



Social Security Department 2016 Business Plan

Introduction

This document summarises the Social Security Business Plan for 2016.

The information has been set out in the following sections:

- A description of how the SSD Business Plan fits within the context of the States of Guernsey and the common format that the plan has adopted.
- Our Values. This section confirms the way we are committed to working
- Review of 2015:
 - Events and achievements against 2015 goals
 - Inter-Departmental projects and collaborations
 - Customer numbers and trends
- 2016 Goals and targets. These describe the on-going operational targets and the key projects that we will be progressing and contributing to. One of these key projects in 2016 will be the committee restructure which comes into effect at the same time as the new term of Government in May 2016.
- 2016 Budget:
 - Total Budget summary and where money is used
 - Key assumptions used when the budget was compiled in Q2 2015
- Risks and Sensitivities. These highlight some of the major areas that may impact upon our goals.

We would be very grateful for your feedback on this document, which you can submit using the enquiry email address.

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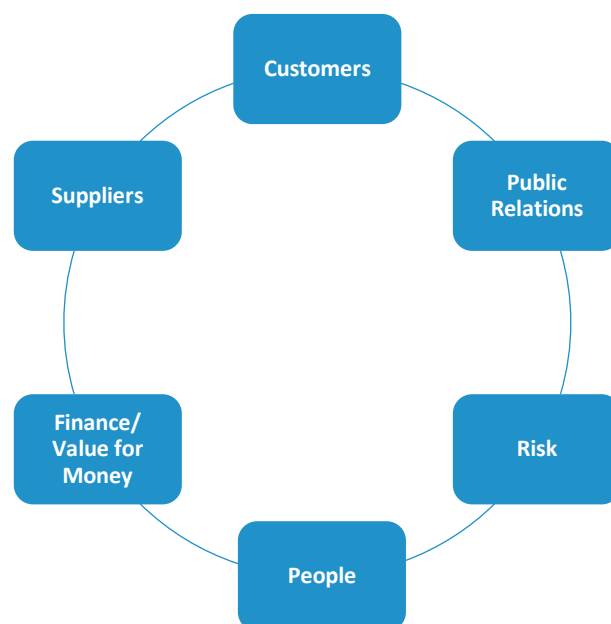
Social Security Department 2016

Business Plan

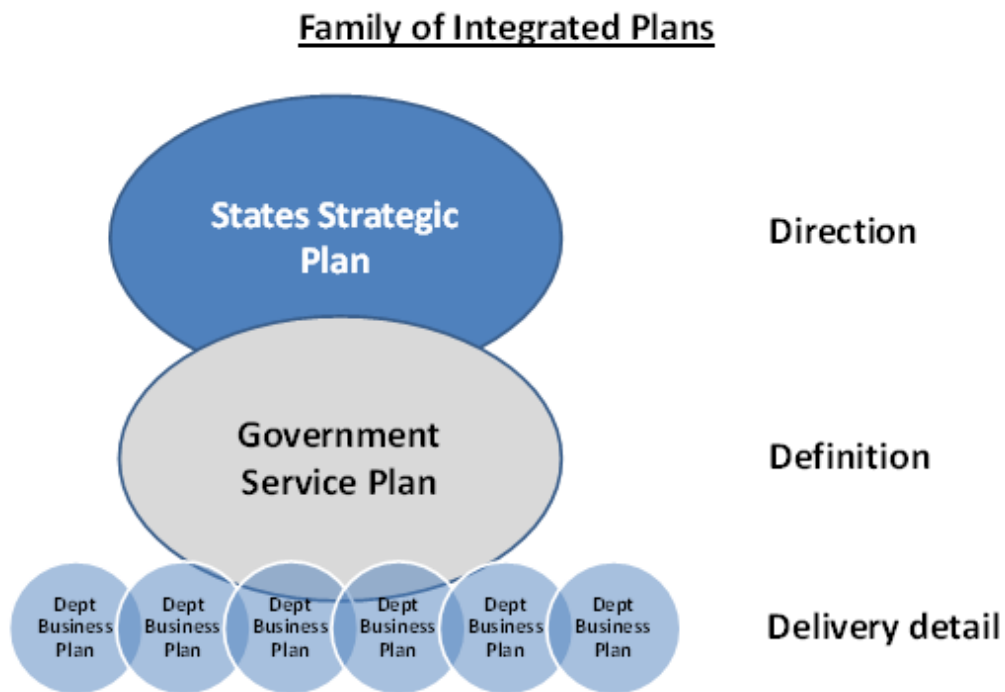
The Business Plan summarises the Department's key projects of change, financial targets and operational objectives for the year.

The Business Plan Highlights six Key Result Areas (KRA's) that represent the key aspects of its business that it needs to do well in.

This structure provides a common format for goal setting across the Department and provides a holistic view of what is important from each of these perspectives. While different sections of the Department have a higher emphasis on some KRA's, all sections have a role and contribution to all of the KRA's.



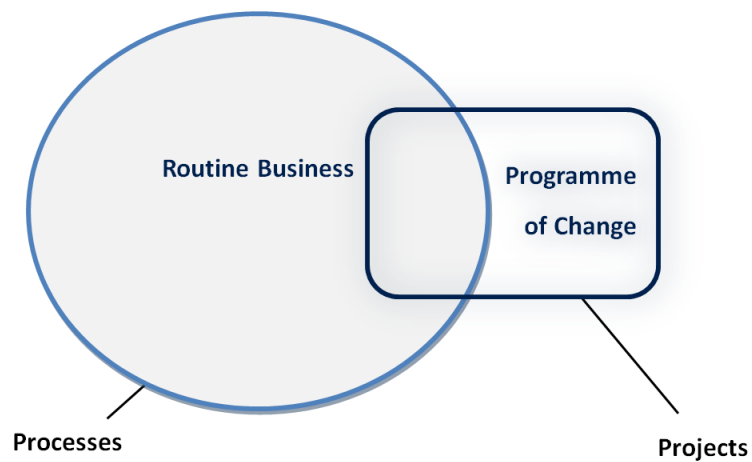
The Business Plan is part of a family of States plans that integrate with each other to cover long, medium and short term objectives. The diagram below shows the linkage between the States Strategic Plan (SSP) - Long Term, Government Service Plan (GSP) Medium Term and Department Business Plans – Short Term.



The 2016 Business Plan represents an update of the 2015 plan. It therefore contains a summary 'look back' at the events and achievements of 2015 as well as setting out the key goals and priorities for the coming year.

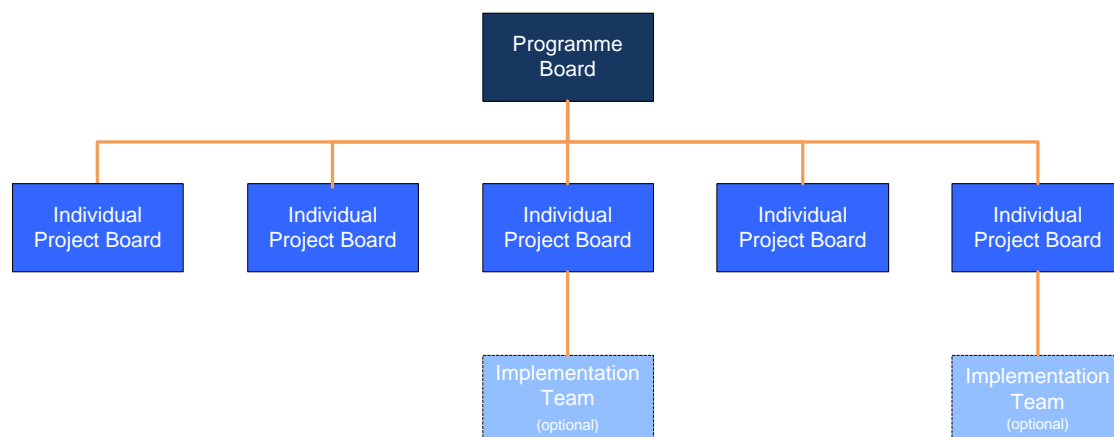
The Business Plan confirms both the operational objectives and the key projects of change that the Department is focusing on.

SSD Business Plan



The Business Plan is the key reference document that can be used across and throughout the Department, from Board level to the front line. In order to determine if we are doing a good job, we can ask the question, 'Are we on track to meet our Business Plan'. The answer to this question comes in the form of reporting and reviewing actual performance against the Business Plan targets. At Board level this is at least quarterly.

The Department has implemented a structured Programme Board process into which reports from all projects are reviewed and we are benefiting from this approach to managing our projects in a more consistent and systematic way.



Our Values

Customers First

- We are customer focused and set service standards for delivery.
- If we have fallen short of our standards, we will apologise and rectify the situation as quickly as possible. We respect our customers' rights.
- We welcome and encourage customer feedback.
- We aim to keep our customers informed and aware of the benefits systems, their rules and on-going developments.
- We aim to protect the rights and interests of Contributors through efficient payment and recording systems and providing helpful information and services.

Trustworthiness

- We are ever aware that we are managing public money and strive to do so in a safe and productive way.
- We are open in respect of our actions, while protecting the confidentiality of individuals.
- We take responsibility for our actions and ensure consistency and fairness in applying our legal obligations.

Continuous Improvement

- We know that there are always better ways to do things and we encourage everyone to come forward with ideas for improvement.
- We review the appropriateness of our policies and rules on an on-going basis.
- We are an Investors in People (IiP) accredited organisation. We know and appreciate that each one of our staff makes a difference.
- We will find appropriate ways to measure our progress in all that we do.

Accountability

- We have clear roles and responsibilities throughout the Department and review these on a regular basis to ensure their appropriateness.
- We manage and control our financial budgets and risks and returns of our investment funds. We seek to deliver value for money and efficiency.
- We are part of the wider States of Guernsey organisation and accountable to the States Members whom the public have elected to represent their interests

Staff Collaboration

- We strive to ensure that all of our staff understand what the Department is trying to achieve and how they can contribute to that.
- We encourage staff collaboration within SSD, across the States and with external partners.
- We encourage transparent information between colleagues and respect confidentiality.

Appreciation and Respect

- We respect and appreciate our staff commitment, dedication and flexibility.

Review of 2015


The pages that follow are a summary of our progress in 2015. Our progress is expressed under three main headings:





- Review of 2015 Events and Achievements
- Review of 2015 Inter-Departmental Working and other Collaborations
- Review of 2015 Customer Numbers and Trends




Review of 2015 Events Achievements

Key Result Area (KRA)	Goal/Target	Achievements/Progress	Status
<div>Customers</div>	Build on success of Business Improvement Project – Progress to Work	The new work focused approach has become “business as usual”. There are a number of new training opportunities available to support people into work.	●
	Complete Supporting Occupational Health & Wellbeing (SOHWEL) Project	Changes have been implemented. Benefits are being tracked and the project close down activity is ongoing.	●
	Complete Supplementary Benefit Process Review	Integrate business improvements to become Business As Usual. Using lessons learned to support the introduction of outstanding initiatives.	●
	Monitor and report demand levels and use data as part of quarterly reviews	Carried forward into 2016 due to other priorities.	●
	Report Statistics of complaints and compliments received	Quarterly Reports submitted to the department.	●


	Undertake annual review of contribution rates and benefit levels	Proposals approved by the States in October 2015 for implementation in January 2016.	●
	New maternity and paternity provisions	Temporary change manager appointed to lead on project delivery. Targeted go live date is 1 January 2017.	●
	Supported Living and Aging Well Strategy (SLAWS) project milestones to be agreed	Framework policy letter to be debated by the States in early 2016.	●





	The frequency and type of P.R. activity with all internal and external contacts	<p>Guernsey Press “behind the scenes” look at SSD across 3 days in April 2015.</p> <p>“Get to know SSD” presentation to States Members in June 2015.</p> <p>“Get to know SSD” presentation to business groups in August 2015.</p>	●
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	Implement a working model for the overall management of risk for SSD in line with States directives	Quarterly risk review meetings established. SSD risk log incorporated into main States of Guernsey risk log.	
	Complete Health & Safety policy and implement procedures	All required checks and training completed. Legionella testing up to date. Review of Health & Safety Policy commenced.	
	Complete and test the Business Continuity procedure and report	Testing completed successfully. Business continuity plan drafted as part of an integrated States of Guernsey business continuity programme.	

	Undertake staff appraisals annually with mid-year review of objectives	Staff feedback on the new appraisal process which focuses on the Department's Key Result Areas has been positive.	
	Establish clarity for central HR support	HR information available on the HUB home page and SAP home page. Quick Reference Guides available for most areas within SAP. SSD support provided by Central HR Business Partner and team, including SSD HR Adviser.	

	Hold regular staff briefings and meetings on progress and take feedback	Team meetings take place regularly throughout the Department and 1:2:1 meetings are taking place on a more regular basis.	●
	Develop and introduce succession plans for each area of the business	Complete.	●
	Undertake an independent assessment of staff survey on investors in People to determine an appropriate way forward	Results of the Department's 2015 staff survey shared with "investors in people" assessor to help develop 2016 people objectives.	●

	Ongoing control and monitoring of fund allocations and performance of SSD investment funds	Following expiry of existing investment adviser contract a successful tendering exercise led to the appointment of new investment adviser contract.	●
	Roll out forecasting and budgeting to section managers	Budget holder engagement model agreed and final phase of roll-out commenced.	●
	Upgrade the cash receipting system	Upgrade implemented. SSD played a key function across several Departments. Efficiencies and reduced ongoing costs achieved.	●

	Commission and carry out Actuarial Reviews of the Guernsey Insurance Fun, the Long-term Care Insurance Fund and the Guernsey Health Service Fund	Contract awarded in October 2015 following successful tendering exercise.	
	Update the SSD benefits debt management process	Debt management policy drafted, improved utilisation of technology, improved processes and cleansing of data.	
	Reclaiming Benefit from Insurance Companies	Communication with insurers completed.	
	Personal Tax, Pensions and Benefits Review in conjunction with T&R.	States debate March 2015.States Resolutions result in further work streams for SSD (and T&R).	

	Ensure all Administrative purchases are processed via SAP and staff are trained in the system's use	Implemented.	
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Review of 2015 Inter-Departmental Working and other Collaborations

In addition to the progress made on the SSD specific Key Result Areas (KRA's), including the joint initiative with the Treasury and Resources Department on the Personal Tax, Pensions and Benefits review, a great deal of input and contribution was made on States-wide and inter-Departmental project work or other collaborations. The list below provides details of the major work-streams involved and comments on progress and status.

Project	In Collaboration with	Comments /Status
Long Term Care	Health and Social Services Dept. (HSSD) Housing Department Treasury and Resources Dept. (T&R)	This project has become part of the Supported Living & Aging Well Strategy (SLAWS). Policy letter with recommendations for next steps targeted for debate by the States in early 2016.
Review of Secondary Health Care System	HSSD	First phase complete and Policy Letter approved by the States. Second phase underway and scheduled for completion by end of 2016.
Reform of supplementary benefit scheme and integration of rent rebate scheme	Social Welfare Benefits Investigation Committee (SWBIC)	SWBIC will report to the States in early 2016.
Skills Strategy	Education Commerce & Employment HSSD	BMG Research report "Guernsey Employer Skills Survey 2014" publicised. "Bridge The Gap" project initiated in July 2015 to address a range of concerns regarding current and future business skills provision which were identified through the BMG report.

SAP	T&R Plus all other Departments	Various SAP improvements delivered, but work to develop and improve is an ongoing feature.
Government Service Plan	T&R Plus all other Departments	Blueprint completed and delivered. T&R to progress this initiative.
Primary Care Mental Health and Wellbeing Service	HSSD	Service improvement plan initiated to reduce waiting times.
Air ambulance	HSSD Medical Specialist Group (MSG) Jersey	Regular meetings with service provider. Existing contract expires in summer 2016 and discussions with stakeholders already well underway.
Secondary Pensions	T&R	Will report to the States in early 2016.
Contributions and Tax Services	T&R	Series of scoping definition workshops held throughout 2015.
Cash Receipting Project	T&R ITAX HSSD Royal Court Public Services	Successful live implantation in February 2015.

Review of 2015 – Customer Numbers and Trends

The following is a summary of the major benefits provided and administered by the Department. This shows the number of people receiving benefit at the end of the third quarter 2015 and for the year to 30 September 2015 including the latest financial forecast for 2015.

Benefit / Beneficiaries / claims	Numbers	% Volume change in the past 5 years	2015 Latest Forecast	£m change over 5 years
People receiving pensions	17,318	+15.9%	£110.8m	+£28.7m
Families receiving Family allowances	6,776	-0.1%	£9.9m	+£0.8m
People receiving Long Term Care	591	+0.7%	£17.8m	+£2.7m
People receiving Bereavement Allowance	195	-37.7%	£1.9m	-£0.4m
Households receiving Supplementary Benefits	2,317	+ 2.8%	£20.9m	+£3.9m
People receiving Severe Disability/Carer's Benefit	1,058	+40.9%	£5.0m	+£2.0m
People receiving Unemployment Benefit	219	-0.9%	£1.4m	+£0.2m
People receiving Invalidity Benefit	859	-5.6%	£8.1m	+£0.7m
People receiving industrial Benefit	212	-19.4%	£0.9m	-£0.1m
Annual number of Maternity Benefit claims	576	-7.1%	£1.2m	+£0.2m
Annual number of Sickness Benefit claims	10,152	-10.4%	£3.6m	+£0.2m
Annual number of Doctor & Nurse Grants	325,945	-1.6%	£3.4m	-£0.2m
Annual number of Prescriptions	1,533,218	+8.7%	£15.6m	+£0.4m

The following are the number of contributors by type and contribution rates including the latest financial forecast for 2015. * Employers are excluded from the total.

Contributors	Rates %	Number of Contributors (Week 36)	% Volume Growth in past 5 years	Contribution Income 2015 Latest Forecast	£m change over 5 years
Employers	6.5%	2,441	+0.5%	£69.6m	+£6.6m
Employed persons	6.0%	29,037	-1.6%	£63.8m	+£7.9m
Self Employed	10.5%	3,214	-6.7%	£16.0m	+£3.6m
Non Employed - under 65	9.9%	5,913	+13.1%	£8.8m	+£1.9m
- 65 and over	2.9%				
Total:		38,164*	-0.1%*	£158.2m	+£20.0m


2016 Goals and Objectives

This section provides a summary of the Goals and Objectives for the Department in 2016.

These are presented under two headings:-

- 2016 Goals and Targets (Operational and Key Projects)
- 2016 Major Projects and States Wide Collaboration

2016 Goals & Targets

Key Result Area (KRA)	Operational Goal/ Target	Supporting Projects
	Supporting Occupational Health & Wellbeing (SOHWEL) Project – Phase 2	Implement remaining operational changes, further stakeholder engagement and communication activities.
	Supplementary Benefit Process Review	Complete outstanding initiatives and implement these organisational changes. Engage stakeholders and ensure an environment of continuous improvement.
	Change to Maternity and Paternity provisions	Project and related plans in place, implementation of changes ongoing for target, go live date of 1 January 2017.
	Secondary pensions	States debate early 2016. Resolutions expected to result in phase 2 work streams.
	Undertake annual review of contribution rates and benefit levels	
	Utilise Management Information (MI) to continually improve service quality and efficiency	Continued reporting of complaints and compliments received. Monitor and report demand levels and use date as part of quarterly reviews.
	Curam (benefits system) upgrade	Conclude user acceptance testing and “go-live” Q2 2016.

Public Relations	<p>Provide ongoing statements and responses to regular media information and enquiries.</p> <p>Utilise opportunities to publicise Department successes</p>	
Risk	<p>Risk Register</p>	<p>Continue to monitor and manage on a quarterly basis.</p>
	<p>Complete the H&S Policy and procedures</p>	<p>Complete review of Health & Safety Policy.</p>
	<p>Complete and implement Data Protection policy</p>	<p>Raise staff awareness of the new policy and add data protection session to in-house induction programme.</p>
	<p>Complete and test the Business Continuity procedure and report back</p>	<p>Review business continuity plan in light of States Review Committee report and Strategic Asset Management Plan.</p>
People	<p>Annual Appraisals</p>	
	<p>Capture staff ideas for process improvements</p>	<p>Continuous Improvement team to encourage and nurture new ideas through the Department's "ideas to Action" initiative.</p>

	Contribute to "Service Guernsey"	Support Service Guernsey initiatives.
	Monitor Investors in People (IiP) activities	IiP "health check" due in July 2016.
<div>Finance/ value for money</div>	Control and monitor fund allocations and performance of SSD investment funds	Review investment portfolio following award of new investment adviser contract. Determine whether any revisions are required to investment policy and portfolio status.
	Commission and carry out actuarial reviews of the Guernsey Insurance Fund, the Long-term Care Insurance Fund and the Guernsey Health Service Fund	Actuarial reviews due for completion by March 2016. Outputs to be reviewed by SSD and shared with the States.
	Continue document scanning workflow project across the Department	
	Reclaiming Benefit from Insurance Companies	Report to States with proposals.
	Increase in pension age implementation project	Ongoing major software changes to contributions system. Scoping of benefits system changes to be completed. Key stakeholder group communication.
	Update the SSD benefits debt management process	Project due for completion by Q1 2016 with regular reporting in place to enable ongoing monitoring.
<div>Suppliers</div>	Monitor existing supplier contracts to ensure service quality and value for money.	Specific contracts require renewal in 2016.

2016 Major Projects and States Wide Collaboration

The following table represents the Major Projects either led by or supported by the Social Security Department in 2016

<u>Projects</u>	<u>What the project is targeted to deliver in 2016</u>	<u>In conjunction with</u>	<u>Other Inputs</u>
Increase in pension age project	Continue with software changes, preparatory measures and communication with key stakeholders.		
Secondary Pensions	Policy letter to be debated by the States in early 2016.	T&R	
Contributions and Tax Services (CATS)	Initiate and progress Phase 2 (definition), including desired future operating state and development of the programme business case. Also identify opportunities for incremental change in alignment of the services in the shorter term.	T&R	ITAX
Review of Secondary Healthcare System	Agree fresh long-term contract arrangements with Medical Specialist Group by end of 2016.	HSSD	T&R St James's Chambers
Prescription charges	Work stream arising out of the Personal Tax, Pensions and Benefits Review.		T&R HSSD
Social Welfare Benefit Investigation Committee (SWBIC)	Policy letter to be debated by the States in early 2016.	Housing T&R	

Supported Living & Ageing Well Strategy (SLAWS)	Framework policy letter to be discussed by the States in early 2016. Further SSD work streams expected to follow States debate.	HSSD	Housing, T&R
Implementation of Mental Health and Wellbeing Strategy	Implementation of strategy now being coordinated across the States with those Departments affected.	HSSD (lead)	All States Departments
Longer Working Lives project	Investigation and development of policy proposals to support people working longer in relation to changing pension age	Most other States Departments	
Supporting Occupational Health & Wellbeing (SOHWEL) Project – Phase 2	Implement remaining operational changes and continue with stakeholder engagement plan.	HSSD	
Phasing out of Family Allowance	Work stream arising out of Personal Tax, Pensions, Benefits Review. Also arising out of October 2015 Amendment concerning funding of children's services.		T&R
New maternity & paternity provisions	Ongoing implementation of changes required for target go live date of 1 January 2017.		Policy Council C&E HSSD
Committee Restructure	Transition from Social Security Department to Committee for Employment and Social Security to take effect from May 2016	Housing C&E Policy Council	

Social Security Department – 2016

Budget

This section contains the following information. More detailed budget packs have been issued to Section Managers.

- 2016 Budget Summary

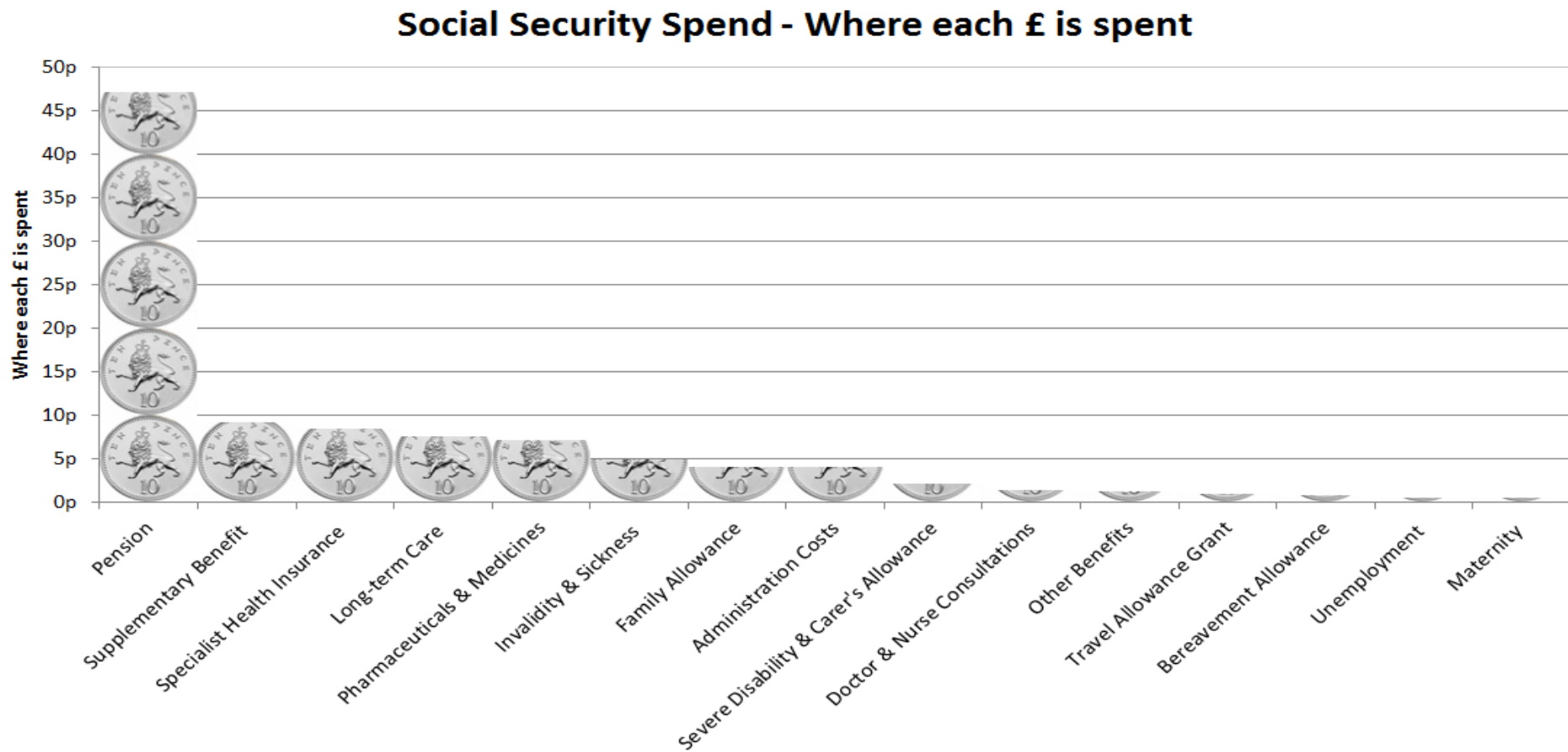
- Summary of what amount of each £1 is spent on

- The key assumptions used in compiling the 2016 budget

Social Security Department			2016 Budget Summary		£'000s
CONTRIBUTORY FUNDS BUDGET			NON FORMULA LED 'Cash Limit' = 2,885		
Guernsey Insurance Fund	Guernsey Health Service Fund	Long-term Care Insurance Fund	Non Contributory Services	SSD Total	
Contribution income 102,800	Contribution income 39,010	Contribution income 19,230	Contribution income -	161,040	
States grant (15%) 15,410	States grant (12%) 4,680	States grant (None) -	States grant - Drawings 40,820	60,910	
Total Contributions & Grant 118,210	Total Contributions & Grant 43,690	Total Contributions & Grant 19,230	Total Contributions & Grant 40,820	221,950	
Pensions 114,900	Specialist Health Insurance 20,515	Residential Home Care 8,880	SPB 22,210		
Invalidity 8,230	Pharmaceutical 17,231	Nursing Home Care 9,445	Family Allowances 9,850		
Sickness 3,800	Consultation grants 3,545		Severe Disability & Carer's Allowance: 5,300		
Bereavement 1,875	Visiting Medical Consultants 782		Over 75 TV License 575		
Travel Allow Grant 2,150	Primary Care Psych.Therapies 335		CEPS 145		
Unemployment 1,410			Charitable Grants 172		
Maternity 1,200					
Industrial (all) 925					
Benefit debt - write-off 100					
Total Benefits 134,590	Total Benefits 42,408	Total Benefits 18,325	Total Benefits 38,252	233,575	
Operating Costs 5,048	Operating Costs 1,661	Operating Costs 338	Operating Costs 2,568	9,615	
Depreciation 130	Depreciation -	Depreciation -	Depreciation -	130	
Total Administration 5,178	Total Administration 1,661	Total Administration 338	Total Administration 2,568	9,745	
Operating Deficit (21,558)	Operating Deficit (379)	Operating Surplus 567	Operating Surplus/Deficit 0	(21,370)	
Investing Activities 7,075	Investing Activities 1,116	Investing Activities 598	Investing Activities -	8,789	
Total Deficit (14,483)	Total Surplus 737	Total Surplus 1,165	Total Surplus/Deficit 0	(12,581)	

The Social Security Department 2016 – proportion of each £1 of expenditure

The projected Social Security Department Budget Expenditure for 2016 is £243.3m. The chart below shows the proportion of every pound spent by type of benefit or expense type.



Social Security 2016 Budget Assumptions

Main Assumptions used at the time the Budget was compiled in Q2 2015

- Contribution Income to increase by 1.9%.
- Contributory Benefit rates to increase by 1.7% above the 2015 rates and overall growth in demand at 2.6%.
- Numbers of Pensioners to increase by 2.6%.
- Non-Contributory Benefit rates to increase by 1.5% above the 2015 rates and the overall growth in demand is forecast at 1.3%.
- No major changes to the current taxation system
- No major new unemployment issues anticipated
- Social Insurance Contributions rates as per 2016
 - 6.5% - Employers
 - 6.0% - Employees
 - 10.5% - Self Employed
 - 9.9% - Non employed under 65 years old
 - 2.9% - Non employed over 65 years old
- General Revenue Grants to Contributory Funds (as a percentage of Social Insurance contribution income)
 - 15% - Guernsey Insurance Fund
 - 12% - Guernsey Health Service Fund
- An operating deficit before investing activities of £21.4m is estimated for the Contributory Funds, a breakdown of which is as follows:
 - £21.6m operating deficit - Guernsey Insurance Fund
 - £0.4m operating deficit - Guernsey Health Service Fund
 - £0.6m operating surplus – Long-term Care Insurance Fund

Risk and Sensitivities

The following are the items of risk and sensitivity that, should they become a reality, may impact on the achievement of targets and budgets in the SSD plans. Risk registers are reviewed on a quarterly basis by the management team with support from the Risk Officer for the States of Guernsey.

Macro-Economic Risk

The general wellbeing of the economy has a major impact on the Department's operations and finances. Lower or higher levels of growth in Guernsey, and internationally, affect Contribution Income, Benefit Expenditure and Investment returns.

Demography

Demographic projections are key considerations for the future sustainability of the benefit systems. The outcomes against projections are particularly sensitive to sustained variation from the assumptions in net-immigration or net-emigration of people of working age.

Business and Policy Prioritisation

There are many initiatives and projects that are generated within the Department, from other Departments and States-wide directives. These initiatives typically call upon a small number of the same SSD staff to work on the project and change management required.

There is a risk that in the absence of prioritisation (deferral or cancellation) the progress of many of these initiatives will be compromised.

The Department has established project management processes and has implemented a structured Programme Board process into which reports from all projects are reviewed and actions taken forward.

Fraud

Increased fraud awareness and vigilance is essential. The Department has reviewed and strengthened a number of internal controls with the support of Internal Audit.

Staffing and Service Risks

In times of financial constraint, staffing budgets may come under pressure at the same time that the levels of workload are increasing. This imbalance of capacity to demand can lead to reductions in service levels, rising customer complaints and insufficient time applied to examine claims that might result in over payments. The Department is very conscious of these risks and will monitor the situation on an on-going basis.

In 2016, the planned committee restructure will increase risk to the delivery of services during the transition phase. This new risk will be mitigated through forward planning and SSD's project management processes.

Investment Funds

The global situation in financial markets remains volatile and most commentators expect this to continue for some time. Although we have reduced the risk in the portfolio over the last few years, the value of the investments could still fluctuate significantly.

Business Continuity

There is a risk that business processing could be interrupted by IT failure, whether caused by power outage, software failure or ITU service interruption. We have plans in place to respond to these eventualities, which we tested in 2015.



For more information
go to www.theoldsite.gov.gg/socialsecurityhome