

**WRITTEN QUESTION TO THE MINISTER FOR HEALTH AND SOCIAL SERVICES
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ANSWER TO BE TABLED ON MONDAY 13th JULY 2009**

Question

Given that an increase of £5,062,293 in Salary and Wages (not including social security or pension) for Health and Social Services occurred between the years 2007 and 2008, together with a decrease of 42.57 Full Time Equivalent members of staff, would the Minister provide a full breakdown and reason for the increase in Salary and Wages?

Would the Minister also explain the reason for the increase in expenditure of £11,366,740 from 2007 to 2008, and detail what allocations or re-allocations of funds were made during that period?

Answer

The increased costs associated with Salaries and Wages between 2007 and 2008 in the published accounts are:

	2007	2008	Increase/ (Decrease)
	£000s	£000s	£000s
Manpower – States Staff Costs	102,923	108,856	5,933
Manpower – Non States Staff Costs	<u>947</u>	<u>389</u>	<u>(558)</u>
	<u>103,870</u>	<u>109,245</u>	<u>5,375</u>

The increase in manpower costs between 2007 and 2008 can be attributed to the following factors:

	£000s
Increase of annual pay awards	3,204
Increase in annual increments	1,645
Increase in pension costs	725
Increase in Social Security costs	299
Decrease expenditure on Agency & locum Staff	(332)
Decrease in overtime, on call, extra duties payments etc.	<u>(166)</u>
	<u>5,375</u>

The decrease in Fte is associated with the restriction of recruitment in the attempt to contain costs within the approved 2008 H&SS cashlimit.

As per the published accounts total costs between 2007 and 2008 increased by £11.4m. The above manpower increases account for £5.4m of that sum and the balance of £6.0m is associated with increases in non pay expenditure.

The increase costs in non pay expenditure between 2007 and 2008 in the published accounts are:

	2007	2008	Increase/ (Decrease)
	£000s	£000s	£000s
Supplies and Services	31,097	36,215	5,118
Administrative Costs	5,000	4,641	(359)
Premises and Maintenance – General	7,071	7,857	786
Incidental Expenses and Charges	6	4	(2)
Grants and Subsidies - General	8,417	8,866	449
	<u>51,591</u>	<u>57,583</u>	<u>5,992</u>

The increase in supplies and services is associated with inflationary and activity increases in drugs, prosthetics, patient appliances and other medical supplies and services. Also there is continued pressure on budgets associated with caring for the elderly in private nursing homes and sending patients to UK hospitals, childcare facilities and mental health services for specialist treatments that are not available on Island.

Important to note is that a proportion of the cost increase for elderly care placements in Jersey and for specialist treatments in the UK is due to “health tourism”. Health Tourism is the phrase used in H&SS to describe those patients who travel to Jersey with the express intent of accessing the Island’s high quality healthcare and specialist treatments in the UK.

The decrease in administrative costs is associated with reductions in recruitment and advertising expenditure, legal costs, charter flights, patient travel, training and staff removal expenses.

The increase in premises and maintenance costs is associated with additional inflationary rises in services and utilities across the H&SS estate.

The increase in grants and subsidies is associated with the inflationary increase provided to external service providers and additional investment in specific charitable/voluntary bodies

In terms of financial resource allocation, H&SS always requires the ability to reallocate financial resources to address expenditure pressures and emerging risks. Numerous reallocations occur every month to manage these changing priorities and risks. These reallocations are a key component of financial management in the H&SS department and the ability to respond to service pressures.