

23.03.21

17 Deputy L.V. Feltham of the Minister for Social Security regarding the Social Security Fund (OQ.51/2023)

What direction, if any, has the Minister provided to the accountable officer for the Social Security Fund regarding the level and type of expenditure from the fund on administration work that is considered acceptable?

Deputy E. Millar (The Minister for Social Security):

I believe the Deputy is referring to the fund's management charge Ministerial Decision, which I have recently signed to confirm the payment of a 2023 management charge from the Social Security, Health Insurance, and Long-Term Care Funds. This included a written report, which is publicly accessible alongside the Ministerial Decision. The M.D. (Ministerial Decision) confirmed the financial estimates, which were included in the 2023-2026 Government Plan as approved by the Assembly. The management charge for 2023 has increased compared to 2022 given the inflationary pressure seen recently but it remains at the same financial level as 2016.

3.17.1 Deputy L.V. Feltham:

Given that the Social Security Fund and administrative amounts taken out of that is not handled within the Government Plan process, what assurance can the Minister give us that funds are being used well?

Deputy E. Millar:

The management charge includes the estimated cost for this year of administering the various benefits provided from those funds. Those will include staff costs, such as customer-facing, back-office, policy, and finance staff, as well as non-staff costs such as specific I.T. contracts. I believe that C.L.S. (Customer and Local Services), the department, operates very efficiently and I have no reason to believe that those charges are not accurate and that they accurately reflect the cost of providing the benefits supported by those funds. I would just comment, the 2022 Long-Term Care Fund report by the C. and A.G. (Comptroller and Auditor General) recommended that a review of the level take place to ensure that costs are accurately reflected and the department has committed to completing this by the end of 2023.