

Minister's Report 2015



Social Security Department

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Presented to the States by the Minister for Social Security.

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Section 1 – Minister’s Report

Minister’s Foreword

It gives me great pleasure to present the 2015 annual report of the Social Security Department. Last year was another eventful one for the Department, and I have been most impressed by the enthusiasm with which people from every level of the organisation have pulled together to deliver an ambitious programme to implement change. Together, we have worked to ensure that Social Security continues to provide a full range of benefits and services delivered by high-quality customer facing teams and is playing a leading role in helping Jersey achieve sustainable public finances.

In late 2014, the incoming Council of Ministers was faced with a serious challenge to balance public finances and invest in the key strategic areas of health and education. This required difficult decisions across the board and in September last year the States approved a package of measures to maintain tax funded benefit spend at the 2015 level by the end of the Medium Term Financial Plan in 2019. To achieve this goal very careful consideration was given to identify areas where benefit budgets could be reduced or held steady whilst maintaining a fair and well-targeted support system. I am proud of the way that we have implemented these hard choices and how we have communicated them to the public. Even when they have not been popular, we have been clear with our plans, and have aimed to make sure that the people of Jersey understand why changes are needed and how they will be affected.

In 2015 we continued to make significant progress in addressing the Island’s historically high levels of unemployment. In this area I am fortunate to have the support of Deputy Graham Truscott as Assistant Minister, to whom I have delegated responsibility for our Back to Work programme. As a local businessman he understands that unemployment can only be tackled by working closely with the industries that make Jersey what it is. We benefit from having a unique economy, with unique opportunities, and our success in matching the needs of businesses against the target of reducing unemployment is built on distinct Jersey solutions.

Each year there are typically around 4,500 - 5,000 individuals who are, at some point, registered with the department to find work. Throughout the year, we helped unemployed people into a total of 1,910 jobs. Overall, the number of jobseekers fell steadily from a high of 1,620 down to 1,390 by the end of the year. At the same time, we extended the help we give to people who have been out of work due to long-term illnesses, and the support we give to parents who are re-entering the workplace. This will help them move towards financial independence. We reduced the number of jobseekers aged 16-24 from 350 to 150. This represented a real success for targeted Back to Work initiatives for this group, who may need extra support at the start of their working lives. We repeated successful events such as JobsFest, and developed new initiatives to prepare local unemployed people for the specific needs of our employers.

We also continued to respond to one of Jersey’s biggest long-term challenges: the ageing profile of our population. As people live longer, they require different kinds of services and benefits from government. We have built on the successful launch of the Long-Term Care benefit in mid-2014 to move towards a steady “business as usual” in 2015. The new scheme provides assistance to islanders who need help with the costs of long-term care, either in a registered care home or in their own homes.

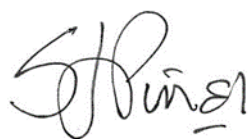
We also secured funding to strengthen the 65+ Health Plan, which provides pensioners with benefits towards the cost of primary healthcare.

The successful implementation of the Long-Term Care benefit was only made possible through close collaboration with our colleagues in Health & Social Services. In 2015, we have also worked with colleagues in Tax to start work on a unified revenue and collection service and, as part of the broader eGov project have, laid the groundwork for Islanders to be able to do more business with the States online.

We have taken further substantial steps in discrimination legislation with four new protected characteristics. These are sex, sexual orientation, gender reassignment and pregnancy/maternity, which have been added to the law from 1 September 2015. In addition, as a working mother I was especially pleased to bring the new family friendly employment rights into effect from the same date. The new employment rights link with protection against sex discrimination; they include statutory maternity leave, parental leave, adoption leave and the right to request flexible working for employees who have caring responsibilities.

Lastly, I should say that none of this would be possible without the continuing efforts of the team at Social Security. I have witnessed first-hand the engagement at every level of our organisation, and have seen real, practical changes designed not by external consultants but by front line colleagues and many others throughout the whole organisation. We want to show that it is possible to contain costs, improve the customer experience and deliver new services to the public. I believe this offers a good model for the way that public services can be delivered in future.

We have achieved a great deal in 2015, as the detail of this report will show. However, it also shows that there is much work ahead of us if we are to maintain our success on behalf of the Council of Ministers and the people of Jersey. I look forward to continuing in my own role as one member of the team at Jersey's Social Security Department.



Deputy Susie Pinel

Social Security – Our Service

Our overarching aims are to help people achieve and maintain financial independence and to provide benefits to those islanders who are unable to support themselves. Our purpose is to offer:

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, and
- ❖ Delivering benefits and high quality services.

We are responsible for:-

- A compulsory, contributory Social Security Insurance Scheme that receives contributions from employers, employees and general tax revenues. This scheme is most closely associated with the payment of pensions, but it also provides contributors with benefits throughout life by offering support from Maternity Allowances through to Death Grants.
- A compulsory, contributory Health Insurance Scheme that receives contributions from employers and employees. This scheme subsidises GP consultation fees and pays for prescriptions issued by GPs and dentists.
- A compulsory, contributory Long-Term Care scheme that receives contributions from individuals and general tax revenues. The scheme provides a range of benefits for adults with long-term care needs.
- Non-contributory means-tested benefits including Income Support. These are funded from general tax revenues and provide targeted support for lower income households. In addition the tax funded Christmas Bonus is paid to local pensioners and certain other benefit claimants.¹
- Back to Work services which help people into work and support adults with barriers to employment to obtain and maintain paid work. The Department funds the Jersey Employment Trust (JET) to provide specialist employment advice, training and support for those with a disability or long term health condition.
- Employment legislation, which sets out minimum standards for good employment relations and protection in the workplace. The Department funds the Jersey Advisory and Conciliation Service (JACS) to provide advice, training and conciliation.
- Health and Safety legislation providing a legal framework which sets out the duties of employers and employees to observe health, safety and welfare at work, as well as the Health and Safety Inspectorate which provides proactive advice to employers and undertakes investigations when things go wrong.
- Discrimination legislation that creates ‘protected characteristics’ ensuring that people are not treated unfairly due to their race, sex, sexual orientation, gender reassignment or pregnancy/maternity. We plan to extend the law to cover age and disability discrimination in the coming years.
- The maintenance of the Names and Addresses Register and the registration of individuals and businesses under the Control of Housing and Work Law.

¹ The previous form of the Christmas Bonus was paid for the last time in 2015. Proposals for a targeted Christmas Bonus will be brought forward in 2016.

Executive summary

This 2015 Annual Report continues to showcase the breadth of activities that Social Security undertakes. We have publically committed to front-page initiatives such as cutting unemployment and controlling costs under the Medium Term Financial Plan, but away from the headlines we have placed just as much emphasis on maintaining high standards in our everyday business. This report demonstrates that we have managed those responsibilities with a great degree of success. We continue to pay a wide range of benefits and manage ring-fenced contributory funds on behalf of the people of Jersey, but we have also been able to deliver real organisational change and enhance the service we offer the public.

At the end of the year, the total assets of our four funds stood at £1.46 billion. During 2015, a total of £200.8 million was collected in contributions, funding £166.7 million paid out in Old Age Pensions, to over 30,100 pensioners in Jersey and around the world, as well as a range of other benefits. The single biggest taxpayer-funded benefit spend was £74.8 million provided to low income households through the Income Support weekly benefit. Every person who lives or works in Jersey will at some point be a customer of the Social Security Department, as demonstrated by the wide range of benefits set out in Table 1.

Benefits Administered by the Department	2015 spend £ million	Supporting
Old Age Pensions	166.7	30,122 pensioners
Income Support	74.8	6,194 households
Long-term Care	36.0	1,123 claimants
Long-term Incapacity Allowance & Invalidity Benefit	22.8	4,630 claimants
Pharmaceutical Benefit (<i>cost of drugs and dispensing</i>)	20.2	1.9 million items prescribed
Short Term Incapacity Allowance	12.3	469,318 days paid
Medical Benefits and Jersey Quality Improvement Framework (<i>GP services</i>)	9.8	355,497 GP consultations
Survivor's Benefits	4.6	817 claimants
Maternity Benefits	3.0	1037 parents
Home Carer's Allowance	1.9	179 carers
Christmas Bonus	1.6	19,522 claimants
Death Grant	0.5	740 grants paid
Food Costs Bonus	0.3	1,275 households
65+ Health Scheme	0.3	4,552 claims
Gluten Free vouchers	0.3	572 claimants
TV Licence Benefit	0.3	2,001 claimants
Other Benefits (<i>Less than £250,000</i>)	0.3	
Total	355.8	

Table 1: Summary of 2015 spend on benefits administered by the Department.

Improving Services

The Social Security Department is committed to providing the highest standards of customer service in the public sector. We are constantly looking for improvements and aim to be an exemplar of what a customer-focused Department can achieve within the States of Jersey. We continue to invest heavily in training and enhancements to our service delivery, because these investments don't just improve our relationship with the public, they also

offer sound value for money. We are especially proud to report that 2015 was the third year in a row that a member of staff from Social Security won the public sector category in the Island-wide customer service award.

In real terms, improving our customer service means reduced waiting times and repeat visits, reducing backlogs and processing times, and the continual improvement of our written communications. It means engagement with the eGov programme so that we can provide more options to let the public do business with us in the most convenient ways. We spent 2015 doing groundwork for our expansion of online services, as well as preparing to shift many services to our front office so that our customers can accomplish what they need without repeat visits to our building. We introduced a “welcome host” role in October 2015 to meet and greet customers and request customer feedback. This personal touch is appreciated by the public, but it also delivers a real benefit by improving the efficiency of our services and reducing the time people spend in queues. More efficient service saves us money and resources, which we can direct into improving other areas of our business.

Many of our improvements have been delivered as a result of our engagement with the States-wide Lean initiative. The Lean methodology is designed to reduce waste and increase value across organisations, by empowering all staff to explore more efficient ways to do their jobs without decreasing the level of service we offer to the customer. In 2015 the Department strengthened its commitment to Lean and incorporated our most experienced Lean practitioners into the Business Enablement Team. During the year we looked at the Control of Housing and Work legislation and investigated how the process for getting a registration card could be improved as well as reducing the turnaround time for getting a business license or staffing permission. We also completed successful projects to improve the letters we send out for missing contributions, and to remove the need for some self-employed customers to supply a copy of their tax return to us.

As one of the busiest areas of our Department, 2015 saw a specific focus on improvements made within the Income Support team. The team members themselves were involved in planning, communicating and delivering key activities during the year, including our MTFP changes and improved communications around the annual benefits uprate. They saved money by negotiating new contracts for some of the items that we help low-income households purchase. The team also kicked off a lean project to change the way that people on Income Support can report getting a new job. This delivered real benefits by reducing overpayments of benefit and cutting down on the paperwork needed when people on benefit move into new employment.

Joined up government

The Social Security Department is playing a lead role in the States-wide “Tell Us Once” initiative, which reduces the need for people to tell multiple States departments about changes. For example now, when a child is born or someone arrives or leaves the Island they only need to tell us once, and businesses have a single point of contact when they set up or have ceased trading.

We began a project with the Education Department that laid the foundations for the creation of Jersey Premium, a targeted investment to increase educational attainment for children in low-income families.

We also incorporated the Affordable Housing Gateway with our operational teams and this has enabled us to streamline the application process for customers and improve the working relationship with providers of social housing. Together we share a large proportion of our customers, and our staff used this opportunity to improve our outreach to people who might not realise they qualify for some of our benefits.

2015 was the first full year that the Population Office operated as part of the Social Security department. Their aim is to enhance the overall effectiveness, efficiency and equity of migration controls in Jersey by regulating who is entitled to live and work in Jersey. This includes dealing with residential qualifications and registration cards, and processing applications for business licenses relating to the employment of migrant workers.

Another key partner is Health & Social Services, where front line staff from both departments work together on the delivery of the Long Term Care benefit. This has been made easier by the move of some Health staff to Eagle House, which is located adjacent to our La Motte Street headquarters and is also used to house the Back to Work teams. Bringing the teams into the same location enables closer working and improved service delivery to our customers.

Managing Public Finances

The Department receives funding directly from the States to deliver a range of “tax-funded” benefits and services, in addition to those funded by Social Security contributions. In the draft Medium Term Financial Plan 2016-2019 (MTFP), the States set the aim of identifying measures totalling £145 million by 2019 in order to balance its budget and invest in the key strategic areas of health and education. The Council of Ministers set a target for the annual benefit budget in 2019 to remain at its 2015 level, requiring measures totalling £10 million to be identified. States Members agreed £9.9 million of the £10 million proposals put forward by Social Security. Whilst the proposals included holding some benefits at 2015 levels until 2017, and reducing or removing some other benefits, the Department was also able to gain approval for increased incentives in some areas, such as increasing the disregard against maintenance payments received by Income Support households.

Wherever possible, the opportunity was taken to improve the overall fairness and structure of the benefit system. The proposals were carefully chosen to meet the following objectives:

- Promote financial independence
- Improve the targeting of benefits
- Minimise the impact on individuals

Proposing any constraint within a benefit budget is always difficult but the Department has ensured that full details of all proposals have been published and that all claimants affected have been fully informed in advance about the changes that will affect them.

Measures	2016 £m	2017 £m	2018 £m	2019 £m
Maintain most Income Support component rates at 2015 levels for two years (continue to increase rental and childcare cost components)	2.0	3.9	4.0	4.1
One off changes:				
Close the Christmas bonus after payment in 2015 ²	1.3	1.4	1.5	1.6
IS - Remove LTIA / invalidity / survivors benefit disregards	0.6	0.6	0.6	0.6
IS - Limit eligibility for jobseekers under 25	0.2	0.2	0.2	0.2
IS - Change more one-off grants to loans	0.1	0.2	0.2	0.2
Phased changes to Income Support, including removal of single parent component, introduction of percentage pension disregard and net improvements in incentives	0.8	1.7	2.8	3.2
Total	5.0	8.0	9.3	9.9

Table 2: Approved in 2015: savings in annual benefit budgets by 2019.

² The Minister is bringing forward proposals for a means-tested Christmas Bonus in 2016

Combatting fraudulent activity

The Social Security Department considers and treats fraudulent benefit claims very seriously. Cases of serious fraud are pursued through the court system, and lead to significant punishments including custodial sentences. In the majority of cases the amounts of benefit overpayment are smaller and less likely to justify the cost of a criminal prosecution. This is reflected in the ratio of claims investigated to claims prosecuted.

However, it should be noted that many cases that are investigated do identify other situations where benefit has been overpaid. Where this is found to be the case repayment is enforced through ongoing benefit entitlement or through a managed instalment plan.

Taken together, the Department is confident that robust investigation powers, sophisticated fraud monitoring and headline prosecutions keep benefit fraud in Jersey to a low level compared to other jurisdictions.

All intelligence relating to potential benefit is evaluated based upon the quality of the information provided, the likely risk of the fraud occurring, and the value of any potential overpayment. The National Intelligence Model (NIM) was introduced within the Social Security Fraud Team in Jersey in 2013; this is a model successfully used by UK enforcement officers for grading intelligence, decision making and assessing risk.

After evaluation, the cases are prioritised and then investigated accordingly. Often, leads are identified as genuine mistakes from claimants rather than fraud and these can be quickly rectified and repayment arranged.

In 2015:

- 729 cases were reported and 537 investigated
- 7 Prosecutions were made, with a total value of £75,287.30

Getting People Back to Work

2015 was the final year of the States' previous (2012) Strategic Plan, which identified getting people into work as the government's greatest priority. In this final year, we built on the successful programmes developed by Back to Work and the number of people registered as actively seeking work (ASW) fell to 1,390 by the end of December 2015 – from a high of 1,620 in February. All in all a total of 4,590 individuals were registered with the Department at some point in 2015 and 1,910 paid job opportunities were filled by jobseekers.

The headline ASW figure doesn't provide the full picture, as during 2015 we successfully expanded our services to provide assistance to groups of people who hadn't previously received targeted help from Back to Work.

In particular, the improving economic climate and the success of the Back to Work initiatives over the last three years provided the Department with the opportunity to enhance the support available to parents under the Income Support scheme and to coordinate the rules for these parents more closely with current nursery provision available through the Education Department. From September 2015, we now expect parents to engage with the Back to Work process at the point at which their child becomes eligible for support provided via the Nursery Education Fund. Up to that point, many parents hadn't previously engaged with our employment services until the child's fifth birthday. This change saw the registration in September 2015 of almost 100 parents of children starting primary school and 140 parents whose youngest child (aged 3+) was starting nursery. Bringing these parents together at the start of the school year means that we have been able to provide tailored courses, address the concerns and issues that are common to many parents and offer focussed support to enable them to move into part time employment.

From February 2015 we also extended the scope of Back to Work to provide support to Income Support claimants who have an ongoing low-level illness or disability. Over 90 people were added to the ASW register and were

given Back to Work support through training, mentoring and work placements to help them back into employment. This is a much-needed investment in a group of working age people who have often struggled to find suitable work, and we are very happy to be able to extend our services in this area.

In both cases, we've been successful in helping people into employment and improving their financial independence. As the focus of the current Strategic Plan shifts to investment in health and education, we are confident that Back to Work will continue reducing unemployment in the Island, helping families provide for themselves and reducing their dependence on benefits.

In all, 380 people from these groups were added to the ASW statistics during 2015 and the reduction in the overall ASW total to 1,390 by the end of 2015 is a measure of the significant success of these new initiatives and the ongoing services available.

One of the core functions of the Back to Work team is to bring employers and job seekers closer together, and throughout 2015 we built on relationships with key industries such as hospitality and construction to provide bespoke programmes to repeat the successes of previous years. Working directly with the Jersey Construction Council, Back to Work again delivered an Under Construction programme to help local jobseekers develop basic skills, get an introduction to site work and show their talents to employers. The creation of the new Construction Paid Training scheme provided the opportunity for jobseekers to then take on a 12-week paid training programme with a construction employer. In October 2015 we also ran a successful repeat of JobsFest, an initiative created to help those who had not worked at all during the year. This led to the creation of 57 paid positions.

The Foundations programme was further developed to provide additional opportunities for jobseekers with barriers to employment. The programme addresses those people who need additional help in attaining experience of paid employment through working on a number of environmental and construction projects, as well as an office-based scanning project. Back to Work also continued to make use of the Community Jobs Fund, with 19 jobs created that directly benefited Jersey's communities.

Supporting workers

Having approved the Minister's proposals for new family friendly employment rights in 2014, the States agreed in February 2015 that the new rights should come into force from 1 September. On the same day, we introduced four new protected characteristics into the Discrimination Law; sex, sexual orientation, gender reassignment and pregnancy/maternity.

The Discrimination Law gives people in Jersey protection against discrimination, harassment and victimisation. This applies in recruitment and the workplace, as well as outside of employment, such as in the provision of goods and services. In late 2015, we started a public consultation on age discrimination.³

The changes to the Employment Law give qualifying employees the right to maternity leave, adoption leave, parental leave, paid time off work for antenatal classes and the right to request flexible working. This is a key first step in the extension of employment rights to parents and carers and the Minister has agreed to review the rights after one year.

We also removed the '8 hour threshold' from the Employment Law which means that a person's rights under the Employment Law will depend only on whether they are an 'employee' or not rather than how many hours they are

³ Age characteristic added to legislation from 1 September 2016.

contracted to work. This is a major increase in the protection of employees on zero-hour contracts and links with the new protection against sex discrimination and family friendly rights.

Following a period of public consultation, statutory procedures for the Employment and Discrimination Tribunal were introduced in April 2015 to ensure that complaints to the Tribunal are managed effectively and efficiently. The Minister is also responsible for setting the minimum wage based upon the recommendation of the independent Employment Forum. The Minister increased the minimum wage and trainee rates by 2.8% in April 2015.

The Minister directed the Forum to consult on two additional Employment Law issues during 2015 and the Minister accepted both of the Forum's recommendations in December 2015:-

1. Remove the two-thirds rule from the Employment Law so that employees working under fixed-term contracts of 26 weeks or less qualify for protection against unfair dismissal after 52 weeks' service. This change removes unnecessary complexity from the Employment Law – which for some employers could remove a barrier to the creation of new jobs under appropriate contracts – and brings parity in the unfair dismissal rights of employees working under different types of employment contracts.
2. The Employment and Discrimination Tribunal has been given the power to award financial compensation to employees where their employer does not comply with 3 fundamental employment protections: written terms of employment, pay slips and rest days. These are very straightforward to provide, and it is hoped that the additional protection will encourage employers to meet these basic entitlements.

Supporting workers during short and long-term illnesses is an essential function of the Social Security system. Just under 25,500 claims for Short Term Incapacity Allowance (often called "sickness benefit") were made during 2015. 50% of these claims lasted less than 8 days but 9% lasted more than 45 days. Since 2012, the total number of days paid and the average length of claim has been decreasing annually.

The Health and Safety Inspectorate carries out a wide range of actions aimed at ensuring that people at work and others who could be affected by working activities are not exposed to risks to their health or safety. Throughout 2015 the Inspectorate continued to develop and focus on the most effective ways to maintain and improve workplace health and safety performance with the limited resources available. Significant progress was made in respect of a number of legislative changes to ensure the regulatory framework remains effective and fit for local workplaces. This included a draft set of new Regulations for the construction industry being lodged with the States Greffe for debate by the States Assembly in early 2016.

In 2015, 748 work-related accidents and incidents were reported through claims made for Social Security benefit, an increase of 70 compared to 2014. Whilst the number of work-related accidents remained relatively stable compared to 2014, the number of work-related illnesses increased by approximately 21%. The number of working days lost totalled 26,128, representing an increase of 6,709 days over the 2014 figures. Unsurprisingly the amount paid out in Short Term Incapacity Allowance for these claims also increased significantly (by approximately 38%) to £736,250. The increase in the number of working days lost is considered to be due to the increased numbers of work-related ill health, and stress-related illnesses in particular, which typically result in longer absences than work-related accidents.

During the year, the Inspectorate carried out 70 investigations into serious accidents and incidents, 241 proactive inspections of high risk workplaces and followed up on 119 thorough examination reports of defective equipment. During 2015, 28 legal enforcement notices were served by Inspectors, 17 immediate Prohibition Notices and 11 Improvement Notices.

The Health and Safety Inspectorate publishes a separate annual report which gives more detail on specific activities.

Adjusting to an ageing population

The States strategic plan for 2015-2018 notes that “Over the next 20 years the number of people in Jersey aged over 65 will double and there will be nearly three times as many people over 85. Today, 14,000 Islanders are aged 65 or over. By 2035, this will increase to 28,000 – about one in four people.”

In terms of the benefits that the Department provides, the largest single claimant group is people above pension age. From a total annual expenditure of £356 million approximately 62% is paid to people above 65 years of age, who currently make up approximately 17%⁴ of the population. The old age pension accounts for most of this expenditure, but Social Security also provides a number of additional benefits available to pensioners, particularly those on a lower income. These benefits include the recently-launched Long-Term Care scheme, Income Support, the Jersey 65+ Health Plan, free TV Licences for people over 75 and the Christmas and Cold Weather bonuses.

As expected in line with an ageing population, the number of pensioners covered by the Social Security scheme is increasing. Over the last five years the number of pensioners has increased by 10% and the total cost of pensions has increased by 21%. Significant increases in pensioner numbers will continue over the next three decades and difficult decisions will need to be taken as to the level of support that can be provided to this group in the future.

Although there was another milder winter in 2015, local pensioner households continued to benefit from payments to help with the cost of fuel in cold winter months. These Cold Weather Bonus payments are linked to the severity of winter temperatures and so eligible households received a total of £163.71 in 2015, compared to £176.42 in the previous year, and £304.00 in 2013 which was much colder.

The Long-Term Care Scheme was introduced on 1 July 2014 by Senator Francis Le Gresley after extensive interdepartmental working with Health & Social Services and Income Tax. In 2015 staff from both the Social Security Department and the Health and Social Services Department worked closely together to deliver this benefit in its first full year of operation. In order to ensure the scheme delivers the best possible service to the public, regular meetings between operational staff across both departments were established to share knowledge and good practice amongst teams.

The Long-Term Care Scheme and its ring-fenced fund are designed to support the growing care costs of our ageing population. As well as providing means tested payments and loans to people who would otherwise struggle with the cost of care fees, the scheme also provides a non means-tested benefit which removes the worry of the risk of catastrophic costs often associated with long-term care. The scheme is financed by contributions paid into a ring-fenced fund: these started at 0.5% on 1 January 2015 and increased to 1% on 1 January 2016. As costs increase in the future, this contribution rate will need to increase.

Social Security also continued to work with Health and Social Services to prepare for the coming into force of the new Registration of Care Law in 2017.

⁴ Statistics Unit pop projection +350 net migration scenario:
<http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=968>

Planning for the future

The net asset value of all four ring-fenced funds at the end of 2015 was just over £1.46 billion, split between the Social Security Fund – £89 million, the Social Security (Reserve) Fund – £1, 288 million, the Health Insurance Fund – £76 million and the Long-Term Care Fund – £11 million. This build-up of reserves is a sensible approach to the provision of future pensions and benefits, particularly when considering the demographic changes that are on course to affect all economies in the developed world. Simply put, people are drawing pensions for longer as lifespans increase, whilst birth rates remain static, reducing the ratio of workers to pensioners and therefore adding to the pressure on the pension fund. Jersey is in a robust position that few other jurisdictions can match, but nevertheless it is inevitable that these trends must be factored into our long-term planning.

A high level summary of the 2015 results for the four funds is shown in Table 3 below:

	Social Security Fund £ million	Social Security (Reserve) Fund £ million	Health Insurance Fund £ million	Long-term Care Fund £ million
Income	235.4	35.2	32.6	36.4
Expenditure	217.5	-	38.6	37.1
Surplus / (Deficit)	17.9	35.2	(6.0)	(0.7)
Net Assets at 31 December 2015	88.5	1,288.4	75.7	11.2

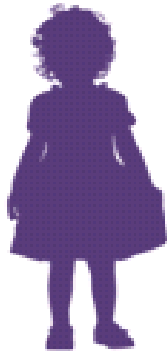
Table 3: Fund results for 2015.

Who does Social Security Support?

Babies



Children



Working Age



Income Support Child Component supports low income families with the living costs of their children

Income Support Childcare Component supports working parents with childcare costs of 0 to 11 year olds

Maternity and Adoption Grants provide a lump sum to help with the general costs of having a baby

Maternity Allowance is a weekly payment to help mothers while they take time off work to have their baby

Home Responsibility Protection Credits protect pension records for people who stay at home to care for a child

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Income Support Child Component supports low income families with the living costs of their children

Income Support Childcare Component supports working parents with childcare costs of 0 to 11 year olds

Dental Fitness Scheme helps toward the cost of dental treatment for 11-21 year olds

Child Personal Care Benefit supports parents of children who meet the requirements for the highest levels of impairment award

Student Credits protect pension records while students are in full time education

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Income Support is an income related benefit that provides support for those looking for work and those in work towards the cost of living.

Insolvency Benefit provides financial assistance to employees whose employers become insolvent

Back to Work teams provide support, coaching and training to help unemployed people back into work

Health and Safety Inspectorate ensures employers provide safe working environments

Jersey Advisory and Conciliation Service provides advice to employers and employees

Short-Term Incapacity Allowance is a daily benefit which provides income when a worker is unable to work due to sickness

Survivor's Benefits support a spouse or civil partner if their partner dies

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Key:

Tax funded Benefit/Service

Long Term Care Benefit

Contributory Benefit/Credit

Health Insurance Benefits

Illness and Disability



Income Support Medical Components provide additional assistance to lower-income households that include someone who has a long term medical condition

Housing Adaption Grants help with the cost of adaptations to the home of those with permanent disabilities

Jersey Employment Trust and Back to Work help people with disabilities prepare for, find and maintain employment

Long Term Care helps fund the care fees for people with care needs

Long-Term Incapacity Allowance and Invalidity Benefit support those with a long term illness or disability; either physical or mental, both in work and those unable to work

Home Carer's Allowance supports carers who give up work to look after someone with high personal care needs

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

Gluten-Free Vouchers help individuals who need a gluten-free diet

Pensioners



Income Support supports lower income pensioner households

Food Costs* and Cold Weather Bonuses provide help with the cost of food items and heating the home for pensioners who don't pay tax

Christmas Bonus* is a one off payment to all pensioners resident in Jersey

TV Licence Benefit pays for the TV licence for over 75's who don't pay tax

65+ Health Scheme subsidises dental, optical and chiropody costs for pensioners who don't pay tax

Long Term Care helps fund the care fees for people with care needs

Old Age Pension helps to cover basic needs in old age and is based on contributions paid throughout the working life

Death Grants help with funeral expenses

Medical and Pharmaceutical Benefits subsidise the cost of visiting a GP and any medicines prescribed

*These benefits are also available to some working age families

Social Security Overview

The body of this report describes the activities of the Social Security Department:

- Collection of contributions from individuals/employers.
- Administration of funds.
- Provision of benefits and services.

It is divided into six sections:

- 1) **Fund Income Sources**, which details the income sources to the four funds administered by the Department.
- 2) **Social Security Fund**, which details the benefits administered under the Social Security Law.
- 3) **Health Insurance Fund**, which details the benefits administered under the Health Insurance Law.
- 4) **Long-Term Care Fund**, which details the benefits administered under the Long-Term Care Law.
- 5) **Tax Funded Services/Benefits**, which details the services provided and benefits administered through tax funded money, including Income Support and the Back to Work programme.
- 6) **Financial Statements**, for the four funds administered by the Department as well as tax funded revenue.

The figure opposite shows the Social Security revenue sources and demonstrates the financial flow through the funds into the benefits and services. For simplicity it does not show all the financial information, such as investment income, depreciation or administration. These figures are located within the Financial Statements section of the report.

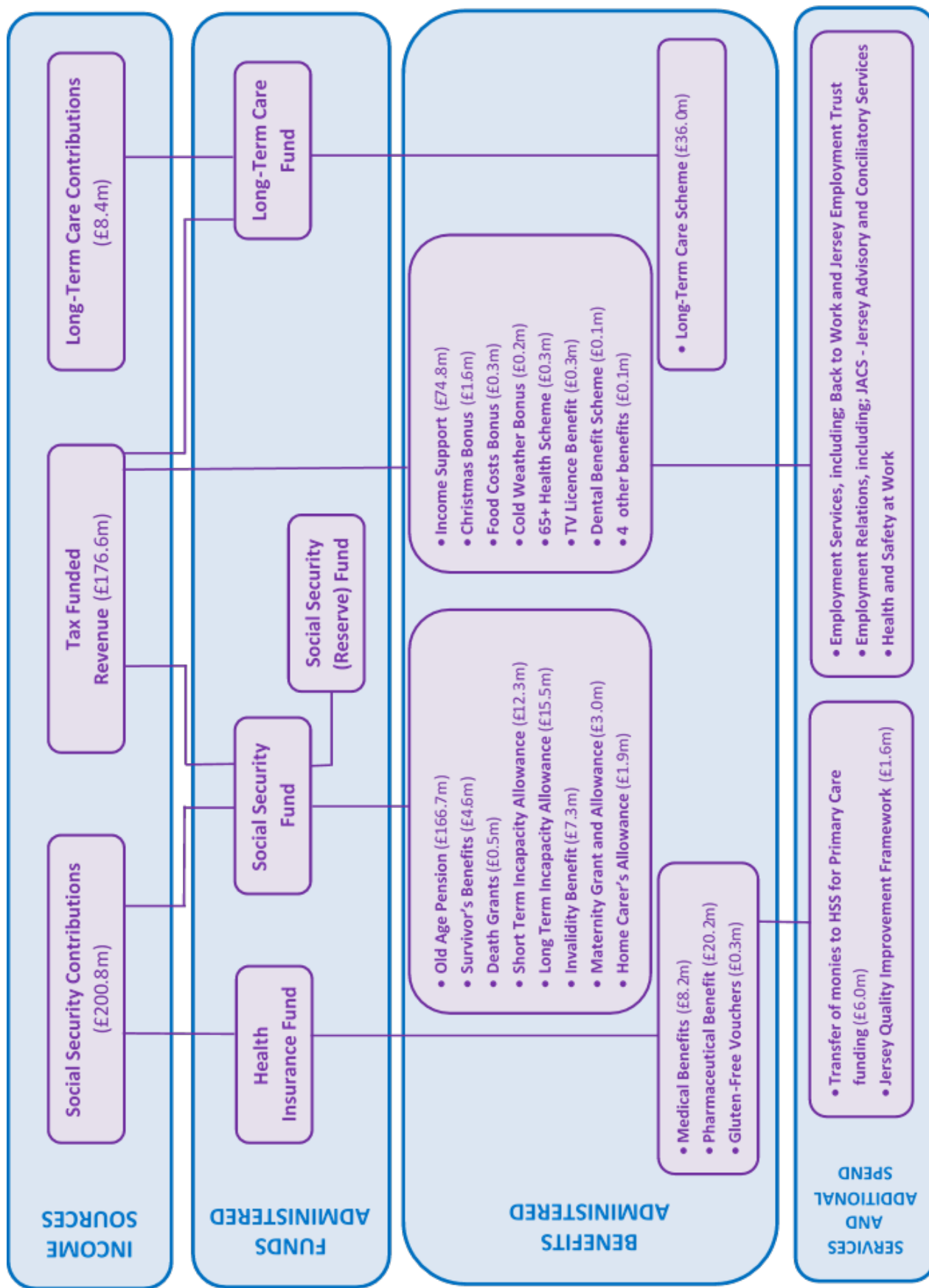


Figure 1: Flow chart demonstrating the Social Security Department income sources, funds, benefits and services 2015, excluding administration and other costs.

Section 2 – Fund Income

The Funds administered by the Social Security Department have three sources of income.

- 1) Contributions collected from individuals and employers
- 2) Grants from the States
- 3) Investment income

Social Security and Health Insurance Contributions

Contributions from working age adults are due on earnings up to pre-defined earnings ceilings;

- **A contribution rate of 12.5% is payable on all earnings up to the Standard Earnings Limit (SEL) of £48,240 per year.**
For Class 1 contributors (employed) the 12.5% liability is split between the employer (6.5%) and the employee (6.0%). Class 2 contributors (self-employed and others not in paid employment) are liable to pay the full 12.5%.
- **Since January 2012 a contribution rate of 2% is payable on earnings between the SEL and the Upper Earning Limit (UEL) of £159,624 per year.**
Employers and Class 2 individuals are liable to pay the 2% contribution.

In some situations employees are not required to pay their 6% liability, for example people who are in receipt of an Old Age Pension, people receiving Survivor's Allowance (in the first year of bereavement) and some women married before April 2001.

Income Received from Contributors

Table 4 provides an overview of the contributions received and the number of contributors:

	2011	2012	2013	2014	2015
<i>Class 1 contributions paid by employees below SEL (£000)</i>	77,370	78,841	78,105	80,286	85,782
<i>Class 1 contributions paid by employers below SEL (£000)</i>	83,817	85,412	84,614	86,977	92,931
Total of Class 1 contributions below SEL (£000)	161,187	164,253	162,719	167,263	178,713
Total of Class 1 contributions above SEL (£000)	-	5,121	5,163	5,323	5,462
Total of Class 2 contributions below SEL (£000)	16,169	15,544	14,971	17,007	14,987
Total of Class 2 contributions above SEL (£000)	-	1,974	2,136	2,159	1,627
Total Value of contributions (£000)	177,356	186,893	184,988	191,752	200,789
Average No of Class 1 contributors during year	48,359	47,620	47,091	47,614	48,666
Average No of Class 2 contributors during year	3,877	3,783	3,751	3,783	3,860
Average Total No of contributors during year	52,236	51,403	50,842	51,397	52,526
Average Class 1 contribution per annum (£)	3,333	3,557	3,565	3,625	3,784
Average Class 2 contribution per annum (£)	4,170	4,631	4,561	5,066	4,304
Average Total contributions per annum (£)	3,395	3,636	3,638	3,731	3,823

Table 4: Contributions and contributors, 2011 to 2015.⁵

⁵ Income from Contributions is recognised in the period in which the earnings they relate to were earned, and as a result an estimate of the contributions due relating to last quarter of the year that had not been received at the year end must be made. In previous periods this estimate has been overstated, meaning that there has been an over-recognition of contributions income. This has been corrected in these accounts, and previous periods restated. As a result contributions income for 2014 has increased by £2.1 million compared to figures previously reported.

Table 4 and Figure 2 show that the number of contributors increased by 2% on the previous year and the monetary value of contributions increased by 5% in 2015, compared to 2014. There were increases in class 1 contributions above and below the SEL and decreases in class 2 contributions above and below the SEL. The largest monetary increase was an £11.5m (7%) increase in Class 1 contributions below SEL.

Between 2011 and 2015 the value of contributions up to the SEL has risen by 9% compared to a 8% increase in average earnings over the same period, a real term increase of 3%.

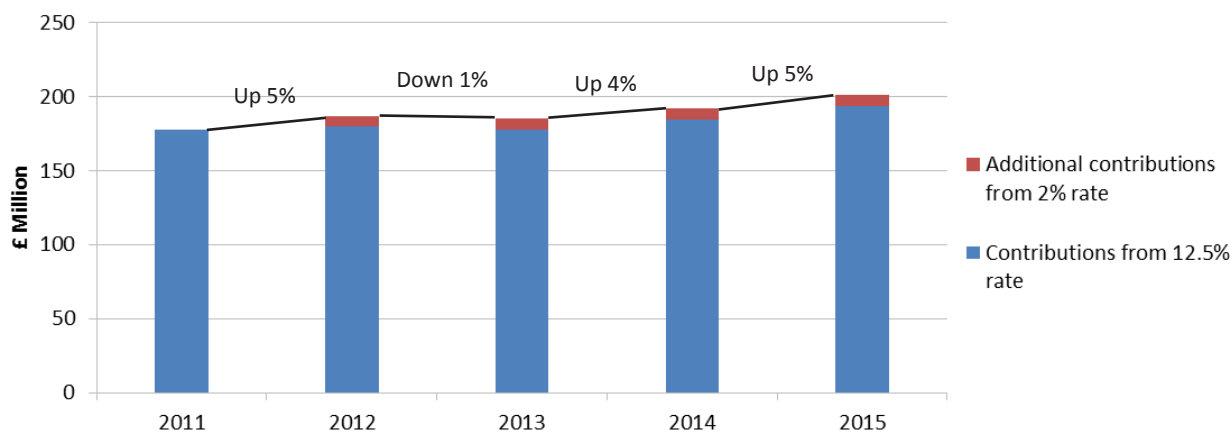


Figure 2: Total contributions and year on year change, 2011 to 2015.

Level of Contributions

In 2015, on average 34% of Class 2 contributors paid above the Standard Earnings Limit each month, with 12% paying at the maximum Upper Earning Limit. By contrast, on average, 20% of Class 1 contributors in 2015 were paid above the Standard Earning Limit, with only 1% paid at the maximum monthly contribution.

Figure 3 shows that proportionately more Class 1 contributors paid at the Standard Earning Limit in March and December, the months typically associated with bonuses.

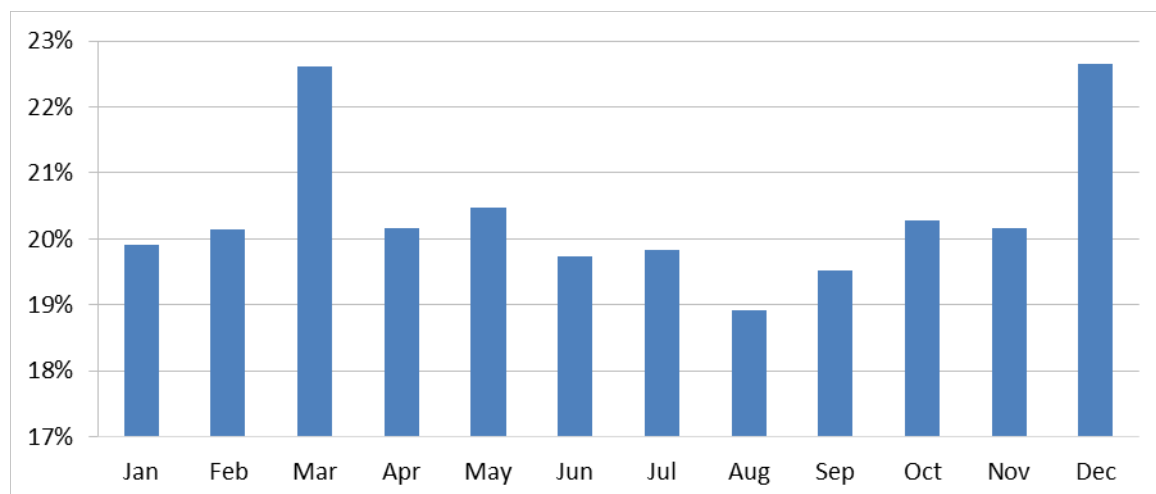


Figure 3: Class 1 contributors at the Standard Earnings Limit by month in 2015.

Number of Contributors

Contributions are recorded monthly and the number of Class 1 contributors shows a variation in line with the seasonal activities within the Jersey economy, with 6.1% more Class 1 contributors in July than February. Across the year there was a monthly average of 48,666, an increase of 1,052 Class 1 contributors (2.2%) from 2014, with the increase being driven by the second half of 2015.

There had been a steady decline in the number of Class 2 contributors over recent years with a slight increase in 2014. This upward trend continued into 2015 saw a small increase from an average of 3,783 in 2014 to 3,860 Class 2 contributors in 2015.

Allocation of Contribution Income

Class 1 and Class 2 contributions are allocated to the Health Insurance Fund and the Social Security Fund according to fixed percentages.

Fund	Employer Class 1 (below SEL)	Employer Class 1 (above SEL)	Employee Class 1 (below SEL)	Class 2 (below SEL)	Class 2 (above SEL)
Health Insurance Fund	1.2%		0.8%	2.0%	
Social Security Fund	5.3%	2.0%	5.2%	10.5%	2.0%
Total	6.5%	2.0%	6.0%	12.5%	2.0%

Table 5: Percentage allocation of Class 1 and 2 contributions to the Health Insurance Fund and Social Security Fund.

Contribution Credits

In some circumstances contribution credits are available to protect people's contribution record and their entitlement to certain Social Security benefits. As well as protecting records during periods in which a contributory benefit is being claimed, credits are also available to:

- People caring for a child at home (*1,289 people as at 31 December 2015*).
- People over 18 in full-time education (*664 people as at 31 December 2015*).
- People who have been made compulsorily redundant (*17 people as at 31 December 2015*).

The most common source of contribution credits is for those caring for a child at home. This is known as Home Responsibility Protection (HRP) and is available for an adult who is not working in order to look after a child under five years old, with a maximum of 10 years of credits available for any one person.

Long-term care contributions

In 2015, the maximum long-term care contribution rate was 0.5%. The amount of contribution is based on an individual's total income taking into account their tax allowances and reliefs and is only chargeable up to the upper earnings limit (UEL). Following the introduction of the long-term care charge on 1 January 2015, £8.4m of income was raised through long-term care contributions. In 2016, the maximum long-term care contribution rate increased to 1%.

States Grant to the Social Security Fund

Class 1 and Class 2 contributors with earnings below the Standard Earning Limit in a given month, but above the Lower Earnings Limit (LEL) of £848 per month, normally receive a supplement to bring their contributions up to the Standard Earning Limit. This “top-up” of contributions protects pensions and benefit entitlement for lower and middle income earners, and is known as supplementation.

The States provides an annual grant to the Social Security Fund. Up to 2010, the value of the States Grant was based on the exact cost of supplementation for the year in question. In 2011 a new method of calculating the value of the States Grant was established. This introduced certainty to the level of States contribution by setting the States Grant for 2011 and basing 2012 and future years on a formula set out in the law.

As part of the Fiscal Strategy Review, in 2011 the States agreed to introduce a 2% contribution rate for employers and Class 2 contributors between the Standard Earnings Limit and Upper Earnings Limit, with the additional contribution income collected used to reduce the level of the States Grant and cover some of the cost of supplementation. This had led to the value of the States Grant for 2012 and 2013 being at a lower level than previous years due to the extra contributions raised through the introduction of the new 2% rate. This can be seen in Table 6, where the States Grant had previously represented 30-31% of the total income into the Social Security Fund (excluding investment income), whereas since 2012 it has only represented 28%. The total value of the States Grant plus contributions above the SEL was £72.4 m, compared to the actual cost of supplementation of £77.2m. Small differences in the funding of supplementation will even out over the lifetime of the Social Security Fund.

Year	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
Cost of supplementation	66,072	68,206	69,239	72,123	77,232
Contributions above SEL	-	7,095	7,299	7,482	7,089
States Grant value	65,348	61,150	62,200	63,700	65,300
Total contributions received (Social Security Fund)	148,837	157,977	156,415	162,125	169,659
Combined value of States Grant and contributions	214,185	219,127	218,615	225,825	234,959
States Grant as proportion of total of above	31%	28%	28%	28%	28%

Table 6: States Grant in respect of the cost of supplementation, 2011 to 2015.

States Grant to the Long-Term Care Fund

In 2015, the States Grant to the Long-Term Care Fund amounted to £28.0m, comprising of £9.9m in funding from the Social Security and Health and Social Services departments, and a tax funded grant of £18.1m. This represents a £9.8m increase on 2014, reflecting a full year of operation of the benefit.

Social Security (Reserve) Fund Investments

The Social Security (Reserve) Fund is both the mechanism by which contribution rates and earnings limits which fund pension and benefit costs of the Social Security Fund are smoothed over time and a buffer to contribute towards the rising burden of pension costs as the island faces up to the pressures of an ageing population.

The investment strategy of the Social Security (Reserve) Fund is developed by the Minister for Treasury and Resources and written in consultation with the Minister of Social Security. The Fund is managed by the Treasury and Resources Department in line with this strategy. One of the main aims for the fund is long-term growth. It is expected that there will be no requirement to draw on the assets of the fund in the near future and that during this period there will continue to be net cash inflows to the fund.

To meet its aims the Social Security (Reserve) Fund seeks to earn long-term capital returns by allocating a higher proportion of its assets to a well-diversified mix of equities. The published investment strategy of the Social Security (Reserve) Fund is to invest 80% of its portfolio in equity, 10% in bonds and the remaining 10% in alternative asset classes. The proportion of holdings in each asset class may vary within strategic ranges as prices move on a daily basis. As at the year end all holdings were within the fund's strategic range.

Method of Investment

The investment strategy may be pursued through direct investment or investment through the States of Jersey Common Investment Fund (CIF).

As at the year end, the value of the Social Security (Reserve) Fund's investment holdings was £1,288.4m. At the beginning of the year, the Social Security (Reserve) Fund held a range of investments both within the CIF and outside. The assets outside the CIF were held with Legal and General and were invested in a range of passive vehicles; during the year these assets were transferred into the CIF. The year-end holding in the CIF are illustrated in Figure 4.

The CIF is an administrative arrangement that allows States funds to pool investments to benefit from greater investment opportunities and economies of scale. Further information is published in the States of Jersey Financial Report and Accounts. The full accounts can be found on the States of Jersey website:

<http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=2108>

The CIF is arranged into various 'pools', each pool representing an asset class and managed by an independent investment manager. A Fund such as the Social Security (Reserve) Fund is able to invest in individual pools in line with its investment strategy.

Investment Asset Split within the Social Security (Reserve) Fund

Figure 4 illustrates the split of core assets held by the Social Security (Reserve) Fund as at 31 December 2015. The equity holdings of the fund are split between those managed on an active and passive basis. Active managers attempt to outperform the market with various investing strategies and through buying/selling decisions while passive managers seek to replicate an index performance.

The Social Security Reserve Fund invested in the CIF from 1 October 2010. By 31 December 2015 holdings in the CIF accounted for 100% of the fund's total value.

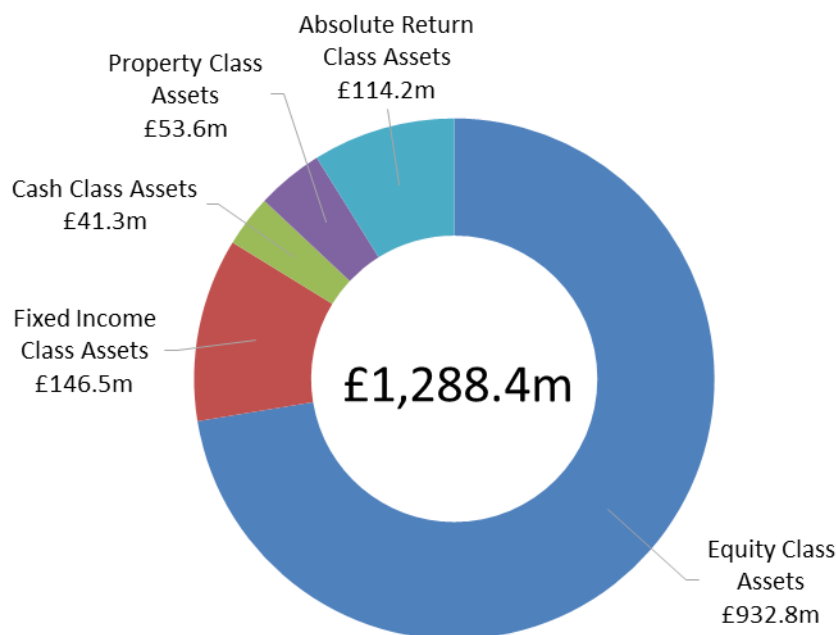


Figure 4: Social Security (Reserve) Fund investment asset holdings as at 31 December 2015.

2015 Performance

In line with its investment strategy the Social Security (Reserve) Fund holds the majority of its portfolio in equities, a return seeking class of asset. Equities are expected to generate, on average, a higher level of return and grow the value of the fund in real terms although, in the short term, they can exhibit a higher level of volatility due to market fluctuations.

The performance of each investment manager is monitored against a benchmark set in accordance with the market in which that manager is investing. Although performance varies between investment classes and between managers the overall performance of the fund can be assessed against an apportionment of these underlying benchmarks.

During 2015 the fund investments grew from £1,253.2m to £1,288.4m, a gain of £35.2 million. Of the total return in 2015 of £35.2 million, £29.2 million was generated by the CIF and £6.0 million by the assets held outside. Of the assets held within the CIF the majority of the Fund performance was delivered by the equity class investments, these contributed £23.5 million to the total Fund return; the next largest contributor was the property class which contributed £5.5 million of the Fund return. Of the remaining earnings of £0.2 million, gains of £1.1 million in the absolute return bond class were offset by losses of £1.2 million in the absolute return pool with cash generating £0.3 million. Assets outside the CIF related to passively managed Funds held with Legal and General, of these assets virtually the entire £6.0 million return was generated by passive equity. These holdings were liquidated before the year end and transferred into the CIF.

2015 saw considerable volatility in the Fund returns driven primarily by movements seen in the underlying equity markets. The first quarter saw the equity market return 7.3%, which was reversed by losses seen in the second and third quarter; by the end of the third quarter returns for the year to date were negative 2.9%. Subsequent recovery in the fourth quarter saw the full year return from equity rise to 2.8%. In December the Investment Strategy of the Fund was amended to include an allocation to absolute return class assets, this allocation was funded from the equity classes. The absolute return pool, split across nine Investment Managers, is a return

seeking class. The pool however is expected to provide a more consistent, lower volatility return combined with greater downside protection relative to the equity classes.

The income generated by the Fund was significantly lower than in 2014, variation in the Funds level of earnings is expected as the return seeking assets, whilst generating higher returns, are also subject to greater short term volatility. Due to short term volatility, the returns of the Fund are best reviewed over a long term investment horizon. Investment returns from the CIF investments of the Fund equated to an annualised yield of 11.8%, measured over three years. Over that period performance of the Fund is in excess of the Funds benchmark and the expected long term return assumed by the Funds actuarial valuation.

Health Insurance Fund Investments

The Health Insurance Fund was established under the Health Insurance (Jersey) Law 1967. The fund receives allocations from Social Security contributions to pay claims for Medical Benefit (GP subsidy) and Pharmaceutical Benefit as defined in the above law.

In order to best meet the fund's aims it follows a balanced investment strategy seeking to provide both capital growth and income generation but maintaining an appropriate degree of security over the fund's capital value. The strategic aim of the fund is to invest 40% of its portfolio value in equities, 45% in bonds and 15% in cash and cash equivalents. The equity portion of the portfolio is considered to be a return seeking asset class. Those assets are mostly actively managed and held to generate long-term returns. The bonds/cash portion of the portfolio is held to provide a degree of capital preservation and income generation and is also actively managed. The proportion of holdings in each asset class may vary within strategic ranges as prices move on a daily basis. As at the year end all holdings were within the fund's strategic range.

Method of Investment

Although the Health Insurance Fund may pursue its investment strategy via direct investment or investment through the States of Jersey CIF, since mid-2010 its whole investment portfolio has been invested through the CIF.

As at the year end, the value of the Health Insurance Fund holdings within the CIF was £73.7m, following drawings of £6m made during the year. The breakdown of investments is illustrated in the chart in the following section.

Investment Asset Split in the Health Insurance Fund

Figure 5 illustrates the split of core assets held by the Health Insurance Fund as at 31 December 2015.

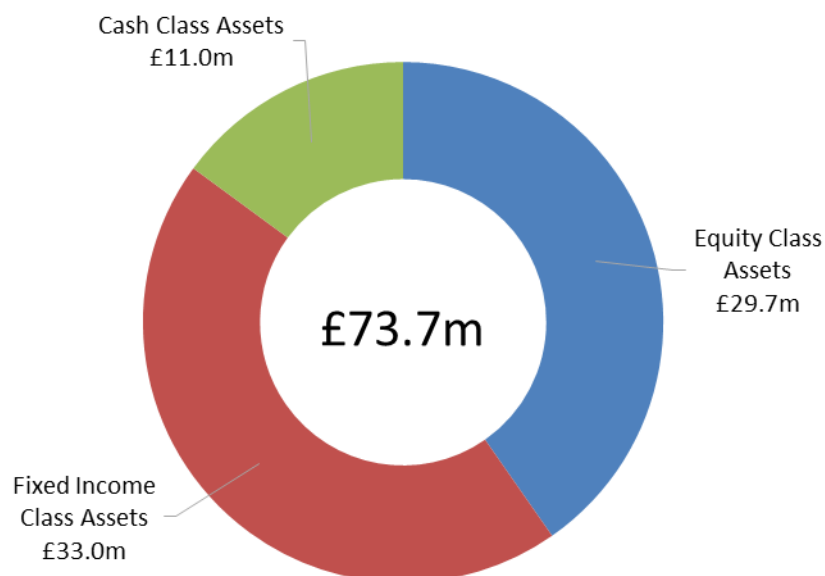


Figure 5: Health Insurance Fund investment asset holdings as at 31 December 2015.

2015 Performance

The Health Insurance Fund holds a balanced portfolio, with diversification across three key asset classes. Equities are expected to generate, on average, a higher level of return and grow the value of the Fund in real terms though in the short term they can exhibit a higher level of volatility due to market fluctuations. Cash is expected to generate a low return but acts to preserve the capital value of the fund, reduce the portfolio's overall volatility and provide the fund with any required liquidity. Corporate bonds are expected to generate a higher level of return than the cash holdings but at a lower level of volatility than the equity investments.

During the year the Net Asset Value of the Fund's investment portfolio decreased by £4.8 million; from £78.5 million in 2014 to £73.7 million by the end of 2015. The fall reflected drawings of £6.0 million, transferred to H&SS to fund Primary Care, being only partially offset by the current year's investment returns of £1.2 million.

The reduced investment returns were a result of lower returns on the equity portion of the portfolio relative to the significant gains seen in prior years. Although only 40% of the portfolio, equity generated the majority of the total Fund return (£0.8 million). The returns from equity saw increased levels of volatility during the year, with rises in the first and fourth quarter offsetting falls in the second and third.

The fixed income and cash assets, making up the remaining 60% of the portfolio, generated consistent returns (£0.4 million) reflecting the ongoing low interest rate environment.

Returns over 2015 reflected movements in the overall market with the underlying investment managers performing in line with their market benchmarks however long term returns over 3 years remain in excess of benchmark.

Section 3 – Social Security Fund Benefits (SSF)

The Social Security Fund pays for benefits to contributors who have made the required contributions and satisfy other specific conditions. Benefits mainly support claimants at times when they are less likely to be able to support themselves through employment, including maternity, sickness and old age. The amounts paid across the full range of benefits available through the Social Security Fund in 2015 are as follows:

Social Security Fund Benefit	2014 £000	2015 £000
Old Age Pensions	160,464	166,746
Short term incapacity allowance	12,413	12,315
Long-term incapacity allowance	14,858	15,515
Invalidity benefit	8,087	7,289
Survivor's Benefits	4,592	4,550
Maternity Benefits	2,587	2,958
Home Carer's Allowance	1,938	1,872
Insolvency Benefit	59	(26)
Death grant	460	521
Total benefit expenditure	205,457	211,741

Table 7: Social Security Fund benefit expenditure 2014 and 2015.

SSF – Old Age Pensions (OAP)

Old age pensions can be claimed by anyone over pension age who has worked in Jersey and has paid Social Security contributions for at least 4½ years.⁶ Pensions can be claimed by anyone who meets the contribution criteria, including people who have since left Jersey.

The value of the pension depends on the number of years of contributions with the maximum, full rate of pension being paid to those with a contribution record of 45 years or more.

Historically the old age pension was increased once a year in line with the growth in average earnings. In the past earnings have increased at a greater rate than inflation and thus the value of the old age pension grew in real terms. More recently however, and on a number of occasions, inflation has exceeded the increase in earnings and thereby the value of pensions has decreased in real terms. In 2013 a new uprating method was introduced to safeguard the value of the pension. This new methodology increases the state old age pension with reference to both inflation, measured through the Retail Prices Index for Pensioners, and average earnings, measured by the Index of Average Earnings. The new method of uprating pensions ensures that pensions increase at least in line with inflation; at the same time, in the longer term increases will track the growth of average earnings.

In October 2015 the annual uprate was applied using the new methodology, with the standard rate of pension increasing by 1.3% from £197.40 to £199.99 per week. For couples married before April 2001 a married pension is available based on the contribution record of the husband and the full pension is paid at 166% of the single rate (£332.01 for 100% pension).

⁶ A pro-rata pension is also payable where there is an aggregate of 4½ years in the case of nationals of countries with whom Jersey has a reciprocal agreement. <http://www.gov.je>

The new methodology in uprating only applies to old age pensions. All other benefits within Social Security legislation that refer to the standard rate benefit will continue to be uprated by the index of average earnings. In October 2015 this led to an increase in the standard benefit rate (excluding pensions) from £196.42p to £199.99p.

The current pension age is 65, with an option to take a reduced rate pension up to two years early. At present some women continue to have a pension age of 60, if they were registered for Social Security purposes before 1975. In 2014 the States passed legislation to increase the pension age in Jersey from 2020, with the pension age rising by two months per year, increasing the age from 65 to 67 by 2031.

Just over three-quarters (£166.7 million) of Social Security benefit expenditure is in respect of old age pensions. This cost is growing year on year as the number of pensioners increases. At the end of 2015 there were 30,122 pensions in payment. There has been a 10% increase in the number of pensions paid between 2011 and 2015 and an 8% increase in the rate of the pension leading to an overall increase of 21% in the total cost of pensions over this time.

Year	2011	2012	2013	2014	2015
No of Old Age Pensions in payment at year end	27,367	28,130	29,052	29,582	30,122
Value of Old Age Pensions Paid £000's	138,048	146,139	154,229	160,464	166,746
Weekly full (100%) Old Age Pension rate at year end £	£184.45	£187.25	£193.48	£197.40	£199.99

Table 8: Pension comparisons, 2011 to 2015.

The number of pensions in payment rose by just under 2% (540) during 2015 and 2014, which is a slightly lower rate of increase to the previous two years. This increase is shown in Figure 6.

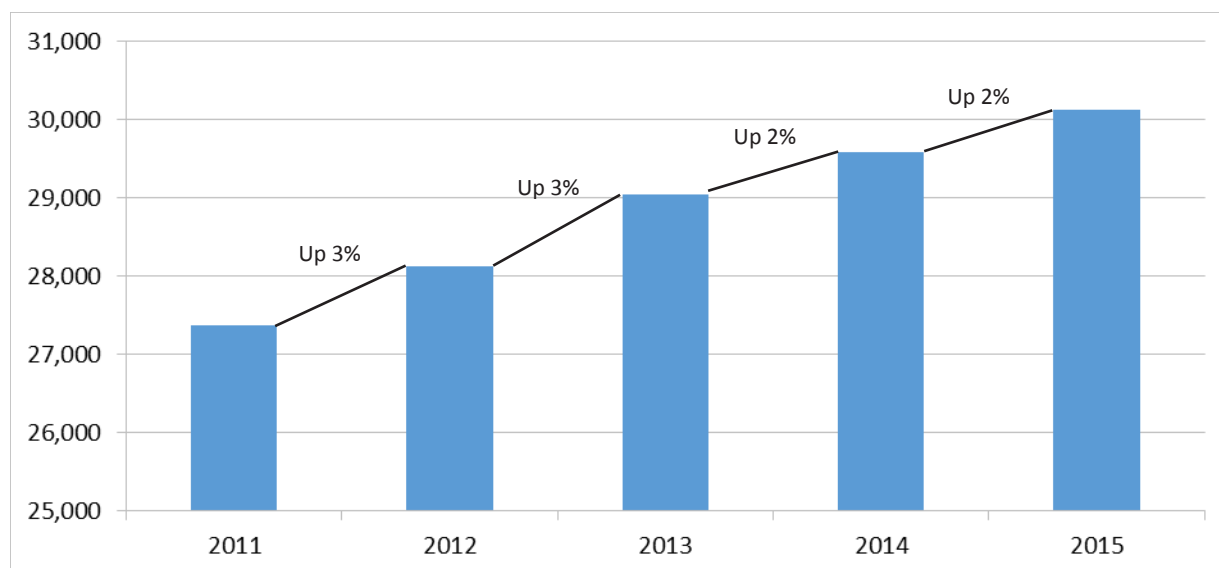


Figure 6: Number of Old Age Pensions in payment at year end, 2011 to 2015.

Demographics of Old Age Pensioners

The female to male ratio slowly increases with age, reflecting the fact that, on average, women live longer than men. Of the 229 pensioners aged 95 or over, 189 (83%) are female.

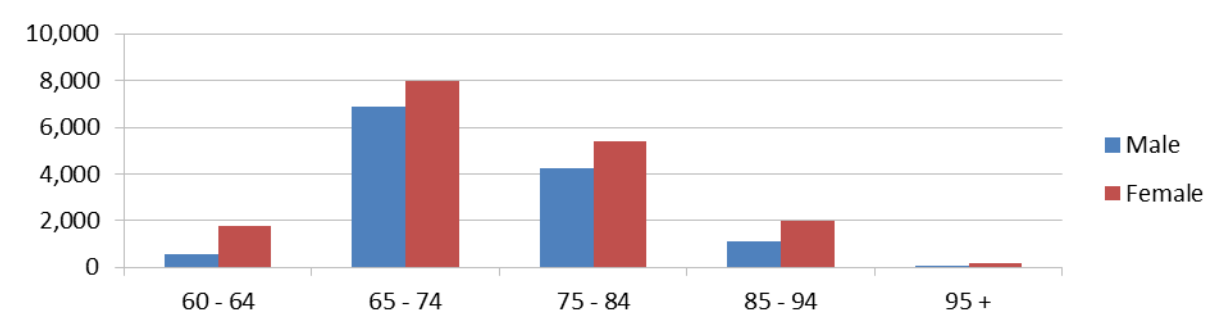


Figure 7: Number of pensioners by age bracket as at 31 December 2015.

Old Age Pension Payments

At the end of 2015 there were 17,895 people receiving their pensions in Jersey, and 12,227 receiving their pensions outside Jersey.

Of the 12,227 pensions paid outside Jersey, 6,189 are paid in the UK and other Channel Islands, 4,688 are paid in the rest of Europe and 1,350 paid across the rest of the world.

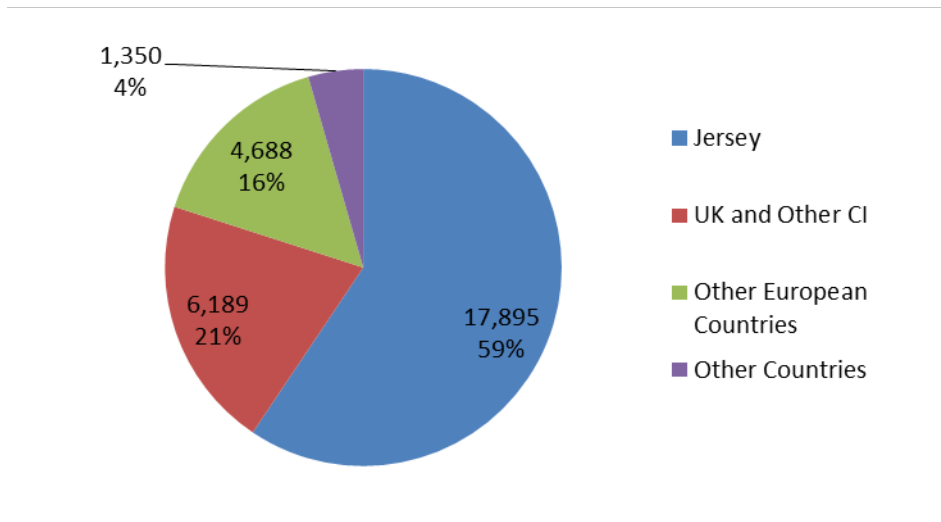


Figure 8: Distribution of where pensions are paid as at 31 December 2015.

The pensioners living in Jersey have typically paid more Social Security contributions having lived and worked for more years in Jersey, and therefore receive a larger pension. The lower levels of pensions paid abroad reflect Jersey’s history of high levels of migrant labour where non Jersey born nationals have worked in Jersey for a relatively short period before leaving the island.

85% of Jersey residents receive a pension of over 50% of the full pension compared to only 16% of non-Jersey residents.



Figure 9: Distribution of weekly pension rate, Jersey resident and non-resident, as at 31 December 2015.

The higher average rate of pensions paid to residents in Jersey means that, although 41% of all pensioners are not resident in Jersey, they only received 18% (£31 million) of the total value of pension payments.

Resident	Pension Value £000	Pension Value %	No. of Pensions as at 31 December 2015	% of Pensions
Jersey	136,124	82%	17,895	59%
UK and other CI	15,547	9%	6,189	21%
Rest of world	15,075	9%	6,038	20%
Total	166,746		30,122	

Table 9: Total value and number of pensions 2015.

SSF – Survivor’s Benefits and Death Grants

Two types of survivor’s benefits are paid; Survivor’s Allowance and Survivor’s Pension. These benefits are paid on a percentage basis to survivors based on the contribution record of their deceased spouse or civil partner and are mainly paid to survivors while they are of working age. Survivor’s Allowance is paid to a survivor for the first 52 weeks following bereavement and is paid at 20% above the standard rate of benefit. After the first 52 weeks, Survivor’s Allowance is replaced by Survivor’s Pension which is paid at the standard rate of benefit. Survivor’s benefits are not paid if the survivor remarries, co-habits or enters another civil partnership and ceases when the survivor reaches pension age. As of 1st January 2013 the eligibility for Survivor’s Pension changed and since then the benefit is only payable to people with dependent children. People already in receipt of Survivor’s Pension or Allowance and people born before 1 January 1957 are not affected by this change.

Type of Benefit	No. of Claimants	Average Weekly Claim Rate £
Survivor’s Allowance	71	153.60
Survivor’s Pension	746	104.24
Total	817	108.53

Table 10: Number of claimants of survivor’s benefits and average weekly claim rates as at 31 December 2015.

Survivor’s benefits are paid worldwide. Although 55% of the total number of survivor’s benefits are paid in Jersey, 72% of the total value of survivor’s benefit is paid in Jersey, as shown in Figures Figure 10 and Figure 12. The majority of survivor’s benefits are paid to women (85%), as shown in Figure 11.

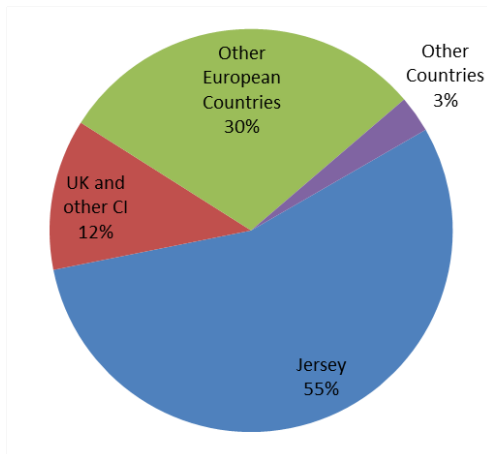


Figure 10: Survivor’s benefits claimant numbers by location in payment as at 31 December 2015.

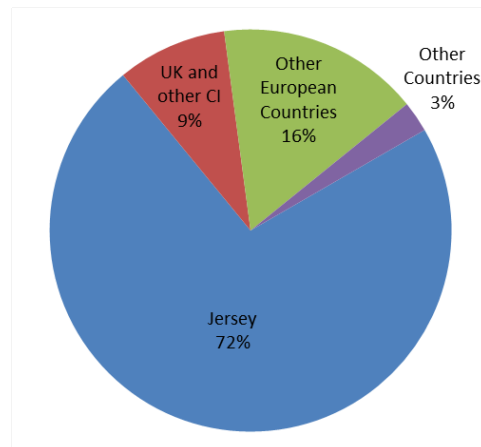


Figure 12: Survivor’s benefit value by location in 2015.

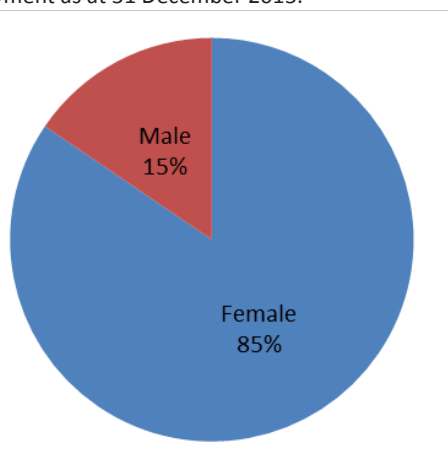


Figure 11: Survivor’s benefits by gender in payment as at 31 December 2015.

A contributory Death Grant is available in respect of most deaths in Jersey. The value of the grant increased from £785.68 to £799.96 in October 2015. Grants are also paid in respect of individuals living outside Jersey at the time of their death, if they were receiving a full-rate benefit, such as a 100% old age pension rate, immediately prior to the date of death or their departure from Jersey was less than six months prior to the date of death.

In the small number of cases where a Death Grant is not payable under the contributory system, a non-contributory grant can be provided using a tax funded budget.

	2011	2012	2013	2014	2015
Total Value of Death Grants £000	472	482	483	460	521
Individual Death Grant Value as at 31 December £	737.88	749.00	765.52	785.68	799.96

Table 11: Total value of Death Grants paid and value of an individual Death Grant, 2011 to 2015.

SSF – Short Term Incapacity Allowance (STIA)

Short Term Incapacity Allowance (STIA) is usually authorised by GPs and paid to working age claimants who satisfy the necessary contribution conditions for periods of incapacity lasting between 2 and 364 days.⁷ Most STIA claims are paid at the standard rate of benefit. This was £196.42 per week at the beginning of 2015, rising to £199.99 per week from 1 October 2015.

	2011	2012	2013	2014	2015
Cost of STIA Claims £000	12,692	13,650	12,938	12,413	12,315
No. of STIA Claims Paid	28,652	27,260	25,703	24,743	25,514
No. of Days Paid	520,157	543,149	509,714	476,243	469,318
Average Length of Claim	18.2	19.9	19.8	19.2	18.4

Table 12: Annual STIA claims paid, 2011 to 2015

Table 12 details the number of claims paid and the total number of days covered by STIA claims over the past five years.

Figure 13 shows the trends in the total number of STIA claims and the average (mean) length of claim. It highlights that while the average length of claim continued to decrease in 2015, the number of STIA claims increased by 3% compared with 2014, following a steady decrease over the previous three years.

⁷ Benefit is paid for all seven days in a week, and not just for working days.

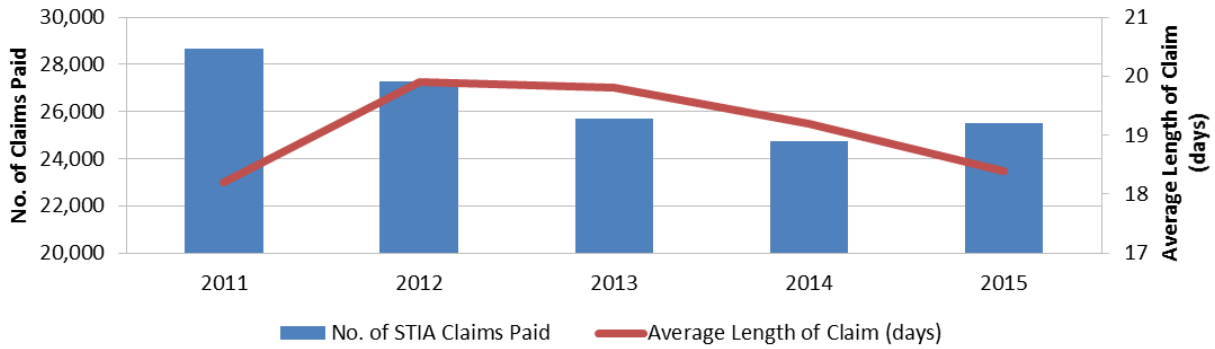


Figure 13: Annual number and average length (in days) of STIA claims, 2011 to 2015.

STIA covers a wide range of short-term illnesses and injuries. 27% of all claims during the year related to infectious illnesses, an increase from 24% in 2014. These claims lasted an average of 7.7 days. By contrast, depression, stress and anxiety accounted for 9% of the claims but 19% of the number of days, with an average duration of over five weeks per claim. Table 13 details some of the most common reasons for STIA claims in 2015:

2015 STIA Reason for Claim	% of all 2015 Claims Paid	No. Of Claims Paid	No. Of Days Paid	Average Claim Length (Days)
Infections	27%	6,888	53,057	7.7
Hospital treatment	15%	3,909	94,668	24.2
Depression, stress and anxiety	9%	2,372	88,463	37.3
Back/neck pain/injury	10%	2,461	43,793	17.8

Table 13: Most common reasons for claiming STIA in 2015.

Some individuals have a long-term health condition that lasts for more than a year. These claimants can apply for long-term Incapacity Allowance (LTIA). Whereas STIA can only be paid if an individual is not working (on the day the benefit is claimed), LTIA claimants can return to work or stay in work and continue to claim the benefit.

SSF – Long-Term Incapacity Allowance (LTIA) and Invalidity Benefit (INV)

These benefits are paid to working age people who satisfy the necessary contribution conditions and who have a long-term loss of faculty.⁸ The amount of benefit for LTIA is determined on a percentage basis. The maximum value of the benefit (100%) is set at the standard rate of benefit. In October 2015 the rate rose from £196.42 per week to £199.99 per week.

A minority of claimants will be assessed at 100% for a major loss of faculty. Most claimants are assessed at a lower percentage, in 5% bands.

⁸ The extent of incapacity is assessed by reference to the loss of faculty arising from a disease or injury.

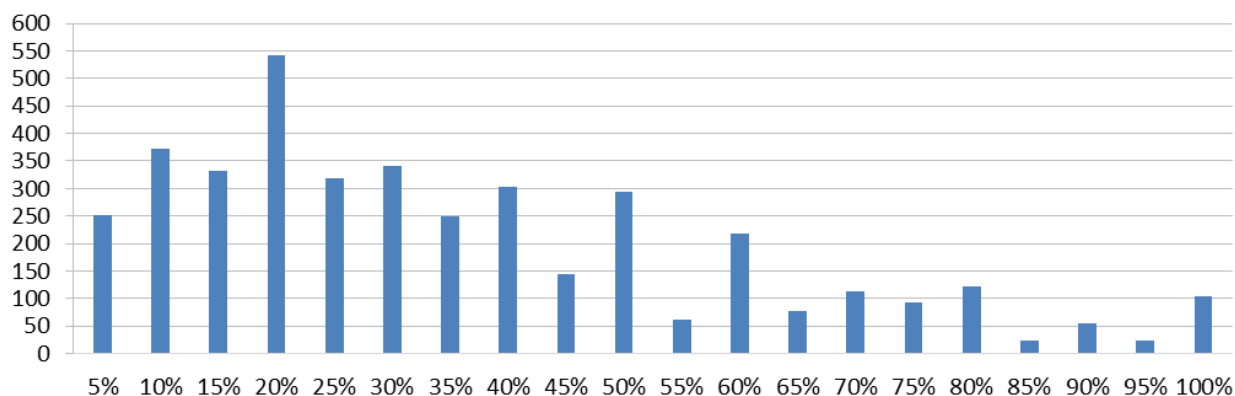


Figure 14: Number of LTIA claims in payment by rate % as at 31 December 2015.

The average percentage rate of assessment for LTIA claims in payment in 2015 is 36% and this percentage has remained more or less constant over the last five years.

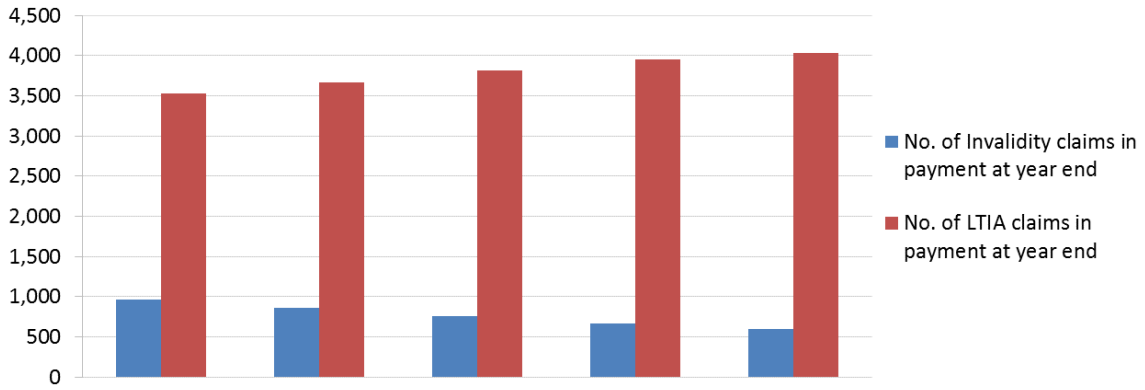
As with STIA, LTIA covers a wide range of illnesses and injuries. Depression is by far the most common condition, accounting for 17% of all claims. Back pain and back injuries combined accounted for 12% of all claims. Table 14 identifies the most common conditions in 2015.

LTIA Condition	No. of claims	% of all claims	Average % Degree of Incapacity
Depression	621	17%	36%
Pain - Back	311	8%	32%
Accident/Injury (Other)	140	4%	37%
Injury - Back	132	4%	37%
Anxiety	120	3%	36%
Stress	111	3%	31%
Carcinoma	108	3%	60%

Table 14: Most common LTIA conditions at 31 December 2015.

LTIA was introduced in October 2004 to replace Invalidity Benefit and Disablement Benefit. Invalidity Benefit was payable as a result of a permanent illness and did not allow claimants to undertake work whilst claiming. Disablement Benefit was payable as a compensation for a permanent disability as a result of an accident, and allowed claimants to undertake work whilst claiming. The LTIA benefit compensates people for their loss of faculty, regardless of whether it is as a result of an illness or injury. It is assessed as a percentage of the standard rate of benefit based on their loss of faculty and is an in work benefit.

Figure 15 shows an ongoing decrease in the number of Invalidity Benefit claims as all new claimants now receive LTIA. Combined, the number of people receiving LTIA and Invalidity Benefit has been relatively stable over recent years with a 2.9% increase over the four year period 2011 to 2015.



	2011	2012	2013	2014	2015
Invalidation claims	967	859	759	667	595
LTIA claims	3,533	3,670	3,815	3,958	4,035
Total claims	4,500	4,529	4,574	4,625	4,630

Figure 15: Number of Invalidation and LTIA claims at 31 December, 2011 to 2015.

SSF – Maternity and Adoption Benefits

A Maternity Grant (or Adoptive Parent Grant) is paid to help with the initial general costs of having a baby. The Grant is available as a lump sum to either the father or mother who satisfies the contribution conditions. The value in 2015 was £589.26, rising to £599.97 from 1 October 2015. Multiple grants are provided in the case of multiple births. The great majority of parents having a baby in 2015 received a Maternity Grant from the Department. 997 births were recorded in 2015 with 1020 maternity grants being paid by the Department in 2015. Figure 16 shows the nationality of those in receipt of Maternity Grants in 2015:

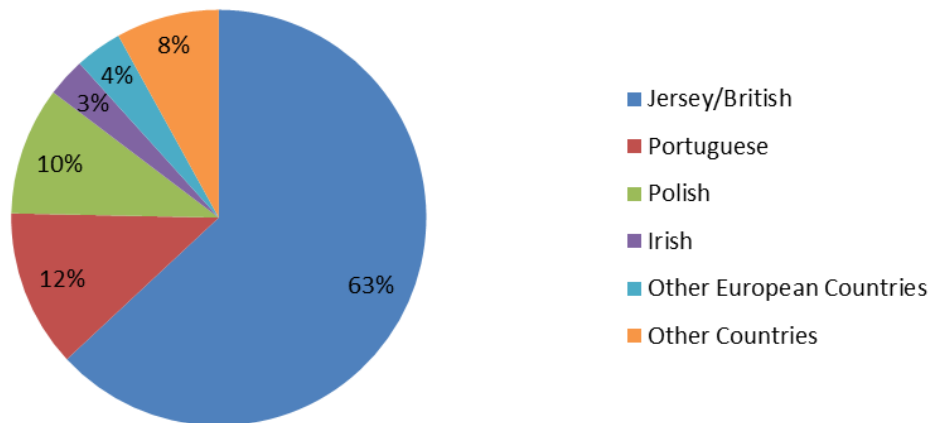


Figure 16: Maternity grants by nationality.

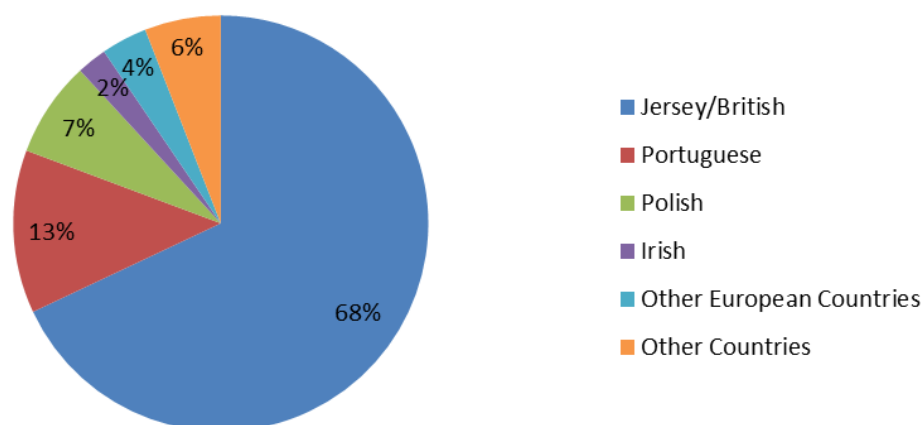


Figure 17: Nationality of age 18-50 population registered with the Social Security Department.

Just under two-thirds of parents receiving Maternity Grants have British nationality, with the remainder largely reflecting the nationalities of the local population aged 18-50. The average age of a woman in receipt of Maternity Benefit in 2014 was 32. Grants were paid in respect of 17 cases of twins born in 2015.

A weekly Maternity Allowance can also be payable to the mother. This can be paid for up to 18 weeks, at the same rate as STIA, but based on only the mother's contribution record before she became pregnant.

From 1 January 2015, women have had more flexibility in the timing of their Maternity Allowance claim. This is likely to explain the reduction in the number of claims made in the latter months of 2014. Between September and December 2014, there was on average for each month a 15% decrease in the number of claims for Maternity Allowance, and a 28% decrease in the number of claims for a Maternity Grant. This was followed by a significant increase in the number of Maternity Grant claims in January 2015, after the change in the rules.

Indicator	2011	2012	2013	2014	2015
No. of Maternity Allowance claims starting in the year	944	982	894	834	876
No. of Maternity Grant claims paid in the year	1,056	1,011	970	837	1,020
No of Births Recorded	1,102	1,123	1,017	985	997

Table 15: Maternity indicators, 2011 to 2015.

SSF – Home Carer’s Allowance (HCA)

At the beginning of 2013, the Home Carer’s Allowance replaced the Invalid Care Allowance tax funded benefit. The new benefit is similar to the old Invalid Care Allowance, and is in place to help people who give up employment to take on a caring commitment for a person who needs a high level of personal care.

To qualify for Home Carer’s Allowance claimants should be of working age, spend at least 35 hours each week caring and have earnings of no more than £146.77 per week. These requirements were also in place for the old benefit.

In the past people with an annual household income of £62,382 (2012 cap) or over could not claim Invalid Care Allowance. Now the household income cap has been removed. There is, however, a requirement for the carer to have a Social Security contribution record. The new benefit also requires that the “cared for” person has lived in Jersey for at least one year.

In 2015 there were 179 claimants, of which the majority were female, at a total cost of just under £1.9 million.

Gender	Claimants	Average age
Female	140	51
Male	39	56
Total	179	52

Table 16: Number of Home Carer’s Allowance claimants as at 31/12/2015 by gender and average age.

SSF – Insolvency Benefit

Insolvency Benefit was introduced on 1 December 2012 and provides financial assistance to employees who are made redundant due to the insolvency of their employer. This benefit replaced the temporary, tax funded, insolvency scheme originally introduced in 2009. The amount of benefit is calculated based on amounts owed to employees by the former employer in respect of the following four components:

1. Unpaid wages relating to the 12 months prior to employment ending.
2. Holiday pay relating to the 12 months prior to employment ending.
3. Statutory redundancy pay (one week’s capped pay for each year of service, subject to a minimum of two years’ service).
4. Pay in lieu of notice on termination of employment (up to 12 weeks’ pay).

The maximum amount of Insolvency Benefit is capped at £10,000 and the Social Security Fund will meet the person’s liability for Social Security contributions and income tax (ITIS) on those sums.

During 2015, there were 4 new claims from the former employees of 2 insolvent employers which resulted in payments of £16,000. The total expenditure shows a negative figure of -£26,000 as a result of carry-over from claims in 2014. This is a further reduction on the cost in 2014.

Section 4 – Health Insurance Fund Benefits (HIF)

The Health Insurance Fund provides benefits to local residents in respect of specific primary care costs. The full range of benefits and the cost of these benefits for 2015 are as follows:

Health Insurance Fund	2014 £000	2015 £000
Medical Benefit – GP consultations	7,108	7,298
Medical Benefit – GP letters of referral	835	0
Medical Benefit – pathology benefit	893	924
Jersey Quality Improvement Framework (JQIF)	-	1,583
Pharmaceutical Benefit - drug costs	12,449	13,478
Pharmaceutical Benefit - dispensing fees	6,413	6,688
Gluten-free Vouchers	279	329
Total benefit expenditure	27,977	30,300

Table 17: Health Insurance Fund benefit expenditure for 2014 and 2015.

	2014 £000	2015 £000
Primary Care Funding	6,000	6,000

In 2015 there was a £6,000,000 transfer from the Health Insurance Fund to Health and Social Services to fund primary care services provided by that Department.

HIF – Medical Benefits (GP Consultations)

A standard benefit is paid in respect of each GP consultation covered by the Health Insurance Fund. Throughout 2015 the value of the benefit was set at £20.28. The separate benefit, paid at the same rate, previously available in respect of the cost of a letter of referral written by a GP to a hospital consultant or other specialist, was withdrawn in line with the introduction of the JQIF contract payments.

	2011	2012	2013	2014	2015
No of GP consultations	363,089	363,601	351,099	349,102	355,497
Cost of Medical Benefits for GP consultations £000	6,885	7,226	7,211	7,108	7,298
No of Letters of Referral	48,684	51,206	37,198	41,908	0
Cost of Medical Benefits for letters of referral £000	907	1,000	747	835	0
Value of Medical Benefit as at 31 December £	19.59	20.28	20.28	20.28	20.28

Table 18: Volumes and costs of GP visits and consultations, 2011 to 2015.

HIF – Jersey Quality Improvement Framework (JQIF)

The Jersey Quality Improvement Framework (JQIF) was introduced in 2015 as an additional income stream for GP practices based on a standard contract aimed at encouraging high quality outcomes for patients. All GP surgeries participated and in 2015, the contract contained 34 clinical and organisational measures describing the standards and activities which GP surgeries should achieve. These included, for example, the creation of a register of patients with diabetes and measures regarding specific interventions for this condition. Payments were made to GP practices according to their level of activity against each measure totalling £1.6 million.

HIF – Pathology Laboratory Benefit

In January 2010 the Health and Social Services Department introduced a charge for analysing blood samples provided by GPs. A new benefit was set up within the Social Security Department, funded through the Health Insurance Fund, to ensure that this cost was not passed on to the patient. The benefit covers blood samples taken for haematology testing and for clinical chemistry testing and was introduced at a standard rate of £10 before being increased to £10.35 in June 2012, and has remained at that rate since.

	2011	2012	2013	2014	2015
No. of Pathology Laboratory benefit claims paid during year	80,075	84,562	88,763	86,250	89,308
Cost of Pathology Laboratory benefit claims paid during year £000 ⁹	801	860	919	893	924
Value of Pathology Laboratory benefit on 31 December £	10.00	10.35	10.35	10.35	10.35

Table 19: Number and cost of Pathology Laboratory benefit claims, 2011 to 2015.

HIF – Pharmaceutical Benefit

Pharmaceutical benefit covers the full cost of prescription drugs prescribed by GPs and includes a dispensing fee paid to community pharmacists, in respect of each item dispensed. The Minister for Social Security is responsible for maintaining the list of drugs that are available on prescription from GPs.

	2011	2012	2013	2014	2015
Total No. of items prescribed during year	1,707,644	1,784,798	1,846,713	1,871,770	1,936,690
Average cost of a prescribed item £	6.82	6.58	6.44	6.65	6.96
Total cost of prescribed items £000	11,640	11,742	11,901	12,449	13,478
Pharmacy dispensing fees £000	5,362	5,656	6,220	6,413	6,688
Total Cost £000	17,002	17,398	18,121	18,862	20,166

Table 20: Costs of Pharmaceutical Benefit, 2011 to 2015.

⁹ Pathology Laboratory benefit costs have been restated for years prior to 2015.

In 2015 there were more than 1.9 million prescriptions dispensed with a total drug cost of £13.5 million.

Since 2011 there has been a 13% increase in the number of items prescribed.

Figure 18 highlights the 13% increase in number of items prescribed since 2011:

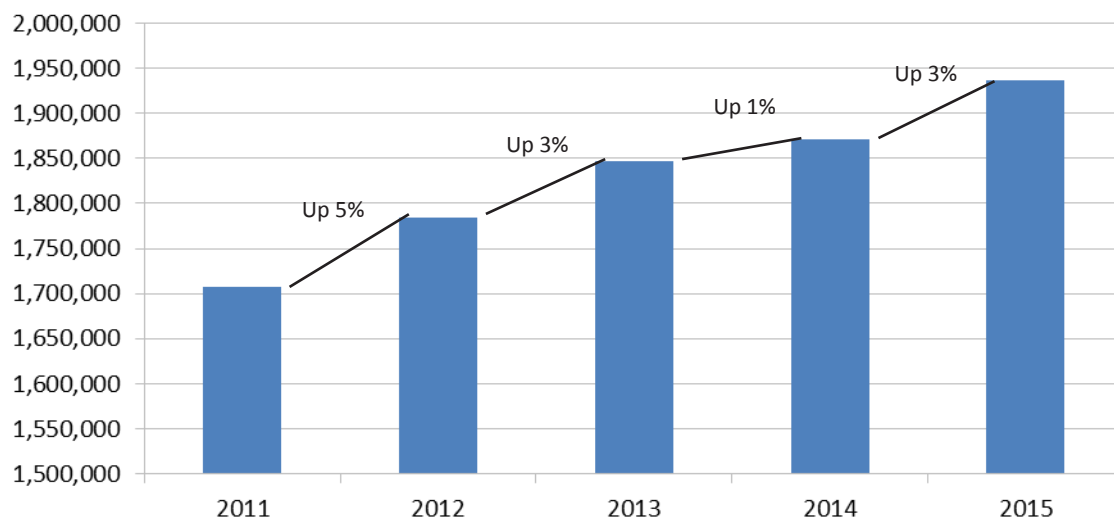


Figure 18: Annual pharmaceutical items prescribed, 2011 to 2015.

Types of Drugs Prescribed

Around 1 in 3 prescriptions dispensed in the community in Jersey in 2015 was for a medicine to treat heart (cardiovascular) disease (Figure 19). This group of medicines covers a wide range of conditions, including cholesterol lowering medicines, treatments for high blood pressure, and anticoagulants that thin the blood.

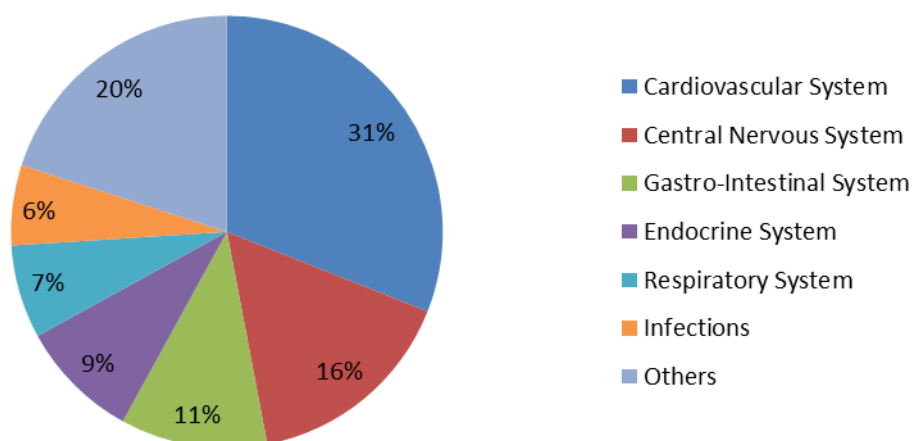


Figure 19: Volume of items prescribed by medicine category in 2015.

The total number of medicines dispensed increased by around 3% on the previous year. Since many medicines are taken to prevent illness and so need to be taken life-long, the number of people taking these medicines grows each year but growth in prescription numbers across many disease areas slowed down in 2015. For the second

year, the total number of prescriptions for an antibiotic fell highlighting the efforts of local doctors to limit their use of these important medicines in response to global concerns about antibiotic resistance. Also notable, is a 10% reduction since 2014 in the prescribing of sleeping tablets and related 'benzodiazepine' medicines in line with national and local guidance.

Drug type	Number of items prescribed	Change from 2014
Drugs to treat high blood pressure and heart failure (ACE inhibitors)	151,862	+1%
Statins and other drugs to reduce cholesterol	142,197	0%
Acid reducing medicines to treat stomach ulcers and acid reflux	138,776	+5%
Pain killers	101,364	0%
Antidepressant medicines	94,645	+4%
Antibiotics	90,360	-4%

Table 21: Top 6 drug type by number of items prescribed in 2015.

In contrast, Figure 20 highlights that as in previous years, medicines which act on the nervous system account for the largest proportion of medicine costs. This category covers a wide range of medicines, including painkillers, treatments for dementia, and sleeping tablets. The newer anticoagulants (drugs that thin the blood to prevent strokes) continue to grow in use and increase spending on prescription medicines. This range of new medicines, recommended by NICE, are increasingly used instead of warfarin. They don't need regular blood testing, unlike warfarin, but are much more expensive. Expenditure for statins continues to fall following the availability of generic atorvastatin, although the number of prescriptions dispensed for these medicines has stabilised.

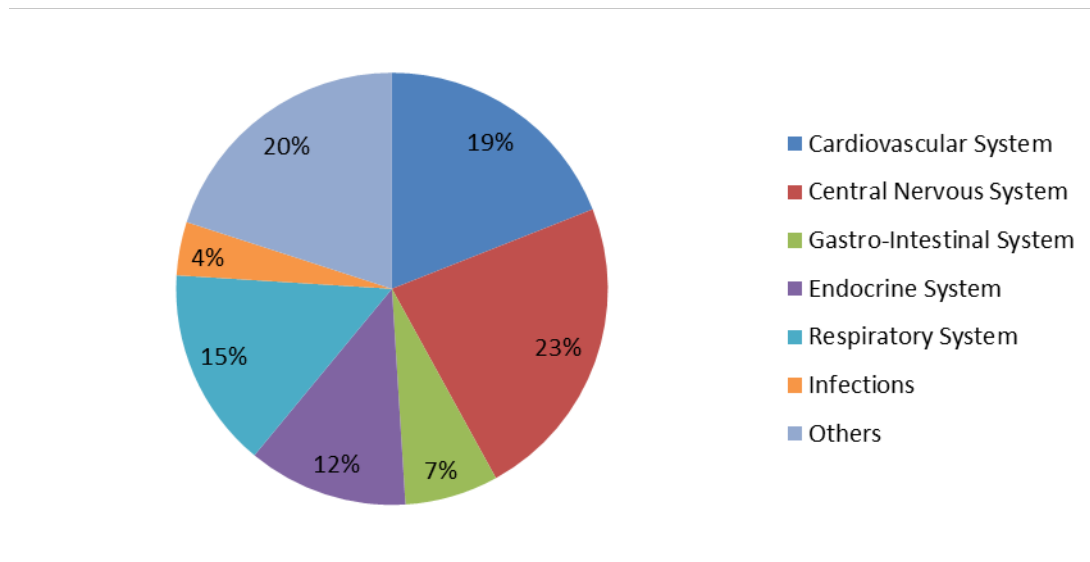


Figure 20: Cost of items prescribed by medicine category in 2015.

HIF – Gluten-free Scheme

Individuals who require a gluten-free diet can receive vouchers towards the cost of purchasing gluten-free products. The current value of the vouchers is £14 per beneficiary per week.

	2011	2012	2013	2014	2015
Number of gluten-free claimants	311	373	423	481	572
Cost of Gluten-free Vouchers £	185,212	221,831	256,615	278,516	328,967
Average cost per claimant £	596	595	607	579	575

Table 22: Gluten-free claimants and costs, 2011 to 2015, as at 31 December.

There has been a steady increase in both the number of beneficiaries and the cost of the vouchers.



Figure 21: Numbers of gluten-free claimants and costs, 2011 to 2015.

Section 5 – Long-Term Care Fund Benefits (LTCF)

A new long-term care fund was set up at the end of 2013. This ring-fenced fund is designed to collect long-term care contributions from tax payers and makes benefit payments to adults who have long-term care needs.

Initial funding was provided by the States to allow benefits to be paid from 1 July 2014 whilst collection of long-term care contributions started at the beginning of 2015. The long-term care scheme continues to be funded by an annual States grant and collection of contributions, which in 2015 were set at 0.5% of taxable income up to the Upper Earnings Limit. 2015 was the first complete year in which scheme was running. In total, £36m was paid out in long-term care benefit in 2015, which pro rata was an increase on the £16.9m paid out for the 6 months that the scheme was active in 2014.

Long-term care benefit

One of the key features of the LTC scheme is to protect households from the uncertainty associated with the risk of incurring catastrophic care costs. To this end, the long-term care benefit (a universal non-means-tested benefit) is payable once care costs reach a certain level – regardless of a household’s income and assets.

LTC benefit helps all households with their care costs once they have reached the standard care costs cap (£52,120 in 2015). The benefit is paid at 4 levels, depending on the type and level of care needed. The weekly rates from 1st July 2014 were set at:

Level of standard care	Weekly cost for standard care in a care home
1	£353.15
2	£539.07
3	£779.24
4	£979.86

Table 23: Long-term care standard care costs.

A single rate of £601.86 per week applies to a care package provided in a group home setting. The long-term-care benefit is also available to people receiving care in their own home. In this case, the benefit rate reflects the actual cost of care up to the standard care cost in a care home.

The universal LTC benefit does not cover the living costs of being in a care home. Support for care costs up to the standard care costs cap of £52,120 and living costs in a care home are provided through two other aspects of the long-term care scheme – long-term care support and long-term care property loans.

Long-term care support

Long-term care support (means-tested financial support) is available to households to help meet care costs and living costs in a care home, depending on the income and assets of the household.

LTC support is available to households whose income is not enough to meet these costs and whose total assets are below £419,000. LTC support helps towards standard care fees and towards the costs of living in a care home (£312.76 for board and lodging plus £34.09 personal allowance per week in 2015). People receiving care at home can claim long-term care support to help cover their care costs, if necessary, alongside an income support claim which helps with basic living costs.

Long-term care property loans

Another important driver for the introduction of the LTC scheme was to improve financial support for homeowners facing high care bills. Depending on income and assets, property loans are available to help cover care costs and living expenses. Loans are interest bearing and in 2015, interest was set to 1% per annum: 0.5% above the Bank of England base rate (which was steady at 0.5% per annum throughout 2015).

Demographics

As at 31st December 2015 1,123 individuals were being supported through the Long-Term Care Scheme. Figure 22 below demonstrates the demographic profile of those within the scheme; showing that overall there are almost twice as many women on the scheme as there are men, and that this proportion grows with older age.

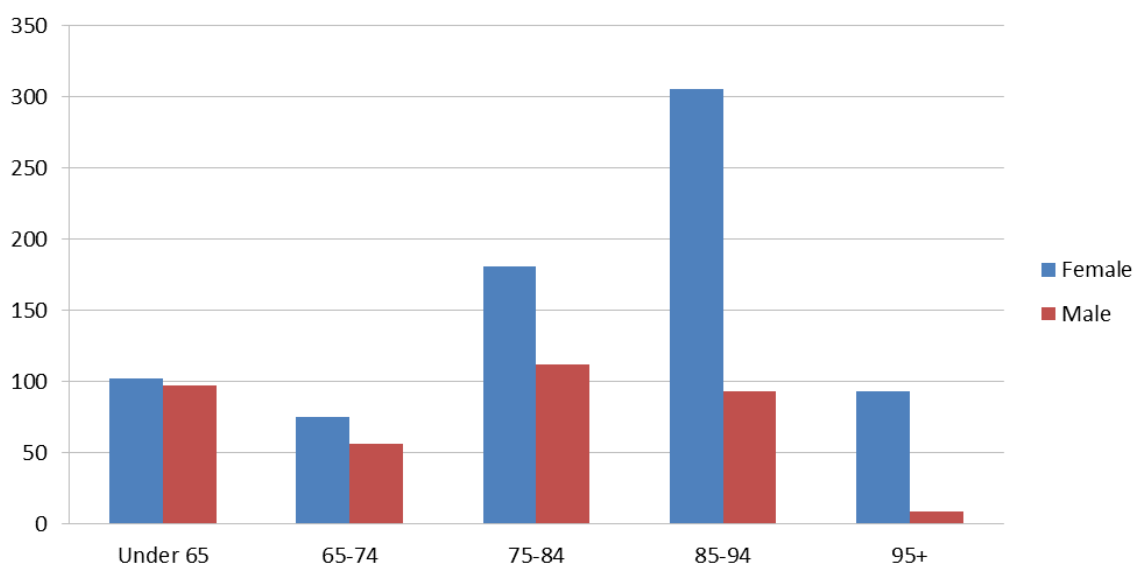


Figure 22: Long-term Care claimants 31 December 2015.

At the end of 2015 almost half (48%) of claimants were assessed at care levels 1 or 2. Figure 23 shows the distribution of claimants by care level.

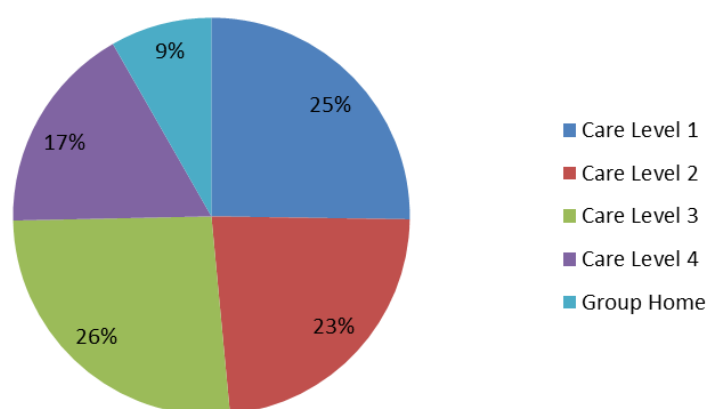


Figure 23: Care levels of long-term care claimants 31 December 2015.

Section 6 – Tax Funded Services and Benefits

The Department delivers a range of “tax-funded” benefits that are funded directly by the States of Jersey, shown in Table 24.

	2014	2015	
	£000	£000	
Benefits	Income Support: Weekly Benefit	73,844	73,024
	Income Support: Residential & Nursing Care Fees	8,865	(135)
	Income Support: Transition (Protected) Payments	421	344
	Income Support: Special Payments	1,570	1,196
	Income Support: Cold Weather Payments	417	398
	<i>Income Support: Total</i>	<i>85,117</i>	<i>74,827</i>
	Christmas Bonus	1,521	1,574
	Food Cost Bonus	307	302
	Cold Weather Bonus ¹⁰	132	218
	Jersey 65+ Health Scheme	250	252
	TV Licence Benefit	299	295
	Other Benefits (under £100,000 each)	213	175
	States Grant	Contribution to Supplementation – Social Security Fund	63,700
Contribution to Long-Term Care Fund		13,383	19,502
Total Benefits & Grants	164,921	162,446	

Table 24: Tax-funded benefit expenditure (excluding administration) for 2014 and 2015.

Tax Funded Services – Back to Work

Introduction

In late 2011, existing employment support teams were brought together to form the Back to Work programme. It was established to strengthen the government’s response to rising unemployment and complements our benefits system, which is designed to make work pay, and is a key part of government’s strategy of getting people back to work.

The aim of the Back to Work programme is to support people who are actively seeking work, and to help them back into paid employment.

Over the course of 2015, Back to Work has continued to enhance its existing provision in order to provide a swift and flexible response to the needs of both jobseekers and employers. Its role is to:

- Co-ordinate the work of all government employment schemes.
- Develop targeted schemes to support locally qualified jobseekers.
- Build a partnership with employers to provide sustainable job opportunities for locally qualified islanders.

¹⁰ An under-accrual towards the end of 2014 resulted in the 2014 amount being understated by £52,000 and the 2015 amount being overstated by £52,000.

Teams and Initiatives

The aim of every team and initiative within the Back to Work programme is to get unemployed Islanders working, keep people in work and create new employment opportunities through sustainable economic growth. Employers can benefit from an increase in support and financial incentives and jobseekers have access to training and support to improve their confidence, skills and motivation to move into the workplace.

In 2015 Back to Work built on its success in addressing core groups of unemployed islanders to expand its services to demographics who hadn't previously benefited from targeted support. Through changes to Income Support policy, special services were offered to parents of nursery-age children, and adults with low awards of long-term incapacity benefit (LTIA). In addition, services were expanded to groups of self-employed customers whose income is not sufficient for them to be considered 'full time employed equivalent'.

It is important to note that including these groups in the Actively Seeking Work figures for the first time added an extra 380 people to the ASW figures during 2015. Even with these extra groups included, there was an overall decrease in ASW numbers, ending the year at 1,390. This represents a real achievement for the specialist Back to Work teams, not least because some of their new customers had spent long periods away from the workplace. These developments enabled the team to trial innovative ways of supporting customers with specific needs.

It was encouraging to see that people in these groups were enthusiastic participants in training and work experience, and many of these were able to secure employment with help from their Back to Work advisors. This helps the individual by moving them towards financial independence away from the benefit system, but also demonstrates that Back to Work can deliver initiatives that match Jersey employers with local unemployed people.

The number of young people aged 16-24 who were registered as jobseekers fell from 350 to 150 during the year. This represented a great success for targeted Back to Work initiatives for this group, who are especially vulnerable at the start of their working lives.¹¹

During 2015 there was a re-organisation of Back to Work teams due to changing client needs and to streamline the provision of Back to Work Services. Back to Work now incorporates the following specialist teams:

- Advance to Work
- Advance Plus
- Ready for Work
- Work Zone
- Work Right (previously Workwise and Long Term Unemployed Unit)
- Foundations Programme
- Occupational Support Unit (created to supported those jobseekers currently unable to look for work due to serious personal circumstances)

In addition to these teams, Back to Work also includes:

- Back to Work Recruitment – (previously Employer Engagement Team) that provides employers with a tailored recruitment service and financial incentives to encourage businesses to employ unemployed islanders.

¹¹ Although a small number of this group were removed from the statistics when a policy change meant they were included in parental households who didn't qualify for Income Support, Back to Work continued to offer services to those young people and saw an impressive degree of voluntary engagement, with many job starts.

Advance to Work

Advance to Work helps young people looking for work make the transition between education and employment. It provides a programme of general and vocational training, personal advisor support and work experience with local employers. The team's target age group is 16 to 24.

Advance Plus

Advance Plus runs industry-specific schemes for motivated jobseekers aged 20 and over who are registered as actively seeking work. The team combines intensive training, a five-week unpaid work placement and advisor support to improve a jobseeker's opportunities for work.

Ready for Work

Ready for Work is the first point of contact for anybody registering as actively seeking work, and provides a referral service across Back to Work should a jobseeker require additional support. The Ready for Work service provides a range of jobseeking support as well as facilities to support jobseekers to find employment.

Work Zone

Work Zone team of Employment Advisors provide 1 - 1 support for work-ready clients through intensive job-seeking activities and training as well as supporting clients already working part time to find more work.

Work Right

The Work Right team offers support and advice on job-seeking to people who are long term unemployed or have barriers to employment. The team aims to bring their clients closer to finding suitable employment through training and individualised action plans.

Foundations

The Foundations programme was introduced in 2014. It is designed to support jobseekers who are furthest from employment by bringing them closer to, and back into employment. Foundations projects involve working on manual community benefit projects on various sites across Jersey. Work undertaken benefits the community, and is maintenance that would not otherwise have been undertaken with examples being improvements to Island Games sites, National Trust land and the Railway Walk. 2015 also saw Foundations add a small scanning project to its portfolio for jobseekers more suited to office based work.

Foundations provides workers with:

- Experience of work, to improve their general employability in areas such as attendance, positive attitude, teamwork and motivation to work.
- Construction-based skills that include painting and decoration, external maintenance works, and site maintenance.
- Office based skills that include computer and scanning machinery usage and experience with a range of IT packages and skills such as attention to detail.

Occupational Support Unit

The purpose of the Occupational Support Unit (OSU) is to support clients who are unable to engage with the other Back to Work employment provision, and may be deemed either currently or permanently to have significant barriers to employment for one or more reasons. The advisors on this team will support their clients through referrals to relevant supporting agencies, such as Drug & Alcohol or Mental Health Services, and work in partnership with Probation or other services where require.

Financial Incentives

A number of financial incentives are available to employers to support long term employed back into employment. These incentives are managed through Back to Work Recruitment. During 2015 the Employment Grant and Youth Incentive were reviewed and now a single Employment Incentive is provided.

- The Employment Incentive offers employers wage reimbursement for the first 6 months of employment, that is £6,570 (at minimum wage for 35 hours per week) for permanent contracts of employment for under 25s who have been registered as ASW for 6 months+ and jobseekers 25 years old and over who have been registered as ASW for 12 months+.
- The Hospitality Paid Training initiative provides a financial incentive to hospitality employers who recruit and train candidates with no experience in the industry, with their salaries being paid for the training period for up to eight weeks.
- The Construction Paid Training initiative, launched in August 2015, funds the wages and Social Security contributions for up to 12 weeks at minimum wage (up to a value of £3,466) for jobseekers with no experience in this industry.
- The JobsFest Employer Incentive enabled employers in all sectors to recruit an eligible jobseeker fully funded by Back to Work (wages for up to 35 hours per week and Social Security contributions) for the 8 week period 5th October to 29th November. The JobsFest initiative ties in with a typically quiet period of recruitment and is available to registered jobseekers who did not work during 2015. This gives employers the opportunity to employ a candidate with no financial commitment in the hope that they may then be in a position to offer them a longer term contract after the incentivised period.
- The Community Jobs Fund provides up to six months' wages for young or long-term jobseekers employed by a charity or organisation that can provide a role offering a clear, additional benefit to the community.

Actively Seeking Work: Statistics

We gather and maintain data on all individuals who are actively seeking work (ASW). This data is reported to the Statistics Unit on a monthly basis and is used to produce and publish an independent analysis.

This is illustrated in Figure 24 which shows the number of individuals actively seeking work from 2009 to 2015, with 1,390 people ASW in December 2015 compared to 1,440 in December 2014. In December 2015 a quarter of those registered as ASW are working part time, but required to find more hours under their Income Support requirements.

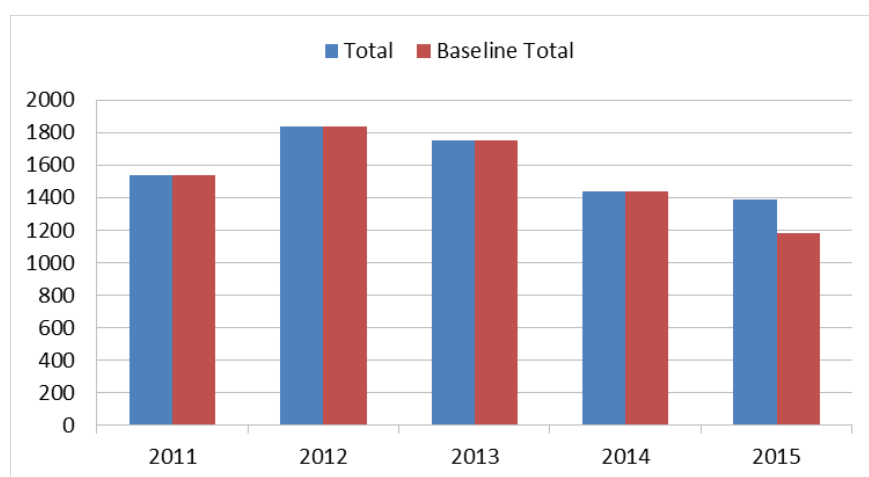


Figure 24: Number of individuals actively seeking work at 31 Dec, 2011 to 2015, including an estimate of the baseline total without additional ASW groups.

As previously noted, changes in ASW reporting throughout 2015 resulted in increases to the numbers of people recorded as ASW. These had the effect of including certain Income Support groups in the ASW figures for the first time. Despite this, Back to Work was still able to report a positive trend of decreasing numbers of people looking for work, particularly through the additional support services offered to these groups.

The Back to Work teams and initiatives helped unemployed people into 1,910 paid jobs over 2015, compared to 2,140 in 2014 and 1,818 in 2013 when unemployment levels were higher. There is no doubt that without the investment in Back to Work the numbers of those registered as seeking work would have been higher than those experienced.

Scheme	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total
WorkZone	171	228	170	157	726
Work Right	91	140	140	122	493
Advance to Work	84	64	73	95	316
Advance Plus	55	56	57	67	235
Ready for Work	14	33	41	24	112
Other BTW Initiatives	9	9	4	6	28
Total BTW	424	530	485	471	1,910

Table 25: Numbers of jobs started by customers of each scheme during 2015.

The vast majority (89%) of individuals helped back into work fell into one or more of three target categories:

- those on an Income Support claim as a jobseeker,
- those who are long-term unemployed (more than 52 weeks),
- those aged between 16 – 24.

Actively Seeking Work: Demographics of Individuals

There were 4,590 individuals who were actively seeking work at some point during 2015. The split between males and females was approximately 50%, with the largest group being represented by males aged between 16 and 19 (399, 9% of all registered as ASW at some point during the year).

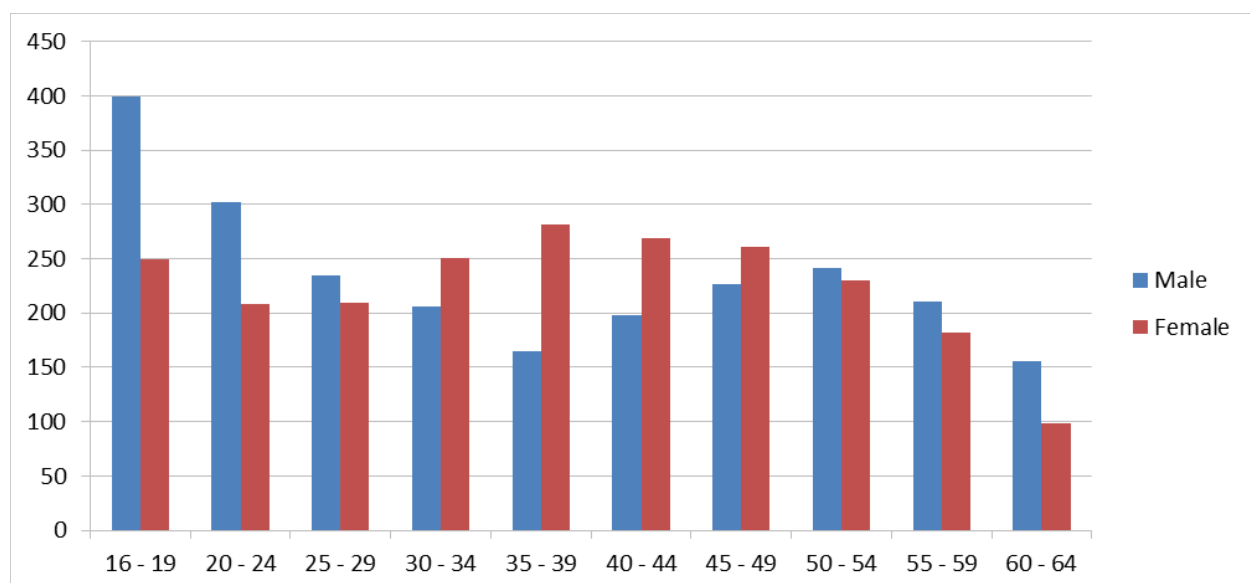


Figure 25: Gender and age bracket of individuals actively seeking work at some point in 2015.

More than three quarters of individuals registered as Actively Seeking Work were part of an Income Support household. This proportion increased by approximately 8% between the beginning and end of the year, in part because of the changes in ASW reporting and the new groups of Income Support claimants brought into Back to Work services. The proportion of individuals aged between 16 and 24 also decreased significantly, from 24% to 11% following the significant improvement in youth unemployment. Overall, the proportion of individuals who were long-term unemployed remained relatively constant during 2015.

	31 December 2014	31 December 2015
Total No. of individuals ASW	1,440	1,390
No. of individuals also on Income Support	1,070	1,140
% of individuals also on Income Support	74%	82%
No. of individuals long-term Unemployed	210	200
% of individuals long-term Unemployed	15%	14%
No. of individuals aged 16 - 24	350	150
% of individuals aged 16 - 24	24%	11%

Table 26: Numbers and proportions of the three target categories at the beginning and end of 2015.

Tax Funded Services – Jersey Employment Trust

The Jersey Employment Trust (JET) is a charitable trust and its primary role is to assist people with a disability and/or people with a long-term health condition to find and sustain employment. JET provides a range of employment support services, from pre-vocational education courses, work tasters in their own vocational training areas and work experience placements in other commercial settings. The trust helps people to find suitable employment opportunities and also provides on-the-job training and support.

The grant awarded to JET in 2015 was £1,842,700.

More information can be found on the JET website (<http://www.jet.co.je>).

Tax Funded Services – Jersey Advisory and Conciliation Service

The Jersey Advisory and Conciliation Service (JACS) is an employment relations service that helps employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees. JACS also helps explain the changes in employment and discrimination law that have been enacted and which are expected in the next few years.

The services provided by JACS seek to:

- Prevent and resolve employment disputes,
- Provide impartial information and advice to employers and employees on employment matters,
- Improve the understanding of employment relations.

The Social Security Department provides an annual grant to JACS in order to deliver their services, which in 2015 was £335,800. In addition, the Department provided a ring-fenced annual grant of £50,000 to JACS to enable it to provide an Outreach Advisory Service. The service provides proactive and in-house assistance to small employers (typically with 10 or fewer employees) at an early stage in order to help prevent employment related problems

arising in the first place, and to remove the perceived barriers to employing staff by ensuring that employers have an essential tool kit of employment documentation.

The Social Security Minister approves board members appointments.

More information can be found on the JACS website (<http://www.jacs.org.ie/>)

Tax Funded Services – Health and Safety Inspectorate

The Health and Safety Inspectorate carries out a wide range of actions aimed at ensuring that people at work and others who could be affected by working activities are not exposed to risks to their health or safety.

These actions, which are prioritised to address serious health and safety issues, include:

- Investigating work-related accidents and ill health which have resulted in death, serious injury or ill health.
- Inspecting high risk workplaces to gain compliance with Occupational Health and Safety (OHS) legislation.
- Providing advice and guidance to enable those seeking help to meet their duties under OHS legislation.
- Taking action on complaints about working conditions and activities within our stated complaints policy.
- Enforcing OHS legislation within the Inspectorate's stated enforcement policy.
- Collating and publishing statistical information on work related accidents and ill health.
- Carrying out targeted action in specific areas to seek improvements in the understanding and management of OHS.
- Supporting industry-led initiatives to improve OHS.
- Developing the legal framework for OHS to support the improvement of the control of risks in the workplace.

In 2015, the number of work-related accidents and incidents reported through claims made for Social Security benefit increased by 70 to 748, and the number of working days lost increased by 6,709 to 26,128 compared to 2014. A total of just over £736,257 was paid out in Short Term Incapacity Allowance as a result of these claims. During the year, the Inspectorate carried out 70 investigations into serious accidents and incidents, 241 proactive inspections of high risk workplaces and 119 enquiries as a result of the reports of defective equipment. There were no prosecutions under health and safety at work legislation heard in Court during 2015, however 28 enforcement notices, 17 immediate prohibition notice and 11 improvement notices were served by Inspectors.

The Health and Safety Inspectorate publishes an annual report which gives more detail on specific activities.

Tax Funded Benefits – Income Support

Introduction

With expenditure in 2015 of just under £75 million, the Income Support benefit is by far the largest tax-funded benefit that we provide. Within that total, support is provided to households and individuals in a variety of different circumstances. An analysis of the £74.8 million spent in 2015 is as follows:

Category	2014 £000	2015 £000
Income Support: Weekly Benefit	73,844	73,024
Income Support: Residential & Nursing Care Fees	8,865	(135)
Income Support: Transition (Protected) Payments	421	344
Income Support: Special Payments	1,570	1,196
Income Support: Cold Weather Payments	417	398
Total	85,117	74,827

Table 27: Categoricalised 2014 and 2015 Income Support benefit expenditure.

Most of the spending on Income Support is used to provide a weekly benefit to eligible local families. Funding is also available to help with one-off costs. Until the end of June 2014, Income Support also provided financial assistance to people living in care homes. From 1 July 2014 this was replaced by the new long-term care scheme.

Income Support: Weekly benefit

Income Support is a household benefit. The amount paid to an individual household depends on the number of people in the household, where they live, their specific needs, and the income and capital assets of the household.

Income Support is available to households in which at least one adult meets a residence test (of at least five years residence in Jersey). Income Support claimants aged 65 and above are not subject to a work test but every adult aged under 65 must meet a work test by either being in full time work or being included in an exempt category.

Who receives Income Support?

Income Support legislation includes specific rules as to who is included within an Income Support household. In general terms, an Income Support household comprises an adult claimant and, if applicable, their spouse, civil partner or other long-term partner and dependent children.

For Income Support purposes, children are defined as those aged below compulsory school leaving age.¹²

¹² Compulsory school leaving age. A child reaches compulsory school leaving age on 30 June in the academic year in which the child has their 16th birthday. The academic year runs from 1 September to 31 August. Most children will be 16 when they reach compulsory school leaving age, but those with birthdays in July or August will still be 15.

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are under 25 and actively seeking work (jobseeker) or in full-time education.¹³

There are additional rules in respect of young people with disabilities.

An extended family living together is considered as separate Income Support households. For example, a couple with two young children sharing accommodation with the wife's parents and the husband's brother and sister-in-law is treated as three separate households:

- The couple and their two dependent children.
- The wife's parents.
- The husband's brother and his wife.

Each household must satisfy the tests for Income Support separately.

At the end of December 2015, a total of 6,194 households were receiving Income Support. These households were made up of; 7,994 adults and 3,366 children.

For this report, these household claims have been split into four groups:

1. 65 years and above (**65+**): all households that include one or more adults aged 65 or above.
2. Working age adults with no dependent children (**adult/s without children**): one or more adults all aged below 65, with no dependent children.
3. 2 or more adults with dependent children (**adults with child/ren**): 2 or more adults aged below 65 with one or more dependent children.
4. Single adult with dependent children (**single adult with child/ren**): a single adult aged below 65 with one or more dependent children.

The distribution of adults and children amongst these household groups is as follows:

Household Type	No. of Claims	Total No. of Adults	Average (mean) No. of Adults per Claim	Total No. of Children	Average (mean) No. of Children per Claim
65+	1,776	2,143	1.2	6	0.0
Adult/s without children	2,387	2,786	1.2	-	-
Adults with child/ren	949	1,983	2.1	1,712	1.8
Single adult with child/ren	1,082	1,082	1.0	1,648	1.5
Total	6,194	7,994	1.3	3,366	0.5

Table 28: Number and average number of adults and children on Income Support claims as at 31 December 2015.

Over the previous five years, the distribution of household types across all Income Support claims has remained relatively stable, with a slight decrease in the proportion of adult claims without children. This has been caused in part by two changes in the Income Support rules which now include young jobseekers under the age of 25 in their parents' household. Until 2011, all jobseekers were treated as separate households, and from 2011 they were included in the parental household if aged under 19.

¹³ Changes to Income Support for 19 – 24 year-olds in July 2015 as part of the Medium Term Financial Plan meant that young jobseekers aged under 25 and living in the family home were no longer able to claim Income Support in their own right and were instead included in the parent's or guardian's household.

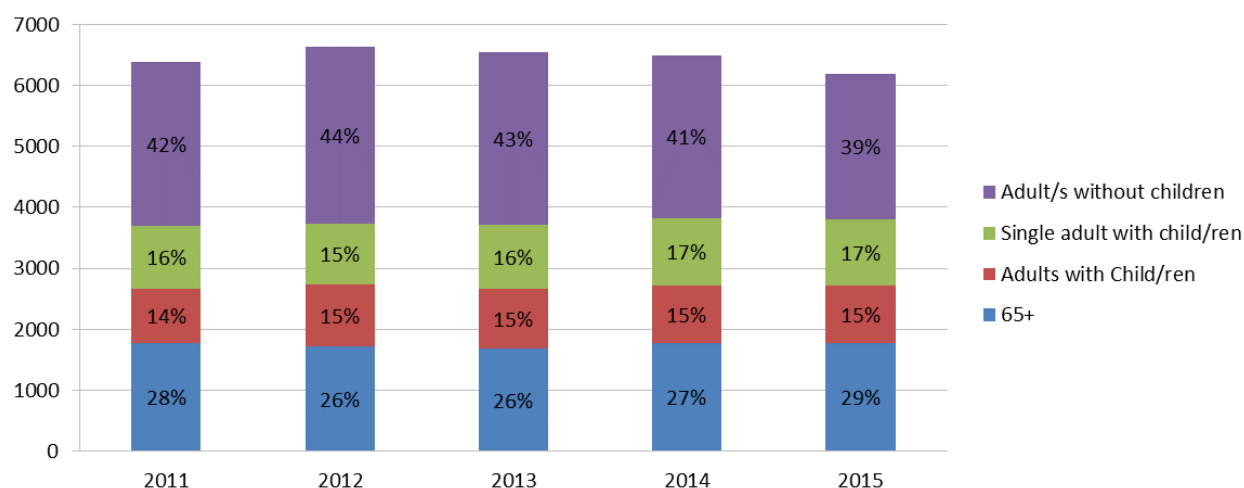


Figure 26: Distribution of income support claims by household type as at 31 December, 2011 to 2015.

Well over half of all Income Support households consist of a single adult without children: 2,051 adults aged up to 65 (33% of all claims), and 1,415 adults aged 65 and above (23% of all claims). Table 29 provides more detail:

Household Type	No. of claims that include:				Total
	1 Adult	2 Adults	3 Adults	4 or more Adults	
65+	1,415	356	4	1	1,776
Adult/s without children	2,051	280	50	6	2,387
Adults with child/ren	-	872	69	8	949
Single adult with child/ren	1,082	-	-	-	1,082
Total	4,548	1,508	123	15	6,194

Table 29: Number of claims by size and type of household as at 31 December 2015.

Table 30 details the number of children on Income Support claims, by household type:

Household Type	No. of claims that include:				Total
	1 Child	2 Children	3 Children	4 or more Children	
65+	4	1	-	-	5
Adults with child/ren	385	409	119	36	949
Single adult with child/ren	669	303	83	27	1,082
Total	1,058	713	202	63	2,036

Table 30: Number of claims that include children by size and household as at 31 December 2015.

52% of claims with children include just a single child.

There are 63 claims which include four or more children. This represents 3% of all claims including children, and 1% of all Income Support claims.

The proportion of Jersey or British people claiming Income Support matches the make-up of the Island’s population, however it must be noted that there are a number of other variables to be considered; the actual numbers in some of these groupings is small.

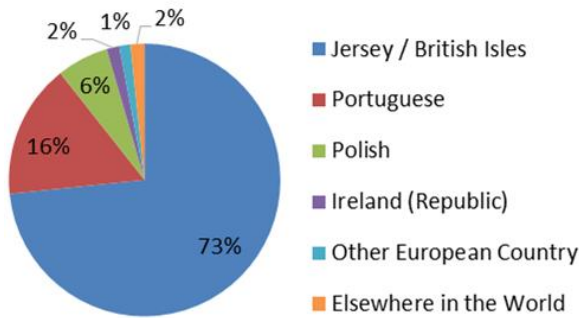


Figure 27: Nationality of working age (16-64) individuals on Income Support as at 31 December 2015.

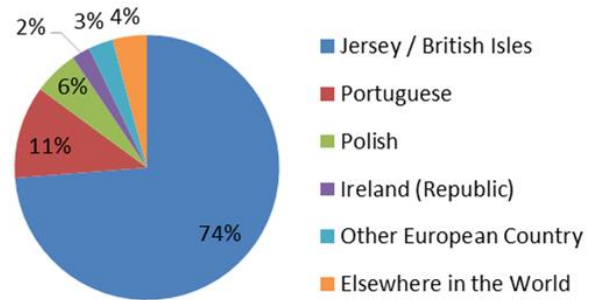


Figure 28: Nationality of working age (16-64) population registered with the Social Security Department as at 31 December 2015.

Overall Claim Rate

For the 6,194 Income Support claims in payment on 31 December 2015, the average (mean) weekly claim rate was £227, with a median value of £204 per week. The spread of Income Support weekly claim rates is shown below:

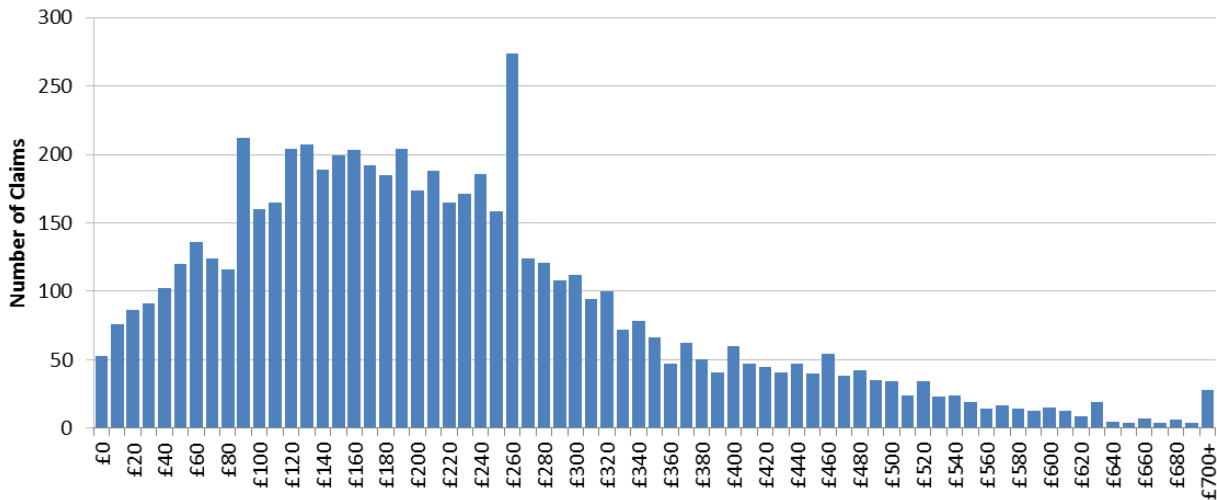


Figure 29: Weekly Income Support claim rate as at 31 December 2015 (rounded to the nearest £10).

- In previous years, there has been a spike at £90-£100 per week, which represented the rate paid to a single adult living in a relative’s home and was principally made up of unemployed claimants aged between 19 and 24 and living with their parents who were only able to claim the basic adult component of £92.12 per week. Following the changes to Income Support as part of the Medium Term Financial Plan, these individuals no longer qualify for Income Support in their own right, which has resulted in the disappearance of this spike.
- The spike at £250-£260 per week represents the most common rate paid to an unemployed single adult living in a one bedroom rented property.

At the end of 2015 there were 28 claims with a total weekly benefit above £700. These claims represent large households, many including a child or adult with a significant disability.

Total Household Income

Income Support tops up other household income. Many Income Support households receive income through earnings, pensions, other social security benefits, maintenance agreements and other income. 87% of Income Support households have some other form of income, with the remaining 781 (13%) of Income Support households being totally reliant on Income Support for their weekly income.

As household income from other sources increases, the Income Support benefit decreases until the family is fully self-sufficient. Depending on the source of income, a variety of incentives and allowances are provided to encourage Income Support families to support themselves as far as possible.

Table 31 indicates the average weekly income received from Income Support and from other sources for each of the household types at the end of 2015, as well as the percentages of the Income Support households that are wholly reliant on Income Support.

Household Type	Average Income Support Benefit £	Average Other Income £	Average Total Income £	Percentage of Households wholly reliant on Income Support
65+	£176	£223	£399	1%
Adult/s without children	£187	£161	£348	25%
Adults with child/ren	£279	£467	£746	2%
Single adult with child/ren	£353	£232	£585	14%
Total	£227	£238	£465	13%

Table 31: Total average (mean) weekly income based on claims as at 31 December 2015.

The previous five years have seen a significant decrease in the percentage of Income Support households that are wholly reliant the weekly benefit as their source of income. Table 32 shows that this trend can be seen across all household types.

Year	65+	Adult/s without children	Adults with child/ren	Single adult with child/ren	Total
2011	1%	34%	6%	20%	18%
2012	1%	34%	6%	17%	19%
2013	1%	32%	6%	17%	17%
2014	1%	29%	4%	17%	15%
2015	1%	25%	2%	14%	13%

Table 32: Percentage of Income Support households wholly reliant on Income Support by year and household type as at 31 December, 2011 to 2015.

Earnings

In 2015, Income Support households had total earnings of approximately £42.4 million. There is an earnings disregard of 23%¹⁴ (plus an additional 6% in respect of the cost of Social Security contributions) which is allowed against the Income Support calculation, providing a real incentive for low income families to take up and remain in work.

As at 31 December 2015, the distribution of adults with earnings amongst all claims consisting entirely of working age adults was as follows:

Working Age Household Type	No. of Claims with no Adult with Earnings	No. of Claims with at least one Adult with Earnings	Total No. of Claims	% of Households with no Adult with Earned Income
Adult/s without children	1,615	772	2,387	68%
Adults with child/ren	107	842	949	11%
Single adult with child/ren	450	632	1,082	42%
Total	2,172	2,246	4,418	49%

Table 33: Working age adults with and without earnings as at 31 December 2015.

Over the previous five years from 2011 to 2015, the percentage of working age households with no adults with earned income has decreased steadily from 60% to 49%. In addition, the percentage of children in workless households has decreased at a similar rate, as shown in Table 34.

Year	% of Working Age Households with No Earned Income	% of All Children in Working Age Households with No Earned Income
2011	60%	39%
2012	58%	35%
2013	55%	35%
2014	52%	32%
2015	49%	28%

Table 34: Percentage of children in households with no earned income as at 31 December, 2011 to 2015.

Pensions

The second largest source of income for Income Support households is pensions, worth a total of about £20 million in 2015. For pensioners aged 65 and above, a weekly allowance against pension income of £55.23 (first pensioner) and £35.77 (second pensioner) was provided as at 31 December 2015. These amounts are exempt from the Income Support calculation. For those aged below 65 and already receiving a pension, an allowance of 6% was provided. At the end of December 2015, 95% of the 65+ households receiving Income Support had pension income at or above the level of the allowance. The annualised average pension income of 65+ household has increased by 2% on average each year since 2011.

¹⁴ The earnings disregard increased from 20% to 23% on the 7th April 2014.

Household Type	Average Annual Pension Income £	No. of Claims that include Pension Income	% of all Households with Pension Income
65+	10,872	1,759	99%
Adult/s without children	6,109	149	6%
Adults with child/ren	4,322	13	1%
Single adult with child/ren	5,606	23	2%
Total	10,400	1,944	31%

Table 35: Average annual pension income in 2015 by household type as at 31 December 2015.

Interest and Investment Income

Actual income received from capital assets is not included in the Income Support calculation. This includes bank interest, share dividends and rental income. However, the value of capital assets themselves is taken into account to produce a 'deemed' income in some cases (see Capital Assets on page 62).

Maintenance Payments

Following the breakdown of a relationship, maintenance may be paid for a child or ex-partner. In particular, if parents do not live together, the "absent" parent is expected to contribute towards the maintenance of their children. An allowance of 10% is provided against maintenance income. Just under half of claims that include a single adult and dependent children receive maintenance as part of the household income.

Household Type	No. of Claims that include Maintenance Income	Annualised average of Maintenance Income per claim £	% of all Households receiving Maintenance Income
65+	10	3,112	1%
Adult/s without children	61	2,626	3%
Adults with child/ren	122	2,993	13%
Single adult with child/ren	537	2,781	50%
Total	730	2,808	12%

Table 36: Annualised average maintenance income by household type as at 31 December 2015.

Long-term Incapacity

Long-term incapacity allowance (LTIA) and invalidity benefit (INV) are contributory benefits for working age adults who have a loss of faculty. An allowance of 6% is provided against the value of these benefits in the Income Support calculation. An estimate of the total annual income received by Income Support households from these two contributory benefits is £8.5 million.

Household Type	No. of Claims that include INV / LTIA Income	Annualised average of INV / LTIA Income per claim £	% of IS Households receiving INV / LTIA Income
65+	70	5,485	4%
Adult/s without children	1,033	6,318	43%
Adults with child/ren	178	5,138	19%
Single adult with child/ren	137	4,626	13%
Total	1,418	5,966	23%

Table 37: Annualised average INV / LTIA income by household type as at 31 December 2015.

Other Income

Income Support households receive income from a variety of other sources, including Short Term Incapacity Allowance and income from lodgers. No allowance is provided against these types of income in the Income Support calculation.

An estimate of the total annual income received by Income Support households from other income is £2.7 million.

Charitable Income and Expense Payments

Income received from a charity and expenses paid in connection with voluntary work are not included in the Income Support calculation and do not affect the value of Income Support received.

Income by Household Type

Figure 30 – Figure 33 illustrate the relative weighting of different types of income on average, including Income Support, for each household type receiving Income Support as at 31 December 2015. Each figure identifies the value of income received by the household type, e.g. 52% of the total income received by 65+ households is in the form of pension income:

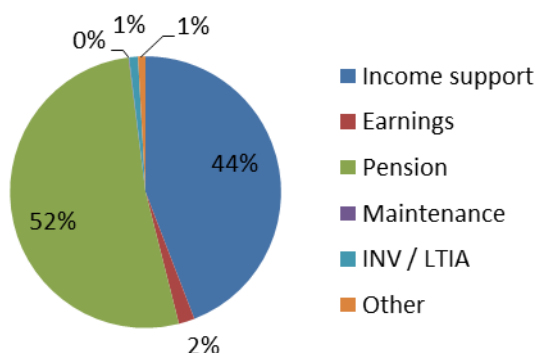


Figure 30: Type of income for 65+ Income Support households as at 31 December 2015.

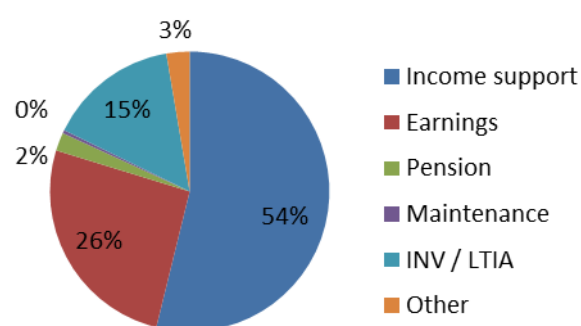


Figure 31: Type of income for 'adult/s without children' Income Support households as at 31 December 2015.

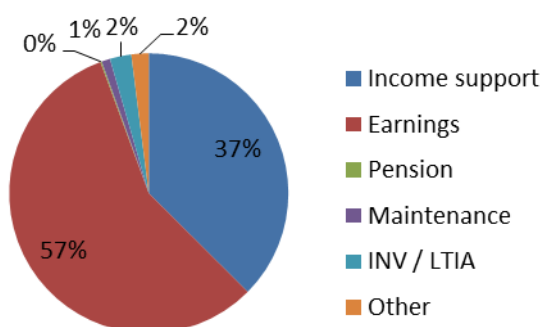


Figure 32: Type of income for 'adults with child/ren' Income Support households as at 31 December 2015.

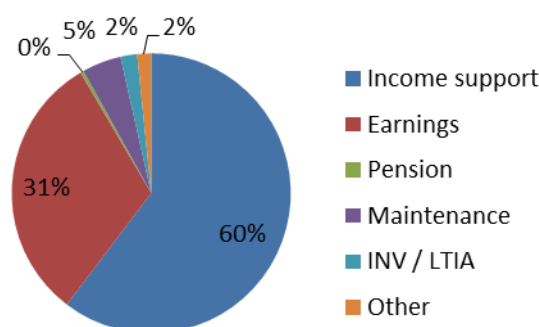


Figure 33: Type of income for 'single adult with child/ren' Income Support households as at 31 December 2015.

Households with no income other than Income Support

A minority of Income Support households do not have any other income. Typically, this could be due to unemployment, a single parent with a young child and no maintenance agreement in place, or an individual with a long-established medical condition who does not qualify for any contributory benefit.

Household Type	No. of Claims Showing no Income on 31 December 2015	% of all Claims of this type
65+	14	1%
Adult/s without children	596	25%
Adults with child/ren	23	2%
Single adult with child/ren	148	14%
Total	781	13%

Table 38: Income Support households with no other income as at 31 December 2015.

Capital Assets

If an Income Support claimant owns their own home, the value of the property is completely exempt from the Income Support calculation. Other capital assets such as deposit accounts, stocks and shares up to a certain level are exempt from Income Support calculations. These levels are shown in Table 39. Claimants with capital assets above these levels can still receive Income Support but at a lower rate. Benefit is withdrawn at the rate of £1 per week for every £250 of capital assets above the exemption limit. This is achieved by adding a 'deemed' income of this amount to the claim.

Type of Household	Capital Exemption Amount £
Single person - aged 65 or over	13,706
Single person - with personal care component	13,706
Single person - other	9,137
Couple - aged 65 or over	22,718
Couple - at least one with personal care component	22,718
Couple - other	15,145

Table 39: Capital exemption limits as at 31 December 2015.

Table 40 details the number of households that have capital assets either above or below the relevant exemption limit:

Household Type	No. of Claims with Assets below Capital Threshold	No. of Claims with Assets above Capital Threshold	Average Value of Excess Capital above Threshold £	% of all Claims of this type with Capital Assets above Threshold
65+	1,421	355	11,047	20%
Adult/s without children	2,280	107	9,617	4%
Adults with child/ren	909	40	12,178	4%
Single adult with child/ren	1,045	37	12,434	3%
Total	5,655	539	10,942	9%

Table 40: Capital assets by household type as at 31 December 2015.

Whilst 20% of 65+ households have some capital savings above the exemption limit, only 4% of other households have savings above these levels.

Components

Income Support is designed to offer financial support for different day-to-day basic living costs. The amount of Income Support that a household receives will depend on the composition of the household and their current circumstances, such as household income and savings, ages, living arrangements, and any medical condition or care needs of a member of the household. To provide support tailored to specific family circumstances, Income Support is made up of a number of separate components to cover basic living costs, accommodation, childcare, carer, medical and care costs.

Basic Components

Adult components

The value of the adult component at 31 December 2015 was £92.12 per week.

The adult component is available to each adult included on the claim who satisfies the five year residency condition. For Income Support purposes, an adult is someone aged above compulsory school leaving age. From 1 August 2012 new claimants who did not satisfy the residency condition no longer received the adult component. For existing claimants who did not satisfy the residency condition the adult component was no longer available after the end of 2012.

Young adults above compulsory school leaving age continue to be included within the household of their parents if they are:

- Under 25 and actively seeking work (jobseeker).
- Under 25 and in full-time education.

There are additional rules for young people with disabilities.

Lone parent component

As of 1 November 2015, the lone parent component is no longer available to new income support claims. For claims that were already receiving this component at that point, the value of the lone parent component at 31 December 2015 was £132.51 per week.

The lone parent component is available if there is a single adult on the claim and at least one child and these circumstances have not changed since 1 November 2015. In some circumstances the lone parent component is also paid if there is a second adult aged under 19 included on the claim. At the end of 2015 there were 164 claims in this category.¹⁵

Child component

The value of the child component at 31 December 2015 was £63.98 per week.

The child component is available for each child on the claim aged up to compulsory school leaving age.

As of 31 December 2015 there were 231 claims that included a child born in 2015.

Household component

The value of the household component at 31 December 2015 was £51.31 per week.

The household component reflects the fixed costs of a household, regardless of the number of people living together. These include some specific items such as household insurance and the cost of a TV licence, together with more general costs such as energy, household maintenance etc. It is not paid to individuals who live with another household (for example, a young unemployed adult aged 25 or above who remains living with his or her parents).

¹⁵ These claims are not included in the “single adult plus dependent children” (single adult with child/ren) category used throughout this report. If the household includes additional younger children, the claim will be identified in the ‘two or more adults with dependent children (adults with child/ren)’ category. Otherwise, the claims will be identified in the ‘Working age adults with no dependent children (adults without children)’ category.

Accommodation Components

Accommodation components are available to both tenants and owner occupiers. Since April 2014, the support provided for tenants reflects the policies approved by the States as part of the Housing Transformation programme. For private rented properties, maximum component levels are set for each size of unit and the component is only available up to this maximum level, regardless of the actual rent paid. If the rent paid is less than the maximum available, the component is set at the actual value of the rent. For social housing properties, the rent component reflects the actual rent paid in most cases. Owner occupiers have a smaller component available to assist with the cost of parish foncier (owner's) rates and building insurance. An accommodation component is not usually allocated to a claimant aged below 25. However, support is available in certain circumstances.

4% of Income Support claims were in respect of individuals living with other family members. These claimants do not receive accommodation or household components.

Table 41 shows the maximum weekly component available for each type of private dwelling as at 31 December 2015. Social housing rented property is paid according to the reasonable rent charge.

	Owner Occupier rate £	Private Tenant Maximum rate £
Hostel	N/A	95.13
Bedsit/Lodgings	6.02	125.30
One-bed flat	6.02	181.30
One-bed house	6.02	208.88
Two-bed flat	6.02	235.48
Two-bed house	8.54	273.56
Three-bed flat	8.54	242.20
Three-bed house	12.11	324.24
Four-bed flat	12.11	242.20
Four-bed house	12.11	341.25
Five or more-bed flat	12.11	242.20
Five-bed house	12.11	387.87
Six or more-bed house	12.11	387.87

Table 41: Weekly accommodation rates as at 31 December 2015.

Table 42 sets out the number of Income Support households by tenure and property type as at 31 December 2015.

	Owner Occupier	Andium Homes Rental	Housing Trust Rental	Private Rental	Other	Total
Hostel	0	0	0	0	72	72
Bedsit/Lodgings	0	197	20	330	106	653
One-bed flat	36	1,323	264	686	19	2,328
One-bed house	63	107	22	104	26	322
Two-bed flat	6	574	138	370	4	1,092
Two-bed house	37	264	62	231	5	599
3 or more-bed flat	4	31	18	25	0	78
Three-bed house	13	372	102	174	1	662
Four-bed house	7	46	9	23	0	85
5 or more-bed house	1	3	1	2	0	7
Other / None	0	0	0	2	294	296
Total	167	2,917	636	1,947	527	6,194

Table 42: Income Support claims by tenure and property types as at 31 December 2015.

At the end of 2015, over half of all Income Support households (57%) occupied an Andium Homes or Housing Trust rental property. 3% (167) of Income Support households were owner occupiers.

Medical Components

Income Support medical components are available to assist with costs as follows: personal care components (three levels) provide additional support for individuals who have difficulty undertaking basic daily activities; mobility components (two levels) provide support for those who have significant mobility problems outside the home; and clinical cost components (two levels) provide additional support for those who need a higher than average number of GP visits to monitor an ongoing medical condition. Individuals can be eligible for one or more components depending on their particular condition.

35% of claims (2,151 claims in total) had at least one medical component included as at 31 December 2015.

Table 43 shows the weekly value of these components at 31 December 2015:

Medical Components	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
Weekly value £	3.15	6.30	22.96	45.92	22.96	101.15	145.25

Table 43: Medical component weekly rate value as at 31 December 2015.

Table 44 shows the number of medical components included on claims as at 31 December 2015. Note that one claim may appear in more than one column.

Household Type	Clinical Cost (CC1)	Clinical Cost (CC2)	Mobility Non-Earner (MOB1)	Mobility Earner (MOB2)	Personal Care (PC1)	Personal Care (PC2)	Personal Care (PC3)
65+	407	513	520	3	235	185	152
Adult/s without children	328	385	366	12	197	147	171
Adults with child/ren	63	65	67	3	38	15	9
Single adult with child/ren	71	84	43	1	47	4	2
Total	869	1,047	996	19	517	351	334

Table 44: Medical components by household type as at 31 December 2015.

Carer's Component

The carer's component is available to the main carer of an individual who has a significant disability (i.e. meets the requirements for the highest level of personal care component: PC3). The carer's component can be claimed by a carer of any age, and at 31 December 2015 had a value of £46.97 per week. The cared for person does not need to be living in the same household as the carer. There were 156 Income Support claims which included a carer's component as at 31 December 2015.

Child Care Component

The child care component is available to assist with the cost of registered childcare to allow a parent to return to employment. Two hourly rates are available depending on the age of the child.

As at 31 December 2015 the rates were: up to £6.48 per hour for children under 3 and up to £5.06 per hour for children aged between 3 and 11.

At the end of 2015, there were 206 Income Support claims which included a total of 258 child care components.

Overall Cost of Components

As the value of Income Support paid to a particular household depends not only on the mix of components that it is entitled to, but also on the other income received by the household, it is not straightforward to report on the value of each component in the total expenditure for Income Support.

However, to enable an analysis of the total cost to be undertaken, a method of allocating costs within the various components has been developed. This method divides the actual Income Support benefit received by a household in proportion to the gross value of each of the components that the household is eligible for, to allocate a specific net value to each of the components.

Whereas most of the analysis provided in this report is based on a detailed analysis of the Income Support claims in payment on the last day of 2015, in order to compare the total spend in 2015 across the range of components, it is necessary to examine expenditure throughout the year. The mix of claims changes over time and the values of some components were increased during the year. The following analysis includes data taken from each month of the year to ensure that trends in the take-up of Income Support and rate changes during the year are represented, and provides approximate net values for the cost of each component group.

Household Type	Living £000	Accommodation £000	Other £000	Total £000
65+	7,285	6,826	1,829	15,940
Adult/s without children	11,119	9,619	2,328	23,067
Adults with child/ren	7,817	5,357	721	13,895
Single adult with child/ren	10,718	8,584	821	20,123
Total	36,939	30,386	5,700	73,024

Table 45: Analysis of net expenditure in 2015 by component and household type.

Throughout this section, components have been grouped as follows:

- Living: adult, child, lone parent and household components.
- Accommodation: all accommodation components (tenants and owner occupiers).
- Other: all medical components, carer, and childcare.

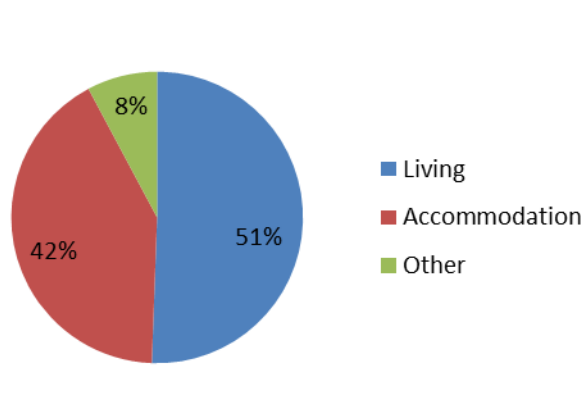


Figure 34: Distribution of 2015 net annual expenditure by component type.

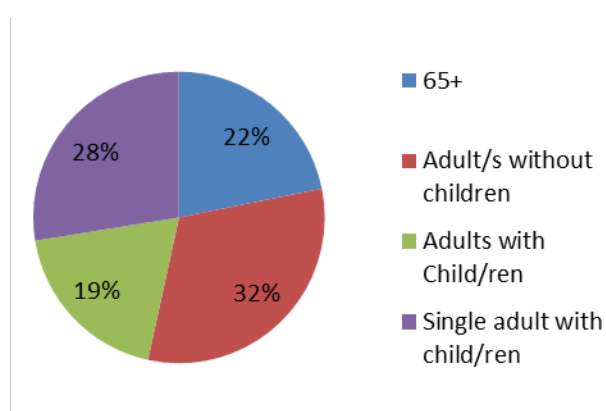


Figure 35: Distribution of 2015 net annual expenditure by household type.

More than 50% of the net expenditure on accommodation components for Income Support households related to accommodation rented out by Andium Homes. Table 45 shows that in terms of rental expenditure, the majority of pensioner Income Support households are accommodated in social housing versus rental accommodation in the private sector, however the split is much more even for households made up of multiple adults and at least one child.

£000	65+	Adult/s without children	Adults with child/ren	Single adult with child/ren	Total
Andium Homes	4,486	4,740	2,359	4,410	15,995
Other Trust Rental	806	878	705	1,010	3,399
Private Rental	1,284	3,475	2,253	3,106	10,117
Other	237	518	39	53	848
Owner Occupier	12	8	2	4	27
Total	6,826	9,619	5,357	8,584	30,386

Table 46: Distribution of accommodation net expenditure (£000), by household and tenure type, 2015.

Income Support: Transition (Protected) Payments

The total cost in 2015 of transition (protected) payments was £344,000, down from £421,000 in 2014. This includes legacy payments made to individuals who were receiving residential care prior to January 2008.

In addition, a small number of claimants continued to receive protected payments in respect of benefits that were replaced by Income Support in 2008. These payments are being phased out over a number of years and 2015 was the last year of this phasing.

The phasing depends on the type of claim as follows:

	Protection January to June 2015	Protection July to December 2015
Household includes adults previously receiving attendance allowance or adult disablement allowance or a child previously receiving child disability allowance	20%	0%
Household has high legacy entitlement ¹⁶	0%	0%
Household includes adults over 65 or individual previously receiving disability transport allowance	0%	0%
Other households	0%	0%

Table 47: Transition (protected) payment phasing.

Income Support: Special Payments

The weekly Income Support payments are designed to meet daily living costs. Income Support legislation also allows for larger one off costs to be met through special payment grants or loans. These cover a number of areas as shown in Table 48:

Description	No. of Payments as Grants	No. of Payments as Loans	Value £000
Essential household equipment	343	116	218
Rental deposit	5	267	325
Removal expenses	41	22	13
Medical expenses	1,567	177	550
Funerals	49	2	90
Total	2,005	584	1,196

Table 48: Special payments in 2015.

¹⁶ This group is made up of households in which the difference between the value of the previous benefits received and the Income Support payable on 28 January 2008 was more than 25% of the total of the calculated income of the household and their Income Support benefit on that day.

Income Support: Cold Weather Payments

Cold weather payments are made to selected Income Support households during the winter months. Cold weather payments are calculated for the months of October to April if the temperature drops below a certain level. Payments are made in arrears, i.e. October's payment is made in the first week of November.

The cold weather payment for a month is made to any household receiving Income Support that, for the whole of the month, includes one of the following:

- someone over 65 years old,
- a child under the age of 3, or
- someone receiving personal care level 3 component.

In 2015, the following cold weather payments were made:

	Jan	Feb	Mar	Apr	...	Oct	Nov	Dec	Total 2015 Value
Value £	51.29	56.29	39.55	6.85		0.00	0.00	9.79	163.71

Table 49: Monthly cold weather payment values in 2015.

In 2015, the total value of cold weather payments was £398,000 with an average (mean) of 2,432 households receiving a payment each month.

Income Support: Ministerial Exceptional Payments

The Income Support law provides a set of rules against which benefit decisions are made. Inevitably, from time to time an unusual situation will arise that is not covered by the standard rules and, in the event of an exceptional circumstance, the Minister has the power to make payments outside of the standard Income Support rules. Payments authorised under these powers in 2015 totalled £99,000; however, some payments may run across more than one calendar year. The cost of these payments is reported within the weekly Income Support costs.

Income Support: Child Personal Care Benefit

In September 2014 the States Assembly agreed to introduce a new benefit whereby parents of children who meet the requirements for the highest levels of the impairment award can receive a payment in respect of the child, **independent of parental income**.

This came into force for children with personal care level 3 awards on 17th September 2014 and was extended to children with personal care level 2 awards on 1st January 2015.

On 31st December 2015 there were 53 children with level 3 personal care needs receiving a child personal care benefit of £145.25 per week, and 32 children with level 2 personal care needs receiving a child personal care benefit of £101.15 per week, living in households that did not otherwise qualify for Income Support. A total of £505,000 was paid out in Child Personal Care Payments in 2015, up from the £85,000 that was paid out in 2014. This is due to 2015 being the first full year in which the benefit was active. This value is reflected as part of the total for Income Support: Weekly Benefit shown in Table 24.

Tax Funded Benefits – Christmas Bonus

The Christmas Bonus is a lump sum benefit of £84.87 (in 2015) that is paid to those who already receive certain benefits. It is paid by the 15 December to all local residents in receipt of:

- Old Age Pension,
- Widow's Benefit,*
- Widowed Father's Allowance,*
- Survivor's Benefit,
- Invalidity Benefit,*
- 100% Disablement Benefit,*
- 100% Long-term Incapacity Allowance,
- Incapacity Pension,
- Income Support - personal care level 2 or 3,
- Home Carer's Allowance

* No new claims can be made for these benefits but they are still available to existing claimants.

The total Christmas Bonus cost for 2015 was £1,574,000. The States Assembly agreed to annul the Christmas Bonus Law in October 2015 and the December payment was the final amount paid under this law. A replacement revised scheme providing for a targeted bonus will be debated by the States in September 2016.

Tax Funded Benefits – Food Costs Bonus

The States Assembly agreed a three year renewal of the Food Costs Bonus in June 2014. This Bonus is payable to any household that has an income too high to qualify for Income Support but too low to pay Income Tax. Only one Food Costs Bonus may be claimed per household and at least one member of the household must have been resident in Jersey for at least five years.

The Food Costs Bonus is an annual payment - £226.95 in 2015 - to help households with the cost of food and the Goods and Services Tax (GST) that is charged on food. In 2015, a total of 1,275 households received the Food Cost Bonus, of which 62 were for 2014, with a total payment for 2015 of £302,000.

Tax Funded Benefits – Cold Weather Bonus

The Cold Weather Bonus is based on the monthly Cold Weather Payments made to Income Support claimants - £163.71 in total for 2015. The Bonus extends eligibility to lower income households that do not pay tax and where at least one adult aged 65 years or over is receiving a Jersey old-age pension or has been living in Jersey for at least 10 years.

Using the same method as the Income Support Cold Weather Payment, the Bonus is designed to help pensioner households with the cost of heating during the winter months. The Bonus is paid in two instalments; once in May, for the months January to April, and then again in January, for the months of October to December.

In 2015, 1,095 households received a Bonus for the months January to April and 1,087 received a Bonus for the months October to December. The total amount paid in 2015 was £218,000.

Tax Funded Benefits – 65+ Health Scheme

The Jersey 65+ Health Scheme subsidises dental, optical and chiropody costs and is available to those pensioners who do not pay income tax and have relatively low savings; up to a maximum of £20,000 for singles, £30,000 for couples (excluding the value of the family home). In 2015 the Scheme provided the following benefits, to assist people aged over 65 with the cost of check-ups and treatments as follows:

Optical

- every 2 years, up to £15 towards an eye test.
- every 2 years, up to £90 towards new prescription spectacles, lenses or contact lenses.

Dental

- every year, up to £22 towards a dental check-up.
- every year, up to £250 towards dental treatments or dentures.

Chiropody

- every year, up to £90 towards the cost of chiropody treatment from a HCPC registered chiropodist.

As of 31st December 2015 there were 2,496 pensioners registered under the scheme. In 2015 there were 4,552 claims approved at a total cost of £252,000 exclusive of management fees.

Tax Funded Benefits – 75+ TV Licence Benefit

Those who are over 75 years old and have an annual income that is below £16,070 for single pensioners and £26,170 for pensioner couples, and fulfil certain other criteria, qualify for a payment equivalent to the cost of a full TV licence.

In 2015, nearly all the 2,001 people claiming the TV Licence Benefit received the full amount of £145.50 at a total cost of £295,000.

Tax Funded Benefits – other benefits

In 2015 there were five other benefits funded from taxation:

1. **The Jersey Dental Fitness Scheme** is available to help towards the cost of dental treatment for young people between the ages of 11 and 21 dependent on the existing health of their teeth and family income.
2. **Childcare Support** provides limited support with childcare costs for low income working parents whose children were born in Jersey but who do not qualify for Income Support on residency grounds.
3. **Housing Adaptation Grants** are made to assist those living in privately owned or rented accommodation to make adaptations to their property that will enable them to continue living independently at home where they have a particular clinical need, as assessed by the occupational therapy team.
4. **Non-Contributory Death Grants** are made where the deceased has not made sufficient contributions but was Jersey born and has been ordinarily resident in the Island for the 12 months prior to the date of his/her death; or if not Jersey born, have been ordinarily resident in the Island for a total period of at least 12 years at any time before death. Death Grants for those with sufficient contributions are funded from the Social Security Fund.
5. **Youth Incentive Payments** are for people aged 16 - 19 who successfully undertake work placements as part of their job seeking activities.

The table below shows the total value paid for each benefit in 2015 and 2014:

Benefit	2014	2015
	£000	£000
Dental Fitness Scheme	83	79
Childcare Support	39	26
Housing Adaptation Grants	21	36
Non-Contributory Death Grants	30	17
Youth Incentive Payments	40	17
Total	213	175

Table 50: Total value of other benefits administered using tax funding for 2014 and 2015.

Departmental Administration Costs

The following table shows all of the costs not displayed on the previous pages which contribute to the total gross expenditure of £470.5 million for 2015.

	2014	2015
	£000	£000
Income	(211)	(1,090)
Staff Costs	11,782	13,243
Non-Staff Costs	18,883 ¹⁷	19,417
Total Administration Costs	30,454	31,570

Table 51: Social Security Department administration costs, 2014 and 2015.

The increase in income and staff costs between 2014 and 2015 is mainly due to the fact that 2015 was the first full year in which the Affordable Housing Gateway and Population Office staff were part of the department.

¹⁷ An error was identified in the figure reported in the 2014 Annual Report, this has been corrected in the figures presented in this year's report.

Section 7 – Financial Statements

The Social Security Department’s accounts are published as part of the States of Jersey Financial Report and Accounts. The tables within this Financial Statements section are extracts from this report.

The full accounts can be found on the States of Jersey website:
(<http://www.gov.je/government/pages/statesreports.aspx?reportid=2108>)

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Social Security Fund : Statement of Comprehensive Net Expenditure for the year ended 31 December 2015

	Restated 2014 Actual £'000	2015 Actual £'000
Revenue		
Contributions	(162,125)	(169,659)
States Contribution	(63,700)	(65,300)
Sales of Goods and Services	(150)	(130)
Investment Income	(189)	(265)
Other Income	-	-
Total Revenue	(226,164)	(235,354)
Expenditure: Near Cash		
Social Benefit Payments	205,457	211,741
Supplies and Services	4,431	4,677
Administrative Expenditure	411	358
Premises and Maintenance	175	141
Other Operating Expenditure	-	(23)
Impairments of Financial Assets	885	540
Finance Costs	39	36
Total Expenditure: Near Cash	211,398	217,470
Net Revenue Income: Near Cash	(14,766)	(17,884)
Non Cash Amounts		
Depreciation and Amortisation	596	564
Total Non Cash Amounts	596	564
Net Revenue Income	(14,170)	(17,320)
Other Comprehensive Income		
Revaluation of Property, Plant and Equipment	-	(884)
Total Other Comprehensive Income	-	(884)
Total Comprehensive Income	(14,170)	(18,204)

Social Security Fund : Statement of Financial Position
for the year ended 31 December 2015

	Restated 2013 Actual £'000	Restated 2014 Actual £'000	2015 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	6,735	6,291	6,757
Intangible Assets	1,110	1,110	625
Total Non-Current Assets	7,845	7,401	7,382
Current Assets			
Trade and Other Receivables	38,683	39,007	41,223
Cash and Cash Equivalents	7,758	25,223	24,863
Balance due from the Consolidated and Other Funds	3,351	-	15,394
Total Current Assets	49,792	64,230	81,480
Total Assets	57,637	71,631	88,862
Current Liabilities			
Trade and Other Payables	(1,539)	(1,268)	(390)
Balance due to the Consolidated and Other Funds	-	(95)	-
Total Current Liabilities	(1,539)	(1,363)	(390)
Assets Less Liabilities	56,098	70,268	88,472
Taxpayer's Equity			
Accumulated Revenue Reserves	52,792	66,962	84,282
Revaluation Reserve	3,306	3,306	4,190
Total Taxpayer's Equity	56,098	70,268	88,472

Social Security (Reserve) Fund : Statement of Comprehensive Net Expenditure
for the year ended 31 December 2015

	2014 Actual £'000	2015 Actual £'000
Revenue		
Investment Income	(95,476)	(35,168)
Total Revenue	(95,476)	(35,168)
Expenditure: Near Cash		
Supplies and Services	-	-
Total Expenditure: Near Cash	-	-
Net Revenue Income	(95,476)	(35,168)

Social Security (Reserve) Fund : Statement of Financial Position
for the year ended 31 December 2015

	2012 Actual £'000	2013 Actual £'000	2014 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	1,157,731	1,253,208	1,288,372
Total Non-Current Assets	1,157,731	1,253,208	1,288,372
Current Assets			
Cash and Cash Equivalents	148	80	11
Total Current Assets	148	80	11
Total Assets	1,157,879	1,253,288	1,288,383
Current Liabilities			
Trade and Other Payables	(63)	(111)	-
Balance due to the Consolidated Fund	(122)	(8)	(45)
Total Current Liabilities	(185)	(119)	(45)
Assets Less Liabilities	1,157,694	1,253,169	1,288,338
Taxpayer's Equity			
Accumulated Revenue Reserves	1,157,694	1,253,169	1,288,338
Total Taxpayer's Equity	1,157,694	1,253,169	1,288,338

Health Insurance Fund : Statement of Comprehensive Net Expenditure for the year ended 31 December 2015

	Restated 2014 Actual £'000	2015 Actual £'000
Revenue		
Contributions	(29,628)	(31,130)
Sales of Goods and Services	(138)	(244)
Investment Income	(5,776)	(1,175)
Other Income	(55)	(71)
Total Revenue	(35,597)	(32,620)
Expenditure: Near Cash		
Social Benefit Payments	27,977	28,717
Supplies and Services	1,844	3,596
Administrative Expenditure	183	129
Premises and Maintenance	17	17
Other Operating Expenditure	6,000	6,000
Impairments of Financial Assets	169	97
Total Expenditure: Near Cash	36,190	38,556
Net Revenue Income	593	5,936

Health Insurance Fund : Statement of Financial Position

for the year ended 31 December 2015

	Restated 2013 Actual £'000	Restated 2014 Actual £'000	2015 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	-	-	-
Investments held at Fair Value through Profit or Loss	78,739	78,514	73,689
Total Non-Current Assets	78,739	78,514	73,689
Current Assets			
Trade and Other Receivables	5,281	5,805	5,952
Cash and Cash Equivalents	1	1	-
Balance due from Consolidated and Other Funds	193	-	-
Total Current Assets	5,475	5,806	5,952
Total Assets	84,214	84,320	79,641
Current Liabilities			
Trade and Other Payables	(1,989)	(1,975)	(2,396)
Balance due to the Consolidated and Other Funds	-	(728)	(1,565)
Total Current Liabilities	(1,989)	(2,703)	(3,961)
Assets Less Liabilities	82,225	81,617	75,680
Taxpayer's Equity			
Accumulated Revenue Reserves	82,225	81,617	75,680
Total Taxpayer's Equity	82,225	81,617	75,680

Long-term Care Fund : Statement of Comprehensive Net Expenditure for the year ended 31 December 2015

	2014 Actual £'000	2015 Actual £'000
Revenue		
Long-Term Care Charge	-	(8,443)
States Contribution	(18,155)	(27,981)
Investment Income	(77)	(111)
Total Revenue	(18,232)	(36,535)
Expenditure: Near Cash		
Social Benefit Payments	16,899	35,993
Supplies and Services	1,220	1,660
Administrative Expenditure	23	13
Premises and Maintenance	8	6
Other Operating Expenditure	-	(538)
Total Expenditure: Near Cash	18,150	37,134
Net Revenue Income	(82)	599

Long-term Care Fund : Statement of Financial Position
for the year ended 31 December 2015

	2013 Actual £'000	2014 Actual £'000	2015 Actual £'000
Non-Current Assets			
Trade and Other Receivables	-	-	658
Total Non-Current Assets	-	-	658
Current Assets			
Non-Current Assets classified as held for sale	-	-	-
Trade and Other Receivables	-	4,558	8,759
Cash and Cash Equivalents	11,701	10,463	22,939
Total Non-Current Assets	11,701	15,021	31,698
Total Assets	11,701	15,021	32,356
Current Liabilities			
Trade and Other Payables	-	(1,785)	(1,414)
Balance due to the Consolidated and Other Funds	-	(1,453)	(19,757)
Total Current Liabilities	-	(3,238)	(21,171)
Assets Less Liabilities	11,701	11,783	11,185
Taxpayer's Equity			
Accumulated Revenue Reserves	11,701	11,783	11,185
Total Revenue Reserves	11,701	11,783	11,185

Tax Funded Benefits and Services: Net Revenue Expenditure – Service Analysis for the year ended 31 December 2015

2015 MTFP (Updated) £'000	2015 Final Approved Budget £'000		2014 Actual £'000	2015 Actual £'000
65,300	65,300	States Grant to Social Security Fund	63,700	65,300
18,084	18,102	States Grant to Long-term Care Fund	13,383	19,502
		Income Support		
82,676	80,975	Weekly Benefit	73,844	73,024
1,505	1,505	Special Payments	1,570	1,196
2,009	2,009	Residential Care	8,865	(135)
725	725	Cold Weather Payments	417	398
533	533	Transitional Relief	421	344
87,448	85,747	Income Support	85,117	74,827
		Other Benefits		
1,542	1,542	Christmas Bonus	1,521	1,574
453	453	Food Cost Bonus	307	302
392	392	Cold Weather Bonus	132	218
345	345	Jersey 65+ Health Plan	304	308
264	264	TV Licence Benefit	299	295
20	20	Non Contributory Death Grant	30	17
56	56	Home Adaptation Grants	21	36
56	56	Child Care Support	39	26
107	107	Dental Fitness Scheme	122	117
3,235	3,235	Other Benefits	2,775	2,893
1,062	1,062	Contingency	-	-
12,499	13,314	Staff and Administration	11,525	11,321
553	553	Health and Safety at Work	531	456
2,282	2,282	Grant Aided Bodies	2,347	2,307
190,463	189,595	Net Revenue Expenditure	179,378	176,606

Tax Funded Benefits and Services: Statement of Comprehensive Net Expenditure for the year ended 31 December 2015

2015 MTFP £'000	2015 Final Approved Budget £'000		2014 Actual £'000	2015 Actual £'000
		Revenue		
-	(877)	Duties, Fees, Fines and Penalties	-	(821)
(3,938)	(3,962)	Sales of Goods and Services	(3,895)	(4,364)
(3,938)	(4,839)	Total Revenue	(3,895)	(5,185)
		Expenditure: Near Cash		
174,067	172,384	Social Benefit Payments	164,921	162,446
11,847	13,151	Staff Expenditure	11,782	13,243
1,684	1,691	Supplies and Services	2,078	2,124
191	224	Administrative Expenditure	241	252
125	211	Premises and Maintenance	302	395
215	215	Other Operating Expenditure	307	79
5,531	5,486	Grants and Subsidies Payments	3,641	3,240
-	-	Impairments of Financial Assets	(9)	(96)
10	10	Finance Costs	10	108
1,062	1,062	Contingency	-	-
(331)	-	Reduction in funding for 2% savings	-	-
194,401	194,434	Total Expenditure: Near Cash	183,273	181,791
190,463	189,595	Net Revenue Expenditure: Near Cash	179,378	176,606
		Non Cash Amounts		
-	-	Depreciation and Amortisation	-	187
-	-	Total Non Cash Amounts	-	187
190,463	189,595	Net Revenue Expenditure	179,378	176,793

Tax Funded Benefits and Services: Statement of Financial Position
for the year ended 31 December 2015

	2013 Actual £'000	2014 Actual £'000	2015 Actual £'000
Non-Current Assets			
Intangible Assets	-	-	547
Trade and Other receivables			2,881
Total Non-Current Assets	-	-	3,428
Current Assets			
Trade and Other receivables	9,144	8,592	7,743
Total Current Assets	9,144	8,592	7,743
Total Assets	9,144	8,592	11,171
Current Liabilities			
Trade and Other Payables	(1,106)	(736)	(2,385)
Total Current Liabilities	(1,106)	(736)	(2,385)
Assets Less Liabilities	8,038	7,856	8,786
Taxpayer's Equity			
Accumulated Revenue Reserves	8,038	7,856	8,786
Total Taxpayer's Equity	8,038	7,856	8,786

Appendix: Summary of legislation approved or amended in 2015

Ref.	Link	Notes	Made/approved	Coming into force
L-02-2016	EMPLOYMENT (AMENDMENT NO.9) (JERSEY) LAW 2016	Clarifies the procedure for the making of appeals to the Royal Court against decisions of the Jersey Employment and Discrimination Tribunal.	01 December 2015	20 February 2016
L-14-2015	INCOME SUPPORT (AMENDMENT) (JERSEY) LAW 2015	Creates a provision to allow a range of childcare options and allows working parents with a young child to undertake arrangements where they work part-time in order to share care of a young child.	23 June 2015	16 October 2015
L-16-2015	CHRISTMAS BONUS (REPEAL) (JERSEY) LAW 2015	Repeal of the Christmas Bonus (Jersey) Law 2011 after the 2015 payment.	08 October 2015	18 December 2015
R&O-021-2015	EMPLOYMENT (AMENDMENT No. 8) (JERSEY) LAW 2014 (APPOINTED DAY) ACT 2015	Brings into force family-friendly rights for employees on 1 September 2015 (and other minor unrelated changes to the Law on 1 April 2015 - Articles 1, 2, 7, 8, 9, 11 and 12).	24 February 2015	24 February 2015
R&O-024-2015	SOCIAL SECURITY, HEALTH INSURANCE AND INCOME SUPPORT (MISCELLANEOUS PROVISIONS) (JERSEY) ORDER 2015	Makes amendments to Orders addressing the establishment of the Social Security Medical Appeals Tribunal and aligning provision regarding appeals to the Royal Court with regard to the Income Support Medical Appeals Tribunal and the Social Security Tribunal.	05 March 2015	06 March 2015
R&O-052-2015	SOCIAL SECURITY (RECIPROCAL AGREEMENT WITH CHILE) (JERSEY) ACT 2015	Extends certain aspects of the reciprocal agreement between Chile and the UK to Jersey	12 May 2015	01 June 2015
R&O-061-2015	DISCRIMINATION (SEX AND RELATED CHARACTERISTICS) (JERSEY) REGULATIONS 2015	Introduces characteristics to be protected against discrimination – sex, sexual orientation, gender reassignment and pregnancy and maternity.	02 June 2015	01 September 2015

R&O-062-2015	EMPLOYMENT (AMENDMENT OF LAW) (JERSEY) REGULATIONS 2015	Removes the 8 hour threshold for an employee to work (or be contracted to work) in order to have the right to written terms of employment, a minimum period of notice on termination of employment and protection against unfair dismissal.	02 June 2015	01 September 2015
R&O-073-2015	INCOME SUPPORT (AMENDMENT OF LAW NO. 2) (JERSEY) REGULATIONS 2015	Adjusts the point at which a parent responsible for the care of a young child is required to be a person actively seeking work. This shifts from the child's fifth birthday to the 1 st September (i.e. the start of the school year) of the year in which the child is eligible for a nursery place provided by the Education Department.	23 June 2015	01 September 2015
R&O-074-2015	INCOME SUPPORT (AMENDMENT NO. 13) (JERSEY) REGULATIONS 2015	Increases the standard hourly rate at which child day care is paid through Income Support and the level of the accommodation component for hostels. Makes a number of minor amendments to job seeking sanctions, carer's component and impairment statements.	23 June 2015	3 August 2015 - Regulations 3 and 5; 30 June 2016 - remainder
R&O-085-2015	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 17) (JERSEY) ORDER 2015	To include jobseekers aged 19-24 in the parental household for Income Support purposes. This is in line with the existing treatment of students of the same age.	17 July 2015	20 July 2015
R&O-092-2015	SOCIAL SECURITY (MISCELLANEOUS PROVISIONS NO. 5) (JERSEY) ORDER 2015	Changes the date at which a parent (or other full time carer) ceases to be eligible for Home Responsibility Protection credits. Now synchronised with 1 September in the year that the child begins compulsory schooling, rather than child's fifth birthday.	31 July 2015	01 September 2015

R&O-119-2015	INCOME SUPPORT (MISCELLANEOUS PROVISIONS NO. 2) (JERSEY) REGULATIONS 2015	In line with changes agreed as part of the MTFP: 1) provides the ability to set different rates for the first child compared to the second or subsequent child in a household; 2) removes the lone parent component for new claimants and phases out the additional lone-parent component for existing claimants over a three year period and 3) reflects the change in status of job seekers under 25 still living at home in their parent's Income Support claim.	08 October 2015	01 November 2015
R&O-120-2015	SOCIAL SECURITY (AMENDMENT OF LAW NO. 9) (JERSEY) REGULATIONS 2015	Reduces the level of funding provided to the Social Security Fund by amending the formula used to set the States Grant and fixing it at £65.3 million (the 2015 level) for 2016, 2017, 2018 and 2019.	08 October 2015	15 October 2015
R&O-121-2015	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 18) (JERSEY) ORDER 2015	Makes changes to the amount that is to be disregarded when calculating a household's income for the purpose of assessing entitlement to Income Support. Increases disregard against maintenance income. Removes disregard against income from selected contributory benefits and pension income received by adults aged under 65. Changes the way disregards are made against pension income.	09 October 2015	01 January 2016
R&O-125-2015	EMPLOYMENT (MINIMUM WAGE) (AMENDMENT NO. 9) (JERSEY) ORDER 2015	Increases the minimum wage and trainee rates	20 October 2015	01 April 2016

R&O-150-2015	EMPLOYMENT (MINIMUM WAGE) (AMENDMENT No. 12) (JERSEY) REGULATIONS 2015	Increases the maximum amounts that may be counted towards minimum wage or trainee rate pay where an employer provides living accommodation, or living accommodation with food, to an employee	01 December 2015	01 April 2016
R&O-157-2015	SOCIAL SECURITY (AMENDMENT OF LAW NO. 10) (JERSEY) REGULATIONS 2015	Minor amendments to the Social Security Law and the Income Tax Law to clarify the manner in which LTC contributions are collected and LTC effective rates are calculated.	06 December 2015	17 December 2015
R&O-162-2015	INCOME SUPPORT (GENERAL PROVISIONS) (AMENDMENT NO. 19) (JERSEY) ORDER 2015	Follows on from Amendment No 18 and clarifies the treatment of pension income for the partner of a pensioner who reaches pension age from 1 January 2016.	18 December 2015	1 January 2016 - Regulation 1; 19 December - remainder
R&O-163-2015	LONG-TERM CARE (BENEFITS) (AMENDMENT NO. 2) (JERSEY) ORDER 2015	Increases the daily rate for each benefit and care cost cap in line with the increase in average earnings for 2015.	18 December 2015	01 January 2016

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