STATES OF JERSEY

DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): AMENDMENT (P.99/2010 Amd.) – COMMENTS

Presented to the States on 10th September 2010
by the Council of Ministers

STATES GREFFE

COMMENTS

The Council of Ministers opposes this amendment.

The Health, Social Security and Housing Scrutiny Panel proposes that the net revenue expenditure of the Health and Social Services Department shall be increased by £110,000 in order to prevent job cuts at the Child and Adolescent Mental Health Service (CAMHS) and the Alcohol and Drug Service and not proceed with the Comprehensive Spending Review proposals HSS-S9 and HSS-S11 and reduce the net revenue expenditure for Treasury and Resources from Restructuring Costs by the same amount.

Comment

These posts are currently vacant. The department acknowledges the importance of some of the functions they deliver and as such will ensure that appropriate provision is provided in the management restructuring of the Community and Social Services Directorate.

Since the Scrutiny Panel review in 2009, a second CAMHS psychiatrist and 3 psychologists have been appointed to the service in line with Williamson Implementation Plan. The significant investment in CAMHS since the 2009 review far outstrips the proposed reductions in the 2011 CSR proposal. Furthermore, significant investments in broader children's services such as the multi agency support teams (MAST) have been funded a result of the Williamson Plan.

The recently launched Voluntary Redundancy scheme has also provided scope for savings within the alcohol and drug service without significant effect upon the front line service.

Financial implications

The amendment proposes that the financial implications are neutral and this is achieved by reducing the central provision for restructuring costs held by Treasury and Resources.

However the scale of savings required over the next three years cannot be achieved without significant up-front investment whether that be for changes in systems or processes, voluntary redundancy or retraining schemes, procurement infrastructure or simply the cost of moving premises or rationalising office accommodation. Experience from any organisation going through such a major change programme shows the need for such a provision. The States supported the need for this kind of investment in approving Article 11(8) funding for P64/2010 for voluntary redundancies and procurement. A significant number of amendments propose funding from this source and if agreed, the proposed £6m central restructuring provision in 2011 will be halved. Indications from department's submissions for the 2011 CSR process indicate that this level of funding is required and, if it is the intention that 2012 and 2013 savings are substantially greater and require more fundamental change, it is even more critical that these future restructuring provisions are also protected.

In addition, the provision for restructuring costs is one-off and there is no ongoing provision. Although some programmes, such as procurement, may span the years of the CSR, most costs will be one-off. Therefore, funding the reinstatement of savings proposals from this provision is not sustainable – the funding may last up until 2013 but, thereafter, there will be no budget to reinstate the saving.