

Social Security

Social Security

Purpose

- To help people to achieve and maintain financial independence;
- To provide well-targeted social benefits and support to those unable to fully support themselves;
- To deliver excellent customer services.

Responsibilities

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues. The scheme provides old age pensions and a range of working age benefits;
- Back to Work services which provide targeted support to help people to obtain and maintain employment;
- Discrimination legislation, which protects people from unfair or unequal treatment ;
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace;
- Health and Safety legislation, as well as the Health and Safety Inspectorate to protect people in the workplace and others affected by working activities;
- Non-contributory means-tested benefits including Income Support;
- A compulsory, contributory Health Insurance Fund that receives contributions from employers and employees. The HIF supports the cost of GP visits and prescription drugs;
- A compulsory, contributory Long Term Care scheme that receives contributions and provides a range of benefits for adults with long-term care needs;
- Provision of advice and guidance on benefits and contributions;
- Administration of the Names and Addresses Register and the registration of individuals and businesses under the Control of Housing and Work Law.

2017 – 2019 Change Projects

In 2017-19, the Department will undertake a number of significant projects in support of the Priorities and/or Strategic Goals set out in the Strategic Plan. Unless otherwise stated, these projects will be delivered from within existing resources.

Annual Update to the MTFP Departmental Annex for 2018

Department Initiative	Council Priority	Strategic Goal
Support and implement: <ul style="list-style-type: none"> • Public Sector Reform initiatives, including SoJ customer services development and associated organisational changes, • A programme of customer-focussed and waste-reducing Lean initiatives, and • Initiatives to ensure the delivery of savings under the 2016-19 Medium Term Financial Plan. 	Sustainable Public Finances	11
Extend the Discrimination Law to cover disability.		1, 2, 3
Continue work on the major review of Social Security Fund sustainability	Sustainable Public Finances	2, 3, 11
Address the impact of a growing older population in terms of both support to encourage independence and targeted financial help where needed.	Economic Growth (4.6) Sustainable Public Finances	4,11
Review the processing of benefits and contributions to encourage channel shift as part of the E-gov programme.	Sustainable Public Finances	11
Support the Taxes Office in the implementation of a combined tax and contributions collections system.	Sustainable Public Finances	11
Support Health and Social Services in Primary Health Care reforms & development.	Sustainable Public Finances	2, 11

The department will give more details on the specific change projects planned for 2018 in its departmental 2018 Business Plan.

Financial Narrative

Benefit rate and volume changes

Income Support and Other Benefit budgets were forecast for the 2017 to 2019 in the MTFP Addition for 2017 – 2019 to reflect expected increases due to inflation and demographic trends over time. The increase included is in line with those approvals.

Whilst benefit levels are set in the MTFP, the department updates its benefits forecasts on a regular basis. In 2017 the department has continued to see the numbers of households needing support through Income Support reduce faster than predicted in the MTFP, which has led to lower levels of benefit spend than expected.

The department continues to support individuals to achieve financial independence, for example through the back to work programme.

Changes to Benefits

The Resources Statement accompanying the Strategic Plan (P.27/2015(Add)) identified that changes to benefits would be included in the package to support the funding of the strategic priorities approved by the States Assembly and to achieve balanced budgets by 2019. SSD reduced its anticipated spend on tax funded benefits by £10.0 million by 2019.

Benefit changes were considered using the following criteria:

- Promote financial independence – use changes in benefit to promote activities that will support the financial independence of claimants, and protect benefits which are supporting the financial independence of claimants;
- Improve targeting of benefits – change benefits in areas where public money is not specifically targeted to vulnerable groups; and
- Minimise individual impact – spread changes over larger groups of claimants, rather than a few individuals.

A package of benefit changes to deliver £9.8 million of savings was agreed in the MTFP 2016 – 2019, with £157,000 being allocated to allow for the continued provision of free television licences to some pensioners aged 75+. Details of the changes are given in the MTFP 2016 – 2019. The Christmas Bonus (Jersey) Law 2011 was annulled as part of benefit changes approved under the MTFP 2016, however a targeted bonus to support vulnerable pensioners as a replacement was introduced a growth bid (£500,000) in the MTFP 2 Addition.

The changes to benefits proposed by the Minister in the MTFP have been successfully implemented, and are delivering the reductions in spend expected (after adjusting for changes in economic circumstances and underlying levels of claims).

Efficiency Savings

The department is continuing to drive improvements in the efficiency of its services through the application of the LEAN methodology, which, in addition to improving customer service, will generate additional capacity within the department. This in turn can be translated into savings, for example by not replacing staff who

leave. We have also worked with the Grant Aided Bodies supported by the department and agreed a plan for them to deliver similar efficiencies.

To support the Council of Ministers' Strategic Priorities, the department is committed to helping more people into employment through Back to Work schemes, including helping more individuals with long term health conditions back into work. The ongoing level of Back to Work investment will depend on the progress against this priority, the success of reducing mainstream unemployment and economic conditions. It is expected that reductions in the overall level of investment in Back to Work will be possible without reducing the quality of the service.

These efficiencies are also expected to allow a reduction in the number of Full Time Equivalent (FTE) employees over the period.

Service Transfers

The Health & Social Services Department has made a transfer to increase the Contribution to Long-Term Care to reflect the transfer of older adult nursing domiciliary care clients who have now transitioned into the Long Term Care Scheme. In addition, the department has taken on the administration for domiciliary care packages previous undertaken by H&SS (including a transfer of 1 FTE).

The department has previously held a budget for payments to PECRS relating to the Pre-1987 Debt for employees paid through the Social Security Funds. The majority of this debt is managed by the Treasury, and the department has transferred the budget to make administration simpler and more efficient.

Additional Funding approved in MTFP Addition 2017-2019

During the States debate on Deputy J A Martin of St Helier's amendment to the draft Income Support Regulations (P.90/2014) in respect of components payable to children with disabilities and long term health conditions, the States strongly supported a move to make payments to children with severe or very severe disabilities irrespective of the income or means of the family. A growth commitment was made in the MTFP 2016-2019 to allow for expected increases in spending on this benefit, including inflation in 2018 and 2019.

Other Changes

P.53/2017 – Draft Control of Housing and Work (amendment of law – annual charges) (Jersey) regulations 201- set out proposed changes to fees levied by the Population Office, and was approved on 19 July 2017. This included annual charge for each permission held by business to employ a registered member of staff. This revenue is to be used to support additional investment in skills and training. The additional income and expenditure are reflected in the updated figures.

The department is also requesting an additional 2.0 FTE to support the implementation of P.53/2017.

The department has also reviewed the allocation of its budgets in detail, and as a result has reallocated costs between the various lines of the Statement of Comprehensive Net Expenditure to best reflect current plans and expectations.

Social Security Department

NET REVENUE EXPENDITURE - SERVICE ANALYSIS

Near Cash	Service Area	Near Cash				2018 Revised Net Revenue Expenditure	Non Cash 2018 Revised Net Revenue Expenditure	Total 2018 Revised Net Revenue Expenditure	2018 FTE
		Income	DEL	AME	2017 Approved Net Revenue Expenditure				
£		£	£	£	£	£	£		
65,300,000	States Grant to Social Security Fund			65,300,000	65,300,000		65,300,000	-	
28382200	States Grant to Long Term Care Fund			28,706,400	28,706,400		28,706,400	-	
74797500	Income Support			76,720,600	76,720,600		76,720,600	-	
2156700	Other Benefits			2,220,800	2,220,800		2,220,800	-	
1013500	Contingency			1,054,000	1,054,000		1,054,000	-	
11680600	Staff Costs and Administration	(9,290,800)	20,009,500		10,718,700	187,400	10,906,100	241.6	
472200	Health and Safety at Work		476,400		476,400		476,400	5.4	
2423000	Grant Aided Bodies		2,412,200		2,412,200		2,412,200	-	
186,225,700	Net Revenue Expenditure	(9,290,800)	22,898,100	174,001,800	187,609,100	187,400	187,796,500	247.0	

Social Security Department

NET REVENUE EXPENDITURE - SERVICE ANALYSIS

Approved 2017 Net Revenue Expenditure £		Revised 2018 Net Revenue Expenditure £
Income		
(1,235,800)	Duties, Fees, Fines & Penalties	(1,465,500)
(7,985,300)	Sales of Goods and Services	(7,825,300)
-	Investment Income	-
-	Other Income	-
(9,221,100)	Total Income	(9,290,800)
Expenditure		
170,636,400	Social Benefit Payments	172,947,800
13,395,000	Staff Costs	13,103,100
5,530,400	Supplies and Services	5,246,700
573,300	Administrative Expenses	573,300
446,100	Premises and Maintenance	446,100
120,200	Other Operating Expenses	120,200
3,590,500	Grants and Subsidies Payments	3,367,200
-	Impairment of Receivables	-
141,400	Finance Costs	41,500
-	Foreign Exchange (Gain)/Loss	-
1,013,500	Contingency Expenses	1,054,000
195,446,800	Total Expenditure	196,899,900
186,225,700	Net Revenue Near Cash Expenditure	187,609,100
187,400	Depreciation	187,400
186,413,100	Total Net Revenue Expenditure	187,796,500

Social Security Department

RECONCILIATION OF NET REVENUE EXPENDITURE

	2018 £		2018 £
Base Department Budget	186,225,700	<u>Approved Variations to Expenditure Limits since MTFP Addition</u>	
Base Adjustment & Commitments	-	Departmental Transfers	
Price Inflation Department Net Expenditure	73,500	- Transfer to increase the contribution to the Long Term Care fund for older adult nursing domiciliary care clients from the Health and Social Services Department	153,900
Price Inflation - Provision for General Pay Awards	-	- Transfer of funding for the administration of Long Term Care payments from the Health and Social Services Department	3,800
Price Inflation - Provision for Specific Pay Awards	-	- Transfer of budget in relation to the PECSRS Pre-1987 Debt to the Treasury and Resources Department	(99,900)
Benefit rate and volume changes	3,489,000		
Departmental Transfers	-	Allocations of Central Growth 2018	-
Savings		Changes to Savings	-
- Department Savings Programme		Capital to Revenue Transfers	-
Savings	-	Other Variations	-
Efficiency	(945,900)	Revised Net Revenue Near Cash Expenditure	187,609,100
User Pays	-	Depreciation per MTFP Addition	187,400
- Benefit Changes	(1,300,000)	2018 Depreciation Adjustment	-
Additional MTFP 2 Growth	-	Depreciation	187,400
Original MTFP 2 Growth		Revised Total Net Revenue Expenditure	187,796,500
- Funding Pressures	-		
- Commitments	9,000		
- Demographics	-		
- New Funding	-		
- Revenue implications of Capital Projects	-		
Other Variations	-		
Net Revenue Near Cash Expenditure	187,551,300		

