

## **Customer and Local Services Social Security Ministerial Decision Report**

### **APPROVAL OF 2024 MANAGEMENT CHARGE FROM CUSTOMER AND LOCAL SERVICES DEPARTMENT TO THE FUNDS**

#### **1. Purpose**

The purpose of this report is to seek the Minister's approval of a management charge of £9,468,000 to be charged from the Customer and Local Services Department to the three Funds to reflect the operational and management costs of running the Department in 2024.

#### **2. Background**

For 2024 the funds will continue to cover the costs of administering benefit payments via the Management Charge which consists of administration and other costs.

The calculation of the 2024 Management Charge is initially based on the charge and the split by Fund that was levied in 2023.

The majority of costs determining the required Management Charge are staff costs. The civil service pay award for 2023 was 7.9% and therefore the recommendation is to increase the 2023 management charge by 7.9% for 2024.

Finally, allowance has been made for additional charges of:

- £505,000 against the Social Security Fund to fund the WorkWell initiative
- £185,000 against the Health Insurance Fund to fund the support of the GP and Pharmacy packages.

The level of Management Charge will continue to be reviewed in 2024 for the remainder of the current Government Plan reporting period. If there is a need to incur further expenditure from the funds in the years (e.g. for specific projects) then the Minister will be asked to approve further withdrawals from the funds, either directly or as a payment to the Customer and Local Services Department (recorded as income to match the additional expenditure).

### 3. Recommendation

It is recommended that the Minister approve the management charge of £9,468,000 to be charged from Department to the three Funds to reflect the operational and management costs of running the Department in 2024.

The table below shows the charge to each fund and the movement against 2023:

	2023	Uplift of 7.9%	Workwell	Pharmacy & GP	2024
SSF	£5,183k	£409k	£505k		£6,097k
HIF	£1,540k	£122k		£185k	£1,847k
LTC	£1,412k	£112k			£1,524k
<b>Total</b>	<b>£8,135k</b>	<b>£643k</b>	<b>£505k</b>	<b>£185k</b>	<b>£9,468k</b>

The proposed management charge was noted by the Minister during the Social Security Ministerial Meeting on the 21 August 2023.

These figures were included in the proposed Government Plan 2024-2027 which was subsequently approved by the States Assembly. These were unaffected by any amendments.

### 4. Reason for Decision

Under Article 30 (2) of the Social Security (Jersey) Law 1974, Article 21 (1) of the Health Insurance (Jersey) Law 1967 and Article 2 of the Long-Term Care (Jersey) Law 2012, the Minister can make payments from the fund for expenses incurred by the Minister in carrying the Law into effect.

### 5. Resource Implications

There is no change to the Customer and Local Services Department's revenue head of expenditure for 2024 caused by this decision.

This decision does not change the Department's total FTE.