

# STATES OF JERSEY



## HEALTH CARE EXPENDITURE PROJECTIONS (P.86/2023): COMMENTS

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Presented to the States on 6th November 2023  
by the Minister for Health and Social Services

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STATES GREFFE

## COMMENTS

### Summary

The Minister, with the support of the Council of Ministers, recommends that the States Assembly **REJECT** both parts of the Proposition.

### Detailed Comments

#### Part (a)

Part (a) of the Proposition requests –

*“[that] the Minister for Health and Social Services to provide, before 21st November 2023 –*

*(a) a breakdown of the £287 million revenue Head of Expenditure allocated to the Health and Community Services department within the draft Government Plan 2024-2027 –*

*(i) split between community healthcare and clinical healthcare; and*

*(ii) split between each of the following work streams –*

- (i) Mental Health;*
- (ii) External Partners;*
- (iii) Adult Social Care;*
- (iv) Scheduled Care;*
- (v) Unscheduled Care;*
- (vi) Clinical Support Services;*
- (vii) Intermediate Care;*
- (viii) Children’s Services; and*
- (ix) Primary care and prevention.”*

As the Assembly will be aware through responses to Written and Oral Questions (see [WQ.418/2023](#); [OQ.210/2023](#); and [OQ.187/2023](#)); from the Health and Social Security Panel (see published [correspondence related to the Government Plan](#) and [Q2](#) and [Q3](#) transcripts of public hearings); and government communications (see [Government BLOG](#)), Health and Community Services (HCS) is undergoing a Financial Recovery Plan to address a structural deficit as part of the turnaround of the department and to ensure value for money<sup>1</sup>.

This work is of fundamental importance, as we move the department onto a more sustainable financial footing, directing resources where they are needed most for the benefit of patients.

While the overall budget which the Assembly will be requested to allocate to HCS has been identified in the Proposed Government Plan 2024-2027, HCS is only able to identify high-level allocations at this time. More exact allocations will be available in December 2023.

Officers are currently working with each Care Group and Directorate to:

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<sup>1</sup> See ‘Proposed Government Plan 2024-2027’, ‘Providing good quality healthcare for the future’ (page 9); ‘Financial Strategy for 2024-2027’ (page 27); and ‘Ongoing Risks and Pressures in Health and Community Services’ (pages 52-53), Government of Jersey. Accessed October 2023 ([link](#)).

- 1) Ensure services can be delivered within an identified budget;
- 2) Guarantee services are not unfunded; and
- 3) Ensure that the department can operate effectively and efficiently within the financial envelope agreed by the Assembly.

However, we can provide a breakdown at a service level but would note:

- Using historic budgets as a starting point misses the opportunity to identify sub-optimal allocation of budgets which could have historically been a significant contributing factor for the large overspends seen this year in some areas and the underspends in others.
- The approach to our budget planning process will ensure that we make optimal funding allocation decisions by understanding the service delivery requirements of each service in the light of most current experience.
- As the total budget available is fixed at £286.5m, any movements in these allocations will be a re-distribution of monies from one area to another.
- For the avoidance of doubt, this means the allocations between services can change during the budget planning process. Therefore, the figures shared in the table below are subject to these changes.
- The impact of re-allocations made during the budget planning process are likely to materially change the final budget allocations between Care Groups/Directorates as agreed and decided by the Executive Directors working with the Care Group leadership teams.
- The below service level break-down shows the current state of the Financial Year 24 (FY24) Budget Planning figures which are being discussed with each of the Care Groups/Directorates and are a first draft starting point for several adjustments that will be required to be made in light of representations by Care Groups of service needs required for FY24. The estimated magnitude of these allocations is up to £15m which is in line with the ‘Unfunded Services’ identified in the FRP explaining the ‘structural deficit’ that requires funding and allocating to services.
- The FRP will as a budgetary exercise ensure that money is in the right place at the right time and for the right reason. All decisions will open to scrutiny by the Minister, Assembly, HSS Panel, and the HCS Advisory Board next year.

In light of the above, it is clear that part (a) of the Proposition is **undeliverable**.

<b>Fund Centre</b>	<b>Category</b>	<b>Total</b>
Chief Nurse	Staff Costs	4,685,495
	Non-Pay	722,308
	Income	-88,899
Total:		5,318,904
Covid-19	Staff Costs	2,321,000
Total:		2,321,000
Operations Support and Estates and Facilities	Staff Costs	15,821,284
	Non-Pay	14,699,501
	Income	-89,321
Total:		30,431,464
Improvement & Innovation	Staff Costs	2,146,787
	Non-Pay	16,542,410
Total:		18,689,197
Intermediate Care	Staff Costs	2,416,977
	Non-Pay	-35,673
	Income	-1,589,941
Total:		791,363
Medical Director	Staff Costs	7,175,290
	Non-Pay	1,198,116
	Income	-905,012
Total:		7,468,394
Medicine (Medical Services)	Staff Costs	44,921,647
	Non-Pay	17,766,431
	Income	-5,906,039
Total:		56,782,039
Surgery (Surgical Services)	Staff Costs	46,346,050
	Non-Pay	10,356,205
	Income	-9,163,129

Total:		47,539,126
Mental Health	Staff Costs	25,822,953
	Non-Pay	7,858,100
	Income	-882,758
Total:		32,798,295
Non-Clinical Support Services	Staff Costs	19,593,382
	Non-Pay	4,807,100
	Income	-3,683,000
Total:		20,717,482
Primary Care & Prevention	Staff Costs	8,571,084
	Non-Pay	1,177,888
	Income	-617,269
Total:		9,131,703
Social Care	Staff Costs	11,633,746
	Non-Pay	14,694,662
	Income	-3,956,481
Total:		22,371,927
Tertiary Care	Non-Pay	13,863,411
	Income	-167,684
Total:		13,695,727
Women, Children, and Family	Staff Costs	17,263,419
	Non-Pay	1,390,869
	Income	-136,000
Total:		18,518,288
Grand Total:		286,575,000

**Part (b)**

Part (b) of the proposition requests -

*“a clear description of each of the potential options for change referenced on page 96 of the draft Government Plan 2024-2027 that includes the identification of any financial impact on Islanders relating to the 2024 financial year.”*

As the Assembly will be aware through responses to Written and Oral Questions (see [WQ.368/2023](#); [WQ.359/2023](#); [WQ.270/2023](#); [WQ.244/2023](#); [OQ.211/2023](#); and [OQ.187/2023](#)) and questions raised during public hearings with the Health and Social Security Panel ([see transcript](#)) the work on Sustainable Healthcare Funding, which was identified in the 2023 Delivery Plan<sup>2</sup> and continues to form a key part of Ministerial Plans for next year<sup>3</sup>, is ongoing.

The policy continues to be under development – different potential options for funding Jersey’s health and care system are still being researched, examined and scoped.

As set out in the Proposed Government Plan 2024-2027<sup>4</sup>, Ministers intend to bring these options to the Assembly, for consideration, in 2024, having discussed them with the Health and Social Security Scrutiny Panel in the first instance.

Whilst the options will be brought forward for consideration in 2024, it is not intended that they would be implemented in 2024. Any decision as to when any changes to current health and care funding arrangements were implemented would be a matter for the Assembly to determine.

Therefore, part (b) of the proposition is **not applicable** as:

- 1) There is no clear description of options at this point in time; when there is, the options will be presented to the Assembly.
- 2) There are no financial implications in 2024.

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<sup>2</sup> Delivery Plans 2023: Minister for Health and Social Services, Government of Jersey. Accessed October 2023 ([link](#)).

<sup>3</sup> Ministerial Plans 2024, Government of Jersey. Accessed October 2023 ([link](#)).

<sup>4</sup> Proposed Government Plan 2024-2027, ‘Financial Matters Under Development’ (page 96), Government of Jersey. Accessed October 2023 ([link](#)).

## Response to Written Question 418/2023<sup>5</sup>

### **Question (Deputy R. Kovacs):**

Will the Minister provide a breakdown of the funding to be provided to her department within the draft Government Plan 2024-2027?

### **Response (Minister for Health and Social Services, Deputy K. Wilson):**

As advised in a response to an Oral Question from Deputy Southern at the sitting on 17 October 2023 (see [Oral Question 210/2023 in Hansard](#)), while the detailed allocations for *this year* could be provided, unfortunately, we cannot provide nor commit to providing such a detailed breakdown for next year's budget at this time. A statement of comprehensive net expenditure for HCS (and for other departments) is already available in the [Government Plan Annex](#).

Finance Business Partners for HCS are working on the detailed allocations with each service and Care Group/Directorate as part of the normal yearly budget setting process. It is expected that the HCS Senior Leadership team will review the allocations in late November, and for them to be finalised and circulated in January 2024. It should be noted that this will be dependent on what changes, if any, result from the debates on the Government Plan.

As part of the Government Plan process, the Health and Social Security Panel have launched a review of the [Proposed Government Plan 2024 – 2027](#) and evidence has been submitted (and is available [here](#)) as part of that process, and a public hearing will also be held in due course.

It is noted that a related Proposition ([P.86/2023](#)) has been lodged and is due for debate at the 7 November sitting.

[ENDS]

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<sup>5</sup> WQ.418/2023, 30 October 2023, States Assembly. Accessed October 2023 ([link](#)).

## Response to Written Question 368/2023<sup>6</sup>

### **Question (Deputy G. Southern):**

With reference to Page 88 of the [Proposed Government Plan 2024-2027](#), will the Minister provide further detail on the changes that will be needed to pay for health costs in a sustainable way; and will she advise what options for funding, if any, will be considered in 2024 to reform Health Care services for the Island?

### **Response (Minister for Health and Social Services, Deputy K. Wilson):**

The work to prepare options for the future funding of health and care services is continuing. Ministers have not considered any options at this stage as it has been essential to build the evidence base in the first instance, including whole system health accounts and expenditure forecasts. As the Proposed Government Plan 2024-2027 sets out, Ministers intend to bring options for reform to the Assembly in 2024. These options will be shared with Health and Social Security Scrutiny Panel in the first instance.

[ENDS]

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<sup>6</sup> WQ.368/2023, 9 October 2023, States Assembly. Accessed October 2023 ([link](#)).



## Response to Written Question 359/2023<sup>7</sup>

### Question (Deputy G. Southern):

Regarding the 3 options for sustainable health funding outlined on page 96 of the Proposed Government Plan 2024-2027, will the Minister provide details on the following –

- a) how each of the options will be financed;
- b) how the Government will engage with healthcare providers; and
- c) what reforms are proposed for the Health Insurance Fund?

### Response (Minister for Health and Social Services, Deputy K. Wilson):

Page 96 of the Government Plan states that options related to future funding of our whole health and care system will be developed during 2024, and that three factors will be taken into account when developing those options: the future funding of health and care services (who pays); the financing of health and care services (how do we raise the money) and contracting (how do we engage our providers to deliver better value). Those three factors are not presented as options in or of themselves.

The development of future funding options which are relevant to Jersey's unique circumstances is scheduled to continue over the entirety of 2023 and as described in the Government Plan, will continue into 2024. At the point at which potential options have been developed, the Minister for Health and Social Services is committed to ensuring they are subject to public and provider consultation.

In response to the questions (a) to (c):

#### (a) 'how each of the options will be financed'

Each of the options that are developed will clearly set out how they will be financed - as financing is clearly a key component of any option. The financing details will be shared by Ministers when available.

#### (b) 'how the Government will engage with healthcare providers'

The format for consultation is dependent in part on the scale of change envisaged in particular options, the details of which are not yet known. Ministers are, however, agreed that a period of consultation with both providers and the public is required before any final proposition is developed for the Assembly.

#### (c) 'what reforms are proposed for the Health Insurance Fund?'

It is likely that some of the options will impact the Health Insurance Fund to some extent, but as detailed above, this is not yet known.

[ENDS]

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<sup>7</sup> WQ.359/2023, 2 October 2023, States Assembly. Accessed October 2023 ([link](#)).

## Response to Written Question 270/2023<sup>8</sup>

### **Question (Deputy G. Southern):**

In light of the measurement of the Jersey Health Account currently being undertaken by the Health Economics Unit, will the Minister advise whether the total cost of the care sector undertaken by agencies in the community, both funded and voluntary, is available?

### **Response (Minister for Health and Social Services, Deputy K. Wilson):**

The Jersey Health Accounts (JHA), when available, will identify long term care costs distinctly from other costs. A range of other breakdowns in cost information will also be reported, including, at an aggregate level, charitable and personal contributions to the funding of care. At this time, the JHA is not yet finalised. Information is to follow on the timing and form of publication for all outputs of the Health Funding Reform project.

[ENDS]

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<sup>8</sup> WQ.270/2023, 12 June 2023, States Assembly. Accessed October 2023 ([link](#)).

## Response to Written Question 244/2023<sup>9</sup>

### Question (Deputy G. Southern):

Will the Minister publish the detailed questions contained in the survey 'Health Funding Attitudes in Jersey' designed to reach over 1,000 members of the public and state what part the results of this survey will play, if any, in the formation of Health Policy?

### Response (Minister for Health and Social Services, Deputy K. Wilson):

The Health Funding Attitudes Poll closed on 30 May 2023 having received 1144 valid responses, well above the target range of between 750 and 1000 responses. The polling questions are set out below.

The polling data will provide insight into public attitudes to health care funding, which will help inform potential options for changing the way Jersey funds health and care services in the future. The poll is not intended to inform specific, immediate health policy decisions. Jersey has not historically tracked public attitudes towards health funding – unlike many other jurisdictions - so the intelligence from the poll will provide important understanding and insight.

### Poll questions

#### Preamble

Government is working now to deliver a range of improvements to Jersey's health system, to make services more effective and help ensure fairer access to high quality care. But Government also needs to plan for the future and consider how to pay for the rising costs of health and care services over the next twenty years. Your answers to the questions below will help Government better understand Islanders' views and attitudes to health and care funding at an early stage.

#### Personal questions

Which age category do you fall into? – required.

- Under 17
- 17-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75+
- I prefer not to say

What gender do you identify as?

- Male
- Female
- Non-binary
- Other
- Prefer not to say

Which of the following ethnicities do you identify as?

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<sup>9</sup> WQ.244/2023, 6 June 2023, States Assembly. Accessed October 2023 ([link](#)).

- Jersey
- British
- Portuguese
- Madeiran
- Polish
- Irish
- Romanian
- Other (please specify)

Which of the following best describes your total annual household income?

- Less than £20,000
- £20,000 - £59,999
- £60,000 - £99,999
- £100,000 - £149,999
- £150,000 or more
- Prefer not to say

Do you have a long-term health condition?

- Yes
- No

Do you have private health insurance?

- Yes
- No

Question 1 (Strongly agree.....Strongly disagree)

To what extent do you agree with the following statements:

- Government should raise more money to spend on health and care services for everyone.
- Government should raise more money to provide health and care services for those that cannot afford to pay.
- Government should not raise more money to pay for services; the people who use services should pay for them.
- Government should not raise more money to pay for health and care services; it should provide less.

Question 2 (Strongly agree.....Strongly disagree)

To what extent do you agree with the following statements:

- I would be willing to pay more so that more health and care services are free or lower cost for everyone.
- I would be willing to pay more to provide free or lower cost health and care services to the people most in need.
- I would not be willing to pay more for health and care services, people should pay more of the costs of health and care services themselves.
- People should pay for health and care services according to their means.

[ENDS]

## Response to Oral Question 211/2023<sup>10</sup>

### **Deputy G. Southern:**

As the delivery of health services in 2024 will be shaped by the options outlined on page 96 of the draft Government Plan 2024 - 2027, will the Minister assure Members that she will release additional information in time for lodging of amendments to allow for examination of the spending and policies involved in these options and, if not, why not?

### **Minister for Health and Social Services, Deputy K. Wilson:**

There are no options outlined on page 96 of the Government Plan. The section that the Deputy refers to addresses the sustainability of health funding review, which refers to funding, financing and contracting, which are the matters in scope. Options for a reformed system continue to be in development and have yet to be considered by myself or other Ministers, therefore, I am unable to provide the information requested.

### **Deputy G. Southern:**

The query must be: unable to provide today but will, can, could, may provide in time for the debate on the Government Plan, which is of vital importance to next year and the years afterwards in the short and the long term.

### **Deputy K. Wilson:**

I am working towards a proposition regarding health funding for the Assembly, which will come forward in 2024. I can assure the Deputy that before the lodging of that proposition it would be necessary to engage and to consult with all of those affected and involved, and of course the Assembly will be provided with information in good time to enable a well-informed debate. My task over 2023 has been to conduct the work required, which is continuing to get us to that place. The Health and Social Security Panel has been kept up to date with the work and we are expected to brief them shortly again. I will consider how to share the work and engage on potential options in the early part of next year.

[ENDS]

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<sup>10</sup> Hansard, 17 October 2023, States Assembly. Accessed October 2023 ([link](#)).

## Response to Oral Question 210/2023<sup>11</sup>

### **Deputy G. Southern:**

Will the Minister provide a split of the figures detailed in the Health and Community Services Net Revenue Expenditure within the draft Government Plan 2024 - 2027 between hospital services and community services, and will she commit to providing a further breakdown of the information to Members before 31st October, detailing all major medical specialisms?

### **Minister for Health and Social Services, Deputy K. Wilson:**

Thank you to the Deputy for his question. Unfortunately, at this moment, I cannot provide nor commit to providing the detailed breakdown for next year's budget before 31st October. At the moment finance business partners for Health and Community Services are working on the detailed allocations with each service and care group directors as part of the normal yearly budget-setting process. It is expected that the H.C.S. executive team will review the allocations in late November and for them to be finalised and circulated in January 2024. I would note that this will be dependent on what changes, if any, result from the debate on the Government Plan. I can confirm that a Statement of Comprehensive Net Expenditure is included in the annex in the Government Plan.

### **Deputy G. Southern:**

I am going to be very specific. The Minister says that the figures are in the annex to the budget plan; could she point to the page number on which they are because I cannot find them?

The Bailiff:

Are you able to assist, Minister?

Deputy K. Wilson:

If I could just confirm, the detail that the Deputy is looking for is not in the annex but the overall summary; the net expenditure is there. As I have said, I will provide that detail once H.C.S. have been able to do their budget-setting exercise.

### **Deputy R. Ward:**

Can I confirm with the Minister that that split in terms of the amount spent on community services and the detail of what those community services are exists and is there to begin with? That is the first part of the question.

Deputy K. Wilson:

In terms of resetting the whole budget exercise, we are going through each service line by line to understand what the expenditure requirement is for each of those service lines. What you will see going forward is greater transparency around where those expenditure lines are targeted, whether they be in primary, secondary or acute care services.

### **Deputy R. Ward:**

Given that that is in development, at what stage has that been fed into the development of the new hospital or will it be fed into the development of the new hospital, because if we do not know what is going to be in our community, how on earth are we building a hospital that is going to deliver the services that we need?

Deputy K. Wilson:

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<sup>11</sup> Hansard, 17 October 2023, States Assembly. Accessed October 2023 ([link](#)).

Well one of the things that will need to be factored into the outline business case that is due to come to the Assembly next year will be the detail of the revenue consequences of the model of care that will be reflected in the new outline business case.

**Deputy G. Southern:**

A final supplementary is a bit awkward because I have got lots of supplementaries. My father said to me at one stage, when I wanted to investigate something and have a look and question about something, I should follow the money. If I cannot follow the money, I do not know what sort of package is being sold to me. That is the reality, and what we have got here is exactly that. I am going to be asked, we are all going to be asked, to vote for a Government Plan by the end of the year and then we will see what sort of health services we are going to get out of it because the money will then be exposed in January. Now as far as I am concerned, that is useless to me and to every Member of the States because that means we cannot do anything, we do not know what we are voting for. Does the Minister not agree that it is rather awkward not to know what you are voting for when you vote for a Government Plan, and will she not agree to bring this breakdown to the States well before 31st October?

**Deputy K. Wilson:**

I think I have already mentioned that I am not in a position to be able to do that but what I can assure the Assembly about is that there will be real transparency around where we are spending that money in a much more detailed way.

[ENDS]

## Response to Oral Question 187/2023<sup>12</sup>

Will the Minister provide details of what progress, if any, has been made on the review of the Island's health and care costs, including potential options she has under consideration for funding, financing, and contracting, to include options for the Health Insurance Fund; and will she explain what additional funding, if any, has been provided to address immediate pressures?

### **Minister for Health and Social Services, Deputy K. Wilson:**

To the first part of the question, I can confirm that we are making good progress and are on schedule with the work in this area. But as made clear in the Government Plan 2023 - 2025, the work is intended to continue throughout 2023. I think there is a lot to talk about in response to this question, and I think given the time constraints that we have around oral questions it is difficult to go into any detail at this moment. But I would be more than happy to answer this in more detail as part of supplementary questions. To the second part of the question, the department is anticipating underlying financial pressures of up to £35 million and, as set out in the Government Plan, a financial recovery programme is in place, which will work to reduce these pressures over a 3-year period. In the meantime, an additional £21 million is allocated in 2024 to maintain existing services. This sum will reduce to £14.5 million in 2026 and 2027 as savings and efficiencies are realised as part of that recovery programme.

### **Deputy G. Southern:**

If I could point the Minister to the short statement on page 96 of the Government Plan, it says: "The work will continue into 2024 to develop potential options for change which we will focus on." What potential options focus on funding, who pays, financing, how do we raise the money as needed, and contracting, how do we engage our providers to deliver better value? Can the Minister give us some guidance on what those issues might be.

### **Deputy K. Wilson:**

The first thing to say is that we have established a Ministerial group to direct this work, and that comprises of myself, the Minister for Treasury and Resources, the Minister for Social Security and the Assistant Minister for Social Security. Where we are at, at the moment, is that we have got a draft national health account, which has been prepared for us. For the first time, we have got a picture of what public and private health spending is in Jersey. We will also, people will know, have conducted a poll to ascertain some of the broad public attitudes to future healthcare financing. We are also undertaking a forecasting exercise, which is currently in the process of being finalised, which sets out what these challenges will be for Jersey over the next 20 years or more. We have also undertaken some informal briefings with the Health and Social Security Scrutiny Panel on the output so far, and we will continue to do this until the work is complete. But at this moment in time, the final stage in the development of the options, I am expecting to consider advice from the Health Economic Unit in the coming weeks, and then I will be in a position to provide more information on that basis.

### **Deputy S. Mézec:**

When it comes to the sustainable funding of Jersey's health and care costs, can the Minister outline what importance she gives to the principle of equity and how any

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<sup>12</sup> Hansard, 3 October 2023, States Assembly. Accessed October 2023 ([link](#)).



discussion of equitable funding for health and care costs is featuring as they come up with their long-term funding proposals?

Deputy K. Wilson:

I think if we pursue the objective of health for all, then, clearly we need to make sure that we are providing equitable care and services for Islanders. The way that we do that, I think, we still have to explore what options we have got available to us. I think some of those conclusions will be reached through this work.

Deputy S.Y. Mézec:

The question was about equitable funding of services not the equitable delivery of services.

Deputy K. Wilson:

I think that will be in relation to how we use the intelligence that comes from the work that we are doing to address the issue of equity. At this moment in time, I am not in a position to be able to give any further detail, but clearly that is something that I will be mindful of.

**Deputy S. Mézec:**

The Minister will hopefully be aware of a previous attempt by a Government to find a sustainable funding option for healthcare, which involved the introduction of a health tax, which was an inequitable funding solution because it sought to tax those with the broader shoulders proportionately the least, and those with least incomes proportionately the most. Will the Minister, bearing in mind the effects that poverty can have on health outcomes, rule out a similar funding model and make sure that when we fund our health and care costs that we abide by the principle from each according to their ability to each according to their need?

Deputy K. Wilson:

I think I have just outlined that we have got a whole host of intelligence and information that we need to take account of. I am mindful that there will be different perspectives on what the issues of equitable funding, the approach to taxation, the approach to sustainability, and I would not want to be pressured into making any particular comment on that at this stage, but other than to assure the Deputy that, given all of the concerns that people are raising around this particular issue, we need to consider a way forward, in the round really, and making sure that we are providing services that are equitable and fair across the piece.

**Deputy G. Southern:**

“A way forward in the round.” How about some details, Minister? Are you prepared to commit yourself to stating who is going to fund the health service we have and how you are going to finance the health service that we have in the future. Will you do that before we debate the Government Plan, which commits us to all sorts of things? When are we going to see any detail about what future health system we are going to have?

The Bailiff:

Deputy Southern, through the Chair, please. “Is the Minister prepared?” and all of the other things that you managed.

Deputy K. Wilson:

I think what I would like to assure the Deputy about is that there is really good progress being made with this work. It is vital. It is a complex exercise. People have attempted

to do it before and never followed through. I very much want to make sure that we conclude the work in the remaining months but we still have a full range of evidence and data that we have got to pull together. I think that when we bring some proposals to the Assembly, in terms of future options, it will be well-informed and help the Assembly make the right way forward. This will not be my decision alone.

Deputy G.P. Southern:

If I may, Sir, will that mean bringing some detail to the House before we debate the Government Plan?

The Bailiff:

Yes, that was part of your original question, I think.

Deputy G.P. Southern:

It was, indeed, Sir.

The Bailiff:

Are you able to answer that? Will information be made available to Members before the debate on the Government Plan?

Deputy K. Wilson:

I think I had actually said previously that this work is going to continue into 2024.

[ENDS]

**Response to Proposed Government Plan 2024 - 2027 Review - Health and Social Security Panel, 20 October 2023<sup>13</sup>**

19-21 Broad Street | St Helier  
Jersey | JE2 4WE

Deputy Rob Ward  
Chair, HSS Panel  
BY EMAIL

20 October 2023

Dear Chair,

**Re: HSSP Review of the Government Plan 2024-2027**

Thank you for your letter dated 13 October 2023 which contained initial questions about the Government Plan 2024 – 2027 ahead of the Public Hearing to be held on 16 November 2023. Please see below responses to the Panel’s queries. Please note that totals have been rounded.

**Departmental Budgets and VFM Savings**

- 1) The estimated net revenue expenditure for Health and Community Services (HCS) for 2024 is roughly £39m more than it was in 2023. Please can you explain the significant increase? (p34 GP)**

The additional money is to fund the deficit and ongoing operational costs for 2024. There is a deficit of funding in 2023 of £26m, and £16m in 2024, after delivery of efficiency savings of £3m and £12m in 2023 and 2024 respectively. Revenue budget for 2024 is set at £2865m, which is an increase of £37.5m from the 2023 opening budget of £249m.

Of the increase of £37.5m:

- £15m - Recurrent impact of 2023 pay awards.
- £3.5m - Additional Maintaining Health & Community Care Standards funding.
- £2.4m - Non-Pay inflation.
- £1.8m - Net receipt of budget from Service Transfer.
- £21m - Deficit funding (£16m deficit funding plus £5m Growth).
- (£3.5m) - Value for Money Efficiencies.
- (£2.5m) - Net movement due to non-recurrent funding 2023 Government Plan.

- a) In 2024, you have estimated staff costs to total £204,546, which is £24 million more than what was estimated for 2023. Given the significant number of current vacancies within certain Health Departments, how has this estimated cost been arrived at? (Please provide a breakdown by Departments)**

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<sup>13</sup> Minister’s response to ‘Proposed Government Plan 2024 - 2027 Review’, Health and Social Security Scrutiny Panel, States Assembly. Accessed October 2023 ([link](#)).

At the time of producing the Government Plan figures for 2024, detailed budget setting for 2024 for HCS is yet to be completed. The 2024 figures include the recurrent impact of 2023 pay awards (which were not reflected in the 2023 Government Plan figure). These total £15m.

The net movement of circa £9m is made up of a share of deficit funding of £21m allocated in the 2024 Government Plan, offset by Financial Recovery Plan efficiencies.

As part of the 2024 budget setting process, these matters are to be addressed, in line with the budget setting timetable, which is due to conclude in December and circulated January 2024. This process will finalise the detailed allocation of budgets for 2024.

- 2) **The Panel notes that, in addition to £10m savings the Department is due to deliver in 2024 through the Financial Recovery Programme, HCS is expected to deliver £3.6m of Value for Money savings next year. Please can you advise the Panel how you intend to achieve these additional savings?**

The Financial Recovery Programme (FRP) takes into account all of the 2024 savings initiatives, including the Value For Money (VFM) savings of £3.5m, within its 7 workstreams, namely:

- Clinical Productivity.
- Workforce.
- Non-Pay and Procurement.
- Medicines Management.
- Income.
- Care Group/Directorate Schemes.
- IT and Digital Health.

### Revenue Growth Allocations

- 3) **The annex to the Government Plan states that this funding will be used to maintain existing healthcare services that are facing further inflationary, activity and efficiency related cost pressures. It also provides examples of mental health placements, social care packages, high-cost drugs, off-island care, expansion beds and cancer services. Please can you provide a breakdown of how the £21 million will be allocated to healthcare services?**

#### *I-HCS-GP24-001: Ongoing Risks and Pressures in HCS*

Revenue Expenditure Growth					
£'000		2024	2025	2026	2027
Reference	Description	Estimate	Estimate	Estimate	Estimate
I-HCS-GP24-001	Ongoing Risks and Pressures in HCS	21,000	14,500	14,500	14,500
<b>Total</b>		<b>21,000</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>

As part of the 2024 budget setting process, these matters are to be addressed, in line with the budget setting timetable, which is due to conclude in December and circulated January 2024. This process will finalise the detailed allocation of budgets for 2024.

This will include allocation of funding to ‘unfunded services’ that were identified during the Financial Recovery Plan.

- 4) Please can you provide a breakdown of the proposed funding of £899,000 for 2024?

*I-SPP-GP24-005 Major Incident Health and Wellbeing Recovery Programme*

Revenue Expenditure Growth					
£'000		2024	2025	2026	2027
Reference	Description	Estimate	Estimate	Estimate	Estimate
I-SPP-GP24-005	Major Incident Health and Wellbeing Recovery Programme	899	713	401	401

The proposed funding covers the health and wellbeing support packages that have been developed to provide support for those most affected by major incidents (public and responders). The packages include psychological therapies and health checks (c.£200k), a new Major Incident Support Team (MIST) which will sit within HCS (c.£430k), and long-term health and wellbeing monitoring (c.£270k).

- 5) Please can you provide a breakdown of the proposed funding of £2.3m for 2024?

*I-SPP-GP24-004 Maintaining the Public Health Protection Function*

Revenue Expenditure Growth					
£'000		2024	2025	2026	2027
Reference	Description	Estimate	Estimate	Estimate	Estimate
I-SPP-GP24-004	Maintaining the Public Health and Health Protection Function	2,273	2,273	2,273	2,273

The £2.3m funding will ensure the continuation of the public health work programme detailed in the five-year Public Health Strategy 2023-2027. Including but not limited to, undertaking a Joint Strategic Needs Assessment (JSNA), delivering a health improvement programme, leading health in all policies, working with health colleagues to develop strategies, improve pathways and commission secondary prevention services, and implementing findings from the 2023 Health Protection Review.

## Capital Projects

### *Health Services Improvement Programme*

- 6) Please can you provide a breakdown of the proposed funding of £5m for 2024?

Due to commercial sensitivities, project budgets are to be omitted, however the spend profile of the £5m covers:

- Inpatient ward improvements – Maternity and Bartlett ward.
- Fire compliance:
  - Fire door replacements.
  - Compartmentation improvements (fire stopping).
  - Damper replacements.

- Electrical compliance:
  - lighting upgrades.
  - Localised wiring infrastructure.
  - Medical equipment infrastructure.
- Mechanical compliance:
  - Medium temperature hot water network.
  - Pneumatic tube system upgrades.
  - Drainage repairs.
  - Ventilation replacements & upgrades.
- Building:
  - Roof repairs (water ingress).
  - Reinforced Autoclaved Aerated Concrete (RAAC).
  - Ad hoc emergency repairs.
  - Planned small works.
- Water Compliance:
  - Water tanks and piped network (legionella).
- Professional fees & feasibility work.

**7) Can you please explain why the estimated amount for this capital project reduces significantly in 2025 (£5m in 2024 compared to £2.6m in 2025)**

This figure was initially reduced to £2.6m because of the new facilities being ready for 2026. However, due to the new timeline for the New Healthcare Facilities Programme, HCS had requested that the 2.6m was reinstated to £5.0m for 2025, 2026 with a review of reduced funding for 2027 or at the point New Healthcare Facilities are 12 months away from completion.

***Learning Disabilities – Specialist Accommodation***

**8) Please can you provide a breakdown of the estimated expenditure for 2024?**

Feasibility works are planned to be concluded in early 2024 to ensure that the service delivers bespoke accommodation for complex behaviours that present as challenging. This will also consider individuals off-island as a stepped approach when returning to their home island before moving into a community setting.

**9) What are the target dates for the delivery of this project?**

There is an urgent need for specialist accommodation to ease pressures on the service. Therefore, revised feasibility and strategic planning will be undertaken in first quarter of 2024 to determine the options.

***Digital Care Strategy***

**10) Please provide a breakdown of the funding requested for this project in 2024 (£5.3m)?**

The Digital Care Strategy project has required circa £5m per annum since 2022 to allocate across a designed and sequenced portfolio of HCS Digital Health projects. To attribute funding to specific projects, a robust assessment process has been implemented to align and validate the investment per project based on capacity, affordability, clinical and operational urgency, value for money, risk, and deliverability in a target timeframe. This process is managed, and decisions are made, through the Digital Health Portfolio Board.

Currently HCS' Digital Health demand requests total 76 items, of which 11 are currently active as Digital Care Strategy projects in 2023. They are split across the following categories (the remaining demand requests are recorded and tracked via the formal prioritisation pipeline process):

- Digital Hospital EPR – 7.
- Mental health care and social health care – 1.
- Business Improvements – 3.

In the Digital Care Strategy 2023, the £5m was used to progress the items above, of which 5 Projects will have delivered in scope outcomes and formally begin to close by the end of 2023.

- Electronic Patient Records Phase 1 & 2.
- Faecal immunochemical test Order Comms phase 1 & 2.
- Vendor Neutral Archive.
- GP Order Comms.
- Scantrack.

Seven projects will continue delivery into 2024 with a focus on the below initiatives:

- Digital Hospital:
  - Electronic Patient Records Phase 2 & 3.
  - Faecal immunochemical test Order Comms Phase 3.
  - Genitourinary medicine clinic (sexual health) Electronic Patient Records.
  - Ophthalmology Electronic Patient Records.
  - Electronic Prescribing and Medicines Administration.
- Mental Health and Social care:
  - Mental Health Electronic Care Record.
- Business Improvements:
  - Cervical Cancer Screening.

As previously advised, HCS' 2024 budget setting is yet to be completed. Once complete, it will validate project commitment for 2024.

End of Q3 actuals analysis is under validation to determine end of year commitment across portfolio of work. This will enable the forecast budget planning, per project into 2024 to deliver against remaining project outcomes.

**11) Please provide a breakdown of the £1m that has been requested for 2024 for this project?**

The Jersey Care Model Digital System follows the same principle as question 10 of this paper.

Currently, HCS demand requests are totalling 76 items, 6 are currently active (1 on hold) in the *Jersey Care Model* projects in 2023. They are split across the following categories (the remaining requests are tracked and managed via the formal prioritisation pipeline process).

The following initiatives have progressed through 2023 and are scheduled to deliver into 2024.

- **Applications Management**
  - Audiology System Replacement.
  - Viewpoint Obstetric Upgrade.
  
- **Primary / Community & Integrated Health Care Records**
  - Jersey Health Care Index.
  - Referrals Service.
  - Primary Care (EMIS) System Review.

**12) In last year's GP it was estimated that £400,000 of funding would be requested in .2024. Why is the estimated expenditure for this project significantly greater in this year's Government Plan for 2024?**

Due to projects delay in 2022, the Digital Health programme has reviewed demand, priorities, capacity, and capability. It was realised that the budget needed to be re-profiled from 2022, 2023, 2024 and 2025 with some years being too heavily funded. Any underspend from previous years were approved as per the Government Plan process and spread at a Government of Jersey wide affordable level. This applies to both Digital Care Strategy and Jersey Care Model Digital System. We can confirm the overall amount of the project over the year has not increased and remains within the original Business case cash limit.

**Other**

***Placements and Off-Island Medical Care***

**13) Last year the Panel expressed concerns regarding the amount of funding allocated to this project and asked the Minister to review the funding ahead of this year's Government Plan to determine whether the amount was sufficient and to ensure patient care was not negatively impacted as a result of the reduction in funding from the original growth bid. Please provide an update.**

This has been picked up as part of the Financial Recovery Plan work identifying 'unfunded services', requiring additional funding. This element, also known as the 'structural deficit' in the Financial Recovery Programme, for which funding is being provided over financial year 2024 and 2025, and allocations are to be made as part of the budget setting process, which we have referred to in response to previous questions.



I trust the above addresses the majority of the Panel's question ahead of the Public Hearing.

Yours sincerely,

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## **Government of Jersey BLOG: Financial Recovery Plan (FRP)<sup>14</sup>**

### **What is FRP?**

FRP is the Financial Recovery Programme.

We have offered to Government of Jersey a set of proposals – due to be finalised this autumn, which will enable Health and Community Services (HCS) to make savings, so that key services struggling with inflationary and other cost pressures, can be maintained. Some areas of this include cancer services, mental health placements, off-island care, expansion beds, high-cost drugs and social care packages.

The recovery plan is identifying opportunities for improved efficiency and effectiveness of services, to help reduce costs, and increase income to ensure that the service can be delivered within the revised budget limits.

The Council of Ministers have recognised that the delivery of these savings will take time, and it is anticipated that not all structural elements, i.e., those costs outside the direct control of HCS, can be resolved without impacting healthcare services and patients.

### **Why are you doing this?**

Jersey's Health and Community Services (HCS) form a vital pillar of support for all our people, enabling Islanders to live longer, healthier and productive lives. In order to deliver this, we need to provide safe, sustainable, affordable and integrated services for all. In recent years the affordability of this care has become more challenging, creating a risk to the future sustainability of services as they are currently delivered.

### **Is affordability of our Health and Community service, greater in Jersey than elsewhere in the world?**

Jersey is not unique in this, with many health system globally challenged by the Covid pandemic, health worker shortages, inflationary pressures and changing demographics driving increased demands and rising costs. These, together with a number of unique island factors, have resulted in a current underlying financial deficit of £35m for HCS that necessitates urgent action to stabilise, and a comprehensive plan to address.

### **Why are we suddenly in this position?**

This situation hasn't arisen overnight, with problems compounding over several years. Many of these may not have been immediately obvious, and whilst identifying improvements that are in the direct control of HCS to deliver it is equally important to recognise that a number of distinct factors are outside of its control. For example, the need to provide expansion beds capacity due to delayed discharges of patients who are medically fit to leave hospital but are awaiting placements or care packages, extended recruitment times to hire which incurs avoidable premium costs, policy decisions on companion travel, amongst others.

### **So how much money do you need to save?**

Such complex issues will take several years to fix, and this detailed plan clearly sets out our 3-year roadmap to deliver the necessary efficiency savings and income improvements identified of £25m that are within its control:

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<sup>14</sup> 'Financial Recovery Plan (FRP)', Government of Jersey, Gov.je. Accessed October 2023 ([link](#)).

- £3m the current financial year
- £12m in FY24
- £10m FY25

Delivering this plan won't be easy, and much of this task still lies ahead. There are several and challenges faced by HCS that are being addressing as part of FRP to ensure successful delivery. These include:

- Clinical and other stakeholder engagement
- Development of HCS capacity and capability
- Cultural state of readiness
- Leadership development
- Evidence-based decision-making
- Additional support from central services
- Political support

### **How are you doing this?**

Our FRP is built on a set of core values that combine patient focused quality improvement, financial recovery, clinical, staff and stakeholder engagement, teamwork, and inclusive leadership to deliver sustainable improvements. The approach to the development of the FRP has been to engage widely with clinicians and staff to involve them in shaping the solutions at the frontline and co-developing our challenging FRP Programme. It has ensured joint ownership by Executive Leads, Care Group leadership teams, and clinicians (doctors, nurses, AHPs), and operational staff for delivery and meaningful accountability exercised through the Governance structure now established.

We are looking at every aspect of running the hospital with a fine tooth comb.

We have been developing the FRP Programme and the 7 workstreams where we have identified the £25m of opportunities for improvements in all areas including pay, non-pay and procurement, medicines management, clinical productivity and income. We have now completed the 'planning phase' of the FRP and are entering the 'delivery phase' from next month.

Two examples of early delivery are the reduction in medical locums and conversion to substantive (permanent staff), and the fantastic progress our radiology and radiography team have made in the last 2 weeks alone in rapidly reducing the public and private waiting list by 4 weeks by deploying both MRI scanners. They have demonstrated great teamwork and clinical leadership for the benefit of patients which has lifted the team morale. In the words of a clinical colleague *'...such that the atmosphere in the department has been transformed, from one of doom and gloom, to a "can do, will and must do" one. Everyone is now extremely positive and walking round with a spring in their step and for that we are all truly, truly grateful. That's what we in the Radiology department want to do. The best for our patients and colleagues and this is empowering us to do so'*.

We have already started to build our capacity and capability to sustainably deliver these improvements, actively recruiting a permanent Programme Management and Delivery Team to work alongside the Care Groups and Directorates.

**When will it be achieved?**

This journey of improvement will take 3 years. The FRP Plan details all the schemes and how we will deliver the £25m of efficiency savings and income improvements identified that are within our control – starting with £3m the current financial year, £12m in FY24, and £10m FY25 to eliminate the deficit and achieve a sustainable financial position.

The Report will be made available to islanders in the coming days.

[ENDS]

**Quarterly Hearing, 7 September 2023: Transcript Extract on the Financial Recovery Plan (Pages 12-15)<sup>15</sup>**

**Chief Officer, Health and Community Services:**

By the end of this month we will have completed the work on our financial recovery plan, which I think we mentioned previously in a hearing. That work is in 2 parts. One is something called the drivers of the deficits. What we wanted to understand is why H.C.S.'s position is as it is at the moment. We have looked back to 3 years and looked at what is an underlying deficit that we are faced with. We then looked at how that underlying deficit might be addressed over the next 3 years; it is a 3-year financial recovery programme. Indeed, where we have structural elements to our deficit with the control of efficiency programmes within the department itself. That has been discussed initially with the Council of Ministers, and I believe the Minister will go to the Assembly at some point as part of the Government Plan about how we fund the residual part of the underlying deficit that is still left after we have undertaken an efficiency programme over the next 3 years. That will be based on our current pattern of service, so not a future pattern that will emerge through the work on the clinical strategy and the frameworks, and indeed our workforce plans as opposed to strategies are making the difference. This is about how do we recruit to the vacancies that we currently have in Health. Andy mentioned of course the struggle with psychiatry appointments and others. So there is a more immediate workforce plan that is about staffing to the level that we need today but there will also be a need for the workforce strategy that will look at what type of workforce we will need in 5 years' time.

**Deputy R. Ward:**

So there is a new healthcare plan and new healthcare services?

**Chief Officer, Health and Community Services:**

Yes.

**Deputy R. Ward:**

At the same time as making efficiencies?

**The Minister for Health and Social Services:**

Yes.

**Deputy R. Ward:**

Which I always see as cuts.

**The Minister for Health and Social Services:**

Smarter ways of working.

**Deputy R. Ward:**

I will say it is cuts.

**The Minister for Health and Social Services:**

Smarter ways.

**Chief Officer, Health and Community Services:**

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<sup>15</sup> Health and Social Security Scrutiny Panel Quarterly Hearing: Witness: The Minister for Health and Social Services, Thursday 7 September, States Assembly. Accessed October 2023 ([link](#)).

No, you are wrong, Deputy Ward. It is not going to be cuts because we have such a scope within Health to improve efficiency. Compared to the many financial turnarounds I have done in Health over the last 20-odd years we have probably got the greatest scope for efficiencies.

**Deputy R. Ward:**

We look forward to seeing that.

**Chief Officer, Health and Community Services:**

You only need to talk to staff who see the waste every day.

**Deputy R. Ward:**

Well, it is my job to ask.

**Chief Officer, Health and Community Services:**

Absolutely.

**Deputy R. Ward:**

And I will continue that.

**Chief Officer, Health and Community Services:**

I suppose the premise for financial recovery is of course by improving quality you reduce costs. A good example of that is the high levels of locum and agency staff that I think we are all familiar with at Health is dependent on where we pay premium rates that are 100 per cent more.

**Deputy R. Ward:**

No, I get that.

**Chief Officer, Health and Community Services:**

By recruiting we get quality staff that are committed to Jersey ...

**Deputy R. Ward:**

As an aside to that ...

**The Minister for Health and Social Services:**

You are right ... sorry, if I can just come in. You are right in terms of cuts; we have to cut the inefficiency.

**Chief Officer, Health and Community Services:**

Cut the inefficiency.

**Deputy R. Ward:**

Very good advice. I was just watching on the news this morning; this is another question. There was a project in the U.K. (United Kingdom) where one of the energy companies need funding and paying of energy bills for those most vulnerable and cut - to use your word - the usage ... in fact, the number of times that people had to access the G.P. (general practitioner) and use healthcare reduced. Is any of that included in the strategies of health in the long term? Because those are simple things that can be ...

**Chief Officer, Health and Community Services:**

In our financial recovery panel, I would probably turn to the director of public health around the other determinants of their health.

**Deputy R. Ward:**

I would have thought that would be right up your street.

**Chief Officer, Health and Community Services:**

But in our financial recovery plan we do not think it is a more immediate issue but there are clearly things that we would, I am sure, want to do in Jersey that would impact on improved health, and therefore the economy.

**The Minister for Health and Social Services:**

As you know, we are doing the work on the sustainable health funding model as well, so until we know what the output of that work will be we do not know what the size of the gap of the healthcare budget will have.

[ENDS]

**Quarterly Hearing, 8 June 2023: Transcript Extract on the Financial Recovery Plan (Page 3)<sup>16</sup>**

**The Minister for Health and Social Services:**

That is in response to the report by Hugo Mascie-Taylor. So there are a number of recovery programmes within that, if I could outline those. One is a financial recovery programme and that is clearly focused on trying to redress the financial position that H.C.S. finds itself in at this moment in time. I can provide a lot more detail to that if the panel wishes in terms of what that involves. The second thing is the H.R. (human resources) and cultural programme of change. As the panel members will know, one of the big issues that the report highlighted was the culture of bullying and staff not feeling valued. So a large proportion of that work has been done to build that cultural change within the service.

[ENDS]

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<sup>16</sup> Health and Social Security Scrutiny Panel Quarterly Hearing: Witness: The Minister for Health and Social Services, Thursday 8 June, States Assembly. Accessed October 2023 ([link](#)).



**Quarterly Hearing, 8 June 2023: Transcript Extract on the Sustainable  
Healthcare Funding (Page 46)<sup>17</sup>**

**Associate Director, Health Policy:**

So with regard to the sustainable healthcare funding, there are 2 bits to this. There is a piece of work going on at the moment which is looking at potential costs associated with contraception, and as per the Minister's 2023 Ministerial Plan, we will be doing some consultation on contraception towards the end of this year, but also with regard to the costs associated with contraception, because as you say, at the moment some of it is free, but there are obviously costs incurred by individuals for different types of contraception and also for a G.P. to access contraception.

So we are doing some work on contraception charges at the end of this year and then as part of the women's health strategy which, as you know, is also part of the Minister's commitment, we will be looking at issues relating to access to contraception as well as access to other women's health services.

[ENDS]

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<sup>17</sup> Health and Social Security Scrutiny Panel Quarterly Hearing: Witness: The Minister for Health and Social Services, Thursday 8 June, States Assembly. Accessed October 2023 ([link](#)).