

Medium Term Financial Plan

General Questions arising from the Terms of Reference

1. What overall expenditure limits were allocated to the Department in the 2012 Annual Business Plan for 2012, 2013 and 2014? Have the limits changed in the Medium Term Financial Plan and, if so, why has it changed?
 - ***The 2012 Business Plan included funding Business as Usual (BAU) issues (2% growth), Nursing establishment and recruitment, and medical staffing***
 - ***In addition, to the funding identified in the 2012 Business Plan, the draft MTFP includes funding for the implementation of the White Paper and vehicle replacement, and a reduction in respect of procurement savings***
2. What commitments for growth were made for the Department in the 2012 Annual Business Plan for 2012, 2013 and 2014? Have growth commitments from previous Annual Business Plans addressed the issues which prompted those requests for additional funding and, if not, why not?
 - ***Part a - The 2012 Business Plan included funding BAU issues (2% growth), Nursing establishment and recruitment, and medical staffing***
 - ***Part b – yes, funding allocated through the business planning processes in previous years has been utilised as planned and reported in the States accounts each following year.***
3. What changes in staffing levels, if any, are being proposed that were not allowed for in the 2012 Annual Business Plan?
 - ***The total increase in staffing levels described in the draft MTFP are***
 - ***2013 120 fte; 2014 100 fte; 2015 60 fte***
 - ***The 2012 Business Plan assumed a level of staffing growth corresponding to the funding identified in the plan. The draft MTFP proposes an additional increase of 66 fte for H&SS in 2013, relating to the implementation of the White Paper.***
4. How does the Department's budget break down into service areas? How does that breakdown compare to that provided for within the 2012 Annual Business Plan?
 - ***In the draft MTFP the Department's budget has been analysed in a very similar way to previous years; the main changes being that Public Health Services are now shown as a single line and the provision of UK acute hospital services is shown as a separate heading.***
5. What existing services in the Department, if any, are due to be changed and, if so, how will they be changed?
 - ***Refer to White Paper changes***

6. What will Carry Forward funding for 2012 be used for in the Department? What ongoing items, if any, have been funded through Carry Forwards?
- ***The carry forward approved at the beginning of 2012 is being utilised as planned:***
 - ***Bowel cancer screening £100k***
 - ***reducing delayed discharges £100k***
 - ***individual care packages £150k***
 - ***medical equipment £156k***
 - ***Tamiflu – extended life £522k***
 - ***Resourcing of CSR programme management £290k***
 - ***Mental health placement £330k***
 - ***The first three of these are recurring in nature and have been prioritised from 2013 growth funding.***
7. What funding pressures are facing the Department and how will they be addressed?
- ***The Department is constantly under financial pressure, along with every other health and social care service in the developed world.***
 - ***Pressures are caused by increasing demand (eg demographic changes) and rising expectations, as well as new technologies and treatments and above average inflation on key costs such as drugs.***
 - ***Key pressures facing the Department at present are:***
 - ***Growing demand, eg. UK treatments, both hospital and mental health***
 - ***Increasing costs, eg Medical insurance, increasing drug costs***
 - ***Recruitment and retention, e.g. Nursing vacancies***
 - ***Specialist placements, eg UK Placements of children***
 - ***These and other pressures are being managed through a combination of plans and actions, for example:***
 - ***Service change, eg White Paper***
 - ***Provision of Specific Funding, e.g OBCs***
 - ***Improved efficiency, eg Delivery of CSR, Lean***
 - ***Recovering costs, e.g. private patients, RTA fees***
 - ***Improved decision making and financial management, eg considering whole life costs, procurement,***

8. Which bids for growth in revenue expenditure have been taken forward? For those which have, is it proposed that they be funded from Growth expenditure; Contingency expenditure; Restructuring provision; or another source?
- ***In addition to the growth already planned in the 2012 Business Plan, the draft MTFP includes funding to implement the White Paper. This is proposed to be funded from the growth allocation.***
9. Which bids for growth appear for the first time in the Medium Term Financial Plan and which relate to bids which have been made by the Department in previous years?
- ***The costs relating to the White paper appear in the MTFP for the first time***
 - ***The costs relating to vehicle replacement also appear in the MTFP for the first time – this relates to an organisational change where TTS Fleet Management are now responsible for purchasing vehicles and leasing them to H&SS. (i.e. this is revenue funding replacing what would previously have been capital funding)***
10. Which bids for growth in the Medium Term Financial Plan were unsuccessful and what will be the likely impact?
- ***The projected cost of implementing the White Paper includes recurring and non recurring costs (i.e. one off costs of implementation such as recruitment and equipment). The draft MTFP funds the recurring costs from growth.***
 - ***It was initially envisaged that the non recurring costs could be funded from the Restructuring provision.***
 - ***The current plan does not fund these non recurring costs (2013 £1.1m, 2014 £0.9m, 2015 £0.5m)***
 - ***As part of the process of moving to a balanced financial plan, the recurring costs of implementing the White Paper in 2013 have been reduced by 10% (£0.5m).***
 - ***The impact of these changes will be the need to prioritise and phase the implementation of the changes described in the White Paper***
11. In which areas of the Department were CSR savings targets identified? Will the Department meet those specific savings targets? If not, in which areas will the savings not be met and what contingency plans, if any, does the Department have in place?
- ***The Department has set CSR targets across all areas as described in the 2012 Business Plan***
 - ***All schemes are subjected to a rigorous governance process before being implemented, including a feasibility review***
 - ***Schemes are currently at various stages with some under and some over achievements.***

- *The current projections indicate and overall achievement of CSR targets for 2012, although this is increasingly challenging.*

12. What capital projects are proposed for the Department, both specifically for 2013 to 2015 and for the Long Term Capital Plan for 2012 to 2032?

- *The following schemes are proposed in the draft MTFP for the period 2013-2015:*

2013

▪ <i>Upgrade of Main Theatres</i>	<i>2,100</i>
▪ <i>The Limes Refurbishment</i>	<i>1,700</i>
▪ <i>Replacement General Hospital - feasibility</i>	<i>350</i>
▪ <i>Mental Health Facility at Overdale - feasibility</i>	<i>350</i>
▪ <i>Relocation of Ambulance and Fire Station - feasibility</i>	<i>100</i>
▪ <i>Adult Care Homes</i>	<i>4,000</i>
▪ <i>Children's Homes</i>	<i>2,000</i>
▪ <i>Replacement assets</i>	<i>2,484</i>

2014

▪ <i>Upgrade of Main Theatres</i>	<i>1,837</i>
▪ <i>Replacement General Hospital - planning</i>	<i>2,000</i>
▪ <i>Intermediate Care</i>	<i>500</i>
▪ <i>Refurbishment of Sandybrook</i>	<i>1,700</i>
▪ <i>Replacement assets</i>	<i>2,789</i>

2015

▪ <i>Replacement assets</i>	<i>2,595</i>
▪ <i>Replacement MRI Scanner</i>	<i>2,277</i>
▪ <i>Replacement RIS / PACS IT assets</i>	<i>1,567</i>

- *£7.75m of 2013 schemes and £1.5m of 2014 schemes are identified as being funded from the proposed sale of JT preference shares*

- *The following schemes are proposed for the Long Term Capital Plan, post 2015:*

- *New hospital £332m*
- *Mental Health facility at Overdale £30m*
- *Relocation of Ambulance station £4.6m*
- *On going programme of replacement assets £1.5m pa*

- ***The Department and Treasury are continuing to work together to finalise the relevant aspects of the LTCP.***
13. Have any capital projects been delayed or not provided for?
- ***The Sandybrook scheme has been delayed by a year***
 - ***The new hospital scheme is identified in the plan and requires a funding source to be identified***
14. What policy changes being considered by the Department (but which have yet to be agreed and / or implemented) which could impact upon other Departments or the public?
- ***Refer to White Paper***
15. What new 'user pays' charges have been considered and which will be pursued? What increases to existing 'user pays' charges have been considered?
- ***Planned User Pays are described in the 2012 Business Plan.***
16. What requirement, if any, does the Department have for restructuring provision?
- ***The Department has been provided with funds from the restructuring provision for a number of issues, e.g. Invest to Save for delivery of energy savings***
 - ***It was originally hoped that the Non recurring element of the White Paper implementation costs would be funded from the Restructuring provision. As previously discussed this is not included as a cost to the Restructuring Provision in the draft MTFP.***
17. What sources of income does the Department have and what changes, if any, are proposed to the levels levied?
- ***In 2012 the main sources of income to the Department are:***
 - ***Private Patients £5.8m***
 - ***Elderly care £2.5m***
 - ***HIF £6.1m***
 - ***Property rental £1.5m***
 - ***Services such as radiology £2m***
 - ***There are various other relatively small sources of income, such as canteen sales.***

- ***We seek to recover the full cost of services wherever possible, and are not currently planning and significant increase to current charges in 2013.***
- ***The HIF income of £6m was agreed for 2 years and ceases at the end of 2012; although income from the HIF has been identified as potentially contributing toward balancing the financial plan. This is currently being discussed by Treasury, Social Security and ourselves.***

18. What funding, if any, does the Department receive from charitable or other sources in order to support the delivery of its services and for what purposes?

- ***The Department receives funding from Charitable organisations in a number of ways:***
 - ***There are six jointly funded posts, e.g. specialist diabetes nurse jointly funded with Jersey Diabetes Assoc until Aug 2014***
 - ***Bodies such as the League of Friends provide support through donations and purchasing of equipment***
 - ***We receive donations and bequests for the benefit of staff and patients which are managed through the States Charitable Funds; now overseen by an independent panel***

19. What outstanding issues facing the Department, if any, have not been taken into account in the Medium Term Financial Plan?

- ***The MTFP takes account of funding the implementation of the White Paper but as discussed previously does not fund all the projected non recurring costs and the 2013 funding has been reduced by 10%. We plan to manage this through a process of prioritisation and phased implementation.***
- ***The MTFP provides some funding to support increases in nursing establishment (£1m in 2013 and £1m in 2014) and recruitment (£800k in 2012 and £600k in 2013). SEB are currently considering an equal pay for equal work claim by nurses. There is no further additional funding available for this.***

If applicable:

20. What delivery plans have been developed to ensure that clear systems, action plans and success criteria are developed for the Strategic Plan priority entitled 'promote family and community values'?

- ***Children's work stream in White Paper***
- ***OBCs in White Paper that engage / involve community and 3rd sector organisations***
- ***Joint work with ESC and HAD on implementing Children's and Young People's Strategic framework***

- ***Joint work with Social Security and Housing in relation to older adults agenda***

21. What funding has been allocated to ensure the delivery of these plans?

- ***Children's OBC £623k in 2013, £736k in 2014, £858k in 2015***
- ***Other costs embedded within BAU, e.g. joint working on key initiatives***