

**WRITTEN QUESTION TO THE MINISTER FOR HEALTH AND SOCIAL SERVICES
BY SENATOR P.F. ROUTIER**

ANSWER TO BE TABLED ON TUESDAY 24TH FEBRUARY 2009

Question

Will the Minister detail the financial variances between the Annual Business Plan approved revenue expenditure estimates and the actual spend for each of the years 2005, 2006, 2007 and 2008 for the three areas of Social Services (namely Children's Services, Adult Social Services and Special Needs Services)?

Will the Minister detail the service provision variances which were planned and then actually delivered for the same years?

Will the Minister explain what has happened to the resources which were due to fund the psychology post to support people with autism, people with Asperger's syndrome and people with learning disabilities?

What prioritisation criteria was used to decide on the relocation of resources across the Health and Social Services Department?

Answer

The Senator asks a number of questions which I will address below. However, the first thing to make clear is that it is an extremely onerous challenge for our professional financial staff to reconcile the accounting framework for a dynamic modern health care system (*specifically* that represented by the Health and Social Services Department) with the States Annual Business Plan process (which *generically* describes the resource allocation across all States Departments). This is because 'overheads' represent an enormous cost which has to be allocated across service headings. Examples of overhead costs in the Health and Social Services Department are communications, diagnostic services (such as Pathology) and Estates Management.

Further, the financial analysis which underpins my answer allocates funding to three main components. Firstly, 'direct costs' for example, Social Workers who deliver a service to clients. Secondly, specific overhead costs. These are costs that relate to all three areas of Social Services, but not totally to one area - an example of this would be the cost of the Directorate Manager for Social Services and the cost of her administrative support. Thirdly, the aforementioned overhead costs which are costs that are distributed over all service headings.

I have laboured this particular point because it explains some of the variance between the approved States Business Plan, the approved budget for the year and the final year end accounts. Any slight variance to the way in which 'specific' and 'general' overheads are allocated will vary the description of the resources allocated to a specific front line service.

There is a further explanation required - namely, that the States Annual Business Plan is set in advance - but dynamics in the domain of health and social care can change by the week. A good example of this is the development of new life enhancing and life extending drugs which have to be paid for if Islanders' lives are to be improved. A negative example of such an urgent challenge which must be addressed are the periodic bouts of hospital acquired infection which means that the Department must deploy its resources into this area at very short notice.

I trust the Senator will forgive the above financial discourse because the actual variances between the Annual

Business Plan and the approved budget in all four years (to which the Senator alludes) are almost exclusively related to the allocation – or reallocation – of specific and general ‘overheads’. Beyond the ‘efficiencies’ required by the States financial strategies in previous years, I can assure the Senator that there has been no reduction in funding allocated to the three Social Services areas to which he refers. Indeed, there has been significant investment – the most noteworthy being the three year investment programme in Fostering and Adoption Services (an investment of approximately £800,000 over the last three years).

As to the variance (the Senator’s second question) between the approved budget and the final year end accounts, this is caused by various operational challenges which Social Services have had to respond to. The most significant of these challenges being the number of vacancies within Children’s Services – and indeed, in Social Services writ large. Having said that, it has long been recognised that funding for Health and Social Services has not kept pace with demand and the increasing onerous costs which a modern health and social care system is subject to. As you will know, the Council of Ministers is supportive of my Williamson Implementation Plan – and this four year programme of investment will go quite some way to improving services and increasing the resources necessary to support them.

The Senator then enquires (the Senator’s third question) as to my previous commitment to improve psychological support to the Special Needs Services which he cites. This was an honest commitment given by my Department – but it has been compromised by the extraordinary increase in costs which has occurred over the last year. My Department is the largest consumer of energy in the Island and it is the largest consumer of food (for patients and clients, that is). Islanders will know what has happened to these costs in their own homes over the last year so they will be able to appreciate how such costs multiply in health and social care services. A range of other costs – costs which far outstrip Jersey’s inflation rate – have had to be accommodated, such as the aforementioned technological and pharmaceutical supplies. I can confirm that there are no ‘cuts’ in Psychology Services, it is simply that the planned increase cannot take place in the foreseeable future.

Finally, the Senator asks (the Senator’s fourth question) by what process are resources allocated within the Department. Ahead of New Directions and the delivery of the Williamson Implementation Plan, decisions are made on the basis of a risk assessment in an impartial way. This process – to an extent – depoliticises decision making on priorities and places the emphasis on calculated risk and consequence.