

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**POLICY & RESOURCES COMMITTEE**

**IMPROVING LIVING STANDARDS**

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Improving Living Standards', dated 2 March, they are of the opinion:

1. To agree that the following policy should be developed as a priority policy (to be known as "Improving Living Standards") for potential incorporation in the Future Guernsey Plan (2020 – 2024) with the following vision statement

*"To provide an environment which supports those in our community most at risk of deprivation and gives them the opportunity to thrive", and*

2. To direct the Policy & Resources Committee to co-ordinate the delivery of this priority area in accordance with the terms of reference described in section 4 of the Policy Letter.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**POLICY & RESOURCES COMMITTEE**

**IMPROVING LIVING STANDARDS**

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

2 March 2020

Dear Sir

**1. Executive Summary**

- 1.1 The majority of people who live in the Islands experience a good standard of living. High level indicators show that our community has many advantages. Median income and household incomes are high relative to UK and international norms, unemployment is very low, average life expectancy is long and crime rates are low. However, in any community there are those whose day to day experience of life falls short of that experienced by their neighbours.
- 1.2 In a developed economy it is expected that the government and the community will assist those most in need; that those who have more will help support those that need more. This can take many forms including providing financial benefits such as Income Support; the provision of public services such as health care and education; or in establishing law to protect those who are vulnerable.
- 1.3 As part of the debate on the Policy & Resource Plan 2018 Review and 2019 update ([Billet d'État IX, June 2019](#)) the States resolved to direct:

*“the Policy & Resources Committee to review and assess the impact of current initiatives contributing to States of Guernsey’s response to in-work poverty, bringing an update in the Policy & Resources (Future Guernsey) policy letter in May 2020, in consultation with the Committee for Employment & Social Security, the Committee for Health & Social Care, and other stakeholders, and focusing especially on the work being done to address:*

*(i) benefit rates and tax levels;*

*(ii) affordability of housing; and  
(iii) affordability of primary health care and emergency health care; and*

*the Policy & Resources Committee, guided by existing States Resolutions on in-work poverty and working with the Committee for Employment and Social Security, other States Committees and the third sector, to undertake preparatory investigations of policies successful in breaking poverty, with a specific focus on generational focus.”*

1.4 Restrictions on the length of the Future Guernsey Plan policy letter prevent this matter being covered in sufficient detail. The Policy & Resources Committee has instead chosen to lay this dedicated policy letter, the purpose of which is to summarise what is known about comparative living standards in Guernsey and the policy development and implementation that is already underway which might serve to improve living standards for Islanders. It recommends terms of reference for a policy priority for consideration in the Future Guernsey Plan which will provide a single framework to co-ordinate work streams and facilitate clearer and more joined up policy development with a shared vision and objectives.

1.5 The priority area will aspire to the following vision Statement:

**“To provide an environment which supports those in our community most at risk of deprivation and gives them the opportunity to thrive.”**

1.6 It will set the following objectives:

- i. To recognise and address areas where socio-economic considerations create inequalities in:
  - a) access to public services;
  - b) health and educational outcomes; and
  - c) access to necessities such as housing, energy and food.
- ii. To identify and address areas where public policy creates a barrier to individuals and households improving their personal circumstances and creates poverty traps.
- iii. To support and encourage households at risk of generational deprivation to:
  - a) participate fully in work and education;
  - b) make positive lifestyle choices;
  - c) be independent of drugs, alcohol and problem gambling;
  - d) create a safe household environment free from violence;
  - e) manage their resources effectively and aspire to financial independence; and

- f) pursue good mental health practices and feelings of value and self-worth.

- 1.7 The States are already directly or indirectly dealing with many of the issues associated with poor living standards under a variety of policy areas. These include work streams forming part of the Future Model of Care, the Housing Strategy, the Justice Policy, the Children & Young People's Plan, Secondary Pensions, Disability, Equality & Inclusion Strategy, Supported Living and Ageing Well, Improving Educational Outcomes and the Transformation of Secondary Education. **The creation of this priority area is not intended to duplicate or undermine the work already underway.** Instead it will provide a framework under which such work streams can be co-ordinated and their individual and combined contributions to improving the living standards of islanders can be reported.
- 1.8 This priority area builds on the work begun by the Scrutiny Management Committee in 2018 with the publication of the In-work Poverty Review ([Billet d'État I, Jan 2018, Article III](#)). However, the approach has been expanded to cover a broader definition of deprivation and a wider scope.
- 1.9 Deprivation can take many forms, many of which are closely interrelated and more challenging to tackle than raising a household's income. Deprivation in Guernsey is measured across seven domains: income, employment, health, education, crime, housing and environment. Of these, income is the measure which receives the largest focus (in part because it is the easiest to measure and interpret), but in reality it is only part of a much more complex picture.
- 1.10 Beyond the direct cost of providing financial support to households with low incomes, dealing with the issues associated with poor living standards is expensive. The Joseph Roundtree Foundation estimate that 25% of all health spending in the NHS is spent treating health conditions associated with poverty. Of the 1,347 custody records made by the Guernsey police in 2018, 514 (38%) were readily identified as being under the influence of alcohol<sup>1</sup>. Indicators of deprivation, such as poverty, poor education, unemployment and social isolation are also major risk factors for poor mental and physical health. Tackling poor living standards and their causes meets not only the government's responsibility to assist those most in need but may have long term financial benefits.

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<sup>1</sup> Guernsey Police annual report 2018

<sup>2</sup>English Atlas of Inequality <https://www.nuffieldfoundation.org/news/english-atlas-inequality-challenges-assumptions-rich-and-poor-areas>

- 1.11 The intention of this policy letter is to establish the framework to treat the issues surrounding poor living standards and deprivation in a holistic manner.

## **2. Defining poverty, income inequality and deprivation**

- 2.1 At its most basic **poverty** might be defined as  
*“a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living.”*
- 2.2 But in reality most people recognise that the issue in question is about more than a simple consideration of income (see Appendix A for a summary of definitions).
- 2.3 **Income inequality** shows differences in income levels between people who live relatively near each other. Someone may be considered ‘comfortable’ relative to global or national standards but, if they live in a particularly affluent area like Guernsey, still have few resources when considered relative to others in their local region.
- 2.4 This type of relative definition is necessarily subjective and depends on your expectations and frame of reference. Not everyone who would fall below the definition of being “*at risk of **relative poverty***” (defined in Guernsey as living in a household with a net equivalised household income after housing cost of less than 60% of the median) would consider themselves poor. Equally there may be others who would not fit this definition who may feel they are disadvantaged by a lack of resources.
- 2.5 However, there are a number of deprivation indicators in areas such as health, education and justice which have been shown to be correlated to inequalities in income. For example, women in the least deprived areas of the UK live, on average, eight years longer than those in the most deprived neighbourhoods<sup>2</sup>. This means that while income measures are most commonly used to define those *at risk* of poverty or deprivation, and they are useful in identifying vulnerable groups, they are only part of the picture.
- 2.6 **Deprivation** refers to a more general lack of resources and opportunities. Unemployment, poor housing, lack of qualifications, debt, low income, fuel poverty, crime, violence, drug and alcohol dependence and many other social and environmental factors all affect the health and wellbeing of the population. Where individuals or households are exposed to multiple deprivation factors the impact on their standard of living can be pronounced.
- 2.7 Deprivation can be **situational**, where a household’s income or support has decreased due to a change in circumstances. Common examples may arise: as a result of death or divorce which may leave one partner (often the partner who filled the principle care role in a household) with limited access to resources;

where a key earner in a household has become unemployed or unable to work; where a household's lifetime savings are inadequate to support their retirement or where an individual needs to reduce their working hours and other commitments in order to provide care for a partner, parent, child or other relative.

- 2.8 Situational poverty or deprivation can be temporary or permanent but either can have adverse effects on physical and mental health. Unemployment or being unable to work has been shown to have a particularly detrimental effect on people's happiness and mental health, eroding self-confidence and feelings of self-worth. This can impair an individual's ability to re-enter the workforce if allowed to persist. Situational deprivation can also lead to loneliness and isolation. In Guernsey, 23% of over 65s describing themselves as intensely socially lonely, while 21% of under 50s describing themselves as emotionally lonely<sup>2</sup>.
- 2.9 Deprivation may also be **generational** in nature, defined as a family having lived in poverty for at least two generations. These cases tend to be more complex and self-perpetuating. For example, educational attainment is a key factor in an individual's lifetime earning potential but research also suggests that children's educational attainment is correlated with the educational attainment of their parents<sup>3</sup>. Poor educational outcomes, and the associated limited earning potential, therefore have a tendency to persist through generations.
- 2.10 Other key risk factors also have a generational element. These might include poor financial management; risk taking behaviour such as early engagement in sexual activity<sup>4</sup> and drug and alcohol consumption; abusive relationships<sup>5</sup>; poor mental and physical health outcomes; and an increased risk of offending<sup>6</sup>.
- 2.11 Households with fewer resources tend to find it more difficult to change either because they have less access to information or because they lack the resources, time, support or motivation to make lifestyle changes. As a result households in generational poverty often face multiple risk factors and may lack the tools to

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<sup>2</sup> <https://gov.gg/CHttpHandler.ashx?id=119497&p=0>

<sup>3</sup> Early, late or never? When does parental education impact child outcomes? M Dickenson, P Gregg and H Robinson. The centre for market and public organisation, Bristol Institute for public affairs

<sup>4</sup> Intergenerational Family Relations and Sexual Risk Behaviour in Young Women; Tuttle, Jane PhD, APRN, BC, FNP; Landau, Judith MD, DPM, CFLE; Stanton, M. Duncan PhD; King, Kathleen Utter MS, CNM; Frodi, Ann PhD MCN, The American Journal of Maternal/Child Nursing: January-February 2004 - Volume 29 - Issue 1 - p 56-61

<sup>5</sup> Culture and the intergenerational transmission of substance abuse, woman abuse, and child abuse: A diathesis-stress perspective; Martha Markward, Cheryl Dozier, Kirk Hooks, Nathan Markward; Children and Youth Services March–April 2000

<sup>6</sup> Social disadvantage, crime, and punishment. Dean, Hartley and Platt, Lucinda; Social Advantage and Disadvantage: Oxford University Press, 2016 , pp. 322-340 <http://eprints.lse.ac.uk>

move out of their situation without help. Consequently, those with limited resources are more likely to have individual risk factors for ill health such as smoking, poor diet and lack of exercise.

- 2.12 Tackling generational issues is generally much more complex than alleviating situational poverty, with a broader range of support required to tackle multiple risk factors. It is not uncommon for multiple agencies spanning education, health, social care and law enforcement disciplines to be involved in supporting households with the most complex challenges to overcome.
- 2.13 There are households for whom lack of income is the most significant causal factor, limiting their ability to participate in the community and potentially compromising their health and education outcomes.
- 2.14 There are other households where the key limiting factor on their quality of life may be poor mental health, which keeps them from work or education. Still others may face issues with accessing appropriate housing at a price they can afford, or lack the family support structures to help their children achieve their potential.
- 2.15 Such households may appear to be suffering deprivation in the same area, but the root causes of that deprivation may be very different. If the key to alleviating deprivation and improving living standards is to give households access to the tools and skills to deal effectively with the challenges they face, then the solutions will be as varied as their causes. For example, a household whose children have poor school attendance because they struggle to afford the cost of uniforms and other school equipment or transport requires a different type of support to a household where the poor attendance is a result of mental or physical health issues.
- 2.16 As a result any framework to improve living standard needs to cover a wide area of policy and allow a holistic approach.

### 3. Summary of available data

- 3.1 Guernsey has an unusually detailed data resource about the income and circumstances of local households from the Guernsey Rolling Electronic Census (see Appendix C). While this lacks some of the information on key elements, such as working hours, and health and educational attainment, there is detailed cross sectional information about personal, pension and benefit incomes and housing circumstances.
- 3.2 The States have published a broader range of indicators of deprivation since 2015 in their annual “Guernsey Indicators of Poverty Report” (see Appendix D). These monitor outputs across income, employment, health, education, crime, housing and environment, using a suite of indicators drawn and adapted from the “English Indices of Deprivation” used to monitor living standards between regions.
- 3.3 The median equivalised<sup>7</sup> income after payment of income tax, social security contributions and housing costs in Guernsey was £32,434 in 2017. This means a typical couple on a middle income would have an estimated £624 a week of disposable income left to spend *after they had paid their rent or mortgage*.
- 3.4 An estimated 21.8% of the population live in a household with a disposable income of less than 60% of this (less than £374 a week after housing costs) and could be considered at risk of relative poverty.
- 3.5 Because Guernsey has a high median earnings, its threshold for those at risk of poverty is also relatively high. For example the 60% of median income threshold in Guernsey is 43% higher in direct monetary terms than the UK equivalent (referred to as relative low income after housing costs). This means that while the proportion of the population defined as at risk in Guernsey is similar to the UK (c22%), this is measured against a significantly higher threshold of income.
- 3.6 This data is presented after accounting for the cost of housing, which is acknowledged to be one of the principle cost pressures in Guernsey and a primary source of the assumed higher cost of living in Guernsey. Beyond the cost of housing, there is no definitive analysis on the relative cost of living in Guernsey verses the UK or any other jurisdiction. The assumption that living costs are higher in Guernsey is generally accepted, but is not formally demonstrated or quantified so it is not possible to adjust for this.

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<sup>7</sup> Equalization is a standard technique for adjusted household income data to account for the number of people that income must support. Incomes are adjusted to be equivalent to a two adult household with no children. See appendix 2 for more detail.

**Table 3.1: Comparison of Guernsey and UK equivalised median household income statistics**

	Guernsey (2017)	UK <sup>8</sup> (2017/18)
<b>Weekly equivalised median income after taxes and housing costs</b>	£624	£437
<b>60% of median</b>	£374	£262
<b>% of people living in households below 60% of median</b>	21.8%	22%
<b>% of children living in households below 60% of median</b>	29.9%	30%
<b>% of households with employed income equivalent to at least one full time minimum wage with income less the 60% of the median</b>	11.9%	NA

- 3.7 The available analysis has been expanded in the most recent publication of household income data (see Appendix C) to reveal more detail about the profile and risk factors associated with income deprivation. The data shows that those above pension age and those with children have an increased likelihood of being at risk of relative poverty but that the most significant predictor is to be in a single adult household. Two thirds of single parent families would be classified as at risk, along with more than half of single pensioners and more than 40% of single adults without children.

**Table 3.2: Households at risk of poverty by household composition**

	Percentage of all households with less than 60% equivalised household income	Percentage of households within that household composition with less than 60% equivalised net income
One adult (16-64)	21.5%	41.8%
One adult (65 and over)	29.4%	53.5%
One adult (16-64) with child(ren)	6.5%	66.7%
Two adults (16-64)	7.8%	12.9%
Two adults (65 and over)	12.1%	22.1%
Two adults (16-64) with child(ren)	10.1%	19.1%
Two adults (one 16-64, one 65 and over)	4.6%	20.3%
Three and four adults (16-64)	3.0%	8.3%
Other	5.0%	11.3%

<sup>8</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/789997/households-below-average-income-1994-1995-2017-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789997/households-below-average-income-1994-1995-2017-2018.pdf)

- 3.8 By tenure 71% of those in affordable accommodation<sup>9</sup> are considered to be at risk, and this high percentage reflects the function of affordable housing to provide housing for those with lower incomes. 43% of those living in privately rented accommodation are also considered at risk, which reflects, at least in part, the high cost of renting in Guernsey. Those owning their own home (either with or without a mortgage) are significantly less likely to be at risk of poverty.

**Table 3.3: Households at risk of poverty by tenure**

	Percentage of all households with less than 60% equivalised household income	Percentage of households with that tenure with less than 60% equivalised income
Owner occupied (without mortgage)	27.4%	16.4%
Owner occupied (with mortgage)	12.2%	11.5%
Rented	31.5%	43.4%
Affordable	28.1%	71.1%
Other	0.7%	41.1%

- 3.9 Within some of the other domains measured in the “Indicators of Poverty Report”, Guernsey performs well relative to the UK where comparable data is available. For example:

- life expectancy in Guernsey (82.3 years) is longer than the UK average;
- approximately 90 fewer years of life were lost due to premature death per 10,000 population in 2018 than in the UK<sup>10</sup>;
- crime rates for those crimes most associated with deprivation are also significantly lower in Guernsey than in the UK (see table 3.4); and
- background levels of nitrogen dioxide and sulphur dioxide levels also compare favourably to UK urban centres<sup>11</sup>.

**Table 3.4: Comparison of Guernsey and UK crime rates from specific crimes**

	Gsy crime rate per 10000 population (2018)	UK crime rate per 10000 population <sup>12</sup>
<b>Violent crime</b>	79	250
<b>Burglary</b>	13	540 (domestic and other household theft per 10000 households)
<b>Theft</b>	54	250 (per 10000 adults)
<b>Criminal damage</b>	64	440

<sup>9</sup> the majority of this category is comprised of social rental units but it also includes partial ownership and other specialised accommodations

<sup>10</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/834244/Health\\_September\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834244/Health_September_2019.pdf)

<sup>11</sup> [https://uk-air.defra.gov.uk/assets/documents/annualreport/air\\_pollution\\_uk\\_2017\\_issue\\_1.pdf](https://uk-air.defra.gov.uk/assets/documents/annualreport/air_pollution_uk_2017_issue_1.pdf)

<sup>12</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/bulletins/crimeinenglandandwales/yearendingjune2019>

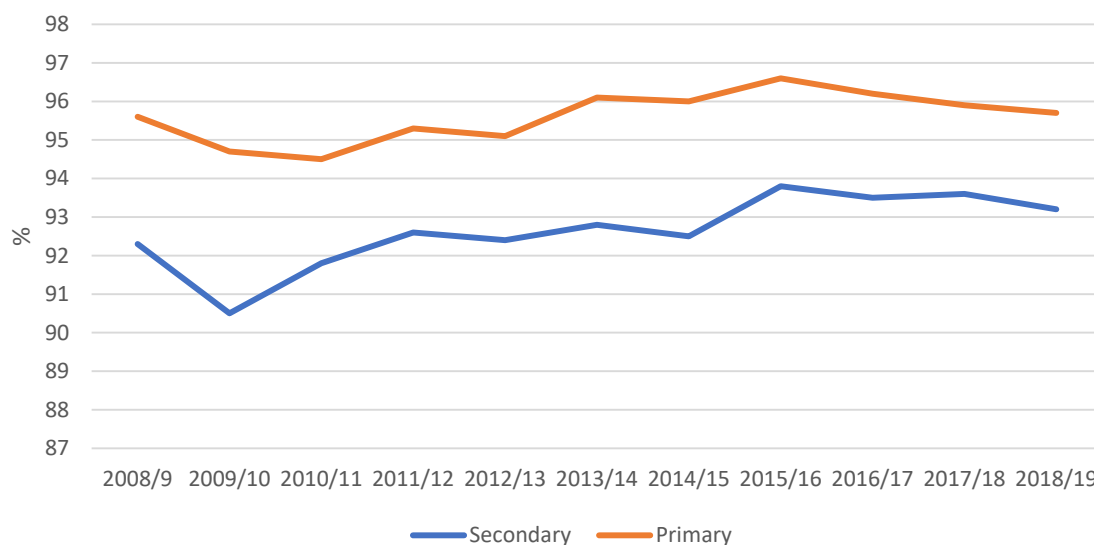
- 3.10 In other areas Guernsey's deprivation indicators compare less favourably. Housing affordability indicators show that affordability of housing in Guernsey has improved and that both rent and purchase prices have reduced relative to earnings over the last five years. However they are still high. The average annual rent for a private sector property in Guernsey is 47% of individual median earnings (direct UK comparisons unavailable) and the average purchase price of a property is 12.6 times median earnings compared to a UK average of 7.8<sup>13</sup>. This places property in Guernsey on a par with areas such as Greenwich, East Hampshire, Tunbridge Wells and Cambridge. While there are areas of the UK significantly more expensive (the list is topped by Kensington and Chelsea at 44.5 and Westminster at 24.1), commuting into Guernsey from an area with more affordable housing is not an option for most people. Households therefore have less opportunity to mitigate housing costs by living in a less expensive area and travelling for work.
- 3.11 Education indicators used in the indicators of poverty report show a general improvement over five years. More students are achieving level 4 maths and literacy levels at key stage 2 (year 6) and the number of students not achieving the basic threshold of five GCSEs (or equivalent) has fallen from 7.3% in 2014 to 6.2% in 2018.
- 3.12 Secondary School attendance rates have improved over the last decade but both primary and secondary attendance rates have declined a little since 2015/16. While primary school attendance rates are very similar to the UK, secondary school attendance in Guernsey is lower than the UK equivalent<sup>14</sup>.

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<sup>13</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/2018#london-boroughs-had-the-widest-range-of-estimated-housing-affordability>

<sup>14</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/787463/Absence\\_3term\\_201718\\_Text.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/787463/Absence_3term_201718_Text.pdf)

**Figure 3.5: Primary and secondary school attendance rates (States-maintained schools only)**



- 3.13 The 2019 Young People’s Survey also shows mixed results. For example the rates of children at both primary and secondary level reporting that they have never smoked has increased at each of the four surveys undertaken between 2010 and 2019 and there is a similar trend in alcohol consumption among young people.
- 3.14 In general, responses to questions relating to levels of activity and diet also show a general improvement. However the survey showed that, like the UK, there has been an increase in the number of children suffering low self-esteem and a decrease among secondary school pupils who report that “I am glad to be who I am” and who report that “I generally feeling happy”. These survey results correlate with an increase in referrals for young people requiring long-term support with their emotional health and wellbeing.

#### **4. Terms of reference for “Improving Living Standards” Policy Area**

- 4.1 The Policy & Resources Committee seeks to recommend that the next Assembly introduces a priority area relating to “Improving Living Standards” to its four year Plan as part of the 20 year vision for Future Guernsey. This priority area should seek to fulfil the following vision:

**“To provide an environment which supports those in our community most at risk of deprivation and gives them the opportunity to thrive.”**

- 4.2 The priority area should seek to fulfil the following objectives:
- i. To recognise and address areas where socio-economic considerations create inequalities in:
    - a) access to public services;

- b) health and educational outcomes; and
    - c) access to necessities such as housing, energy, food and social inclusion.
  - ii. To identify and address areas where public policy creates a barrier to individuals and households improving their personal circumstances and creates poverty traps
  - iii. To support and encourage households at risk of generational deprivation to:
    - a) participate fully in work and education;
    - b) make positive lifestyle choices;
    - c) be independent of drugs, alcohol and problem gambling;
    - d) create a safe household environment free from violence;
    - e) manage their resources effectively and aspire to financial independence; and
    - f) pursue good mental health practices and feelings of value and self-worth.
- 4.3 This priority area will have some overlap with the following existing priority areas:
  - i. Justice Policy;
  - ii. The Future Model of Care;
  - iii. The Housing Strategy;
  - iv. Improving Educational Outcomes;
  - v. Transforming Education;
  - vi. Supported Living and Ageing Well;
  - vii. Secondary pensions;
  - viii. Children & Young People's Plan;
  - ix. Disability, Equality & Inclusion.
- 4.4 This does not mean that work will be duplicated. Individual work streams can (and in some cases already do) fall under more than one priority area. Well-researched, designed and delivered policy levers can, and frequently do, positively impact a range of measures used to assess progress towards stated outcomes. The intention behind a separate policy area for "Improving Living Standards" is to provide a framework for co-ordinating and reporting activities which will contribute towards the achievement of the specific objectives.

## 5. Key Performance Indicators

- 5.1 Given the nature of some of the issues associated with living standards, progress can take some time to become apparent in data. It is therefore important to monitor outcomes over an extended time period. The following key performance indicators are proposed to monitor progress in this area:

- i. proportion of population whose household income is less than 60% of the median
  - a) Sub indicators at 50% and 40% should be included to provide an indication of the depth of income deprivation;
- ii. proportion of working age population receiving incapacity, severe disability or unemployment benefits, or carer's allowance;
- iii. years of potential life lost per 10,000 population;
- iv. those not achieving level 4 or higher at key stage 2;
- v. those not achieving 5 A\* to G GCSEs or equivalent at key stage 4<sup>15</sup>;
- vi. secondary school absence rate;
- vii. proportion of 18 to 20 year olds not in education or employment
- viii. violent crime per 10,000 population;
- ix. theft per 10,000 population;
- x. criminal damage per 10,000 population;
- xi. affordability: annual rent to earnings ratio;
- xii. affordability: purchase price to earnings ratio;
- xiii. average % of income spent on housing;
- xiv. proportion of people satisfied with their life;
- xv. proportion of people with adequate support network

## 6. Summary of ongoing work and outstanding States' Resolutions

- 6.1 As part of the debate on the Policy & Resource Plan 2018 Review and 2019 update ([Billet d'État IX, June 2019](#)) the States resolved to direct:

*the Policy & Resources Committee to review and assess the impact of current initiatives contributing to States of Guernsey's response to in-work poverty, bringing an update in the Policy & Resources (Future Guernsey) policy letter in May 2020, in consultation with the Committee for Employment & Social Security, the Committee for Health & Social Care, and other stakeholders, and focusing especially on the work being done to address:*

- (i) benefit rates and tax levels;*
- (ii) affordability of housing; and*
- (iii) affordability of primary health care and emergency health care; and*

- h) the Policy & Resources Committee, guided by existing States Resolutions on in-work poverty and working with the Committee for Employment and*

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<sup>15</sup> This indicator will be reviewed and, if necessary, replaced with an equivalent indicator reflecting the new grading structure in 2021

*Social Security, other States Committees and the third sector, to undertake preparatory investigations of policies successful in breaking poverty, with a specific focus on generational focus.*

- 6.2 The following narrative provides a summary of some of the policy development work which is already underway which will contribute to the delivery of the proposed priority area. The policy areas and work streams listed go beyond the scope of the Resolutions above because the Policy & Resources Committee has aligned this with the broader interpretation of wellbeing and living standards that it is proposing.
- 6.3 The list is not exhaustive, but it is intended to illustrate the breadth and depth of work already underway. A full list of extant Resolutions identified as relevant is provided in Appendix B.

### **Income support**

- 6.4 The income support system is the primary means of financial assistance for those households that find themselves with insufficient income to meet their basic needs. The system underwent significant reform in 2018, combining the former Supplementary Benefit and Rent Rebate Systems.
- 6.5 Since the introduction of income support, the Committee for Employment & Social Security has continued policy development on a number of related work streams. They include work on delivering the following extant Resolutions:

*“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.”*

*(Billet D’État XXIII, 2018, Article X)*

*“To direct the Committee for Employment & Social Security to report to the States of Deliberation, no later than October 2017, with recommendations for reform of the arrangements for winter fuel allowances to householders receiving supplementary benefit.”*

*(Billet D’État VII, 2016, Volume II, Article IX)*

*“To agree in principle that all of those in receipt of Income Support should qualify for Medical Support and to request the Committee for Employment & Social Security to report back to the States on the financial implications of such a reform, together with proposals for its implementation, no later than its uprating report on non-contributory benefits for 2020.”*

*(Billet D’État XXIII, 2018, Article X)*

To date, the Committee has undertaken a review of the benefit limitation, personal allowances, and the medical capital limits. Additionally, the Committee intends to review the earnings disregard, winter fuel allowance, and undertake a further review the benefit limitation.

#### Benefit limitation

- 6.6 The benefit limitation places a cap on the total amount of resources, accumulated through a combination of income/earnings and benefits, which can be made available to a household claiming income support. In simplistic terms, it sets the maximum net income that a household can have their income topped up to. This means that households affected by the benefit limitation receive less than the amount needed to bring their income up to their requirement rate (the amount they are assessed as needing based on the number of people in a household, the age of their children and their household costs). Review of data indicates that in very few cases does the benefit limitation represent the actual amount of benefit a household receives.
- 6.7 The States have, at the recommendation of the Committee *for* Employment & Social Security, increased the benefit limitation substantially since the introduction of Income Support in 2018. This increased the cap from £670 per week in 2018, to £750 per week in 2019, and finally to £850 per week in 2020 ([Billet D'État XXI, Nov 2019, Article II](#)). This increase in the benefit limitation has been driven in part by the removal of the rent rebate scheme which, prior to the reforms, somewhat protected families living in social rental accommodation from the effects of the cap. In its absence, households are required to pay the standard weekly rent for their social housing property, which meant that the requirements of a greater number of households exceeded the level that the benefit limitation was set at in 2018. This led the Committee *for* Employment & Social Security to recommend the two increases in 2019 and 2020 to help mitigate this impact.
- 6.8 Prior to the 2020 increase, there were 133 families, some with only two children, who were impacted by the benefit limitation. The increases made in 2020 place the benefit system in a position where no household with three or fewer children will have their income restricted by the benefit limitation. However, there are still 25 larger families who are affected by the cap. While it limits States expenditure, the benefit limitation does still prevent some families from improving their living standards and avoiding poverty.

#### Earnings disregard

- 6.9 The earnings disregard is £35 per week for an individual, and £70 per week for a couple, and is the amount of income disregarded when a household's resources are assessed. Claimants earning above the earnings disregard have their income

support reduced by £1 for every £1 of additional income they earn. There is some acknowledgement that, in its current form, the earnings disregard does little to provide claimants with an incentive to earn more, as this will be deducted from their benefit payment<sup>16</sup>.

- 6.10 The Committee *for* Employment & Social Security has done some preliminary work on reviewing the earnings disregard, and anticipates that proposals for reform will be brought to the States in the autumn, through the Committee's policy letter on non-contributory benefit rates for 2021.

#### Personal allowances

- 6.11 The personal allowance relates to the amount of money paid to income support claimants in residential and nursing homes to meet their personal costs. Such allowances are typically used to meet small personal costs such as getting a haircut or purchasing small personal items. The personal allowance for those resident in local care homes was increased from £32.16 per week in 2019 to £36.00 per week in 2020. The Committee *for* Employment & Social Security has stated its intention to increase this to £40 from 2021. A separate rate is paid to Guernsey people residing in UK institutions.

#### Winter fuel allowance

- 6.12 The winter fuel allowance is a weekly payment made to most income support claimants, between the last week of October and the last week of April each year, to cover the additional fuel costs to heat homes in the winter months. The benefit is paid at a flat rate of £29.54 per week for the 2019/2020 period. The benefit makes no consideration of the size or efficiency of property in which claimants are living.
- 6.13 The Committee *for* Employment & Social Security intended to progress an extant Resolution to review the winter fuel allowance during this political term, to identify whether the funds could be targeted more efficiently. However, resources have not been made available to progress this work.

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<sup>16</sup> Claimants of working age who are able to work and are not acting as a primary carer for children under five years old, or otherwise exempt, are subject to a work requirement as a condition of receiving income support. The majority of claimants subject to such work requirements meet the requirements set.

## Medical cover

- 6.14 Income support claimants with savings under the medical capital limits, are able to access medical treatment free of charge. This includes all primary care, such as GP appointments, prescriptions, Emergency Department attendances, ambulances, as well as prescriptions, physiotherapy, dentistry and chiropody. Medical cover offered to those on income support, or just beyond, is means tested, and subject to capital limits, which differ from the capital limits for eligibility to access income support. Eligible claimants receive medical treatment, including GP appointments, Emergency Department, ambulances, prescriptions, physiotherapy, dentistry, and chiropody, free of charge. Currently, the savings capital limit for an individual to receive medical cover is lower than eligibility for income support. This means that some income support claimants do not qualify for medical cover, and have to pay for medical expenses themselves.
- 6.15 The Committee *for* Employment & Social Security has reported to the States, in its policy letter on non-contributory benefit rates for 2020, the financial implications of a model that would enable all those on income support to be eligible for medical cover. However, due to budget constraints, the Committee did not propose that this policy change was made for 2020, and will recommend that the States approves the budget for this from 2021 ([Billet D'État XXI, Nov 2019, Article II](#)).

## Assistance with the costs associated with living with a disability

- 6.16 People living with a disability can incur higher costs as a result of their disability. The Committee *for* Employment & Social Security is working towards ensuring that those with disabilities are not disadvantaged financially. Part of this work will include a review of the application of section 10 of the Income Support (Guernsey) Law, 1971.
- 6.17 This section gives the Committee wide discretion in providing assistance to disabled people. This could range from funding items such as hearing aids and walking frames, to wheelchairs and stair lifts, or larger projects such as converting baths to showers, or other property adaptations. This can enable a disabled person to remain living in their property, improve their quality of life, and assist their carers in providing care for them.
- 6.18 In some cases this may provide an opportunity to create a financial saving if the adaptations mean that the States does not need to accommodate severely disabled individuals in specialised institutions/care homes, which may not be available on-island.

## Minimum Wage

- 6.19 Low wages can be a barrier to households achieving an acceptable living standard. The Statutory Minimum Wage Rate sets the minimum pay per hour almost all workers are entitled to by law. From January 2020, for Adults aged 18 and over this was set at £8.50 per hour.
- 6.20 In November 2018 the States approved the Committee *for* Employment & Social Security's medium term objective to increase the minimum wage so that an individual working a 40 hour week would be earning at least 60% of median earnings by 2023 ([Billet d'État XXV, Nov 2018, Article XII](#)). The intention of this policy was to ensure that the gap between the Island's lowest paid workers and the workforce average could never grow too wide.
- 6.21 In the most recent review of the minimum wage, the Committee *for* Employment & Social Security reported that this objective would seek to increase the Statutory Minimum Wage Rate to £9.67 per hour (set against median earnings as reported for March 2019).

## Secondary pension scheme

- 6.22 Following the debate of the Policy Letter titled "*Secondary Pensions: detailed proposals for the introduction of automatic enrolment into private pensions and the establishment of "Your Island Pension"*" ([Billet D'État IV, Feb 2020](#)) debated on 5<sup>th</sup> February 2020, the Committee *for* Employment & Social Security has commenced the delivery phase of this project. The next steps will be for legislation to be drafted to enable the implementation and governance of the Scheme to come into operation, to return to the States with proposals for enforcing employers' compliance with the auto-enrolment duty and the payment of minimum contributions, and for the Committee to appoint the Board of Governors of the Trustee. While there will be an option for employees to opt out of the scheme, should they wish to, its introduction will serve to ensure that all employees have access to a pension scheme which meets basic criteria.
- 6.23 Survey data has demonstrated that private or workplace pension provision in Guernsey is poor for a significant proportion of the population, particularly among the young and those with low incomes. The intention of this scheme is to enhance private pension provision and improve, over a generation, the level of retirement savings undertaken by the population. This is a very long-term policy initiative, which should reduce the risk of poverty for pensioners, and their need to rely on income support later in life.

## States pension

- 6.24 The old age pension (soon to be formally renamed “States Pension”, the term used hereafter) is a contributory benefit paid to those above pension age. The amount of pension a person receives depends on the number of Social Security contributions they have made over their working life. The States pension is usually uprated each year by the States approved policy of RPIX plus one third of the real increase in median earnings. On the assumption that, in the long-term, earnings increase by more than prices, the uprating policy ensures that at least part of that gain is shared with pensioners and other recipients of earnings-replacement benefits.
- 6.25 A 2015 Resolution of the States, directed the Committee *for* Employment & Social Security to report back to the States by 2020, setting out its proposals for the future of the uprating policy, with a view to the policy being amended so that the pension would be increased by RPIX only from 2025. The States considered that Committee’s proposal regarding the uprating policy in February 2020, which was to maintain the current uprating policy of RPIX plus one third of the real increase in median earnings. The reason for that was because the implementation of Your Island Pension, has been delayed from the date anticipated when the States resolved its 2015 resolution. Further, it will take many years before the funds in the Secondary Pensions Scheme will be sufficient to make a significant difference to the retirement incomes of the population.
- 6.26 The agreed extension of this policy will slow the erosion of the States pension relative to median earnings and reduce the risk of an increase in pensioner poverty in the long term. However, in order to sustain this increase it will be necessary to increase the amount of revenue paid into the Guernsey Insurance Fund (the fund which pensions are paid out of) to ensure its sustainability for future generations. Providing a sustainable source of revenue to stabilise this fund will form part of the Tax Review referenced in paragraph 6.110.

## Family allowance

- 6.27 At the current time, family allowance is structured as a universal benefit, payable to all resident households at a rate of £14.20 per qualifying child per week in 2020. It has been recognised for some time that the practice of paying this benefit to all households, regardless of their income, may not be the most effective use of financial resources (Billet d’État IV, April 2015, Article I).
- 6.28 The Committee *for* Employment & Social Security is under the following resolution, which resulted from a successful amendment from Deputy Dorey:

*“after consultation with other relevant committees of the States, the Committee for Employment & Social Security shall report to the States by no later than*

*October, 2017 setting out their opinion on whether the universal payment of family allowances should be altered, reduced or ceased and the costs thereof redirected to allow the States to provide additional financial support for some or all of the following children's services: medical and paramedical, including but not limited to primary care, dental, optical and physiotherapy provided either by States-employed clinicians or contracted private practitioners; and breakfast clubs, after school homework clubs, school meals and holiday clubs at States' schools"*

*(Billet D'État XVIII, 2015, Article VIII)*

- 6.29 Consideration has been given to a number of options and the Committee for Employment & Social Security is intending to report to the States with proposals on this matter before the end of this political term. These proposals are expected to include a recommendation to withdraw the benefit from higher income households (provisionally those with a household income of more than £100,000). The resources released will be diverted to specified health and educational initiatives intended to improve the level of access for children to services such as primary and emergency medical care, dental care, and educational activities.

### **Supported Living and Ageing Well Strategy (SLAWS)**

The Supported Living and Ageing Well Strategy was debated and approved in 2016 ([Billet d'État III, February 2016](#)) after public consultation regarding the needs of those requiring supported living in Guernsey. The Strategy set out four key priorities for change:

- A better resourced and developed strategic planning function
  - The addressing of social attitudes towards care, disability and ageing
  - The reconfiguration of health and social care services to provide a greater emphasis on community-based, person-centred services (including those provided to carers)
  - A radical overhaul of the funding of long-term care services and the operation of the Long-term Care Insurance Scheme in particular
- 6.30 The Strategy initiated a series of key work streams designed to deliver these objectives. The SLAWS Implementation & Engagement Group identified three priority work streams for 2018/19:
- i. The development of a pilot for a new reablement service within Adult Community Services (ACS) to enable individuals to relearn the skills needed to be able to continue to live independently in their own homes, for example, following a hospital admission, illness or injury

- ii. The development of a Carers Action Plan to identify the services and support that should be available to support informal, unpaid carers in the community
- iii. The development of a policy letter addressing the strategic funding resolutions set out in the Strategy for consideration by the States of Deliberation.

#### Re-ablement

- 6.31 The strategy directed the Committee *for* Health & Social Care to investigate the expansion of the range and availability of community care services, including, but not limited to, the expansion of services for rehabilitation and reablement for those recovering from hospitalisation.
- 6.32 Committee *for* Health & Social Care has established a pilot for a new reablement service within Adult Community Services which would enable service users to relearn the skills to enable them to continue to live independently in their own home. The pilot is underway and if successful, will be incorporated into on-going budgets.

#### Carers Action Plan

- 6.33 As part of the Supported Living and Ageing Well Strategy the States of Guernsey made a strategic commitment to 'recognise the value of informal carers and seek to ensure that they are supported'. In fulfilment of that commitment, the States of Guernsey is developing a Carers Action Plan which will outline the priority actions that need to be undertaken to support people in Guernsey and Alderney who support family members and friends. The Plan has been developed in conjunction with third sector partners which sets out the services and support that will be available to support informal, unpaid carers and was published on 30<sup>th</sup> April 2019 (<https://www.gov.gg/carersactionplan>).
- 6.34 A Carers Implementation Group has been established to co-ordinate the implementation of the Carers Action plan. There are a series of actions being taken forward by both the States of Guernsey and third sector organisations. These include:

From the States of Guernsey:

- i. provide carers with the opportunity to undertake an assessment of their own needs for services and support via a Carer's Assessment;
- ii. invest in respite services;
- iii. make a commitment to including carers in the development and review of care plans and discharge of plans for the individuals they care for;

- iv. introduce a right to flexible working which would help carers balance their responsibilities
- v. extend the eligibility criteria for Carer's Allowance
- vi. Increase the identification of young carers and signposting them to support services

From Carers Guernsey:

- i. To provide emotional and practical support to carers
- ii. To act as a first point of contact for carers and provided carers with access to information
- iii. To provide a voice for carers, ensuring their views are heard
- iv. To raise awareness of what it is like to be a carer

#### Sustainability of the Long Term Care Fund

- 6.35 This fund was created to support the cost of care home placements for Guernsey residents. It is financed by Social Security Contributions and provides a grant towards the cost of Residential, Nursing, and Elderly Mental Infirmity beds in the private sector.
- 6.36 Despite the 0.5% increase in contributions made in 2017 as part of the Resolutions of the SLAWS policy letter, the fund is not financially sustainable in its current form. It was also identified that the restriction of the fund to only providing a grant towards care in a care home setting creates inefficiencies in the provision of consistent care levels and restricts patient choice.
- 6.37 The work in this area is subject to the following Resolutions:

*To agree, in principle, that wherever care and support is received, for accounting and charging purposes, the costs associated with the provision of long-term care services should be separated into three distinct areas: accommodation, day-to-day living expenses and care and support and to agree that the Long-term Care Insurance Fund (LTCF) should meet the costs of care and support only and for the Committee for Employment and Social Security to report to the States with findings and recommendations*

*To direct the Committee for Employment and Social Security, in conjunction with Policy & Resources Committee, to investigate in detail the implications for contributors, individuals and for the States of the application of the principle that the long-term care insurance scheme should be extended to cover the cost of care and support at home, and to report to the States with its findings and recommendations no later than October 2018.*

*To direct the Committee for Employment and Social Security to keep under review whether there is a strategic, long-term financial need to introduce (i) the inclusion of capital assets in any means-testing of benefits associated with long term care; and (ii) the capping of care costs to set out the respective funding liabilities for individuals and for the States.*

Billet d'État III, February 2016

- 6.38 The Committee for Employment & Social Security is expected to present a policy letter outlining its recommendations in respect of these Resolutions by May 2020. The completion of this area of work is integral to the delivery of other work streams within the SLAWS strategy.

### **Children & Young People's Plan (CYPP)**

- 6.39 The Plan identifies 33 actions over the next six years to deliver the Key Commitments and Priority Outcomes. The overarching vision is that implementing the Plan will create an integrated system providing the right help at the right time with the right outcomes for all children and young people.
- 6.40 It contains six Key Commitments supporting four Priority Outcomes for children and young people:
- to ensure that they are included and respected;
  - to achieve individual and economic potential;
  - to be healthy and active; and
  - to be safe and nurtured.
- 6.41 Section 28 of the Children Law provides that the Plan should set out a strategy for the provision of services to promote and safeguard the welfare of the children of Guernsey and Alderney (aged under 18), together with their families. The Law sets out that this should relate to specific matters, as set out below and cross-referenced with the Plan's Priority Outcomes:
- (i) physical, emotional and mental health (Healthy and Active; Safe and Nurtured);
  - (ii) protection from harm and neglect (Safe and Nurtured);
  - (iii) education, training and recreation (Achieve);
  - (iv) contribution to society (Included and Respected); and
  - (v) social and economic well-being (Achieve; Included and Respected)

## Consultation on the Children Laws

- 6.42 The Children Laws which encompass the Children (Guernsey and Alderney) Law<sup>15</sup>, 2008 and the Criminal Justice (Children and Juvenile Court Reform) (Bailiwick of Guernsey) Law 2008 are key elements of child protection legislation in Guernsey. The welfare of children is subject to considerations of public interest and safety and the Laws recognise this. The Laws emphasize the responsibilities of the parents and others caring for children and also recognise that the States have responsibilities to support families that may be struggling and ensuring that when children cannot live at home they receive the necessary care and support.
- 6.43 The Laws:
- introduce twelve child welfare principles;
  - support those working with children and young people and take notice of children's views in decisions about their lives;
  - help services in working together better with children and their families;
  - bring the Law into line with the realities of modern family life; and
  - tackle the causes of child offending to prevent further crimes.
- 6.44 The 2011 Family Justice Review (the 'Norgrove Review') identified the harm that was caused to children by delay in the Family Justice System in England and Wales and considered what new arrangements might be put in place to tackle the causes of delay. That report provides important analysis of the impact of delay and concluded that:
- i) long proceedings may deny children a chance of a permanent home;
  - ii) the longer proceedings last the less likely it is that a child will find a secure and stable placement, particularly through adoption;
  - iii) long proceedings can damage a child's development.
  - iv) the longer proceedings last the more likely children are to experience multiple placements;
  - v) placement disruption does not just cause distress in the short term. It can directly impact on a child's long term life chances by damaging the ability to form positive attachments. This can cause multiple problems in adolescence and later life;
  - vi) long proceedings may put maltreated and neglected children at risk. If children remain in the home during proceedings they may be exposed to more harmful parenting with long term consequences; and
  - vii) long proceedings can cause already damaged children distress and anxiety. Children live with uncertainty while possibly experiencing multiple placements, continuous assessment and distressing contact arrangements.

6.45 The impact of delay in decision making for children has been raised by many involved in the family justice system in Guernsey and Alderney, and it is understood that there is a broad consensus that delay must be reduced whilst retaining appropriate safeguards.

6.46 To progress work in this area the States resolved in June 2019:

*“to direct the Policy & Resources Committee and the Committee for Home Affairs working in partnership to deliver the Justice Policy and, together with the Committee for Health & Social Care and the Committee for Education, Sport & Culture, to expedite work that removes delay from systems and processes relating to the delivery of services to children and young people in need, and to ensure that such systems and processes are centred on the best interests of the child or young person concerned;”*

*Billet d’État IX, June 2019*

6.47 The Committee for Health & Social Care has identified the following main areas as a focus for its reform proposals:

- to combat delay in decision making for children and their families;
- to address some unintended consequences of the Children Laws;
- to amend and improve the criteria used in the legislation in line with Professor Marshall’s recommendations;
- to improve the procedures and safeguards when decisions are being made in relation to children; and
- to introduce some new legal orders, where necessary, to address the areas above, to reduce duplication in process, to fill a gap in the existing law or to keep the Law in line with positive developments elsewhere.

6.48 The consultation document sets out the views of the Committee for Health & Social Care on proposed amendments to the Children (Guernsey and Alderney) Law<sup>15</sup>, 2008. These changes are intended to ensure that the Law remains fit for purpose; evolves in accordance with research and good practice; focuses on reducing delay in decision making; and operates to protect and promote the welfare of the Islands’ children.

6.49 The consultation of stakeholders and interested parties was undertaken over a six week period ending on Friday 31<sup>st</sup> January 2020. The Committee will reflect on responses and present proposals for amending the Children Laws in due course.

### Strong Families

6.50 The Committee *for* Health & Social Care is leading the implementation of a Strong Families initiative. Recruitment is currently underway to form a team of support workers to work with families identified as experiencing four or more of the following areas of disadvantage/need:

- parents or children involved in crime or anti-social behaviour;
- children who have not been attending school regularly;
- repeated 'child in need' referrals;
- repeated child protection registrations;
- adults out of work/at risk of financial exclusion, or young people at risk of being without work;
- families affected by domestic violence/abuse;
- parents or children with a range of health problems;
- parents who may have been looked after by the States; and
- parents who may have previously had a child removed.

6.51 Once established, this team will provide intensive support to the families referred over a sustained period to improve their outcomes. This support will be tailored to the needs of individual families and will seek to protect some of the most vulnerable individuals in our community.

### **The Future Model of Care – Partnership of Purpose**

6.52 There are a number of relevant work streams being progressed in the policy priority area 'The Future Model of Care,' which incorporates interlinked policy priorities being led by the Committee *for* Health & Social Care.

### **Transforming Health and Care Services Programme**

6.53 The Partnership of Purpose, approved by the States in December 2017 ([Billet d'État XXIV of 2017](#)), sets out an ambitious programme to transform health and care services in the Bailiwick. This directed the Committee to "*develop a health and care system premised on a Partnership of Purpose bringing together providers to deliver integrated care which places the user at its centre and provides greater focus on prevention, support and care in the community and makes every contact count.*"

6.54 The Partnership of Purpose is based on the following key aims:

- **Prevention:** supporting islanders to live healthier lives;
- **User-centred care:** joined-up services, where people are valued, listened to, informed, respected and involved throughout their health and care journey;
- **Fair access to care:** ensuring that low income is not a barrier to health, through proportionate funding processes based on identified needs;
- **Proportionate governance and regulation:** ensuring clear boundaries exist between commissioning, provision and regulation;
- **Direct access to services:** enabling people to self-refer to services where appropriate;
- **Effective community care:** improving out-of-hospital services and enabling people to receive care closer to home;
- **Focus on quality:** measuring and monitoring the impact of interventions on health outcomes, patient safety and patient experience;
- **A universal offering:** giving islanders clarity about the range of services they can expect to receive, and the criteria for accessing them;
- **Partnership approach:** recognising the value of public, private and third sector organisations, and ensuring people can access the right provider; and
- **Empowered providers and integrated teams:** supporting staff to work collaboratively across organisational boundaries, with a focus on outcomes.

6.55 The Transformation Programme to meet these aims contains a large number of interdependent work streams that require careful prioritisation and project management and the allocation of the necessary resources. Importantly, it is also acknowledged that the transformation of health and care requires structured engagement and support from across States' committees and wider health and care providers in the private, public and third sectors, bringing providers together to deliver integrated care which places the user at the centre and provides greater focus on prevention, early intervention and the delivery of care in the community.

6.56 While the substantial organisational and financial reforms required to effect successful transformation will take five to ten years to complete, the Committee *for* Health & Social Care continues to lay many of the necessary foundations and has developed a 'roadmap' which focuses on the key deliverables of the Programme.

6.57 While the programme is led by the Committee *for* Health & Social Care, the work seeks to embed a "health in all policies approach" recognising that the determinants of health – the social, cultural and economic factors that have a

recognised impact on health and wellbeing – require the whole of government to take responsibility and to take action. Work undertaken through Public Health, for example the ongoing programme of Joint Strategic Needs Assessments and the Guernsey and Alderney Wellbeing Survey, provides a local evidence base to inform targeted initiatives in Guernsey to reduce health inequalities. Collectively the States of Guernsey has access to more robust health intelligence than in the past and can use this to inform a more preventative and proactive approach to health and care.

- 6.58 Many of the work streams that form part of ‘The Future Model of Care’ policy priority area support the objectives of the Improving Living Standard work stream. In particular, work to realise the key aim of *“Fair access to care: ensuring that low income is not a barrier to health, through proportionate funding processes based on identified needs”* will enhance accessibility to care. Key initiatives include:-

#### Primary care

- 6.59 The Committee *for* Health & Social Care intends to bring proposals to the Assembly this term setting out a framework for future developments in primary care, with the aim of ensuring that everyone has access to good-quality healthcare, when they need it, at rates they can afford. Focussing on the key themes of affordability, integration and information, the proposals will seek to realise a range of practical, organisational and financial benefits, all centred on facilitating patient-centred care in line with the agreed aims of the Partnership of Purpose.
- 6.60 The Committee intends to propose an evolutionary approach with an initial focus on how current funding is used, getting better value for what the States already spends on primary care by targeting it more effectively to those with the greatest health needs before embarking on a more fundamental review of health and care funding. The Committee further intends to support ever more integrated working, trialling new ways of working that reshape the primary care model to become increasingly cost effective and support direct access to services where appropriate. The key focus will be ensuring that all Islanders have the ability to access the right professional at the right time in the right environment with the right information.

### Development of the Health Improvement Commission

- 6.61 Central to the Partnership of Purpose is a shift towards prevention and early intervention through a range of public health programmes and funding. Tackling the root causes of poor physical and mental health is essential to make our future healthcare financially sustainable. The Health Improvement Commission was established in 2018 to bring together the public, private and third sectors to help raise awareness, encourage healthy lifestyle choices and take proactive steps to improve islanders' general health and wellbeing, mentally and physically. Put simply, the best person to prevent long-term conditions developing is not the doctor – it is each and every individual and the Commission seeks to empower islanders to take as much control as possible over their own health and wellbeing. While the Commission has four areas of focus: Eat Well, Be Active, Healthier Weight and Substance Use.

### Substance Use Strategy (Formerly the Drug and Alcohol and Tobacco strategies)

- 6.62 Responsibility for drug and alcohol policy and operational delivery of the strategy was transferred from the mandate of the Committee *for* Home Affairs to the Committee *for* Health & Social Care in 2017 acknowledging a growing body of research which suggests that substance use should be managed as a health and wellbeing issue. The Tobacco Control Strategy has, since its inception, been led by the Committee *for* Health & Social Care.
- 6.63 During 2019, the Committee *for* Health & Social Care conducted a needs assessment for drugs, alcohol and tobacco that will inform a new combined Strategy which aims to achieve “a safe and healthier Guernsey and Alderney where the harms caused by tobacco, drugs and alcohol are minimised and islanders are empowered to improve their health and wellbeing.”
- 6.64 It is expected that the Strategy will be formalised and presented for debate during 2020. As well as identifying strategies for managing substance use among adults, the strategy will look to address the negative impact of drugs and alcohol on the lives of many of children, both in terms of the impact on the quality of family life for children whose parents are using substances, and on children and young people who are accessing alcohol and drugs themselves at an early age. This is acknowledged in both the ‘Safe and Nurtured’ and the ‘Healthy and Active’ Outcomes identified within the CYPP.

### Healthy Weight Strategy

- 6.65 Evidence demonstrates that weight has a significant impact on long term health and that being over or under weight can impair both physical and mental health outcomes. The Healthy Weight Strategy focuses on improving diet and exercise choices for both adults and children.

- 6.66 The Policy Letter titled “*Guernsey and Alderney Healthy Weight Strategy 2016-2023*” ([Billet d’État XXXI November 2009 Volume 2](#)) established the following desired outcomes:
- i. reducing obesity-related preventable mortality and prevalence of type 2 diabetes;
  - ii. reducing the numbers of adults and children who are obese and overweight;
  - iii. increasing the number of people eating a healthy diet;
  - iv. increasing the number of people who are regularly physically active; and
  - v. increasing the number of overweight and obese people moving successfully to appropriate weight goals and maintaining them.
- 6.67 The Strategy aims to achieve this through three co-ordinated pillars of work:
- i. making healthy eating choices easier and normalising healthy eating for adults and children;
  - ii. making active lifestyle choices easier and normalising an active lifestyle for adults and children; and
  - iii. helping adults and children to achieve and maintain appropriate weight goals.
- 6.68 The Committee *for* Health & Social Care has educational programmes underway to help both children and adults, including education for teachers and parents regarding healthy eating choices for children; schemes to promote exercise among children such as the daily mile; and schemes aimed at engaging more adults in regular exercise, such as the ‘Football Fans in Training’ scheme implemented by the Health Improvement Commission in conjunction with Guernsey Football Club.

#### Mental Health and Wellbeing Plan

- 6.69 The 2016 Policy & Resource Plan included a Resolution to give mental health equal importance with physical health ([Billet d’État XXVIII of 2016](#)). The Mental Health and Wellbeing Plan<sup>17</sup> is a cross-committee, cross community strategy, led by the Committee *for* Health & Social Care, which outlines how the community will work together towards better mental wellbeing for Islanders across the Bailiwick and ensure appropriate and effective treatment is available for those that need it.

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<sup>17</sup> <https://gov.gg/CHttpHandler.ashx?id=110428&p=0>

- 6.70 An amendment to the 2019 Policy & Resource Plan drew attention to further work completed by HSC to identify perceived gaps in services between primary and secondary mental health care. The amendment directed the Policy & Resources Committee and the Committee *for* Health & Social Care to ensure that appropriate provision is made in the budgeting process for any new service developments, subject to the submission of a suitable business case (or cases). The mapping exercise which informed the amendment provides an evidence-based analysis of current services which can be used to prioritise areas of focus.
- 6.71 The Strategy has three objectives:
- i. to promote good mental health and wellbeing across the whole population;
  - ii. to support people to manage their mental health better;
  - iii. and to act to meet people's needs with appropriate and flexible services.
- 6.72 The Plan has identified four priority areas for 2017-2020 to meet the Strategy's objectives:
- Priority area 1: A new model for Mental Health & Wellbeing
  - Priority area 2: Service delivery based on evidence based practice
  - Priority area 3: Increased awareness and access to information and services
  - Priority area 4: Effective partnership working, collaboration and joint learning
- 6.73 The Strategy involves the whole community; therefore, whilst the States leads, action will take place across all sectors and responsibility for the mental wellbeing of all residents will sit with the business community, the third sector, community organisations, individuals and carers.
- 6.74 To date the delivery of this strategy has included the completion of the Oberlands building; a dedicated facility for the delivery of both inpatient care and outreach services. The Committee *for* Health & Social Care has also launched Healthy Minds, an initiative which offers short term therapeutic interventions for adults who are suffering with mild-moderate anxiety and/or depression and support to clients who have experienced single event traumas.
- 6.75 The Strategy also seeks to promote third sector and community based activities which can provide support, advice and community engagement.

### **Justice Policy and Justice Review**

- 6.76 The objective of Justice Policy is to maintain and promote a safe, secure, stable and equitable society which values public protection and justice. A Justice Review is underway to support the development of Justice Policy for the Bailiwick which

maintains a community that is safe and secure, inclusive and committed to social justice. A Policy Letter will be submitted to the States in 2020.

- 6.77 The Justice Review is being undertaken in three stages; establishing what we understand “justice” to encompass, where we are now, and where we would like to be in the future.
- 6.78 The objective of Phase 1, which was delivered at the end of 2018, was to establish the scope and governance structure of the Justice Review. This Phase was informed by a series of one-to-one meetings with identified stakeholders. The concluding summary report recommended that the Justice Review should focus on the core criminal justice institutions and their functions, before broadening out to consider the justice system more widely, its statutory framework, and its relationship with social justice and related policies.
- 6.79 Phase 1 recommended that the phase 2 of the Review should be carried out by an independent expert, providing a crucial element of independent challenge and facilitation, but that the Review and its outcome should be fully overseen and owned at political, institutional and practitioner level by the Island.
- 6.80 Phase 2 of the Review will seek to understand the effectiveness of existing criminal justice provision. There will be a focus on the eight justice outcomes identified as:
- i. identifying and tackling the causes of crime;
  - ii. a reduction in the levels of crime and fear of crime;
  - iii. ensuring value for money services within the Justice System;
  - iv. increase confidence in justice institutions and processes;
  - v. the promotion and delivery of the correct intervention at the right time;
  - vi. a reduction in re-offending;
  - vii. identifying and confiscating the proceeds of crime; and
  - viii. recognising the links between justice policy and social policy
- 6.81 The Committee views the publication of the Justice Review Report as a consultative exercise and is not intending to ask the States to make any decisions at this stage. Phase 3 will require cross-committee working to develop proposals for the content, structure and governance of future Justice Policy for consultation with stakeholders, including services users.
- 6.82 The outcome of this work will be used to support a policy letter “Future Justice Policy”.

## **Future Housing Strategy**

- 6.83 Access to adequate housing is an important element of a household's living standards. During 2018 the States approved the development of a Future Housing Strategy (Local Market Housing Review and Development of Future Housing Strategy; Billet d'État XIX, 2018). The programme of work undertaken in delivery of this Strategy includes a number of relevant projects including:
- i. developing a model to more accurately predict the Island's housing requirements, across both the affordable and private housing markets, that can inform the setting of the States Strategic Housing Indicator;
  - ii. affordable housing development project;
  - iii. to develop a key worker housing strategy;
  - iv. to develop an elderly tenures strategy;
  - v. to review the current partial ownership scheme;
  - vi. to provide an assessment of the private rental market and the adequacy of legislative protection for tenants and landlords;
  - vii. to analyse the legislative framework and processes governing housing quality standards and how legislation can support the provision of good quality housing;
  - viii. to analyse the current and future cost of government interventions in the housing market; and
  - ix. social rent-setting review.

### **The States Strategic Housing Indicator**

- 6.84 The supply of housing has significant implications for the affordability of housing in the private housing market. Under supply (or over demand) of housing has a tendency to inflate both purchase and rental prices as competitive pressure builds for limited housing. In Guernsey, where there is a limited amount of land available for development, delivering an adequate supply of housing without over development is a difficult challenge.
- 6.85 The delivery of housing also needs to consider the type and size of properties required. One and two bedroom properties intended for owner occupiers are of little use to families, but might be suitable for households wishing to downsize. Understanding the current and future housing requirements, covering the volume, tenure and sizes of properties required, is therefore an integral part of the land planning process so that States policy can promote both the right level and type of housing development. This is informed by housing requirement projections and ultimately the States Strategic Housing Indicator.
- 6.86 Work is currently underway to develop a model to project the Island's housing requirements, broken down into property size and tenure, which will then be used to recommend an updated States Strategic Housing Indicator to the States.

- 6.87 This work will inform the both the development of affordable housing and the 5 year review of the Island Development Plan (IDP). Initial estimates of housing requirements from this model should be delivered during 2020.

#### Affordable Housing Development Project

- 6.88 In order to meet the housing requirement modelling projections and the States Strategic Affordable Housing Indicator, a project has been established to develop a detailed plan for securing sufficient land for the development of all tenures of affordable housing.
- 6.89 This review will consider the development and redevelopment potential of existing housing stock within the affordable housing tenure, identify land that needs to be acquired for new development and seek to secure funding to enable any development or redevelopment.
- 6.90 This project is closely linked to the output of the States Strategic Housing Indicator project and so the timescales are aligned.

#### Key Worker Housing Strategy

- 6.91 There are a number of areas where Guernsey needs to import labour to meet skills gaps in the delivery of key public services, including nurses and teachers. Employees recruited from outside the Island often need support in finding suitable accommodation. The profile of the accommodation required depends on the terms on which staff are recruited. For example, agency staff recruited for a period of 3 to 6 months, will have different requirements to staff hired on medium or long term contracts who may wish to bring their household to Guernsey with them.
- 6.92 Providing suitable key worker housing is an important part of ensuring adequate living standards for staff recruited from outside the Island to support core services. Ensuring that such staff have access to suitable and affordable accommodation is a necessary part of recruitment and retention packages.
- 6.93 Following a review of the current provision and future provision requirements, it is anticipated that a Key Worker Strategy will be drafted during 2020.

#### Elderly Tenures Strategy

- 6.94 This project will review elderly tenure provision across all housing sectors in Guernsey and ultimately make recommendations to better address the elderly

tenure housing requirements of Guernsey for the future. This will include reviewing specialised housing and extra care housing.

6.95 Suitable accommodation for older people can contribute significantly to their standard of living. Accommodation where there is access to the required care and support services can help people remain active and independent for longer. Access to basic services and social spaces can also help combat loneliness and isolation, all of which promote more positive health and living outcomes.

6.96 It is anticipated that this project will have commenced by mid-2020.

#### Partial ownership

6.97 The Partial Ownership scheme operated by the Guernsey Housing Association is intended to assist first time buyers enter the private ownership housing market. It is targeted at people who are able to finance a mortgage but who cannot borrow sufficient to purchase a property outright to meet their housing requirements.

6.98 The scheme was established in 2004 and this project will undertake a full scale review of the current scheme to determine whether it still meets its objectives, to review these objectives and to determine whether any refinements are needed to make the scheme operate more effectively in today's housing market.

6.99 The review is scheduled to commence in Quarter 3 2020.

#### Private rental market and housing quality standards

6.100 With 32% of people considered at risk of relative income poverty living in the private rental market, ensuring that this market operates effectively, with suitable legal protections for both tenants and landlords, is important.

6.101 Due to commence in Quarter 3 2020, this project will consider the functioning of this market and whether anything could be introduced or improved upon. This is likely to include, reviewing issues such as security of tenure, deposit protection schemes and the current Rent Control legislation.

#### General Housing Law

6.102 This project is nearing completion and comprises an analysis of the legislative framework and processes governing housing quality and standards in Guernsey.

- 6.103 It is hoped that the implementation of basic living standards across the Island's housing stock, across all tenures and affordability levels, will have a very positive impact on living standards across the Island.

#### Government intervention

- 6.104 The States have previously considered interventions in the housing market primarily for the assistance of First Time Buyers and that consideration led to the inception of this project.
- 6.105 This project will consider the current and future costs of government intervention in the housing market and the economic and financial implications of any additional policy interventions. Although not limited in scope, this project is directed to consider the feasibility of a Deposit Guarantee Scheme for Guernsey.
- 6.106 This review will commence late 2020, with a target deadline on mid-2021. While the outcomes of this project are impossible to predict at this stage, it is possible that its recommendations could positively influence aspects of the housing market that, in turn, help Islanders improve their living standards through gaining access to more housing that better meets their requirements.

#### Social Rent-Setting Review

- 6.107 The provision of social rental accommodation is one of the most obvious support mechanisms provided to people at risk of income poverty. The Committee *for* Employment & Social Security is reviewing the rent-setting methodology for social rental properties across the Island.
- 6.108 This project will review the current rent-setting methodologies of both States and Guernsey Housing Association owned social rental properties, with the intention of aligning both. This will make the rent setting methodologies more transparent across the profile of social rental stock, while also making it more consistent and equitable.

#### **The Future Structure of Secondary and post 16 Education**

- 6.109 The delivery of high quality, accessible education is an integral part of the long term wellbeing of local children and the community as a whole.

- 6.110 Guernsey is currently engaged in a major reform of its secondary and post-16 education policy in line with a number of States' Resolutions. In addition, the Committee for Education, Sport & Culture is subject to the following Resolutions:

*To note that the Committee for Education, Sport & Culture is committed to an inclusive system of education, ensuring that all children and young people have equality of opportunity to achieve their potential. All the proposals outlined in this policy letter support the aims of the Disability and Inclusion Strategy and comply with the UN Convention on the Rights of Persons with Disabilities.*

*To direct the Committee for Education, Sport and Culture to embed an "environment for health" ethos across all aspects of education provision in the Bailiwick (including educational outcomes, the learning environment, curriculum, policies and procedures and partnership working) and to make use of any opportunities to meet the mental, emotional, social and physical wellbeing needs of all learners.*

*(Billet D'Etat II, 2018)*

- 6.111 These Resolutions seek to embed wellbeing into the policy principles underpinning the design and delivery of education.

- 6.112 Work underway to transform education and improve education outcomes extends beyond arrangements for secondary education and includes, amongst others things:

- Work to replace the Education (Guernsey) Law 1970 with legislation that reflects the educational aims and aspirations of a modern democratic society. The new legislation will be aligned with the United Nations Convention on the Rights of the Child (UNCRC) which is in the final stages of extension to Guernsey, the UN Convention on the Rights of Persons with Disabilities (UNCRPD) and other relevant legislation. The UNCRC sets out articles underpinned by principles of inclusion and the promotion of social progress. The public consultation process will close on 9<sup>th</sup> March 2020 and the Committee will present proposals for a new law to the States in due course
- Establishment of The Guernsey Institute, the proposed strategic objectives of which include (amongst others) being a centre of excellence of island-based technical, vocational and community learning, to service the needs of people of all ages and the Island's key industries. The community and family learning will bring together adults of different ages and backgrounds to acquire a new skill, re-connect with learning, pursue an interest, prepare for progression to

formal courses, and/or learn how to support their children more confidently

- A review of practice, provision and opportunity in respect of special educational needs and disability (SEND). This review will inform future evolution in these areas to ensure good outcomes for children and young people who have SEND and facilitate the ongoing development of a culture of inclusivity
- Continued development of the Bailiwick Big Picture Curriculum in schools and its implementation, and refinement to the teaching of reading in schools
- Continued support for early years, including provision of funding for early childhood education and the development of an Early Years Roadmap

6.113 The education system, and the engagement of schools with strategies such as the healthy weight strategy and the substance use strategy, is also key to delivering the elements of such strategies which relate to children.

### **Domestic Abuse**

6.114 Domestic abuse can have a material impact on the wellbeing of individuals and families, potentially having a long lasting impact on the physical and mental wellbeing of those who suffer or witness abuse. The Domestic Abuse Strategy seeks to achieve the following outcomes:

- i. an increase in public and professional awareness of the prevalence and harm caused by domestic abuse and of the support services available through partnership working, awareness raising and challenging inaction by individuals, communities and organisations;
- ii. an increase in the knowledge and skills of children, young people and adults about forming healthy relationships, through prevention education and learning, so that they are better equipped to form relationships based on equality and respect, mutual understanding and shared power;
- iii. an increase in the safety of survivors (adults and children) based on an approach that maximises safe choices available and reduces the harm caused;
- iv. a reduction in the risk of harm from perpetrators through holding abusers accountable for their behaviour in such a way that reduces risk and which not only acts as a future deterrent for them, but also as a deterrent to potential abusers;
- v. services meet the needs of victims / survivors of domestic abuse through ensuring that victims are involved and consulted on the

development of specialist domestic abuse services, service outcomes are monitored and service standards are met; and

- vi. justice responses to domestic abuse are effective through holding perpetrators to account for their behaviour, ensuring that the local legislation is robust, and encouraging more victims to seek help from the Police and criminal justice system whilst receiving the level of support necessary to pursue their complaint without withdrawing from the court process.

6.115 As part of the delivery of this strategy the Committee *for* Home Affairs has extended the provision of lessons in schools which provide education about domestic abuse and related issues in an age appropriate way.

6.116 It is also developing policy proposals which will investigate the merits of establishing a Violence Against Women and Girls Strategy. This may be delivered as part of the next update on the Domestic Abuse Strategy in 2020.

### **Tax Policy**

6.117 It has been clear for many years that Guernsey faces significant fiscal and policy challenges. As the current political term draws to a close, the scale of these issues has become increasingly apparent. The Policy & Resources Committee is to commence a review of taxation in 2020 ([Billet d'État I, January 2020](#)) in order to ensure that the tax system is able to support the delivery of public services in the long term.

6.118 Many of the financial challenges faced by the States of Guernsey are a result of the need to continue to provide services and benefits to an ageing population. These policy areas, such as the provision of secondary pensions, the security of the State Pension and the provision of health and long term care services, are integral to supporting the wellbeing of a significant proportion of the population.

6.119 It is evident that, as well as supporting economic growth and progressing efforts to transform public services, it may be necessary to raise significantly more revenues in the medium term if public finances are to remain sustainable. The intention of that review is to plan how an increase in revenues could be achieved in a way that is both economically and socially sustainable and fair within the limits set by the Fiscal Policy Framework.

6.120 If government needs to raise additional revenues to meet these needs it needs to be done in a way which does not unduly impinge on the living standards of tax payers or the wellbeing of the community as a whole. The Tax Review will need to incorporate ongoing Resolution from the Policy and Resource Plan – Phase 2:

*“To direct the Policy & Resources Committee, in developing its proposals for income measures from 2018 onwards, to consider the merits and disadvantages of any new forms of taxation, with the exception of taxes on capital; this recognises that there will be a clear presumption that over this period (in light of the island’s changing demographics) the tax base will broaden and diversify consistent with the principles of seeking a greater contribution from those individuals and entities most able to bear the burden. ”*

6.121 The terms of reference for this review will be as follows:

- To present options for restructuring the tax base so that it has the capacity to raise revenues up to the limits of aggregate revenues proposed in the Fiscal Policy Framework in a sustainable way within the boundaries of the Framework (to be agreed following consideration of this Policy Letter); ¶ To investigate mechanisms for raising additional revenues including:
  - the taxation of company profits with due regard to the need to maintain a tax system which is competitive, internationally acceptable and maintains tax neutrality;
  - Extension or modification of the existing income tax and Social Security contribution system;
  - A health tax;
  - The addition of general or limited consumption taxes to the tax base;
- To investigate options for the implementation of these measures in such a way as to minimise the economic impact of changes to the tax structure; and
- To provide analysis of the financial, economic and social implications of any options presented.

6.122 This review will not consider any form of capital taxes which are considered incompatible with Guernsey’s status as a finance centre.

6.123 The review will be led by the Policy & Resources Committee with engagement with States Members and Committees in the initial stages of the process to capture their views on potential options and before any final proposals are published. Further detailed engagement with the Committees *for* Employment & Social Security and Health & Social Care will be undertaken in relation to Social Security contributions and health taxes. The process will also include public engagement.

6.124 Steps have already been taken to add greater transparency regarding the impact of revenue proposals by including household impact analysis in the 2020 Budget Report. The intention is to continue enhancing these tools to aid discussion in the 2021 Budget and the tax review. The Policy & Resources Committee will report back to the States on the outcome of the review by no later than June 2021.

## **7. Guernsey Community Foundation and the Institute for Public Policy Research investigation into poverty in Guernsey**

7.1 Alongside the creation of this priority area, the Guernsey Community Foundation, in consultation with committees of the States, has commissioned a piece of work to investigate the profile of poverty in Guernsey and what solutions might be effected within the States' available resources.

7.2 This work will seek to answer the following questions:

- How prevalent is poverty and deprivation on the island and how visible is it?
- Which demographic groups are affected?
- How do impoverished groups compare to the rest of the population when it comes to key social indicators?
- How effective are existing anti-poverty measures, including the provision of services designed for or accessed by low-income households?
- To what extent do existing States of Guernsey strategies recognize the need to reduce poverty, and where might a better coordinated approach deliver more effective outcomes? What is the impact of current welfare policy —and where are its strengths and weaknesses?
- What wider conditions influence the success and sustainability of social welfare policies on the island, for example political and economic?
- What strategies have other comparable jurisdictions or local communities deployed to alleviate poverty and deprivation?

7.3 A full copy of the terms of reference for this work is included in Appendix E

7.4 It is anticipated that this work will be completed during 2020 and may help inform on-going development in this area. It is funded, managed and progressed by the Guernsey Community Foundation having consulted on the Terms of Reference. Government information is being provided but the final report is essentially independent of government.

## **8. Consultation and engagement**

8.1 The development of this policy letter has been led by the Policy & Resources Committee with support from across the States working in multiple policy areas. The policy letter was circulated to the Committees most involved in delivery prior to publication to capture the most current information available.

## **9. Conclusions and next steps**

- 9.1 This policy letter seeks to establish a priority policy area to provide a framework within which policies that contribute to improving living standards can be co-ordinated and reported. This is not intended to impede or duplicate work already underway, but rather provide a framework within which it can be co-ordinated and reported. It also creates a framework against which progress can be monitored at a strategic level.
- 9.2 Delivery of this priority area in the next term should include analysis of whether there are gaps within the current profile of policies which could make significant contribution to the delivery of the objectives. The work commissioned by the Community Foundation may help inform this process.

## **10. Compliance with Rule 4**

- 10.1 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, motions laid before the States.
- 10.2 In accordance with Rule 4(1), the Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications. She has advised that there is no reason in law why the Propositions should not to be put into effect.
- 10.3 In accordance with Rule 4(3), the Propositions are not requesting the States to approve funding.
- 10.4 In accordance with Rule 4(4) of the Rules of Procedure of the States of Deliberation and their Committees, it is confirmed that the propositions above have the unanimous support of the Committee.
- 10.5 In accordance with Rule 4(5), the Propositions relate to the duties of the Committee to advise the States and to promote and facilitate cross-committee policy development.

Yours faithfully

G A St Pier  
President

L S Trott  
Vice-President

A H Brouard  
J P Le Tocq  
T J Stephens

## APPENDIX A: Definitions of poverty and deprivation

1. **Situational poverty** is generally caused by a sudden crisis or loss and is often temporary. Events causing situational poverty include environmental disasters, divorce, or severe health problems.
2. **Generational poverty** occurs in families where at least two generations have been born into poverty. Families living in this type of poverty are not equipped with the tools to move out of their situations.
3. **Absolute poverty**, which is rare in Guernsey, involves a scarcity of such necessities as shelter, running water, and food. Families who live in absolute poverty tend to focus on day-to-day survival.
4. **Relative poverty** refers to the economic status of a family whose income is insufficient to meet its society's average standard of living.
5. **Urban poverty** occurs in metropolitan areas with populations of at least 50,000 people. The urban poor deal with a complex aggregate of chronic and acute stressors (including crowding, violence, and noise) and are dependent on often-inadequate large-city services.
6. **Rural poverty** occurs in nonmetropolitan areas with populations below 50,000. In rural areas, there are more single-guardian households, and families often have less access to services, support for disabilities, and quality education opportunities. The distinction between rural and urban poverty is of limited utility in a Guernsey context.
7. **Income inequality** shows how differences in income levels between people who live relatively near each other. Someone maybe considered fairly rich relative to global or national standards but, if they live in a particularly affluent area like Guernsey, still have few resources when considered relative to others in their local region.
8. **Deprivation** refers to a more general lack of resources and opportunities. Unemployment, poor housing, lack of qualifications, debt, low income, fuel poverty, crime, violence, drug and alcohol dependence and many other social and environmental factors all affect the health and wellbeing of the population. Where individuals or households are exposed to multiple deprivation factors the impact on their standard of living can be pronounced.
9. **Fuel/energy poverty** relates specifically to a difficulty in accessing fuel and energy, typically because of a lack of financial resources. Similar definitions exist for other expenditures on necessary items such as food and water
10. **In work poverty** refers to a situation where at least one member of a households is in work and the household meet the income or other criteria to be defined as in poverty or at risk of poverty

## APPENDIX B: List of relevant extant resolutions

Year	Billet	Policy Letter Title	Description of Original Resolution Made
<b>Policy &amp; Resources Committee</b>			
2017	XII	THE POLICY & RESOURCE PLAN – PHASE TWO	1B. To direct the Policy & Resources Committee, in developing its proposals for income measures from 2018 onwards, to consider the merits and disadvantages of any new forms of taxation, with the exception of taxes on capital; this recognises that there will be a clear presumption that over this period (in light of the island's changing demographics) the tax base will broaden and diversify consistent with the principles of seeking a greater contribution from those individuals and entities most able to bear the burden.
2017	XII	THE POLICY & RESOURCE PLAN – PHASE TWO	11A. To direct all Committees when formulating policy to take account of long-term impacts on the wellbeing of current and future generations.
2015	XXIV	MAINTAINING GUERNSEY'S WORKING POPULATION	5. To direct all States Departments to consider how best to support and encourage employees to remain in the work place until retirement age is reached.
2013	XXII	DISABILITY & INCLUSION STRATEGY	4. To direct the Policy Council to seek the extension of the UN Convention on the Rights of People with Disabilities to Guernsey at the earliest appropriate opportunity
<b>Committee for Employment &amp; Social Security</b>			
2018	XXIII	NON-CONTRIBUTORY BENEFIT RATES FOR 2019	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.
2018	XXIII	NON-CONTRIBUTORY BENEFIT RATES FOR 2019	11. To agree in principle that all of those in receipt of Income Support should qualify for Medical Support and to request the Committee for Employment & Social Security to report back to the States on the financial implications of such a reform, together with proposals for its implementation, no later than its uprating report on non-contributory benefits for 2020.
2016	XXVII	BENEFIT AND CONTRIBUTION RATES FOR 2017	22. To authorise, subject to the approval of proposition 21, the Committee for Employment & Social Security to pay a grant to Every Child Our Future of £31,265 in 2017, and in subsequent years, at such amounts as the Committee may deem appropriate within its budget allocation for grants to charitable organisations, for the provision of a pre-school to support vulnerable families whose children are not of the age where they would be entitled to free pre-school education.

<b>2016</b>	VII	COMPREHENSIVE SOCIAL WELFARE BENEFITS MODEL	2. To direct the Committee for Employment & Social Security to report to the States of Deliberation, no later than October 2017, with recommendations for reform of the arrangements for winter fuel allowances to householders receiving supplementary benefit.
<b>2016</b>	III	PROPOSED DEVELOPMENT OF A SECONDARY PENSIONS SYSTEM FOR GUERNSEY AND ALDERNEY	1. To approve in principle the introduction of automatic enrolment into private pension saving and the development of a Secondary Pension scheme based on the principles outlined in paragraph 161 of that Policy Letter, but subject to further research being carried out by the Committee for Employment and Social Security as to whether any distinction should be drawn between employer businesses of varying sizes.
<b>2016</b>	III	PROPOSED DEVELOPMENT OF A SECONDARY PENSIONS SYSTEM FOR GUERNSEY AND ALDERNEY	2. To direct the Committee for Employment and Social Security to report back to the States of Deliberation no later than 31st December 2017 with detailed proposals for the implementation of automatic enrolment into private pension saving and a Secondary Pension scheme.
<b>2016</b>	III	PROPOSED DEVELOPMENT OF A SECONDARY PENSIONS SYSTEM FOR GUERNSEY AND ALDERNEY	3. To direct the Committee for Employment and Social Security, in reporting back to the States, to provide an economic impact assessment of the proposals.
<b>2015</b>	XVIII	BENEFIT AND CONTRIBUTION RATES FOR 2016	3. That the Social Security Department be directed to review the guideline for the annual uprating of statutory old-age pensions no later than 2020, having regard to progress made in establishing supporting policies to enhance personal pension provision and the actuarial projections for the Guernsey Insurance Fund at that time.
<b>2015</b>	XVIII	BENEFIT AND CONTRIBUTION RATES FOR 2016	30. To agree that, after consultation with other relevant committees of the States, the Committee for Employment & Social Security shall report to the States by no later than October, 2017 setting out their opinion on whether the universal payment of family allowances should be altered, reduced or ceased and the costs thereof redirected to allow the States to provide additional financial support for some or all of the following children's services: medical and paramedical, including but not limited to primary care, dental, optical and physiotherapy provided either by States-employed clinicians or contracted private practitioners; and breakfast clubs, after school homework clubs, school meals and holiday clubs at States' schools.

<b>Committee for Health &amp; Social Care</b>			
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY WEIGHT STRATEGY 2016-2023	1. To agree to work towards the vision of Guernsey and Alderney becoming an environment where healthy eating and regular physical activity are accessible, affordable and normal, for all in the community.
<b>2016</b>	III	CHILDREN AND YOUNG PEOPLE'S PLAN 2016-2022	1. To approve the Children and Young People's Plan 2016-2022, as set out in Appendix 1 of that Policy Letter.
<b>2015</b>	VII	GUERNSEY AND ALDERNEY TOBACCO CONTROL STRATEGY 2015-2020	10. To approve the Guernsey and Alderney Tobacco Control Strategy 2015-2020 and affirm the States' commitment to minimising the harm caused by tobacco to Guernsey and Alderney residents of all ages.
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY WEIGHT STRATEGY 2016-2023	2. To direct the Health and Social Services Department (and its successor Committee) to continue and strengthen evidence-based joint working across States Departments (and their successor Committees) and food providers to enable access to appropriate food choices for adults and children in all settings.
<b>2013</b>	XXIV	CHILDREN & YOUNG PEOPLE'S PLAN 2014 - 2016	2. To request the Health and Social Services Department: a) In the development and implementation of the extended Children and Young People's Plan, as described in paragraphs 12 to 15 of that Report, to investigate whether the children of Guernsey and Alderney could benefit from the adoption of elements of the UK Department for Communities and Local Government programme under the policy entitled "Helping troubled families turn their lives around"; in particular from initiatives such as targeting, early intervention, sharing of data, and dedicated officers taking responsibility for particular families; b) to take forward any such initiatives which the Department feels, following such investigation, would benefit those children; c) when submitting a new Children and Young People's Plan to the States, as envisaged in paragraph 10 of that Report, to include therein, or report together therewith as appropriate, details of any such initiatives which the Department has implemented or piloted, or proposes to implement or pilot.
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY	3. To direct the Health and Social Services Department (and its successor Committee) to continue and strengthen evidence-based joint working across States Departments (and their successor

		WEIGHT STRATEGY 2016-2023	Committees), the Guernsey Sports Commission and community providers to enable increased opportunities for physical activity and active travel for adults and children in all settings.
<b>2016</b>	III	CHILDREN AND YOUNG PEOPLE'S PLAN 2016-2022	4. To direct the Committee for Health and Social Care, working with the Policy and Resources Committee, to have regard to the suggested governance arrangements in Section 7 of that Policy Letter when determining how the Children and Young People's Plan should be implemented and funded.
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY WEIGHT STRATEGY 2016-2023	4. To direct the Health and Social Services Department (and its successor Committee) to work with the Home Department (the Guernsey Border Agency) and Treasury and Resources Department (and their successor Committees), to investigate the potential for implementation and administration of a tax on sugar sweetened beverages.
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY WEIGHT STRATEGY 2016-2023	5. To direct the Health and Social Services Department (and its successor Committee) to set up a clinical working group to review adult, child and maternity weight management service provision, supported by a business case should increased funding be required.
<b>2016</b>	III	CHILDREN AND YOUNG PEOPLE'S PLAN 2016-2022	6. To direct the Committee for Health and Social Care to report back to the States of Deliberation on the results of those investigations in due course.
<b>2019</b>	IX	POLICY & RESOURCE PLAN - 2018 REVIEW AND 2019 UPDATE	6. To note that the Committee for Health & Social Care will add an action to address these gaps in community-level mental health and wellbeing provision, in collaboration with States Committees, the Government of Jersey and the Third Sector, to its priorities for 2019-20, in fulfilment of the commitment in the Policy & Resource Plan to give parity between mental and physical health and wellbeing;
<b>2016</b>	VI	GUERNSEY AND ALDERNEY HEALTHY WEIGHT STRATEGY 2016-2023	7. To approve the Guernsey and Alderney Healthy Weight Strategy 2016-23 and Action Plan and affirm the States' commitment to minimising the harm caused by overweight and obesity to Guernsey and Alderney residents of all ages.
<b>2019</b>	IX	POLICY & RESOURCE PLAN - 2018 REVIEW AND 2019 UPDATE	To direct: b) the Committee for Health & Social Care to undertake expeditiously all work associated with revisions and amendments to the Children (Guernsey & Alderney) Law, 2008
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE:	1. To reaffirm the States of Guernsey's commitment to a process of transformation of health and care services in the Bailiwick of Guernsey, based on the key aims of:

		TRANSFORMING BAILIWICK HEALTH AND CARE	<ul style="list-style-type: none"> <li>o <b>Prevention:</b> supporting islanders to live healthier lives;</li> <li>o <b>User-centred care:</b> joined-up services, where people are valued, listened to, informed, respected and involved throughout their health and care journey;</li> <li>o <b>Fair access to care:</b> ensuring that low income is not a barrier to health, through proportionate funding processes based on identified needs;</li> <li>o <b>Proportionate governance:</b> ensuring clear boundaries exist between commissioning, provision and regulation;</li> <li>o <b>Direct access to services:</b> enabling people to self-refer to services where appropriate;</li> <li>o <b>Effective community care:</b> improving out-of-hospital services through the development of Community Hubs for health and wellbeing, supported by a Health and Care Campus at the PEH site delivering integrated secondary care and a Satellite Campus in Alderney;</li> <li>o <b>Focus on quality:</b> measuring and monitoring the impact of interventions on health outcomes, patient safety and patient experience;</li> <li>o <b>A universal offering:</b> giving islanders clarity about the range of services they can expect to receive, and the criteria for accessing them;</li> <li>o <b>Partnership approach:</b> recognising the value of public, private and third sector organisations, and ensuring people can access the right provider; and</li> <li>o <b>Empowered providers and integrated teams:</b> supporting staff to work collaboratively across organisational boundaries, with a focus on outcomes.</li> </ul>
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	2. To direct the Committee for Health & Social Care to develop a health and care system premised on a Partnership of Purpose bringing together providers to deliver integrated care which places the user at its centre and provides greater focus on prevention, support and care in the community and makes every contact count;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	4. To direct the Committee for Health & Social Care to work together with all health and care providers to produce a schedule of primary, secondary and tertiary health and care services that shall be publicly available as the Universal Offer either fully subsidised or at an agreed rate;

<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	5. To direct the Committee for Health & Social Care, the Committee for Employment & Social Security and the Policy & Resources Committee, together with any non-States' bodies affected, to consider how the current States' funding of health and care can be reorganised to support the Universal Offer and, if necessary, to report back to the States at the earliest opportunity;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	6. To direct the Committee for Health & Social Care to work with:- o the Committee for Employment & Social Security to create a Care Passport for islanders, establishing their individual entitlement to health and care services and to explore how it could be linked with existing benefits or new opportunities to encourage individuals to save for their costs of care, in an individual Health Savings Account, a compulsory insurance scheme, or otherwise; o the Policy & Resources Committee and representatives of the voluntary sector, to explore a scheme of "community credits" to incentivise more volunteering within the health and care system;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	8. To agree that, in line with the States of Guernsey's Digital Strategy, the Committee for Health & Social Care shall seek to provide user-friendly online access to services, including providing service users with secure access to their own summary care record, where appropriate, their Care Passport and information on maintaining their own health and wellbeing;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	14. To agree that the Committee for Health & Social Care shall review the processes used to: <ul style="list-style-type: none"> <li>o consider the merits of whether new drugs or medical treatments should be funded to ensure that a consistent approach is used across all decision-making bodies (including the Committee for Employment &amp; Social Security's Prescribing Benefit Advisory Committee);</li> <li>o determine access to child or adult social care services, along with reviewing the transition between the two; o</li> <li>access long-term care in the community or in residential or nursing homes and work with the Committee for Employment &amp; Social Security to produce a single assessment process in accordance with the resolutions of the Supported Living and Ageing Well Strategy;</li> </ul> and in so doing ensure that clear, user-friendly information about the processes and criteria shall be made publicly available;

<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	15. To affirm that the States, in all its policy decisions, should consider the impact of those decisions on health and wellbeing, and make use of any opportunities to improve health or reduce health inequalities, across all government policies;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	17. To direct the Committee for Health & Social Care to report to the States in 2018 with proposals for the comprehensive regulation of health and care services and practitioners;
<b>2017</b>	XXIV	A PARTNERSHIP OF PURPOSE: TRANSFORMING BAILIWICK HEALTH AND CARE	19. To note that the Committee for Health & Social Care will continue to work with the Alderney community and the States of Alderney to rebuild confidence in health and care services, including those provided by the satellite campus, and ensure that they are proportionate and responsive to the needs of the island;
<b>Committee for Home Affairs</b>			
<b>2015</b>	XXIII	DOMESTIC ABUSE STRATEGY	2. To direct the Home Department to report back to the States in 2020 with a progress report on the implementation of the Strategy for 2016-2020 together with proposals for the future.
<b>2015</b>	XXIII	DOMESTIC ABUSE STRATEGY	3. To direct the Home Department (and its successor committee), as part of its ongoing co-ordination of the Domestic Abuse Strategy, to investigate extending to additional years the provision of consistent and structured domestic abuse lessons in schools as described in Appendix 5 to that Policy Letter.
<b>2015</b>	XXIII	DOMESTIC ABUSE STRATEGY	4. To note developments in respect of policies collectively known as Violence Against Women and Girls, as referred to in paragraphs 6.19 to 6.23 of that policy letter, and to agree that the Committee for Home Affairs shall investigate the merits of establishing a Violence Against Women and Girls Strategy and report its findings to the States by no later than the end of 2018.
<b>2012</b>	XI	DEVELOPING A CRIMINAL JUSTICE STRATEGY AND A REPORT FROM THE CRIMINAL JUSTICE WORKING GROUP	1. To note the Report prepared by the Criminal Justice Working Group and appended to the Billet and to acknowledge that reports on the Strategy's progress will be submitted to the Assembly in future years as appendices.

<b>2007</b>	<b>XX</b>	<b>LEGAL AID</b>	3. To request HM Procureur and the Home Department to bring forward proposals to amend section 91(3) of the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 provided that the concerns regarding how to ensure that all those providing advice to persons detained by the Police or Customs receive effective advice and representation, can be dealt with.
<b>Committee for Environment &amp; Infrastructure</b>			
<b>2018</b>	<b>XIX</b>	<b>LOCAL MARKET HOUSING REVIEW AND DEVELOPMENT OF FUTURE HOUSING STRATEGY</b>	7. To endorse the Programme of Works, including the development of a Housing Strategy, and to direct the lead Committees identified for each work stream identified in this Policy Letter to prioritise those work streams alongside their current workloads;
<b>Committee for Education Sport &amp; Culture</b>			
<b>2018</b>	<b>II</b>	<b>THE FUTURE STRUCTURE OF SECONDARY AND POST-16 EDUCATION IN THE BAILIWICK</b>	15. To note that the Committee for Education, Sport & Culture is committed to an inclusive system of education, ensuring that all children and young people have equality of opportunity to achieve their potential. All the proposals outlined in this policy letter support the aims of the Disability and Inclusion Strategy and comply with the UN Convention on the Rights of Persons with Disabilities.
<b>2018</b>	<b>II</b>	<b>THE FUTURE STRUCTURE OF SECONDARY AND POST-16 EDUCATION IN THE BAILIWICK</b>	17. To direct the Committee for Education, Sport and Culture to embed an “environment for health” ethos across all aspects of education provision in the Bailiwick (including educational outcomes, the learning environment, curriculum, policies and procedures and partnership working) and to make use of any opportunities to meet the mental, emotional, social and physical wellbeing needs of all learners.
<b>2017</b>	<b>XII</b>	<b>THE POLICY &amp; RESOURCE PLAN – PHASE TWO</b>	15A. To note that, as set out on page 191 of Billet d’État No. XII of 2017, the Committee for Education, Sport & Culture intends to review the policies of the States in relation to the provision and funding arrangements of, and entitlement to, pre-school education; and to agree that during the present States’ term, i.e. up to June, 2020, there shall be no further restrictions made to entitlement to pre-school education beyond what was agreed by the States on Billet d’État No. XX of 2015 unless such further restrictions have been agreed by the States not less than nine months before they are implemented.

# Guernsey Household Income Report

2017

Issue date 29th November 2019

The Guernsey Household Income Report provides information on the income levels for households in Guernsey (including the islands of Guernsey, Herm, Jethou and Lihou) using data collated by the Rolling Electronic Census IT System.



States of Guernsey  
Data and Analysis

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## 1.1 Introduction

The Household Income Report is an annual publication. This latest report contains information on household incomes in 2017. Since 2014 the analysis has been compiled on a like for like basis and a time series is beginning to build up. In this report, comparisons are drawn between 2017 and older data where appropriate.

The report uses data sourced from the Rolling Electronic Census, an award winning IT system completed in late 2014, which collates demographic, employment and economic data from ten separate States of Guernsey databases. See [Appendix](#) for more details on the Rolling Electronic Census.

The Household Income Report 2017 is based on a sample of 23,793 Guernsey households. See [Appendix](#) for more detail on methodology and which households have been included in the analysis.

The Report is based on annual incomes for the year ending December 2017. It provides information on average gross household income (before deduction of taxes and social security contributions) broken down by quintile (five equally sized groups ordered by level of gross income) and also by household composition. Equivalised incomes are presented as well as unequivalised incomes in order to take account of different household structures and compositions when making comparisons. Mean and median incomes for the different parishes are also presented on an equivalised basis, as are mean and median incomes by school catchment, school attended and housing market.

[Sections 10 and 11](#) of the Report contain information on household incomes after income tax and social security contributions have been deducted and after housing costs. Housing costs referred to here and throughout the rest of the report mean mortgage and rent costs. The income remaining after these deductions broadly indicates the amount of money left to buy goods and services and is a commonly used income measure for monitoring living standards and determining internationally comparable measures of relative poverty.

[Section 12](#) contains information on income equality. Data is presented in this section on the number of households who have an income net of social security, income tax and housing costs which was less than 60% of the median and on the composition and tenure of those households. These households are classified as being at risk of relative income poverty. In the [Guernsey Indicators of Poverty Report](#) (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)) the extent of social and economic deprivation in Guernsey is quantified via a set of multi-dimensional indicators based on a methodology used in England. The indicators encompass seven different areas of interest: employment, health, education, crime, housing and the environment as well as income.

The concept of the Gini coefficient is also introduced in this section. It is a statistical measure to review how income is distributed, with a value of one indicating where one household has all the income within a population and a value of zero indicating perfect equality, where all households have the same income. Income decile ratios are also presented. The methods used in [Section 12](#) are standardised with those used in the UK and Jersey enabling comparisons to be made.

## 1.2 Headlines

- In 2017, the overall mean gross household income (unequalised) was £72,794 (£1,400 per week) and the overall median gross household income was £54,068 (£1,040 per week), increases of 2.3% and 4.2% respectively from 2014.
- The lowest quintile represents the bottom 20% of all households when sorted by income. It had an upper boundary of £24,113 in 2017. For those households that were in the lowest income quintile 53% of the gross income was derived from old age pensions, 28% was classified as private income, whilst benefits (excluding old age pensions) and rent rebates collectively accounted for just over 19%.
- The highest income quintile represents the top 20% of all households when sorted by income and had a lower boundary of £102,270 in 2017. Within the highest income quintile, 98% of income was classified as private income.
- In 2017, the equivalised overall mean gross household income was £63,841 (£1,228 per week) and the overall median was £50,489 (£971 per week), an increase of 4.5% and 5.5% respectively from 2014.
- Torteval parish recorded the highest mean equivalised income at £80,384 per annum, and the highest median income at £61,525 per annum. The parish of St Sampson recorded the lowest mean and median incomes for the fourth consecutive year, at £54,977 and £47,823 in 2017.
- Households with children attending The Ladies' College (Reception to Year 6) had the highest equivalised median income at £108,080, whilst households with children attending Le Rondin & Les Voies and Amherst had the lowest at £34,979 and £35,078 respectively.
- Households with children attending Elizabeth College (Year 7 and above) and The Ladies' College (Year 7 and above) had the highest equivalised median incomes at £87,268 and £87,264, whilst households with children attending Le Murier & Les Voies and St Sampsons High had the lowest at £35,395 and £42,483.
- Households living in Open Market (Part A) accommodation had a higher equivalised median gross household income (£63,109) than households living in Local Market accommodation (£49,939).
- The equivalised overall mean household income after deduction of social security contributions, income tax and estimated housing costs was £42,440, (£816 per week) and the overall median was £32,434 (£624 per week) in 2017, increases of 2.8% and 4.2% respectively from 2014.
- The household composition with the lowest equivalised mean household income after deduction of social security contributions, income tax and estimated housing costs was the **one adult (16-64) with children** group, at £19,263, a 6.2% increase from 2014 (albeit based on a small sample).
- In 2017, 26.9% of all households and 21.8% of the total population in Guernsey were found to have a household income net of social security, income tax and housing costs which was less than 60% of the median. In 2014, 27.1% of all households and 22.3% of the total population had an income which was less than 60% of the median.
- The Gini coefficient for gross equivalised income was 0.39 in 2017 compared to 0.40 in 2014. The top 5% of all households, when ranked by income, had 21% of all equivalised income in 2017 and the bottom half of all households had 24% of all equivalised income. These figures were unchanged from 2014.

## 2. Overview of households in Guernsey at 31st December 2017

Households are defined in this Report as individuals residing at the same address. The information presented here is based on an analysis of 23,793 Guernsey households and represents an average household size of 2.5 people. Households where an individual was absent for nine months of the year in 2017 and those where addresses were not known were not included in the analysis (see [Appendix](#) for detailed methodology).

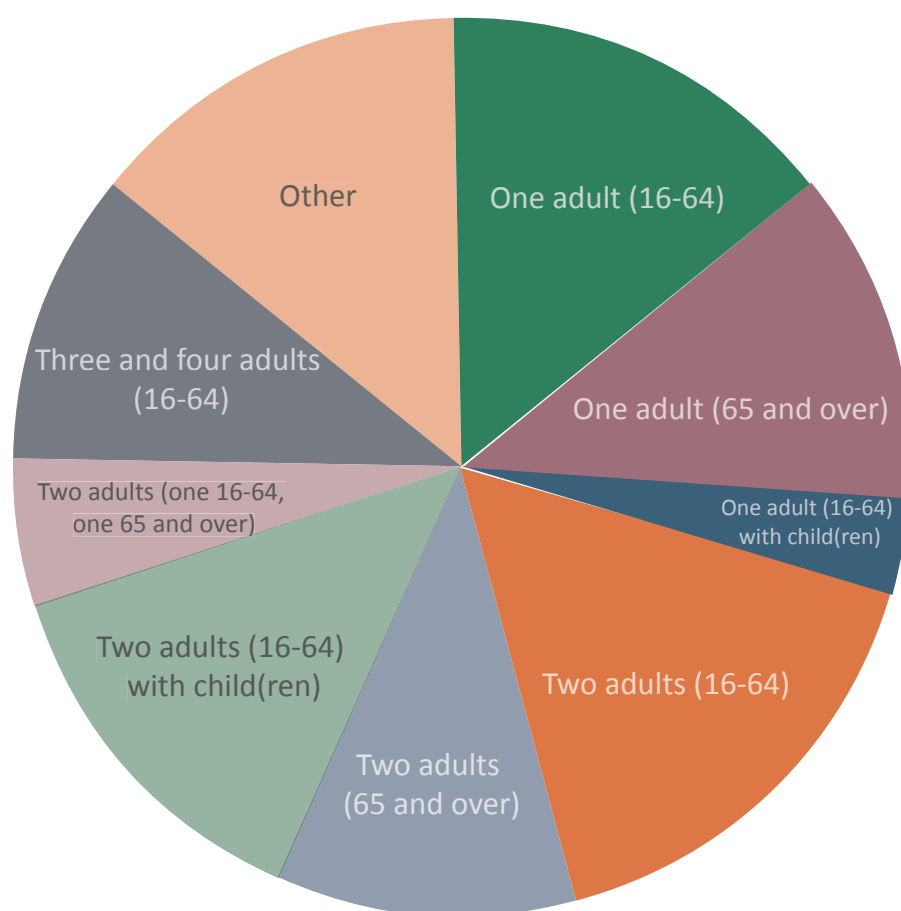
Eight main categories of household composition have been used throughout this Report, which cover the most common household types. Household compositions vary during the year with individuals moving house, immigration, emigration, births and deaths, and for this reason the data presented below and overleaf is a snapshot of the composition of households as at 31st December 2017.

**Table 2.1.1: Definition of household composition type and percentage in sample at 31st December 2014, 2015, 2016 and 2017**

Composition Type	Description	% of sample 2014	% of sample 2015	% of sample 2016	% of sample 2017
One adult (16-64)	One adult, aged between 16 and 64 years at address	13.4	13.8	14.3	14.6
One adult (65 and over)	One adult of age 65 years or over at address	11.6	11.7	11.9	11.8
One adult (16-64) with child(ren)	One adult, aged between 16 and 64 years living with one or more child(ren) under 16 years at address	4.1	3.5	3.4	3.6
Two adults (16-64)	Two adults, aged between 16 and 64 years at address	16.0	16.7	16.6	16.1
Two adults (65 and over)	Two adults, both of age 65 years or over at address	10.5	10.9	10.8	10.9
Two adults (16-64) with child(ren)	Two adults, both aged between 16 and 64 years living with one or more child(ren) under 16 years at address	13.8	13.6	14.0	13.5
Two adults (one 16-64, one 65 and over)	Two adults, one aged between 16 and 64 years and one of age 65 years or over at address	5.1	5.1	5.2	5.3
Three and four adults (16-64)	Three or four adults, all aged between 16 and 64 years at address. Note this category can include parents with grown up children, or unrelated adults living in a house share arrangement.	10.9	10.7	10.5	10.4
Other	Any other household composition not defined above at same address (e.g. where individuals in a household span more than one description such as three adults, with child(ren) under 16 years and households of more than four adults aged 16-64 years)	14.8	14.0	13.5	13.8
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 2.1 Household composition at 31st December 2017

Figure 2.1.1 Composition of Guernsey households as at 31st December 2017



The eight most common household types as defined in [Table 2.1.1](#) describe over 86% of all households in 2017 as can be seen in [Figure 2.1.1](#). Over a quarter of all households (6,288 households) are one adult households without child(ren), and just under a third of all households (7,689) are two adults without child(ren). A further 10.4% are **three and four adult (16-64)** households without children. Pensioner households comprising either **one adult (65 and over)** or **two adults (65 and over)** or **two adults (one 16-64, one 65 and over)** represent 28.0% of all Guernsey households.

Households with child(ren), with either **one adult (16-64) with child(ren)** or **two adults (16-64) with child(ren)**, represent 17.0% of all Guernsey households. The remaining 13.8% (3,276 households) are classified as **'other'** and will include households of more than four adults, or where individuals in a household span more than one description e.g. the household comprises three adults, two aged over 65 years and one under 65 years.

## 3.1 Unequalised or equalised - which to use

Gross household incomes and incomes net of social security, income tax and imputed housing costs are provided on an unequalised and equalised basis. [Sections 4, 5 and 6](#) contain information on unequalised household incomes and [Sections 7, 8 and 9](#) contain the same information for equalised household incomes. [Section 10](#) contains unequalised household incomes after social security, income tax and imputed housing costs have been deducted. [Section 11](#) contains the same information on an equalised basis.

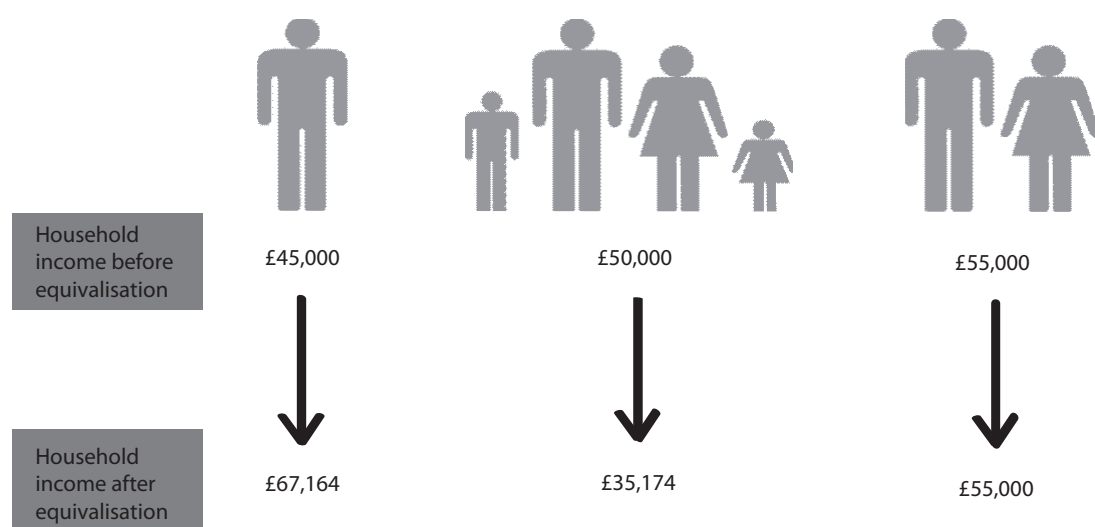
Unequalised means the gross income of a household (i.e the total income of a household, with no adjustment made for different household sizes and household compositions).

The income that a household needs to attain a given standard of living will depend on its size and composition. “Equalisation” means adjusting a household’s income for size and composition so households can be looked at on a more comparable basis. Gross incomes have been equalised using the ‘Modified-OECD’ equivalence scale, in which each household is given a weighting depending on its composition and this is divided by its gross household income. Households of two adults and no children do not see their gross incomes change after equalisation, whilst incomes of households comprising more than two adults are scaled down. Households containing fewer than two adults will have their income scaled up after equalisation. (See [Appendix](#) for methodology).

The decision on whether to use unequalised or equalised gross household income will depend on the use to which the data is being put. Unequalised gross household incomes are useful when requiring income levels for all households (such as overall mean gross household income and overall median gross household income).

Equalised household income data is recommended where comparisons of income are being made across different household types, such as by composition, tenure and quintile.

As an example, take a household of two adults and two children and a gross income of £50,000. If this is compared with a household containing just one adult with a gross income of £45,000, then although the larger household had a higher gross income it is the smaller one that has the higher equalised income. This is illustrated in the diagram below.



## 4.1 Overall income (unequalised): mean, median and distribution

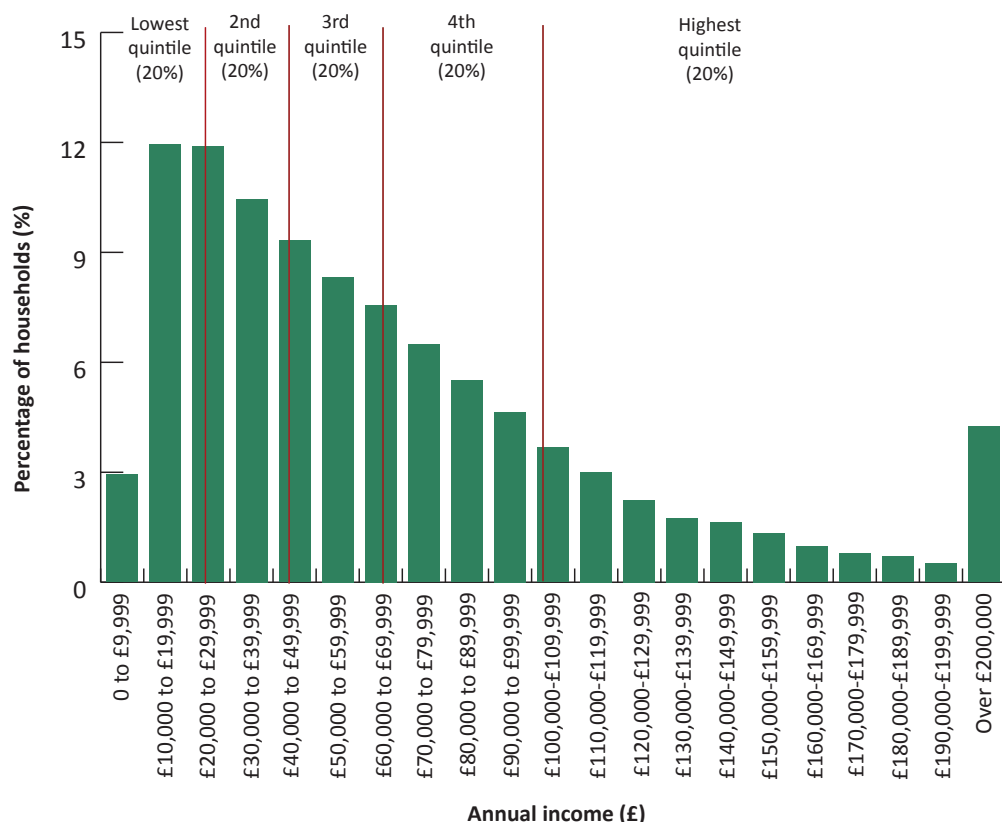
Gross incomes for 2017 were calculated for the 23,793 Guernsey households included in the analysis (see [Appendix](#) for methodology). Gross income is defined as the total income of a household derived from a variety of sources including; employment income, business income, old age (States) pension, private pension (both occupational and personal), distribution income, annuities, bank interest, loan interest income, benefits (except those paid on order) and rent rebates. Rent rebates, which were in existence until May 2018, may not be perceived as an income as they are deductions made to social housing rent. However, given that rent rebates and supplementary benefit are now unified as income support, these have been included to ensure comparability for reports based on data from 2018 onwards. Grants for educational purposes, such as university grants paid direct to universities, have not been included as a form of income in this analysis.

The data in this section has not been adjusted for household size i.e. is unequalised. As such, gross incomes for varying household compositions are reported in this section. [Section 7](#) contains the corresponding information for equalised gross incomes. [Section 10](#) contains unequalised household incomes after social security, income tax and imputed housing costs have been deducted.

[Figure 4.1.1](#) presents gross household income for all analysed households by income bracket. Income brackets are spaced at £10,000 intervals and the percentage of households within each income bracket is evident.

Gross household incomes have also been divided into quintiles, five equally sized groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on. The approximate position of each quintile boundary is shown in [Figure 4.1.1](#) and [Table 4.1.3](#).

**Figure 4.1.1: Gross annual income of households**



## 4.1 Overall income (unequalised): mean, median and distribution

The mean gross household income was £72,794 (£1,400 per week) and the median gross household income was £54,068 (£1,040 per week) in 2017 (see [Table 4.1.1](#)). This represents a 2.3% increase in the mean household income of £71,129 in 2014 and a 4.2% increase in the median household income in 2014 of £51,877.

Mean gross household incomes were calculated by totalling all income received during 2017 and dividing this figure by the number of households. Median gross household incomes were calculated by ranking all household incomes from lowest to highest and selecting the middle data point. Mean averages are more heavily influenced by a small number of very high income households than median averages. As a result, there is a large differential between the two measures. For this reason both mean and median figures are presented where relevant throughout this report.

**Table 4.1.1: Annual mean and median gross income of households**

	2014 (£)	2015 (£)	2016 (£)	2017 (£)
<b>Mean</b>	71,129	72,206	72,487	72,794
<b>Median</b>	51,877	52,876	53,478	54,068

**Table 4.1.2: Gross annual income distribution of households**

	% of households
£0-£9,999	2.9
£10,000-£19,999.99	12.0
£20,000-£29,999.99	11.9
£30,000-£39,999.99	10.5
£40,000-£49,999.99	9.3
£50,000-£59,999.99	8.3
£60,000-£69,999.99	7.6
£70,000-£79,999.99	6.5
£80,000-£89,999.99	5.5
£90,000-£99,999.99	4.6
£100,000-£109,999.99	3.7
£110,000-£119,999.99	3.0
£120,000-£129,999.99	2.2
£130,000-£139,999.99	1.8
£140,000-£149,999.99	1.6
£150,000-£159,999.99	1.3
£160,000-£169,999.99	1.0
£170,000-£179,999.99	0.8
£180,000-£189,999.99	0.7
£190,000-£199,999.99	0.5
Over £200,000	4.3
<b>Total</b>	<b>100.0</b>

**Table 4.1.3: Quintile boundaries for gross annual income of households**

	2014 Upper boundary (£)	2015 Upper boundary (£)	2016 Upper boundary (£)	2017 Upper boundary (£)
<b>Lowest quintile</b>	23,818	23,872	23,989	24,113
<b>2nd quintile</b>	41,237	41,981	42,360	42,846
<b>3rd quintile</b>	64,196	65,592	65,906	66,613
<b>4th quintile</b>	97,696	100,085	100,290	102,270
<b>Highest quintile</b>	-	-	-	-

## 4.2 Overall income by source

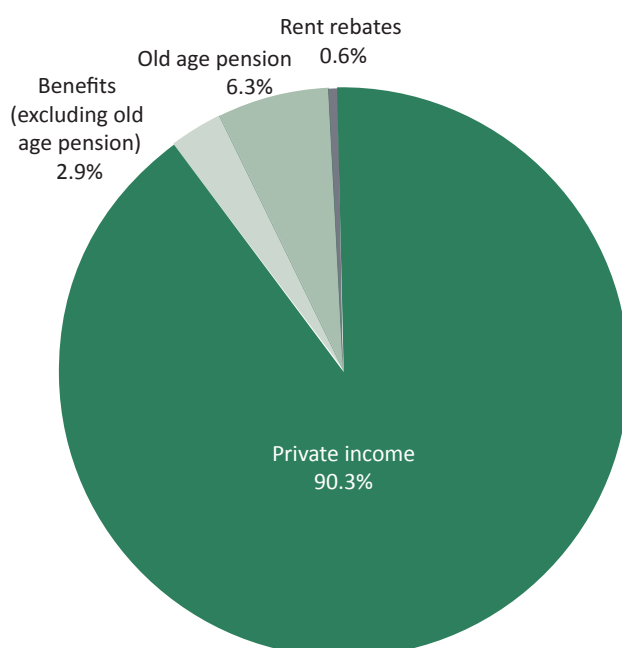
**Table 4.2.1** provides a detailed definition of the four main sources of household income used within the Report; private income, benefits (excluding old age pensions), old age pensions and rent rebates.

**Table 4.2.1: Definition of income sources**

Income Source	Description
Private income	Includes all income throughout 2017 from employment, business, private pension (both occupational and personal), distributions, annuities, maintenance, remittances, dividends, investment, property, benefits in kind, bank interest, loan interest and other miscellaneous private incomes.
Benefits (excluding old age pensions)	Includes all forms of non-contributory benefits paid by the States of Guernsey to a household during 2017 such as severe disability benefit*, bereavement allowance, bereavement payment, widowed parent's allowance, death grant, family allowance, sickness benefit, invalidity benefit, industrial injury benefit, industrial disablement benefit, carer's allowance*, long term care benefit, maternity grant, maternity allowance, supplementary benefit and unemployment benefit. This does not include those benefits paid "on order" such as oxygen and medical costs. Neither does it include university grants which are paid directly to universities.
Old age pension	Refers to the old age pension paid by Guernsey or other Governments and is defined as the total amount of old age pension paid to a household during 2017.
Rent rebates	Refers to the amount of rebate deducted from social housing rents during 2017. Although not always classed as an income, given that since July 2018 rent rebates and supplementary benefit became unified as income support, to ensure comparability in future reports from 2018 onwards rent rebates are included as income.

\*Prior to May 2014, severe disability benefit was named attendance allowance and carer's allowance was named invalid care allowance.

**Figure 4.2.1: Breakdown of gross income by source**



**Figure 4.2.1** illustrates the breakdown of all household income by income source during 2017. As can be seen a significant majority, 90.3%, of all household income is derived from private income sources, including employment, business, personal pensions and other private income sources.

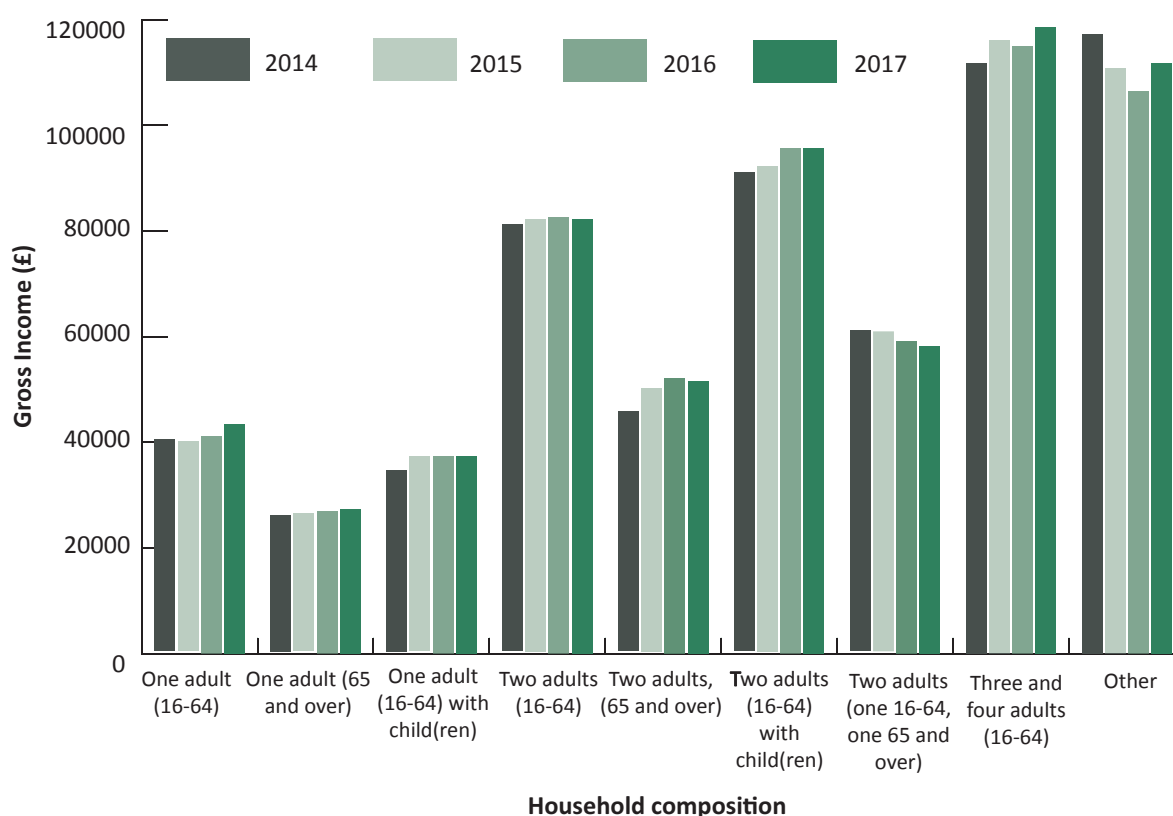
The old age pension accounts for 6.3% of all household income, whilst benefits (excluding old age pension) and rent rebates account for just over 3%.

## 5.1 Income and household composition: means and medians

The analysis presented in this section is based on consistent households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 5.1.1: Mean annual gross income by household composition (consistent households only)**

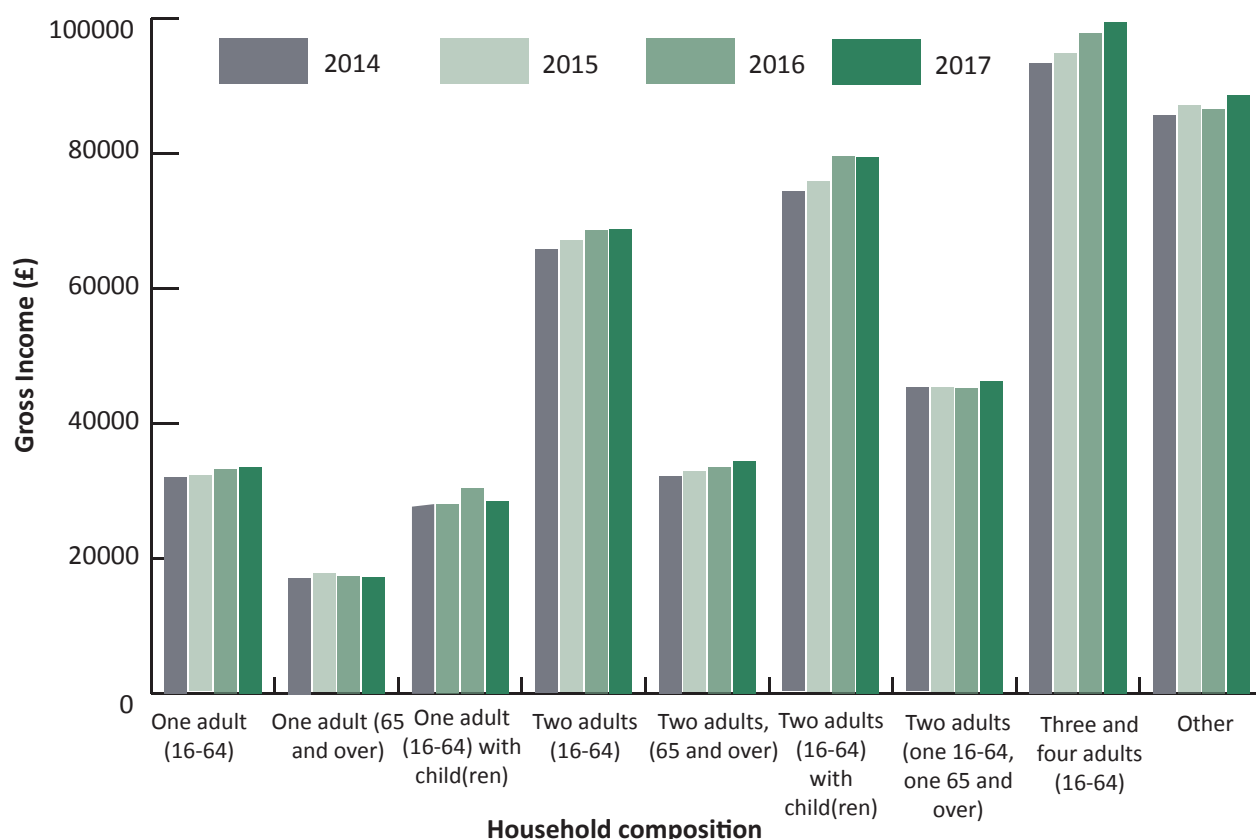


**Figure 5.1.1** details the mean gross incomes for households of different compositions between 2014 and 2017. The distribution of income between these groups is heavily influenced by the number of adults in the household. **One adult (65 and over)** households and **one adult (16-64) with child(ren)** households recorded the lowest mean household income in 2017 at £27,337 and £37,439 respectively. The **'other'** category and the **three and four adults (16-64)** category recorded the highest mean household incomes at £111,801 and £118,670 respectively.

Please note this section presents unequivalised income with no adjustment for household size - see [Section 7](#) for equivalised gross data, [Section 10](#) for unequivalised income after social security contributions, income tax and housing costs have been deducted and [Section 11](#) for equivalised income after social security contributions, income tax and housing costs.

## 5.1 Income and household composition: means and medians

**Figure 5.1.2: Median annual gross income by household composition (consistent households only)**

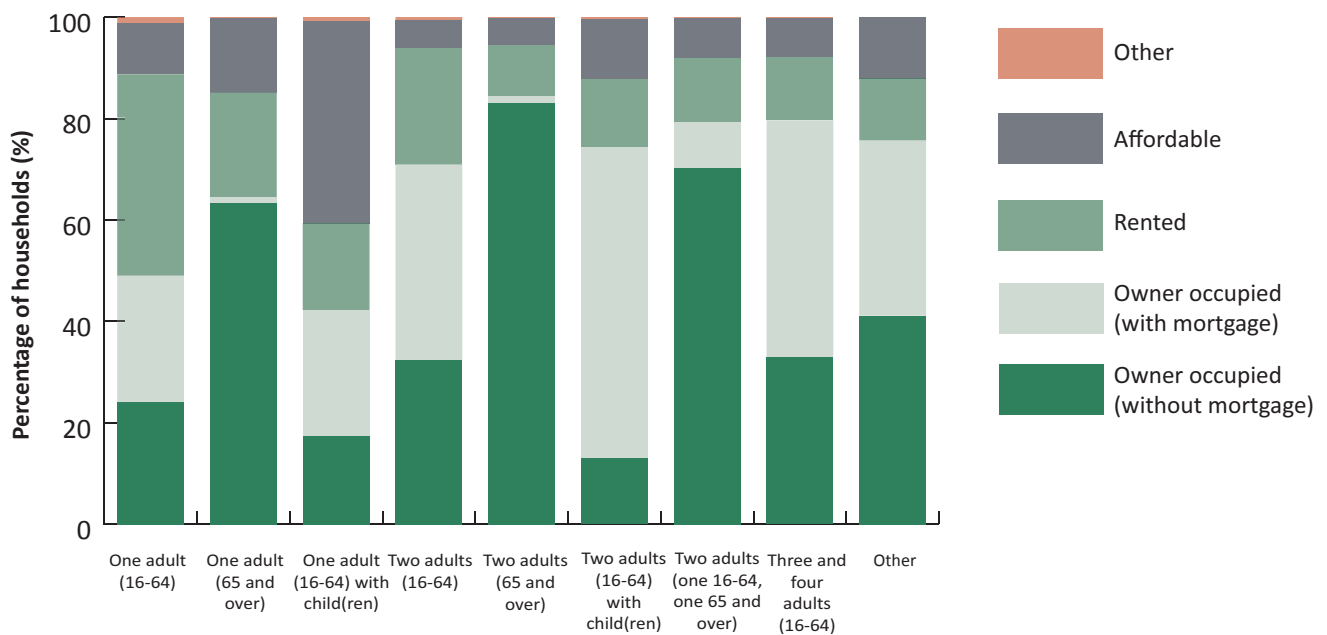


Median gross household incomes follow much the same pattern as mean incomes, as shown in [Figure 5.1.2](#), although the values do differ due to a small number of very high incomes which have a larger influence on the mean figure. **One adult (65 and over)** households and **one adult (16-64) with child(ren)** households recorded the lowest median household incomes in 2017 at £17,256 and £28,513 respectively. The **'other'** and the **three and four adults (16-64)** categories recorded the highest median household income at £88,564 and £99,410. See [pages 16-18](#) for more information on the make-up of the household composition groups by housing tenure, income source and income quintile.

Please note this section presents unequivalised income with no adjustment for household size - see [Section 7](#) for equivalised gross data, [Section 10](#) for unequivalised income after social security contributions, income tax and housing costs have been deducted and [Section 11](#) for equivalised income after social security contributions, income tax and housing costs.

## 5.2 Income and household composition: tenure

**Figure 5.2.1: Household composition and tenure (consistent households only)**



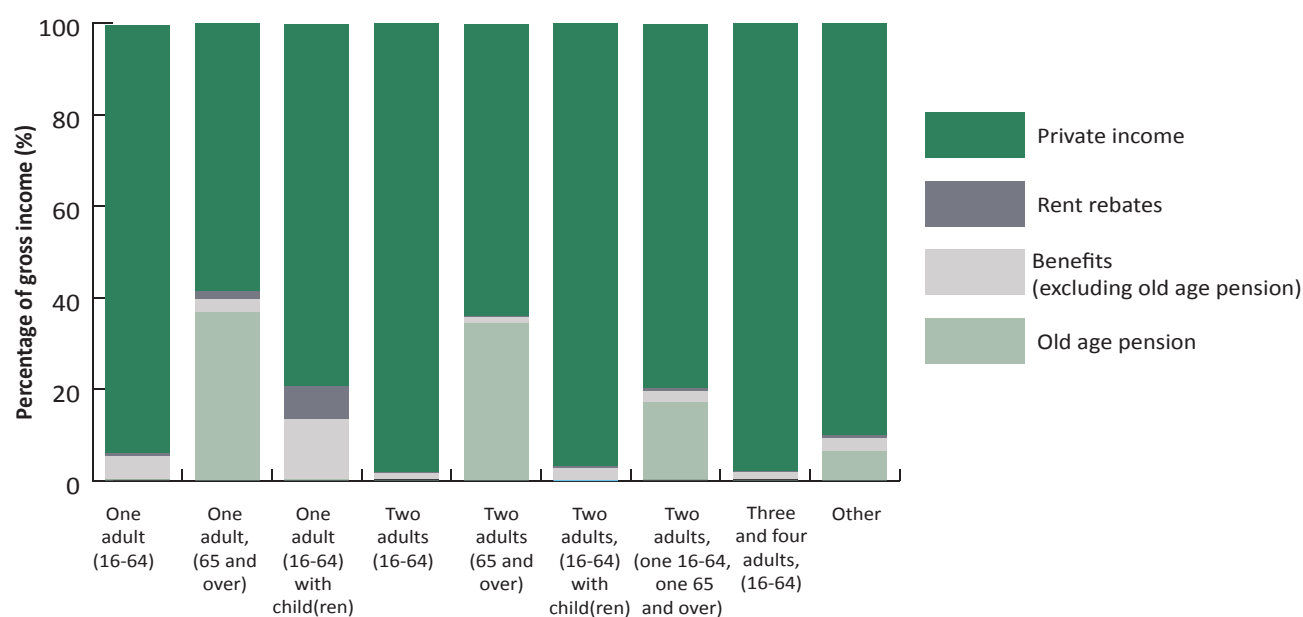
**Figure 5.2.1** illustrates the housing tenure profile of the different household compositions (see **Table 5.2.1** for definitions). The majority of **one adult (65 and over)**, **two adults (65 and over)** and **two adults (one 16-64, one 65 and over)** households are owner occupiers without a mortgage, 63.3%, 83.1% and 70.3% respectively. Households comprising **two adults (16-64) with child(ren)** are the most likely of all household compositions to be owner occupiers with a mortgage, at 61.4%. Rented accommodation is most prevalent in those households classified as **one adult (16-64)** households, at 39.7%, whilst **one adult (16-64) with child(ren)** contains the highest proportion of households with an affordable tenure (Guernsey Housing Association/States rented or social partial ownership), at 39.7%.

**Table 5.2.1: Definitions of tenure (% of households)**

Tenure Type	Description	2014	2015	2016	2017
Owner occupied with mortgage	Household living in a property they have purchased with a mortgage or other secured loan. Can be either open market or local market.	28.7	28.6	27.5	27.5
Owner occupied without a mortgage	Household living in accommodation which they own outright and is not the subject of a mortgage or other secured loan. Can be either open market or local market.	42.3	41.9	44.0	43.1
Rented	Household living in accommodation rented from a private landlord or estate agent. Can be either open market or local market.	18.1	18.7	18.1	18.8
Affordable	Household living in accommodation rented from either the States of Guernsey or Guernsey Housing Association (GHA); or a household in a partial ownership scheme.	10.2	10.6	10.2	10.2
Other	Any accommodation not fitting the above criteria (including self catering). Can be either open market or local market.	0.6	0.2	0.3	0.4
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 5.3 Income and household composition: income source

**Figure 5.3.1: Household composition and income source (consistent households only)**



**Figure 5.3.1** compares the proportion of income derived from private, old age pension, benefits (excluding old age pension) and rent rebate income sources across differing household compositions. As might be expected, the States old age pension was highest in proportion in those households with either **one adult (65 and over)** or **two adults (65 and over)** accounting for, on average, over a third of all income to those households.

The highest proportion of benefits (excluding old age pension) and rent rebates can be found in households which comprise **one adult (16-64) with child(ren)**, accounting for over 20% of total gross income in this household group. The highest proportion of private income can be found in households comprising **two adults (16-64)** and **three and four adults (16-64)** households, where 98% of gross income is derived from private sources for both household groups, which includes employment and business incomes.

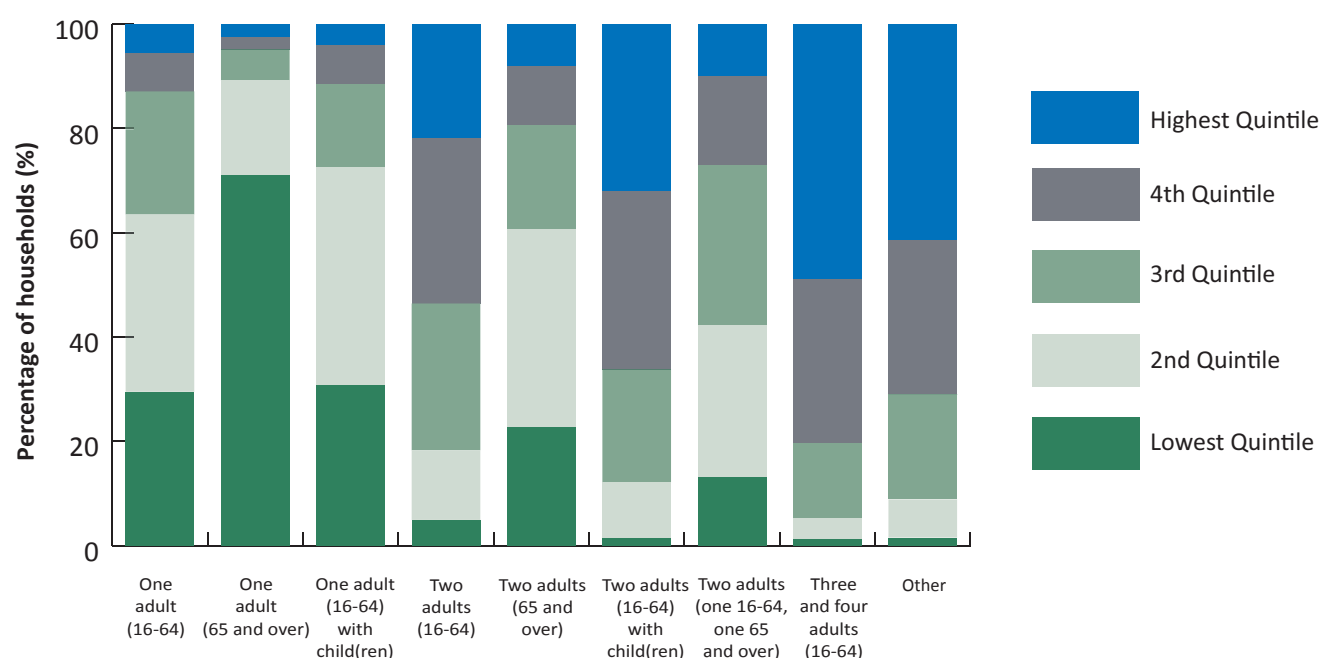
## 5.4 Income and household composition: quintiles

**Figure 5.4.1** illustrates how income quintiles are distributed across the identified household compositions. Again, because the income data in this section is unequivalised (i.e. not adjusted to reflect household size), profiles of household compositions are heavily influenced by the number of adults in the household.

**One adult (65 and over)** households contain the highest proportion of households in the lowest income quintile (the lowest 20% of households when ordered by income). 71% of all **one adult (65 and over)** households were within the lowest income quintile. **Three and four adults (16-64)** households have the highest proportion of households in the highest income quintile (those 20% of households with the highest household income), with just under half of these households within the highest income quintile.

For more comparable figures for different household compositions see **Section 7**. Income statistics are equivalised in that section to take account of household composition.

**Figure 5.4.1: Household composition and income quintile (consistent households only)**

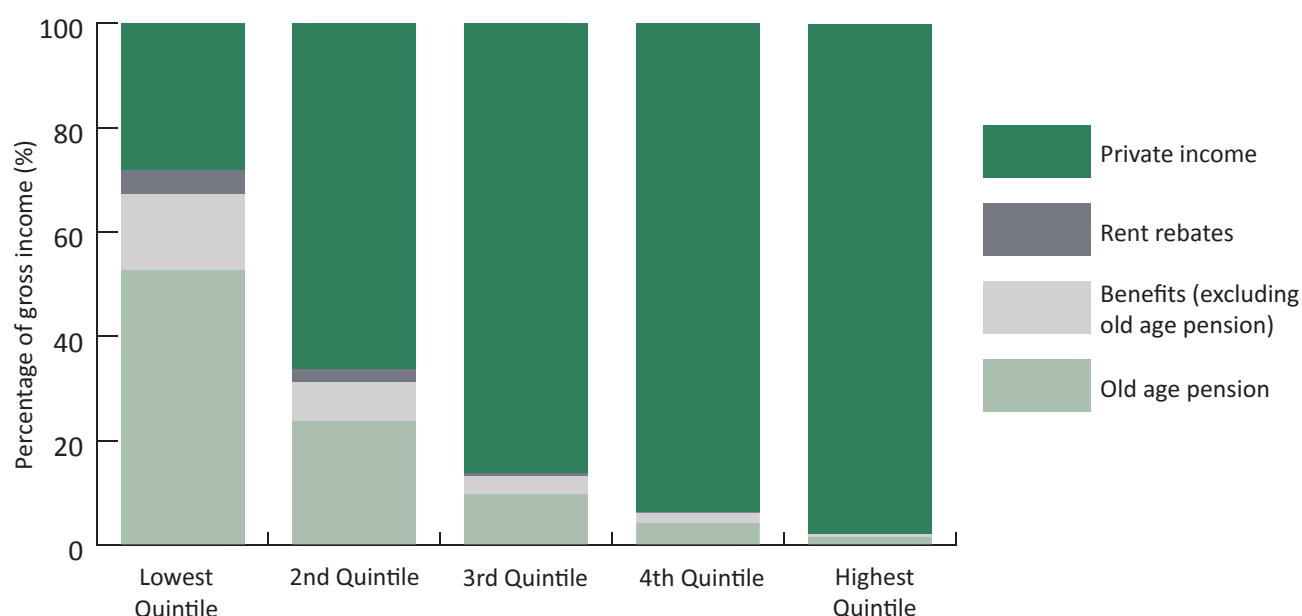


## 6.1 Income quintiles: source of income

This section (as per [Section 5](#)) presents gross household incomes by quintiles for consistent households during 2017. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable. As can be seen overleaf, household composition will impact these statistics. For more comparable results see [Section 7](#). Income statistics are equalised in [Section 7](#) to take account of household composition.

**Figure 6.1.1: Income quintile and source of income (consistent households only)**



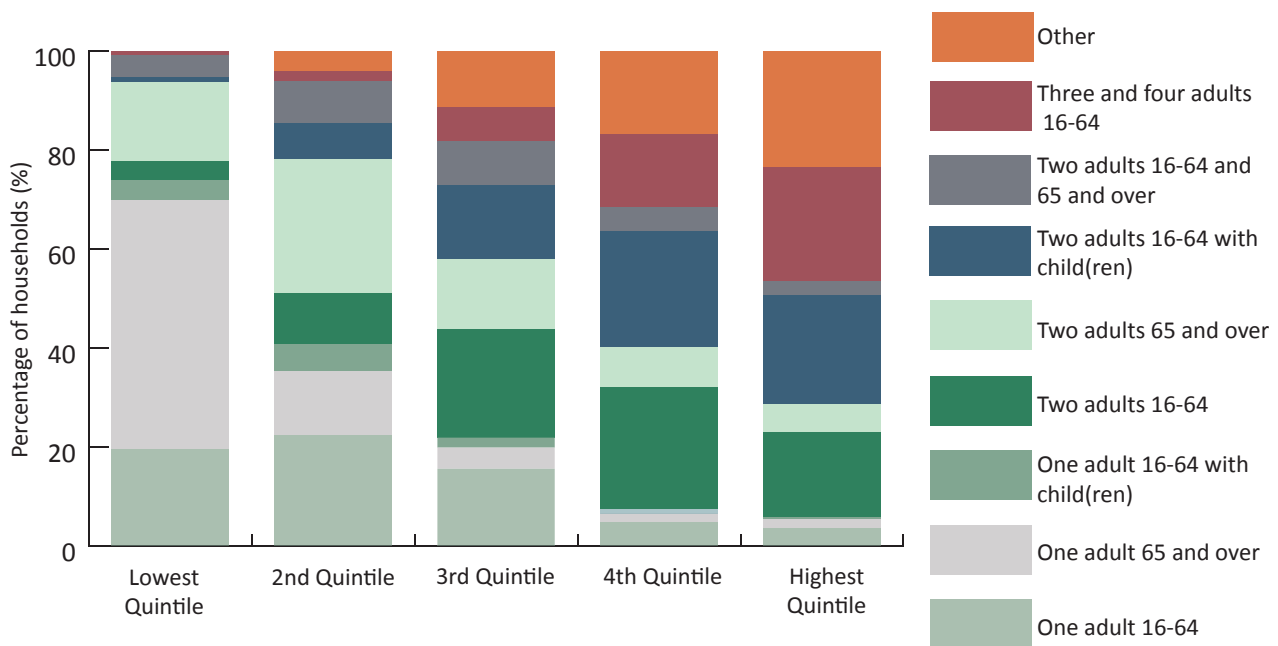
**Figure 6.1.1** illustrates the different sources of household income by quintile. Old age pensions account for just over half (52.7%) of all gross income within the lowest income quintile of households, the bottom 20% of consistent households when ordered by household income. Furthermore, within the lowest quintile, private income accounts for 28.2% of all gross income and benefits (excluding old age pension) and rent rebates collectively account for 19.1% of all income.

Moving progressively through the second, third, fourth and highest income quintiles there is a general trend of an increasing proportion of gross income derived from private income sources and a decreasing proportion of gross income from old age pension, benefits (excluding old age pension), and rent rebate sources.

Within the highest income quintile of households (the top 20% of households when ordered by gross income), 97.7% of all gross income is derived from private income sources, 1.5% is derived from old age pension and 0.7% from benefits (excluding old age pension).

## 6.2 Income quintiles: composition

**Figure 6.2.1: Income quintile and household composition (consistent households only)**



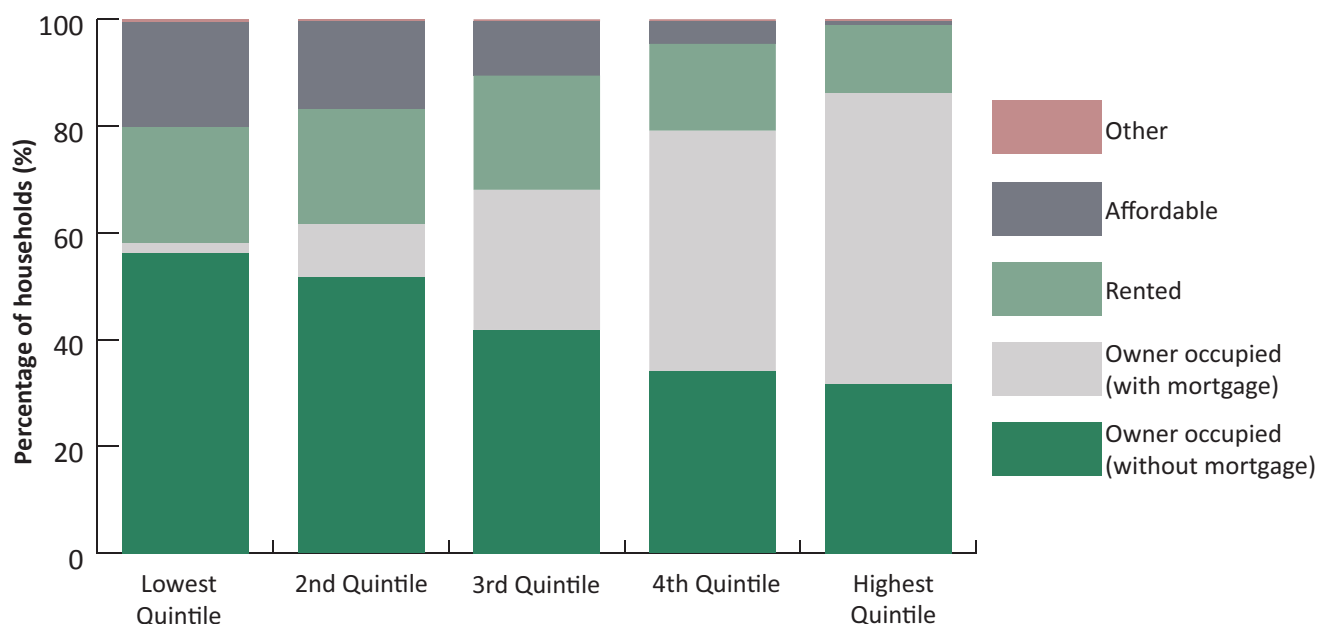
**Figure 6.2.1** illustrates the composition of households by income quintile. 70% of all households within the lowest income quintile are one adult households without child(ren).

The proportion of **one adult (16-64) with child(ren)** households within the lowest income quintile is relatively low, representing 3.9% of all lowest quintile households; however this is primarily due to the low number of this household type within the dataset. The proportion of **one adult, (16-64) with child(ren)** households within the lowest income quintile is almost 8 times the proportion represented within the highest income quintile, at 0.5%.

Within the highest income quintile, just under a quarter of all households are classified as **three and four adults (16-64)**, a further 21.9% of all households in this quintile comprised **two adults (16-64) with child(ren)**. Less than 6% of all households within the highest income quintile are categorised as one adult households.

## 6.3 Income quintiles: tenure

Figure 6.3.1 Income quintile and tenure (consistent households only)



Within the lowest income quintile, 56% of all households resided in owner occupied households without a mortgage, as can be seen in [Figure 6.3.1](#), whilst only 2% of all households were owner occupiers with a mortgage. Rented households, which represents the privately rented sector, accounted for 22% of all households in the lowest income quintile and 20% of households within the lowest income quintile have tenures categorised as affordable; these include States/GHA social rented accommodation and social partial ownership.

Moving progressively through the second, third, fourth and highest income quintiles in general there is an increasing proportion of households which are owner occupied with a mortgage and a decreasing proportion of households which are owner occupied without a mortgage or have a tenure of affordable.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), over half of all households are owner occupied with a mortgage, nearly a third are owner occupied (without a mortgage) and 13% are privately rented.

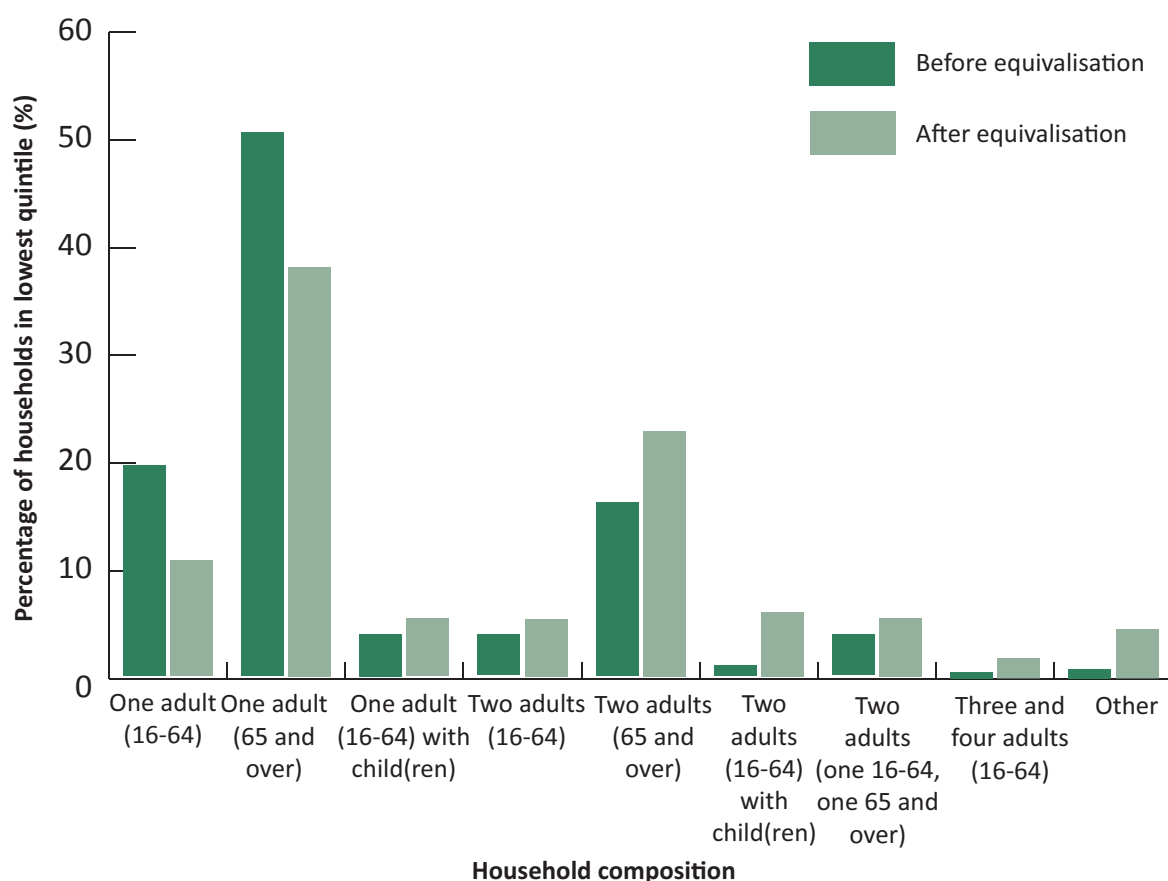
## 7.0 Overall income (equivalised)

Overall incomes for 2017 have also been calculated for all Guernsey households included in the analysis on an equivalised basis (see [Appendix](#) for methodology). Gross income is defined as the total income of a household derived from the following sources; employment income, business income, old age (States) pension, private pension income (both occupational and personal), distribution income, annuity income, bank interest, loan interest, benefits (except those paid on order) and rent rebates. Rent rebates are deductions made to social housing rent. However, given that the rent rebate scheme has now ended and instead housing support and supplementary benefits have merged into one scheme called income support, to ensure comparability in future reports these have both been included as forms of income. Grants for educational purposes, such as university grants paid direct to universities, have not been included as a form of income in this analysis.

In this process gross incomes have been determined for each household using an international standard adjustment which takes into account the exact size and composition of the household. The income is then expressed relative to the level of income for a two adult household which would represent an equivalent level of resources.

The impact of equivalisation can be seen in [Figure 7.0.1](#), where the proportion of households in the lowest quintile can be seen before and after equivalisation. After equivalisation the proportion of households within the lowest income quintile comprising one adult either under or over 65 years drops. Conversely, the proportion of **two adults (16-64)** households, **two adults (65 and over)**, **two adults (one 16-64, one 65 and over)**, **three and four adults (16-64)** households and households with child(ren) within the lowest income quintile increases after equivalisation.

**Figure 7.0.1: Households in the lowest quintile before and after equivalisation**

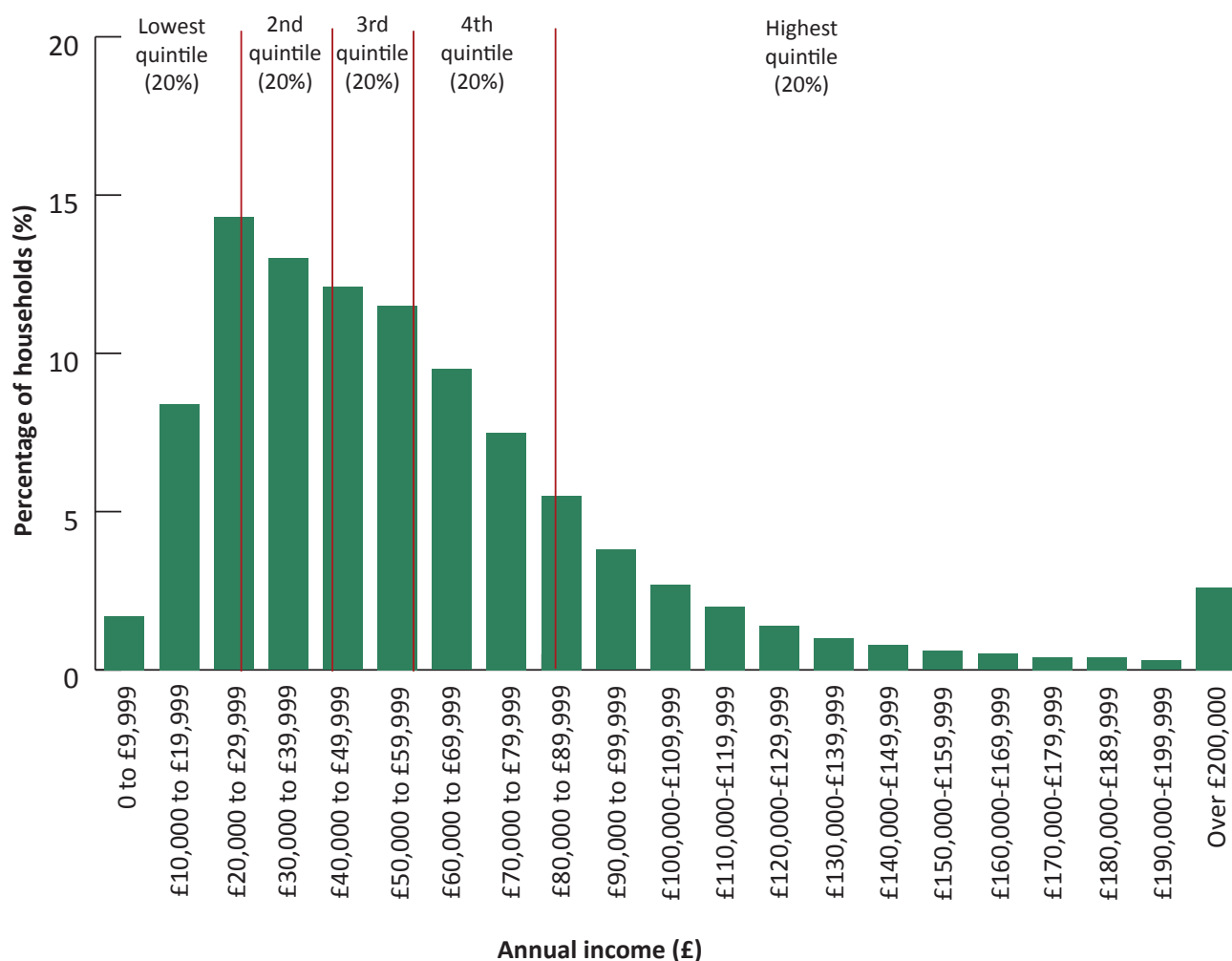


## 7.1 Overall income: mean, median and distribution (equivalised)

**Figure 7.1.1** presents equivalised gross household income for all 23,793 analysed households by income bracket. Income brackets are spaced at £10,000 intervals and the percentage of households within each income bracket can be seen.

Equivalised gross household incomes have also been divided into quintiles, five equally sized groups ordered by level of gross income. The lowest quintile represents the bottom 20% of all households when households are sorted by equivalised income from lowest to highest. The second quintile represents the next 20% of all households when ordered by gross equivalised income and so on. The approximate position of each quintile boundary is shown in **Figure 7.1.1** and **Table 7.1.2**.

**Figure 7.1.1: Gross annual income of households (equivalised)**



Before equivalisation, the income band with the largest percentage of households was £10,000 - £19,999.99, 12.0% of all households, as can be seen in **Section 4, Figure 4.1.1** and **Table 4.1.2**. After equivalisation, the income band with the largest percentage of households was £20,000 - £29,999.99, 14.3% of all households, as shown above in **Figure 7.1.1** and overleaf in **Table 7.1.2**.

## 7.1 Overall income: mean, median and distribution (equivalised)

The mean gross household income in 2017 was £63,841 (£1,228 per week), £8,953 or 12.3% lower than the corresponding unequivalised mean income, see [Table 7.1.1](#). Mean household incomes increased by 4.5% from 2014 when the mean equivalised gross household income was £61,099.

The median gross household income was £50,489 (£971 per week) in 2017 see [Table 7.1.1](#), £3,579 or 6.6% lower than the corresponding unequivalised median income. Equivalisation scales down the incomes of households containing more than two adults and scales up the incomes of households containing fewer than two adults (see [Appendix](#) for methodology). Median household incomes increased by 5.5% from 2014, when the median equivalised gross household income was £47,838.

In 2017, the lowest quintile (20%) consists of households with equivalised incomes up to approximately £27,134, see [Table 7.1.3](#), 2.6% higher than the lowest quintile upper boundary in 2014. The highest quintile consists of households with equivalised incomes of approximately £83,401 or over, 5.9% higher than the corresponding highest quintile boundary in 2014.

After equivalisation, 50.9% of all households can be found within just four income bands, ranging from £20,000 - £59,999.99, see [Table 7.1.2](#), this compares with 40.0% before equivalisation.

[Section 11](#) contains information on net household incomes, after tax and social security contributions and after imputed housing costs have been deducted. From this information, internationally comparable measures of relative income poverty have been calculated, see [Section 12](#).

**Table 7.1.1: Annual mean and median gross income of households**

	2014 (£)	2015 (£)	2016 (£)	2017 (£)
<b>Mean</b>	61,099	62,589	63,788	63,841
<b>Median</b>	47,838	49,083	49,742	50,489

**Table 7.1.2: Gross annual income distribution of households**

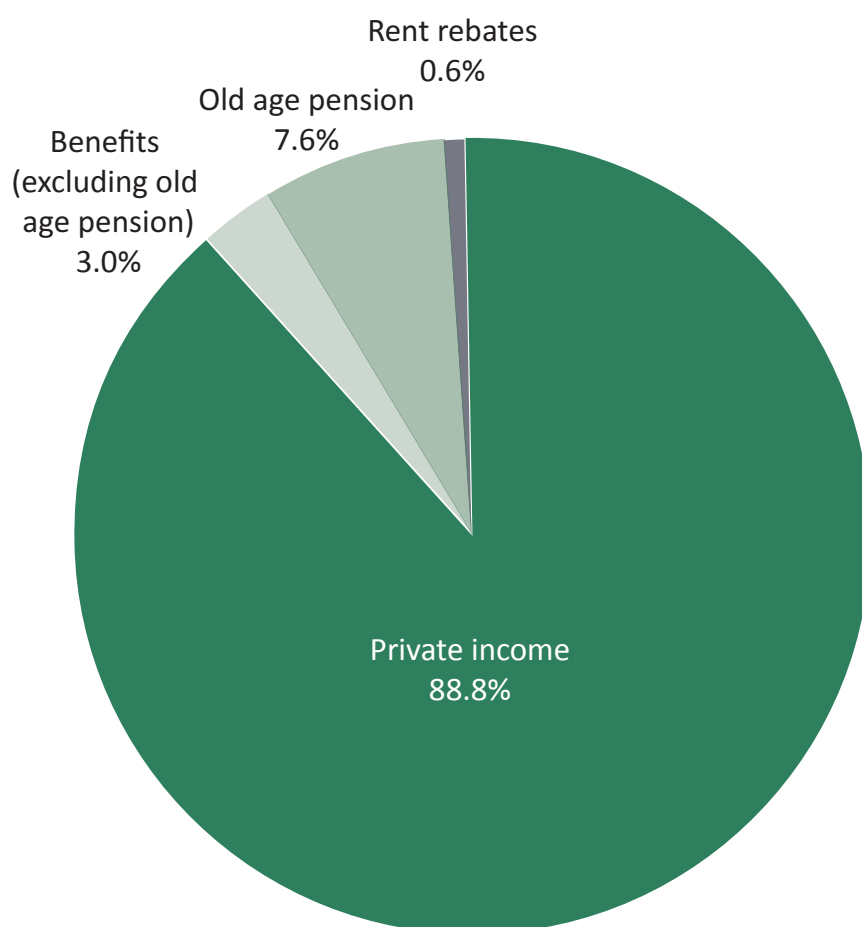
	% of households
£0-£9,999	1.7
£10,000-£19,999.99	8.4
£20,000-£29,999.99	14.3
£30,000-£39,999.99	13.0
£40,000-£49,999.99	12.1
£50,000-£59,999.99	11.5
£60,000-£69,999.99	9.5
£70,000-£79,999.99	7.5
£80,000-£89,999.99	5.5
£90,000-£99,999.99	3.8
£100,000-£109,999.99	2.7
£110,000-£119,999.99	2.0
£120,000-£129,999.99	1.4
£130,000-£139,999.99	1.0
£140,000-£149,999.99	0.8
£150,000-£159,999.99	0.6
£160,000-£169,999.99	0.5
£170,000-£179,999.99	0.4
£180,000-£189,999.99	0.4
£190,000-£199,999.99	0.3
Over £200,000	2.6
<b>Total</b>	<b>100.0</b>

**Table 7.1.3: Quintile boundaries for gross annual income of households**

	2014 Upper boundary (£)	2015 Upper boundary (£)	2016 Upper boundary (£)	2017 Upper boundary (£)
<b>Lowest quintile</b>	26,436	27,079	27,346	27,134
<b>2nd quintile</b>	40,399	41,129	41,641	42,174
<b>3rd quintile</b>	56,108	57,132	58,364	59,152
<b>4th quintile</b>	78,780	80,691	81,676	83,401
<b>Highest quintile</b>	-	-	-	-

## 7.2 Overall income by source equivalised

**Figure 7.2.1: Breakdown of gross income by source (equivalised)**



**Figure 7.2.1** illustrates the breakdown of equivalised mean average household incomes by income source during 2017. As can be seen a significant majority, 88.8%, of all household income is derived from private income sources which includes employment, business, personal pensions and other private income sources.

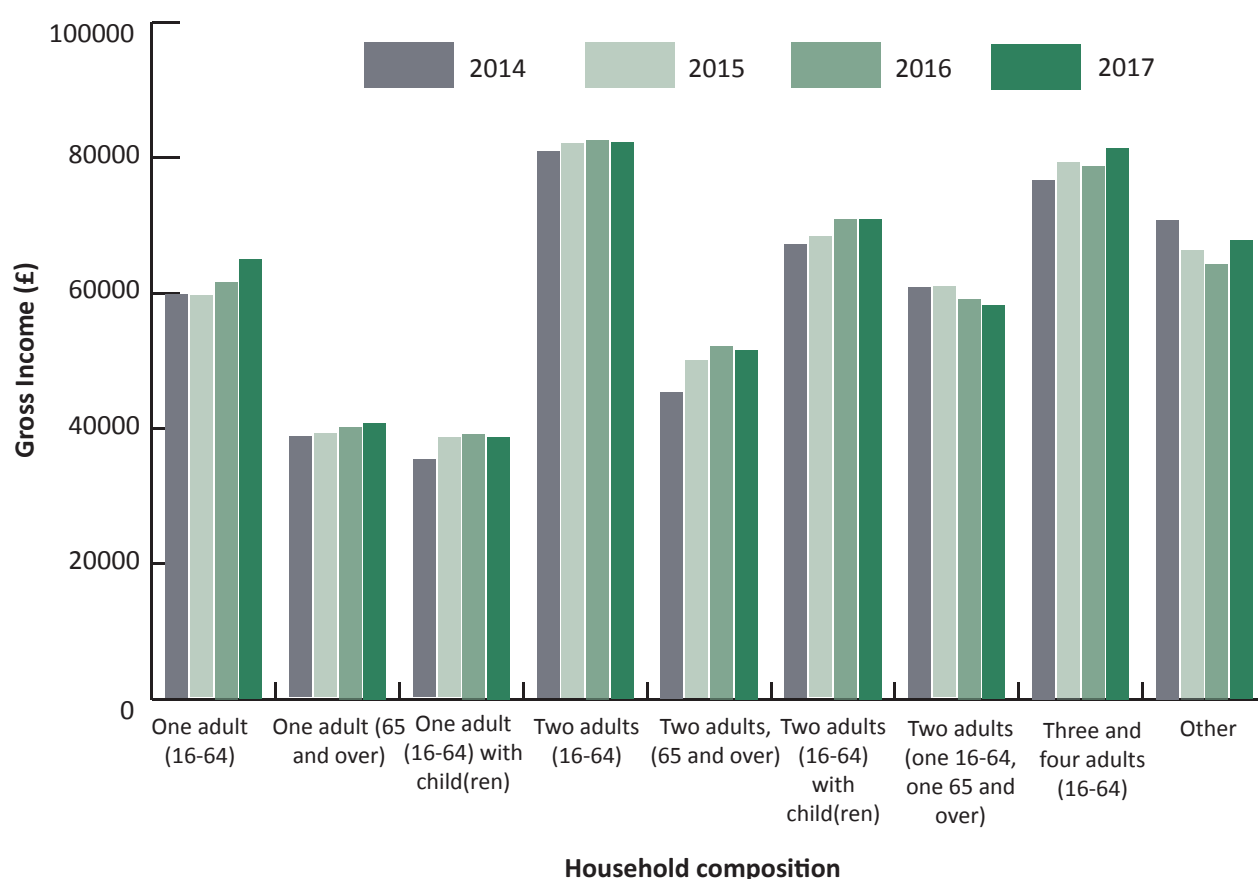
Old age pensions account for 7.6% of equivalised overall average household income, whilst benefits (excluding old age pension) and rent rebates collectively account for 3.6%.

## 8.1 Income and household composition (equivalised): means, medians and household composition

The analysis presented in this section, as previously, is based on equivalised income for consistent households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 8.1.1: Mean equivalised annual gross income by household composition (consistent households only)**

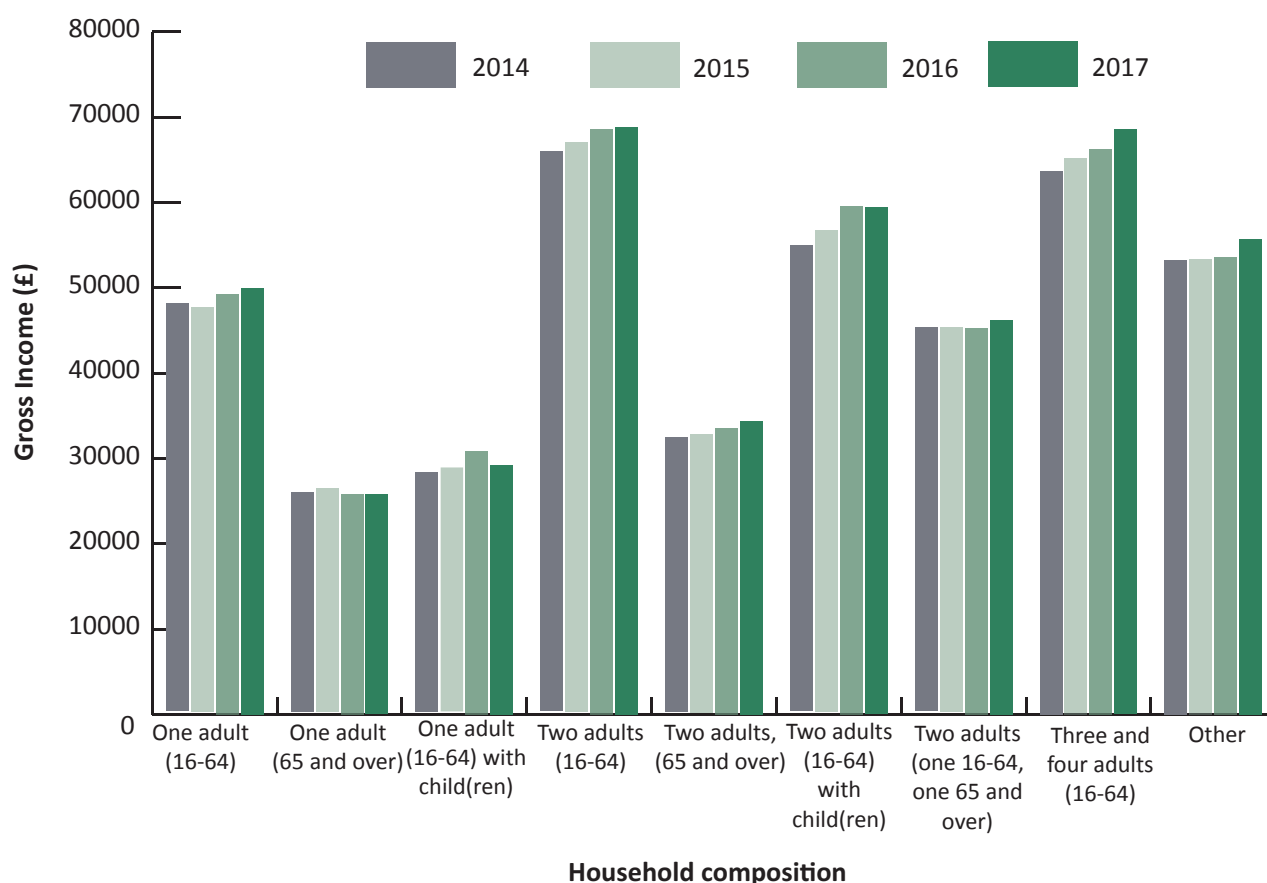


**Figure 8.1.1** details the equivalised mean gross incomes for households of different compositions. Although the household compositions remain the same as [Section 5.1](#), by equivalising income data the values differ. Equivalising income data is a standard technique intended to allow a more representative comparison to be made across different household compositions.

**One adult (16-64) with child(ren)** recorded the lowest equivalised mean household income in 2017 at £38,730. The next lowest category was **one adult (65 and over)** at £40,802. Households comprising **two adults (16-64)** recorded the highest equivalised mean income in 2017 at £82,233.

## 8.1 Income and household composition: means and medians

**Figure 8.1.2: Median equivalised annual gross income by household composition (consistent households only)**

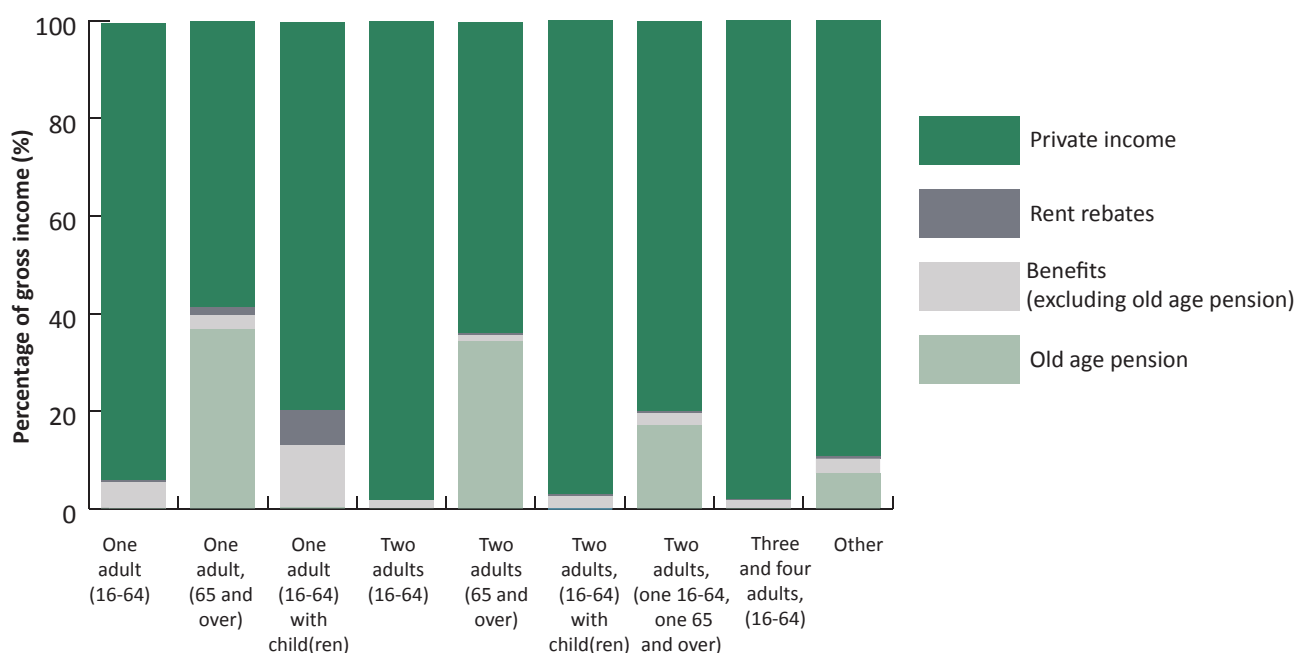


Median gross household incomes follow a broadly similar pattern to mean gross household incomes, although the values do differ, due to a small number of very high incomes which, as previously, have skewed the mean figure upwards.

As in previous years, households comprising **one adult (65 and over)** recorded the lowest median equivalised income in 2017 at £25,756, whilst households comprising **two adults (16-64)** recorded the highest equivalised median income at £68,805 in 2017.

## 8.2 Income and household composition: income source (equivalised)

**Figure 8.2.1: Household composition by equivalised income source (consistent households only)**

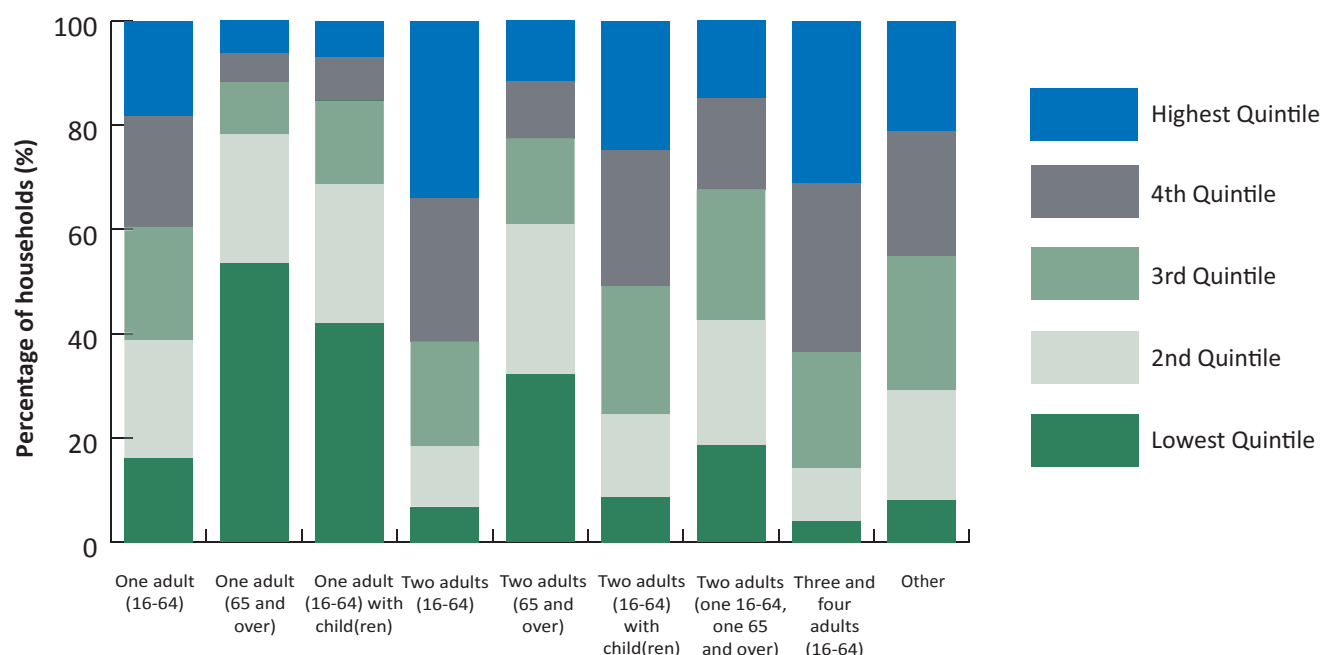


**Figure 8.2.1**, compares the proportion of income derived from private, old age pension, benefits (excluding old age pension) and rent rebate income sources across differing household compositions. As might be expected, the States old age pension was highest in proportion in those households with either **one adult (65 and over)** or **two adults (65 and over)** accounting for, on average, over a third of all income to those households.

The highest proportion of benefits (excluding old age pension) and rent rebates can be found in households which comprise **one adult (16-64) with child(ren)**, accounting for 20% of total gross income in these households. The highest proportion of private income can be found in households comprising either **two adults (16-64)** or **three and four adults (16-64)**, where 98% of gross income is derived from private sources, which includes employment and business incomes.

## 8.3 Income and household composition: quintiles (equivalised)

**Figure 8.3.1: Household composition by equivalised income quintile (consistent households only)**

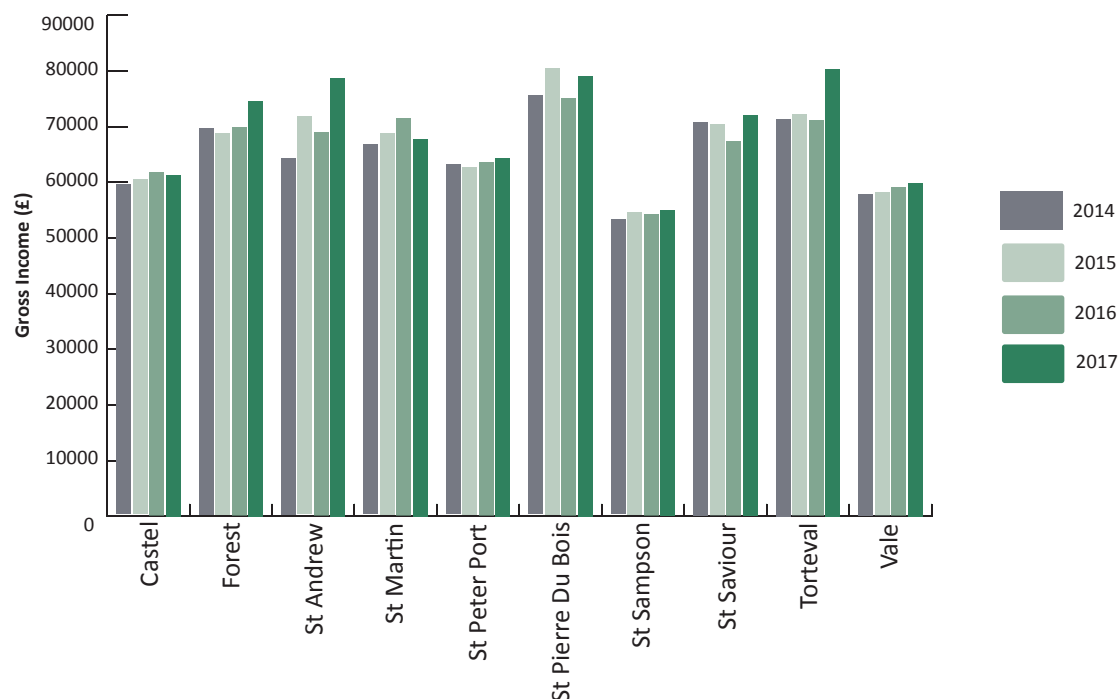


**Figure 8.3.1** illustrates how equivalised income quintiles are distributed across the identified household compositions. In comparison to the unequivalised data presented in **Figure 5.4.1, page 15**, which did not take into account the impact of household size and composition on income, overall income quintiles after equivalisation appear more evenly distributed across the different household compositions.

After equivalisation households comprising **one adult (65 and over)** continued to record the highest percentage in the lowest income quintile (53%). Furthermore, **one adult (65 and over)** recorded the smallest proportion of households within the highest income quintile, just 6%. The next highest proportion of households within the lowest income quintile was **one adult (16-64) with child(ren)**, 42%. Households with **two adults (16-64)** had the highest proportion of households within the highest quintile at 34%.

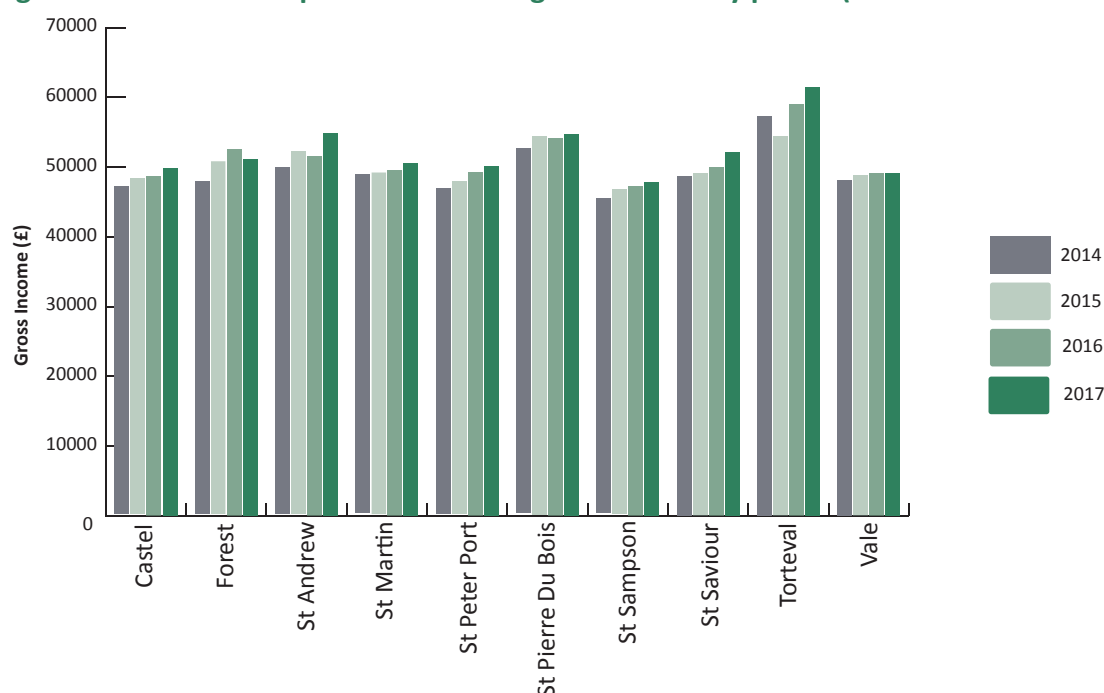
## 8.4 Income and parish (equivalised): means, medians and parish

**Figure 8.4.1: Mean equivalised annual gross income by parish (consistent households only)**



Household incomes per parish, as shown in **Figure 8.4.1**, have been calculated by identifying the parish of all "consistent" households between 2014 and 2017 and determining a mean equivalised gross household income per parish. The graph shows variation between mean incomes across the parishes. In 2017, Torteval parish recorded the highest mean income, £80,384 per annum. St Pierre Du Bois had the largest mean income between 2014 and 2016. Since 2014, St Sampson has consistently recorded the lowest mean income, £54,977 in 2017.

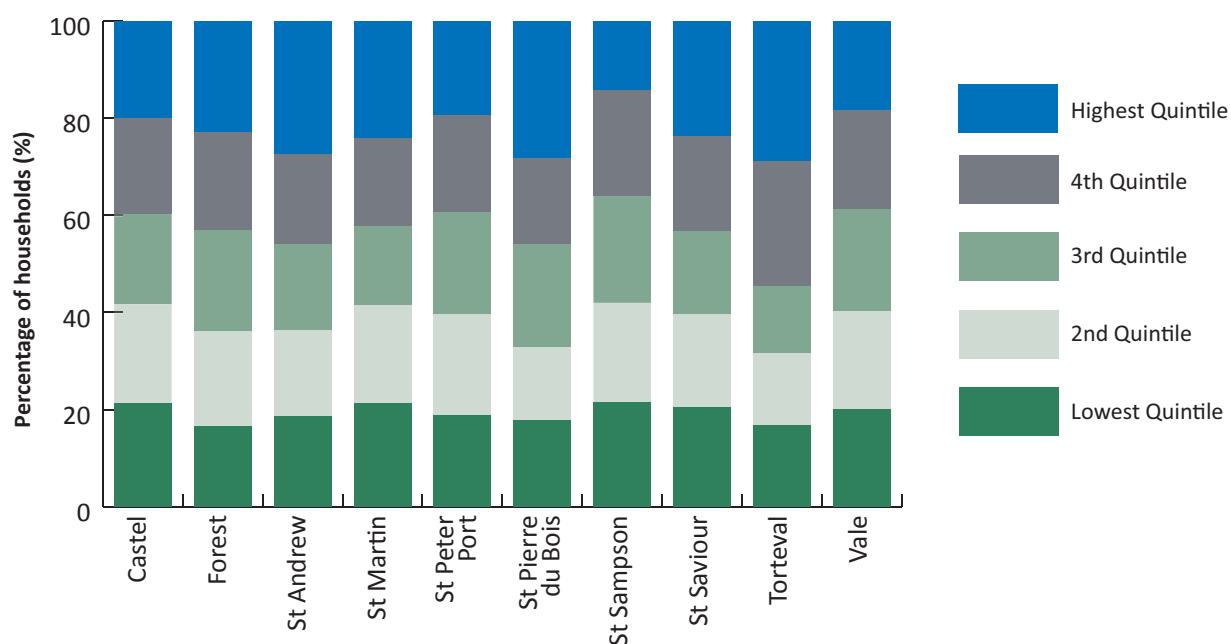
**Figure 8.4.2: Median equivalised annual gross income by parish (consistent households only)**



Median equivalised household incomes per parish, shown in **Figure 8.4.2**, have also been calculated between 2014 and 2017. In 2017, Torteval recorded the highest median income at £61,525, whilst St Sampson had the lowest, £47,823.

## 8.5 Income and parish: quintiles (equivalised)

**Figure 8.5.1: Equivalised annual income by quintile and parish**

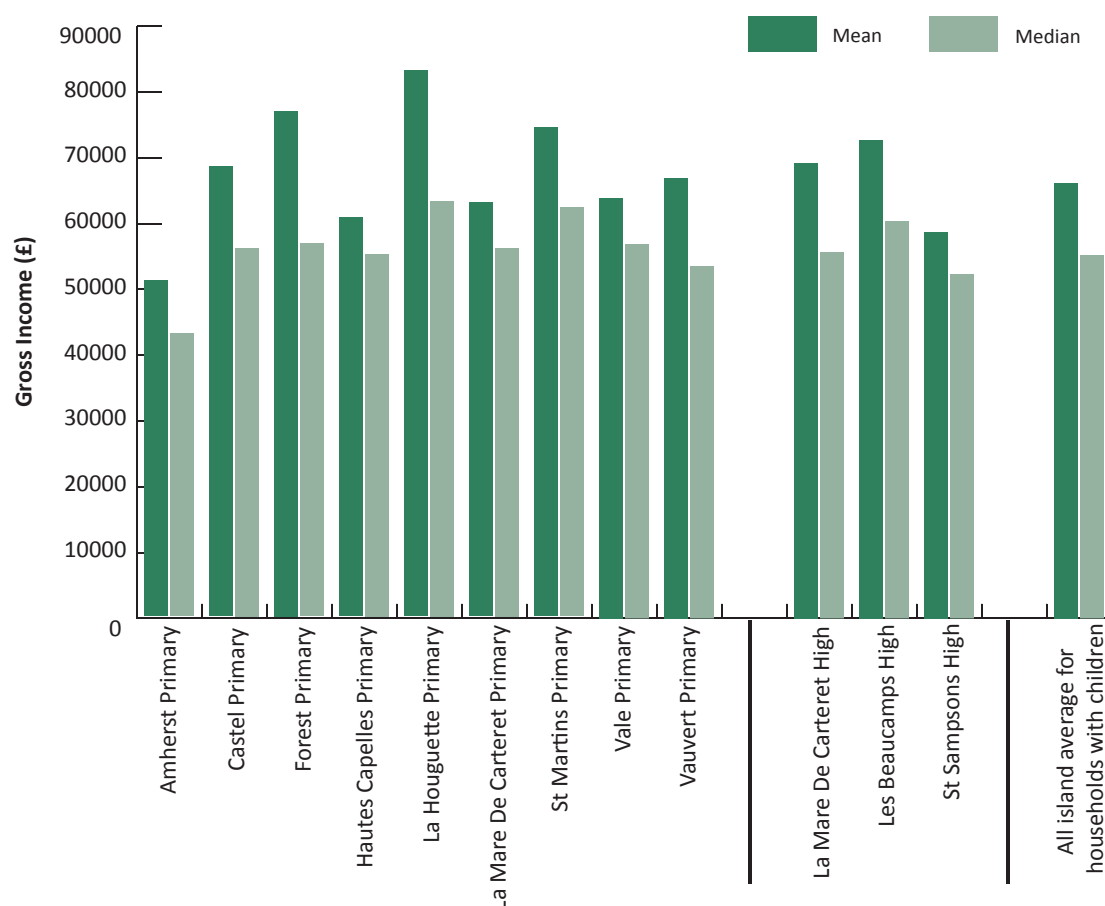


Gross equivalised incomes per parish have also been divided into quintiles in **Figure 8.5.1**, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

**Figure 8.5.1** shows there is relatively little variation between the percentage of households within each quintile throughout the parishes. St Sampson had the highest proportion of households within the lowest income quintile at 21.6%, whilst Forest had the fewest at 16.6%. Torteval had the highest proportion of households within the highest income quintile at 28.9%, whilst St Sampson had the lowest proportion of households at 14.3%.

## 8.6 Income and school catchment (equivalised): means, median and school catchment

**Figure 8.6.1: Mean and median equivalised annual gross income by school catchment**



Household income per school catchment has been calculated by analysing equivalised income for those households with children (aged under 16 years) and identifying within which Primary and Secondary School catchment they reside.

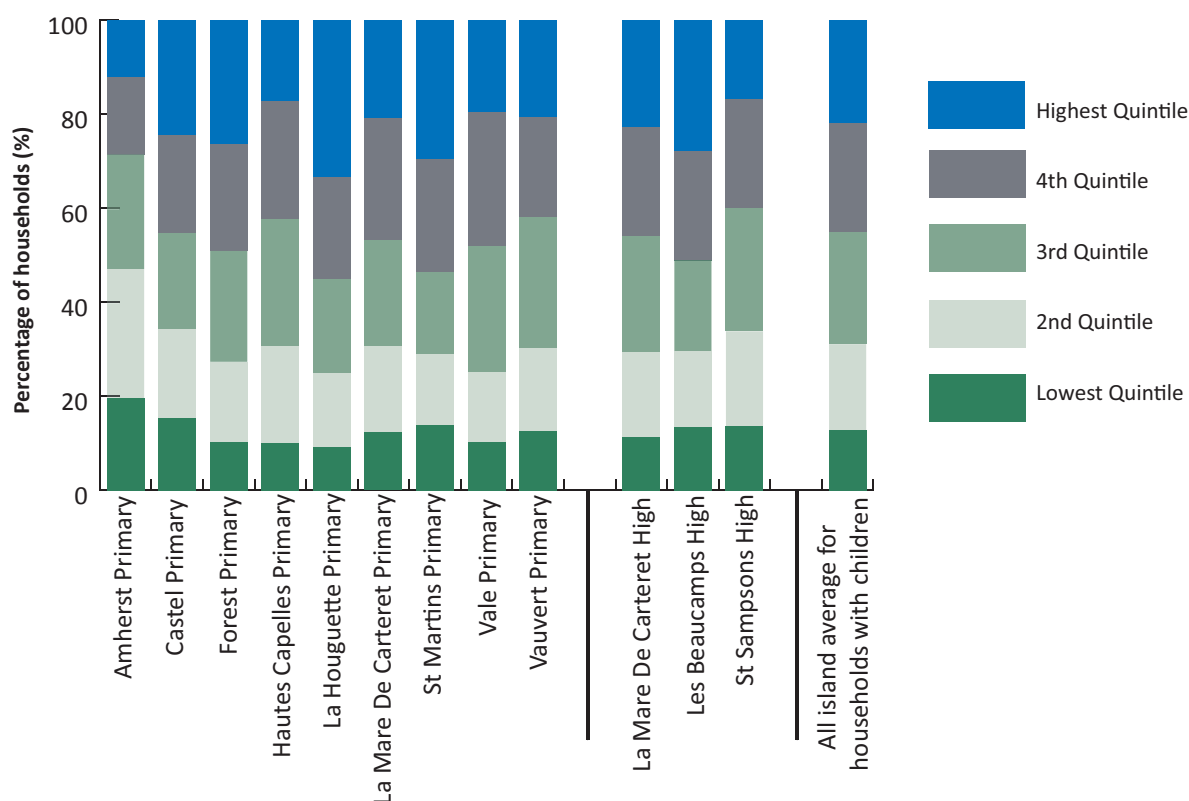
Please note this analysis does not include Notre Dame du Rosaire, St Mary & St Michael, Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary, the Grammar School or schools within the private sector as these schools do not have a catchment area.

Of the Primary School catchment areas, households with children residing in the Amherst Primary School catchment area had the lowest equivalised mean and median income at £50,923, and £42,971 respectively per annum, 23% lower than the all island average mean for households with children. By contrast households with children residing in the La Houquette Primary School catchment area had the highest equivalised mean and median incomes at £82,978 and £63,124 per annum in 2017, which was 25% higher than the all island average mean income for households with children.

Of the Secondary School catchment areas, St Sampsons High School had the lowest equivalised mean and median income at £58,726, and £52,346 respectively per annum, 11% lower than the all island average mean for households with children. Les Beaucamps had the highest equivalised mean and median income at £72,732 and £60,434.

## 8.7 Income and school catchment: quintiles (equivalised)

**Figure 8.7.1: Equivalised annual income by quintile and school catchment**



Incomes for those households with children by school catchment have also been divided into quintiles, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all households when sorted by gross income and so on.

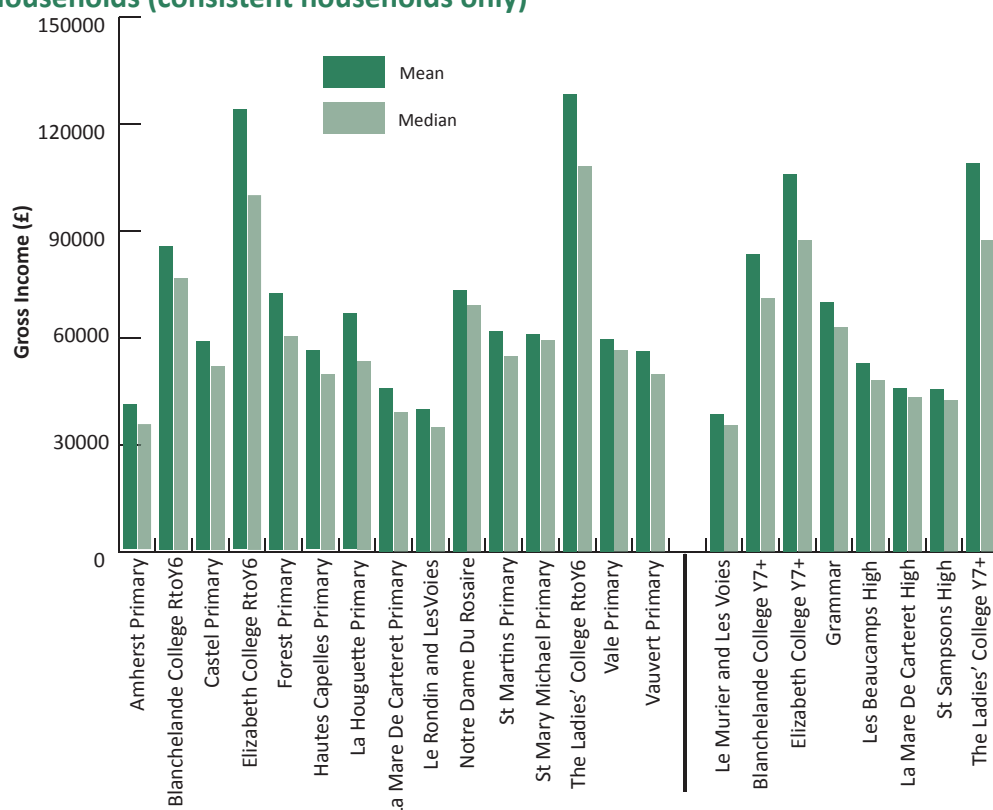
Please note this analysis does not include Notre Dame du Rosaire, St Mary & St Michael, Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary, the Grammar School or schools within the private sector as these schools do not have a catchment area.

Households with children residing within the Amherst School catchment area had the highest proportion of households within the lowest income quintile, 19.6%, whilst La Houquette Primary School catchment had the fewest, 9.3%. Households with children within the La Houquette Primary School catchment also had the highest proportion of households within the highest income quintile, 33.3%, whilst Amherst School catchment area had the fewest, just 12.1%.

Of the Secondary School catchment areas, the differential between the proportion of households within the lowest income quintile is very small. St Sampsons had the highest proportion of households with children within the lowest income quintile, 13.7%, whilst La Mare de Carteret had the fewest, 11.3%. Les Beaucamps had the highest proportion of households with children within the highest income quintile at 27.8% and St Sampsons the fewest at 16.8%.

## 8.8 Income and school attended (equivalised): means, median and school

**Figure 8.8.1: Equivalised annual income by school attended (on 31st Dec 2017) by children in households (consistent households only)**



By identifying children attending the schools listed above, as at 31st December 2017, a mean and median equivalised gross household income per school can be calculated based on the household incomes of the children attending each school.

Please note the numbers of pupils attending and included within the analysis for Le Rondin & Les Voies Primary, Le Murier & Les Voies Secondary are low, so these schools are grouped together. Care should be taken when drawing interpretations from these figures.

Of the States' schools providing primary education, households with children attending Le Rondin & Les Voies and Amherst Primary had the lowest equivalised median income at £34,979 and £35,078 per annum respectively whilst households with children attending Notre Dame du Rosaire had the highest equivalised median income at £69,111 per annum in 2017.

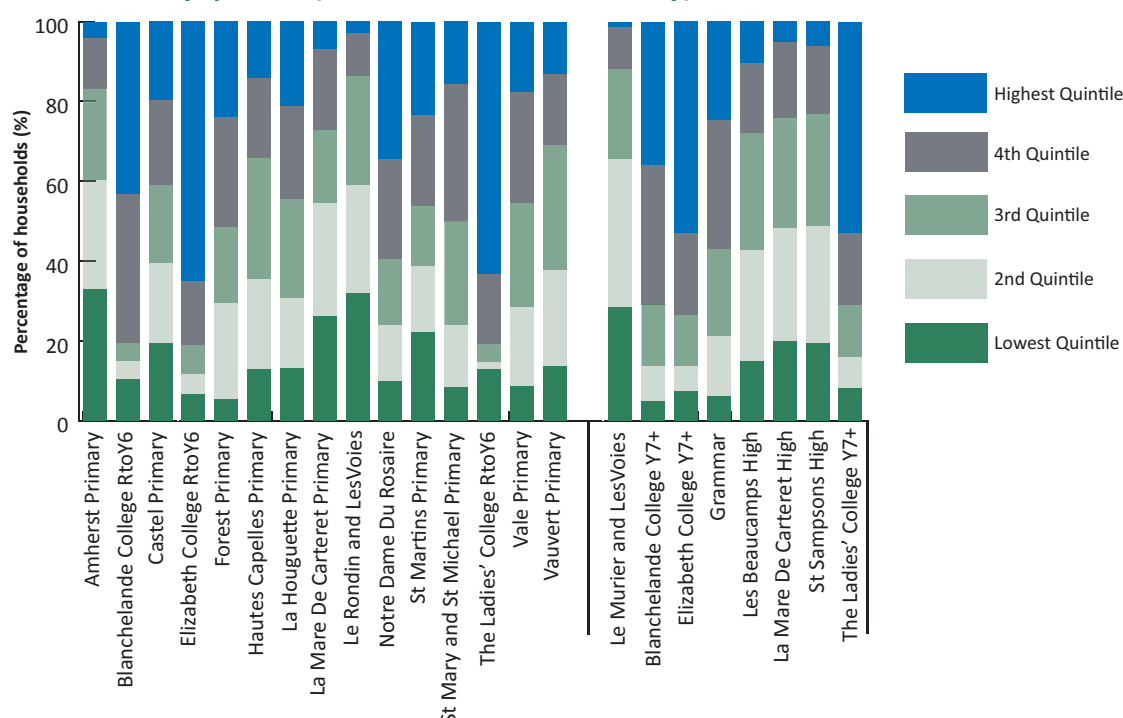
Of the States' schools providing secondary education, those households with children attending the Grammar School had the highest equivalised median income at £63,022, whilst those households with children attending Le Murier & Les Voies and St Sampsons High School had the lowest median incomes at £35,395 and £42,483 per annum respectively.

Of the private schools providing education from Reception to Year 6, households with children attending Blanchelande College had the lowest equivalised median income at £76,146, whilst households with children attending The Ladies' College had the highest equivalised median income at £108,080 per annum.

Of the private schools providing education from Year 7 and above, households with children attending Blanchelande College had the lowest equivalised median income at £70,983, whilst Elizabeth College and The Ladies' College had median incomes of £87,268 and £87,264 respectively.

## 8.9 Income and school attended: quintiles (equivalised)

**Figure 8.9.1: Equivalised annual income by school attended (on 31st Dec 2017) by children in households by quintile (consistent households only)**



Gross equivalised incomes per school have also been divided into quintiles, five equally spaced groups ordered by level of gross income. The lowest quintile represents the 20% of consistent households with the lowest income when households are sorted by gross household income from lowest to highest. The second quintile represents the next 20% of all consistent households when sorted by gross income and so on.

Please note the numbers of pupils attending and included within the analysis for Les Voies, Le Rondin, Le Murier are low, so these schools are grouped together. Care should be taken when drawing interpretations from these figures.

Of the States' primary schools Amherst Primary and Le Rondin & Les Voies had the highest proportion of households within the lowest income quintile, at 32.8% and 31.8% respectively, whilst Forest Primary had the fewest, 5.5%. Notre Dame Du Rosaire had the highest proportion of households within the highest income quintile, 34.4%, whilst Le Rondin & Les Voies and Amherst Primary had the fewest, just 3.0% and 4.2% respectively.

Of the States' schools providing secondary education, Le Murier & Les Voies and La Mare de Carteret had the highest proportion of households within the lowest income quintile, at 28.4% and 19.9% respectively, whilst the Grammar School had the fewest, just 6.1% of its households were within the lowest income quintile. The Grammar School also had the highest proportion of households within the highest income quintile, at 24.8%, whilst Le Murier & Les Voies and La Mare de Carteret had the fewest, just 1.5% and 5.3% respectively.

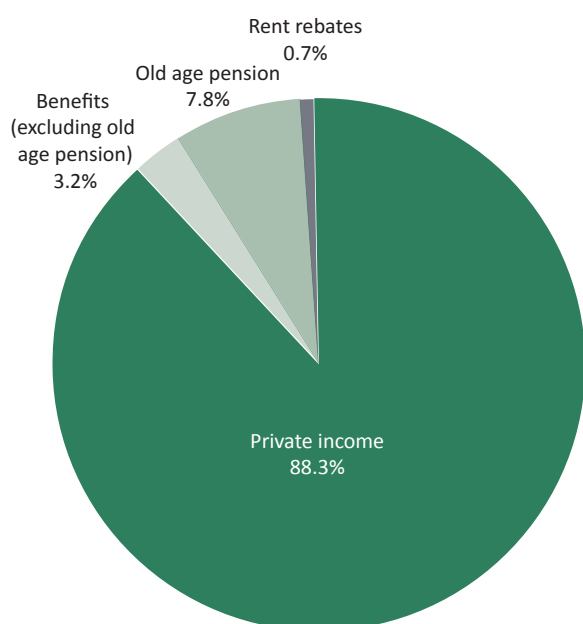
Of the private schools, the proportion of households within the lowest income quintile was relatively low, varying between 4.8% and 12.8%. Within the highest income quintile, Blanchelande Year 7+ had the lowest proportion of households at 36.1%, whilst Elizabeth College Reception to Year 6 had the highest proportion of households at 65.0%.

## 8.10 Income by housing market (equivalised)

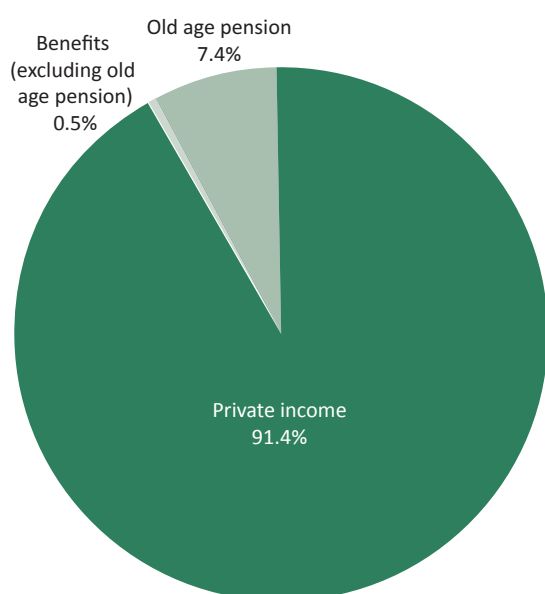
**Table 8.10.1: Mean and median gross household income by Market (equivalised)**

	Guernsey	Local Market	Open Market (Part A)
<b>Mean</b>	63,841	61,937	97,005
<b>Median</b>	50,489	49,939	63,109

**Figure 8.10.1: Local Market breakdown of gross household income (equivalised)**



**Figure 8.10.2: Open Market (Part A) breakdown of gross household income (equivalised)**



In this section, equivalised household incomes are presented for those households residing in Local Market properties and households residing in Open Market (Part A) properties, the part of the Open Market Housing Register relating to private family homes. Only Part A is included in the analysis due to small numbers of households residing in Part B, C or D of the Open Market. These households may have a different income profile to those in Part A. Approximately 1,800 people live in either Open Market Part B, C or D accommodation.

The equivalised mean gross household income for all households was £63,841 in 2017, compared to £61,937 for Local Market households and £97,005 for households residing in Open Market (Part A) accommodation (see [Table 8.10.1](#)). The median gross household incomes were £49,939 and £63,109 for Local and Open Market households respectively.

**Figures 8.10.1** and **8.10.2** show household income broken down by source for Local Market and Open Market households respectively. For households residing in Open Market (Part A), a higher proportion of their income derived from private income sources (91.4%) than Local Market households (88.3%) in 2017. Benefits (excluding old age pension) and rent rebates made up 3.9% of the income for Local Market households compared to 0.5% for Open Market (Part A).

**Figure 8.10.3** overleaf depicts equivalised household incomes for all analysed households by income bracket and compares households living in Open Market and Local Market accommodation. Income brackets are spaced at £20,000 intervals and the percentage of households within each income bracket is evident.

For Local Market households, 69% of all households had an equivalised income between £20,000 and £79,999 in 2017, compared with Open Market households, where 46% of all households had an income between £20,000 and £79,999. There was a higher proportion of households living in Open Market (Part A) with an income below £20,000, 14.8%, compared to 9.8% in the Local Market. In contrast there was a higher proportion of households with an income above £80,000 living in Open Market (Part A) accommodation, 39.5%, compared to Local Market households at 21.0%.

## 8.10 Income by housing market (equivalised)

**Table 8.10.2** shows the household composition for consistent households living in Local Market accommodation and those living in Open Market (Part A). The term consistent refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017.

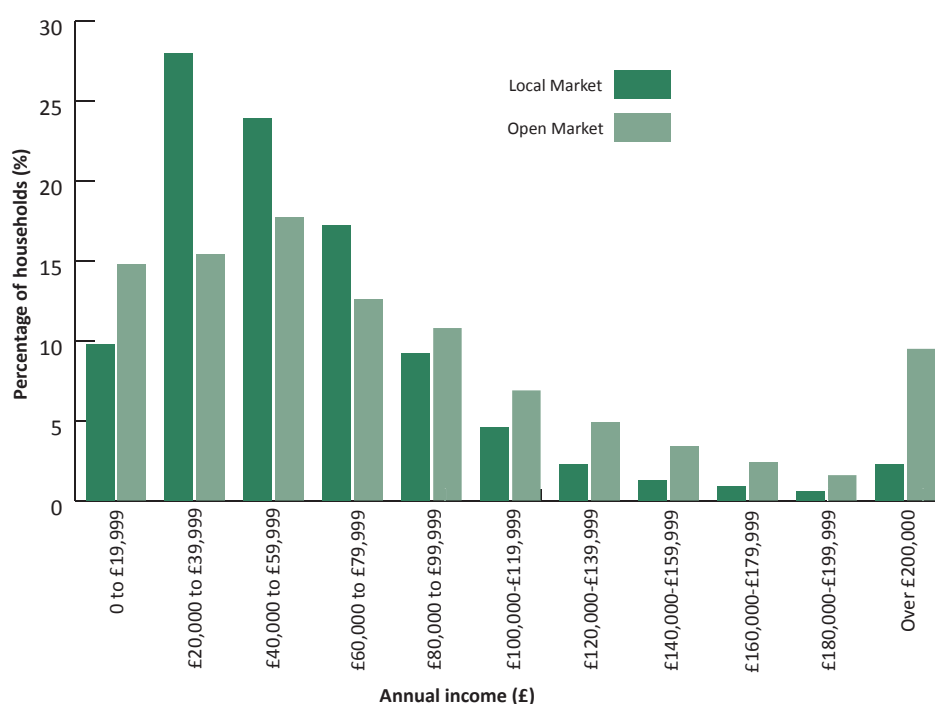
There is a higher proportion of households which comprise one adult (65 and over), 18.0%, or two adults (65 and over), 28.2%, living in Open Market (Part A) accommodation, compared to those living in Local Market properties. Conversely there is a smaller proportion of households under 64 years living in Open Market (Part A) compared to the Local Market, one or two adult (16 to 64) households comprise 15.0% of the total number of households residing in Open Market Part A accommodation compared to 29.5% of households in the Local Market.

Furthermore, there is a smaller proportion of households with child(ren) residing in Open Market (Part A) accommodation compared to the Local Market, 7% of households residing in Open Market (Part A) comprised of either one adult (16 to 64) with child(ren) or two adults (16 to 64) with child(ren) compared to 16.7% in the Local Market.

**Table 8.10.2: Household composition and percentage in sample by Market (consistent households only)**

Composition Type	Guernsey	Local Market	Open Market (Part A)
One adult (16-64)	13.3	13.5	6.3
One adult (65 and over)	14.2	14.1	18.0
One adult (16-64) with child(ren)	2.5	2.6	0.5
Two adults (16-64)	15.6	16.0	8.7
Two adults (65 and over)	14.2	13.5	28.2
Two adults (16-64) with child(ren)	13.7	14.1	6.5
Two adults (one 16-64, one 65 and over)	5.8	5.7	9.1
Three and four adults (16-64)	9.4	9.5	7.5
Other	11.3	11.0	15.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Figure 8.10.3: Gross annual income of households (equivalised) by Market**

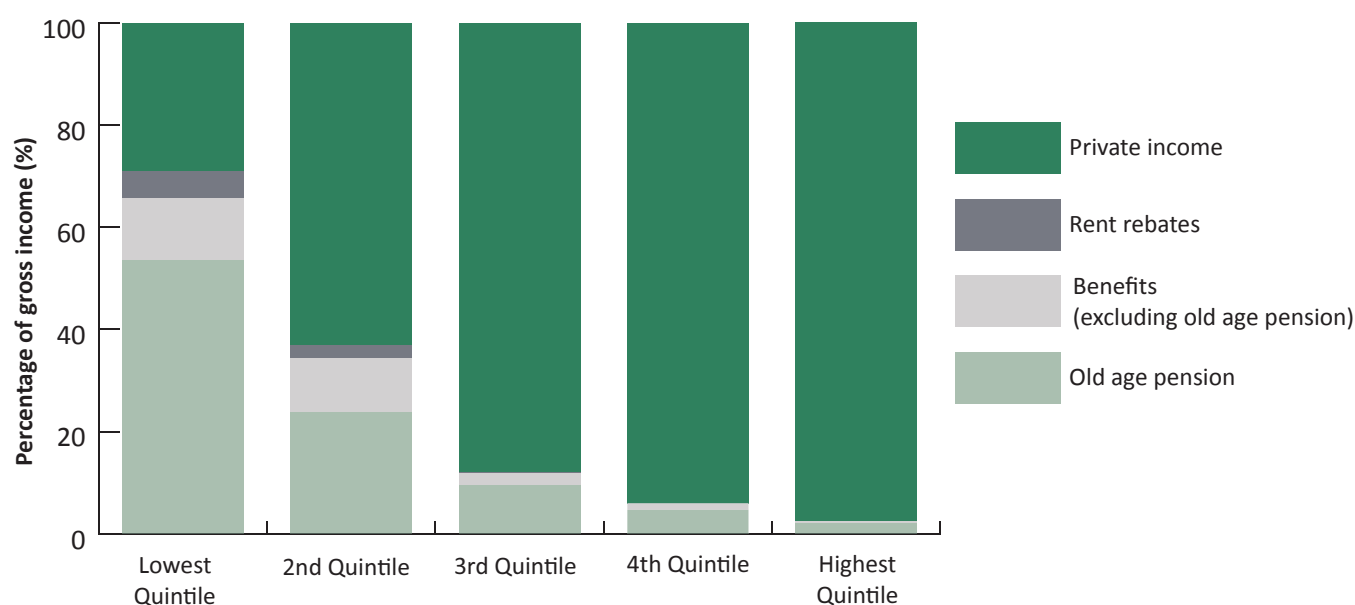


## 9.1 Income quintiles (equivalised): source of income

This section, as previously, presents equivalised gross household incomes by quintiles for consistent households during 2017. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

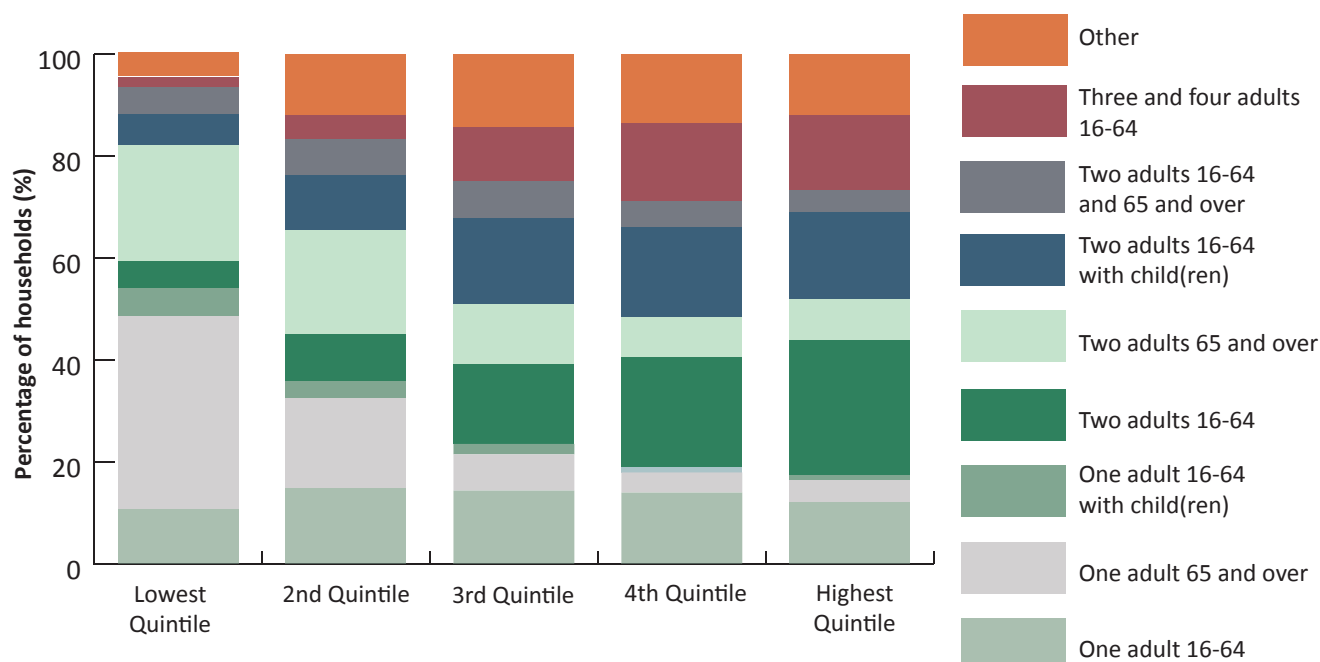
**Figure 9.1.1: Equivalised income quintile and source of income (consistent households only)**



In **Figure 9.1.1**, the different sources of household income are broken down by equivalised income quintiles. Old age pensions account for just over half (53.5%) of all equivalised gross income within the lowest quintile of households. Furthermore within the lowest quintile, private income (including employment and business income) accounts for 29.1% of all income and benefits (excluding old age pension) and rent rebates collectively account for 17.4% of all income.

## 9.2 Income quintiles (equivalised): composition

**Figure 9.2.1: Equivalised income quintile and household composition (consistent households only)**



**Figure 9.2.1** illustrates the composition of households by income quintile. For the following household compositions; **one adult (16-64)**, **two adults (one 16-64, one 65 and over)**, and **'other'** the proportion of households within each income quintile is relatively stable.

The percentage of households within each income quintile shows more variation for the following household compositions; **one adult (65 and over)** households, **two adults (65 and over)** households **one adult (16-64) with child(ren)** households, **two adults (16-64)** households, **two adults (16-64) with child(ren)** households and **three and four adult (16-64)** households.

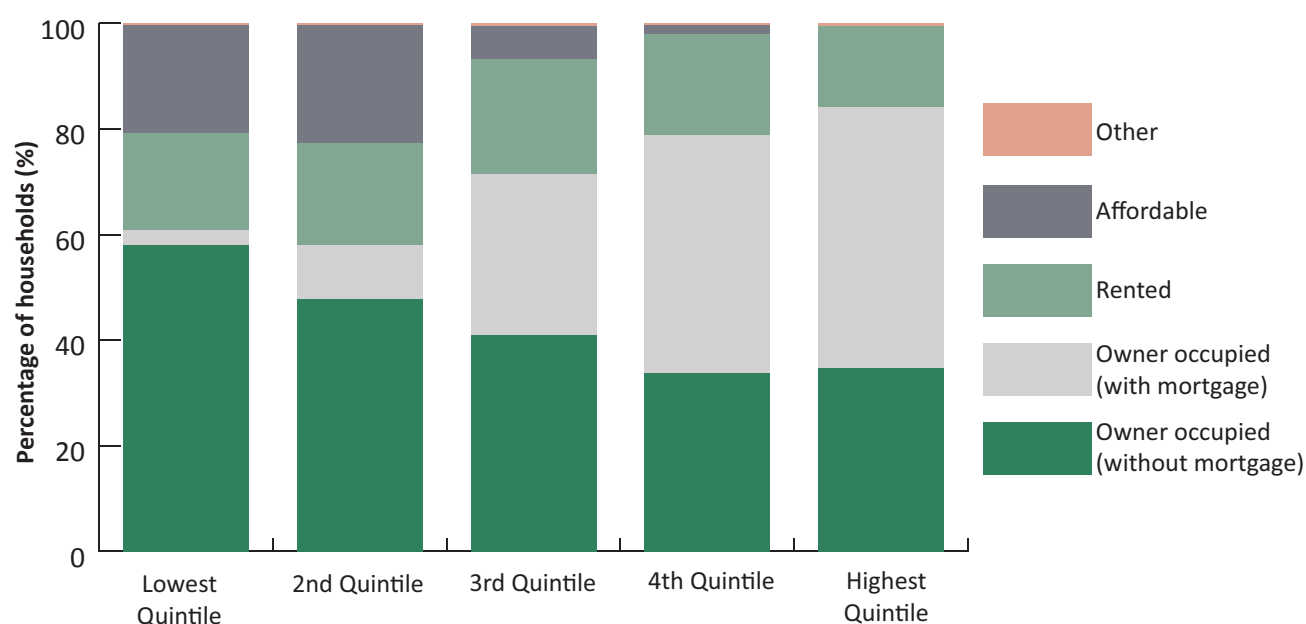
Households comprising either **one adult (65 and over)**, **two adults (65 and over)**, **one adult (16-64) with child(ren)** recorded a much larger proportion of households within the lowest income quintile, 38.0%, 22.8% and 5.3% respectively compared to the highest equivalised income quintile at 4.4%, 8.2% and 0.9% respectively. The proportion of **one adult (16-64) with child(ren)** households within the lowest income quintile is almost 6 times the proportion represented within the highest income quintile.

Households comprising **two adults (16-64)**, or **three and four adults (16-64)** recorded a much lower proportion of households within the lowest equivalised income quintile, 5.3% and 1.9% respectively, compared to the highest equivalised income quintile at 26.4% and 14.6% respectively.

**Section 6.2, page 17** contains the same information for unequivalised households. There are some key differences between **Figure 6.2.1** and **Figure 9.2.1**. **Figure 9.2.1** illustrates that after equivalisation some household compositions, such as **one adult (16-64)** and **two adults (one 16-64, one 65 and over)** were more evenly distributed across the various income quintiles.

## 9.3 Income quintiles (equivalised): tenure

**Figure 9.3.1 Income quintile and tenure (consistent households only)**



Within the lowest income quintile, 58.1% of all households resided in owner occupied households without a mortgage, as can be seen in [Figure 9.3.1](#), whilst less than 3% of all households were owner occupiers with a mortgage. Rented households, which represents the privately rented sector accounted for 18.3% of all households in the lowest income quintile and 20.3% of households within the lowest income quintile have tenures categorised as affordable; these include States/GHA social rented accommodation and social partial ownership.

Moving progressively through the second, third, fourth and highest income quintiles there is an increasing proportion of households which are owner occupied with a mortgage and, in general, a decreasing proportion of households which are owner occupied without a mortgage or have a tenure of affordable. The proportion of rented households is relatively stable throughout the income quintiles varying between 15% and 22%.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), just under half of all households are owner occupied with a mortgage, over a third are owner occupied (without a mortgage) and just over 15% are privately rented.

## 10.1 Income net of social security, income tax and housing costs (unequalised): mean and median

The following section ([Section 10](#)) of the report provides data on unequalised household income in 2017 after tax, social security contributions and an imputed housing cost have been deducted. Housing costs referred to here and throughout the rest of the report mean mortgage and rent costs. The income remaining after these deductions broadly indicates the amount of money left to buy goods and services, often termed disposable income.

The housing cost in these calculations has been imputed as the actual cost of housing within individual households is not known; however, the tenure type and property size is known and can be combined with data on average rental and purchase prices to estimate the housing costs for privately rented and owner occupied properties with a mortgage.

For those properties which are rented either through the States of Guernsey or Guernsey Housing Association, housing costs have been calculated according to the rental values for property type as set by the States of Guernsey or Guernsey Housing Association.

Please note that in the case of those households which have been identified as owner occupied without a mortgage no housing cost has been deducted from these incomes. See [Appendix](#) for more detail.

The mean household income net of social security, income tax and housing costs (unequalised) was £49,127 (£945 per week) and the median household income net of social security, income tax and housing costs (unequalised) was £34,652 (£666 per week) in 2017 see [Table 10.1.1](#).

**Table 10.1.1: Mean and median gross income of households**

	2014 (£)	2015 (£)	2016 (£)	2017 (£)
<b>Mean</b>	48,756	49,578	49,706	49,127
<b>Median</b>	33,503	34,888	34,922	34,652

**Table 10.1.2: Quintile boundaries for gross annual income of households**

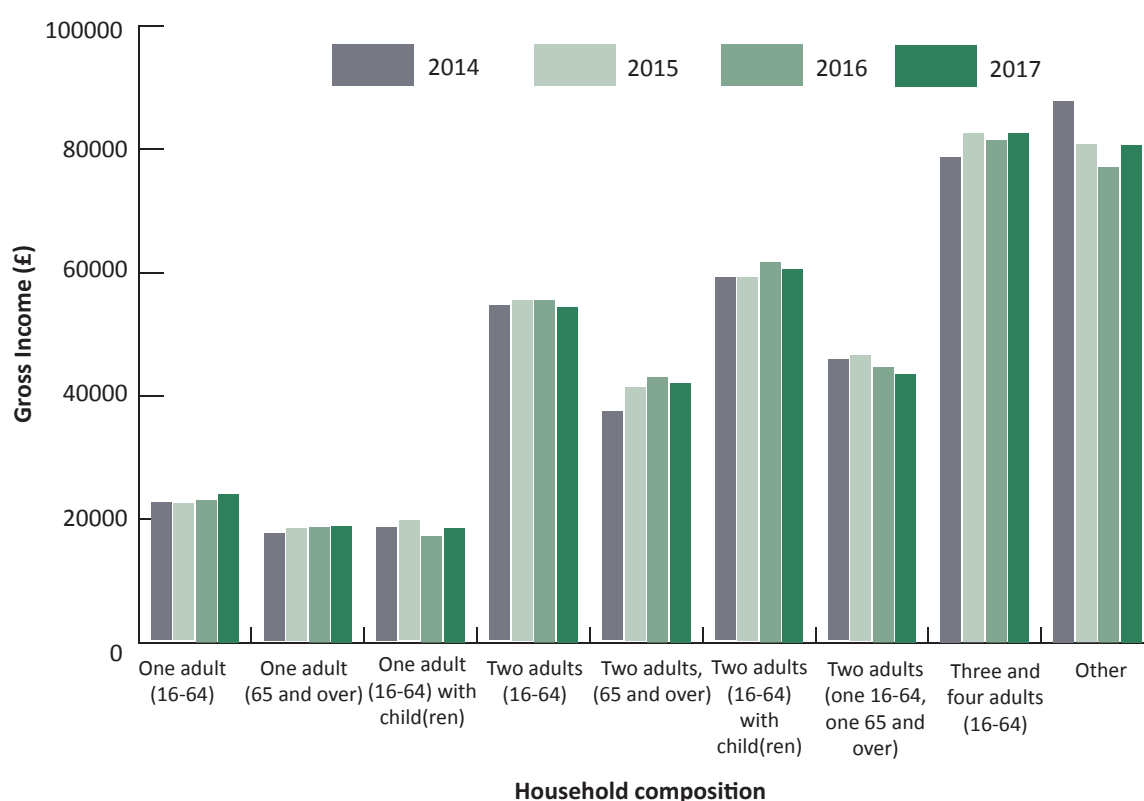
	2014 Upper boundary (£)	2015 Upper boundary (£)	2016 Upper boundary (£)	2017 Upper boundary (£)
<b>Lowest quintile</b>	13,312	13,848	13,047	13,592
<b>2nd quintile</b>	26,368	27,021	27,043	27,206
<b>3rd quintile</b>	42,077	43,190	43,709	43,696
<b>4th quintile</b>	68,235	69,157	70,301	70,322
<b>Highest quintile</b>	-	-	-	-

## 10.2 Income net of social security, income tax and housing costs by household composition: means and medians (unequalised)

The analysis presented in this section is based on consistent households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 10.2.1: Mean income net of social security, income tax and housing costs by household composition (consistent households only)**



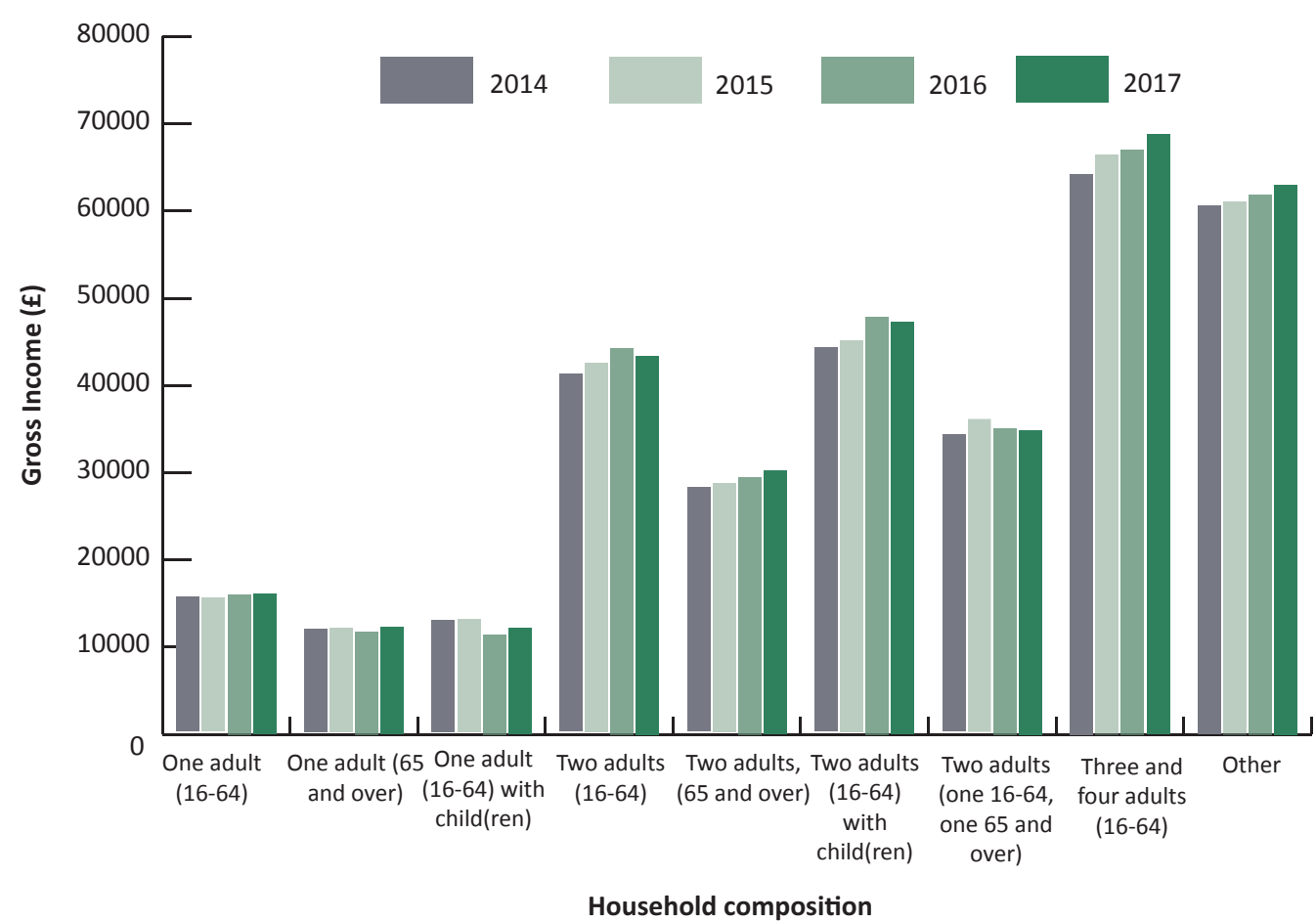
**Figure 10.2.1** details income net of social security, income tax and housing costs (unequalised) for households of different compositions. By calculating an unequalised income net of social security, income tax and housing costs the values will differ from the gross unequalised income presented in **Section 5.1**.

**One adult (16-64) with children** households recorded the lowest mean income net of social security, income tax and housing costs at £18,606. **One adult (65 and over)** households recorded the next lowest mean income at £18,956. **Three and four adult (16-64)** households recorded the highest mean income net of social security, income tax and housing costs at £82,576.

Please note this section presents unequalised income with no adjustment for household size - see **Section 11** for equalised income after social security contributions, income tax and housing costs have been deducted.

# 10.2 Income net of social security, income tax and housing costs by household composition: means and medians (unequivalised)

**Figure 10.2.2: Median income net of social security, income tax and housing costs by household composition (consistent households only)**



*Figure 10.2.2* details median incomes net of social security, income tax and housing costs (unequivalised) for households of different compositions. By calculating an unequivalised income net of social security, income tax and housing costs, the values will differ from the gross unequivalised median income presented in [Section 5.1](#).

**One adult (16-64) with children** households recorded the lowest median income net of social security, income tax and housing costs at £12,185. **One adult (65 and over)** households recorded the next lowest median income at £12,270. **Three and four adult (16-64)** households recorded the highest median income net of social security, income tax and housing costs at £68,750.

Please note this section presents unequivalised income with no adjustment for household size - see [Section 11](#) for equivalised income after social security contributions, income tax and housing costs have been deducted.

## 11.1 Income net of social security, income tax and housing costs (equivalised): mean and median

The following section (**Section 11**) of the Report provides data on equivalised household income in 2017 after tax, social security contributions and imputed housing costs have been deducted. The income remaining after these deductions is the amount of money left to buy goods and services, often termed disposable income. Although income data alone will never provide a perfect indication of a household's quality of life, calculating income net of social security, income tax and housing costs is a commonly used income measure of household wealth and living standards.

Equivalised income net of social security, income tax and housing costs has been used to calculate the income indicators presented within the *Guernsey Indicators of Poverty Report* (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)).

The housing cost in these calculations has been imputed as the actual cost of housing within individual households is not known; however, the tenure type and property size is known and can be combined with data on average rental and purchase prices to estimate the housing costs for privately rented and owner occupied properties with a mortgage.

For those properties which are rented either through the States of Guernsey or Guernsey Housing Association, housing costs have been calculated according to the rental values for property type as set by the States of Guernsey or Guernsey Housing Association.

Please note that in the case of those households which have been identified as owner occupied without a mortgage no housing cost has been deducted from these incomes. See **Appendix** for more detail.

The mean household income net of social security, income tax and housing costs (equivalised) was £42,440 (£816 per week) and the median household income net of social security, income tax and housing costs (equivalised) was £32,434 (£624 per week) in 2017 see **Table 11.1.1**. This represents a 2.8% increase in the equivalent mean household income of £41,292 in 2014 and a 4.2% increase in the median household income in 2014 of £31,124.

**Table 11.1.1: Mean and median household income net of social security, income tax and housing costs (equivalised)**

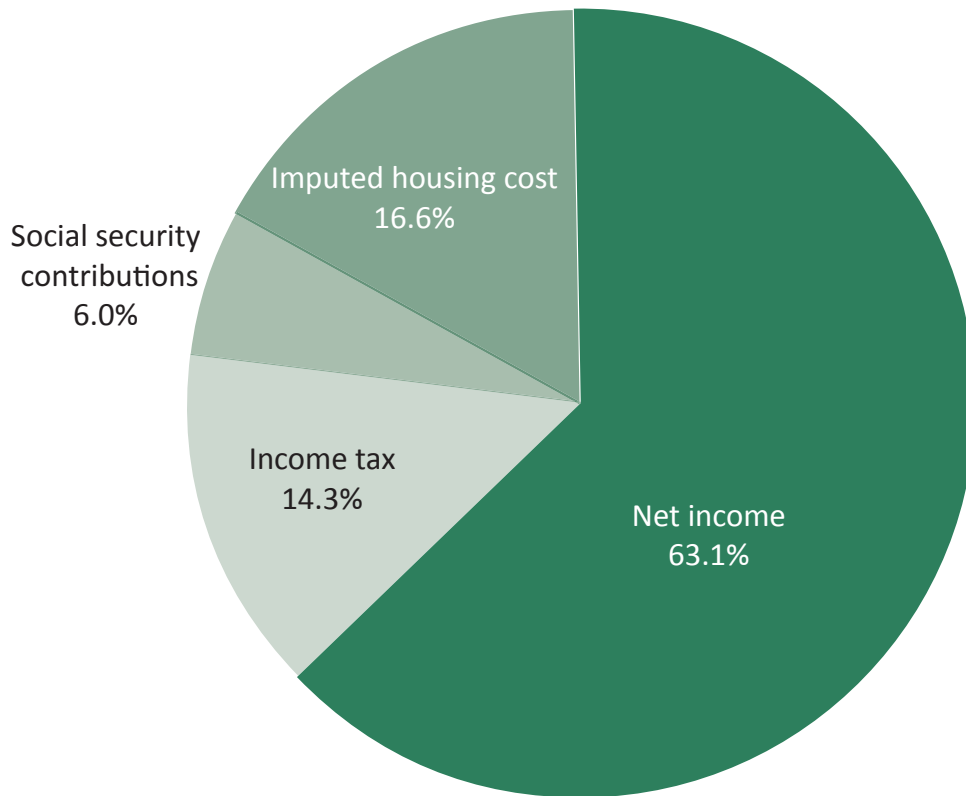
	2014 (£)	2015 (£)	2016 (£)	2017 (£)
<b>Mean</b>	41,292	42,346	43,185	42,440
<b>Median</b>	31,124	31,789	32,367	32,434

**Table 11.1.2: Household quintile boundaries for income net of social security, income tax and housing costs (equivalised)**

	2014 Upper boundary (£)	2015 Upper boundary (£)	2016 Upper boundary (£)	2017 Upper boundary (£)
<b>Lowest quintile</b>	15,318	16,505	15,200	15,844
<b>2nd quintile</b>	25,492	26,953	26,575	26,740
<b>3rd quintile</b>	37,238	38,577	38,886	38,834
<b>4th quintile</b>	54,795	56,519	57,316	57,116
<b>Highest quintile</b>	-	-	-	-

## 11.2 Income net of social security, income tax and housing costs (equivalised) by source

**Figure 11.2.1: Breakdown of gross income to income net of social security, income tax and housing costs (equivalised)**



**Figure 11.2.1** illustrates the average size of the deductions to gross household income in order to calculate income net of social security, income tax and housing costs (equivalised) and represents a breakdown of gross household income.

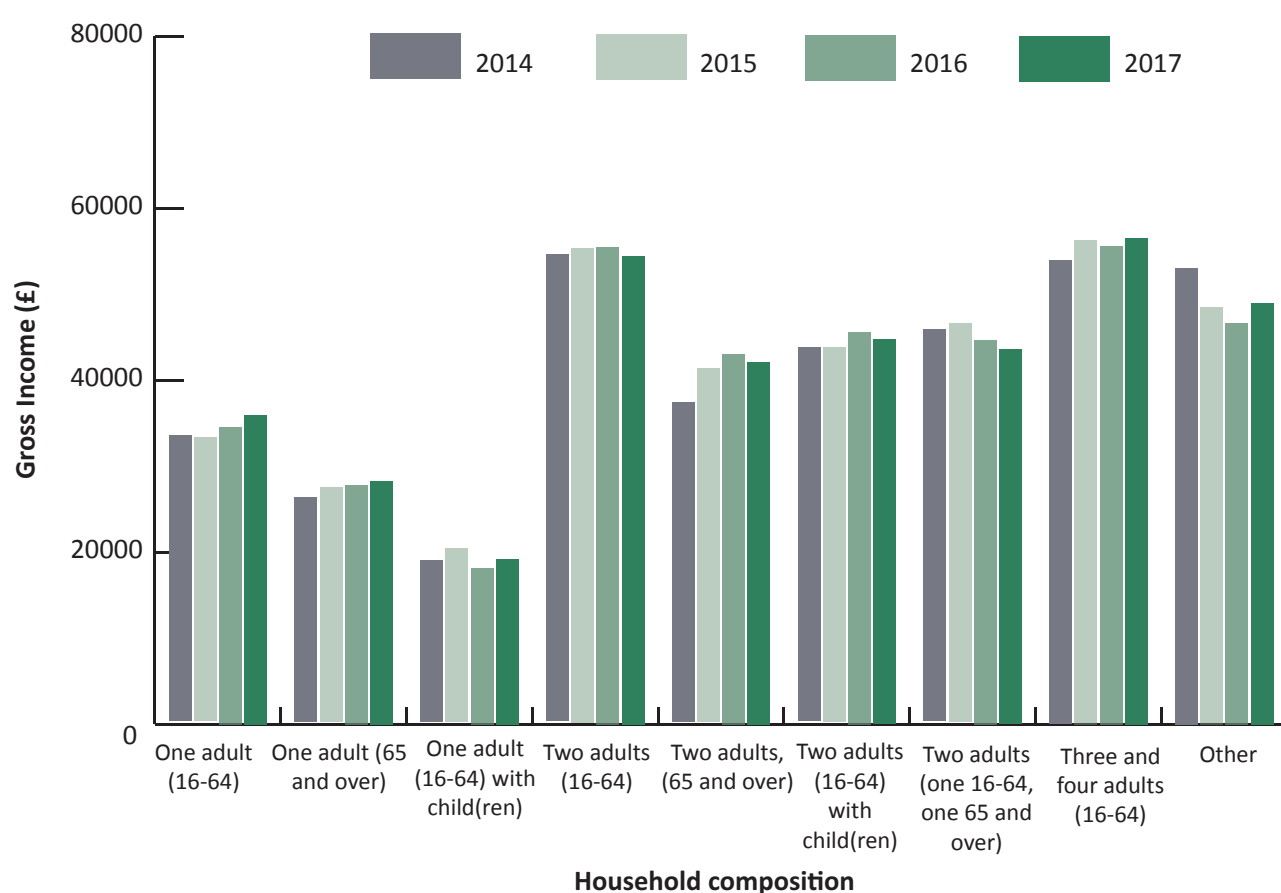
Income net of social security, income tax and housing costs (equivalised) represents 63.1% of gross household income in 2017. Housing costs represented the largest deduction to gross household income, at 16.6%, followed by income tax at 14.3% and social security contributions at 6.0%.

## 11.3 Income net of social security, income tax and housing costs by household composition: means and medians (equivalised)

The analysis presented in this section is based on “consistent” households only. The term consistent households refers to those where there has been no change in the composition and number of individuals within a household and no change of address throughout 2017. The number of consistent households totalled 16,839 at the end of 2017.

The analysis is limited to consistent households only rather than an overall number of households. A consistent description of a household is required for this analysis, as households which have changed composition during the year could render the analysis of household descriptions unreliable.

**Figure 11.3.1: Mean income net of social security, income tax and housing costs by household composition (consistent households only)**

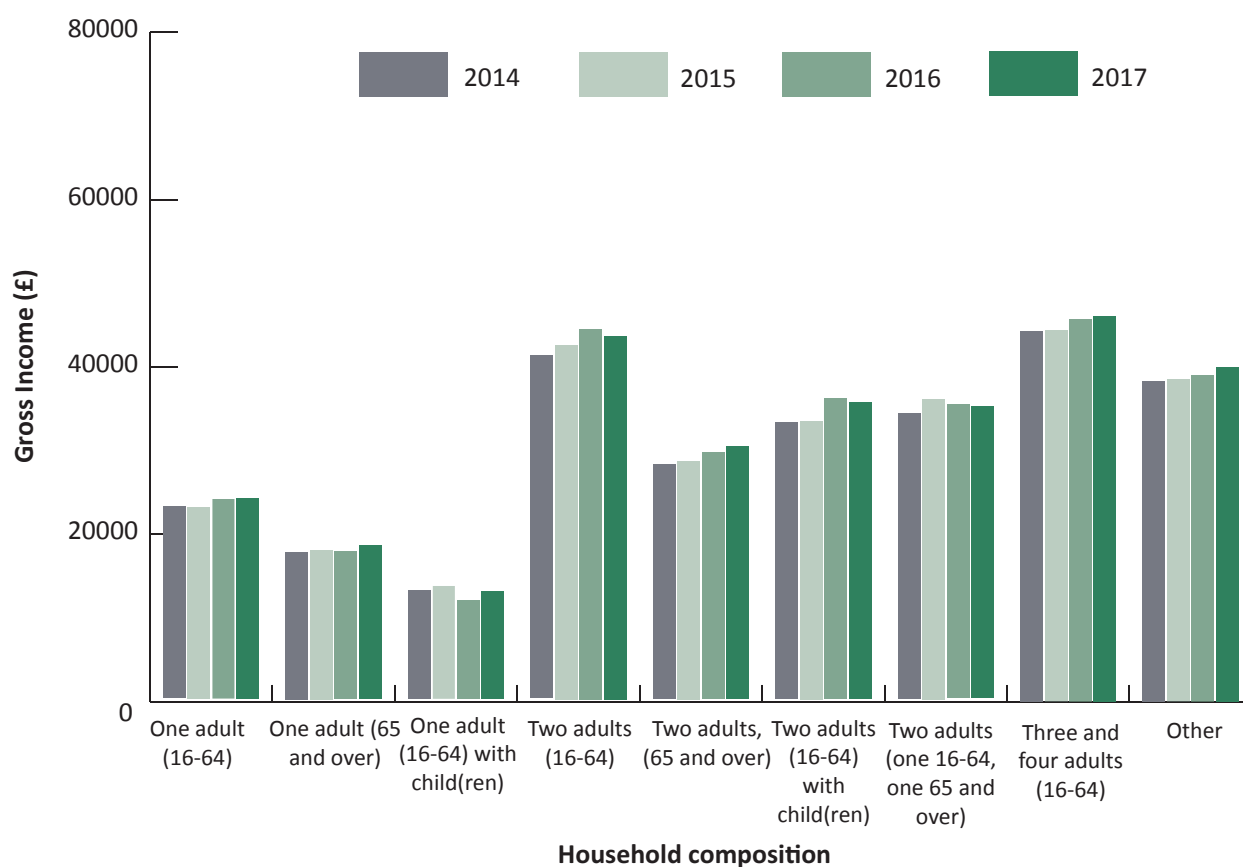


**Figure 11.3.1** details income net of social security, income tax and housing costs (equivalised) for households of different compositions. By calculating an equivalised income net of social security, income tax and housing costs, the values will differ from the gross equivalised income presented in **Section 8.1**.

**One adult (16-64) with children** recorded the lowest mean income net of social security, income tax and housing costs in 2017 at £19,263. It is the fourth consecutive year that the **one adult (16-64) with children** composition has recorded the lowest mean income. **Three and four adults** and **two adults (16-64)** recorded the highest mean income net of social security, income tax and housing costs at £56,564 and £54,426 respectively.

## 11.3 Income net of social security, income tax and housing costs by household composition: means and medians (equivalised)

**Figure 11.3.2: Median income net of social security, income tax and housing costs by household composition (consistent households only)**

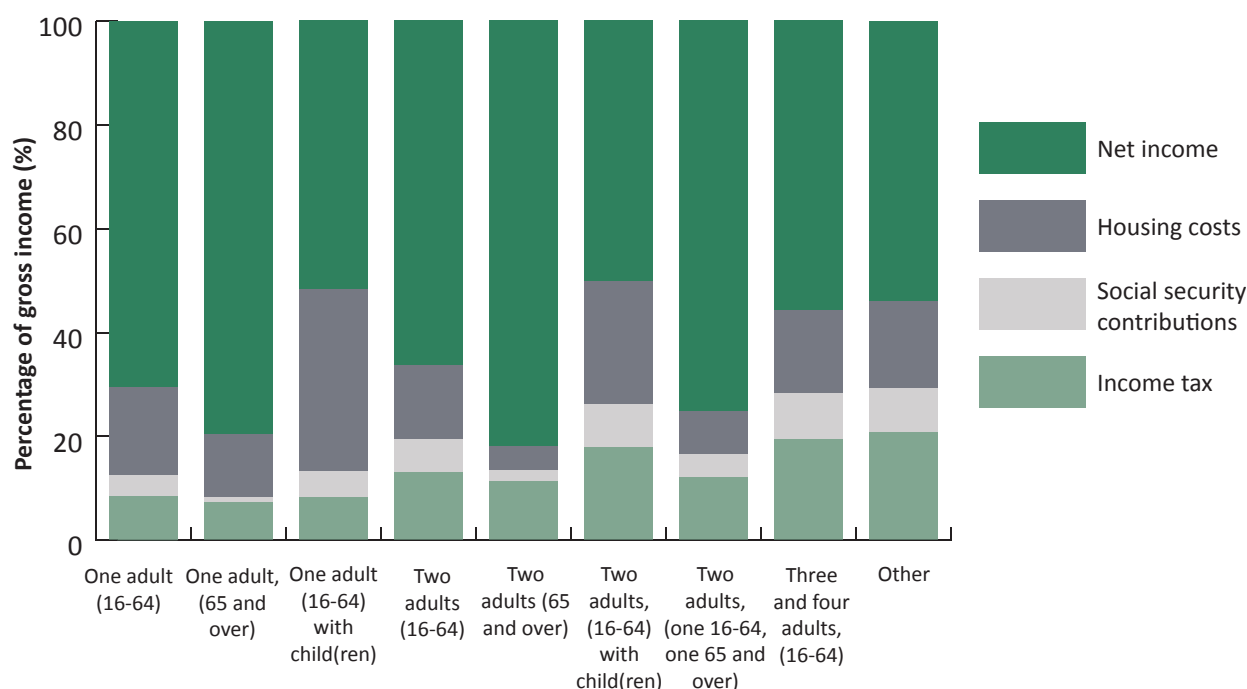


**Figure 11.3.2** details income net of social security, income tax and housing costs (equivalised) for households of different compositions. By calculating an equivalised income net of social security, income tax and housing costs, the values will differ from the gross equivalised income presented in **Section 8.1**.

**One adult (16-64) with children** recorded the lowest median income net of social security, income tax and housing costs in 2017 at £12,846. It is the fourth consecutive year that the **one adult (16-64) with children** composition has recorded the lowest median net income. **Three and four adults** and **two adults (16-64)** recorded the highest median income net of social security, income tax and housing costs at £46,110 and £43,392 respectively.

## 11.4 Household composition and gross to net income breakdown (equivalised)

**Figure 11.4.1: Breakdown of gross income to income net of social security, income tax and housing costs (equivalised) by household composition**



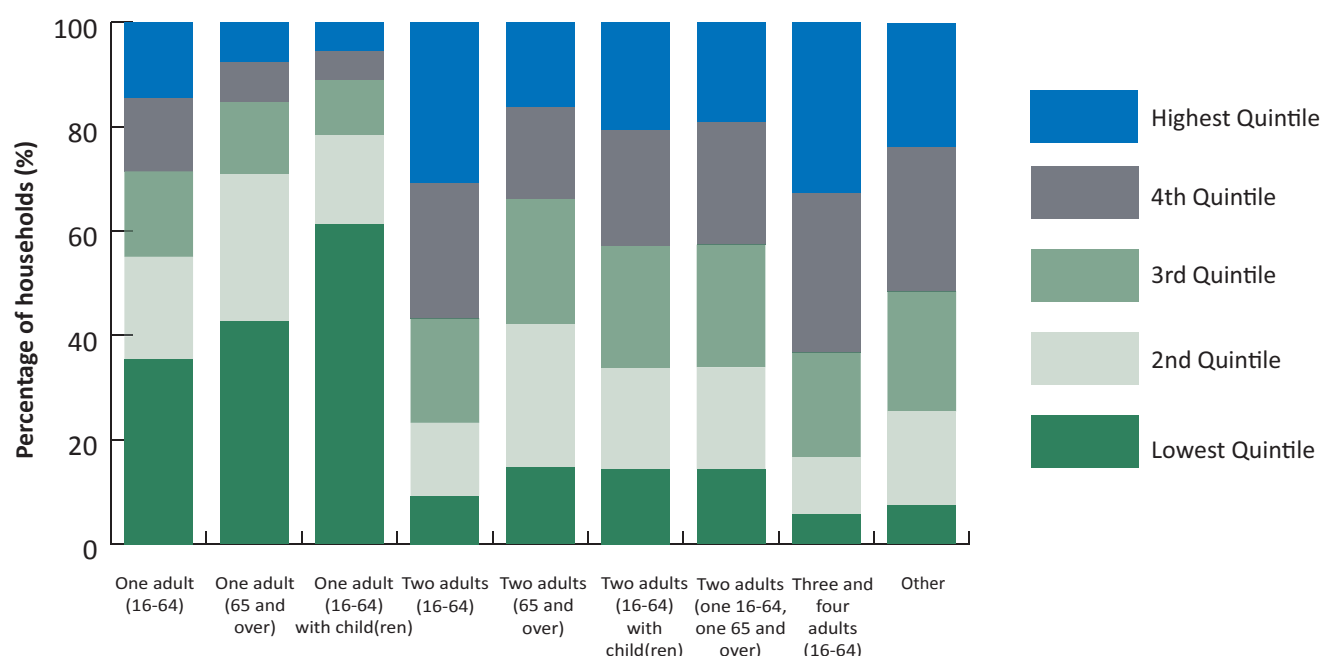
**Figure 11.4.1** illustrates how deductions of social security, income tax and housing costs to gross income vary between different household compositions.

Housing costs were the most significant deduction to household incomes in those households with children in 2017, representing 35% of gross income in **one adult (16-64) with children** and 24% of gross income in **two adults (16-64) with children** households. Conversely housing costs represent just 5% of gross income in **two adults (65 and over)** households and 8% of gross income in **two adults (one 16-64, one 65 and over)** households. This is unsurprising given that a high proportion of households within these two categories are owner occupiers without a mortgage, whose rent or mortgage will be zero.

Income tax represents the most significant deduction to household incomes in larger households specifically **two adults (16-64) with children**, and **three and four adults (16-64)** at 18% and 20% of equivalised gross income respectively. Social security contributions also are most significant in larger households. Unsurprisingly for those households comprising adults aged over 65 years social security contributions are relatively low.

## 11.5 Household composition and income net of social security, income tax and housing cost by quintile (equivalised)

**Figure 11.5.1: Income net of social security, income tax and housing costs (equivalised) by household composition and quintile (consistent households only)**

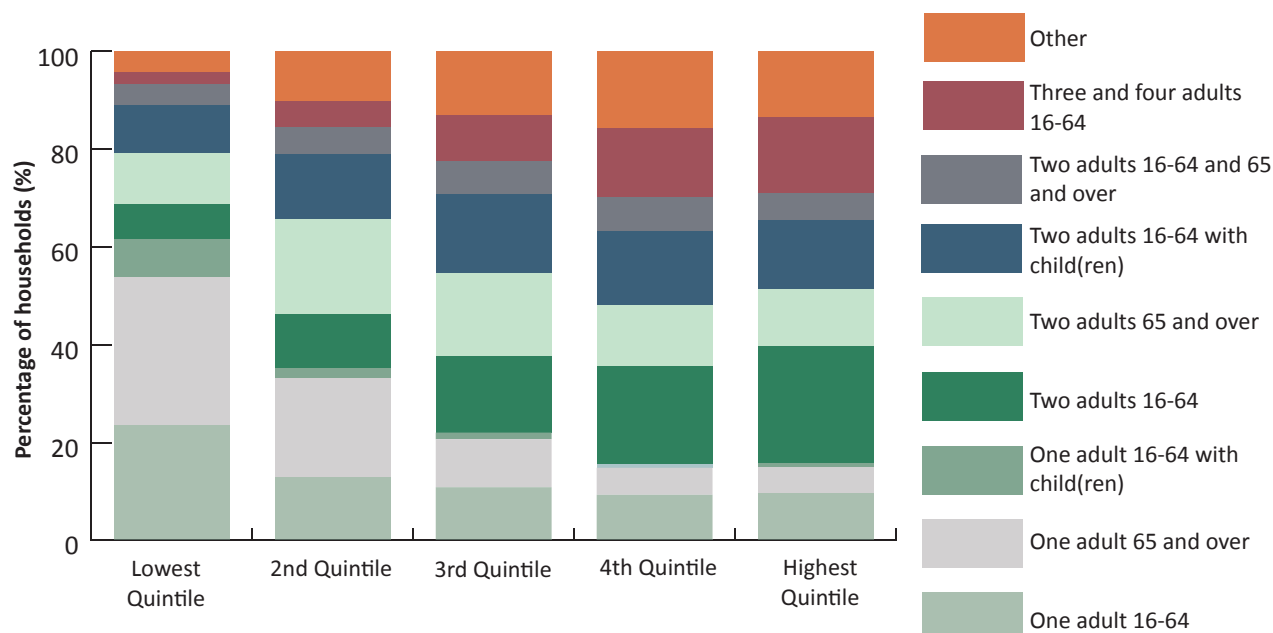


**Figure 11.5.1** displays income net of social security, income tax and housing costs by quintile for the various household compositions. In contrast to the equivalised gross income quintiles presented in **Section 8.3**, when equivalised household incomes are net of social security, income tax and housing costs, **one adult (65 and over)** households no longer have the highest proportion of households within the lowest income quintile (at 53%). Instead it is **one adult (16-64) with children**, with 61% of all households in this category within the lowest income quintile. **Three and four adults (16-64)** households had the lowest proportion of households within the lowest income quintile, just 6%.

**Section 8.3** reveals households with **two adults (16-64)** had the highest proportion of households within the highest gross income quintile. However when equivalised household incomes are net of social security, income tax and housing costs as shown in **Figure 11.5.1** this is no longer the case and instead households of **three and four adults (16-64)** had the highest proportion within the highest income quintile at 33%. **One adult (16-64) with children** had the lowest proportion of households within the highest income quintile at 6%.

## 11.6 Income net of social security, income tax and housing cost by quintile and composition (equivalised)

**Figure 11.6.1: Income net of social security, income tax and housing cost by quintile (equivalised) and composition (consistent households only)**



**Figure 11.6.1** presents income net of social security, income tax and housing costs by household composition for the income quintiles. All household types are represented in the lowest income quintile, although **one adult, 65 and over**, are most prevalent, representing 30% of all households, whilst **three and four adults, 16-64**, are the least prevalent at 3%.

Within the highest income quintile **two adults, (16-64)** is the most prevalent household type, with just under a quarter of all households and **one adult (16-64) with child(ren)** the least prevalent, with just 1% of all households.

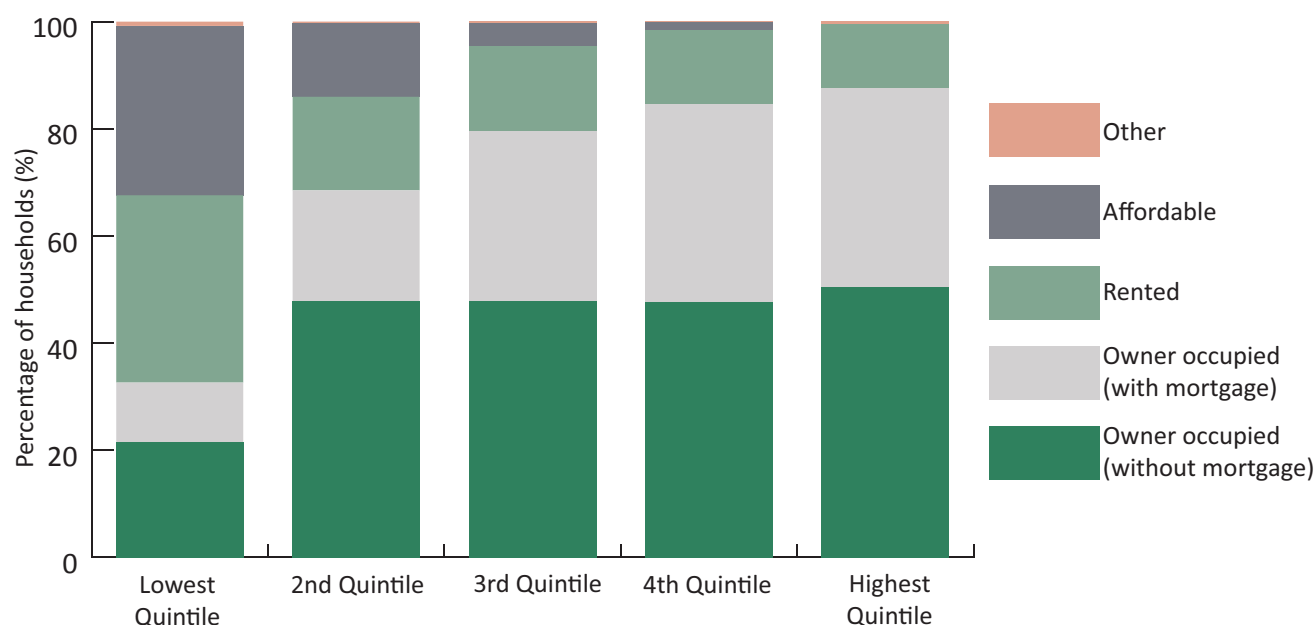
For the following household compositions; **two adults, (one 16-64, one 65 and over)** and **two adults, (16-64) with child(ren)**, the proportion of households within each income quintile is relatively stable.

Households comprising either **one adult (65 and over)**, **one adult (16-64)** or **one adult (16-64) with child(ren)** recorded a much larger proportion of households within the lowest income quintile, at 30%, 24% and 8% respectively compared to the highest income quintile at 5%, 10% and 1% respectively.

Households comprising **two adults (16-64)**, or **three and four adults (16-64)** recorded a much lower proportion of households within the lowest equivalised income quintile, 7% and 3% respectively, compared to the highest equivalised income quintile at 24% and 15% respectively.

## 11.7 Income net of social security, income tax and housing cost by quintile and tenure (equivalised)

**Figure 11.7.1: Income net of social security, income tax and housing cost by quintile (equivalised) and tenure (consistent households only)**



**Figure 11.7.1** illustrates income net of social security, income tax and housing costs by household tenure for the income quintiles. Within the lowest income quintile, over a third of all household tenures are rented (35%), a further 32% of all households have a tenure of affordable (these include States/GHA social rented accommodation and social partial ownership) and 22% are owner occupiers without a mortgage. These figures are in contrast to the information on equivalised gross incomes presented earlier in the report where 58% of all households in the lowest income quintile resided in owner occupied households without a mortgage, as can be seen in **Figure 9.3.1**. The difference is due to the fact that, for households which are owner occupiers without a mortgage, there will be no rents or mortgage costs and, as a result, when incomes are calculated net of social security, income tax and housing costs, fewer owner occupied households without a mortgage will fall within the lowest income quintile.

Moving progressively through the second, third, fourth and highest income quintiles, there is an increasing proportion of households with tenures of owner occupied with mortgage and a decreasing proportion of households with tenures of rented and affordable.

Within the highest income quintile of households (the top 20% of households when ordered by gross household income), just over half of all households are owner occupied without a mortgage (51%), over a third are owner occupied with a mortgage (37%) and 12% are privately rented.

## 12.1 Income equality: Household composition

Within the *Guernsey Indicators of Poverty Report* (available at [www.gov.gg/indicators](http://www.gov.gg/indicators)) the extent of social and economic deprivation in Guernsey is quantified based on a methodology used in England, looking at seven different areas of interest: income, employment, health, education, crime, housing and the environment. The indicators of income deprivation are derived from the dataset used in this report and this topic is considered in greater depth in this report.

The standard definition of those at risk of relative income poverty, used by the OECD, measures those living in a household with an equivalised income below 60% of the national median equivalised income. Income deprivation in Guernsey is monitored via the number of households who have an income net of social security, income tax and housing costs which was less than 60% of the equivalised net income median in 2017. In 2017, the median equivalised income net of social security, income tax and housing costs was £32,434, and 60% of this figure was £19,461. 6,399 households and 12,814 people in Guernsey were found to have a household income net of social security, income tax and housing cost which was less than the 60% median figure calculated above, representing 26.9% of all households and 21.8% of the total population as shown in *Table 12.1.1*. In 2014, the equivalent figure represented 27.1% of households and 22.3% of the total population.

In this report, figures indicating the proportion of households that had income from employment but were classified as being at risk of relative income poverty have also been included in *Table 12.1.1*. In 2017, 13.8% of all households were classified as being at risk of relative income poverty and had some income from employment. This figure includes households that had absolutely any income from employment during the year.

Since data is not collected on the number of hours worked by household members, the figure could include households that were not in full time work or did not work for the whole year. In an attempt to quantify the number of households within that group that had at least one member working full time, a threshold of "full time minimum wage" has been used. This equated to £6,292 in 2017 and is calculated using the minimum wage, based on a 30 hour working week with food and accommodation offset deducted. In 2017, 11.9% of households were classified as being at risk of relative income poverty and received more than full time minimum wage (£6,292) income from employment.

**Table 12.1.1 Income deprivation indicators**

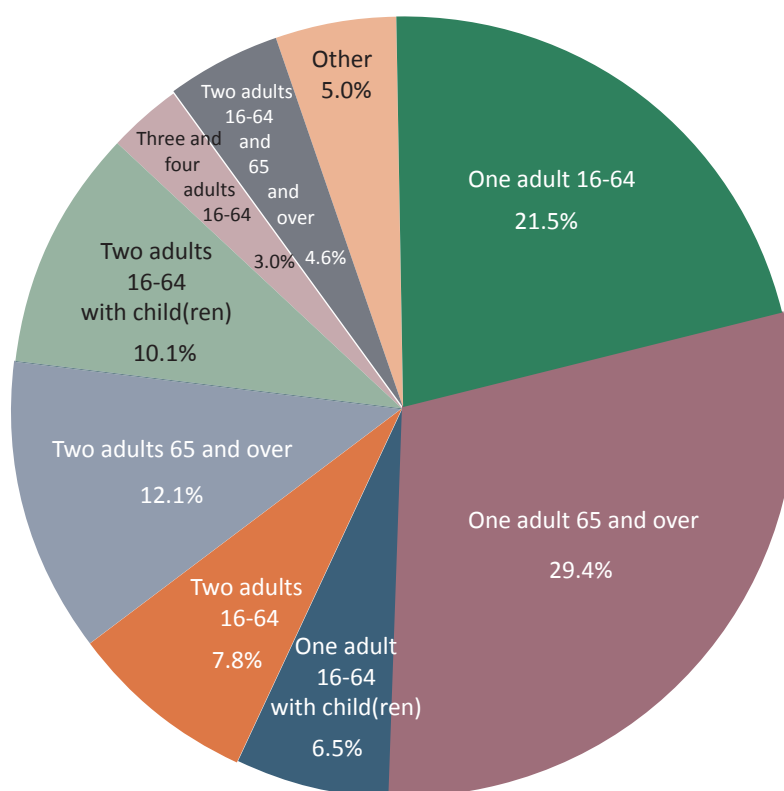
Indicator	2014	2015	2016	2017
Proportion of households whose income is less than 60% of the median	27.1%	26.7%	27.8%	26.9%
Proportion of households whose income is less than 60% of the median and receiving income from employment (i.e in work)	n/a	12.6%	14.1%	13.8%
Proportion of households with a full time minimum wage income from employment whose income is less than 60% of the median	n/a	10.7%	12.3%	11.9%
Proportion of people living in households whose income is less than 60% of the median	22.3%	21.3%	22.7%	21.8%

## 12.1 Income equality: Household composition

**Figure 12.1.1: Household composition for households with income net of social security, income tax and housing costs less than the 60% median net equivalised income in 2017**

The composition of those households whose income net of social security, income tax and housing costs is less than the 60% median income figure is shown in **Figure 12.1.1**. As can be seen all household types are represented.

**Figure 12.1.1** reveals **one adult, 65 and over** and **one adult (16-64)** were the household compositions which had the largest number of households with an income which was less than 60% of the median at 29.4% and 21.5% respectively. **Three and four adults (16-64)** and **two adults, one 16-64 and one 65 and over** had the fewest numbers of households whose income was less than 60% of the median at 3.0% and 4.6% respectively.



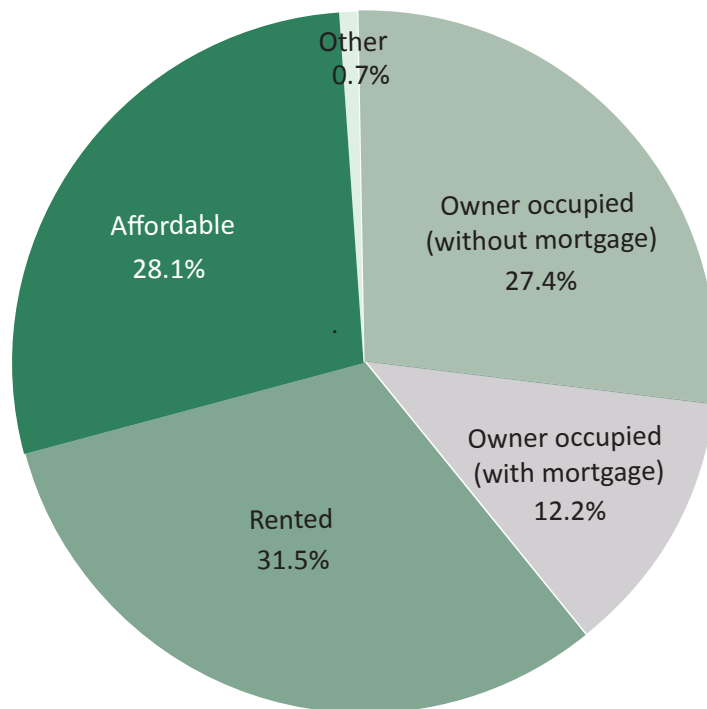
**Table 12.1.2 Composition of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income (consistent households only)**

	Percentage of all households with less than 60% equivalised household income	Percentage of households within that household composition with less than 60% equivalised net income
One adult (16-64)	21.5%	41.8%
One adult (65 and over)	29.4%	53.5%
One adult (16-64) with child(ren)	6.5%	66.7%
Two adults (16-64)	7.8%	12.9%
Two adults (65 and over)	12.1%	22.1%
Two adults (16-64) with child(ren)	10.1%	19.1%
Two adults (one 16-64, one 65 and over)	4.6%	20.3%
Three and four adults (16-64)	3.0%	8.3%
Other	5.0%	11.3%

**Table 12.1.2** above also outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by household composition. Over two thirds of all households (66.7%) described as **one adult (16-64) with child(ren)** and 53.5% of all households described as **one adult (65 and over)** had an income less than 60% of the median. By contrast, only 8.3% of all **three and four adults (16-64)** households and 12.9% of **two adults (16-64)** households had an income less than 60% of the median.

## 12.2 Income equality: Tenure

**Figure 12.2.1: Tenure of households with income net of social security, income tax and housing costs that was less than the 60% median**



By tenure, 31.5% of households whose income is below the 60% median income net of social security, income tax and housing costs are privately rented, as can be seen in **Figure 12.2.1**.

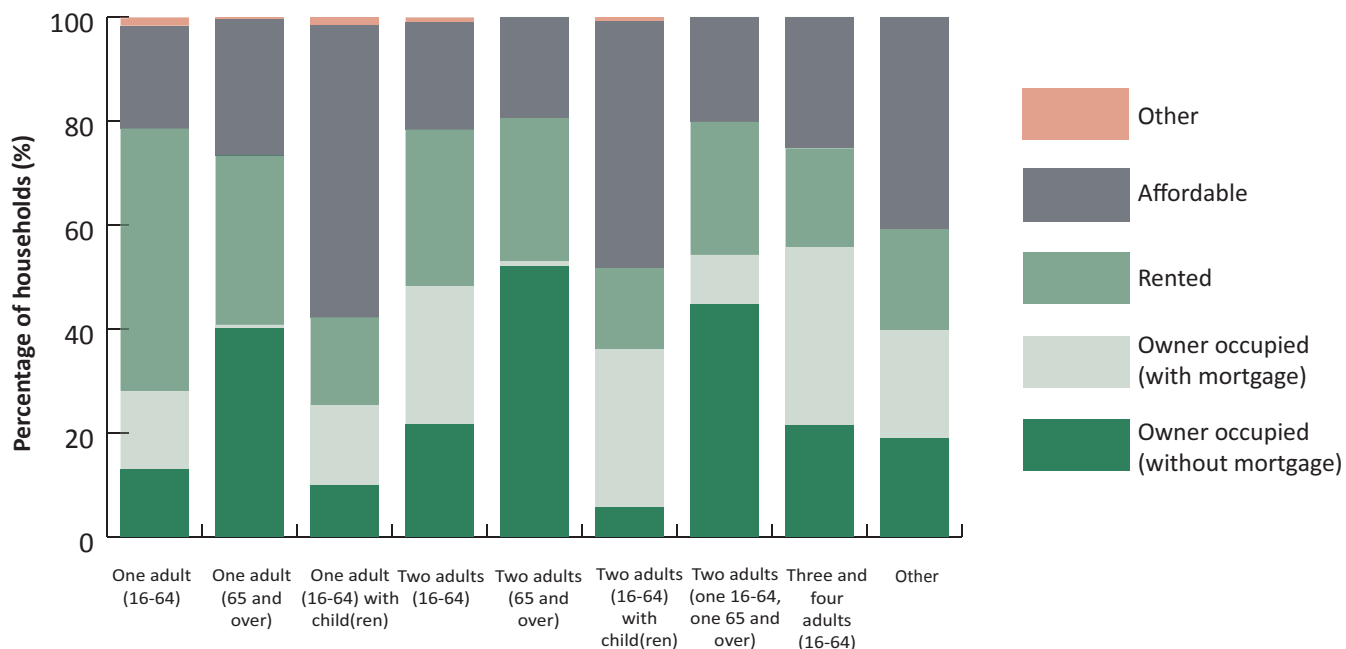
**Table 12.2.1 Tenure of households with income net of social security, income tax and housing costs that was less the 60% median equivalised income (consistent households only)**

	Percentage of all households with less than 60% equivalised household income	Percentage of households with that tenure with less than 60% equivalised income
Owner occupied (without mortgage)	27.4%	16.4%
Owner occupied (with mortgage)	12.2%	11.5%
Rented	31.5%	43.4%
Affordable	28.1%	71.1%
Other	0.7%	41.1%

**Table 12.2.1** above outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by tenure. Over 70% of all households (71.1%) living in affordable accommodation have an income less than 60% of the median, whilst 43.4% of households which are privately rented have an equivalised income less than 60% of the median. By contrast, only 11.5% of households who are owner occupiers with a mortgage have an income less than 60% of the median.

## 12.2 Income equality: Tenure and household composition

**Figure 12.2.2: Household composition and tenure for households with income net of social security, income tax and housing costs that was less than the 60% median**



**Figure 12.2.2** above outlines the proportion of households whose income net of social security, income tax and housing costs is less than 60% of median income by household composition and tenure.

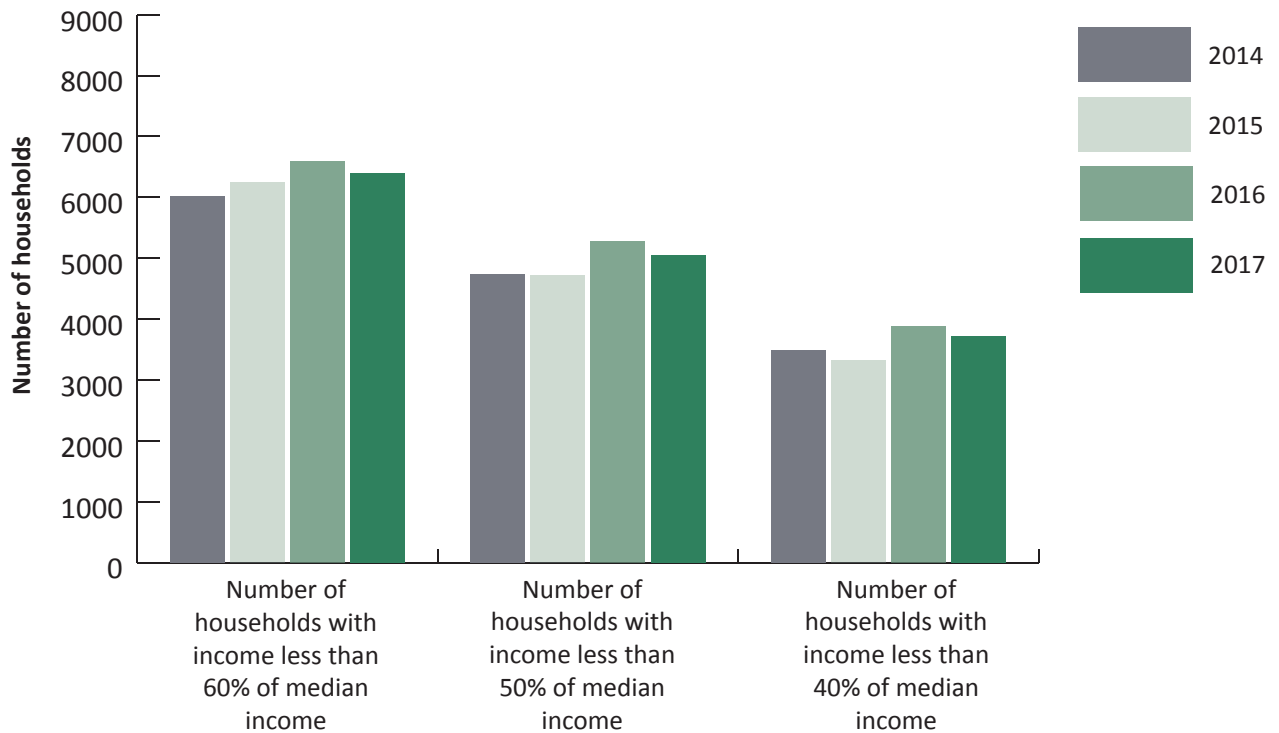
**One adult, 65 and over, two adults (one 16-64, one 65 and over) and two adults, 65 and over** households had the largest percentage of households whose income was less than 60% of the median residing in owner occupied properties without a mortgage, 40.1%, 44.7% and 52.0% respectively.

**One adult (16-64) with child(ren) and two adults (16-64) with child(ren)** had the largest proportion of households whose income was less than 60% of median residing in affordable housing, 56.3% and 47.6% respectively.

**One adult (16-64)** had the largest percentage of households with less than 60% of median residing in rented accommodation, 50.5%.

## 12.3 Income equality: Risk of relative poverty

**Figure 12.3.1: Number of households with incomes at or below 60%, 50% and 40% of net equivalised median income**



The standard definition of relative income poverty used by the OECD measures those living in a household with an equivalised income below 60% of the national median equivalised income. As seen in [Section 12.1.1](#) this represents 6,399 households. The percentage of people living in households with an income below 50% and 40% of median income indicates the depth of relative income poverty. For example as [Figure 12.3.1](#) shows there were 5,043 households, or 21.2% of all households and 16.8% of all people, who had an income less than 50% of the median in 2017 (£16,217). In 2014, 4,606 households (20.7% of all households and 16.5% of all people) had an income less than 50% of the median (£15,562).

There were 3,719 households, 15.6% of all households and 12.0% of all people, with an income less than 40% of the median (£12,974) in 2017. This compares to 14.8% of all households and 11.4% of all people who had an income less than £12,449 (less than 40% of the median) in 2014.

## 12.3 Income equality: Risk of relative poverty

**Table 12.3.1: Children at risk of relative poverty**

	2014	2015	2016	2017
Proportion of households (with children) whose income is less than 60% of the median	28.7%	26.6%	27.9%	27.1%
Proportion of households (with children) and receiving income from employment (i.e in work) whose income is less than 60% of the median	n/a	22.6%	24.5%	23.7%
Proportion of children living in households whose income is less than 60% of the median	31.7%	29.2%	30.3%	29.9%

**Table 12.3.1** shows that 27.1% of households with children (less than 16 years old) lived in households with an income below 60% of median income in 2017, and that 29.9% of all children lived in households with an income below 60% of median. 23.7% of households with children and receiving income from employment had an income less than 60% of the median.

**Table 12.3.2: Working age adults at risk of relative poverty**

	2014	2015	2016	2017
Proportion of households (with one or more adults aged 16-64 years) whose income is less than 60% of the median	22.8%	22.6%	23.7%	23.3%
Proportion of households (with one or more adults aged 16-64 years) and receiving income from employment (i.e in work) whose income is less than 60% of the median	n/a	18.2%	19.5%	19.1%
Proportion of working age adults (aged 16-64 years) living in households whose income is less than 60% of the median	17.5%	17.2%	18.6%	17.9%

**Table 12.3.2** shows that 23.3% of households with one or more adults aged 16-64 years lived in households with an income below 60% of median income in 2017, and that 17.9% of all working age adults lived in households with an income below 60% of median. 19.1% of households with one or more adults aged 16-64 years and receiving income from employment had an income less than 60% of the median.

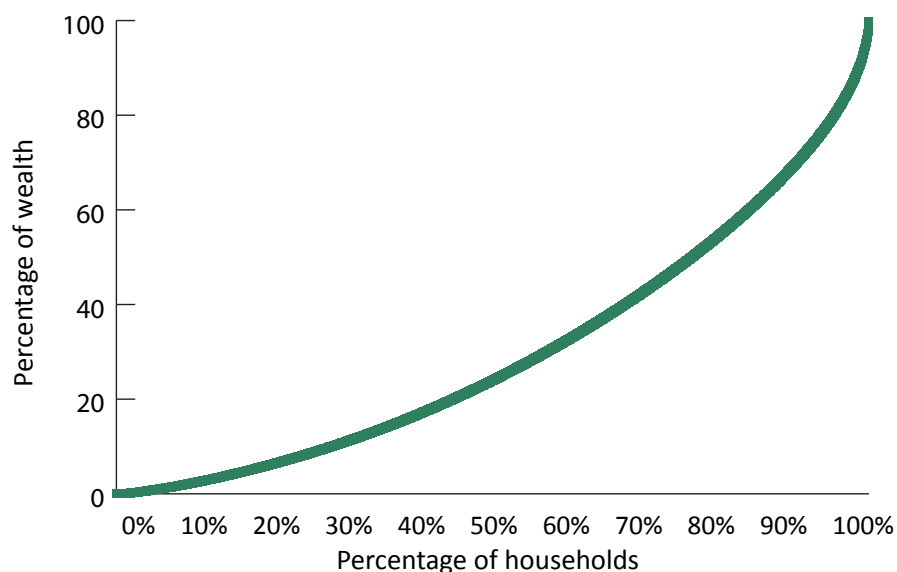
**Table 12.3.3: Adults aged 65 and over at risk of relative poverty**

	2014	2015	2016	2017
Proportion of households (with one or more adults aged over 65 years) whose income is less than 60% of the median	31.2%	31.1%	32.7%	30.9%
Proportion of households (with one or more adults aged over 65 years) and receiving income from employment (i.e in work) whose income is less than 60% of the median	n/a	10.2%	11.9%	11.4%
Proportion of adults aged over 65 years living in households whose income is less than 60% of the median	28.3%	28.1%	29.6%	27.6%

**Table 12.3.3** shows that 30.9% of households with one or more adults aged over 65 years lived on an income below 60% of median income, and that 27.6% of all those aged 65 years lived in households with an income below 60% of median. 11.4% of households with one or more adults aged over 65 years and receiving income from employment had an income less than 60% of the median.

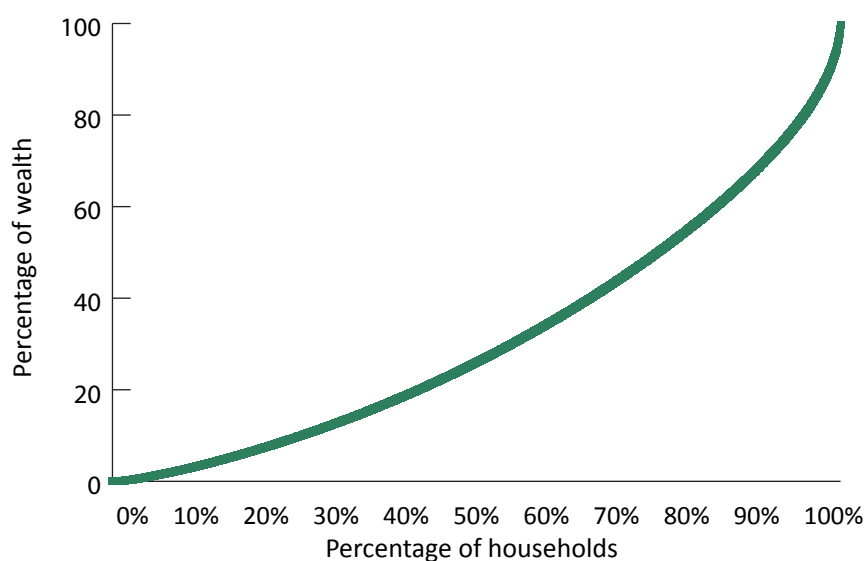
## 12.4 Income equality: Gini coefficient and income decile ratios

**Figure 12.4.1: Gross equivalised income Gini coefficient**



The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents and is the most commonly used measure of inequality. A Gini coefficient of zero expresses perfect equality, where all values are the same (for example where everyone has the same income). A Gini coefficient of 1 (or 100%) expresses maximal inequality among values (e.g. where only one household has all the income within a population, and all others have none). In Guernsey the Gini coefficient for gross equivalised income was 0.39 in 2017, compared to 0.40 in 2014. In Guernsey the bottom half of all households, when ranked by income had just 24% of all equivalised income. The top 5% of all households in Guernsey, when ranked by income, had 21% of all equivalised income. These figures have remained the same since 2014.

**Figure 12.4.2: Equivalised income net of social security contributions, income tax, but before housing cost Gini coefficient**



In Guernsey the Gini coefficient for incomes net of social security contributions, income tax and before housing costs was 0.37 in 2017 (equivalent figure was the same in 2014). The bottom half of all households, when ranked by net income, had just 26% of all equivalised income, the same as 2014. The top 5% of all households, when ranked, had 20% of all equivalised net income, compared to 21% in 2014.

## 12.4 Income equality: Gini coefficient and income decile ratios

The income decile share ratio, also known as the S90/S10 Ratio, is an internationally recognised measure for monitoring income distribution and the corresponding gap between the the average incomes of the richest 10% of the population and the poorest 10% of the population. It is calculated by taking the mean equivalised income for the richest 10% of the population (net of income tax and social security contributions but before housing costs) and dividing this by the mean of all equivalised incomes for the poorest 10%. This measure indicates the extent to which income is shared equally across all households. For example, a ratio of 10 means that the income of the richest 10% of the population, is on average, 10 times higher than the income of the poorest 10% of the population.

As shown in [Table 12.4.1](#), the income decile share ratio for Guernsey was 11.0 in 2017, which means that the income of the richest 10% of the population was on average 11 times higher than the income of the poorest 10% of the population. For comparison the equivalent figure for 2014 was 11.8.

An alternative ratio, which is also recognised internationally is the P90/P10 ratio, which divides the income of the 90th percentile household by that of the 10th percentile. This ratio shows how many times greater the income of the 90th percentile is relative to that of the 10th percentile.

As can be seen in [Table 12.4.1](#) the P90/P10 ratio (based on equivalised incomes net of social security contributions and income tax, but before housing costs) was 4.5 in Guernsey in 2017. This ratio indicates that the income of the 90% percentile household was 4.5 times higher than the income of the 10% percentile household. The income of the 90% percentile household was 4.6 times higher than the income of the 10% percentile in 2014.

**Table 12.4.1 Income decile ratios: S90/S10 and P90/P10**

	2014	2015	2016	2017
Income decile share ratio (S90/S10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	11.8	11.4	11.8	11.0
Income decile ratio (P90/P10) (based on equivalised incomes net of social security contributions and income tax but before housing costs deducted)	4.6	4.6	4.6	4.5

## 13.0 Contact details

You may also be interested in other publications from States of Guernsey Data and Analysis Services, which are all available online at [www.gov.gg/data](http://www.gov.gg/data). Please contact us for further information.

E-mail: [dataandanalysis@gov.gg](mailto:dataandanalysis@gov.gg)

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Sir Charles Frossard House  
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## Appendix - Rolling Electronic Census and methodology

Following a States decision (see Billet d'Etat XVII, 2010, available via ([www.gov.gg/billets](http://www.gov.gg/billets)), a census was not held in Guernsey in 2011. Instead a project to collate population statistics from administrative sources, known as the Rolling Electronic Census Project, was initiated.

The Rolling Electronic Census Project, which was completed in late 2014, involved developing an IT system to collate, match and process information from ten separate States of Guernsey sources. The IT system, developed by Digimap Ltd, replicates the method used since 2006 by the Social Security Department to calculate population headcounts and includes additional cross checks. It also brings together information which people have provided to the various States Departments, such as address updates and place of birth, removing the need for this information to be provided again via a traditional census method. The information is updated quarterly and the whole process is automated as far as possible. This data sharing is enabled by the Electronic Census Ordinance, which was enacted in 2013 and also strictly controls who can access the information and the purposes for which it can be used.

All the data is held securely (in electronic copy only) and only Census Officers have access to the IT system. The benefits of this are that there would be an audit trail of access to the information if needed and additionally Census Officers have less contact with personal details than they would if handling traditional census forms, since the data is anonymised by the IT system before being made available for analysis. The data can be used for statistical purposes only.

The Household Income Report is an annual report which uses income data sourced from the Rolling Electronic Census. The variety of data sources which comprise the Rolling Electronic Census allows income analysis at a scale and level of detail not previously possible. Analysis underwent several stages to ensure data was anonymised, accurate and relevant.

### Household Income Report Preparation

Stage
1. Extract anonymised raw data at an individual level from Rolling Electronic Census.
2. Clean raw data including removing duplicates, those not based in Guernsey, those present for 90 days or less in 2017 and those without an address.
3. Collate anonymised household incomes by summing incomes, income taxes and social security contributions for all anonymised individuals based within same household. Run preliminary analysis.
4. Allocate household composition descriptions, tenure, property type and occupancy for households identified within preliminary analysis.
5. Exclude outliers from analysis including households with very large number of occupiers such as nursing homes, guest houses, hospital, prison, staff and lodging houses.
6. Estimate income for households which do not complete detailed income tax return including those paying maximum tax cap and those households earning below personal tax allowance and not in receipt of benefits income.
7. Prepare cleaned household income data for full analysis including calculating occupancy and equivalisation scores. Deduct income tax, social security contributions and housing costs from data.

### Equivalisation calculation

The income that a household needs in order to attain a given standard of living will depend on its size and composition. "Equivalisation" means adjusting a household's income for size and composition so incomes of all households can be looked at on a comparable basis. Gross incomes and incomes net of social security, income tax and housing costs have been equivalised using the 'Modified-OECD' equivalence scale, in which two adults with no children are taken as the benchmark with an equivalence scale of one. The equivalence scales for other types of households can be calculated by adding together the implied contributions of each household member from the table below.

Modified OECD Equivalence Scale	
First adult	0.67
Subsequent adults (over 16 years)	0.33
Child (under 16 years)	0.20

This system scales down the incomes of households containing more than two adults and scales up the incomes of households containing fewer than two adults. A household consisting of one adult will have an equivalence scale of 0.67, in other words one adult can typically attain the same standard of living as two adults, with no child(ren), on only 67 percent of its income. In a household consisting of two adults with one child (under 16 years), the head of the household would contribute 0.67, the subsequent adult 0.33, and the child 0.20, giving a total equivalence of 1.20. In other words this household would need an income 20 percent higher than a two adult, without child(ren) household to attain the same standard of living.

### Imputed housing costs calculation

The housing costs in [Section 10](#) are imputed, as we do not know the actual cost of housing within individual households. Housing costs have been calculated on the basis of tenure and the number of bedrooms at a given property.

For properties which are either privately rented, supported or owner occupied with a mortgage, housing costs have been calculated using the 2017 rental indices published within our supplementary housing bulletin. Depending on which property type the household occupies, this figure has been deducted from gross incomes as an imputed housing cost as shown below.

Avge rental cost per annum (£)	
One bedroom apartment	11,148
Two bedroom apartment	14,196
Two bedroom bungalow	16,704
Three bedroom bungalow	21,600
Two bedroom house	17,436
Three bedroom house	21,756
Four bedroom bungalow/house	26,904
Other	15,130

## Appendix - Rolling Electronic Census and methodology

For households residing in properties which are rented either from the States of Guernsey or the Guernsey Housing Association, housing costs have been allocated by property type according to the 2017 rental values as set by the States of Guernsey or Guernsey Housing Association. These housing costs have subsequently been deducted from gross income.

### Properties owned by the States of Guernsey

Avge rental cost per annum (£)	
One bedroom apartment	8,353
Two bedroom apartment	10,490
Two bedroom bungalow	13,477
Three bedroom bungalow	16,884
One bedroom house	8,732
Two bedroom house	12,511
Three bedroom house	16,884
Four bedroom house	21,074
Other	13,842

### Properties owned by the Guernsey Housing Association

Avge rental cost per annum (£)	
One bedroom apartment	9,776
Two bedroom apartment	11,232
Two bedroom bungalow	12,428
One bedroom house	10,816
Two bedroom house	12,428
Three bedroom house	14,924
Four bedroom house	17,524
Other	12,493

In the case of those households which have been identified as owner occupier without a mortgage, no housing cost has been deducted from these incomes.



For more information  
go to [gov.gg/data](https://gov.gg/data)

# Guernsey Indicators of Poverty Report

**2018**

**Issued 29th November 2019**

This is the fourth report looking at the extent of the risk of social and economic poverty in Guernsey using a multi-dimensional set of indicators, covering seven areas: income, employment, health, education, crime, housing and the environment.



States of Guernsey  
Data and Analysis

## 1.1 Introduction

This is the fourth report in which the extent of potential social and economic deprivation in Guernsey is quantified via a set of multi-dimensional indicators.

In January 2016 (see [www.gov.gg/billets](http://www.gov.gg/billets)) the States of Guernsey agreed to “improve and broaden the measurement of relative poverty” to give a more accurate and rounded picture of potential deprivation. Previously, measurements have focused only on relative income poverty (for example, those published in the **States Strategic Monitoring Report**, available from [www.gov.gg/indicators](http://www.gov.gg/indicators)).

The measures of relative income poverty are based on a comprehensive dataset now available annually from the Rolling Electronic Census. These measures are included along with a wealth of other related information in the **Guernsey Household Income Report**, available from [www.gov.gg/household](http://www.gov.gg/household).

Measurement also now covers other aspects of social and economic deprivation. As well as the headline figures for those at risk of relative income poverty, this report includes indicators for six other areas, which are: employment; education, skills and training; health deprivation and disability; crime; barriers to housing and services; and living environment. The methodology is broadly based on that used to compile the “English Indices of Deprivation”, published by the Office for National Statistics.

The use of wide-ranging measurements is important because they will give a holistic view – in the context of a general lack of resources or opportunity – rather than focusing solely on relative low income. These reports will help to identify topics in need of more in-depth assessment.

This report compiles time series data for the indicators required to calculate an overall index and presents data for 2014 to 2018 (where possible). Time series will be built up year-on-year and trend analysis will become the focus in future editions of this report.

No attempt is made to define appropriate levels, desired trends or targets for any of the indicators. This report continues to provide a platform upon which this broadened set of indicators for Guernsey can be built into measures of performance in future years.

The Report, entitled **Future Guernsey**, published in 2016 as the first phase of the States’ Policy & Resource Plan, stated that “We want to understand better the extent of relative poverty and income inequality in Guernsey and their effects on individuals, families and the prosperity and well-being of society generally” (see [www.gov.gg/futureguernsey](http://www.gov.gg/futureguernsey)). These reports are intended to help achieve that vision.

## 1.1 Introduction (continued)

The domains used in the multi-dimensional index are described as follows:

Domain	Description
Income	The proportion of the population at risk of relative poverty due to lack of income
Employment	The proportion of the working age population being involuntarily excluded from the labour market
Health	The risk of premature death and increased need of care
Education	Educational achievement and participation
Crime	The risk of being a victim of certain crimes
Housing	The difficulty in accessing appropriate housing
Environment	Quality of indoor and outdoor environments

Each of the domains is measured via a set of indicators. The individual indicators are presented in this report, which provides 2014 to 2018 data (where available). Data from several sources has been used, namely: the Rolling Electronic Census, the Law Enforcement Annual Report, Public Health Services, Education Services and the Office of Environmental Health and Pollution Regulation.

2014 is set as the base year for future trend analysis. As such, each of the domains has been given a “deprivation index” of 100 in 2014. The annual changes in individual measures within each domain are combined (without weighting) to give an overall change for the domain. This change is applied to this base figure to show whether the index for the domain as a whole has increased or decreased each year. The overall changes are shown in **Appendix 1**.

## 1.2 Summary

The indicators presented in this Report provide a baseline from where performance in relation to achieving the States’ aims relating to poverty can begin to be measured and objectively assessed. These aims are summarised in the **Future Guernsey** Report; to “Implement the improvements required to monitor, understand and reduce poverty and income inequality in Guernsey” (see [www.gov.gg/futureguernsey](http://www.gov.gg/futureguernsey)).

In this Report, all the indicators are presented with equal coverage and weight. This style of presentation is intended to enable each reader to identify the areas they wish to focus further attention upon. No judgement is made in the Report regarding performance compared to benchmarks, targets or other jurisdictions, although these could be introduced in future. 2014 figures are presented as a starting point for information and discussion and the indicators presented will be refined as the report becomes more mature.

## 2.1 Income

The first of the seven domains looks at income. Some definitions of relative poverty only look at income, either in relative or absolute terms. However, in this methodology, it is recognised that this does not give a holistic view. For example, someone with a low income may have enough for his or her needs and may, for example, own a well-insulated home with no mortgage and enjoy good health, rarely visiting the doctor. By way of comparison, someone with a relatively high income may spend more on rent and need to visit the doctor often to manage a long-term illness or disability. As such, income is presented alongside the six other domains and it is important that all are considered before any conclusions are drawn.

In order to gauge potential income deprivation, the proportion of people who live in a household with a net equivalised income of less than 60% of the median is identified. This figure of 60% is a recognised boundary for those being at risk of relative income poverty. The incomes are net of housing costs, social security contributions and taxes.

Household incomes are equivalised to a two adult, no children household. Further information on household incomes and equivalisation can be found in **Appendix 2** of this report or in the **Guernsey Household Income Report** (available at [www.gov.gg/household](http://www.gov.gg/household)), which also contains information on median incomes and the distribution of income at a household level.

In 2017, 60% of the median net equivalised annual income was £19,461. 21.8% of people lived in a household which had an income lower than that. This threshold amount equates to an income of £374 per week for a household of two adults. This is the amount of income remaining after housing costs, social security contributions and taxes have been paid. **Section 12** of the **Guernsey Household Income Report** contains further breakdown of the households included within this group by tenure and household composition and internationally recognised measures for monitoring income distribution, such as the Gini coefficient and income decile ratio. Data was not available for 2018 at the time of publishing this report. A broadly comparable figure for 2014/15 in Jersey is 23% and for the UK in 2016/17 is 22%.

The percentage of people who fall within this group and who were not in receipt of supplementary benefit is also used as an indicator. Supplementary benefit in Guernsey ended during 2018, but was a cash amount payable to someone whose household income was below that which was considered to be enough to live on. Eligibility for supplementary benefit was dependant on individual household circumstances. In 2017, 15.6% of the population both had a household income below the 60% median figure detailed above and were not in receipt of supplementary benefit. In July 2018 a new social welfare benefit was introduced - Income Support - which will be used for this measure in future reports.

**Table 2.1.1 Income deprivation indicators and index**

Indicator	2014	2015	2016	2017*
Proportion of population whose household income is less than 60% of the median	22.3%	21.3%	22.7%	<b>21.8%</b>
Proportion of population who both have a household income of less than 60% of the median <b>and</b> are not in receipt of supplementary benefit	17.4%	15.5%	16.3%	<b>15.6%</b>
Index figure for domain (based on indicators above having equal weighting)	100	92.3	97.9	<b>93.7</b>

\* 2018 figures will be available in 2020.

## 2.2 Employment

This element of the report looks at the number of Guernsey residents who are prevented from working due to long-term illness, disability, involuntary unemployment or the necessity of caring for another person. These are measured via the number of claimants of four particular benefits: incapacity benefit, severe disability benefit, unemployment benefit or carer's allowance.

Incapacity benefit may be paid to someone who has been unable to work for six months or more due to illness or injury, subject to certain conditions.

Severe disability benefit may be available to someone with a physical or mental disability that requires a lot of care and supervision.

Unemployment benefit is a cash amount which may be paid to someone who is unemployed and actively looking for work.

Carer's allowance can be paid to someone caring (for at least 35 hours per week) for a person in receipt of severe disability allowance, dependant on certain conditions being met.

The number of people aged 16 to 64, i.e. anyone of working age, in receipt of any one of these benefits at the end of each quarter is compared to the total number of people in the age group. An annual average is presented for each year.

As shown below, 3.4% of the working age population was in receipt of these benefits in 2018, compared to 3.3% in 2017.

**Table 2.2.1 Employment deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Proportion of working age population receiving incapacity, severe disability or unemployment benefits, or carer's allowance	3.6%	3.5%	3.4%	3.3%	<b>3.4%</b>
Index figure for domain (based on indicators above having equal weighting)	100	98.7	93.8	93.2	<b>94.2</b>

## 2.3 Health

The first of the five health domain indicators shows years of potential life lost, which is calculated as a three year age standardised measure of mortality before the age of 75.

The second measure looked at the proportion of people receiving benefits as a result of ill health (a sub-set of those identified on the previous page).

The number of emergency admissions looked at the number of admissions through A&E or directly onto a ward where the discharge was at least 24 hours after admission. This is intended to show levels of admissions for more serious health conditions.

Income support is a means tested scheme which, in addition to paying cash benefits, covers the cost of primary health care expenses, such as doctor and nurse appointments. The annual average number of appointments for people in receipt of this assistance (4.3 appointments in 2018) was divided by the annual average for people who did not receive this assistance (3.1 appointments in 2018) to produce a ratio showing how frequency of access to healthcare is impacted by the cost to the individual. For the purpose of this report, people in receipt of Income Support who are also in receipt of health related benefits have been excluded, as they may require more frequent visits with a health care professional, therefore affecting the ratio.

**Table 2.3.1 Health deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Years of potential life lost per 10,000 population	317	314	335	332	<b>341</b>
Proportion of population receiving invalidity/severe disability benefit	2.4%	2.3%	2.3%	2.3%	<b>2.3%</b>
Number of emergency admissions lasting at least 24 hours per capita	0.05	0.05	0.04	0.05	<b>0.05</b>
Excess Winter Mortality - under review (see below)					
Comparison of number of doctor/nurse appointments for those in receipt of Income Support compared with those not in receipt of the benefit	1.2	1.4	1.5	1.4	<b>1.4</b>
Index figure for domain (based on indicators above having equal weighting)	100	101.1	100.9	100.6	<b>100.9</b>

Excess winter mortality is the number of deaths over the winter period in excess of the average number of deaths over the non-winter months. The method of incorporating these figures into the index for this publication is currently under review. Due to the small population of Guernsey, the level of volatility in the excess winter mortality results affects the final index figure disproportionately. Public Health Services have calculated an excess winter mortality index as shown in the table below.

**Table 2.3.2 Excess winter mortality**

	2013-2015	2014-2016	2015-2017	2016-2018
Excess Winter Mortality Index (from Public Health Services)	6.7%	16.0%	26.4%	<b>14.7%</b>

The excess winter mortality index is a ratio of the winter deaths to average non-winter deaths expressed as a percentage where positive results indicate excess mortality in the winter.

## 2.4 Education

Low educational achievement and attendance levels can indicate potential deprivation. The figures in this section do not include pupils in Alderney.

The attainment of pupils at the end of key stages 2 and 4 (i.e. at ages 11 and 16) was considered.

The percentage of pupils (excluding those attending Melrose, Beechwood or Blanchelande, since data was not available) not achieving at least level 4 in both Maths and English at the end of key stage 2 was calculated. In 2018, this was 14.2% of pupils, compared to 15.5% in 2017.

The percentage of pupils (including those attending Ladies College, Elizabeth College or Blanchelande) not achieving five or more GCSEs at grade G or higher, or equivalent, at the end of key stage 4 was calculated. In 2018, this included 6.2% of pupils, compared to 8.4% in 2017.

The secondary school absence rate (excluding those attending Ladies College, Elizabeth College or Blanchelande, since data was not available) was 6.4% in 2018, compared to 6.3% in 2017. This includes authorised absence (e.g. sickness) and unauthorised absence (e.g. holidays in term time).

As well as the total proportion of 16 years olds not remaining in education, employment or training following the end of key stage 4, the number of 18 to 20 years olds not in full-time higher education or employment is also presented.

As a final indicator, the number of students who had access to a uniform grant in the year shown or the year prior to that (as new uniforms are not always required annually) was taken into account.

**Table 2.4.1 Education deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Those not achieving level 4 or higher at key stage 2	17.7%	15.1%	16.5%	15.5%	<b>14.2%</b>
Those not achieving 5 A* to G GCSEs or equivalent at key stage 4	7.3%	9.2%	8.0%	8.4%	<b>6.2%</b>
Secondary school absence rate	7.2%	7.5%	7.1%	6.3%	<b>6.4%</b>
Proportion of 16 years olds not in education, employment or training	2.5%	1.5%	2.3%	2.1%	<b>1.5%</b>
Proportion of 18 to 20 year olds not in education or employment*	15.0%	13.1%	14.5%	11.8%	<b>13.2%</b>
Number of approved applications for uniform grants as percentage of total school children	12.7%	14.3%	11.1%	11.4%	<b>10.7%</b>
Index figure for domain (based on indicators above having equal weighting)	100	96.0	96.3	90.6	<b>81.2</b>

\* This figure includes those who are: in part-time training, at university but have not informed the States of Guernsey (e.g. have not applied for a Higher Education grant), unemployed, taking a gap year or are not in the job market for another reason.

## 2.5 Crime

Crime can have a major impact on both individuals and the wider community and plays a part in assessing how deprived an area may potentially be.

The categories of crime considered most relevant for the purpose of this exercise are: violent crime, burglary, theft and criminal damage. Crime figures are published in the Guernsey Law Enforcement annual report.

In 2018 the Guernsey Police fully adopted the UK crime recording standard, and this has resulted in some incidents that would not have previously been recorded as a crime being included in the 2018 figures. Because of this, this measure has been rebased to 100 this year.

**Table 2.5.1 Crime deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Violent crime per 10,000 population	68	65	64	62	<b>79</b>
Burglary per 10,000 population	17	13	10	11	<b>13</b>
Theft per 10,000 population	76	72	62	55	<b>54</b>
Criminal damage per 10,000 population	80	75	69	64	<b>64</b>
Index figure for domain (based on indicators above having equal weighting)					<b>100.0</b>

## 2.6 Housing

The housing domain considers the availability and affordability of appropriate housing as an indicator of potential deprivation.

Household overcrowding is an indicator of potential deprivation and relative poverty, but can be difficult to define. A calculation has been undertaken using the number, age and gender of the residents of each household, together with the number of bedrooms in their houses (where known) and some assumptions about living arrangements (as no data is held regarding sizes of bedrooms or individual domestic arrangements). This gives figures that have been calculated on a consistent basis each year, but care should be taken when interpreting the absolute numbers. Of the households classified as overcrowded, approximately two-thirds were overcrowded by one person.

Homelessness is used as an indicator in the UK, but the level in Guernsey is challenging to quantify. The organisations dedicated to providing temporary housing or shelter keep records of numbers but there are many reasons why people seek temporary housing and not all are due to homelessness. As such, this indicator is not included in this report, but attempts will be made to develop a method appropriate to Guernsey for monitoring levels of homelessness, perhaps including an estimation of the number of people with no permanent residence who may “sofa-surf”, for future editions.

There are several indicators of housing affordability, including a rent to earnings ratio (mix-adjusted average private rental payments compared to median individual employment earnings, both annual totals) and a house price to earnings ratio (mix-adjusted average property prices compared to median individual employment earnings, the total price compared to annual total earnings).

Additionally, the percentage of people in affordable housing (rented from the States of Guernsey Housing Department or the Guernsey Housing Association [GHA]; or a household in a partial ownership scheme) is shown below. (please see the [Annual Residential Property Stock Bulletin](#) via [www.gov.gg/property](http://www.gov.gg/property) for trends in the numbers of affordable housing units).

The percentage of households receiving assistance with social housing rent payments is also presented up to 2017. This rent rebate scheme ended during 2018 (when it was merged into another welfare benefit, Income Support), so this measure will not be included in future reports.

**Table 2.6.1 Housing deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Household overcrowding as percentage of households (data held for approx. 91% of properties)	10.4%	9.8%	9.3%	9.2%	<b>9.4%</b>
Affordability: annual rent to earnings ratio	0.50	0.48	0.45	0.47	<b>0.47</b>
Affordability: purchase price to earnings ratio	15.2	14.2	13.3	13.1	<b>12.6</b>
Affordability: percentage of population in affordable housing (rented from the States or GHA)	9.3%	9.5%	9.6%	9.7%	<b>10.2%</b>
Affordability: percentage of households receiving assistance with social housing rent payments	7.9%	7.5%	7.4%	7.1%	-
Index figure for domain (based on indicators above having equal weighting)	100	95.9	92.8	92.5	<b>93.3</b>

E: estimated due to unavailable data for one 2018 measure at this time.

## 2.7 Environmental

The immediate indoor and general outdoor living environments can also be used to indicate potential deprivation.

The indoor living environment, in this instance, focuses on the state of repair of houses. The Office of Environmental Health and Pollution Regulation receives complaints about the state of repair of domestic properties (including all tenures). Care should be taken in the interpretation of trends for this measure over time as the Office has become increasingly proactive in encouraging more people to come forward with complaints, which may have led to an increase in numbers.

In terms of the outdoor environment, three factors were taken into account, as shown in the table below.

The Office of Environmental Health and Pollution Regulation monitors the air quality across the island and collects information on a range of pollutants. The pollutants selected for this indicator are nitrogen dioxide and sulphur dioxide. A three year rolling average is used to smooth out random variations from one year to the next.

In terms of road safety, a three year average figure for the number of serious and fatal injuries resulting from road traffic accidents per year was calculated, based on figures published by the Guernsey Police.

The proportion of beaches obtaining a guideline level pass is used to indicate standards in the outdoor living environment.

**Table 2.7.1 Environmental deprivation indicators and index**

Indicator	2014	2015	2016	2017	2018
Number of housing complaints per 1,000 houses	2.2	2.5	2.4	2.6	<b>2.2</b>
Outdoor pollutant level, µg per m <sup>3</sup> - nitrogen dioxide (3 year average)	19.6	16.5	14.9	13.6	<b>15.5</b>
Outdoor pollutant level, µg per m <sup>3</sup> - sulphur dioxide (3 year average)	12.2	9.3	5.9	1.7	<b>2.0</b>
Road traffic accident injuries (three year average)	12	11	10	13	<b>12</b>
Bathing water quality rating*	-	27	27	31	<b>26</b>
Index figure for domain (based on indicators above having equal weighting)	100	96.4	84.0	85.3	<b>78.6</b>

\*The methodology changed in 2015 so data is only comparable from 2015 onwards. A reverse sliding scale is used where a classification of "Excellent" is given 1 point and "Poor" is given 4 points)

## 3.1 Further Information

The indicators of potential deprivation presented in this Report provide a baseline from where performance in relation to achieving the States' aims relating to relative poverty can begin to be measured and objectively assessed.

In future editions, trends will become clearer. In the absence of time series data, readers may wish to compare the figures in this Report to equivalent figures for other jurisdictions. Some of the indicators can be compared with other jurisdictions (with care regarding differences in methodologies used) and comparable figures for Jersey and the UK are provided in the income domain section, but have not yet been sourced for other domains. More comparable figures for other jurisdictions may be added in future reports if readers indicate that these will be useful.

Considerable detail on income equality (one of the seven domains featured in this report) in particular is available in the separate **Guernsey Household Income Report 2017**, which is available from [www.gov.gg/household](http://www.gov.gg/household).

In some areas, refinements will be made to the way indicators are measured or presented, while maintaining the continuity of time series data as far as possible. Further information is provided in **Appendix 1** regarding how the individual domains could be weighted to reflect the relevant importance of each in terms of achieving the States' aims relating to relative poverty. Feedback in this regard or relating to any other aspect of this Report is welcome.

## 4.1 Contact details

You may also be interested in other States of Guernsey Data and Analysis publications, which are all available online at [www.gov.gg/data](http://www.gov.gg/data). Please contact us for further information.

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## Appendix 1 - weightings and overall index figures

All bar one of the domains presented in this Report include more than one individual measure of potential deprivation. The English methodology applies a weighting to each indicator to derive a score for each domain, which is then used to calculate an overall relative poverty level figure. However, since the set of Guernsey indicators varies slightly from the original set used, the weightings needed to be amended.

For the purposes of calculating a single figure for each domain within this Report, each measure has been given equal weighting within its domain. These weightings may be revised for future reports, after further research and consultation has been undertaken regarding the relevant importance of each indicator and domain in terms of achieving the States of Guernsey's aims relating to relative poverty.

The weightings used in this Report can be found in **Tables A.1.1 to A.1.7** below.

**Table A.1.1 Weightings given to income indicators**

Indicator	Weighting
Proportion of population whose household income is less than 60% of the median	0.5
Proportion of population who both have a household income of less than 60% of the median and who are not receiving supplementary benefit	0.5

**Table A.1.2 Weightings given to employment indicators**

Indicator	Weighting
Proportion of working age population receiving invalidity, severe disability or unemployment benefits, or carer's allowance	1.0

**Table A.1.3 Weightings given to health indicators**

Indicator	Weighting
Years of potential life lost per 10,000 population	0.25
Proportion of population receiving invalidity or severe disability benefits	0.25
Number of emergency admissions lasting at least 24 hours per capita	0.25
Excess winter mortality - under review (see <a href="#">page 6</a> )	0
Average number of appointments per annum for those on Income Support divided by average for those not on the Benefit	0.25

**Table A.1.4 Weightings given to education indicators**

Indicator	Weighting
Those not achieving level 4 or higher at key stage 2	0.167
Those not achieving 5 A* to G GCSEs or equivalent at key stage 4	0.167
Secondary school absence rate	0.167
Proportion of 16 years olds not in education, employment or training	0.167
Proportion of 18 to 20 year olds not in education or employment	0.167
Number of approved applications for uniform grants as percentage of total school children	0.167

## Appendix 1 - weightings and overall index figures

**Table A.1.5 Weightings given to crime indicators**

Indicator	Weighting
Violent crime per 10,000 population	0.25
Burglary per 10,000 population	0.25
Theft per 10,000 population	0.25
Criminal damage per 10,000 population	0.25

**Table A.1.6 Weightings given to housing indicators**

Indicator	Weighting
Household overcrowding as percentage of households	0.20
Affordability: annual rent to earnings ratio	0.20
Affordability: purchase price to earnings ratio	0.20
Affordability: percentage of population in affordable housing	0.20
Affordability: percentage of households receiving assistance with social housing rent payments	0.20

**Table A.1.7 Weightings given to environment indicators**

Indicator	Weighting
Number of housing complaints per 1,000 houses	0.20
Outdoor pollutant level, µg per m³ - nitrogen dioxide	0.20
Outdoor pollutant level, µg per m³ - sulphur dioxide	0.20
Road traffic accident injuries	0.20
Bathing water quality	0.20

**Table A.1.8 Weightings given to domains in the English Indices of Deprivation 2015 Report**

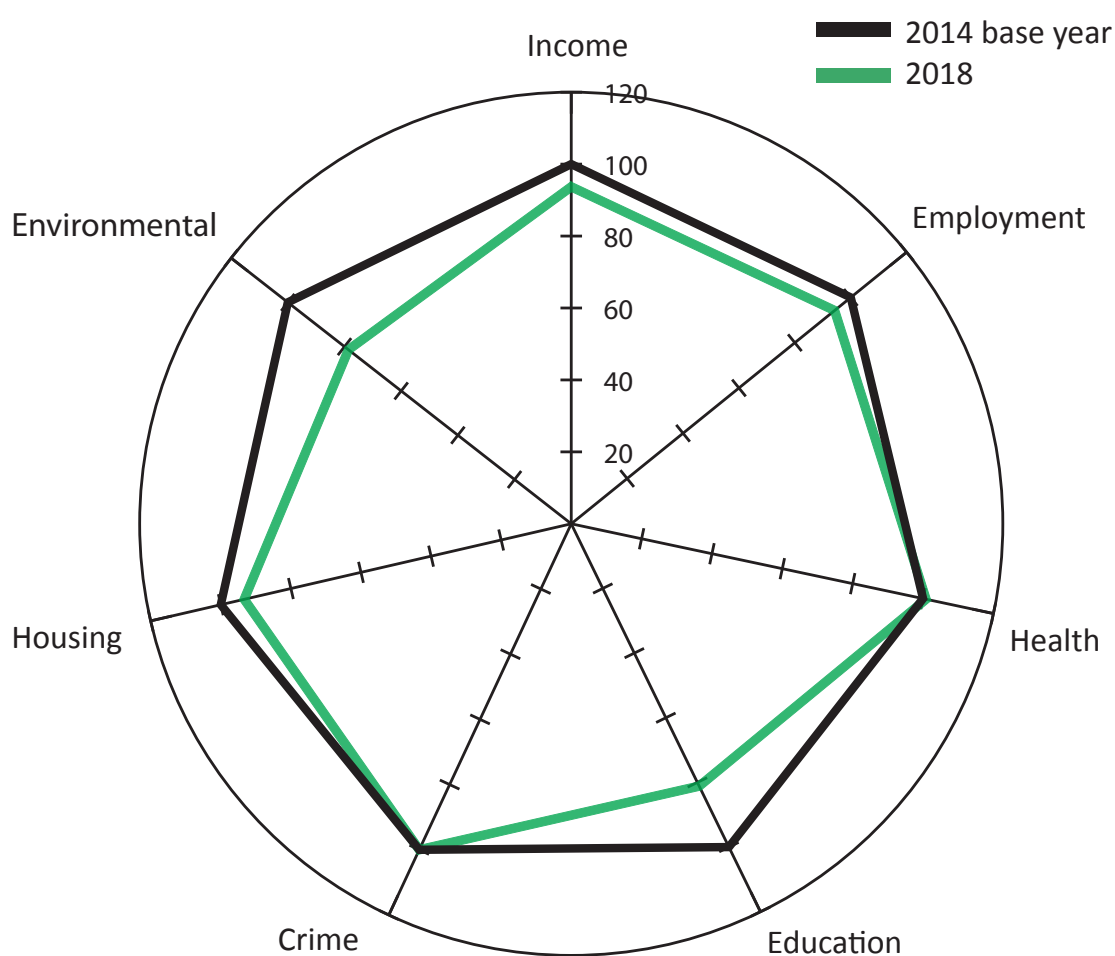
Indicator	Weighting
Income	22.5%
Employment	22.5%
Health	13.5%
Education	13.5%
Crime	9.33%
Housing	9.33%
Environment	9.33%

## Appendix 1 - weightings and overall index figures

The diagram below illustrates how the index figure for each domain could be tracked visually over time. If the potential deprivation index decreased over time, it would get closer to the centre and if it increased, it would get further away, compared to the base year position.

This form of visualisation can be achieved without weighting individual domains. However, if an overall index figure were to be required, a weight would need to be determined for each domain. The weights used to calculate the indices in the English Indices of Deprivation 2019 Report are shown in [Table A.1.8](#) on [page 14](#).

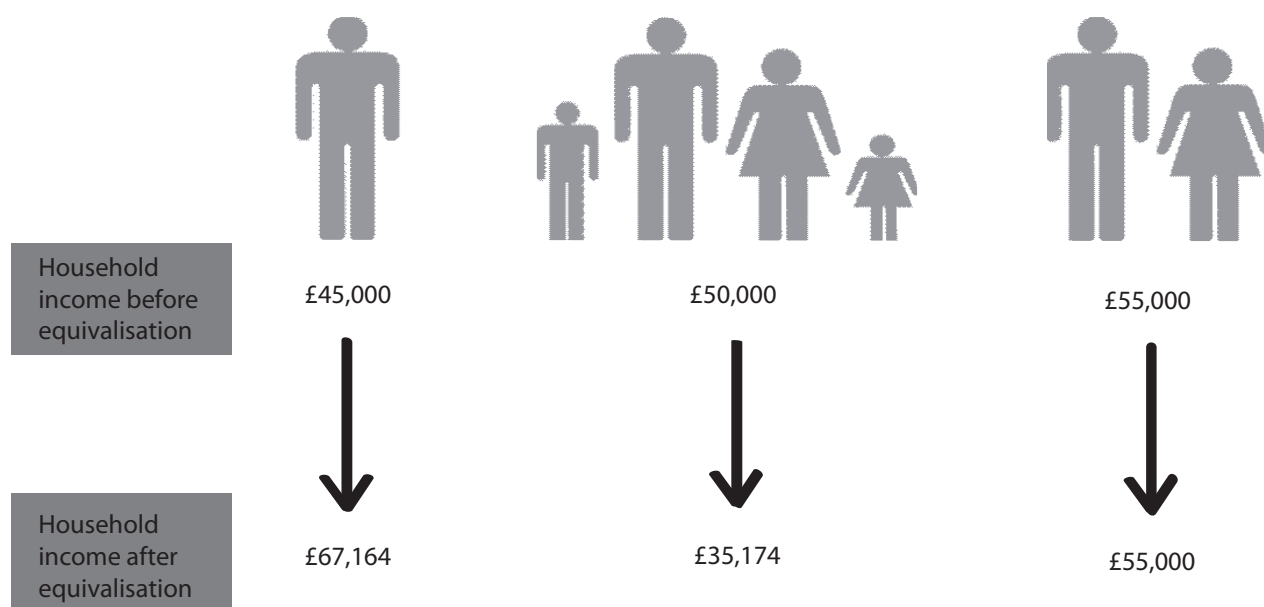
**Figure A.1.1 Potential deprivation index by domain**



## Appendix 2 - Income equivalisation and netting of income

The income that a household needs to attain a given standard of living will depend on its size and composition. “Equivalisation” means adjusting a household’s income for size and composition so households can be looked at on a more comparable basis. Gross incomes have been equivalised using the ‘Modified-OECD’ equivalence scale, in which each household is given a weighting depending on its composition and this is divided by its gross household income. Households of two adults and no children do not see their gross incomes change after equivalisation, whilst incomes of households comprising more than two adults are scaled down. Households containing fewer than two adults will have their income scaled up after equivalisation.

As an example, take a household of two adults and two children and a gross income of £50,000. If this is compared with a household containing just one adult with a gross income of £45,000, then although the larger household had a higher gross income it is the smaller one that has the higher equivalised income. This is illustrated in the diagram below.



## Appendix 2 - Income equivalisation and netting of income

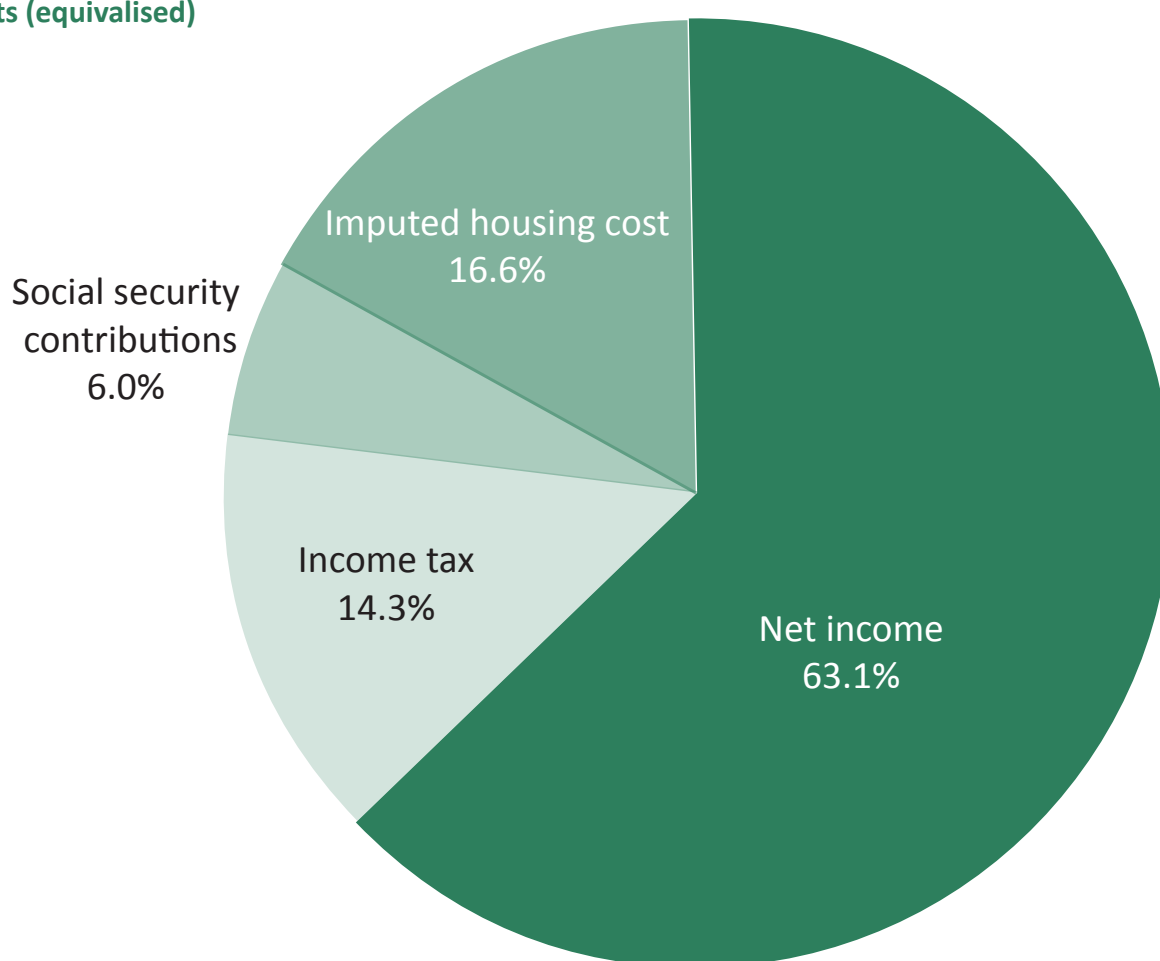
The Report provides data on equivalised household income in 2014, 2015, 2016 and 2017 after tax, social security contributions and imputed housing costs have been deducted. Housing costs referred to here mean mortgage and rent costs. The income remaining after these deductions broadly indicates the amount of money left to buy goods and services, often termed disposable income. The overall breakdown of gross income to net income is shown in **Figure A2.1**.

The housing cost in these calculations has been imputed as the actual cost of housing within individual households is not known; however, the tenure type and property size is known and can be combined with data on average rental and purchase prices to estimate the housing costs for privately rented and owner occupied properties with a mortgage.

For those properties which are rented either through the States of Guernsey or Guernsey Housing Association, housing costs have been calculated according to the rental values for property type as set by the States of Guernsey.

Please note that in the case of those households which have been identified as owner occupied without a mortgage no housing cost has been deducted from these incomes.

**Figure A2.1: Breakdown of gross income to income net of social security, income tax and housing costs (equivalised)**





For more information  
go to [gov.gg/data](https://gov.gg/data)



## Developing an integrated, evidence-based approach to improving Guernsey living standards

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### Aims and objectives

Despite the success and stability of the Guernsey economy, pockets of poverty persist. Various attempts to tackle this social challenge have been made over the years, but recent estimates have suggested that over 1 in 5 (22.7%) households still live in relative poverty.

A deeper understanding of the poverty profile in Guernsey will facilitate the most effective policy solutions.

This study will assess the extent to which poverty impacts those living on the island, exploring key social indicators such as educational attainment, career prospects, health outcomes, housing and more. Based on this analysis we will develop a range of costed proposals designed to support an integrated approach to the alleviation of poverty so that everyone can achieve a decent standard of living.

### Research questions

To inform our policy development we will seek answers to the following questions, helping develop a complete profile of poverty across Guernsey:

- How prevalent is poverty and deprivation on the island and how visible is it?
- Which demographic groups are affected?
- How do impoverished groups compare to the rest of the population when it comes to key social indicators?
- How effective are existing anti-poverty measures, including the provision of services designed for or accessed by low-income households?
- To what extent do existing States of Guernsey strategies recognize the need to reduce poverty, and where might a better coordinated approach deliver more effective outcomes? What is the impact of current welfare policy — and where are its strengths and weaknesses?

- What wider conditions influence the success and sustainability of social welfare policies on the island, for example political and economic?
- What strategies have other comparable jurisdictions or local communities deployed to alleviate poverty and deprivation?

## Research methods

To address the above questions, IPPR will use the following methods:

1. **Understanding the evidence.** We will produce a comprehensive evidence review drawing on existing studies into poverty and deprivation on Guernsey. This will focus on measuring the scale of the problem and identifying groups that are most vulnerable. We will include in our review an exploration of previous strategies in Guernsey and other comparable locations to combat deprivation and review their successes and failures.
2. **Qualitative interviews.** We will use the literature review to create a profile of poverty which can be used to identify those hardest hit by deprivation. We will also carry out some semi-structured interviews with experts in Guernsey and the UK exploring the local context in terms of economic and political challenges; the role of different institutions and stakeholders; and opportunities for a different approach.
3. **Policy development.** We will use our findings to develop a range of costed and feasible policy recommendations for Guernsey. In so doing, we will set out ways in which delivering existing anti-poverty services and initiatives differently might create efficiencies and savings that will reduce the cost of a more integrated approach to anti-poverty measures. Our recommendations will be costed based on available data collected by the States of Guernsey and compatible with the local political system. We will test our recommendations with leading experts in the field of welfare policy.

## Outputs

We will produce the following outputs:

- Report presenting a range of costed proposals that support an INTEGRATED approach to improving living standards to ensure that everyone in Guernsey has the support they need to enjoy a reasonable standard of living; such an approach will be cost neutral or close to cost neutral
- Tailored media interventions to secure coverage in local outlets making the case for our recommendations (if desired)

## Timelines and budget

We propose to start the research in Q4 2019 and complete in Q1 2020. The budget for this project is approximately £30k.