

**WRITTEN QUESTION TO THE MINISTER FOR HEALTH AND SOCIAL SERVICES
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 1st MARCH 2011**

Question

“Will the Minister advise members of –

1. The process that was followed in determining the salary of the Hospital Managing Director and the job titles of the person or persons involved in the process?
2. What oversight of the process did the Minister have?
3. Did the Minister sign off the remuneration package?
4. The break down of the remuneration package –
 - a. Is it strictly for salary costs?
 - b. Does it include payments into any pension scheme, and if so, what is the nature of that contribution?
 - c. Does the remuneration cover the cost of flights to and from Jersey?
 - d. Does it include accommodation costs in Jersey?
 - e. Does it cover payment to an agency, and in which case, how much?
5. The Minister stated that the Hospital Managing Director had already saved the hospital some £600,000 savings. Will the Minister outline what these savings are and their individual values?”

Answer

1. The contract with the Managing Director for the Hospital is a contract for services and not an employment contract. The value of the new two year contract was arrived at by taking the daily rate of the interim contract agreed in April 2010, which in turn was determined following a competitive recruitment exercise involving several agencies. The daily rate was that which the market determined to secure the level of skills and experience required by the Hospital. This was an immediate response to the urgent first recommendation of the Verita Report published in February 2010. A reduction in overall cost was achieved by placing the contract for services directly with the Managing Director’s company rather than via the original placement agency thus eliminating the agency fee. This resulted in a saving of £76,000 over the 2 year period of the contract. The contract was negotiated by the Interim Director of Human Resources for Health and Social Services.

2. The parameters for the negotiation were set following discussion and appraisal of the costs and benefits of a number of options by the Ministerial team for Health and Social Services. Discussions were held with the Ministerial Team on a number of occasions. There was assurance that the contract represented better value for money and that the Appointments Commission had approved the rationale for the appointment. The options were also discussed with the Chief Executive of the States. The Ministerial team was advised by the Chief Officer and the Interim Director of Human Resources for Health and Social Services.

3. Yes.

4. (a) The contract agreed with the Managing Director of the Hospital is a contract for services and not an employment contract. As such there is no payment of a salary.
- (b) There is no payment into the States of Jersey pension scheme by either the Contractor or the Health and Social Services Department.
- (c) There is no additional payment for travel expenses
- (d) There is no additional payment for accommodation expenses
- (e) There is no on going monthly agency payment. There was a one-off introduction fee of £28,000 which allowed the Department to avoid additional agency costs of £104,000 over the two-year period, thus saving £76,000, as indicated above and in Written Question 6077.

5. In 2010, some areas of hospital services were overspending on their direct service budgets. The forecast overspend was circa £1M. The main areas of financial pressure were around the rostering and utilisation of nursing staff in the medical wards, the utilisation of agency/locum doctors and increasing costs in some support services. Estates and facilities were also forecast to overspend due to pressure on maintenance budgets and overtime expenditure. Whilst many of these pressures remain, the Managing Director has assertively managed this problem to ensure expenditure has been minimised and controlled where possible and that where the expenditure could not be avoided, other lower priority expenditure was restricted so budgets could be transferred to the pressure areas. By combining the hospital under one manager, priorities between Surgical Services and Medical Services have been more effectively managed and ultimately enable a breakeven on Hospital budgets overall in 2010.

The Hospital Managing Director is directly responsible to the Chief Officer of Health and Social Services for the management of the General Hospital, the Ambulance Service and Estates & Facilities for the entire Department. This responsibility includes around 2,500 staff, revenue budgets of almost £100M and the care of many thousands of people who use the Hospital every year. This task is complex and demanding and can only be delivered successfully by someone able to change the culture and win the respect and trust of some very talented people. I know that the Managing Director would want me to point out that the myriad of savings achieved across dozens of budgets over the last 9 months have been delivered through the hard work of everyone in the General Hospital and not just by him.