

Deputy Mary Le Hegarat – Chairman Health and Social Security Panel
BY EMAIL

03 August 2020

Dear Deputy,

Thank you for your recent letter regarding the review of the revised Government Plan 2021-2024. Please find the following response to your questions regarding changes to the Government Plan 2020-2023 following the COVID-19 pandemic response, and its impact on the provision of Social Security services.

Financial Independence in old age

- 1. What is the outcome of the initial 'scoping work' that was due to be completed by the end of 2019? Did the Minister decide in 'early 2020' about which option to take forward? What has been the actual cost of this work to date?***

D3P Global Pension Consulting (D3P) finished their scoping work at the end of 2019 and wrote a detailed draft report summarising their findings and possible next steps. This year, D3P began to discuss key sections of their draft report with a group of ministers so they could become familiar with the issues and start to look at what comes next. We were making good progress, but unfortunately, we had to put the work on hold to deal with covid.

- 2. How much of the £150,000, that was allocated for 2020, has been used to date?***

In 2019 the initial scoping work cost £24,000. The 2020 work cost £27,000.

Support for Home Care and Carers

- 3. Has the Pilot Scheme for 2020 been suspended following the outbreak of COVID-19? What progress on the development of the Scheme has been made so far?***

Yes - The pilot scheme for 2020 has been delayed following the outbreak of Covid19. This work will start again in 2021.

4. If work has been carried out on the Scheme in 2020, how much has been spent so far from the £150k allocation for 2020 and what have the funds been spent on?

No costs were incurred in 2020. The budgeting profile for 2020-2023 has been moved back by a year to reflect the delay due to covid19.

Disability Strategy and Community Support

5. Have two additional staff members been recruited and based at Customer and Local Services? If so, what has been the impact of their appointments on the work with the disability sector so far?

The recruitment process for the two additional staff members has just re-commenced following a deferment due to Covid19, officers will be interviewing for the posts in late August.

The Social Security Fund (SSF)

6. P.31/2020 removed the obligation to pay £65.3m into the SSF in 2020. Have there been any major costs as a result of withholding these funds from the SSF? Does this establish a precedent to withhold the payment of the States Grant again if there is a second wave of infection or another major incident that requires further liquidity?

The impact of withholding the States Grant to the Social Security Fund has been to reduce income to the Social Security Fund which has required a compensatory transfer from the Social Security Reserve Fund. A review of the future level of the States Grant is being considered within the context of the Government Plan for 2021 and the process of re-balancing the overall fiscal position.

P.31 provides for a States Grant in 2021 and a further States decision would be needed to change the value of the 2021 Grant.

7. It was noted that the Minister for External Relations stated that the 'fund was not required for another twenty years', how much longer can funding be withheld from the States Grant before it presents a material risk to Jersey's public finances and pension provisions?

The latest reserve balance of the Social Security Funds (30 June 2020) is £1,860 million. The government has time to plan and rebalance its fiscal position. This plan will include the funding of the Social Security Funds and their long-term sustainability – including its obligation to pay pensions to future generations.

The Health Insurance Fund (HIF)

8. What is the current value of the HIF?

The value of the Health Insurance Fund as at 31 June 2020 was £88.8 million.

9. Will the HIF maintain 'ring-fencing' regulations after the pandemic to fund primary care services until a full integration of primary and secondary care services is made?

There has been no change to the main use of the HIF. The States Assembly agreed a single transfer of £5.3 million to support covid related costs. A new States decision is needed to make any further transfers from the HIF.

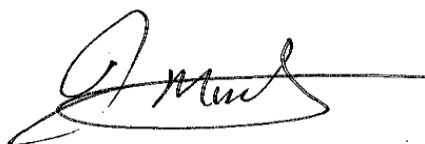
10. What additional costs have resulted from the transfer from the HIF?

There have been no additional costs.

11. Will there be further transfer requests from the HIF in 2020 in the event of a 'second wave' of COVID-19?

As above, a States decision is needed to make any transfer from the HIF or to change the rate of medical benefit.

Yours sincerely,



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