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Deputy Mary Le Hegarat
Chairman
Health and Social Security Scrutiny Panel

By email

13 November 2020

Dear Deputy Le Hegarat

Government Plan 2021-2024 Review

Thank you for your letter including further questions which were raised after our public hearing. The responses are below:

1. Please can you explain the substantial increase in your 2021 budget from £222,283,000 in last year's Government Plan to £237,463,000 in this year's Government Plan.

It should be noted that the estimated 2021 allocation mapped to the minister in GP2020 was £223.9 million. This was included in the final approved Government Plan published after the States Assembly debate. An accompanying footnote explained the reasons for changes to the mapping.

The main reason for the difference between the estimate for the allocations mapped to the minister in GP2020 (£223.9m) and GP2021 (£237.6m) is Covid related spending of £10.1m. The remainder of the difference relates to a number of different factors, including additional investment included in GP2021 (e.g. on the Jersey Care Model), the allocation of efficiencies/rebalancing measures (not included in the ministerial allocations in GP2020) and service transfers that have taken place since GP2020 was published.

2. Please can you provide a breakdown of your budget for 2021?

The resources mapped to the Health Ministerial portfolio are as follows:

Service Area	2021		Net Revenue Expenditure
	Income	Expenditure	
	(£'000)	(£'000)	
Hospital and Community Services			-
Chief Nurse	(1,481)	3,836	2,355
Hospital and Community Services	(22,978)	241,020	218,042
Medical Director	(572)	6,761	6,189
Strategic Policy, Performance and Population			
Arm's Length Functions		391	391
Strategic Planning and Performance		361	361
Covid		10,125	10,125
Net Revenue Expenditure	(25,031)	262,494	237,463

3. Pages 12-13 of the annex provides a table for Health and Community Services heads of expenditure for the years 2021-2024. The budget allocated to HCS for 2021 is £227,435,000. Please can you explain the £10m difference in the Ministerial budget and the departmental budget for 2021?

Response: The £10 million difference in Ministerial budget to HCS budget can be attributed to the COVID head of expenditure as shown in the table above

4. How was the figure of £5,474,000 arrived at?

Funding allocated Identified in 2020	2021 £5,474,000	2022 0	2023 0	2024 0
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Response:

Project Rozel COVID - 19 Vaccine	
Estimated Costs (based on population of 106,340)	£000's
Vaccine and administering costs £5 million	5,000
Injectable consumables and additional PPE	111
Communication campaigns	15
Digital Support	40
Laptops for mobile centres	3
Infrastructure Facilities and Vaccine delivery	10
Storage and consumables	5
Workforce Demand	
Two practice nurses @ three months for 5 day rosters	200
Administration support	30
Additional project lead support	30
Pharmacy support cost £30,000	30
Additional Training	1
Total	5,475

5. How many vaccines would these funds allow you to purchase?

Response: The vaccine and administering costs of £5 million was calculated on the assumption of a population of 106,000 therefore estimate 106,000 vaccines to be purchased.

To date vaccine costs and programme numbers are still to be confirmed therefore uptake and final costs remains volatile.

6. Do you yet have an idea of who you will be procuring the vaccines from?

Response: All purchases will be made through NHS England.

7. £8,380,000 is a sizable sum of money for retaining a facility that may end up not being needed. Can you provide a breakdown of the requested funds?

Covid-19 Nightingale Wing

Funding allocated	2021	2022	2023	2024
Identified in 2020	£8,380,000	0	0	0

Response: the costs for each area is shown below:

Covid-19 Nightingale Wing	£000's
Building & equipment lease costs	633
Building, equipment & utilities maintenance costs	1,274
Non Pay - Housekeeping, catering & IT	175
Non Pay - Medical supplies & provisions	473
Pay - Clinical & clinical support staff	2,293
Pay - Support service	813
Unit & site decommissioning costs	2,718
Total	8,379

8. How many staff members would be needed to work in the nightingale hospital if fully utilised?

Response: If fully utilised it is estimated that there would be a need for 259 staff

9. The business case makes financial provision in 2021 for extended building and plant hire. Please can you explain why provision for extended building is necessary?

Response: The costs for the period Jan-Mar 2021 are to allow for the unit to cover the winter period pressures upon the hospital capacity which may be compounded by any continued Covid cases beyond the end of 2020. The 2021 costs also include decommissioning costs that will be incurred at the end of the Jersey Nightingale Wing life such as clearing and dismantling of the building, making good the site etc. These will be incurred regardless of when the building is deemed to be no longer required.

10. The business case has requested these funds to retain the building facility for the period January-March. What would happen in the case that the facility is required for a longer period?

Response: should the unit be required beyond March 2021 the business case would be reviewed and revised and submitted for consideration, as well as approval for any necessary extension obtained from the landowners. The decommissioning costs would not need to be added again however as these have already been accounted for. Additional costs would encompass:

- Lease costs for the building, equipment and associated maintenance
- Operational costs for both staffing and non-pay costs e.g. consumables, security

11. What alternative arrangements will be implemented by the end of 2020?

a) Going forward, who will be responsible for providing managing and distributing PPE?

Response: Along with current plan which ensures a 90 day PPE stock level in order that supply to the island is secured into 2021, a business case is currently in development setting out a number of options for the next phase in 2021 including:

- 1 Third party provision of PPE storage, inventory management and logistics
- 2 Third party partnership with existing HCS stores and medical supplies management
- 3 Third party provision of all HCS stores and medical supplies management
- 4 Integration of all or parts of Government of Jersey stores and supplies management and continued provision by the public sector
- 5 Third party provision of all or parts of Government of Jersey stores and supplies management
- 6 HCS Stores solely provides the service on behalf of the Government of Jersey

12. Please provide a breakdown for the £338,000 requested in 2021.

Covid-19 – PPE Warehousing Solution

Funding allocated	2021	2022	2023	2024
Identified in 2020	£338,000	0	0	0

Response: the costs are broken down as:

Covid-19 Nightingale Wing	£000's
Lease costs for warehousing	225
Staffing and logistics costs	113
Total	338

Air Ambulance Service (CSP2-3-06)

Funding allocated	2021	2022	2023	2024
Identified in 2020	395,000	395,000	395,000	395,000

13. What is the total cost of procuring a fixed wing Air Ambulance service for the next 5 years?

Response: the cost of the provision, per annum and not including inflation, is £1.4 million. Therefore 5 year cost, excluding inflation, would be circa £7 million. The funding allocated above is the additional cost incurred following the change of contract in 2020 – the original provider withdrew from the market and there was no choice but to change contracts to provide this essential service.

14. How was the service previously funded?

Response: The service contract is funded in the GP base budget allocation at £1,009,000 per annum. The above additional investment represents the difference between the previous and new contracts.

15. How many times was the air ambulance service used in 2020?

Response: To the end of October there have been 257 air ambulance flights.

Jersey Care Model

Funding allocated	2021	2022	2023	2024
Identified in 2020	£6,600,00	£8,300,000	£6,100,000	£4,100,000

16. Can you provide a breakdown for the funding request each year between 2021-2024?

Description (£000's)	2021	2022	2023	2024
	£000s	£000s	£000s	£000s
Non-recurrent revenue expenditure as below:	2,900	2,900	2,900	2,900
Programme Costs	2,100	2,100	2,100	2,200
Digital non-recurrent investment	300	300	300	300
Contingency	500	500	500	400
Additional recurrent expenditure - alternative services	3,700	9,200	18,000	30,200
Recurrent benefits	0	-3,800	-14,800	-29,000
Net recurrent and non-recurrent impact of the JCM	6,600	8,300	6,100	4,100

Jersey Care Model – Digital Systems

Funding allocated	2021	2022	2023	2024
Identified in 2020	£1,300,00	£800,000	£500,000	£400,000

17. How does the work that will be undertaken under this project funding differ to the work intended under the 'Digital Care Strategy' Major Project (which is requesting 3.4m in 2021)?

Response: The overarching HCS digital strategy incorporates the JCM digital elements which were included in the JCM business case; and the other elements of the HCS digital strategy are included in the digital strategy major projects.

The funding is split for Government Plan purposes, operationally the project will be delivered as one programme. The JCM digital funding supports the aspects of the digital strategy which are enablers for JCM implementation.

18. What do you hope to have achieved by the end of 2021?

Response:

1. Electronic Patient Record – identify and procure a new EPR for the hospital. The new EPR will provide a new patient centred digital platform that will support digital integration to other health systems, thereby providing a platform of excellence in the management and administration of patient care.
2. Radiology new imaging platform. Procure a new Imaging platform for Radiology and other clinical departments to store and analyse clinical images from CT, MRI, US, X-RAY etc. The new system will provide advanced reporting and imaging processing and will integrate in to the EPR providing an enhanced patient Electronic Health Record (EHR).
3. Primary Care Integration – Pathology requesting and resulting services (otherwise known as GP Order Comms) will provide enhance online ordering and resulting of patient pathology tests. In 2020 we successfully delivered GP Order Comms for Radiology services to Primary Care. In 2021 this service will be extended to include Pathology services providing GPs with a much-enhanced digital service online service.
4. Digitization of patient discharges from Hospital to GP practices. This new digital service will be rolled out in 2021 and provide electronic discharges to GPs from the hospital. The new digital service will replace the existing manual and labour intensive paper process currently in use.
5. Island wide Choose and Book (Event Management) system. This system (in development) will provide an online patient booking for appointments such as Flu & Covid, but can also be extended to other services where patients can choose, amend or book appointments for HCS centred services.

Digital Care Strategy (Major Project)

Funding allocated	2021	2022	2023	2024
Identified in 2020	£3,400,00	£3,900,000	£5,560,000	£3,325,000

19. Last year, £5m per year for the following 4 years was requested for Health Service Improvements which included funding for "Vital IT Investment". How much of that investment was spend on IT and, with those funds, what work was undertaken?

Response: No expenditure has been used from the £5 million government plan funding in 2020 for IT services. The £5 million investment has been spent on the upgrade works necessary to the current Hospital and other health facilities. However, in the period up to September, £364,000 has been spent on digital strategy funded from other budgets.

20. What will the funds be spent on in 2021?

Response: The funding will be spent on the upgrade works necessary to the current Hospital and other health facilities.

Our Hospital (Phase Two) (Major Project)

Funding allocated	2021	2022	2023	2024
Identified in 2020	£20,000,00	0	0	0

21. Can you provide a breakdown of how the requested £20m for 2021 will be spent?

Our Hospital (Phase Two) (Major Project)	£000's
Project Team Costs	521
PMO	603
Subtotal Project Team	1,123
Professional services	703
Specialist services	1,022
Governance & Audit	66
Major Project Contingency	1,287
Total	4,201
Specialist services: Delivery Partner PCSA	9,799
Total GoJ and PCSA	14,000

The Government Plan also includes a £6m risk contingency held centrally in relation to costs on the project that could be required prior to the main financing of the project in Spring 2021.

In Patients/Support Services Refurbishments

Funding allocated	2021	2022	2023	2024
Identified in 2020	£1,044,000	£989,000	0	0

22. Last year's GP requested £5m every year for the following 4 years (2020-2023) for the project "**Health Services Improvements**". This year's GP requests the same amount of funding for 2021-2024. The funding was requested to enable a programme of priority upgrade works to the current hospital. The business case for this project identifies a number of urgent works that need to be undertaken in the General Hospital to maintain existing

facilities. Why were the work programmes, identified under this project, not included under the “Health Services Improvements” project?

Response: The in-patient/support services refurbishments are aligned to the General Hospitals estates backlog maintenance programme that is funded through the Government Plan Health Service Improvements. The Health Service Improvements funding is required to meet the significant backlog maintenance programme. The soft ward refurbishment improvements are important to the patient experience and wellbeing.

23. The business case for the project states “*this bid, through bed re-alignment and colocation of specialties, will provide further efficiencies and savings.*” Which services do you intend to co-locate in the current hospital?

Response: In order to facilitate ward moves for refurbishment, some surgical specialities will be combined on wards e.g. General Surgery and Trauma. This is already in progress to facilitate flexibility in space requirements due to COVID and winter pressures. Medicine wards are already general purpose.

Efficiencies

24. You advised that you made £5m worth of efficiencies this year (out of the £9m you were asked to make last year). How did you make these efficiencies?

Savings have been realised through the offset of 2020 growth (£3.5 million) and also direct efficiency savings across all business unit following a budget review (£1.5 million).

25. Have any recurring reductions in non-staff budgets been located within your department, and have these been included in the £750,000 efficiency target?

“A rebalancing opportunity has been identified to continue the best practice of reviewing and securing recurring reductions in non-staff budget with the value of £750,000 across all departments in 2021. £227,000 is to be achieved by HCS and, HCS are in the process of identifying recurring reductions in the 2021 non-staff budget”

26. [Table 8 of the Government Plan’s Annex](#) (page 12) identifies changes to departmental heads of expenditure from 2020 to 2021. In that table it states that HCS is due to save £5,227,000 through rebalancing. Please can you tell us why this differs from the £5m efficiencies that have been allocated to you as Minister?

The £5.2 million is made up of:

- £5 million saving through the implementation of proposals from the HCS Zero Based Budget exercise
- HCS’s contribution to the rebalancing opportunity across all departments to continue the best practice of reviewing and securing recurring reductions in non-staff budget including locking in some of the spend reductions evidenced during Covid-19. The HCS proportion is £227,000.

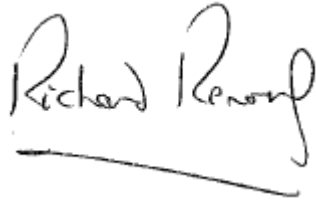
Additional Question

Last year the GP requested funds of £3.6m for the following 4 years to “fund the delivery of the new health care model, in line with the proposals of P.82/20212.” The Panel notes that £6.6m has been requested in this Government Plan to deliver the key proposals of the

Jersey Care Model. Please can you explain the difference between the two and why two lots of funding is required for, what looks like, the same program of work?

Response: The 2020-23 government plan has an allocation for funding as noted above. This is the ongoing revenue requirement for services implemented as part of P82, which are where not built into base budgets, but support services already in place. This funding is not transformation funding for the Jersey Care Model, but the ongoing revenue impact of previous transformation programmes (p82).

Yours sincerely

A handwritten signature in black ink that reads "Richard Renouf". The signature is written in a cursive style and is underlined with a single horizontal line.

Deputy Richard Renouf
Minister for Health and Community Services

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