact, less than 0.1% of claimants receive £980 per week in income support.

2.27. The limit of weekly income is softened, to some extent, by not taking into account in the income support means test any family allowance above the limit of weekly income. In addition, all claimants with earnings, including those capped by the limit of weekly income, benefit from the 'earnings disregard' whereby up to £35.00 of earnings per week are disregarded in the calculation of resources available to a single claimant and up to £70 is disregarded if the claimant's partner is also working. This means that, in some cases, claimants with a total requirement above the limit of weekly income have sufficient income to meet their needs.

2.28. Ignoring the effect of the adjustment for family allowance and the earnings disregard, a household with an income of £980 per week will not receive any financial assistance through income support, irrespective of how much their income falls short of their identified requirement.

2.29. Several times over the years, the limit of weekly income has been increased above inflation in order to reduce the number of households forced to live on less income than the States determines is necessary through annual approval of the requirement rates. 5% increases were applied from 5th February 2021 and from 7th January 2022, and a further 5% increase will be applied from 7th October 2022.

2.30. Table 5 below shows how many families have a total requirement above the limit of weekly income that will take effect on 7th October 2022 (i.e. £980), as at 20th August 2022.

Table 5 – Number of families and children of those families with a total requirement above the limit of weekly income

Weekly income limit	**Number of claims with 3-7+ children affected by the cap**						**Total claims**	**Total children**
	2	**3**	**4**	**5**	**6**	**7+**		
£980 (current)	0	1	8	9	2	2	22	109

2.31. As explained in paragraph 2.27, ignoring family allowance above the limit of weekly income and taking into account the fact that some earnings are disregarded, means that fewer claimants have insufficient resources to meet their total requirement. Figure 1 overleaf sets out a detailed example of the circumstances of an income support claimant with requirements in excess of the limit of weekly income. It shows the effect of the adjustments made for family allowance and earnings, as well the shortfall still experienced by the household.

Figure 1 – Breakdown of the income support means test in relation to a family with a total requirement above the weekly income limit

Household requirement	
Rent allowance	£374.41
Couple householder	£342.79
Child aged 5-10	£91.20
Child aged 5-10	£91.20
Child aged 5-10	£91.20
Child aged 5-10	£91.20
Total:	**£1,082.00**

Household income	
Earnings	£587.99
Carer's allowance	£91.90
Family allowance	£59.20
Total:	**£739.09**
Household income disregarded	
Earnings disregard	**(£35.00)**
Carers allowance disregard	**(£35.00)**
Total:	**(£70.00)**
Total assessable household income	
Income	£739.09
Disregards	(£70.00)
Total:	**£669.09**

As the tables on the left show, this family obtains a portion of income from earnings. In this two-parent household, one adult works and the other acts as a carer.

Because this family's requirement is above the weekly income limit of £980.00, the family allowance amount can be disregarded in full.

This means that, in total, the family's limit of weekly income can be regarded as £1,039.20 (£980 limit + £59.20 family allowance).

As such, the requirement (£1,082.00) still exceeds this adjusted limit. This creates a **weekly shortfall of £42.80** in the family's income when compared to its defined requirement.

The total income support top-up that the household can receive is therefore calculated by deducting its total assessable household income of £669.09 from the adjusted limit of weekly income of £1,039.20.

Income support top-up (including winter fuel allowance*): **£407.17**

Income support top-up (excluding winter fuel allowance*): **£370.11**

Weekly shortfall: **£42.80**

*Winter fuel allowance is paid to householders in receipt of income support for 26 weeks from the last week in October until the last week in April of the year following.

2.32. The above example is a real Guernsey family which is forced to live well below its identified requirements. In all such cases, the weekly income limit impacts not just the lead claimant, but also their partner and children.

2.33. Previous thinking about the limit of weekly income sought to find a balance between restricting the cost of income support to the taxpayer and still meeting the basic requirements of most Islanders. It also aimed to ensure that a person could not arrange their circumstances so that they might receive an income from benefits that was beyond their earning capacity. However, the Committee is of the view that the limit of weekly income does not achieve this balance. Table 5 shows that the number of income support recipients with a defined requirement above the weekly income limit is low. This greatly limits the saving to the taxpayer when considered in the context of overall income support expenditure. However, the impact on households of persistently having a level of income below their defined requirement is often severe. Furthermore, because the limit of weekly income only affects families, children are often forced to bear the brunt of this policy, along with their parents.

2.34. In addition, not all families are treated equally under the current limit of weekly income. Due to the fact that housing costs are not applied independently of the weekly limit, sometimes families with similar circumstances may find that their weekly shortfalls are vastly different. Take, for example, two families of similar size and composition (and, therefore, requirement rate). If both families live in social housing, the property they occupy would have been allocated to them based on whichever property was available at the time that they reached the top of the waiting list. That is to say, the property the family is allocated (and the level of rent charged) is wholly outside of the family's control.

2.35. Due to the fact that the rent for social housing properties is based on the size and additional attributes of each property (i.e. outside space, parking, or additional bathrooms), two social housing properties with the same number of bedrooms but different additional attributes might have different weekly rents. Because rent is included when calculating a household's total requirement, the limit of weekly income has a greater impact on families that occupy a property with a higher Standard Weekly Rent. For example, if one family's weekly rent is £363.34 and the other's is £299.94, a difference of £63.40 per week, this might result in one family being capped by the limit of weekly income and the other not. This is not a hypothetical example, but rather a comparison of two real Guernsey families' circumstances. A further breakdown of this example is provided at Appendix 3.

2.36. The Committee considers that it is inappropriate that a system that already disadvantages some income support claimants should cause further hardship among families with otherwise similar circumstances.

2.37. Indeed, recipients of income support who attended the aforementioned focus group meeting were strongly of the view that the limit of weekly income actively created financial hardship. One focus group participant said that they consistently relied on support from others to afford even the most basic essentials, including nappies for their youngest child, because their income support payment was capped so far below their defined requirement.

2.38. It is important to note that sharing their experiences was a difficult and often emotional experience for focus group participants. Their financial circumstances are a source of constant worry, stress, and negative self-image. Even the simplest request from their children often caused anxiety amongst parents, who stated that they worried that their children would ask for even small treats, such as ice creams during the summer, because they did not have available funds to make this type of modest purchase. One parent stated that most people would never understand the distress of searching the house for loose change simply to buy milk or other essentials.

2.39. These situations are common amongst income support recipients whose income is capped, and they occur despite claimants' best efforts to budget, find the cheapest items in shops, and generally closely manage their families' finances. The Committee noted that participants who attended the focus group meeting frequently highlighted how difficult it was to take proactive steps to break the cycle of hardship. One income support claimant said that, after having paid their standard household bills:

> "I now have about £100.00 left in the bank to last the rest of the month, and it is only 1 week after payday."

2.40. Claimants agreed that this had a disproportionate impact on their children. Indeed, the consensus view was that their children displayed an awareness of the financial hardship their family experienced. Participants explained that, for the most part, their children had never been on a trip outside the Bailiwick and rarely celebrated birthdays or received even low-cost Christmas presents on time, if at all. Parents mentioned being unable to pay for even a modest, low-cost birthday party for their children, something many other families take for granted. Focus group participants felt that it did not go unnoticed that their children were the only ones amongst their peers to not invite friends to celebrations.

2.41. The Committee is strongly of the view that there is no justification for applying a limit of weekly income that forces some families to choose between the most basic day-to-day necessities and to forgo modest additional purchases entirely. In one case, this meant an income support claimant choosing between buying food for their family and replacing a pair of broken shoes for one of their children.

2.42. In a letter to the Committee, the Board of Every Child Matters said:

> "Adults in a family are prioritising their children's health and wellbeing over their own which leads some to go without meals."

2.43. The Committee considers it intolerable that, in many cases, the limit of weekly income leads parents to go without essential items or adequate nutrition in order to feed their children[9]. The assertion made by Every Child Matters was substantiated by focus group participants, who stated that they skipped meals or went without necessary provisions in an attempt to provide for their children. The impact on parents' mental and physical health of such an ongoing financial struggle cannot be overstated. Indeed, local data from 2014-2019[10] indicated that income support recipients made, on average, 37% more doctor or nurse appointments than people who did not receive the benefit[11].

2.44. The Committee is strongly of the view that this situation cannot be allowed to persist and, indeed, potentially become more severe as the cost of living continues to rise. In a letter to the Committee, one focus group participant wrote:

> "Me and my husband […] have both worked pretty much since the get-go of leaving secondary school. My husband works as a [REDACTED FOR CONFIDENTIALITY] and I work as a hair stylist […] Some of my clients are people that have very high-end careers: doctors, lawyers, surgeons, accountants, believe it or not even one of your wonderful deputies. However, little do these people know […] that me and my family are classed as one of the poorest in Guernsey. I love my career as a hairstylist, nothing beats seeing the smile on someone's face after a transformation.
>
> Lately it just feels, with rising costs of living, that every day is a real struggle. The bank balance just goes to zero within a week or two of getting paid because the bills are so high […] I dread going food shopping because it's just less and less that we can afford to buy. And I can't emphasize how much this is having a detrimental impact on everyday life for us.

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9 The Board of Bright Beginnings estimates that around 20% of the children they provide childcare/pre-school provision for receive free meals funded by the service.

10 Guernsey Indicators of Poverty Report 2020.

11 For the purposes of the report, income support recipients also in receipt of health related benefits were excluded, as they may require more frequent visits with a healthcare professional, therefore affecting the ratio.

For anyone to truly understand how it feels to just break down and cry on the odd occasions because all I do is worry about finances, they would really have to be in that situation themselves."

2.45. Financial hardship is most profoundly felt by children through comparison with their peers. In addition, focus group participants expressed concern that they would be judged by others for being unable to provide for their children despite their best efforts to do so. There was significant concern that they would be deemed neglectful of their children by others who did not have experience of relying on income support.

2.46. In addition to the damage this causes through deprivation, negative self-image, and loss of opportunities, such a system also causes additional reliance on welfare systems. Families who are forced to find ways to live with their income capped below their requirement level continuously prioritise some essential monthly outgoings over others. The payments that cannot be made create debts, trapping families in a cycle of financial hardship that becomes increasingly difficult to break. Recipients of income support whose benefit is capped find that they are largely unable to help themselves out of poverty, despite meeting their work requirements and being as frugal as possible. This increases their reliance on the income support they do receive, thereby perpetuating a deeply concerning cycle of poverty.

2.47. Indeed, the impact of persistent poverty should not be viewed without consideration of its wider social ramifications. The knock-on effect of ongoing deprivation is likely to be felt across a variety of States and public services. Data analysed by the Social Metrics Commission (SMC)[12] in a report measuring poverty in the UK[13] highlighted, among other examples, stark interactions between poverty and both educational outcomes and health and wellbeing.

2.48. Analysis of data from 2018/2019 showed that, of the people living in poverty in the UK, 20% lived in a family with no formal qualifications. This was compared to just 8% of people who did not live in poverty. In terms of overall wellbeing, 34% of people in poverty lived in a household with at least one adult with poor self-reported mental health. For people not in poverty, this figure was 24%.

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12 The SMC is an independent Commission formed and led by Baroness Stroud. It was brought together to 'develop a new approach to poverty measurement that both better reflects the nature and experiences of poverty that different families in the UK have, and can be used to build a consensus around poverty measurement and action in the UK.' (About - Social Metrics Commission).

13 Measuring Poverty 2020.

2.49. Concerningly, the SMC also found that, while 22% of the total population lived in poverty, this rose to 33% of all children. Of those children in poverty, 53% lived in a family where the youngest child was under 5 years of age. This indicates not only that children are disproportionately impacted by poverty, but that, in many cases, cycles of deprivation begin at an extremely young age.

2.50. Replicating research of this scale in a Guernsey context would be a large undertaking, however, there is evidence to suggest that families living in poverty in Guernsey would be at risk of the same social, health, and educational outcomes. In the 2018 Guernsey and Alderney Wellbeing Survey[14], it was reported that 39% of people lived in households that found it difficult to pay household bills. Of the respondents who reported low mental wellbeing, 61% were those who reported struggling to pay bills, compared to 39% of the overall population.

2.51. Further, 49% of people living in affordable housing[15] reported low mental wellbeing, compared to 25% of private renters and 12% of homeowners. 52% of people living in affordable housing reported experiencing large amounts of stress in the previous 12 months, compared to 44% of private renters and 32% of homeowners. 34% of people living in affordable housing reported feeling excluded from activities compared to 18% of private renters and 9% of homeowners.

2.52. In view of this, the Committee proposes that the limit of weekly income for people living in the community be removed. The estimated cost of removing the limit of weekly income, based on the current income support requirement rates (payable until 6th October 2022), is £162,000 per annum for existing claimants. The cost of implementing the proposed requirement rates (before inflation) <u>and</u> removing the limit of weekly income is in the region of £217,000 per annum. Some additional households may become eligible, or decide to claim, as a result of the removal of the benefit limitation. It is not possible to estimate the potential cost of these new claims but the Committee is satisfied that any increase in claims would be gradual, rather than an immediate surge. The Policy & Resources Committee has advised the Committee that it supports this proposal.

2.53. It is important to note that this proposal does not mean that there will be no cap at all on the amount of income support a household can receive. The requirement rates and maximum rent allowances will remain in place and will control the level of benefit available to all income support claimants. In addition, since 2014 it has been a requirement of eligibility for income

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14 Guernsey and Alderney Wellbeing Survey 2018

15 Rented from Housing or the Guernsey Housing Association; or a household in a partial ownership scheme.

support (named ‘supplementary benefit’ at that time) that the person claiming the benefit (if under pensionable age) and any relevant dependants[16] of any claimant are in full-time remunerative work[17], or are acting in compliance with ‘work requirements’. Work requirements are measures determined by the Administrator for the purpose of facilitating or enabling an individual to become, or continue to be, engaged in full-time remunerative work (e.g. attending regular work-focussed meetings with an Employment Advisor or attending a work or training placement).

2.54. Other limits of weekly income are applied on an infrequent basis for people residing in residential homes, nursing homes, EMI (dementia care) accommodation, and the Guernsey Cheshire Home, who do not satisfy the five-year residence requirements for long-term care benefit, and may, therefore, need to rely on income support. The Committee proposes that these limits are increased by 7%, this being RPIX for the year ending 30th June 2022.

2.55. The 2022 limits of weekly income and those proposed to be applied from 6th January 2023, are set out in Table 6 below.

Table 6 – Income support limits of weekly income

	Rates to 6th October 2022	**Rates from 7th October 2022**	**Proposed rates from 6th January 2023**
Community	£930.00	£980.00	**N/A**
Residential homes	£600.00	£600.00	**£640.00**
Nursing homes, EMI residents and Guernsey Cheshire Home	£860.00	£860.00	**£920.00**

Earnings disregard

2.56. The earnings disregard is the amount of a person’s earnings that can be disregarded when calculating their entitlement to income support. It was set, upon SWBIC’s recommendation, at a flat rate of £35.00 per week, with effect from 6th July 2018. The disregard is reduced accordingly if a person earns less

16 “Relevant dependant” means a dependant who has not attained pensionable age, but who is over school leaving age and no longer in full-time education.

17 A person is engaged in full-time remunerative work if the person works for a minimum of 35 hours a week and is remunerated at a rate that is at least equal to the minimum wage. The Committee may by regulations prescribe modifications and exceptions to, and exemptions from, the eligibility criteria set out in section 1(1) of the Income Support (Guernsey) Law, 1971.

than £35.00 in a week. The annual cost of the earnings disregard is approximately £1.7m.

2.57. Due to the nature of the disregard being applied to the first £35.00 earned, beyond that it does not act as an incentive for claimants to increase their earning potential, for example, through securing a higher paid role or working overtime. This is because, until a person earns sufficient income to come off benefit entirely, every additional pound they earn results in an equal reduction in the amount of income support received.

2.58. The Committee recognises that the earnings disregard has its origins in the supplementary benefit scheme, which largely supported claimants for whom work was unlikely because of age, incapacity, disability, or caring responsibilities. Income support, which superseded supplementary benefit, helps not only these claimants but also hundreds of people in work.

2.59. Work is mandatory for those income support claimants who have capacity to do so. The earnings disregard has not been considered fit for the purpose of incentivising work for several years. In 2018, the States resolved:

> 3. "To note that the Committee *for* Employment & Social Security will return to the States with a Policy Letter addressing the future of the benefit limitation, earnings disregard and personal allowances by March 2019."[18]

2.60. The Committee has not progressed this work due to other priorities. The earnings disregard is a complex topic, and alternative ways of incentivising work for people in receipt of income support must be carefully considered and costed before a recommendation is made. The Committee will return to the States regarding this matter in due course.

2.61. In the meantime, the Committee acknowledges that the value of the disregard has not increased since the inception of the income support scheme in July 2018.

2.62. If the amount of the earnings disregard had been increased by the annual rate of inflation (RPIX) each year from July 2018, its value would have increased by 16.9% to £40.93. For ease of application and understanding, it is preferable to set the disregard at a rounded value and the Committee recommends that, for 2023, the earnings disregard is increased to £40.00 per week.

2.63. The annual cost of increasing the earnings disregard, if the proposed 2023 income support requirement rates are also approved, is estimated to be £237,000. The cost of raising the disregard when applied against current

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18 Non-contributory Benefit Rates for 2019 (Billet d'État XXIII of 2018, Article X).

requirement rates (payable until 6th October 2022) is estimated to be £222,000.

Other disregards

2.64. As well as earnings, a small part of some other sources of income are also disregarded for the purposes of income support calculations. These include some disablement benefits (i.e. industrial disablement benefit and war & disability pensions) referred to as the 'benefits disregard', as well as small amounts of other income. In addition, £35.00 of carer's allowance can be disregarded, however, this disregard cannot be applied in addition to an earnings disregard as carer's allowance is treated as part of earnings.

2.65. The Committee proposes that, as with the earnings disregard, these disregards are all increased in line with the movement in RPIX since the current rate was set, rounded to the nearest five pounds, as set out in Table 7 below.

2.66. Note that the maximum amount that can be disregarded does not exceed £40.00 in total. If the States resolve to increase the disregards for 2023, an amendment will be made to The Income Support (Implementation) Ordinance, 1971, to raise the maximum total disregard from £20.00 to £40.00.

Table 7 – Current and proposed values of other income support disregards for 2023

	Current value (year rate was set in brackets)	Movement in RPIX since current value was set	2023 value if increased by movement in RPIX since date set	Proposed disregards for 2023 (rounded)
Carer's allowance disregard	£35.00 (2018)	16.9%	£40.92	**£40.00**
Benefits disregard	£20.00 (2001)	87.5%	£37.50	**£40.00**
Other income disregard	£10.00 (2001)	87.5%	£18.75	**£20.00**

Capital limits

2.67. Currently, the capital limit for an individual to receive financial assistance through income support varies depending on the composition of the household claiming benefit. The capital limits have not changed since income support was implemented in July 2018.

2.68. As a result, the Committee proposes that the capital limits for income support, which also apply in respect of access to social housing, be increased by 16.9%, that being the movement in RPIX since the current limits were set, rounded to the nearest £1,000, as set out in Table 8 below.

Table 8 – Current and proposed income support capital limits for 2023

	Current capital limit (since 6th July 2018)	2023 value if increased by movement in RPIX since date set	Proposed capital limit for 2023 (rounded)
Single person	£13,000	£15,197	**£15,000**
Couple	£15,000	£17,535	**£18,000**
Family with 1 child	£17,000	£19,873	**£20,000**
Family with 2 children	£21,000	£24,549	**£25,000**
Family with 3+ children	£23,000	£26,887	**£27,000**

Medical capital limits

2.69. Currently, the capital limit for an individual to receive financial assistance with medical and paramedical expenses through income support is lower than the capital limit for eligibility to receive income support. This means that some income support claimants do not qualify for medical support, and have to pay for medical expenses themselves, using their capital if necessary, until such time as their capital reduces below the limit. The current medical capital limits vary depending on the composition of the household; for example, a single person in 2022 has a medical capital limit of £3,000 and an income support capital limit of £13,000, which means that a single person with savings between those limits must pay for their own medical expenses despite qualifying for income support.

2.70. The present Committee is of the view that everyone entitled to income support should be entitled to receive financial assistance with medical and paramedical expenses. However, it is conscious of not wanting to widen the 'cliff edge' between those in receipt of income support with some savings who would get free medical cover if the policy were changed, and those just outside of eligibility for income support who may not have savings to pay for unexpected, costly medical bills.

2.71. The Committee is currently working with the Committee *for* Health & Social Care to explore options for a new funding and delivery model for primary care. This work is considering how the services should be funded, and who should be able to access them. This includes further consideration of how to ensure primary care services are accessible for low-income households.

2.72. In the meantime, the Committee intends to increase the medical capital limits by 16.9%, in line with the movement in RPIX since the time of their inception in July 2018. The Committee intends to make this change by Regulations, using the powers conferred on it by section 6A(2)(c) of the Income Support (Guernsey) Law, 1971. The value of the limits, when inflation is applied, is shown in Table 9 below, as well as the proposed new limits which are rounded to the nearest £500.

Table 9 – Current and proposed income support medical capital limits for 2023

	Current medical capital limit (since 6th July 2018)	**2023 value if increased by movement in RPIX since date set**	**Proposed medical capital limit for 2023**
Single person below pension age	£3,000	£3,507	**£3,500**
Single person of pension age	£5,000	£5,845	**£6,000**
Couple below pension age	£5,000	£5,845	**£6,000**
Couple of pension age	£7,000	£8,183	**£8,000**

<u>Personal allowances</u>

2.73. The Committee pays a personal allowance to residents of residential or nursing homes who qualify for income support. The personal allowance is intended to cover modest purchases such as newspapers, confectionery, toiletries, and family presents.

2.74. The Committee *for* Health & Social Care (HSC) pays for Guernsey and Alderney residents to be placed in UK hospitals and specialised institutions if their mental or physical health needs cannot be met on-Island. While HSC meets the cost of accommodation and care, residents are expected to pay for items of a personal nature from their own resources. Residents who cannot afford these items can apply to the Committee for a personal allowance. As of August 2022, there were 140 people claiming this allowance.

2.75. For 2023, the Committee is recommending that the rates for residents in Guernsey and Alderney residential or nursing homes and UK institutions be increased by 7%, in line with inflation for the year ending 30th June 2022. Table 10 below sets out the weekly personal allowances which currently apply, and the proposed allowances to apply from 6th January 2023.

Table 10 – Current and proposed weekly personal allowances for 2023

Personal allowance	2022	2023
Residents of local residential and nursing homes	£40.92	**£43.78**
Guernsey people in UK hospitals and care homes	£57.84	**£61.89**

Extra needs allowance

2.76. The extra needs allowances are small payments of between £10-£20 per week for claimants who can demonstrate an additional expense which arises from a medical condition or disability, such as a need for a special diet. The rates of the allowances have not changed since they were introduced in 2018 when income support replaced supplementary benefit. Given the low levels of claims, it is not proposed that these allowances are uprated for 2023.

Maximum rent allowances

2.77. The increase in a person's requirement rate to allow for rental payments is known as a rent allowance. The level of financial support available for rent is capped by maximum rent allowances (MRAs) which are set at different levels for different sized households. The MRAs fully cover all social housing rents. However, approximately 25% of income support claimants rent in the private sector. The Committee has considered at what level the MRAs should be set for 2023, in the context of rapidly rising private sector rents.

2.78. The Committee has considered whether it would be appropriate to base the increase in the MRAs on one of the rent indices published by the States of Guernsey's Data & Analysis team. The Committee has decided not to recommend this because the dataset used to calculate the indices is relatively small. There is a risk, therefore, that it may not accurately reflect the position across the whole private rental sector and that by basing any increase on this data, the resultant MRAs may be overly generous. Of greater concern is the possibility that such an approach could, potentially, fuel further increases in rental prices at the lower end of the market.

2.79. Consequently, the Committee proposes that MRAs be increased by 7%, in line with RPIX as at the end of June 2022. For the avoidance of doubt, the Committee is proposing that the 7% increase be applied to the rates that applied from 7th January 2022 to 6th October 2022, not the rates that will apply from 7th October 2022, which will be uplifted by 5% as part of the emergency uprating measures approved by the States on 8th September 2022.

2.80. Table 11 below sets out the MRAs applicable in 2022 and the proposed MRAs for 2023.

Table 11 – Current and proposed maximum rent allowances

Tenancy group	Description	MRAs to 6th October 2022	MRAs from 7th October 2022	Proposed MRAs from 6th January 2023
Group 1	Single with no children	£239.38	£251.35	**£256.14**
Group 2	Couple with no children	£239.38	£251.35	**£256.14**
Group 3	Single or couple with 1 child	£278.07	£291.97	**£297.53**
Group 4	Single or couple with 2 children	£354.01	£371.71	**£378.79**
Group 5	Single or couple with 3+ children	£432.75	£454.39	**£463.04**
Group 6	Living in shared accommodation	£185.33	£194.60	**£198.30**

2.81. The Committee notes that MRAs are only applied when a person's rent is equal to or more than the level of the relevant MRA. Therefore, increasing the MRAs by RPIX will not increase the rent allowances applied in respect of tenants in receipt of income support whose weekly rent is less than or equal to the relevant MRA, including all social housing tenants in receipt of income support.

Winter fuel allowance for 2023

2.82. A winter fuel allowance is paid from General Revenue to householders in receipt of income support for 26 weeks from the last week in October until the last week in April of the year following.

2.83. When proposing emergency uprating measures in September 2022, the Committee proposed, and the States resolved to agree to set the supplementary fuel allowance at £37.06 per week, with effect from 28th October 2022. This was an increase of 23% on the previous allowance, this being the percentage change in the cost of fuel, light and power in the year to June 2022[19].

19 Guernsey Quarterly Inflation Bulletin – June 2022.

2.84. It is estimated that the fuel allowance will cost approximately £2.2m over the 26-week payment period from 28th October 2022 to 28th April 2023.

2.85. The Committee notes that some Islanders who do not claim income support might struggle to afford rising energy costs throughout the winter months. It acknowledges that they might be unaware that they could be eligible to receive, or unwilling to apply, for the benefit. The Committee will therefore consider how to better promote income support to Islanders this winter.

High-level review of the winter fuel allowance

2.86. A review of winter fuel allowance was prioritised in the 2022 Government Work Plan[20] as part of a wider Income Support Review. It was also intended to play a part in addressing resolutions made by the States in respect of the Energy Policy.

2.87. A stated objective of the Energy Policy, which aims to help the island transition towards decarbonisation, is "to ensure that the changes to our energy system work for everyone – and that, moreover, they actively mitigate against fuel poverty rather than exacerbate or maintain fuel poverty." The States resolved on 4 June 2020:

> 13. "To direct the Committee *for* Employment & Social Security working with the Committee *for the* Environment & Infrastructure to co-ordinate an investigation of the most effective means of addressing energy poverty and report back to the States by the Q2 2021."[21]

2.88. Due to resourcing constraints, it was not possible to carry out this investigation in the timeframe specified but, as a first step, the Committee conducted a high-level review of winter fuel allowance in the first part of 2022. The objective of the review was to better target expenditure to those most at risk of fuel poverty.

2.89. Following this initial review, the Committee was minded to propose to the States that income support claimants living in all properties, excluding those built by the Guernsey Housing Association ("GHA") in 2009 or later, should receive greater support through the winter fuel allowance funded by the removal of eligibility for the winter fuel allowance from claimants living in highly energy efficient GHA properties built from 2009 onwards, with effect from October 2023.

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20 Policy & Resources Committee – Government Work Plan 2022 (Billet d'État X of 2022).

21 States of Guernsey Energy Policy 2020-2050 (Billet d'État XI of 2020, Article VIII).

2.90. GHA properties built in 2009 or later meet energy efficiency standards in excess of those required under Part L1 ‘the conservation of fuel and power’ of Schedule 1 to the Building (Guernsey) Regulations, 2012[22]. As such, the Committee was confident that the amount of fuel needed to heat GHA properties built in 2009 or later, to a suitable temperature, would be lower compared to older properties and other properties of similar age built in compliance with the standards set out in the Building (Guernsey) Regulations, 2012. Furthermore, all of the GHA properties completed in 2009 or later have electric, rather than gas, heating.

2.91. The Committee was minded to propose to the Policy & Resources Committee that, subject to States approval of the proposed change to entitlement to winter fuel allowance, the savings should be redistributed to increase the winter fuel allowance payment for those still eligible and to contribute to the cost of any additional Extra Needs Allowance claims that might arise as a result of the change. The Committee’s view was that this would result in winter fuel allowance expenditure being better targeted to those most at risk of energy poverty.

2.92. The initial review focussed on GHA properties because energy efficiency data is available for these dwellings but is not readily available for all private sector properties. The Committee noted the limitations of this approach but considered the proposed changes to be an appropriate starting point for wider changes in the future.

2.93. The Committee undertook formal consultation with key stakeholders regarding the proposed changes and responses were received from:

- Guernsey Housing Association
- Age Concern
- Ageing Well in the Bailiwick
- Carers Guernsey

2.94. The consultees opposed the proposed change, and all made reference to the current cost of living crisis. The Committee notes that since work began on this initial review of winter fuel allowance the economic climate has changed considerably and energy costs look set to continue to rise. Taking on board the feedback from consultees, the Committee has agreed that it would not be appropriate to make changes to the payment of winter fuel allowance at this time.

22 Guernsey Technical Standard L1 has been approved and issued by the Development & Planning Authority under the Building (Guernsey) Regulations, 2012 to provide practical guidance on ways of complying with the requirements in Part L1 of Schedule 1 to, and Regulation 11 of, the Building (Guernsey) Regulations, 2012 (GSI, 2012 No.11) .

2.95. The Committee is still minded to look at ways to redistribute winter fuel allowance expenditure in the future to better target those most at risk of fuel poverty.

2.96. Further joint work with the Committee *for the* Environment & Infrastructure will be needed to address resolution 13 (set out in paragraph 2.87 above) following the June 2020 Energy Policy. This work will be more detailed in defining what energy poverty looks like in Guernsey and what measures and solutions can be put in place to address this in the medium to long-term.

2.97. The Committee understands that the Committee *for the* Environment & Infrastructure has commenced work on scoping options for improving the energy efficiency of buildings, in accordance with the following resolution of the States made on 4 June 2020:

> 14. "To direct the Committee for the Environment & Infrastructure to work with the Development & Planning Authority to bring forward further recommendations to improve the energy efficiency of existing and future housing stock, assess the potential for and impact of requirements to report building energy efficiency standards and/or to implement a minimum standard for the rental market and a reporting standard for the sales market by the end of Q2 2021."[23]

This work has been prioritised in the Government Work Plan and the Committee understands that it is underway.

2.98. The Committee considers that it would be appropriate to revisit a review of winter fuel allowance once this work has been undertaken. When data on energy efficiency for all properties becomes available it will be possible to develop a fairer approach to redistributing winter fuel allowance expenditure with a view to targeting those most at risk of fuel poverty.

2.99. In the meantime, the Committee will look into the possibility of collecting additional information from income support applicants about the fuel type used to heat their homes. It is hoped that this data will also help towards informing a more equitable approach to better targeting winter fuel allowance expenditure.

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[23] States of Guernsey Energy Policy 2020-2050 (Billet d'État XI of 2020, Article VIII).

Budgetary implications

2.100. The Committee has modelled the budgetary implications of the proposals set out in this Policy Letter in respect of income support. This was done using a snapshot of income support claimant data from January 2022.

2.101. The cost of applying the MIS-adjusted income support requirement rates, before inflation, is estimated to be in the region of £55,000 per year, before the other proposed changes to the earnings disregard and limitation of weekly income are applied.

2.102. Although it was not possible to account for new or future claims, financial modelling indicated that the estimated cost of removing the limit of weekly income for people living in the community, based on the current income support requirement rates (payable until 6th October 2022), is in the order of £162,000 per annum.

2.103. The estimated cost of increasing the earnings disregard from £35.00 per week to £40.00 per week, based on the current income support requirement rates (payable until 6th October 2022), is in the order of £222,000 per year.

2.104. The estimated combined cost of implementing all proposed changes in respect of the income support requirement rates, limit of weekly income, and earnings disregard is in the region of £439,000.

3. School uniform allowance & educational maintenance grant

3.1. Since 2016, the Committee has administered the school uniform allowance. The threshold for eligibility is linked to the income support requirement rates. The parents (or guardians) of 1,160 pupils have received the allowance for the academic year commencing in September 2022. The amount received is dependent on household income. The maximum available for the current academic year is £366.54 for a Grammar School pupil, £340.60 for a High School pupil and £223.82 for a primary school pupil.

3.2. Educational maintenance grants are provided to low income families to encourage young people to remain in education beyond school leaving age. The grant is paid in respect of students who are 16 or 17 at the start of the academic year. The grant is made on a termly basis subject to good attendance. Financial eligibility is determined on the same basis as the uniform allowance. The full grant is £1,515.00 per annum, but the grant is also payable at reduced rates. At the time of writing, three applications for the 2022/23 academic year had been received.

3.3. The combined budget for providing these services is £185,000 for 2022. The budget for 2023 is £199,000.

4. Family Allowance

4.1. In August 2020, following consideration of joint proposals[24] from the Committee *for* Health & Social Care, the Committee *for* Education, Sport & Culture and the Committee, the States resolved to introduce a household income cap for the purposes of entitlement to family allowance of £120,000 per annum and to cease payments of the allowance when a child reaches the age of 18 (the allowance stops earlier if a child ceases full-time education). Savings arising from these changes would be used to fund:

- Subsidised children's GP and nurse appointments;
- Subsidised children's Emergency Department attendance and treatment;
- Annual dental check-ups, fluoride varnish treatment and dental health education; and
- Cultural enrichment activities in primary schools.

4.2. Previously, family allowance was a universal benefit that had historically been paid to all families with qualifying children. The changes came into force on 3rd January 2022. Since then, around 1,900 family allowance claims have been closed, bringing the number of claims down to roughly 4,800 at the time of writing.

4.3. The Committee is recommending that the weekly rate of family allowance is increased by 7% from £14.80 to £15.80 per child per week, from 2nd January 2023. Expenditure on family allowance in 2021 totalled £8.6m. It is estimated that expenditure on family allowance in 2022 will be £6.5m and the budget for 2023 is £7.0m. The Committee recommends that the household income cap remains at £120,000 per annum in 2023.

5. Severe Disability Benefit and Carer's Allowance

<u>Rates and annual income limit</u>

5.1. The Committee recommends that the rate of severe disability benefit and the annual income limit for both severe disability benefit and carer's allowance, be increased by 7% from 2nd January 2023, as shown in Table 12 overleaf.

5.2. In recent years, there have been calls to significantly increase the rate of carer's allowance. It is important to note that carer's allowance is not intended to be a wage for caring or a person's sole source of income. Income support is available for people with care responsibilities who do not have sufficient income to meet their needs, subject to them meeting the necessary eligibility criteria relating to income, savings, etc. In this way, financial

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24 Building a Better Future: Children's Health & Education (Billet d'État XVI of 2020, Article XIII)

assistance is targeted at those who most need it. That said, the Committee recognises the concerns of carers and recommends that the rate of carer's allowance be increased by 10% from 2nd January 2023. The estimated cost of this real-terms increase in the rate of carer's allowance (i.e. the cost of increasing the rate by 3% more than inflation) is £100,000.

Table 12 – Current and proposed annual income limit and weekly rates of severe disability benefit and carer's allowance

	2022	2023
Severe disability benefit - weekly rate	£113.54	**£121.52**
Carer's allowance - weekly rate	£91.90	**£101.09**
Annual income limit for both allowances	£106,000.00	**£113,400.00**

5.3. Actual benefit expenditure on severe disability benefit and carer's allowance for 2019-2021 is shown in Table 13 below. The expected outturn for these benefits for 2022 and the budget for 2023 is also set out.

Table 13 – Expenditure on severe disability benefit and carer's allowance

	2019 Actual £m	2020 Actual £m	2021 Actual £m	2022 Forecast £m	2023 Budget £m
Expenditure	6.3	6.7	7.3	7.8	**8.8**

5.4. The increase in expenditure is due, in part, to increasing demand as a result of several factors including:

- changes to the eligibility criteria for carer's allowance, allowing carers with earnings above the lower earnings limit, as well as carers who qualify for short-term social insurance benefits, to qualify for carer's allowance if they meet the other eligibility criteria,
- ongoing promotion of the benefits, and
- the ageing population.

Review of carer's allowance

5.5. Following the debate of the 2016 Policy Letter entitled 'Supported Living and Ageing Well Strategy'[25], the States directed the Committee, in conjunction with the Policy & Resources Committee, to investigate the implications of the principle of extending the Long-term Care Insurance Scheme to include care and support at home. It was agreed that the investigation should include a review of benefits such as severe disability benefit and carer's allowance. In

25 The Supported Living and Ageing Well Strategy (Billet d'État III of 2016, Volume II, Article XIV)

2020, following the debate of the Policy Letter entitled 'Supported Living and Ageing Well Strategy: Extending the Life of the Long-term Care Insurance Scheme'[26], the States then further directed the Committee, in conjunction with the Committee *for* Health & Social Care, to develop implementation plans to extend the scheme to incorporate care provided at home, no later than June 2022.

5.6. This review has not commenced as the Committee has focussed on other major policy priorities identified in the Government Work Plan. However, it remains of the view that a review of the current rate and model of carer's allowance should be undertaken when resources allow.

6. Free TV licences

6.1. From 1st January 2020, the BBC has only issued free TV licences to residents in Guernsey and Alderney aged over 75 years in receipt of income support. Income support claimants aged between pension age and 75 continue to be eligible for a free TV licence funded by the Committee. The cost of this is anticipated to be approximately £7,000 in 2023.

6.2. Following a recommendation made by the Committee, and consultation with the relevant authorities in Alderney and Sark, the Policy & Resources Committee has sent a formal request for the Simple Payment Plan for TV licence fee payments to be extended to cover the entire Bailiwick.

6.3. Officers in the UK are continuing to work with the BBC to establish the process and timescale required for the extension of the Simple Payment Plan. It is understood that the BBC has highlighted a number of operational challenges, which continue to be addressed by officers at the Department for Digital, Culture, Media & Sport at the time of writing.

7. Asbestos compensation scheme

7.1. The scheme provides a single payment to people living in Guernsey or Alderney who have been exposed to asbestos and developed diffuse mesothelioma. Other asbestos-related conditions are not covered by the scheme. The scheme is currently being administered on an extra-statutory basis, but it will be put on a statutory footing in due course, subject to the normal legislative prioritisation process.

7.2. People who were diagnosed with diffuse mesothelioma before 1st January 2020 were able to make a retrospective application for payment until 31st

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[26] Supported Living and Ageing Well Strategy: Extending the Life of the Long-term Care Insurance Scheme (Billet d'État XVI of 2020, Article IX).

March 2021. Thereafter, a person must make an application within 12 months of diagnosis. Payments are made according to a set tariff based on the age of the eligible person at the date of diagnosis.

7.3. To date, a total of thirteen applications have been received, with three of these being submitted in 2022. The cost of the scheme during the first year of take-on (2021) was £144,000 and for 2022 is forecast to be £16,000.

7.4. The Policy Letter[27] that set out the details of the proposed compensation scheme stated that:

> "Awards would be single payments based on the person's age at diagnosis, with rates equal to the 2021 Jersey payments, uprated by Guernsey RPIX each year…"

7.5. In accordance with this policy, the Committee recommends that the awards are increased, with effect from 1st January 2023, by 7%, in line with RPIX as at the end of June 2022. The current rates of compensation and the proposed new rates for 2023 are set out in Table 16 in Appendix 4 to this Policy Letter. A budget of £100,000 has been allocated for 2023.

8. Non-contributory services funded from General Revenue

8.1. This Policy Letter is about the non-contributory benefit rates for 2023, so the financial position reported in this section relates only to Social Security services and benefits funded from General Revenue, and not the additional General Revenue funded services that come under the Committee's mandate.

8.2. Table 14 overleaf summarises the impact of the proposed benefit rates on expenditure for 2023. This table also includes the 2022 revised forecast at the time of writing, and the actual expenditure figures for 2019 to 2021.

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27 Diffuse Mesothelioma Payment Scheme (Billet d'État XI of 2020, Article XII).

Table 14 – Summary of Social Security benefits expenditure funded from General Revenue

	2019 Actual £m	2020 Actual £m	2021 Actual £m	2022 Forecast £m	2023 Budget £m
Income support	41.1	46.9	46.5	45.7	49.6
Family allowance	8.5	8.5	8.6	6.5	7.0
Severe disability benefit & carer's allowance	6.3	6.7	7.3	7.8	8.8
Diffuse mesothelioma	-	-	0.1	-	0.1
Concessionary TV licence[28]	0.2	-	-	-	-
General Revenue grant to GIF	16.7	16.2	17.7	-	-
Sub-total formula led expenditure	**72.8**	**78.3**	**80.2**	**60.0**	**65.5**
School uniform allowance & educational maintenance grant	0.2	0.2	0.2	0.2	0.2
Administration	2.3	2.2	2.0	1.6	2.1
Others[29]	0.3	0.3	0.1	0.1	0.1
Sub-total non-formula led expenditure	**2.8**	**2.7**	**2.3**	**1.9**	**2.4**
Total expenditure	**75.6**	**81.0**	**82.5**	**61.9**	**67.9**

Inflation and Earnings Risk

8.3. It is noted that a key risk is the rate of inflation being experienced by benefit recipients exceeding the headline inflation rate (due to the comparative weighting of certain items – for example, fuel and basic foodstuffs are likely to account for a greater proportion of a benefit claimant's expenditure). As previously stated, the Committee intends to investigate other methods for uprating non-contributory benefits.

8.4. It is likely that, in a high inflation environment, earnings growth will lag behind inflation. As a result, there may be more income support claimants because their earnings have not kept pace with inflation. Such new claimants will likely receive a relatively small 'top-up' payment but will also become eligible for other benefits, such as free GP appointments and winter fuel allowance, which will add to the cost. In the current circumstances, this is likely to be the largest risk to income support costs over the next year.

28 From January 2021, free TV licences are only available to income support claimants over pension age, which is factored into the income support budget. TV licences for income support claimants over 75 are funded by the BBC.

29 Others include back to work schemes, charitable grants, and miscellaneous expenditure.

Income support claim data

8.5. As at 20th August 2022, there were 3,064 active income support claims, as set out in Table 15 below. These claims include 2,180 dependants, of which 1,711 are children, giving a total income support population of 5,244 people (5,435 people as at 4th September 2021).

8.6. Income support claimants were previously split into ten classifications by which they could be identified and managed in practice. An amendment to legislation in 2014 removed these classifications in Law, however, claims are still split into those categories for the purposes of claims management and financial analysis. The classifications are referred to in the analysis of claims and expenditure shown in Table 15.

Table 15 – Income support claims and expenditure

Classification	Claims at 4th September 2021	Claims at 20th August 2022	2021 Actual (£m)	2022 Forecast (£m)	2023 Budget (£m)
Pensioner	920	913	7.1	7.3	8.1
Incapacitated	626	680	8.4	9.8	10.6
Jobseeker or low earner	814	618	12.7	10.8	11.6
Single parent	320	281	8.1	6.9	7.5
Disabled	206	208	2.7	2.8	3.0
Work requirement met	208	325	3.0	4.3	4.7
COVID-19	3	-	0.8	-	-
Other[30]	100	39	0.6	0.6	0.7
Total (excl. dependants)	**3,197**	**3,064**	**43.4**	**42.5**	**46.2**
Special Grants[31]			3.0	3.2	3.4
Rent Rebate Transition			0.1	-	-
Total			**46.5**	**45.7**	**49.6**

8.7. There are individuals in all of the above categories who undertake work, some of whom may have no requirement to work as a condition of receipt of benefit. For instance, in August 2022, 46.2% of those categorised as single parents were in work. It should be remembered that income support is a benefit designed to ensure a minimum acceptable standard of living, and that many of its recipients are in full or part-time work. However, these claimants

30 Includes carer, pregnant, prisoner's spouse, partner in hospital and a small number of claimants whose classification is unknown.

31 Includes special grants in respect of medical expenses, disability, funeral expenses and other miscellaneous expenses.

do not earn enough for their household to enjoy a reasonable standard of living, which is why they receive a top-up from income support.

9. Compliance with Rule 4 of the Rules of Procedure

9.1. Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, Propositions laid before the States.

9.2. The majority of the proposals in this Policy Letter are considered business as usual. In accordance with Rule 4(1)(a), the Committee confirms that Propositions 1 and 2 and 4 to 6 relate to the category 1 action 'Review minimum income standards with initial focus on income support and winter fuel allowance' under Priority 3 of the Government Work Plan ('Delivering Recovery Actions').

9.3. In accordance with Rule 4(1)(b), it is confirmed that the Committee has consulted with the Policy & Resources Committee throughout the drafting of this Policy Letter.

9.4. In accordance with Rule 4(1)(c), the Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.

9.5. In accordance with Rule 4(1)(d), estimates of the financial implications to the States of carrying the proposals into effect are set out in Table 14 of this Policy Letter.

9.6. In this Policy Letter, the Committee has set out its proposals for non-contributory benefit rates for 2022. In accordance with Rule 4(2)(a), it is confirmed that the Propositions accord with the Committee's purpose:

> "To foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation."

9.7. In accordance with Rule 4(2)(b), it is confirmed that the Propositions have the unanimous support of the Committee.

Yours faithfully

P J Roffey
President

H L de Sausmarez
Vice-President

T L Bury
S J Falla
J A B Gollop

M R Thompson
Non-States Member

R J Le Brun
Non-States Member

APPENDIX 1

Introduction to income support

Income support was introduced on 6th July 2018 as the replacement for the supplementary benefit and rent rebate systems. Income support is an in-work benefit, supporting those whose wages or earning potential, for whatever reason, is insufficient to meet their own or their family's needs. Income support also provides financial support for pensioners and people with caring responsibilities or who have a health condition or impairment that significantly affects their work capacity.

'Requirement rates' are essentially a personal allowance intended to cover all daily costs of living, except for housing costs, which are separately factored in. The short- and long-term requirement rates are set annually by the States. The short-term rates are lower than the long-term rates because they exclude expenses which could reasonably be deferred for a short period of time, such as the replacement of clothing and household goods. Most claims start at short-term rates, which are paid for six months. Long-term rates are payable when a claim exceeds six months in duration, or from the outset for pensioners and those with severe disabilities.

For householders, a rent allowance is then added to the sum of the family members' requirement rates. The rent allowance is equal to the amount the family pays in rent or mortgage interest (mortgage capital is not covered). If this exceeds the 'maximum rent allowance' which applies to their household composition, the rent allowance is capped at that maximum level. The sum of the family members' requirement rates and rent allowance is their total requirement - in other words, it is their level of need.

Individuals who have income that falls between their short-term and long-term requirement, do not receive a cash benefit for the first six months of their claim, but are eligible to receive payment at long-term rates from six months onwards.

If a non-dependant (e.g. a claimant's adult son or daughter) lives with the claimant, an assumed contribution from the non-dependant towards the claimant's rent is deducted from the claimant's rent allowance. This assumed contribution is currently £80.50 per week. If the non-dependant qualifies for income support, this amount is added to their requirement rate (to be paid to the householder they live with) to determine their level of need.

The net amount of income that the claimant and their spouse or co-habiting partner (if relevant) receives from earnings, other benefits (e.g. family allowance, States pension, etc.) and any other sources, is then deducted from the claimant's total requirement to determine if they have sufficient income to meet their needs. When taking into account earnings, the first £35.00 of a person's earnings are disregarded (or £70 if both members of a couple are in work). This is known as the 'earnings disregard' and is intended to incentivise work. If the claimant does not have sufficient income to meet their requirements, the shortfall is made up through income support. However, if the family’s total requirement exceeds the ‘limit of weekly income’, the family will not receive sufficient income support to meet their requirements. The limit of weekly income caps the total amount of weekly income that a household claiming income support can receive from all sources, including earnings.

APPENDIX 2

Introduction to the Minimum Income Standard and baskets of goods

Income support rates were originally derived from the costs of defined 'baskets of goods', the contents of which were set out as necessities of day-to-day living. An independent study conducted in 2010 by Loughborough University's Centre for Research in Social Policy (CRSP), defined the precise contents of these baskets for different household types in Guernsey at that time. The household types studied were working age adults without children, working age adults with children, and pensioners.

MIS methodology involves working with focus groups whose composition is identical to the household types analysed within the research. Pensioners form one group to discuss the needs of pensioners, parents discuss the needs of parents and children, and single working age adults discuss the needs of themselves and their peers. This step is undertaken to ascertain which items and services are essential to achieve a Minimum Income Standard (MIS) in a Guernsey context. Follow-up focus groups critique and amend the decisions made by each previous group, until final baskets of goods are produced. Following this, a pricing exercise is undertaken to determine the cost of each item and service within defined categories including food and drink, clothing and footwear, housing and household goods, personal goods and services, and leisure goods and services. The final baskets of goods and their associated Guernsey prices are referred to as 'MIS budgets'.

The report on this study, published in 2011, set out the Guernsey-specific MIS budget for each household type, based on the contents of the baskets of goods.

Following debates on two reports relating to the modernisation of supplementary benefit in 2012[32] and 2013[33], in which only proposals on work incentivisation and amendments to legislation in the first report were approved, the Social Welfare Benefits Investigation Committee (SWBIC) was constituted as a Special Committee of the States in 2013 following a successful amendment during the 2013 debate. Its mandate was to examine the former supplementary benefit and rent rebate systems and develop proposals to amalgamate the two schemes into one comprehensive and affordable social welfare benefits system.

As part of this work, SWBIC examined the baskets developed through the 2011 MIS research[34] and modified their contents to make them a suitable basis on which to set the income support requirement rates. The new, amended budgets were uprated to 2018 values and used to set the first income support requirement rates. These were

32 Modernisation of the Supplementary Benefit Scheme – Phase 1 (Billet d'État V of 2012, Volume I, Article VI)

33 Benefit and Contribution Rates for 2014 and Modernisation of the Supplementary Benefit Scheme (Billet d'État XX, Volume II, Article XI)

34 Appended to Modernisation of the Supplementary Benefit Scheme – Phase 1 (Billet d'État V of 2012, Volume I, Article VI)

implemented in July 2018, following debate of SWBIC's Policy Letter in March 2016[35] and some final adjustments approved by the States in February 2018[36].

Short-term income support requirement rates were set significantly lower than short-term supplementary benefit requirement rates. The new long-term income support requirement rates, while much lower than the 2011 MIS rates, were substantially higher than supplementary benefit long-term requirement rates. Since then, requirement rates have been uprated each year in line with RPIX but are otherwise still based on the SWBIC-adjusted baskets of goods which were created and priced in 2010 and 2011.

In its Policy Letter entitled 'Non-contributory Benefit Rates for 2020'[37], the Committee's predecessor said that it was of the view that the baskets of goods needed to be updated to reflect modern standards of living in Guernsey, and the States resolved:

> '2. To direct the Committee for Employment & Social Security to commission an independent analysis of the baskets of goods in order to update the minimum income standard for Guernsey and to submit the findings to the States no later than the date of submission of the Policy Letter on non-contributory benefit rates for 2021.'

Resources to carry out this work were secured through the 2020 budget process. CRSP was selected to undertake the work to reflect the internationally recognised MIS. However, the COVID-19 lockdown in 2020 disrupted the research and, as a result of the delay, the Committee followed the usual uprating policy for 2021 by recommending a 2.4% increase to income support requirement rates, in line with RPIX for June 2020.

The research to produce a new, updated MIS for Guernsey was completed in June 2021. A provisional report was submitted to the Committee in July 2021, and the final report was received in September 2021.

MIS research lists many hundreds of goods and services for each household type. Although there are only three principal household types, MIS research delves even deeper by producing distinct results for adults of different genders. Research for children is not characterised by gender, but results are generated for four distinct age categories, these being toddler, pre-school, primary school, and secondary school age ranges. This means that, in total, multiple goods and service lists are produced for ten

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35 Comprehensive Social Welfare Benefits Model (Billet d'État VII of 2016, Volume II, Article IX)

36 The Implementation of Income Support and Transitional Provisions (Billet d'État VIII of 2018, Article V)

37 Non-contributory Benefit Rates for 2020 (Billet d'État XXI of 2019, Article II)

distinct groups (i.e. three adult categories – working age without children, parents, and pensioners – each divided into two genders, and four child categories).

APPENDIX 3

Figures 2 and 3 support the assertion made in paragraphs 2.34 and 2.35 that the current limit of weekly income does not treat income support claimants equally or fairly.

Figure 2 – Breakdown of weekly requirement rates of an income support household with a total requirement above the limit of weekly income (adjusted in respect of family allowance)

Household requirement	
Rent allowance	£368.34
Single householder	£207.04
Child aged 11+	£121.38
Child aged 11+	£121.38
Child aged 5-10	£91.20
Child aged 5-10	£91.20
Child under 5	£61.04
Total:	**£1,061.58**

Total assessable household income	
Child maintenance	£14.06
Family allowance	£74.00
Total:	**£88.06**

This is a single-parent family living in a three-bed social housing property.

Because this family's requirement is above the weekly income limit of £980.00, the family allowance amount can be disregarded in full.

This means that, in total, the family's limit of weekly income can be regarded as £1,054.00 (£980 limit + £74.00 family allowance).

As such, the requirement (£1,061.58) still exceeds this adjusted limit, albeit with a small shortfall of £7.58 per week.

Figure 3 – Breakdown of weekly requirement rates of an income support household with a total requirement below the limit of weekly income (adjusted in respect of family allowance)

Household requirement	
Rent allowance	£299.94
Couple householder	£342.79
Child aged 11+	£121.38
Child aged 11+	£121.38
Child aged 5-10	£91.20
Child under 5	£61.04
Total:	**£1,037.73**

Household income	
Earnings	£594.03
Family allowance	£59.20
Total:	**£653.23**
Household income disregarded	
Earnings disregard	**(£35.00)**
Earnings disregard	**(£35.00)**
Total:	**(£70.00)**
Total assessable household income	
Income	£653.23
Disregards	(£70.00)
Total:	**£583.23**

This is a two-parent family also living in a three-bed social housing property. One parent is employed full time, the other does some self-employed work.

Because this family's requirement is above the weekly income limit of £980.00, the family allowance amount can be disregarded.

However, if family allowance was disregarded in full, the household's limit of weekly income would be £1,039.20 (£980 limit + £59.20 family allowance). This is above their defined requirement. As a result, £57.73 of family allowance can be disregarded to match the requirement of £1,037.73.

This means that their requirement does not exceed this adjusted limit and the family does not experience a shortfall in its income.

Although the family illustrated in Figure 3 has a slightly lower household requirement than the family illustrated in Figure 2, the key reason that the income of the family illustrated in Figure 3 is not capped is their much lower weekly rent, despite both families living in a three-bedroom social housing property.

Social housing tenants have little to no choice in the property they are allocated which means that the limit of weekly income unfairly disadvantages the family in Figure 2 through no fault of their own.

APPENDIX 4

Table 16 – Current and proposed payment tariffs for 2023 under the Mesothelioma Compensation Scheme

Age of eligible person at date of diagnosis or date of death	2022		2023	
	Eligible person	Eligible relative	Eligible person	Eligible relative
<= 37	£96,929	£50,444	£103,714	£53,975
38	£95,045	£49,359	£101,698	£52,814
39	£93,165	£48,276	£99,687	£51,655
40	£91,283	£47,195	£97,673	£50,499
41	£89,399	£46,114	£95,657	£49,342
42	£87,518	£45,031	£93,644	£48,183
43	£86,579	£43,995	£92,640	£47,075
44	£85,632	£42,951	£91,626	£45,958
45	£84,695	£41,923	£90,624	£44,858
46	£83,753	£40,887	£89,616	£43,749
47	£82,812	£39,855	£88,609	£42,645
48	£80,182	£38,584	£85,795	£41,285
49	£77,546	£37,310	£82,974	£39,922
50	£74,908	£36,043	£80,152	£38,566
51	£72,276	£34,776	£77,335	£37,210
52	£69,634	£33,507	£74,508	£35,852
53	£67,754	£32,466	£72,497	£34,739
54	£65,874	£31,434	£70,485	£33,634
55	£63,996	£30,399	£68,476	£32,527
56	£62,105	£29,357	£66,452	£31,412
57	£60,224	£28,325	£64,440	£30,308
58	£55,332	£25,460	£59,205	£27,242
59	£50,437	£22,586	£53,968	£24,167
60	£45,550	£19,718	£48,739	£21,098
61	£40,654	£16,846	£43,500	£18,025
62	£35,762	£13,973	£38,265	£14,951
63	£32,748	£13,152	£35,040	£14,073
64	£29,735	£12,338	£31,816	£13,202
65	£26,728	£11,504	£28,599	£12,309
66	£23,715	£10,682	£25,375	£11,430
67(+)	£20,706	£8,352	£22,155	£8,937
68	£20,092		£21,498	
69	£19,476		£20,839	
70	£18,870		£20,191	

Age of eligible person at date of diagnosis or date of death	2022		2023	
	Eligible person	Eligible relative	Eligible person	Eligible relative
71	£18,259		£19,537	
72	£17,649		£18,884	
73	£17,128		£18,327	
74	£16,597		£17,759	
75	£16,090		£17,216	
76	£15,579		£16,670	
77+	£15,061		£16,115	