



Social Security Business Plan 2012

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Business Plan 2012**Social Security Department****Section one****Foreword**

I am anticipating that the Department will be extremely busy during my first full year as Social Security Minister, particularly given the ongoing issues faced as a result of the global economic downturn and the continued rise in local unemployment. My predecessor, the current Chief Minister has already identified getting people back into work as a major priority. Social Security has a key role to play and is taking the lead for the States of Jersey, working with other departments to co-ordinate and deliver the Back to Work programme. Employment services will continue to provide an extended service to support unemployed people and assist them in finding work.

This business plan provides information regarding the wide range of departmental activities and responsibilities. In addition to the ongoing administration and payment of a number of Social Security and tax-funded benefits, the collection of contributions, and the provision of other services, it contains details of a number of forthcoming projects.

These include the continued work that is required to finalise the details and prepare for the administration of the new long-term care benefit funding scheme that is due to commence next year. Following Privy Council approval of the legislation, the new statutory Insolvency Benefit will be implemented to replace the temporary scheme that was introduced in 2009. Further consequential changes to legislation will be required following the recent introduction of contributions above the earnings ceiling. The Income Support review will be finalised. Analysis will be undertaken of the benefits administered by the Department to assist with the cost of dental care and a review of Survivors benefits will begin. This list is not exhaustive and further details are included in this business plan re-enforcing my earlier comment regarding the very busy year ahead.

I am looking forward to working with the conscientious and committed staff of the Department who, I am confident in saying, will continue to provide an excellent service to our customers.



Senator Francis du Haume Le Gresley
Minster for Social Security

Introduction

The Social Security Department helps people to achieve and maintain financial independence and provides benefits to protect those least able to support themselves.

This document sets out details of the ongoing business and key initiatives and issues for the Department in 2012.

The new Council of Ministers has set tackling unemployment as one of its highest priorities. Employment services have already been extended to accommodate the increase in demand. Social Security is taking the lead in the Back to Work programme which draws together teams from this Department, Education, Sport and Culture, Economic Development and the Population Office, to develop and maintain a package of measures to provide assistance in helping the unemployed to return to the workplace.

The ongoing review of the Income Support scheme is due for completion during 2012. Findings are being implemented in stages as each part of the review is concluded.

The Housing Department is currently undertaking a major review of social housing provision. Social Security is closely involved in providing input to this project to assist in facilitating the alignment of housing and benefit needs in the island. In addition the Social Security Minister has committed to an evaluation of the tax-funded benefits that are administered by the Department to help with the cost of dental care.

A major project in 2011 was the introduction of legislation to collect Social Security contributions from January of this year on earnings between the standard earnings limit and a new upper earnings limit of £150,000 per annum. Further work including additional amendments to the Social Security Law is planned for this year.

An undertaking has been agreed for a review of survivors' benefits to be carried out. This is scheduled to commence this year.

The Department will continue to publicise the future increases in pension age agreed by the States during 2011 to assist public understanding of the changes well in advance of 2020. The Social Security Law will be amended to give effect to these proposals.

Detailed preparatory work continues to bring the new long-term care benefit scheme into operation in 2013 as planned. This benefit will protect people from the high costs often associated with long-term care. Contributions paid into the new fund will also provide support for care in the home and will establish a sustainable funding mechanism to ensure that the increasing costs arising from an ageing population can be met in the future.

Work continues in assisting Health and Social Services with the development of measures approved from the health care strategy for implementation.

During 2011 legislation was agreed and will be implemented this year for a permanent statutory Insolvency Benefit. This will replace the temporary scheme that was introduced in 2009 to protect employees following the insolvency of their employer.

A major new responsibility for the Department agreed during 2011 is the development of draft discrimination legislation.

Work continues in the development of employment legislation. The next stage is family friendly legislation relating to the provision of maternity and paternity leave.

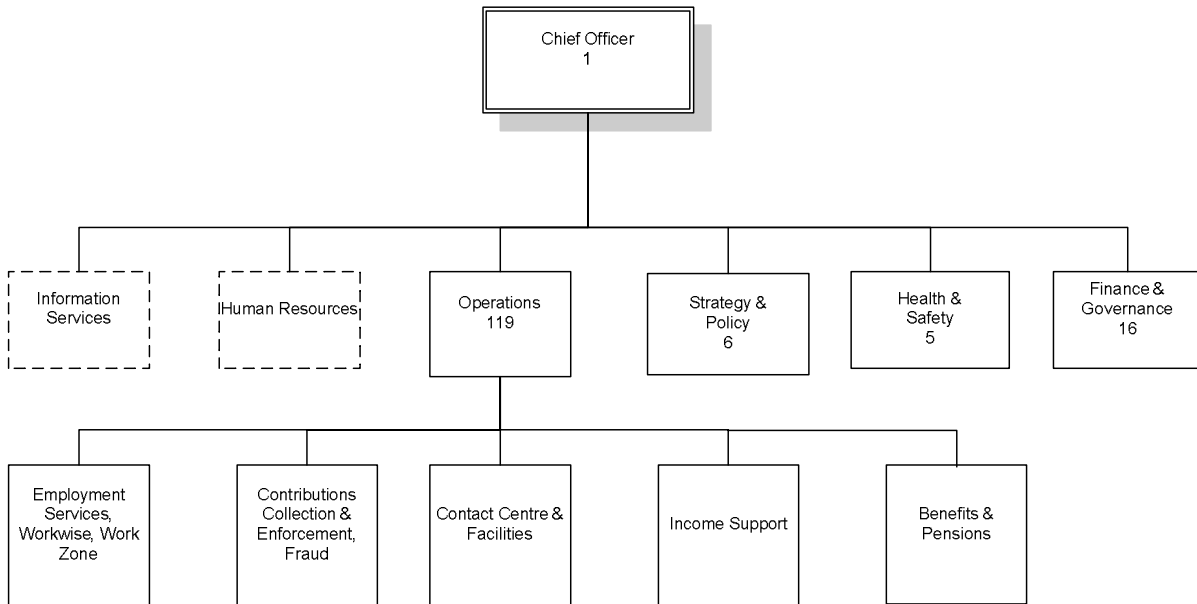
Savings commitments for 2012 are being maintained in line with the Comprehensive Spending Review and plans are underway to identify further potential savings for 2013.

The Department continues to administer and pay claims in respect of a wide range of financial benefits and pensions, ensuring that customers receive a high level of customer service and accurate information and advice.

WHO WE ARE

The Minister for Social Security is Senator Francis Le Gresley and the Assistant Minister is Deputy Susie Pinel.

Department organisation chart



At the beginning of 2012, the Department has a budgeted full-time equivalent (FTE) of 147 permanent posts to deliver services. This includes approved funding for 5 FTE to address the Fiscal Strategy Review changes.

WHAT WE DO

The Department is responsible for -

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues and provides contributors with benefits at times when they are unable to work and pensions when they reach a certain age.
- A compulsory, contributory Health Insurance Scheme that receives contributions from employers and employees and subsidises GP visits, pathology costs and prescriptions for Jersey residents.
- The development of a compulsory, contributory Long Term Care Benefit Scheme.
- A range of non-contributory, income-related benefits including Income Support, funded from general tax revenues, which provide targeted support for lower income households.
- Employment and health and safety legislation that provides a legal framework within which employers and employees are protected.
- The development of discrimination legislation
- Employment support services for adults, including those with special needs, already in the workplace or seeking to enter the workplace.

OUR STRATEGIC AIMS**Mission:**

Helping people to achieve and maintain financial independence and providing social benefits to protect those unable to support themselves.

The Social Security Department sees its purpose as:

Offering **Support, Opportunity and Service** by:

- Supporting people to achieve and maintain an acceptable standard of living
 - Helping employers and employees to work well together for their mutual benefit and the economy of the Island
 - Planning for an ageing population
 - Delivering benefits and high quality services now and in the future.
-

AIM

Help people to achieve and maintain financial independence and provide social benefits to protect those unable to support themselves

SUMMARY OF KEY OBJECTIVES AND SUCCESS CRITERIA

Objective 1: Support people to achieve and maintain an acceptable standard of living.***Success criteria:***

- (i) Maintain and administer existing contributory benefits;
- (ii) Maintain and administer the Income Support scheme and other tax funded benefits;
- (iii) Finalise the review of Income Support;
- (iv) Maintain and adapt systems of support to help individuals returning to or remaining in work in line with economic conditions
- (* Lead the 'Back to Work' programme working with colleagues in other States Departments (added after approval of States Business Plan).
- (v) As part of the Fiscal Strategy Review implement the increase in Social Security contributions and develop further proposals in this area:
- (vi) Assist in the implementation of the Health & Social Services Healthcare Strategy, including an affordable and sustainable approach to primary healthcare funding;
- (vii) Play a full role in the ongoing work of the Skills Executive.

Strategic Plan Commitment(s): 1, 4, 8, 9 and 11

Objective 2: Help employers and employees to work well together for their mutual benefit and the economy of the Island***Success criteria:***

- (i) Promote good employment practice and good employee relations;
- (ii) Implement the statutory insolvency scheme and publish relevant guidance;
- (iii) Continue to develop legislation for maternity and parental leave, flexible working and family-friendly legislation;
- (iv) Develop discrimination legislation (added after approval of States Business Plan).

Strategic Plan Commitment(s): 1 and 8

Objective 3: Plan for an ageing population***Success criteria:***

- (i) Finalise legislation and work towards the implementation in 2013 of a long-term care funding scheme;

Strategic Plan Commitment(s): 2, 4, 6 and 9

Objective 4: Maintain an efficient and cost effective benefit administration.***Success criteria:***

- (i) Be a customer focused organisation
- (ii) Take active steps to deter and detect fraud and abuse within the benefits system;

Strategic Plan Commitment(s): 3, 5, 6 and 8

Objective 5: Deliver allocated savings to contribute to achieving the £65 million**Success criteria: Comprehensive Spending Review savings target**

- (i) Sustainable, effective low cost services
- (ii) Business Plans delivered within agreed cash limits

Strategic Plan Priority: 1, 2, 3 and 4

SECTION 2 – KEY INITIATIVES, KEY PERFORMANCE INDICATORS

BP Ref – Dept. Business Plan Reference

SSP Ref – States Strategic Plan Reference

SBP – States Business Plan reference

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
		1	Objective 1: Support people to achieve and maintain an acceptable standard of living			
BP.1	8	1(i)	Maintain and administer existing contributory Social Security and Health benefits	Ongoing	No. and % of new businesses surveyed	Monitoring employers and self-employed to ensure that they understand their liabilities and pay the appropriate contributions 70 % of new employers surveyed within 12 months of business start up
				Ongoing	No. of registered adults as % of adult population	
				Ongoing	% of registered adults contributing	A low percentage of contributors puts more pressure on the Social Security Fund and tax funding in meeting current and future commitments

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing	No. of working days lost to certified sickness absence (by ailment and sector) including length of absence	Increased sickness absence by ailment or sector needs to be addressed proactively
				Ongoing	Monitor Prescribed List - % of drugs dispensed that are generic	85% of drugs dispensed are generic
PR.1			Respond as needed to the States decision in respect of proposition P.164/2011 – Old Age Pension method for increase (triple lock)	2012		
PR.2			Commence a review of Survivors benefits in line with States proposition P.105/2011	2012		Review commenced in 2012
PR.3			Complete a review of pharmacy remuneration under the Health Insurance Law	2012		Complete review
PR.4			Analyse and review current Invalidity Benefit claims	2012		

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
BP.2	1,8,9	1 (ii)	Maintain and administer the Income Support scheme and other tax-funded benefits			Income Support and other tax-funded benefits provide targeted financial support to low income households
				Ongoing	Split of new and ongoing Income Support claims (pensioner, families with children, working age adults with disabilities, other)	Monitoring types of households receiving Income Support will identify areas that require additional targeting
				Ongoing	Average value of Income Support claim by household type Average value of special payment by household type	Monitoring the value of claims will identify the level of financial support from different household types
PR.5			Implement Cold Weather Bonus Regulations	2012	Maintain timetable	First bonus paid in May 2012

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
PR.6			Commence a review of the support available for the cost of dental care and administration of the Dental Fitness and 65+ Health Schemes.	2012		Review commenced during 2012
PR.7	8	1(iii)	Finalise the review of Income Support	2012		Review to be completed in 2012
BP.3	5,6,7	1(iv)	Maintain and adapt systems of support to help individuals returning to or remaining in work in line with economic conditions.	ongoing		
				Ongoing	No. of job seekers moving into employment	The success of job seeking programmes will be influenced by the health of the local economy
				Ongoing	No. of previous job seekers remaining in employment for at least six months	The success of job seeking programmes will be influenced by the health of the local economy

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing	% of jobseekers with identified skills gaps referred to Careers Jersey to receive training	Careers Jersey is providing appropriate training opportunities to meet the needs of jobseekers with identified skills gaps
				Ongoing	No. and % of Work Wise clients currently supported in open employment	Open employment is the goal for Work Wise clients
				Ongoing	No. and % of JET clients currently supported in open employment, including length of employment	Open employment rates among JET clients indicate the success of both JET training and the ability to identify open placements
				Ongoing	Total no. of JET clients currently receiving training, including length of time in training	Identifying potential bottlenecks and other pressures
PR.8		1 (*)	Lead the 'Back to Work' programme. Work with colleagues in other States Departments co-ordinating and delivering a range of initiatives to help people move into employment.	2012		Getting people back to work

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
	4, 8					
PR.9			Develop further changes to the legislation as a result of the increase in Social Security contributions	2012	Finalise current regulations Extend compliance powers Consult on further changes	Changes agreed for implementation
	11	1(vi)	Assist in the implementation of the Health & Social Services (H&SS) Healthcare Strategy, including an affordable and sustainable approach to primary healthcare funding			
PR.10			Assess requirements for further changes to the Health Insurance Law	2012	Maintain timetable	

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
PR.11				2012	Maintain timetable	
PR.12			Develop plans for a central server with H&SS	2012	Maintain timetable	
BP.4		1(vii)	Play a full role in the ongoing work of the Skills Executive	Ongoing		
			Objective 2: Help employers and employees to work well together for their mutual benefit and the economy of the island			
		2 (i)	Promote good employment practice and good employee relations			

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
BP.5			Monitor Employment Law including recommending increases in minimum wage as appropriate		Report to States proposing minimum wage levels	Regular increases in minimum wage following consultation with employers and employees provides appropriate minimum wage for employees and allows employers to manage costs effectively
				Ongoing	Annual no. and type of Employment Tribunals	
				Ongoing	No. of enquiries to JACS	A high volume of enquiries from employers and employees could indicate problems with either understanding or implementing employment legislation
				Ongoing	No. and % of cases resolved by JACS without the need for a Tribunal	Cases resolved by conciliation are cost effective and less traumatic to the parties
BP.6			Enforce existing health & safety legislation and provide advice to employers and employees working in Jersey	Ongoing	-	Improved compliance with legal standards for health and safety at work leading to a reduction in work-related accidents and ill health

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing		Health and Safety Annual report published on the web-site during the 3rd quarter of 2012
				Ongoing	Taking action on complaints about working conditions and activities	Performance target set out in complaints policy is met
PR.13	1,8	2(ii)	Implement the statutory insolvency scheme and publish relevant guidance	2012	Maintain Timetable	Publish relevant guidance
PR.14	8	2(iii)	Continue to develop legislation for the first stage of maternity and parental leave	2012		Progress subject to available resources
PR.15		2(iv)	Meet commitment resulting from proposition P.118/2011 to lodge a draft Discrimination Law by the end of 2012	2012		Draft law lodged by the end of 2012

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
	6	3	Objective 3: Plan for an ageing population			
PR.16			Amend the Social Security Law to reflect the future change to pension age	2012		Law drafting completed in 2012
PR.17	4,6,9		Finalise the legislation and work towards the implementation in 2013 of a long-term care funding scheme	2012 2013		Regulations and Orders approved by the end of 2012
		4	Objective 4: Maintain an efficient and cost effective benefit administration			
BP.7			Process benefit claims efficiently and effectively	Ongoing	Average time to process new claim (turnaround time) by benefit type	Different levels for different benefit types, depending on complexity of application and amount of external verification needed
				Ongoing	% of OAP payments made on time	Many pensioners rely on Social Security Pension as their main source of income

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing	No of redeterminations as a % of all claims (by benefit type)	High levels of redetermination could suggest poor processing of claims by the Department or poor understanding of benefits by claimants
				Ongoing	% of redeterminations that confirm original decision	High confirmation rate indicates that decision-making processes are robust
BP.8		4(i)	-	Ongoing	Customer satisfaction rate % assessed through mystery shopper surveys	
				Ongoing		
				Ongoing	No. of complaints received % of complaints resolved within ten working days	100% of complaints receive a response within 10 working days
BP.9		4 (ii)	Take active steps to deter, detect and prevent fraud and abuse within the benefits system	Ongoing		Meet CSR target – net annual saving of £250K

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
					Detected fraud as % of benefit paid	
		5				
			Contribute to the Comprehensive Spending Review (CSR) savings			
PR.18			Review Income Support and other Tax funded benefits to consider savings in 2013	2012-2013		Assess CSR savings
BP.10		5(i)	Sustainable, effective low cost services	Ongoing		
PR.19			Maintain the ongoing review of departmental administration to identifying savings as part of the Comprehensive Savings Review	2011-2013		Assess CSR savings

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing	% of benefit payments made by BACS	Benefit payments by BACS are secure and cost effective.
				Ongoing	% of class 2 contributions made by direct debit	Direct debit arrangements ensure income is received on time
				Ongoing	% of payments made by debit card	Debit card payments reduce the cost to the Department over cash or cheque receipts
				Ongoing	Administration and service costs as % of contributions collected and benefits paid	

BP Ref	SSP ref	SBP ref	Key Objective	Year	Key Performance Indicator / Key Statistic	Target / Comment
				Ongoing	% of contributions received to timetable	Departmental income follows a quarterly cycle
BP.11		5 (ii)	Business Plans delivered within agreed cash limits	Ongoing		
PR.20			Prepare for the changes required for the Department to be compliant with Freedom of Information legislation	2012 - 2015		Policies and procedures in place when legislation enacted in 2015
PR.21	5		Contribute to the planning and implementation of a name and address register	2012	Maintain timetable	Assist in the management of the balance between economic growth and social and environmental objectives by playing a full part in the preparation of a new migration policy

Tax Funded - Net Expenditure - Service Analysis

2012 Business Plan £	2011 Final Budget £		2010 Actual £
Supplementation			
61,150,000	65,348,400	States Contribution to Social Security Fund	66,667,178
Employment Services			
539,800	521,800	Health and Safety at Work	386,217
2,623,800	3,229,900	Employment Services	2,014,690
471,500	541,400	Employment Relations	600,888
Benefits			
2,182,300	2,212,131	Invalid Care Allowance	2,209,967
50,000	58,000	Child Care Support	-
94,700	93,000	Dental Benefit Scheme	129,028
50,000	47,500	Social Fund	45,010
306,500	325,000	Jersey 65+ Health Plan	350,016
17,500	17,100	Non Contributory Death Grants	16,385
1,369,000	1,316,500	Christmas Bonus	1,744,875
235,000	224,025	TV Licence 75+	240,121
750,500	385,600	Food Cost Bonus & Cold Weather Bonus	205,784
Income Support			
92,825,000	89,224,300	Weekly benefit, residential care, transition & Special Payments	84,873,742
Establishment Costs			
5,593,800	5,541,086	Staff Costs	5,931,930
1,102,800	1,018,635	Other Administration Costs	1,181,488
1,128,800	3,045,984	Contingency	-
(3,656,400)	(3,407,485)	Social Security & Health Funds payroll	(3,629,922)
166,834,600	169,742,876	Net Revenue Expenditure	162,967,397
-	5,172,692	Adjustment agreed as per Budget Statement 2011	-

166,834,600 174,915,568

162,967,397
Tax Funded - Operating Cost Statement

2012 Business Plan £		2011 Final Budget £	2010 Actual £
	Income		
(3,656,400)	Duties, Fees, Fines & Penalties	(3,407,484)	(3,653,168)
	Other Revenue	4	(708)
(3,656,400)	Total Income	(3,407,480)	(3,653,876)
	Expenditure		
159,030,400	Social Benefit Payments	159,350,313	156,390,555
6,695,000	Staff Costs	7,131,185	6,857,428
776,500	Supplies & Services	848,694	713,023
183,200	Admin Expenses	130,636	85,137
136,800	Premises & Maintenance	100,495	217,015
199,900	Other Operating Expenses	182,641	560,639
2,330,100	Grants and Subsidies Payments	2,344,412	1,797,357
10,300	Finance Costs	15,996	119
1,128,800	Contingency	3,045,984	-
170,491,000	Total Expenditure	173,150,356	166,621,273
-	Adjustment agreed as per Budget Statement 2011	5,172,692	-
166,834,600	Net Revenue Expenditure	174,915,568	162,967,397

For further information visit

www.gov.je

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