STATES OF JERSEY

Health and Social Security Scrutiny Panel
Medium Term Financial Plan

TUESDAY, 26th JULY 2016

Panel:
Deputy R.J. Renouf of St. Ouen (Chairman)
Deputy G.P. Southern of St. Helier (Vice Chairman)
Deputy T.A. McDonald of St. Saviour
Deputy J.A. Hilton of St. Helier

Witnesses:
The Minister for Health and Social Services
Director, Finance and Information
Chief Executive
Hospital Managing Director
Managing Director, Community and Social Services
Director, System Redesign and Delivery
Assistant Director, Finance

[10:02]

Deputy R.J. Renouf of St. Ouen (Chairman):
May I begin? This is a public hearing of the Health and Social Security Scrutiny Panel and, Minister, we welcome you and your team.

The Minister for Health and Social Services:
Good morning. Thank you.

The Deputy of St. Ouen:

As this meeting is being recorded, we will do the usual introductions, if we may. I am Deputy Richard Renouf, Chairman of the panel.

Deputy G.P. Southern of St. Helier (Vice Chairman):

Deputy Geoff Southern, Deputy Chairman.

Deputy T.A. McDonald of St. Saviour:

Deputy Terry McDonald, member of the panel.

Deputy J.A. Hilton of St. Helier:

Deputy Jackie Hilton, member of the panel.

The Minister for Health and Social Services:

Senator Andrew Green, Minister for Health and Social Services.

Director, Finance and Information:

Jason Turner, Director of Finance and Information.

Chief Executive:

Julie Garbutt, Chief Executive.

Hospital Managing Director:

Helen O'Shea, Hospital Managing Director.

Managing Director, Community and Social Services:

Susan Devlin, Managing Director of Community and Social Services.

Director, System Redesign and Delivery:

Rachel Williams, Director of System Redesign and Delivery.

Assistant Director, Finance:

Amy Taylor, Assistant Director of Finance.

The Deputy of St. Ouen:

Thank you, Minister. To explain, as you will know the purpose of the meeting is to raise questions on the Medium Term Financial Plan and I think we will want to concentrate on efficiencies, user pays charges and the central growth allocation. There is a lot in each of those, as you will understand.

We had a helpful meeting with your officers a short while ago and they gave us some valuable information. One of the sheets they gave us was a bit more detail on the efficiencies that you wish to make within your department. We note that the efficiency which is intended to bring about the greatest saving is rephasing of P.82 plans and that perhaps concerns us that the Island may be slipping behind in what it has intended to do in terms of healthcare provision for the population. Can you tell us, Minister, what is proposed as rephasing?

The Minister for Health and Social Services:

I will get one of my team to do that but I would just like to set it into context. As you know, this is a Medium Term Financial Plan that will result in Health getting £38.5M directly into healthcare, £38.5 million per annum from year 2019. With that, though, comes a huge responsibility to ensure that we do our bit to provide efficiencies and reduce waste and cut out duplication and also to ensure that we do not take money that we cannot spend at the appropriate time. As I say, I will let officers talk about the phasing of P.82, but it would be wrong to take the money initially without having the plans in place to do it all. I am not concerned that we are falling behind, by the way. Are you going to talk about P.82?

Director, System Redesign and Delivery:

Yes. As the Minister said, we are understanding that at the moment we will be receiving an extra £38.5 million in allocation in terms of growth money for P.82 going forward, but it is quite difficult to plan and schedule out 3 years in advance and that is certainly something that we found in phase 1 of P.82. Things change and we need to keep that under constant review to make sure that we are responding to those changes. In phase 1 in the last 3 years some schemes have been brought forward and some schemes have slipped back; some schemes have got bigger and some schemes have got smaller. However, as you will have seen from the other paperwork that we gave you, particularly the sunray diagram, we have done everything that we said we were going to do and going forward we will continue to do everything that we say we are going to do, subject to us getting the funding for that. But we need to keep these schemes under constant review and make sure that we are responding to changes, changed views and changed needs, as we go forward.

The Deputy of St. Ouen:

Are there any specific programmes that are not proceeding in this M.T.F.P. (Medium Term Financial Plan)?

Director, System Redesign and Delivery:

As we stand at the moment, no. We plan to do everything that we have said we are going to do, in the same way as we did everything we said we were going to do in phase 1, albeit, as you will be aware, in phase 1 one scheme did not progress because the market took over.

Deputy G.P. Southern:
What was that scheme?

Director, System Redesign and Delivery:
That was the primary care for under 5s because many G.P.s (general practitioners) now provide free or heavily subsidised primary care for under 5s, so we did not need to fund that through P.82 because the G.P.s responded and are doing that already and that is a much better service for those children and those families. The second one which slipped was what was called the Community Resource Centre, which is a Salvation Army hub and that will be coming online this year. The third was a result of ...

Deputy G.P. Southern:
How much was saved from that being delayed?

Director, System Redesign and Delivery:
Which, sorry?

Deputy G.P. Southern:
The Salvation Army.

Director, System Redesign and Delivery:
We have not made any savings from it being delayed. We have spent the same amount of money because that money was to pump prime the development of the Salvation Army hub.

Chief Executive:
I do not think it was us that delayed it. It just took longer to deliver than originally was thought. It was not a deliberate slowing down of that initiative. It just happened.

The Minister for Health and Social Services:
I know for a fact that the building work was far more substantial than they anticipated with all different levels of floors when they got things up, so it has taken longer.

Director, System Redesign and Delivery:
Yes, and we have continued to fund that at the level that we said we would. Their timescales have slipped slightly but that is coming online this year. Then the third area was what was called the Expert Patient Programme, and that was as a direct result of talking and listening to a whole range of stakeholders, particularly doctors and G.P.s, around the phasing of phase 1 and the programmes

that need to happen in phase 1. In phase 2 we will still be picking that up, so picking up what we now call peer support and self care and people helping one another because it is shown to work, but we have to listen to what people tell us. If they say to us that is not really a priority for this phase, something else is a priority, for example investing in children's services, then we need to listen to that and keep adjusting that as we go forward. But in phase 2, just as in phase 1, we are planning to do everything that we said we were going to do, albeit we need to keep listening because some things will move forward and some things will move back, some things will increase and some things will reduce. That is just the reality of life when you are planning these services.

Deputy G.P. Southern:
To what extent will phasing apply to staffing numbers, for example? If a programme is supposed to be delivered by additional staff or different staff, will that be part of the rephasing?

Director, System Redesign and Delivery:
Undoubtedly it will be part of the rephasing, as will the release of any additional monies to other organisations, but we will know far enough in advance to make sure that that is properly scheduled in and discussed with everybody that is involved. We have to make sure that we are doing this on a balance of risk. As I said earlier on, the other side of that rephasing may be, just like it has been in phase 1, that money gets released for other priorities as they emerge and move up the priority list, like children's services for example.

Deputy G.P. Southern:
You are saying if we do not spend it there we rephase that particular bit of the programme and we can spend it elsewhere. To what extent does that apply to any of the lines on the list, Minister?

Chief Executive:
We would normally prioritise spending the money on the things that we originally intended, but when we do get a significant issue like children's services that needed to have significant investment, we looked at all of our schemes to see where we could reprofile and rephase the money so that we could put more into children's services. That was in response to a particular and important issue that arose as opposed to: "We think we will just move the money around." When it comes to profiling the work, the one thing I would say is that ... I am not entirely sure how many different projects we have in phase 2 but there will be 10s and 10s of them and they all need to progress. Obviously we work with a lot of different stakeholders, particularly the third sector, to progress them, so even where we may say we are not phasing that, we are going straightaway, it may delay because we cannot recruit first time round or it takes a little bit of time for them to gear up to take over a service we have asked them to do. So it is quite a complex programme and things do move about within it.

Deputy G.P. Southern:

It is one thing to respond to circumstances by rephasing. It is quite another thing, to me as a layman, to build that into your efficiency savings. You are saying we will be further phasing, there will be further phasing and making a saving through that, and that is built into the programme.

Chief Executive:

It is not an efficiency saving. It is a delayed expenditure.

Deputy G.P. Southern:

It is called an efficiency saving.

The Minister for Health and Social Services:

When you are dealing with a department that is spending in excess of £200 million you have got to have some flexibility within that. Not everything can be delivered at exactly the time that we would like it to be delivered and some things become a priority that perhaps were not such a high priority at the beginning of the programme. It is a 3-year programme. You must have flexibility. If you are going to straitjacket everybody into sticking entirely to the plan when you are spending that sort of money in such a dynamic service then you are doomed to failure, I would suggest.

Director, Finance and Information:

Perhaps I can help. Our intention ... that line has 2 items in it. One is potentially for further phasing of P.82 and the other is further cash release and efficiency savings. Our intention is to target cash release and efficiency savings first and foremost.

Deputy G.P. Southern:

Such as?

Director, Finance and Information:

Such as there is a whole myriad of things that we have done under our S.R.C (safely removing costs). programme and C.S.R. (comprehensive spending review) prior to that.

Deputy G.P. Southern:

Which is detailed elsewhere anyway.

Director, Finance and Information:

Which is detailed elsewhere. We will develop further plans over the next 2 or 3 years to target further efficiency savings. We have not got those detailed plans today.

Deputy G.P. Southern:

You do not know what they are but you have built some savings into your programme?

Director, Finance and Information:

Within this programme there is an additional target to deliver further efficiency savings which it is entirely sensible that we have not worked out the detail ...

Deputy G.P. Southern:

What is the proportion between further savings and the phasing savings?

Director, Finance and Information:

We are targeting to deliver the whole amount through efficiency savings.

Deputy G.P. Southern:

Why have you put then "phasing" in the title?

Director, Finance and Information:

As the Minister has spoken to, the reality is that as we go through this there may be some rephasing that comes out either because we need to because the timing of an implementation of an efficiency saving requires further phasing of other issues or there may be some phasing of new services coming in that is beyond our control and happens anyway. But our objective is to deliver those savings through efficiencies on a recurrent basis by the end of the M.T.F.P.

The Minister for Health and Social Services:

You are talking about 0.4 per cent of the budget will be delivered usually from staff coming up with ideas. I do not know if you have visited the Oobeya room. You need to go if you have not. You really ought to. We ought to invite you down to have a look at how dynamic that is. Usually it is bottom fed, top led, bottom fed ideas on how to save money, reducing waste.

Deputy G.P. Southern:

Bottom feeding.

The Minister for Health and Social Services:

Reducing waste, reducing duplication and, you know what, the best people to do that are the ones actually on the shop floor that are doing the job every day. They are coming up with the ideas. Some of those ideas ... all those ideas are scoped. Some have got legs and run and we work with; others do not.

Deputy G.P. Southern:

In summary then, that line, which is the biggest deliverer by 2019, biggest single item, is actually not further phasing. It is better delivery and cash release and efficiencies which you do not know what they are. Does that sum it up accurately?

[10:15]

Director, Finance and Information:

It could be a combination of both but we aim to have a recurrent position of delivering that sum through efficiency savings by the end of the M.T.F.P.

Deputy G.P. Southern:

Now I will put my cynical head on, if I may, and say, because I have been around for too long, probably clearly, the easiest way for any department to save money is to not make appointments as appropriate. So, put it off by 6 months, consciously, deliberately, and you get 6 months saving out of not delivering something earlier in the year. Is that not the case? Is that not what is built into this?

The Minister for Health and Social Services:

In a word, no.

Deputy G.P. Southern:

In no way whatsoever?

The Minister for Health and Social Services:

No.

Director, Finance and Information:

That is not a sustainable position to take. Doing that delivers short-term, one-off savings. It does not ...

Deputy G.P. Southern:

You have used it in the past. That has happened.

Director, Finance and Information:

This programme is based on delivering a recurrent sustainable position. All our schemes that we work through are assessed against socially sustainable and affordable, so it has to be socially sustainable and it has to be affordable and has to be sustainable. The whole purpose of this is to

get ourselves to a position by the end of 2019 when these savings are delivered on a recurrent basis. You cannot deliver recurrent savings on just delaying programmes.

The Minister for Health and Social Services:
We seem to have forgotten, though, that ... yes, we do have to ensure that we reduce waste, that we cut out duplication. That is 0.4 per cent of the budget. We seem to have forgotten that we are investing £38.5 million directly into patient care, be it in the community or within the hospital. This is a good news story not a bad one.

Deputy G.P. Southern:
I am sure we will come on to it. Can I just finally on this particular area take a look, £13 million savings as a result by 2019, the total savings. What happens if for some reason you find you miss your targets, you cannot deliver some of those several savings? What happens then?

Director, Finance and Information:
As you would expect, we do not wait until the end to see we have not delivered some savings. We are monitoring this on a fortnightly basis as we go through this year, next year and the year after. If you look back, we have a good track record of delivering on savings programmes. We delivered C.S.R.; we are delivering savings post C.S.R. and into M.T.F.P. 2. Where we see a savings initiative not delivering, we go and find an alternative. Many of those are, as the Minister said, ideas from staff on the frontline saying: "We can see some wastage here, we can see ways of doing something different there, we can see a way of improving things there." Some of them are contractual issues where we have put better procurement arrangements in place. There is a whole range of issues, but as soon as we see something that is in the plan that is not likely to deliver, either in terms of the quantum or in terms of the timing, we go and identify something else and work that up so that we do not miss our targets.

Deputy G.P. Southern:
For how many years have you been doing savings? Is it 10?

Chief Executive:
As long as I have been here and that is 6.

Deputy G.P. Southern:
There is still savings to make. You are confident that you will meet some of those targets?

Director, Finance and Information:

There is always savings to make. In a £200 million-plus organisation, to think that you could not continually deliver a level of savings would be naive. You can do. All big organisations can do it and do do it and we are no different on that front. It is difficult, it is challenging. It becomes more difficult as time goes on, but we have to continue to challenge ourselves to do it because it is the right thing to do and it can and does deliver.

The Deputy of St. Ouen:
But there must come a stage where residents will start feeling the effect of those savings, so I wanted to drill down on to some of this.

The Minister for Health and Social Services:
Not necessarily. I will give you one example. It is in the past but I will give you the example where cardiology surgery that was carried out in London is now carried out in Oxford. It is cheaper, it is clinically as good if not better than what we were getting at St. George's and we are paying less than we were. Those are the sort of things that also have to be challenged the whole time.

The Deputy of St. Ouen:
I agree and I remember you telling the panel about that just perhaps 12 months ago or so, Minister. You renegotiated that contract and you got a better price.

The Minister for Health and Social Services:
That is an example of how you can provide as good as or sometimes better service for less.

The Deputy of St. Ouen:
Yes, and yet in your efficiency savings you have a line "Reduced cost of U.K. (United Kingdom) contracts for specialist care". Can you continually renegotiate and bring down those prices?

The Minister for Health and Social Services:
Yes, at the moment. The experts are with me, but it does depend on the marketplace over there and at the moment the trusts want our custom and if they want our custom, and working with Guernsey as well on some of it, we can negotiate a better price and get a better deal for the patient and have a ...

The Deputy of St. Ouen:
Yes, but you are budgeting year on year for saving all the time and you believe that is possible to do, is it?

The Minister for Health and Social Services:

If it was not possible it would not be in the plan. It is as simple as that. It is not just: "Let us make up a figure to balance the books." We look at what we can achieve.

Director, Finance and Information:
Perhaps I can help you with that. There are 2 things. One is the straightforward price you pay for things. The other is what services are provided on Island and off Island. We are constantly challenging ourselves. Technology changes, treatment changes, which means that some things that we could not do on Island 5 years ago perhaps we can do on Island now and there are different costs associated with that. The other thing to remember, of course, is that U.K. hospitals are constantly challenged to deliver savings targets, as we are, so they are constantly looking to reduce their cost base and their prices. Obviously, when they are successful at doing that, it puts us in a good position to benefit from that in the same way that we benefit from our cost savings. So it is entirely feasible to deliver continual savings.

Deputy J.A. Hilton:
Can I just ask you a question about commissioners? A couple of years ago you brought in 2 commissioners and one specifically to look at acute services off Island. Have you still got somebody in that role?

Chief Executive:
We do.

Director, System Redesign and Delivery:
Yes, we still have got somebody in that role and this year we have worked hard to renegotiate and have taken out a quite significant amount of costs from our main contracts in the U.K. and we have retendered. At the moment we have retendered 3 services and driven out more costs, so we have improved patient service as a result of that.

Deputy J.A. Hilton:
Before we move off savings, can I just ask a question about the reduction in the £1 million on the White Paper money by 2019? It says that the reduction will be delivered through a focus on additional efficiencies on the implementation of services. Can you elaborate on that?

Director, Finance and Information:
I might say a few words and then perhaps Rachel may want to add something. I think it is important to recognise that we are getting a significant sum of new money and to exclude that from our drive to gain further efficiencies would be wrong. We have worked up the outline business cases for the new services in phase 2 and we have challenged ourselves to deliver those business cases with

slightly reduced resources. That will involve revisiting and reviewing the business cases but not reducing the scope, so delivering the outcomes that we expected and planned for originally but to do so with less resource. That is what that line represents. I am sure Rachel will talk a bit more.

Deputy J.A. Hilton:
The services that you were planning on delivering between 2016 and 2019, it is going to be divided across those services or those business cases, is it?

Director, Finance and Information:
Yes. It may be not be perfectly even across every line of every business case because it may make sense to do it slightly disproportionately but it will be spread across the business cases.

Deputy J.A. Hilton:
For instance, how would that affect the children's service?

Director, Finance and Information:
Children's service at this stage is excluded from those particular services. I should have been clearer about that.

The Deputy of St. Ouen:
There are a couple of items in the list of efficiencies that I would like to drill into, Minister. One is a saving in reviewing, developing and redesigning adult social care and long-term care provision in which you talk about enhancing and increasing services but making a saving over the period of the M.T.F.P. What is proposed there?

Managing Director, Community and Social Services:
This is very much, I guess, about the philosophy of how we organise and improve services to adults and how that then drives how we deliver those services. It is much more about a philosophy of packages of support being built around individuals and their families, so services, if you like, fitting need, assessed need, rather than people fitting services. I think it would be fair to say that the pace of change in adult social services elsewhere has been a little bit quicker than it is in Jersey and there is a fairly traditional model of service in Jersey. This is much more about personalisation and self-directed support, where the individual is very actively engaged in their care planning. The fundamental is about an assessment of need and that is looking very much at the holistic picture for that person. Sometimes our services can be organised around particular conditions or needs and what we have in the system is processes that can, I think, make it difficult for people to negotiate their way through or to get a care pathway. What we would much prefer to see and what we are looking at in the planning stages is around how we get teams around a person. So we would want

to look at doing away with a number of referral routes that are in place just now. So, I am a social worker, I am working with someone, I want to refer them to somewhere else. That builds in a slight delay. It also builds in an additional person being involved. So we want to look at how we can slim-line some of those processes so that once somebody is in there is a person who has a lead responsibility working within a much more multidisciplinary team. We have taken some steps towards that. We have brought together our older adults services with our adult social work services. I think it is recognised that to say 65 years of age being a cut-off to make you into older adults is probably a little bit arbitrary and is probably from some time ago. I think people would say at 65 now you are not necessarily an older adult. Many people work beyond that. So we are removing some of that. We are also looking at how best we bring together some other services, for example some of the mental health services and emotional event support services, so our acute services, mental health liaison, looking at how we can bring all of those services together. It is much more about very consciously putting the individual and their families at the heart of things and a real paradigm shift, if you like, about this is about choice and control and how do we move away from more institutional ...

The Deputy of St. Ouen:
I can see that that is the way we would want to go and that is a great thing, but how can we be sure that that produces £200,000 saving next year, £400,000 the next and stepping up all the time?

Managing Director, Community and Social Services:
I think we can look at what has happened in other jurisdictions. I certainly have worked in other places and I have seen that the evidence shows that savings can be made. I think it is a case of one size does not fit all and there will be some packages of support which remain expensive because of the complexity of need, some less so. I was having a bit of a look just at some examples of what has happened over recent years where perhaps we have seen individuals being placed off Island at a fairly significant cost, over £200,000, for example, because of the specialist nature of that placement, who we have brought back, put a package of support in and refined that support over the years to take, say ... I think the figure was something like from £230,000 over a period of years - this is not an instant thing - to £135,000 for a package of support. That individual is back in Jersey, is doing well, is happy with their package of support. So I think that is an example. It is not an exact science and it would be wrong for me to say to you these figures are absolutely carved in stone. They might slightly go up. I know where there have been significant savings. You cannot plan exactly, but there is probably savings to be made, absolutely, and I think importantly the outcomes for the individual improve.

Deputy J.A. Hilton:

Can I just ask you a question about that? In the Addition at page 97 it talks about the Health Department working jointly with the Social Security Department to review the funding arrangements for all levels of long-term care in order to ensure a consistent approach that protects the most vulnerable in the community.

[10:30]

Can you give us an example of a review of a funding arrangement and how it is going to differ? You talk about a consistent approach. Can you just explain to us exactly what that means?

Managing Director, Community and Social Services:

I suppose a consistent approach is about making sure that the policies and legislation and regulations that are in place are planned consistently. The assessment of need is obviously a critical starting point for that and then building a care package around that where the individual has some choice and control. Certainly if I was having a complex care plan I would want to have some control over who delivered that.

Deputy J.A. Hilton:

For instance, are there individuals currently receiving a free service by the Health Department who under these plans will be paying in the future?

The Minister for Health and Social Services:

I think it is fair to say that there may be some that are currently receiving an allowance to pay for services which they are not paying for that we need to look at. They are getting the personal care component of income support but it is not being used to purchase that which it should. There may be some.

Deputy J.A. Hilton:

Would that be individuals who are living in their own homes? Presumably if they were living in residential care they would be getting the service.

The Minister for Health and Social Services:

Yes. There is still scope in that.

The Deputy of St. Ouen:

They are receiving the benefit but they are creating additional cost to your department?

The Minister for Health and Social Services:

From the past, yes.

The Deputy of St. Ouen:

From the past?

The Minister for Health and Social Services:

Yes. Now if you get a long-term care benefit you can only use it to buy services under the current scheme.

Director, System Redesign and Delivery:

It is the personal care component of income support.

Deputy J.A. Hilton:

It is the personal care component which is decided through Social Security, the personal care component levels 1, 2 and 3. So you are going to review that as part of your plans?

The Minister for Health and Social Services:

Whether that affects individuals today or whether we prevent that from happening in the future is all part of that review.

Deputy J.A. Hilton:

When you say that you are looking for consistency, you want to be sure that those individuals who are in receipt of those benefits are using them for what they are provided?

The Minister for Health and Social Services:

Yes.

Director, System Redesign and Delivery:

If I may, it goes back to what Susan was just saying, that it is really important that we understand what an individual’s needs are and that we assess those needs in a consistent way, so consistent with the way that needs are assessed under the long-term care benefit, for example. Social Security are also considering their personal care component income support levels because at the moment there is a gap between PC3, the upper end of the personal care component, and the lower end of the long-term care benefit. In that gap there may be some individuals who perhaps are not receiving the level of personal care component that perhaps they need to pay for their care against assessed care needs which are assessed consistently and Social Security are working on that.

Deputy J.A. Hilton:

Would it be fair to say that there are potentially people in receipt of personal care levels 2 and 3 that the departments do not feel at the moment are buying in the services that they should be?

The Minister for Health and Social Services:

The truth is we do not know that.

Deputy J.A. Hilton:

But that is what the review is going to be looking at, is it?

The Minister for Health and Social Services:

Yes.

Deputy G.P. Southern:

That is changing the nature of the personal care component entirely, is it not?

The Minister for Health and Social Services:

Sorry, I did not hear what you said.

Deputy G.P. Southern:

If you were to say you must spend your impairment component on care then that changes the nature of the impairment component. It could well be that the person pays some of that money towards their family, for example, because they need to adjust their work schedule to look after them, are quite happy to look after them, but that conversation might go that way.

The Minister for Health and Social Services:

That is what we are looking at.

Deputy G.P. Southern:

As a possibility? Does that not happen now?

The Minister for Health and Social Services:

We are going to carry out a review. We do not know what it means yet.

Director, System Redesign and Delivery:

That level of detail I would suggest possibly should be asked of the Social Security Department. My understanding is that once the criteria around the personal care component are clarified then we need to make sure that it is consistently applied and that it meets people's needs, but the most

important thing is to make sure that we are addressing the gap between the current upper level of personal care component and the lower level of the long-term care benefit.

The Minister for Health and Social Services:
Just making sure it is properly targeted.

Deputy J.A. Hilton:
Can I just ask you a question about respite as well? Currently I believe there are individuals who receive respite care free at point of delivery through the Health Department. Is that going to change in the future as well? Is that one area that you are looking at to align with Social Security? I am thinking particularly of adults, not so much children. Are there some adults currently receiving free respite care that will in the future have to pay for that respite care?

Managing Director, Community and Social Services:
It is the same response. There will be some people who at the moment are getting respite that we pay for. The assessment is fundamental in terms of saying does somebody qualify for long-term care benefit and, if so, respite comes under that. The other detail we have to work out I guess is the whole element about the States in its broadest sense, the support that they give across a range of need to people who have complex needs wherever they are on that spectrum. How do we ensure that the support is there and what do people have to participate and contribute to that?

Deputy J.A. Hilton:
I think it would be fair to say that there are some adults currently receiving free respite care who will not in the future because they will not qualify under the new criteria that the departments will be applying. Is that fair to say?

The Minister for Health and Social Services:
I do not think you can say “will not”. I think you could say at this stage “may not” and that needs to be looked at. It is not “will not”.

Deputy J.A. Hilton:
Okay. That is part of a review that is going on now?

The Minister for Health and Social Services:
Yes.

Deputy J.A. Hilton:

When is the review going to be complete? When is that change, if there is going to be change, likely to happen?

The Minister for Health and Social Services:
I do not know when change will be because the review is not complete yet.

Managing Director, Community and Social Services:
There is a much bigger review going on about adult services now. What I tried to do earlier was outline some of the elements of that and when you do make a philosophical shift and approach that is not necessarily immediate change.

Director, System Redesign and Delivery:
I think again it is important to recognise that we need to make sure that we have got a full assessment of an individual's full care needs and that would include their need for respite. Civil servants are tasked with using taxpayers' money to best effect but also from a care provision perspective that we are managing people's risk.

The Deputy of St. Ouen:
Can I ask about another line in the efficiencies savings about the hospital management restructure, modernising workforce management and practices? It seems to me there you are talking about changes to medical rotas, controlling locum spend and bank cover but, Minister, does that not depend on recruitment of sufficient staffing to the hospital service? How can we be sure we will make those savings in order?

The Minister for Health and Social Services:
It is interesting that you talk about recruitment because frequently over the last couple of weeks I have been quizzed particularly around the vacancy factors and the recruitment of nurses. In Jersey at the current time we have a 5 per cent vacancy rate of nurses. Most of those vacancies are in mental health and in theatres. The U.K., for example, has a 10 per cent vacancy rate, so I do not think we need to beat ourselves up about the difficulty in recruiting. We do a good job, we attract people, and you are right that we do need to have the right people in the right place. But one minute we are being criticised for spending too much on locums and the next minute we are being criticised for having plans to reduce the need for locums by having people in post.

The Deputy of St. Ouen:
I am not necessarily criticising. I am just asking if we are already at a low figure, 5 per cent compared with 10 per cent, how can we ...

The Minister for Health and Social Services:
That is nurses.

The Deputy of St. Ouen:
Nurses, okay. But how can we be sure we will get sufficient numbers in post to reduce the cost of locums to make those specific savings you have identified? Is it an aspiration that we are looking at here?

The Minister for Health and Social Services:
Of course it is an aspiration but it is a realistic one. We believe when we go to the marketplace that we do attract the right people, and that is shown by the fact that we only have a 5 per cent nurses vacancy rate. The 2 areas that we have challenges in are nationally where people have challenges around mental health and theatre. In fact, using one of the universities in the U.K., we are about to start our own theatre nurse training programme. So it is not just a pie in the sky plan. We believe that we can attract those people and not just a dream but we actually put things in place to ensure that we can attract them. Of course, one of the biggest drivers, and it will be for a few years, is come to the brand new hospital in St. Helier where modern practice and modern equipment and all the rest of it is in place and that will certainly help with recruitment, but that is beyond the 3-year plan.

The Deputy of St. Ouen:
Yes, understood.

Chief Executive:
Would it be helpful just to talk about that specific initiative in relation to doctors?

The Deputy of St. Ouen:
Yes, it would.

Hospital Managing Director:
I can do. It is not just about recruitment and future doctors. This is about looking at how we manage the current workforce that we have in place. You will notice there are several things in that line explaining that initiative. We are looking at restructures of the whole of the management team and that is about how we divide the services within the hospital under what teams, and so we are streamlining that. We have been looking at changing some of the medical rotas and that is about the different layers of doctors working within a speciality: who is available in hours, who is available out of hours, whether or not we have got the right mix of doctors. We have been able to make some really positive changes that have saved money and improved the working lives of those doctors that are on call. We have looked at the skill mix of our staff: have we got the right skill mix; are we over-

staffed in terms of trained members of staff; can we give more to the unqualified members of staff? So we are looking at different skill mixes in different areas. It says in here: "Increase the controls over medical locums and bank cover." That is about reassessing, when somebody goes and asks for some cover, have we done everything we possibly can with the people who are here before we go out and employ expensive premium rate locums and nurse agencies. For example, if we have got a gap at a weekend, can we fill the weekend gap and fill a gap in the week, because it is cheaper to cover a weekday gap than it is a weekend. It is changing the way we are managing the current workforce, so it is not just about future recruitment. It is more effective current management.

The Deputy of St. Ouen:
In the process there are 4 posts that are going to be lost. Is that right?

Hospital Managing Director:
It is early days to say exactly which posts and you cannot say it is a single post because with some of the work I have just been describing, you will save a bit of time of one post here and a bit of time of another post there especially if you change your skill mix. For every person that leaves we go through a process that says: do we need a direct replacement; can we live without the post; can we use a different sort of post; can we do it with less hours? If you just recruit less hours then all of those hours add up. There is a whole combination of how we will look at saving actual headcount but it might not be in a single post.

The Deputy of St. Ouen:
I understand.

Deputy G.P. Southern:
Can I stay on the contingencies around recruitment and retention in that there is a sum of £25 million overall in the States budget given the label "efficiencies, pay restraint". What proportion of that is down to Health staff? What budget have you got and what savings through pay restraint? Does that not produce a difficulty for you in the sense that you have not finished negotiating with the nurses, for example, the prospect of equal pay for equal value work, which seems to have fizzled out? Where are you with pay?

The Minister for Health and Social Services:
You know full well that pay is a matter for the States Employment Board not for Health and Social Services. You also know that the agreement with nurses is that they will have a small percentage above whatever is agreed at the end, if there is an agreement with staff. Nurses get ... I cannot remember. I do not want to quote a figure because I cannot remember what it is, but there is a small

percentage that nurses will be getting above whatever settlement there is for staff generally. But you know that that is a matter for the States Employment Board.

Deputy G.P. Southern:
But nonetheless its impact is on you in terms of your ability to recruit and retain.

[10:45]

Do you see that becoming problematic if we are sticking with pay restraint in the health service in particular?

The Minister for Health and Social Services:
No, I do not.

Deputy G.P. Southern:
Would you like to explain why you do not see that as a problem?

The Minister for Health and Social Services:
For me, I do not get involved obviously in the day-to-day operational side but with other hats on, with my charitable hat on, I do get involved in recruitment. One of the indicators is that you fail to recruit people of a suitable calibre if you do not offer the right wages. Clearly we must be offering the right terms and conditions, including the wages, because we attract people of a suitable calibre to apply for the jobs. If the States Employment Board maintains the line of the current wage negotiations, I do not foresee that as being a major problem in terms of attracting new staff, if that is the question you asked me.

Deputy G.P. Southern:
Are there any areas where you do have problems recruiting?

The Minister for Health and Social Services:
Yes, and I will hand over on that, but you know there are one or 2 specialist areas where a premium might be necessary, I think that is fair to say.

Chief Executive:
There are specialist areas in the hospital and in Community and Social Services, and obviously both Susan and Helen can say more about them, where it is difficult to recruit. All the indications we have is that that is not pay-related. That is related to the fact there are just not enough people in that marketplace, so the few that there are, they are highly competitive posts. People make choices

about where they will go to work based on a whole range of factors, not just obviously pay, although pay is important. We do not have an awful lot of indication at the moment. We have had a very successful period of time in recruiting consultants but there are one or 2 specialities where it is more challenging. We have been successful in some parts of children's services, less so in others. Again, that does not seem to be pay-driven. The one that particularly concerns me and concerns Susan - and we have tried many, many times and not yet found a solution to it - is C.A.M.H.S. (Child and Adolescent Mental Health Service). That literally is because the people are just not out there and those few that are are highly selective about where they will go.

The Deputy of St. Ouen:
Can I just come back to the questions I was asking about the hospital management restructure? I see from the table that the figures for that line are very precise, £252,000, £652,000, whereas the figures in most of the other lines indicate a rounding up to the nearest 100,000 or so, because they all have zeroes at the end. Is there something different about the hospital management restructure? Has it been worked up to a greater extent?

Hospital Managing Director:
We have started this work. The hospital is divided into divisions and we have reduced the number of divisions and each of those divisional leads, working with their clinicians, are working up their individual plans for their divisions. So we have got hundreds of schemes that sit within each of these divisions, so there probably is more detail that sits behind this that enabled us to be more accurate with those figures.

The Deputy of St. Ouen:
So you can be accurate to the nearest £2,000?

Director, Finance and Information:
I think it is safe to say there is nothing special about that line as compared to the other lines. It just so happens that our estimate ended up with a 2 on the end. That is not indicative of anything special about this line. This line is no more or less worked up than any of the others. The one thing you could say with certainty is as we progress on each of the numbers, what we deliver for each of these lines could be more or could be less because we will be pushing to get the best value we can get out of every saving scheme we do. Some will deliver in excess of our expectations and some will deliver less. The only thing we can say is it is very unlikely that each line will deliver exactly what we have got here on this schedule.

The Deputy of St. Ouen:
Yes, I understand, in the timing indicated.

Director, Finance and Information:
There is nothing special about that particular line.

The Deputy of St. Ouen:
Obviously we could talk a lot more but I am wondering if the panel want to move on to the user pays provision. Minister, we see from the plan that you propose to introduce user pays, increasing amounts each year up to 2019. Perhaps generally can you tell us how those might impact on clients using the hospital or the health services in the community?

The Minister for Health and Social Services:
Yes. We do not want to frighten people to death because what we are not talking about is any new, at this stage, user pays. What we are talking about here is the right, for example, for private patients to run as a proper trading account and have a right to make a profit to go back into Health. At the moment the law forbids that. The law says that we can only cost recover and the Minister for Treasury is working on changing that. That is one example. We are looking at a review of subsidies, a review of laundry services, a review of travel subsidy. That is one that I am particularly keen to look at because there will be people who are making multiple trips who, because their income is just above the line, are getting little or no support and others who make one trip but get total support. We need to look at that to ensure that ... yes, I want to drive out savings there if it is possible but I also want to be fair to people who are, for example, going for treatment for radiotherapy, that sort of thing, that when they are making multiple trips there is a ceiling, for example. We have not done the work yet but a ceiling whereby they do not have to pay beyond that.

The Deputy of St. Ouen:
I see on that travel subsidy policy there have been savings made this year. Is that right? Have there been reductions? It would appear there has been a £75,000 reduction in the help available.

The Minister for Health and Social Services:
I do not know the answer to that but it may be as simple as there are some things we can do here now that we were not able to do, that we had to send people away. Would that be fair?

Director, Finance and Information:
I think the number you are looking at is largely a reflection of the fact we were hoping to bring something in towards the end of the year, bring some of the changes in towards the end of this year, not that we have done anything to date.

The Deputy of St. Ouen:

I see.

Deputy G.P. Southern:

A tripling over the 3 years of the savings made or the user pays generating, what proportion of that 625 by 2019 is made up of private charges? Do you know?

Director, Finance and Information:

Private charges by 2019 is about £300,000.

Deputy G.P. Southern:

About half of it. In 2019 the information you gave us suggests that you will raise private patient charges to market rate and bring in £108,000 in 2019.

Director, Finance and Information:

£102,000 in 2017, £104,000 ...

Deputy G.P. Southern:

That is right. But the target for 2019 is £625,000 of user pays. That is still ...

Assistant Director, Finance:

Could I just clarify on that table? That is not cumulative in that actual information. It is 100 plus 100 plus 100, so it is 300 by 2019 out of 625, which is the total.

Deputy G.P. Southern:

The rest of the savings, the other £300,000, is coming from where?

Director, Finance and Information:

It is the areas that the Minister has already spoken to, so travel subsidy.

Deputy G.P. Southern:

Travel subsidy will generate substantially more than it is currently overall. You talked about making it fair, but what we are talking about is decreasing the subsidy?

The Minister for Health and Social Services:

It is likely that somebody on a one-off trip will meet the full costs of that. It is the work we are doing at the present time. Somebody having to make multiple trips will have a ceiling which they do not have at the moment, it is likely. It is something that I am really keen that we look at.

Deputy G.P. Southern:

Accompanying a person to treatment in the U.K. or elsewhere would become more expensive for many families?

The Minister for Health and Social Services:

Accompanying depends on whether there is a need for that person to be accompanied. For example, some children obviously need to be accompanied, some more disabled people need to be accompanied, some do not need to be accompanied but like to have somebody with them. Now, that is a matter for them. We help out by getting the cheapest price that we can for them. Unfortunately, I can say with some personal experience that since Flybe and Blue Islands have amalgamated the fares are less flexible than they were. But if someone does not need to be accompanied but wishes to be accompanied that is at their own cost. What we do is try and get it as cheaply as possible for them.

Deputy G.P. Southern:

Some families will be paying more to accompany their partner or whatever for treatment, £300,000 more?

The Minister for Health and Social Services:

We do not pay for partners to travel unless there is a medical need for them to travel.

The Deputy of St. Ouen:

What would happen, Minister ...

Deputy G.P. Southern:

Can we get agreement on the £300,000?

The Deputy of St. Ouen:

Geoff, can I ask a question?

Deputy G.P. Southern:

I have got no answer yet. Some families will be paying £300,000 more in 2 years' time than they are currently now to accompany their spouses or their family for treatment?

The Minister for Health and Social Services:

Not to accompany. I think you are muddling up. We do not pay for people to accompany others to hospital for treatment in the U.K. unless there is a medical need. We book the tickets for them.

Deputy G.P. Southern:

So that has not changed then?

The Minister for Health and Social Services:

No, that has not changed. We book the tickets for them.

Deputy G.P. Southern:

So what is changing that you are going to generate £300,000 more?

Director, Finance and Information:

I think the figure is in the region of £200,000 not £300,000.

The Deputy of St. Ouen:

But, Minister, what would happen if somebody needed to take a single trip to the U.K. and they told you they could not afford to go?

The Minister for Health and Social Services:

We have systems in place for that now.

The Deputy of St. Ouen:

But you have been telling us that for single trips they might have to pay their fares.

The Minister for Health and Social Services:

If they genuinely cannot afford to go then we have systems that cover for that now.

The Deputy of St. Ouen:

That will still protect them, will it?

The Minister for Health and Social Services:

You are trying to put words in my mouth.

The Deputy of St. Ouen:

Well, I am asking to what extent ...

The Minister for Health and Social Services:

This is under review at the moment. The bit that I am really keen about is that it is seen to be fairer to those who travel frequently. Those who cannot afford to travel because they are on income support, there is no question that is paid for.

The Deputy of St. Ouen:

Right, okay. You mentioned before that some of the savings might be achieved by doing things in Jersey which were previously done in the U.K. and you indicated perhaps that a large part of this year's savings might result from that. If that produces a savings in the travel subsidy policy, surely there are increased costs in what you are now doing in Jersey that you did not do previously?

The Minister for Health and Social Services:

To put a question back to you: is that not what part of the £38.5 million per annum in 2019 is going forward for some of that?

The Deputy of St. Ouen:

Why do we call it a saving if at the same time we are netting off against that, or should we net off against that a cost?

Director, Finance and Information:

What we do when we are looking at whether we provide services on or off Island, we look at quite a granular level of detail, so service by service. One of the factors we consider is the affordability, how much money, of providing it versus off Island. It is not the only factor. As technology improves and treatments improve and drugs change and so on, there are some things that we can now do on Island that we could not previously. In terms of comparing the cost, the cost of providing a service off Island is obviously the cost we pay to the hospital in the U.K., the cost of individuals travelling to the U.K. and there could be some costs of after care that is provided either in the U.K. or on Island. We compare the entire cost against the entire cost of delivering that service on Island and obviously there are costs of providing new services on Island but often they will be marginal compared to the price you pay off Island. So when we are paying for care off Island we pay a yearly cost to a U.K. hospital, which includes all their direct costs of providing that treatment plus some of their overheads and their indirect costs and depreciation on their buildings and everything else, as well as the travel costs and everything else. When we provide that service on Island, or a different variation of it, we are often only suffering the marginal cost. It may be that what we need to do is buy some drugs and a new piece of equipment for our existing staff to use. So you can find that kind of scenario sometimes where we are comparing the full cost in the U.K. plus travel costs plus some extra costs against the marginal cost of starting that particular treatment in Jersey. Sometimes it is the other way round because to do it in Jersey you would need a massive piece of equipment or a new building. So you have to do it at a granular level, service by service, treatment by treatment, but we take all those things into account. Some savings will be delivered on travel by providing services on Island where we can and that is often better all round; it is cheaper and better for the patient, just a better service.

The Deputy of St. Ouen:
Can we ask about the community dental review and how that is user pays?

[11:00]

The Minister for Health and Social Services:
It is still a review unfortunately at the present time.

The Deputy of St. Ouen:
Why has that got a specific figure of £128,000 savings next year?

Hospital Managing Director:
It is being run by the Dental Action Group, which is a multi-departmental group, being mostly led by Social Security, independently chaired. They are looking at how we, as an island, provide dental treatment, particularly to the under-12s for the future. This scheme is if they continue in the direction of travel that we think then there will be certain patients that currently come to secondary care for dental treatment that can be provided out in primary care and in other jurisdictions that is where they would be. If that is the case then the department would make a saving if we stopped providing that service. That group has yet to report and I think they are quite a long way off reporting, so at the moment that is just a possibility but nothing definite. I am not sure what their timescale is to report on that at the moment.

The Deputy of St. Ouen:
I see. Yet it is a very specific figure and is listed in next year only.

Hospital Managing Director:
It is because we know what that is costing us at the moment but if that does not change, if the model does not change, then those costs stay with us.

The Deputy of St. Ouen:
Okay, and yet it is under user pays. I do not quite understand the distinction between efficiencies. That suggests to me that that is a saving or an efficiency. If it is something you are no longer doing, it is not a user pays element, is it?

The Minister for Health and Social Services:
It is if they have got to pay for it somewhere else.

The Deputy of St. Ouen:
They have to pay for it somewhere else?

The Minister for Health and Social Services:
If they go into primary care rather than secondary care.

The Deputy of St. Ouen:
I see.

Director, System Redesign and Delivery:
Again, it is one of those consistency issues that some individuals are already paying in primary care to get primary care dentistry, which is absolutely right, and some people are coming into hospital and getting free primary care dentistry. That element is just one of the elements that the Dental Action Group are working on. They are also working on oral health education, so on that preventative stream on improving information and knowledge and awareness for children in schools, for parents, to get ahead and get upstream of the issue to help to increase people's oral health and oral hygiene to avoid the issues in the future. So, this is just one element of a much larger piece of work that is looking at dentistry for the Island.

Chief Executive:
I think I am right in saying, Rachel, they are also looking at the support that Social Security can give to families who are in need as part of this, so it would not just simply be a complete, wholesale: "There used to be a free service in the hospital, now everybody pays." There would still be a range of options for people in terms of how they would access primary care dentistry. But as has been said, it is still in its very early stages.

Deputy G.P. Southern:
That has been long overdue, has it not? The fact is we do not have a policy and we have let the scheme that we used to have, the dental fitness scheme, just atrophy.

The Minister for Health and Social Services:
A review is being undertaken by Social Security, ourselves and Education.

Deputy G.P. Southern:
I accept that.

Director, System Redesign and Delivery:

Social Security are also looking at not just the children's dentistry but also what is commonly known as a Westfield scheme, so the over-65 scheme, to review to make sure that that continues to be fit for purpose as well.

The Deputy of St. Ouen:
Yes, which has been revised.

The Minister for Health and Social Services:
Yes. In fact, Westfield will not be doing it anymore; Social Security will be doing it. But as we know because of the last sitting, there was a greater amount of money going into that.

The Deputy of St. Ouen:
Yes. Does the panel have any more questions on user pays? Okay. Perhaps, Minister, we could move on to the growth allocation. I am trying to understand the figures here. You have spoken about £38.5 million in the next 3 years coming into Health. Does that include the £15 million transfer from the Health Insurance Fund?

Director, Finance and Information:
Do you want me to ...?

The Minister for Health and Social Services:
I do not know the answer to that one.

Director, Finance and Information:
The £38.5 million is new money coming into the department for the implementation period to maintain our services and standards. The £5 million H.I.F. (Health Insurance Fund) money does not give us any additional spending power, so it is £38.5 million separate from the H.I.F. £5 million.

Deputy G.P. Southern:
But where is that money going?

Director, Finance and Information:
The H.I.F. money is coming into the department to fund or will be allocated to fund some of our existing primary care services. It does not give us any additional spending power. The additional spending power we will have by the end of the M.T.F.P. is £38.5 million.

The Minister for Health and Social Services:

I think it is fair to say that the H.I.F. money is bridging that gap between the health charge and the need for us to continue to provide services until the health charge comes in.

The Deputy of St. Ouen:

I am trying to find a table ... I am sorry, I am looking for the tables on the central growth provisions. I have a note here it is page 102 but it is not playing ball with me. Sorry about this. Yes, so on page 64 there are the figures for Health at the top and it shows the figures proposed in 2017 and 2018 as totals of almost £9 million and then £4 million, but where is the £38.5 million that we have been speaking of?

Director, Finance and Information:

I thought you might ask this because it is not easy to see, is it? Would you indulge us by allowing us to circulate a summary table that adds it all up together so you can see what ... **[Laughter]**

The Deputy of St. Ouen:

Right.

Director, Finance and Information:

Because if I try and just talk to it from these pages it will be quite difficult. So, if I can just hand this round, it will hopefully help.

The Deputy of St. Ouen:

Pleased to have more paper. Thank you.

Director, Finance and Information:

I thought you might not have enough in there, 200 pages or whatever.

The Deputy of St. Ouen:

Well, exactly.

Director, Finance and Information:

Okay. So, on the pages full of tables, a few tables together, if you look at the bottom it has £38.5 million, so that is the figure that we keep talking to. The top table, the table from figure 24, which is on page 64, that is the money that is allocated within the departmental cash limits. So, in terms of totals that is 7947, 8873 and 4178.

The Deputy of St. Ouen:

Right, okay, yes.

Director, Finance and Information:

Okay, and then the next table down, the middle table, it was taken from figure 26 on page 65. So this is the funding that is identified to the department but held within the central growth allocation for 2018 and 2019 and those figures are 9666 and 7871. At the bottom of those 2 tables on the piece of paper I have just given you there is cumulative lines. That is the annual figures added up year by year. Then the table at the bottom takes the figures from those 2 tables above and adds them up to get to £38.5 million. So, in summary, what this is saying is that our plans and projections are based on having additional funding of £38.5 million. Some of that has been allocated to us within our cash limits; that is on the top table. 2016, that is obvious because we are in 2016 so if we did not have that we could not be planning to spend it. 2017 is the next financial year, which is fundamental that we know where we are with that in terms of the outcome of the M.T.F.P. So, those figures are presented in full as part of our cash limit. The 2018 column in figure 24, which is the top table, represents the full-year effect of that that has been approved for 2017. So the easiest way to explain that is within 2017 there will be some staff appointments that will be scheduled to take place partway through the year. So if we appointed a nurse to start on 1st July, then we have 6 months' worth of cost in 2017, but by the time we get to 2018 if we do nothing we have 12 months' worth of cost. So the reason for those figures in 2018 is it reflects that full-year effect where it starts partway through 2017. Hence there is nothing in 2019 because there is obviously a full-year effect. So the figures in 2018 in figure 26, the middle table, is the new funding, so that is the financial cost of new things that will be done in 2018 and the same for 2019. So, when you add those up together, that is what comes to £38.5 million.

Chief Executive:

So in lay terms, I suppose, what this sets out is that there is an expectation of funding, providing obviously the M.T.F.P. is ultimately approved, and there is an expectation of funding but there is not a guarantee because it is being held centrally.

The Deputy of St. Ouen:

Yes, I understand.

Director, Finance and Information:

If you flip over to the other side of that piece of paper, there is a simple one-table summary there, which is probably what you would have liked to have seen in the first place - save the best until last - which gives you the total figures by 2019 that add up to the £38.5 million. I thought it would be helpful for you to see how it relates back to the M.T.F.P. Addition.

The Deputy of St. Ouen:

The breakdown, yes. Okay, I think I am getting there. This allocation is, according to the M.T.F.P., dependent upon savings and efficiencies being made across the whole of the States administration, is it not? I suppose the question is: what if? What if it is not possible to make those savings and efficiencies? What effect on the health service?

The Minister for Health and Social Services:

I have to be clear that if the Council of Ministers did not think they could achieve those savings or efficiencies they would not be there. But other departments like us may well achieve the efficiencies and the savings but they may look somewhat different to how they started off because it is dynamic. As I said to you, things change. It is probably a question really for the Minister for Treasury and Resources, but I know that he does have a small amount of contingency around there as well that he could use if not every department achieved everything. But clearly this is a plan that is believed to be deliverable or it would not be there. For me, I think it is right and proper that the sums are also held centrally until such time as there is a proposal to use it for the purpose for which it was allocated so it does not just disappear into the ether of ever expensive healthcare. So, I am quite comfortable that this plan is a workable plan. The Council of Ministers would not have put it forward if they did not think it was a workable plan, and I think it is a really positive one when you look at £38.5 million going into health, from memory something like £10 million per annum extra going into Education, more again going into growing our economy. This is a really positive plan that would not be on the table if we did not think we could deliver it.

[11:15]

Deputy J.A. Hilton:

Can I just ask you a question about these figures? On your detailed growth for 2016, the easy table where it is all added together, you show an investment of £3.4 million in children's services, but in most of the ... in a lot of the detail that I have read it talks about £4.5 million investment in children's services. So, what is the disconnect of £1 million?

Director, Finance and Information:

Some of the funding that is listed down here as 2 per cent investment has gone into children's services as well so the ...

Deputy J.A. Hilton:

What is that in actual figures?

Director, Finance and Information:

If you will just bear with me for a second, I will give the answer.

The Minister for Health and Social Services:

Do you want to explain what the 2 per cent is first and then ...?

Director, Finance and Information:

Okay. The 2 per cent funding that we get is to enable us to maintain our services to the current standards and Government arrangements and so on that are increasing and it is to keep them in line with comparable jurisdictions. So it is quite appropriate that some of that money has gone into children's services to do what needs to be done. So the figures, if I quote them from the children's services outline business case, which I think the panel has been given, the 2016 increase in funding is £5.5 million. By 2017 it is £6.5 million ... or £6.75 million rather. By 2018 it is just over £7 million. That funding is made up of funding from the M.T.F.P.2 money and from the 2 per cent funding. You probably do not have it with you, but just for reference on the children's outline business case on page 41 there is a table that sets it out.

Deputy J.A. Hilton:

Okay. Because I do not know, but I had sort of thought in my mind that the children's services was getting an additional £4.5 million each year. Is that correct or have I misunderstood that?

Director, Finance and Information:

This year the children's services has had an additional £5.5 million. That grows to £6.75 million by next year and just over £7 million by the year after.

Deputy J.A. Hilton:

Okay. I am just trying to reconcile that figure there that you have given us and why ...

Chief Executive:

It is because the balancing figure between the £7 million that Jason has referred to and the £3.5 million you can see is within the £19 million.

Deputy J.A. Hilton:

Okay.

Chief Executive:

If we completely strip that out into every little thing it would be, you would find a line that said children's services and a sum, which is the balancing sum.

Director, Finance and Information:

Could I pass you my page?

Deputy J.A. Hilton:

I think I have probably ... what, is this a page in the outline business case? What number is it?

Director, Finance and Information:

Forty-one.

Deputy J.A. Hilton:

Oh, right, okay.

Director, Finance and Information:

So, at the bottom of that table ... forgive me, Chairman, I know nobody else has this page in front of them, but the bottom of that table says: "Proposed funding sources M.T.F.P.1, M.T.F.P.2 remain 2 per cent M.T.F.P.2."

Deputy J.A. Hilton:

Right, okay.

Director, Finance and Information:

So that is how it gets to £5.5 million, £6.75 million and £7 million.

Deputy J.A. Hilton:

Okay.

The Deputy of St. Ouen:

Are you okay with that for now or would you like ...?

Deputy J.A. Hilton:

Yes. There are some questions I wanted to ask around the services being delivered but I will allow you to continue. I can ask at the end.

The Deputy of St. Ouen:

Well, no, please ask now.

Deputy J.A. Hilton:

Okay. My concern around children's services and what it is going to set out to achieve ... which is great, it is really good news, all the extra investment. I think it has been recognised that children's

services has been a failing service for a very, very long time and the Health Department has recognised that. So that is all good news. I guess my concern is that early interventions is one of the key premises of what we are trying to achieve and that obviously involves C.A.M.H.S. which involves mental health services. I am just really concerned because I know your shortages in nursing is basically theatre nurses and mental health nurses. I am just really concerned about how achievable do you think that is with all the extra additional money you are getting through the M.T.F.P. that you are going to be able to deliver that service that you want to, considering the national shortages.

Managing Director, Community and Social Services:

I think it will be a bit of an ask. I think there was reference made earlier about recruitment issues in particular areas. We have struggled to recruit a manager for C.A.M.H.S. That is not just an issue that is particular to Jersey. Likewise it took us some time to recruit the director of children's services and the heads of service. I am pleased to say we have a permanent director and over the next month we will have 3 permanent heads of service in post. I think the impact on the staff and the services delivered will be quite considerable from that, the very commitment of long-term staff being in place and with people who are experienced and well able to lift the service because of their experience. I think recruitment will be a challenge, there is no doubt about that. We are looking at different methods of recruitment. I think that also means that ... I talked about flexibility in the business case because I think we need to have flexibility to respond to circumstances. So I think there are elements around skill mix and about how we organise. C.A.M.H.S. is a very specialist service. It is part of the work that we are doing through the mental health strategy, which also sets out a much earlier intervention programme through schools and more mainstream activities, so there needs to be a connection with that. But you are absolutely right, early intervention is key in relation to identifying children who have needs and about us trying to get in at an early stage to stop them progressing. Clearly, it is a matter of public record how things have been at points. There will be no immediate turnaround, but there is progress being made and we will need to continue on that progress. I think we can do that over a period of time. I have no reason to think that Jersey would be different from other places. The potential to improve is there. There will be challenges, there is no doubt about that, but the potential is there. I think it is a process that requires quite significant professional resilience and that is part of what we need to look for in the staff that we recruit. It is not always so simple as you have a qualification. There is much more about the values you bring and the professional resilience that you bring with you. It is a very challenging area of work. People can be burned out within that, so there needs to be the appropriate support and provision that is there. Some of that is around some of the training and developing we are doing.

Deputy J.A. Hilton:

But obviously you are optimistic that you can achieve the actions and things that you set out in your report with regard to the children's service because I ...

Managing Director, Community and Social Services:
I am optimistic ... sorry, I beg your pardon.

Deputy J.A. Hilton:
Yes, it is just that I note that ... because the serious case reviews have been coming forward regularly and obviously States Members and everybody, all members of the community, have real concerns about that. But I note that you say: "No serious case reviews relating to concerns about practice since 2015, although there may be legacy serious case reviews, by quarter 1, 2017." So that is quite a ...

Managing Director, Community and Social Services:
I think that is quite an aspiration, I think there is no doubt. I am optimistic about where the service can get to. I think that is a long journey and that needs to be understood. There is a considerable amount of work to do about some of the culture and the practice and the need to absolutely use evidence-based practice and learn from good practice. The whole issue about quality assurance and performance management is very important, and I think that is what having a permanent team of senior managers will assist with. That needs to be absolutely something of top priority.

Deputy J.A. Hilton:
But considering that C.A.M.H.S. is central to delivering first-class children's services and it is just there, do you think there is a special case there that if you are struggling to get the staff that you need ... we have the money, the money is actually there, but if you are going to struggle do you think children's services should be a special case for making ...?

The Minister for Health and Social Services:
They are already a special case.

Deputy J.A. Hilton:
But with regard to recruitment, like recruiting of certain staff, other incentives being put in place to ensure that we get the right staff to give children the best ...

Chief Executive:
We do keep benchmarking the recruitment package using external recruitment companies who are filling these posts all the time. There is nothing to indicate that we are somehow not competitive in

terms of what we are offering, but there are so few people out there and the choices are many for them.

The Minister for Health and Social Services:

Frankly, we are not a very good career option at the present time when you look at the reputation around the things that have happened in the past, and that is part of the challenge that myself as Minister and my team and the officers have to change as well, that people can see that they can come here and make a huge difference to our young people. We are supporting the officers with the children's improvement board as well, which independently has advised in addition to the officers. This is really, really important to us. This is something that we have to get right but there is no quick fix. There is certainly both political and officer determination to drive this through so that our young people are appropriately protected.

The Deputy of St. Ouen:

Thank you, Minister. I think Deputy Southern may have a question.

Deputy G.P. Southern:

I think I might have left what I have to say until towards the end. I presume we are coming to the end. If there is an assumption that funding of a new hospital may require to be sourced partially from external borrowing, perhaps financed through a bond, is there an acknowledgement that repayment will be a further burden on the revenue yields that are already under pressure? If we go for bond financing for the hospital, what conversations have you had with the Minister for Treasury and Resources about bond financing?

The Minister for Health and Social Services:

Okay. Really your question is one for the Minister for Treasury and Resources, but I will say - I discussed with him yesterday the situation with regard to a bond - that there has never been a better time to look at bond markets, but that is something that he needs to look at. Borrowing money is cheaper than it has ever been at the present time, but we all know that the funding of the hospital is a matter for the Minister for Treasury and Resources but the funding of the hospital will be a blend of different sources of finance. Selling off some of the redundant capital properties that we already have and making that work for us in the new investment in the hospital, a bond and some use of the strategic reserve are possibilities, but really you need to ask the Minister for Treasury and Resources. I would imagine if you saw him, because I think he was in the Scrutiny Panel yesterday, he would have indicated that it will be a blend of different things. To what level, to what extent each one is, I do not know and I doubt that he does at the present time, but it is being looked at.

Deputy G.P. Southern:

Nonetheless, a bond is being talked about, is it?

The Minister for Health and Social Services:
Yes, a bond is being talked about.

Deputy G.P. Southern:
A bond requires a revenue stream in order to feed it?

The Minister for Health and Social Services:
Yes, that is correct.

Deputy G.P. Southern:
Does that in your mind mean increased charges for services in Health and Social Services?

The Minister for Health and Social Services:
I do not know how ... I do not believe that it will mean increased services, but you are quite right that income has to pay the coupon and the capital of that bond, and that is something you need to talk to the Minister for Treasury and Resources about as he works his way through it.

Deputy G.P. Southern:
But you have spoken to the Minister for Treasury and Resources. I do not have the Minister for Treasury and Resources here. What is he saying about the possibility of charges for health services?

The Minister for Health and Social Services:
He has not mentioned anything about how a bond might be funded, just the possibility of a bond in some proportion or another might be used. You need to ask the Minister for Treasury and Resources.

Deputy G.P. Southern:
I am asking the Minister for Health and Social Services whether he considers it likely that that might mean charges.

The Minister for Health and Social Services:
Well, I have just given you the Minister for Health and Social Services' answer. My job, my role, having proved that we need a new hospital, having hopefully found the right site for the hospital to be built on - that will be a matter for the States to decide in November - my job is to get all that into place. It is the Minister for Treasury and Resources' job to raise the funds to pay for it. Yes, okay,

I have had very high-level discussions with him but how he would go about paying a coupon if he chose to have a bond he has not discussed with me and that is a matter for discussion in the future.

The Deputy of St. Ouen:
Thank you, Minister. Okay, I think that is the questions we have, Minister. Thank you for taking us through a complex plan and explaining your department's figures and what you hope to achieve. So, may I thank you all again for attending, and that brings this hearing to an end.

[11:30]

The Minister for Health and Social Services:
Thank you. Can I extend the invitation for you to come, either individually or as a panel, to the Oobeya room and have a look at the work that is going on down there in the hospital?

The Deputy of St. Ouen:
To the Beya room?

The Minister for Health and Social Services:
Oobeya.

Chief Executive:
It is part of our Lean initiative and how we are driving our savings programme. The methodology we are using, which is highly visual, it is open to all of our staff to see. It is basically a wall and we walk the wall every 2 weeks in order to make sure that we are tackling the issues that will help us to deliver.

The Deputy of St. Ouen:
Yes, I recall you have spoken of it.

Chief Executive:
Most people who have come to see it have found it a really interesting thing to see, the methodology that we are using and the outcomes that we are getting from it. So, you would be very welcome if you would like to come along and see it.

The Deputy of St. Ouen:
Thank you. We will arrange to do that.

The Minister for Health and Social Services:

Just a visit some time, yes. Thank you.

[11:30]