

# STATES OF JERSEY



## LONG TERM CARE FUND (R.72/2021): EXECUTIVE RESPONSE

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Presented to the States on 10th May 2021  
by the Public Accounts Committee

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STATES GREFFE

## FOREWORD

In accordance with paragraphs 64-66 of the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, (as derived from the [Proceedings Code of Practice](#)) the Public Accounts Committee presents the Executive Response to the Comptroller and Auditor General’s Report entitled [Long Term Care Fund](#) (R.72/2021) presented to the States on 6th May 2022).

As a result of the minimal time remaining before the suspension of the Public Accounts Committee’s activities before the 2022 General Election, the Public Accounts Committee would therefore recommend that its successor should consider publishing comments on the Executive Response following the appointment of new members on 19th July 2022.

**Connétable K. Shenton-Stone**

Vice-Chair, Public Accounts Committee

Chief Executive and Treasurer’s Response to C&AG Review: [Long Term Care Fund](#) – Executive Response to PAC by 12 noon on 3 May 2022, please.

**Summary of response**

The Chief Executive and Treasurer welcome the Comptroller and Auditor General’s acknowledgement that the Long-Term Care Fund and the Long-Term Care Scheme have met their intended policy objectives for over seven years of operation.

The Chief Executive and Treasurer agree that the Long-Term Care Fund would benefit from the review, simplification, and streamlining of the systems and processes that underpin it as well as the guidance and tools provided to support its claimants. To this end, all recommendations excluding Recommendation 20 have been accepted.

The Comptroller and Auditor General’s report makes many helpful recommendations, and it should be noted that four of the accepted recommendations have been closed immediately on the basis that they have already been fully implemented or that their principles have already been incorporated within the relevant processes. Two recommendations have been partly accepted. The implementation of the remaining fourteen will have a positive impact in terms of service user experience, care outcomes, and the cost of care.

**Action Plan**

Recommendations	Action	Target date	Responsible Officer
R1 Review the cross departmental governance arrangements to include: <ul style="list-style-type: none"> <li>• establishment of a LTCF Board; and</li> <li>• reinvigorating the Long-Term Care Senior Liaison Group with a more structured agenda and minutes.</li> </ul>	<b>Accept</b>  A Long-Term Care Fund Board will be established and will review what cross departmental governance arrangements are required, including the arrangements for the LTC Senior Liaison Group.	Q4 2022	Director General CLS
R2 Publish key performance measures related to the LTCF, including the LTCS, either as part of the States of Jersey Annual Report and Accounts or as part of the CLS departmental reporting process.	<b>Accept</b>  The Long-Term Care Board will consider the publication of key performance measures related to the LTCF using existing reporting structures, including open data.	Q4 2022	Director General CLS

<p>R3 Ensure that the actuarial review based on 31 December 2021 data is commissioned as soon as possible for reporting in 2022 and to inform the Government Plans from 2023</p>	<p><b>Accept</b></p> <p>The Minister for Social Security has already instructed officers to undertake this review. a key element of the review is a population model. a new population model will be developed using the information from the 2021 census. some preparatory work can be undertaken in advance of the newmodel being available, the final report of the actuarial review will be produced as soon as possible after the population model has been completed</p>	<p>Q1 2023 – although will depend on the production of the population model</p>	<p>Policy Principal, Long Term Care SPPP</p>
<p>R4 Review the LTCF investment strategy in light of experience since the last formal actuarial review, to assess whether the current strategy is the most appropriate.</p>	<p><b>Accept in principle and close</b></p> <p>The overall investment strategy is reviewed annually, with reviews of the strategy for specific funds happening at least tri-annually, with additional reviews occurring were evidence exists to suggest this is required.</p> <p>The LTCF strategy was formally reviewed by TAP in 2021, and will next be reviewed in 2024, or sooner is sufficient evidence exists to suggest that this is needed. This would include an updated actuarial review, or significant changes to cash flows against expectations.</p>		<p>Director – Treasury and Investment Management</p>
<p>R5 Carry out detailed analysis of the LTCF contributions collected by Revenue Jersey and use this to inform or validate future revenue forecasts for the Government Plan.</p>	<p><b>Partly Accept</b></p> <p>At its simplest, LTC is charged upon the total income subject to tax for an individual. Noting that the income is that of an individual rather than a taxpayer, and the amount chargeable to LTC is subject to a cap, broadly the amount of LTC a taxpayer is charged is in a ratio to what they are charged to tax.</p> <p>As income tax revenue is influenced by a range of economic factors, the forecast is prepared by the Economics Unit in conjunction with the Income</p>	<p>Q4 2022</p>	<p>Head of Financial Planning (Secretary of IFG)</p>

	Forecasting Group. It would therefore appear appropriate to bring LTC forecasting formally within the terms of reference for IFG, using a similar methodology.		
R6 Re-evaluate the basis for the grant contribution from the States to the LTCF.	<p><b>Accept - to be decided by the next Council of Ministers</b></p> <p>The re-evaluation of the grant contribution from the States to the LTCF would need to be undertaken in line with a wider review of the long-term sustainability of the Social Security Fund and Long-Term Care Fund, which would consider the balance of funding sources, including from government, employees and employers.</p> <p>This is a substantial piece of work, and should be carried out as part of wider strategic finance decision making in future Government plans, if prioritised by future Council of Ministers.</p>	Q4 2023	Group Director – Strategic Finance
R7 Carry out a full review of the management charge to the LTCF and ensure that the charge is an accurate representation of the costs of managing the fund.	<p><b>Accept</b></p> <p>A full review of the management charge to the LTCF will be completed.</p>	Q4 2023	Director General CLS
R8 Complete the proposed review of the asset disregard level included in the LTCS during 2022, to <ul style="list-style-type: none"> <li>• consider whether a revised level is more appropriate to meet the objectives of the scheme; and</li> <li>• provide a basis for future reviews.</li> </ul>	<p><b>Accept</b></p> <p>The level of the asset disregard is set by the Social Security Minister by ministerial order. Any change to the level would need to be approved by the incoming Minister.</p> <p>The report to the Minister dated 25 October 2021 acknowledges the increase in property prices since the inception of the scheme and recommends a review of the asset disregard level in 2022.</p>	Q4 2022	Policy Principal, Long Term Care, SPPP

	<p>The recommendation to undertake a review will be explained to the incoming Minister and officer resources will be made available to undertake this review.</p>		
<p>R9 Undertake a formal analysis of care costs to inform the 2022 review of the following variables within the LTCS:</p> <ul style="list-style-type: none"> <li>• standard care cost at each level</li> <li>• standard co-payment</li> <li>• standard personal allowance; and</li> <li>• standard care cost cap – single and couple.</li> </ul>	<p><b>Partially accept</b></p> <p>Standard care costs, the copayment, personal allowance and care costs cap are all set by the Social Security Minister using ministerial orders. Successive ministers have regularly increased each of these statutory amounts.</p> <p>The Co payment and personal allowance are specifically designed to cover costs that do not relate to care needs and would not be appropriately included in a review of care costs.</p> <p>it is agreed that care costs are subject to different cost pressures compared to general inflation.</p> <p>The care costs cap is a measure of the contribution required of an individual with sufficient means to meet some of their own care costs. Accumulation to the cap is made at the standard care cost for that individual, regardless of the actual cost of the person's care. To date ministers have always chosen to increase the cap proportionately to the increase in the care costs. The effect of this constant relationship is that the time a claimant spends supporting their own care costs before they reached the care cost cap has not changed since the scheme began. Increasing or decreasing this amount of time would have cost implications to the Fund overall and would require careful consideration.</p> <p>receiving care well responsible for</p>	<p>Q4 2022</p>	<p>Policy Principal, Long Term Care, SPPP</p>

	The recommendation to undertake a formal analysis of care costs in order to set the next set of standard rates will be explained to the incoming Minister and officer resources will be made available to undertake this review.		
R10 Review and update the LTCS guidance following feedback from the community as part of the planned engagement initiatives.	<b>Accept</b>  As part of CLS Customer Engagement initiative CLS plan to engage with a variety of stakeholders this year and will update the LTC guidance accordingly in response to this feedback.	Q4 2022	Customer Operations Director, CLS
R11 Complete the planned systems updates to provide a direct data link for the LTCS between HCS and CLS systems.	<b>Accept</b>  We will review planned systems update to establish whether the replacement of legacy system (Transform) supersedes this activity.	Q4 2023	Customer Operations Director, CLS
R12 Update the standard hourly rate figures for domiciliary care in the Resource Allocation System and ensure that these are reviewed and revised annually.	<b>Accept and close</b>  Completed Feb 2022.	Q2 2022	Customer Operations Director, CLS
R13 Publish the re-determination and appeals process for both care needs and financial assessments on the website and in future guidance.	<b>Accept</b>  All letters have redetermination rights in communication. However, the redetermination process will be added in the public domain within the <a href="http://www.gov.ie">www.gov.ie</a> website.	Q2 2022	Customer Operations Director, CLS
R14 Undertake a review of all performance measures for the LTCS to: • establish a more comprehensive suite of performance measures to reflect the customer journey, including metrics to monitor the balance between residential and domiciliary care provision	<b>Accept</b>  Refreshed KPIs for the Adult Social Care Team have been developed in partnership with Informatic colleagues.  These KPIs are aligned with the updated forms now within Care Partner (Strength and Needs Assessment (SANA), and the Face Support Plan & Budget	Q4 2022	General Manager, Adult Social Care

<ul style="list-style-type: none"> <li>• ensure data and other information for all performance measures are reported and monitored on a regular basis; and</li> <li>• ensure underlying reasons for performance variances are investigated and improvement plans are agreed to address risks and issues arising.</li> </ul>	<p>Summary). From an assurance perspective these KPIs are reported via the monthly HCS Care Group Performance Reviews, which in turn feeds through to the HCS Assurance Committees. Operationally the care group's Governance Framework ensures regular monitoring of performance variances alongside progress updates of associated actions and implementation plans.</p>		
<p>R15 Review and update existing framework agreements with all care providers. Ensure that the update includes a clear articulation of the data and quality standards required from care providers.</p>	<p><b>Accept</b></p> <p>CLS are currently updating the Approved Provider Framework agreement.</p>	<p>Q4 2022</p>	<p>Customer Operations Director, CLS</p>
<p>R16 Prepare a detailed plan to implement a range of initiatives to reduce demand on the LTCF in future This plan could form part of the Jersey Care Model implementation and should include shifting the emphasis of care provision to prevention and domiciliary care.</p>	<p><b>Accept principle and close</b></p> <p>This work is already included in the JCM programme.</p>		
<p>R17 Review the potential to streamline the claims process, for example, through:</p> <ul style="list-style-type: none"> <li>• providing an online self-assessment tool</li> <li>• providing a standard template for claimants to notify a change of circumstances; and</li> <li>• simplifying the property loan process and guidance.</li> </ul>	<p><b>Accept</b></p> <p>CLS will work with HCS to conduct a review of the claims process to identify opportunities to streamline. Consideration will be given to the costs vs benefit of any potential implementation to ensure that the effort is proportionate to the potential benefits.</p>	<p>Q4 2022</p>	<p>Customer Operations Director, CLS</p>
<p>R18 Introduce a performance measure to monitor the timeliness of annual reviews of individual claims.</p>	<p><b>Accept</b></p>	<p>Q4 2022</p>	<p>Principal Social Worker, HCS</p>

	<p>Timely delivery of reviews is measured as a KPI, and this has shown that some reviews have fallen behind the aspired timescale fallen as demand grows.</p> <p>A project group was formed in early 2021 to analyse using LEAN methodology the approach currently taken towards reviews.</p> <p>In the short term this has established the headcount required to keep pace with reviewing demand. Short term measures were also implemented to maximise efficiency.</p> <p>In the longer term virtual review “clinics”, shared reviews and prioritisation of annual reviews for those who are unbefriended or provided individual support.</p> <p>It should be noted that the demand to complete reviews will grow at a unique pace in Jersey, as the Long-Term Care Scheme means there are no self-funders on the island in the way that Local Authorities in other areas of the UK would experience. Consequently, whilst the above is necessary, there will inevitably be a need for further human resource to keep pace with demand.</p>		
R19 Resolve the issues in the interface between the CRM system and NESSIE as soon as possible to avoid requirement for duplicate data entry. In doing so, review the allocations of payments to LTC Benefit and LTC Support in both systems to eliminate adjusting entries.	<p><b>Accept in Principle and close</b></p> <p>The new CLS benefit system project (Transform) will replace Nessie and will address this point. Whilst we accept the principle of the recommendation, we do not feel it is advisable to spend money on integration for a legacy system that is due to be replaced in the near future.</p>		Customer Operations Director, CLS

### **Recommendations not accepted**

	Recommendation	Reason for rejection
R20	Review the potential to move to a single, consistent approach to making payments due from the LTCS.	LTC benefit is paid in advance and therefore there is an inherent, but low risk that circumstances will change after payment has been made. Nearly all payments are paid to care

		<p>homes and therefore recovery of overpayment is straightforward. CLS currently offers flexibility of our payment process for claimants and providers, based on their needs. This type of arrangement suits all parties.</p>
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