

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): TENTH AMENDMENT (P.99/2010 Amd.(10)) – COMMENTS

**Presented to the States on 13th September 2010
by the Council of Ministers**

STATES GREFFE

COMMENTS

The Council of Ministers opposes this amendment.

Senator Ferguson proposes that –

- Parts 1 & 5 the net revenue expenditure of the Health and Social Services Department shall be increased by £5,830,000 by removing the income allocation from the Health Insurance Fund; and
- Parts 2 & 6 the net revenue expenditure of the Health and Social Services Department shall be increased by £301,000 by not proceeding with the Comprehensive Spending Review proposal to HSS-UP1 and HSS-UP2 (Reduction in level of subsidy on certain health products and goods to 50%); and
- Parts 3 & 7 the net revenue expenditure of the Health and Social Services Department shall be decreased by £420,000 by introducing a new “user pays” charge for smoking cessation services; and
- Parts 4 & 8 the net revenue expenditure of the Health and Social Services Department shall be decreased by £300,000 by reducing the allocation for growth in relation to the application of EU Working Time Directive; and
- Part 9 the net revenue expenditure for 2012 shall be decreased by £4,000,000 by reducing grants made by States Funded bodies and with appropriate inflation for 2013.

Comment

Parts 1 & 5 and 2 & 6

The proposal has been carefully considered by the Ministers for Social Security and Health and Social Services following the support for P.36/2010 “Draft Health Insurance (Medical Benefit) (Amendment No. 3) (Jersey) Regulations 201-” in May 2010. The Council of Ministers’ proposal is a transitional measure whilst a number of structural and legislative arrangements, in relation to the organisation and functioning of Primary Care services, are introduced during this same period of time.

The original business plan proposal acknowledge that there is a requirement for additional funding across primary and secondary care services. The Council of Ministers identified that this could only be funded, on an interim basis, through the use of an existing surplus within the Health Insurance Fund.

The 2011 Business Plan proposals are supported by the proposition brought by the Minister for Social Security.

The Council of Ministers recommends the amendment is rejected on the basis that this is an appropriate use of the Health Insurance Fund surplus and acceptance of the amendment is likely to lead to an undermining of the inter-departmental success in working together to reform primary care services.

Parts 2 & 6

This scheme was made as part of a genuine prioritisation process of services currently provided by HSSD. The original scheme allowed the States to decrease the level of subsidy to a more sustainable level in the face of a growing cost pressure. It should be noted that the current high level of subsidy has not been changed in more than a decade and that such services in the UK are funded out of primary care.

The Council of Ministers believes that it is legitimate that this scheme should therefore be funded from the Health Insurance Fund.

Parts 3 & 7

Smoking accounts for 1/5 of all deaths in Jersey killing around 170 people each year. Smoking related illness is a significant health burden to the individual and financial burden to the island. Funding a scheme to assist individuals in quitting smoking has long-term benefits for the tax payer who will be paying out considerably less in caring for people with smoking related disease.

The introduction of charges for the Help 2 quit programme would discourage participation particularly in the less well off members of society and amongst teenage girls, where smoking rates are highest and where future ill health related to smoking is most likely.

Parts 4 & 8

The EU Working Time Directive (EWTD) is a prerequisite for the rotation of junior doctors who are pivotal in the delivery of clinical services in Jersey.

Junior doctors are employed by the Wessex Deanery which is obliged to ensure contracts are EWTD compliant. If Jersey does not abide by these requirements we will no longer have access to this very valuable resource and the challenge and cost of providing alternatives far exceeds the £300k identified.

Part 9

The funding of all grants made by States Funded bodies is being reviewed on a departmental basis as part of the 2012 and 2013 CRS process. In addition to this in some departments there are reductions in grants included as part of their 2011 CSR reductions.

Whilst supporting the principle of decreasing the amount paid in grants, the Council of Ministers cannot support this part of the amendment as it is too early to be in a position to commit to a sum without having undertaken full and proper evaluation of the purpose of the original grant and had meaningful discussion with the organisation concerned.

Financial implication

Parts 1 to 8 of this amendment would increase net revenue expenditure in 2011 by £5,411,000 it would increase net revenue expenditure in 2012 by £1,546,275 and by £1,584,932 in 2013.