STATES OF JERSEY

DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): TENTH AMENDMENT

Lodged au Greffe on 27th August 2010
by Senator S.C. Ferguson

STATES GREFFE

1 PAGE 2, PARAGRAPH (a) –

After the words "withdrawn from the consolidated fund in 2011" insert the words –

"except that the net revenue expenditure of the Health and Social Services Department shall be increased by £5,830,000 by removing the £5,830,000 income allocation from the Health Insurance Fund".

2 PAGE 2, PARAGRAPH (a) –

After the words "withdrawn from the consolidated fund in 2011" insert the words –

"except that the net revenue expenditure of the Health and Social Services Department shall be increased by £301,000 by not proceeding with the Comprehensive Spending Review proposal to raise £301,000 through 'user pays' charges HSS-UP1 and HSS-UP2 on page 66 of the Plan ('Reduction in level of subsidy on certain health products and goods to 50%' and 'Remove the subsidy on diabetic supplies')".

3 PAGE 2, PARAGRAPH (a) –

After the words "withdrawn from the consolidated fund in 2011" insert the words –

"except that the net revenue expenditure of the Health and Social Services Department shall be decreased by £420,000 by introducing a new 'user pays' charge for smoking cessation services to raise additional income of this amount".

4 PAGE 2, PARAGRAPH (a) –

After the words "withdrawn from the consolidated fund in 2011" insert the words –

"except that the net revenue expenditure of the Health and Social Services Department shall be decreased by £300,000 by reducing the allocation for growth in relation to the application of the EU Working Time Directive by this amount.".

5 PAGE 2, PARAGRAPH (e) –

After the words "within these amounts" insert the words –

"except that the proposed total net revenue expenditure of the States funded bodies for 2012 and 2013 as set out in Summary Table E shall be increased to reflect the recurring effect of the increase of £5,830,000 for 2011 in the net revenue expenditure of the Health and Social Services

Department by removing the £5,830,000 income allocation from the Health Insurance Fund (with the figure increased for 2012 and 2013 in accordance with the appropriate inflation-related increase being applied to expenditure for those years)".

6 PAGE 2, PARAGRAPH (e) –

After the words "within these amounts" insert the words –

"except that the proposed total net revenue expenditure of the States funded bodies for 2012 and 2013 as set out in Summary Table E shall be increased to reflect the recurring effect of the increase of £301,000 for 2011 in the net revenue expenditure of the Health and Social Services Department by not proceeding with the Comprehensive Spending Review proposal to raise this amount through 'user pays' charges HSS-UP1 and HSS-UP2 on page 66 of the Plan ('Reduction in level of subsidy on certain health products and goods to 50%' and 'Remove the subsidy on diabetic supplies') (with the figure increased for 2012 and 2013 in accordance with the appropriate inflation-related increase being applied to expenditure for those years)".

7 PAGE 2, PARAGRAPH (e) –

After the words "within these amounts" insert the words –

"except that the proposed total net revenue expenditure of the States funded bodies for 2012 and 2013 as set out in Summary Table E shall be decreased to reflect the recurring effect of the decrease of £420,000 for 2011 in the net revenue expenditure of the Health and Social Services Department by introducing a new 'user pays' charge for smoking cessation services to raise additional income of this amount (with the figure increased for 2012 and 2013 in accordance with the appropriate inflation-related increase being applied to expenditure for those years)".

8 PAGE 2, PARAGRAPH (e) –

After the words "within these amounts" insert the words –

"except that the proposed total net revenue expenditure of the States funded bodies for 2012 and 2013 as set out in Summary Table E shall be decreased to reflect the recurring effect of the decrease of £300,000 for 2011 in the net revenue expenditure of the Health and Social Services Department by reducing the allocation for growth in relation to the application of the EU Working Time Directive by this amount (with the figure increased for 2012 and 2013 in accordance with the appropriate inflation-related increase being applied to expenditure for those years)".

9 PAGE 2, PARAGRAPH (e) –

After the words "within these amounts" insert the words –

> "except that the proposed total net revenue expenditure of the States funded bodies for 2012 and 2013 as set out in Summary Table E shall be decreased in 2012 by £4,000,000 through an overall reduction in the amount of grants made by States-funded bodies following a reconciliation by the Council of Ministers of all such payments to identify appropriate decreases to achieve the £4,000,000 total (with the appropriate inflation-related increase being applied to this figure for 2013)".

SENATOR S.C. FERGUSON

REPORT

Amendment 1 (and amendment 5) – Health Insurance Fund

In the accounts for the year 2009 the Business Plan estimate for Expenditure was £170 million. However, the actual expenditure was £174 million: a difference of around £4 million. The proposals in the Business Plan seek to shift payment for a number of activities which might or might not be attributable to Primary Health Care to the Health Fund. Unsurprisingly, this sum is £4,900,000. Is this a coincidence?

One of the tasks which the new Chief Officer, the Interim Hospital Manager and the Chief Financial Officer are grappling with is the necessity for proper costing systems, management information systems and financial management in Health. Given that this is the case, it is unsurprising that Health and Social Services have their very own Departmental Black Hole.

Later this year, a proposition will be brought to the Assembly to amend the legislation applying to the Health Insurance Fund to allow the Minister for Social Security to authorise the withdrawal of this £4.9 million in 2011 and to allow him to take unspecified amounts from the Fund in 2012. It should be noted that the withdrawal is to fund growth and to allow Health to meet its savings targets for 2011. However, this is not the presentation that is being made in the Business Plan. Furthermore, it is not being brought to the attention of either the States or the public, and there is most certainly no explanation easily available.

In the meantime, there is no formal plan for the introduction of a Primary Healthcare Scheme, no business case and no costings. Some of the healthcare professionals and providers have had cursory discussions, but there has not been a proper evaluation of what is required, who can provide it and how much it will cost.

For example, a considerable number of services can be provided by pharmacists at a lower cost than that provided by either the Hospital, Public Health or G.P.s. There are services provided by charities and other external organisations, but there do not appear to have been any detailed discussions and no coherent planning. It is foolish to dictate a Plan from the centre when it is the people at the coal-face who will be doing the job, who are possessed of the information relevant to the Plan.

There is no way I can support making a pot of some £77 million available to the Health and Social Services Department without a plan and without costings. If this is not debated now, then there is no further chance for it to be discussed. Passing the Business Plan without at least debating the underlying principles means that when the proposition to amend the Law comes to the Assembly we cannot object to it. It will be too late.

Amendment 2 (and amendment 6) – diabetic supplies

During the Corporate Services Panel review of the Comprehensive Spending Review process, it was made very clear that ‘salami-slicing’ across the board, cutting politically sensitive activities, was not the best way to get public agreement to cuts in expenditure.

The application of user pays principles to diabetic supplies is an example of ‘salami-slicing’.

Due to the public outcry, which was only to be expected, the user pays approach has been withdrawn. As a result, it is now another item to be charged to the Health Insurance Fund.

The Health Insurance Fund was set up to provide funds for pharmaceutical and medical benefits. If the Law is amended to cover primary healthcare costs, this is a valid argument. However, it is not valid to consider the Health Insurance Fund as a useful piggybank which can be raided because of management failures. What is more, it is even less transparent to use it to meet a budgetary shortfall and then amend the Law to facilitate that use. The proposition to expand the remit of the Fund should have been brought to the Assembly before the Business Plan, together with a costed plan, rather than this back-to-front approach.

Amendment 3 (and amendment 7) – smoking cessation

A packet of cigarettes costs around £5.50. A packet of several days' worth of nicotine gum costs around £12 to £16. A heavy smoker will smoke around 2 to 3 packets of cigarettes a day. It is considerably less expensive to use the various cessation aids rather than smoking.

Given that this is the case, it is unreasonable for the taxpayer to foot the bill when the cost of the cessation materials is substantially less than the monetary cost of continuing to smoke.

On this basis, the smoking cessation should be a user pays service.

It is also noteworthy that the main smoking cessation service in the UK is run by pharmacists. It is a great deal more cost-effective and is available in a less formal setting on an individual basis.

Amendment 4 (and amendment 8) – EU Working Time Directive

EU Directives are not mandatory for Jersey. Where they may approximate to "best practice" and are demonstrably efficient, then some version of them may well be adopted.

The recent Poll by the BMA of 980 surgeons and surgical trainees covered all 9 surgical specialties and all Strategic Health Authorities in England, as well as surgeons based in Scotland, Northern Ireland and Wales, and compared responses to a similar survey undertaken last year. It reveals –

- *80 per cent of consultant surgeons and two thirds of surgical trainees (66 per cent) say that patient care has deteriorated under the directive. This compares with 72 per cent of consultants and 59 per cent of trainees consulted in October 2009.*
- *Two thirds of trainees (65 per cent) say their training time has decreased – a quarter more than in October 2009 (41 per cent).*
- *More than a quarter of senior surgeons are no longer able to be involved in all of the key stages of a patient's care (18 per cent – Oct 2009).*
- *Two thirds of trainees have reported a decline in training time in the operating theatre and 61 per cent of consultants report that they are operating without trainee assistance more frequently since the EWTR was introduced.*

- *41 per cent of consultants and 37 per cent of trainees reported 'inadequate handovers' (37 per cent/29 per cent – Oct 2009).*
- *Almost three quarters of trainees (72 per cent) and two thirds of consultants (61 per cent) are consistently working more than the permitted hours. Over half of trainees say they cover rota gaps which result in them working in excess of their contracted hours (44 per cent – Oct 2009).*

The survey paints a picture of an NHS that, one year on, is still totally overstretched due an arbitrary hours regulation. Patients are increasingly being assessed only by junior members of staff or routinely passed between many different doctors with varying levels of experience often with unsafe, inadequate or no handover procedure. Senior surgeons, under pressure to get through operating lists, are now operating alone while their juniors manage wards without support and guidance because working rotas are so finely stretched. This lack of exposure to vital hands-on training alongside experienced colleagues is rapidly eroding NHS care and causing a critical shortage of capable, skilled surgeons in the future.

***John Black, President of the Royal College of Surgeons**, said: "To say the European Working Time Regulations has failed spectacularly would be a massive understatement. Despite previous denial by the Department of Health that there was a problem, surgeons at all levels are telling us that not only is patient safety worse than it was before the directive, but their work and home lives are poorer for it. The new government have indicated they share our concerns, but there is not a moment to lose in implementing a better system which would enable surgeons to work in teams, with fewer handovers and with the backup of senior colleagues."*

***A Consultant surgeon and Fellow of the Royal College of Surgeons, responding to the survey, said:** "The European Working Time Directive has been a training disaster. We are raising a generation of demotivated, demoralised and poorly trained surgeons. The UK will pay for this and regret it for at least 30 years."*

A recent report on the organisation of Middle Grade surgeons in Jersey has emphasized the fact that the organisation of these in the Hospital is chaotic. There should be at least one extra General Surgeon in order to relieve the current pressures.

The evidence is that, as good employers, we need to reform the way we organise our medical professionals – especially surgeons. In view of the widespread professional concerns, it would be foolish to go for wholesale implementation of the EU Working time Directive. There is no reason why, with junior surgeons crying out for better training, we should not devise a contract which offers training and placements and is attractive to the profession.

In view of this, we should not be putting money into implementing a bureaucratic system devised by non-medical civil servants in Europe, and furthermore we should not be blindly following the UK.

The Hospital needs some one or two additional general surgeons. After the deduction in this amendment, there will still be sufficient money to cover the required new Middle Grade Surgeons and a proper revision of the rotas to improve working conditions and thereby patient safety.

Amendment 9 – States grants and subsidies

When the amendment to the Business Plan was agreed last year, the general wisdom was that there were some £20,000,000 in grants and subsidies. In the event, the total was £40,000,000.

At the time I said –

> *"Some years ago the giving of grants was delegated down to the Departments which are most closely involved with the organisation to which a grant was made. It is still required that those organisations receiving grants submit their annual accounts to the Department. Some Departments publish the accounts in the form of a report to the States but these are the exception rather than the rule.*
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> *There are two main benefits to part (a) of the amendment. The first is that it will no longer be necessary for the organisations to print their accounts for circulation, particularly advantageous since both printing and postage are expensive. Secondly it will ensure that the process of giving grants is transparent and will enable the public to see exactly where their money is being spent.*
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> *The de minimis limits are such that there will not be an undue burden on small organisations. The 50% limit is specified in Article 49(2) of the Public Finances (Jersey) Law 2005 as the minimum income from the States to allow the Comptroller and Auditor General to audit such organisations. Part (b) of the amendment will ensure that there is complete transparency of the total amount of grants being made by the States, to whom they are made and by which Department.*
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> *There is no standard format or procedure for publishing the accounts of the bodies supported by the States. Some issue accounts and also publish them on their websites. Some issue accounts freely and some only issue accounts upon request or to those attending the Annual General Meetings. Some issue broad statements of "where got, where gone". Some Departments already issue formal accounts as reports to the States.*
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> *Furthermore there is no mechanism for the public to evaluate the extent and value of grants given by the States. The public provides funds for events, employment services, consumer services, the arts, heritage and a considerable number of health services and has no readily available information on the extent of this.*
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> *In this age of transparency and accountability it is essential that the taxpayers, who are providing the funding, should be able to see how their money is spent in a timely and convenient manner. The procedures suggested in this amendment would make the accounts easily accessible to all members of the public, including those who do not have access to the internet and would also enable the public to understand the extent to which the States supports a variety of organisations in the community".*

We now have an idea of the scale and extent of the involvement of the States in the Community. At nearly £40 million, it is substantially larger than I had anticipated.

It is not clear that there is any assessment of the value for money obtained from some of these grants. Indeed, there are some where the grantee obtains money from a number of States Departments and it might be questionable as to whether all the Departments are fully aware of the various contributions. Are they all relying on each other to evaluate the performance of the organisation?

Other organisations are being used as advocacy bodies against the States which funds them. This seems perverse. These organisations are accountable to the public – is this a proper use of taxpayers' money? Since these organisations still do not publish their full accounts as a matter of course, there is no accountability to their funders, the taxpayers.

During the short period that I chaired the Grants Committee of the Health and Social Services Committee, it became obvious to us that there was considerable synergy in organisations operating in similar areas merging. This was being carried forward by the then head of Family Nursing, but this initiative seems to have stalled. Some of the Health charities have already done this with beneficial effects. There is further mileage in carrying this forward. There is considerable advantage in a number of charities co-locating and sharing administrative costs.

This is not only applicable to Heath and Social Services but to other Departments as well.

These details are for Ministers and their Departments to evaluate.

This is not a matter which can be effected immediately, and it is for this reason that I have not applied this amendment to 2011. I have also not applied a pro rata percentage to Departments. It would be a great deal more effective for Ministers to look rationally at their grants and work together on this.

It is my understanding that some Ministers are already looking at this so that providing this saving by 2012 and 2013 should not be so difficult a task.

Financial and manpower implications

There should be no manpower implications. The financial implications are as stated in the amendments.