



Scrutiny Office

Public Accounts Committee
Health and Social Services Department

TUESDAY, 12th JULY 2016

Panel:

Deputy A.D. Lewis of St. Helier (Chairman)

Deputy J.A. Martin of St. Helier

Connétable C.H. Taylor of St. John

Mr. R. Parker

Mr. G. Drinkwater

Witnesses:

Deputy Comptroller and Auditor General

Chief Officer

Hospital Managing Director

Assistant Director of Finance

Finance Officer

[13:07]

Deputy A.D. Lewis of St. Helier (Chairman):

Thank you very much for coming in today. I am going to kick off with a bit of preamble, but before we do that, we will just go round the table for the purpose of the record and introduce ourselves, and then we will kick off with the hearing.

Deputy A.D. Lewis:

Thank you. I just wonder if you could pull your microphones towards you there because it is not quite far enough to reach you. There we go, excellent. Helen, were you planning on speaking today, in which case we will pop another microphone in there?

Hospital Managing Director:

I probably will do.

Chief Officer:

Probably will do, yes.

Deputy A.D. Lewis:

Okay. I shall just kick off with a little bit of a preamble to set the scene, if I may. As you know, F.D. (Financial Direction) 5.7 lays out the terms of expenditure on travel, including that departments must ensure that procedures are in place for capturing any benefits accrued to staff from States travel. Preapproval is required in line with departmental schemes of delegation for all travel, including the purpose of the trip, fully flexible tickets for a flight, a train journey, flights other than economy class or wrapping a personal trip around a business trip. The Code of Conduct indicates among other things that staff should exercise prudence when planning trips. An employee should ask himself or herself: is the action I intend to take legal and does it comply with States policies and approved practices? Does the action feel right and could it be justified for those looking from outside the States? What we are looking to understand today through P.A.C.'s review is whether F.D. 5.7 is fit for purpose. We will also focus on value for money and the centralised booking system, which was set up to save money and time and standardise travel and accommodation booking arrangements throughout all States departments. What is of particular interest in this hearing is that Health and Social Services, with the largest budget of the States departments, has its own process for dealing with travel and accommodation expenses of its staff and we will be exploring in a bit more detail what you have in your own department, which we know is different to others. So, that sort of sets the scene. First of all, if I could just pose a question to Julie, in your department, what is the extent of non-compliance, do you believe, of Financial Direction 5.7 and the Code of Conduct and the main reason given for non-compliance? Here I am talking about exceptions that are perfectly legitimately drawn up sometimes. Perhaps you would explain what those might be and whether you feel you are complying as well as you can.

Chief Officer:

We do follow the Financial Direction which was, of course, written in 2013, so clearly does need to be reviewed in the light of recent issues that have arisen and I think is currently being reviewed

along with all other financial directions. Within our department we do have a very rigorous process in place for how staff can book travel. You will be aware that in the past we have run a travel office that covered both staff and patients. With the advent of HRG, the staff travel moved into the HRG processes but our patient travel remains with our own travel office. Any staff member who wants to apply for business travel - and largely it is our clinicians and our professional staff and it is for training purposes - does go through a very robust process, which includes pulling together a case on a proper authorisation form, which is then taken to their clinical director or their senior manager, signed off as appropriate and then would be taken through the HRG processes. We do monitor any breaches quite carefully. Our breaches are less than a half a per cent of the total number of journeys that we have every year. We look carefully at what those breaches are and they have in the main been fairly minor and have been where staff have generally been in the middle of an episode abroad and something has gone wrong. So they have done something to put that right without necessarily going back through HRG to source a new accommodation or a new travel option. Sometimes it is staff buying a rail ticket rather than going through HRG for a Gatwick Express ticket. Our response is to look carefully to see if that is a material breach, in which case obviously appropriate actions would be taken. Where we feel it is a lack of understanding or knowledge of the process, then obviously training is provided and a reminder is provided and all of that is captured in our breach reports.

Deputy A.D. Lewis:

Have you had any recent breaches that would require sanction and, if there was a sanction, what would that be?

Chief Officer:

No. We have had ... I am trying to think how many we have had to date. To date, we have had 2,100 flights and the breaches were 0.24 per cent. I am fairly confident that those breaches would be train tickets bought using a credit card and then reclaimed.

Deputy A.D. Lewis:

So, as far as you are concerned, you are largely complying with Financial Direction 5.7?

Chief Officer:

As far as we can be. I think there is an issue about the thorny issue of points that have been awarded, Avios points and the like. I think where they have accrued to individuals it is incredibly difficult. The system does not exist either from the Avios perspective or in terms of how HRG works to reapply them, but I am also fairly confident that most of our staff are not in any way using the system to accrue points.

Deputy A.D. Lewis:

Redemption of points, though, has come up a few times and I am sure you would like to reduce some of your costs wherever that might be in your area. Of course, redemption of points could be one of those ways. Have you tried to redeem Avios points not that you have acquired in your department but have been acquired by other departments that you have access to? Are you aware that you have access to them?

Chief Officer:

I personally was not aware we had access to them until the Chief Executive of the States wrote out a few months ago reminding us that they existed and that any States department could apply to use them.

Deputy A.D. Lewis:

Did they explain how to apply?

Chief Officer:

I personally do not book any travel, but I would expect that whoever was booking on my behalf, if I felt it would be useful to try and access redemption points, I would seek guidance from the procurement department centrally to find out how I was to do that and then we would follow whatever instructions we were given.

Deputy A.D. Lewis:

You might not know the answer to this question but perhaps you could go back and ask them. Do they find that difficult to access those points?

Chief Officer:

I do not know whether we have tried to do it. Anne, could you enlighten us?

Assistant Director of Finance:

We were not able to access them before Easter this year when John Richardson wrote out. They were kept for the central big flights. Since incurring that, they are only B.A. (British Airways) and we have had no significant B.A. flights that would have been appropriate to talk to procurement about, but we do understand the system and if there was one we will ask.

Mr. G. Drinkwater:

I suppose you have already answered one of the questions: how does the mechanism work? So, I suppose that was one of our questions; you have kindly helped us there. One of the questions

that comes up: as a chief officer, who would end up signing yours? Because I sense that that is a question that periodically has come up.

[13:15]

Chief Officer:

Yes. I would obviously never sign off my own expenses or my own claims for travel. Until recently when we had the guidance from the Chief Executive of the States, it would have been my Director of Finance who would have acted as that oversight and signatory. Since that time, obviously I have made sure that John Richardson is fully aware in advance and has signed off any plans that I might have. I should add I do not do an awful lot of travel, business travel. What I do does tend to involve going to the U.K. (United Kingdom) and I would never dream of going B.A. to the U.K. Very few of my staff would either. What I would say is we have had local policies in place for quite some time which have been more strict than ... they have sat within the Financial Directions of the States but have been stricter in terms of the ability to, for example, upgrade a flight. We have always sought staff to make their own payment arrangements if they wanted an upgraded flight or if they wanted upgraded accommodation. That has always been our practice and people are very used to travelling into city ... well, with Flybe now, Blue Islands as it was, and to other places which do not involve B.A. We certainly would never dream of doing a local flight as business class.

Mr. G. Drinkwater:

One of the things we have found, which is a further extension of this, is that there are occasions where the question of was the Code of Conduct this sort of grey area that members of staff did not feel confident enough that it meant what is understood. This is where they may be called to account for something in public spending that they had not really thought about. So, do you find you need a red flag on the system and do you sense that your staff understand it and they will bring you examples where they think this is wrong? Should the system be changed? Are they using the Code of Conduct ambitiously to talk to you?

Chief Officer:

I think if I were to say to a member of my staff: "Are you working within the Code of Conduct?" they might look at me, but I know they are because most of my staff are Health and Social Services people. We have all spent our entire careers knowing very well that we are spending taxpayers' money and we want to spend it to the benefit of patients. I think there is, therefore, quite a high level of that cross-checking, that sense of: "Do I feel comfortable with this? If I was to tell my neighbour over a glass of wine tomorrow that I am going to go and do XYZ, would they think that was appropriate or would they think that was not appropriate?" I think it is quite innate in most Health and Social Services staff, and certainly - and Helen could say more about this - we have a

lot of doctors who will come back and say: "I have just tried to organise this and look at the prices I am being quoted." It is fair to say that the difference they experience between what they had when we did our own travel through the travel office and what they have experienced through HRG has been very different and they do complain to us.

Deputy A.D. Lewis:

We will come on to centralised bookings in another theme. We have 3 themes here, one of which will be centralised booking.

Chief Officer:

But to answer your original question, I think they have a very well ... but then we do check and I would expect clinical directors, the managing director, to be looking at what is coming through for preapproval and saying: "Does that feel right or does it not?" and having the conversation if it does not.

Deputy A.D. Lewis:

Okay, thank you.

Mr. R. Parker:

Do you feel that fully flexible tickets should be used and are they used by the department?

Chief Officer:

I cannot think of any incidence in which we would use a fully flexible ticket. Certainly, where we are booking people's study leave, they are generally planning that a long time in advance because obviously they have to source the right conference or symposium or course and then those bookings go through well in advance. So we would not be expecting to use flexible tickets. Hand on heart, I do not believe I have ever booked a flexible ticket.

Assistant Director of Finance:

Not for staff. Patients occasionally, which we are not talking about, but when we do not know what the outcome of their treatment ...

Chief Officer:

Yes, and it is an urgent flight.

Mr. R. Parker:

Where using non-flexible tickets, have there been any cancellations and problems? Is there any sort of insurance package or anything there to cover that?

Assistant Director of Finance:

There are very few problems that I know about because people deal with them directly. There is an insurance policy. The States Treasury negotiates and organises that on our behalf and the details are on the website for all staff to use. There is a £50 excess and otherwise there is a claim form on the website that people would fill in. You also get a little card to carry so that you would ring the number if anything went wrong. I am sure it does go wrong. I heard of one the other week where EasyJet cancelled a flight and the 2 members of staff, who were not on business travel, they were accompanying a client abroad, had to reorganise themselves. That is going through the claim system now. Obviously, under £50 we self-insure. The person would pay out of their pocket and claim it back and in our budgets it is done for less than £50.

Mr. R. Parker:

Yes.

Chief Officer:

Do you want to add to that, Helen?

Hospital Managing Director:

Yes. We do have cancelled flights for one reason or another, and I have a list of some here, but there has been no cost to us for cancelling. So, we have had some cancellations.

Deputy A.D. Lewis:

It looks, though, that those may have been with airlines that have a different policy in terms of there should not be any ...

Hospital Managing Director:

Charges, yes.

Deputy A.D. Lewis:

Yes, which would indicate that they are fully flexible tickets, which I assume you have done that for a reason.

Hospital Managing Director:

Sorry?

Deputy A.D. Lewis:

I assume that you ... as there has been no charge, I can only assume that they were tickets that allowed you to do that, in which case they are actually flexible to a degree?

Hospital Managing Director:

Without looking at the specifics, I am not sure whether it was called a flexible ticket.

Deputy A.D. Lewis:

It may not have been but that is my point, really.

Hospital Managing Director:

There has not been a charge relating to it.

Chief Officer:

We do not ask for flexible tickets.

Hospital Managing Director:

No, we do not.

Deputy A.D. Lewis:

Okay. Because some charges here are quite high but that might be an HRG issue rather than you, which we will come on to later.

Chief Officer:

Yes.

Deputy A.D. Lewis:

Okay. Interestingly enough, you are the first officer that has explained the travel insurance properly, so thank you for that. **[Laughter]**

Assistant Director of Finance:

It is on the website. I will send you a link.

Deputy A.D. Lewis:

Nobody knew anything about it. All they had to say was what you just said, so thank you for that. That is very useful. We are now going to look at some questions about value for money, Chris.

The Connétable of St. John:

I think more or less those questions have been answered, but one question that does stand out is: how many of your staff have personal B.A. cards, do you know?

Chief Officer:

No. We have not asked them specifically whether they have gold or silver cards.

The Connétable of St. John:

Gold or silver?

Chief Officer:

I personally have a very, very blue card because I do not do an awful lot of travelling and I do not have many points on it either, unfortunately. But we have not specifically gone and asked them that question, I think largely because at the moment we cannot see any way that if we did know and they did have some points that somehow relate to business travel, we do not have a way of getting them back.

The Connétable of St. John:

Okay.

Deputy A.D. Lewis:

I think we have covered that.

The Connétable of St. John:

We have covered that, yes. The other thing, if I can just go back, when doctors and consultants, et cetera, go to conferences, when they come back is their knowledge spread among colleagues and so on? Do they specifically do that?

Hospital Managing Director:

It would depend what the course is, but yes, we have lots of different ways they can do that. Some of them are going to these courses because they are presenting on behalf of Jersey, they are presenting a paper or a poster that they have done. We have what is called mortality and morbidity meetings where they go back and they share findings and best practice, and they have specialty-based audit meetings where they get together and talk about audits and global best practice. So, there are methods for them to share that learning, yes.

The Connétable of St. John:

Okay, thank you.

Deputy A.D. Lewis:

We are going to have a look at the centralised booking system now, so now is your opportunity to say a bit more about that.

Deputy J.A. Martin:

Basically, the first question is quite straightforward: do you use the centralised booking system from HRG and, if not, who uses it on your behalf?

Chief Officer:

I do not personally use the centralised booking system. Generally speaking, any travel that I personally do is booked by my personal assistant. That is true, I think, of all of the directors, too. That is not to say that I have not observed and overlooked them and heard them when they are trying to use the system, but I have not directly used it myself.

Deputy J.A. Martin:

Yes, we have a similar theme running through chief officers. Then really the supplementary: if you are somewhere where someone has booked for you but you need to contact HRG directly, have you ever done that and how would you know to contact them if you needed to change a flight?

Chief Officer:

I have been fortunate, as I say, I do not do an awful lot of business-related travel and that which I have done has tended to be - touch wood - fairly smooth. So I have never had a major problem. I did have one problem where through, I have to say, my own fault I missed a flight. As it was during a working day, I contacted my P.A. (personal assistant) and asked her to resource flights through HRG, which they did, and as there was some difference of charging there I personally paid the difference.

Deputy J.A. Martin:

Are you confident that your staff using HRG are trained and up to date with the system?

Chief Officer:

Our staff are trained. I think it is quite a complex and clunky system at times. I think the view that I formed on the back of the experiences we have had using the system and also the issues which have come to light in recent months is that we are going to move away from quite a wide range of P.A.s and others who are trained to use the system into reforming a branch of our travel office so that we will have a more centralised way of using HRG That I think will give us some better oversight and will allow us to have truly super users, which I think is the terminology that gets used, and I think would save the sanity of quite a lot of people who are currently using it.

Deputy J.A. Martin:

Is that just you, Julie, in Health or is that going to be across all of the departments? It sounds like a very good idea, but it would be a shame if just one department was working very well, and you have the expertise because you already have the patient travel.

Chief Officer:

Indeed, yes. Our plan is to do it for Health but I do know that Jason Turner, who as you know is our Director of Finance, both has been part of the internal review of the travel policy and is also talking to central procurement and others about the way our travel office operates. So there are obviously some opportunities to explore whether we actually created some sort of central booking on behalf of all States departments, and obviously we would need to have some resourcing to do that, or whether the lessons can be learned from that way of working. We have shared it before in the run-up to designing and then procuring the HRG system and it did work extremely well. We think it can work well again, but there are some inherent issues about HRG that do not work particularly well for the Health Department, not necessarily for other departments but because of the nature of our business and some of the options we have around travel, which have been closed to us now because we are now part of HRG rather than running our own travel.

Deputy J.A. Martin:

Thank you.

Deputy A.D. Lewis:

You might be interested to know that other departments do not think it helps them very much at all, so we are interested in your comments. You said that you have never used it yourself and I take it that applies to the other officers here. You have used it? Because the reason we ask that question, we would not expect you to be booking your own travel; however, when you hear a lot of complaints about a system, I guess it would be quite intuitive for the manager then to say: "Well, let me try it to see what it is you are moaning about." So that is what we were getting at.

Chief Officer:

Yes. I have stood and observed the process going through. I have not physically ...

Deputy A.D. Lewis:

Right, okay. So have any of you had a log-in and keyed in and seen how it works?

Hospital Managing Director:

I do not have a log-in but I have done exactly what you just said. I am familiar with the portal and I know what it looks like if you ask for a flight or if you ask for a hotel. I know what it offers you and how difficult that can be and how easy it is to book something that is not the best value.

Deputy A.D. Lewis:

When that happens and you book something that is not best value, I take it you fully realise the value proposition that Hogg Robinson have, which is if you find it somewhere else cheaper they are honour bound to match it or better it. So, it creates more administration; you have to find the other flight price and then you have to challenge HRG. Do you do that?

Hospital Managing Director:

We have had lots and lots of particularly doctors saying: "I can find this cheaper." The difficulty with HRG is they say you have to do it at the time. You have to challenge them there and then at the time. That puts an extra burden, if you like, on a ... consultants sometimes book their own so you have an expensive resource doing this. They cannot match certain third party websites like Booking.com, so if that is where they have found the price then it is not always matchable. They cannot match conference hotel deals, but we have now agreed that as an exception so we can use that. They certainly are not able to book accommodation, for example, in the Royal Colleges where a lot of our doctors are members and can get very good rate accommodation. They do not even have access to that, so there are occasions when they cannot help us.

Deputy A.D. Lewis:

On that brief analysis then, would you say that the current system is value for money or not?

Hospital Managing Director:

I have seen too many examples where I think we could have had better value for money.

Chief Officer:

Yes. I think we have supplied in these papers that I know you are drowning in, on this one you will see that we have seen an increase in cost over the years when we have been using HRG, although we have not seen a great expansion in the number of trips and journeys that have been made. But that does seem to come back largely to accommodation and it does relate to the fact that when we had the travel office covering staff travel, we were able to make use of a number of preferential schemes that existed for the N.H.S. (National Health Service). Booking into the Royal College is one example; booking into staff accommodation on campus is another, which are just not available to a commercial entity like HRG. Therefore, the effect for us has been to see some

increase in cost and obviously that does trouble me as an accountable officer wanting to be able to demonstrate value for money.

Deputy A.D. Lewis:

But you can create exceptions for that.

Chief Officer:

You can but then you almost have to start creating a whole raft of exceptions into a system that ... we all book travel ourselves, day in, day out, on a personal level and it is the most simplest, easy thing to do online with all sorts of things, whether it is Booking.com or BA.com or whatever it is, and yet it does not feel like the system we are applying in our business world is so intuitive, so simple to use and so easy to check that you are getting the value out of it that you want.

[13:30]

Mr. G. Drinkwater:

Having experienced this in the commercial world, it really is two-sided. Your M.I. (management information) becomes more effective when you are taking that course and it is laying off the cost of time of senior civil servants or senior politicians or senior individuals spending time doing this, and then getting no M.I. because you have all done your own thing to save £50 and your M.I. is then costing £150,000 because an accountant has had to sit in there processing it all. It is very, very difficult and I sense that part of this review will be looking at your exceptions for each individual department to see whether they are worth value spent and time spent to come out of it and the justification that you may have to then write out some of your M.I. information because you will not get it. If you have 10 individuals making 10 flights, at best you will only ... you might not get that M.I. back. You know, we can sense it. We are not sort of overlaying everything.

Hospital Managing Director:

When the travel office were booking all of our travel arrangements, we had more accessible and better information than we get now.

Mr. G. Drinkwater:

That is what ... you know, we have seen 3 or 4 different departments in terms of the issues and, as I say, I have seen it from the commercial world and ...

Deputy A.D. Lewis:

We will come on to management information shortly because we have some fairly direct questions to you about management information, which you might not be able to answer today but we will

just be able to illustrate to you the issues we have had in acquiring information which you then must have when you are trying to assimilate and set budgets and pay for things. So we will come on to that in a minute. I would just like to ask some questions about value here as well in terms of you go on a few overseas visits here. We have described some of the reasons why they might happen. When you do that, you say there is some reporting back, but can you evidence any value from this type of expense in terms of you spend a certain amount of money on overseas travel. What is the return? I think it was Economic Development were talking about it in terms of return on investment. This is slightly different here. Some of it might be a bit less tangible, but I wonder if you could just describe as to what return you get from this type of expense.

Hospital Managing Director:

I can certainly talk for the doctors' travel. Doctors that are employed in Jersey have to be registered in Jersey to practise and in order to do that they have to be registered with the General Medical Council with a licence to practise. The General Medical Council are very clear about what a doctor has to do to be revalidated and kept on the register, and that is that a full-time doctor has to undertake 30 days of study leave in a 3-year period. So usually we just say 10 days a year. In their study leave, they have to demonstrate that they are going on appropriate courses, that they are international so that they are getting global best practice, and that they have to be able to demonstrate that they have been, that they have learned something and they have reflected on it. It is all picked up in their appraisals and then part of their revalidation packages. So, in terms of value for money, we want what is best for our patients. We want them to be able to have best practice with evidence-based working and we want all of our doctors to be appropriately registered and licensed. So, I see it as an essential part of employing doctors to make sure that they go and receive the appropriate training. It is very difficult to get a tangible value out of that other than we want good quality healthcare.

Deputy A.D. Lewis:

But you can demonstrate that compliance, so that is the value, yes.

Hospital Managing Director:

Yes.

Deputy A.D. Lewis:

That answers that question, really.

Chief Officer:

I know it is much the same for other professional groups of staff as well who would have similar Codes of Conduct and also in terms of recruitment. If it became the thing that Jersey did not offer

those levels of training and support, we would not recruit staff because they would not be practising safely and they would not get revalidated.

Deputy A.D. Lewis:

I would like to drill down a bit more, though, on the reasons for travel and this is where I am going to come down to management information. Because we have had quite a bit of conflicting information and you may be able to help us here. I have a spreadsheet here which was delivered to us yesterday, which does not really bear much resemblance to ...

Scrutiny Officer:

I will show if you say which ones you are going to look at.

Deputy A.D. Lewis:

I will demonstrate this one and then this one. The original one we have is a short one. Now, the large document you have in front of you, we originally received this from the centre and it was a breakdown of all flights over £500. We then received the second document from you guys here, which is a much, much shorter list and it did not have many of the trips overseas at all. So we questioned that and finally received this with a few amendments to it in terms of cancelled flights, but it really drew no resemblance at all to what had actually happened in terms of travel with this original document you gave us. So we are just concerned about the management information that you have to go by, because you have to abide by your budget and your compliance with the Finance Law, basically. So what financial information or management information are you using to ascertain as to whether you are complying just with your budget than anything else when we get one list here which is one page long and then I get a list here which is significantly longer highlighting a lot of overseas flights that are not on your original presentation?

Chief Officer:

Can we just sort through the ...? I am sorry you cannot see because it ...

Assistant Director of Finance:

So I think there has been an awful lot of information that has gone back and forward. The first ... there was some confusion between timeframes, so the first information we gave you was just 2014 and 2015, whereas the big spreadsheet had ...

Deputy A.D. Lewis:

No, this goes back to 2013.

Assistant Director of Finance:

Yes, had a few extra ones on that.

Deputy A.D. Lewis:

So we assumed this was your snapshot from 2013 to 2015, which is what we asked for.

Assistant Director of Finance:

Yes. So, what we did is we used the same spreadsheet that you had and we cross matched it to our finance systems and picked off the ones we had paid for, and then we went back ... so we have reconciled it with the ledger. The short list you have are the ones we paid for in that time period. So, some of the bookings never happened and have been cancelled, which we have shown.

Deputy A.D. Lewis:

We have those in there, yes.

Assistant Director of Finance:

Some of them have been paid for by the individuals. We did not include those initially because we did not pay for them.

Deputy A.D. Lewis:

So where it says "paid" in the column there, on the big bundle you have there, it says: "Status: paid," does that mean paid by the individual or paid by the department?

Chief Officer:

[Laughter] He does all of this work so it is best that he tell you all about it.

Assistant Director of Finance:

So, the issue of ... the ones that we have given you in the short list are the ones that Health and Social Services paid for. The ones that are on here are the same list sorted differently, cross-matched to the ...

Deputy A.D. Lewis:

Okay, let us explain our dilemma. We have significantly more entries here for some quite interesting overseas travel: Hong Kong, Toronto, Miami, Cape Town, Delhi, Kennedy, Rio, I could go on, all paid for in the status column by Health and Social Services, yet the other document you supplied us with only has a Chicago, a Vegas and another Chicago in terms of long-haul travel. That is what we do not understand. Your officer behind you clearly has some knowledge here. If

you would like to come forward, you can come and sit here if this is helpful to you and the department. We do not want to make it difficult, we just want to get the information.

Assistant Director of Finance:

Those are the ones who went through the ledger. They may have been booked.

Deputy A.D. Lewis:

Sorry, can you introduce yourself for the record?

Finance Officer:

Yes, I am Greg Franklin. I am a finance officer. What I think has happened is that spreadsheet has a filter on it and you are not seeing the full transaction list that is actually here in the tab on that spreadsheet. We do have a full copy which we did ... so we definitely did send you a full list but ...

Mr. G. Drinkwater:

I think if it helps you, if you look at the net costs on the bottom line, you have the flights adding up to £64,000, which clearly the ones here do not anywhere near add up to £64,000. I think you are right, somewhere there is a filter coming in. So your bottom totals are right, how much you have spent as a department. You have them behind there, if that makes sense, but those bottom figures are the things that we should focus on.

Deputy A.D. Lewis:

Yes. Well, I am interested in this overseas travel and the purpose of the visits because you have explained some of the reasons why you might do that. I will then refer you to the register of gifts and hospitality. Now, it is a relatively short list, and great that you are complying with that particular direction, but it is quite a short list. So when I compare the length of that list with the length of the list of the trips overseas, am I assuming that you have paid for all of those trips yourselves and no medical company or drugs company has helped you with that? Not that there is anything wrong with that but it obviously needs to be registered. It does not appear to be registered here because it is a very short list.

Hospital Managing Director:

Most of the doctors will go on their study leave budgets, which we give them a per head study leave budget.

Deputy A.D. Lewis:

Sorry, you will have to speak up, Helen.

Hospital Managing Director:

Most of the doctors will travel on their study leave budget, not on any grant from a drug company or anything else. We discourage some of that because there is a suggestion that they might be persuaded to buy a certain product and those sorts of things.

Deputy A.D. Lewis:

Of course, and that is why you have a gift registry there, yes.

Hospital Managing Director:

Which is why we have the gift register, but they have a study leave budget which they use. What the spreadsheets do not show very easily - this is an issue I have with the reporting mechanism - is that they tend to show you everything that is booked and then things get cancelled or things have not yet been paid for or the doctor has reimbursed it or they paid on checkout and it does not show it and they claim it through a different system, through expenses ...

Deputy A.D. Lewis:

We have that here. You have provided that, so I have ...

Hospital Managing Director:

We have, but it is in several different spreadsheets.

Deputy A.D. Lewis:

I have the cancellations, I have the ones that were paid by somebody else, so I have all that information, but I still have a very long list of overseas travel that is not in your list that you gave us here of what the total is. If it was done as part of a conference circuit and sponsored, that is not covered in this list either.

Chief Officer:

If we have had anybody being sponsored by any other organisation it would be declared and it would be on one of these different spreadsheets. What we do not have is an easy way of consolidating that.

Hospital Managing Director:

Because it is very rare.

Deputy A.D. Lewis:

All right. So the rest of it then, if we are prepared to accept that that is our statutory register, that is it, okay, all these other trips to some quite interesting places, are you saying that that for a local

consultant or doctor is essential C.P.D. (continuing professional development) that they cannot gather through their contacts in the N.H.S. or in Europe?

Chief Officer:

Yes. Would you like to explain why these things are in exotic locations?

Deputy A.D. Lewis:

It is just that I have ...

Hospital Managing Director:

Yes. There are a lot of European courses as well. I mean, this spreadsheet looks at the more exotic ones. The global meetings, the annual meetings of different specialties, are usually at key points around the globe. So, for example, the Las Vegas one you mentioned was the annual meeting of ophthalmologists, and they deliberately book them in accessible hubs around the world that you can fly into easily from anywhere. That is the norm in the medical world.

Deputy A.D. Lewis:

Okay. We would just be interested in finding out more information about the one in Tokyo, Hong Kong.

Hospital Managing Director:

I have it all with me.

Deputy A.D. Lewis:

Because I think maybe, you know, we do not want to spend too much time on it today, but what this highlights is the lack of reconcilable management information. That is not necessarily your fault, but it is very clear to us that HRG and JD Edwards do not talk to each other and, as a consequence, you as a department are spending more time on administration than you would perhaps want to.

Chief Officer:

Yes. We have had to do a lot of consolidation, yes.

Deputy A.D. Lewis:

We as a Scrutiny Panel are spending more time on this, and our officers, trying to reconcile it all. So I think are you prepared to accept that the management information is poor?

Chief Officer:

It would be nice to get it all in one place, yes.

Deputy A.D. Lewis:

You are?

Mr. R. Parker:

Sorry, Andrew, I would just like the clarification. I take it on the HRG that if anything is booked through there it is not paid by Health and Social Services, it is paid directly out of the Treasury and that you effectively have to reconcile it? Or does it come straight out of your ...?

Chief Officer:

No, I think it is repaid back to us.

Assistant Director of Finance:

The mechanism is there is a virtual purchase card called the corporate lodge card, so any travel booked through HRG is charged to NatWest lodge card. The lodge card file then gets passed across from NatWest and posted ... tidied up because some codes are not valid, and then it gets posted to the business units and object accounts that were declared at the point of purchase by the Treasury. So it arrives on the Treasury suspense account where it is paid ... where the bank is paid, and then the suspense is cleared to departments is how it works. The data is posted into the purchase card ledger, which means that certain data items come through and we can see them quite easily on JD Edwards and others are not. Among the things you can ... you can see the traveller, you can see the amount paid; you cannot see what the booking was. You can see the fees paid to HRG, which are on top of all these values that you see, and you can see on the booking data ... the fees are on the booking data. You can see the date of travel and often the date of travel is very much a couple of months in arrears, so there is a timing issue as well when you are trying to reconcile.

Mr. R. Parker:

Sorry, you said fees paid to HRG?

Assistant Director of Finance:

Yes.

Mr. R. Parker:

HRG are getting a commission on all of these bookings and then they ...

Chief Officer:

Administration fees, yes.

Assistant Director of Finance:

Administration fees.

Mr. R. Parker:

Then they are charging an administration fee on top of that?

Assistant Director of Finance:

Yes.

[13:45]

Mr. R. Parker:

So I believe it is something in the 15 per cent that they are charging for the suppliers of the services and then they are charging a fee on top of that as well?

Assistant Director of Finance:

The fee for the suppliers is invisible to us and it is part of the commercial contract negotiated by our colleagues. The fees that we pay are £6.50 for anything booked online and £12.50 I think for anything that ... if you ring up for. Every time you ring up you accrue a charge. So if something is being troublesome you could have a £40 fees bill on top of a £200 flight.

Deputy A.D. Lewis:

It would not be significantly different to a credit card charge, let us say, on EasyJet's website who ... and Flybe, I think, in particular charge credit card fees?

Assistant Director of Finance:

It is a fixed ... it is not a percentage based, it is a fixed sum depending on what you do.

Deputy A.D. Lewis:

Fixed fee, as it is with Flybe. So it is a similar charge in other words, but you could be faced with a high management fee if it went wrong.

Assistant Director of Finance:

Yes.

Chief Officer:

There is a credit card charge as well?

Assistant Director of Finance:

There is a credit card charge as well, but Treasury pay that. So every time the lodge card is used, Treasury pay a bill of £5.50 but we do not see that. That goes into Treasury.

Mr. G. Drinkwater:

One of the problems is it sounds like your M.I. is built on accountancy information rather than intuitive information, and that is the problem with the way of using that bank system. So you get loads of data. What you need is ... we have said this for some time. You almost need a red flagging arrangement which is more intuitive to a policy that works with you after the event, ideally even before the event, and that needs a bit of intelligence around it. At the moment, you are just getting loads of accountancy information flown down to each department and it is not sifting and sorting it for you.

Assistant Director of Finance:

There are 2 sets of conflicting or different information. There is the booking information, which has lots of transactions on it that are never paid for by the department, and then obviously JD Edwards has everything that we have paid for. The 2 can be concatenated but it is a bit of a ...

Chief Officer:

It is not simple.

Assistant Director of Finance:

... a bit of an effort.

Deputy A.D. Lewis:

Yes. One of the reasons for having the system was that it would be quicker, cheaper, less administration and a better paper trail. Would you be prepared to say that it gives you little of that?

Assistant Director of Finance:

Not for us because before when our travel team did it, every transaction went through an Access database and it always matched the ledger. There was not a mismatch.

Deputy A.D. Lewis:

So now with the system ...

Assistant Director of Finance:

So for us it is much more difficult.

Deputy A.D. Lewis:

... are you saying that for those 4 things that a central system is supposed to provide you with, are you saying that it is not providing adequate levels of that, savings, efficiencies, speed and an audit trail?

Assistant Director of Finance:

Yes.

Chief Officer:

Yes.

Deputy A.D. Lewis:

Insufficient, yes, okay. Thank you. We will move on from that because time is running out, but what we will do is come back to you and try and reconcile this management information because we are really struggling with it. We would like you to make sure that whatever we produce in our report is accurate and fair to you guys, who are procuring the travel.

Chief Officer:

Absolutely, yes.

Deputy A.D. Lewis:

Okay.

Mr. R. Parker:

You obviously explained that you have a patient travel booking service. I would just like if you could explain that in a bit more detail and how it has changed with the introduction of HRG.

Hospital Managing Director:

Okay. The booking team used to do both patients and staff and we employed a very senior person who used to work in the travel industry. She set up contracts with all the main airlines, so we had contracts with BA, with Flybe and with Blue Islands. EasyJet were not flying at the time. We had preferential rates. She had direct access to Flybe's internal booking system and she was almost a Flybe operative and she was able to produce tickets and alter flights at no cost. That was working until we then changed. We have kept the patient bookings with the travel office and we moved staff bookings to HRG. At that point, we lost our contracts with the deals because they

moved I think into the HRG area. We still have good relationships with some of those airlines but we have lost the preferential rates that we used to have. The way it works now is a patient will go to the travel office. They will tell them when the appointment is in the U.K. and the girls in the travel office will get them the right flights to meet their flight times. They will book them the onward transport that is required and a lot of that is under contract with our providers in the U.K. so they get, if you like, free courtesy cars coming to pick them up. So they arrange all that for them and that is all paid on a purchase card. So the team then deal with all the flights. The purchase card information comes in. It then has to all be reconciled back to JD Edwards and all of our Access databases. It is more onerous for them than it used to be in terms of not having direct access to some of these airlines.

Chief Officer:

Or the accommodation.

Hospital Managing Director:

Or the accommodation. We have managed to get round the Avios points in the travel office. We have managed ... because of the person we employed, she has a business account agreed with Flybe and if it is ordered on that purchase card all Avios points go to us on our purchase card and we use them to buy other flights for patients. So we are managing the Avios points through that system. So even if a patient tried to put in that flight for their personal use, they cannot because the points have been allocated to our business unit.

Chief Officer:

I think the other thing to recognise is that the travel office has been in being for 20 years and for the large part of that time it has been run by this particular person who had a long history in the travel industry but now also has a long history of working with Health and Social Services. She has an intimate understanding of our business and what we are trying to achieve for both patients and, when she was doing it, staff and she ran a small team extremely well. We did at the time that the HRG review was under way and the move to another centralised system was being looked at, we did make representations not to be part of it because we had such a good process for Health that worked because we got the economies of scale of one team doing both patients and staff travel. It was not successful because I think the view was - and I can fully understand why - that the commercial appetite for that particular contract would be far less if all the business of Health ... and at one stage they wanted us to put patient travel in as well, but we did manage to keep that exempt. Obviously, that makes it a much more attractive contract, but I think it does show that while we want to be corporate, we want to do the right thing for the whole of the States of Jersey, different departments are different sometimes in their business. In this particular instance, it has not worked particularly well for us.

Mr. R. Parker:

Are you saying the patient travel still goes through your system?

Chief Officer:

We do that ourselves, yes.

Mr. R. Parker:

But it does not go through HRG?

Chief Officer:

No.

Deputy A.D. Lewis:

Did you not consider pitching for the business of the States?

Chief Officer:

I wish I had Jason here because I have a feeling that Jason would say that we did make some informal representations to suggest that possibly the travel office could expand to cover States business, but I do not think it certainly went beyond them making a pitch for that commercial contract, no.

Mr. R. Parker:

Would it be right to say that with the advent of HRG you have seen no staff savings within your travel department?

Chief Officer:

We did I think lose one post.

Hospital Managing Director:

Less than one, a few hours, because the administration post HRG was greater in the travel office for the patients than it had been previously. We lost about half a post.

Mr. R. Parker:

Half a post?

Chief Officer:

Yes.

Deputy A.D. Lewis:

But as you sit on the Corporate Management Board, Julie, have you felt this is a subject you should raise at the moment?

Chief Officer:

I have raised it on a number of occasions.

Deputy A.D. Lewis:

Okay. It is very hot at the moment.

Chief Officer:

Yes.

Deputy A.D. Lewis:

Do you intend to raise it again?

Chief Officer:

Yes.

Deputy A.D. Lewis:

Do you intend to ask them to reconsider what it sounds like your finance director may have been wanting to talk about, which was a pitch from Health, who from our brief bit of research we have done into your patient travel, it does appear that it works quite well. We have not done a full analysis of it at all, but I have had some very good, albeit anecdotal, feedback from patients, who think you are wonderful so clearly you do something really well there, and you do look after people that are not even being paid for. So, you will try and find a good flight at best value for the accompanying passenger, for example.

Chief Officer:

Yes.

Deputy A.D. Lewis:

So, well done, but I would be very interested to know what the outcome of any further discussions you have had with the Corporate Management Board about possibly doing this.

Chief Officer:

I mean, we have raised some of these issues before and there have been meetings between the supplier and various representatives of various departments and there have been user surveys

done. So there is a lot of information flowed into HRG. To be fair to HRG, they have responded on some occasions with some things and they have also pushed back and said: "Perhaps your users are not trained well enough" and that is a fair challenge. So we have retrained and I am sure other departments have as well. I do fully expect that we are now obviously talking a lot about travel for all sorts of reasons and I would expect that there will be a further discussion about the future and whether it includes HRG or some other option. I do not know myself what the timeframe is around the contract that was let with HRG and at what point it can be renegotiated, reviewed or what else.

Deputy A.D. Lewis:

I believe it is coming up.

Chief Officer:

But if it is coming up, I think that it is an opportunity for us in C.M.B. (Corporate Management Board) to have another look at what type of service would serve us best.

Deputy A.D. Lewis:

Are you aware, having sat on C.M.B. for some time now, of other grumblings about this subject and has it been raised by other members of C.M.B. in your presence? Would you agree with what we have been told by the centre that 90 per cent of people that are using the system between departments say that they are happy with the system according to a survey conducted by the Chief Executive?

Chief Officer:

I would not recognise that level of pleasure in the system within Health and Social Services. I would be very surprised if you got a 90 per cent happy with the system from my staff. My staff may be particularly difficult to please because they have had good service from other sources in the past, I do not know. I do know that my colleagues would all individually say that they have felt that the system could be better and that it is not a particularly user friendly or smooth type of system to use. I think some of the challenges from HRG are valid in terms of us making sure that we do have properly trained staff doing the right things at the right time, and if we have members of staff who do breach they have to be given proper information, held to account or training or whatever. But I do not think my colleagues in other departments are that dissimilar from us. I think we are just at the sharper end of it because we do so much travel.

Deputy A.D. Lewis:

When you flagged this up with the centre, have you been knocked back and told: “No, we believe the system works well”? What has happened with your protestations, both you and your fellow senior management team?

Chief Officer:

We will regularly feed back individual examples of where the system has not worked particularly well and sometimes it has been helpful to have information back from HRG that we have been able to use for management purposes when perhaps a member of staff has told us one thing and we wanted to check whether that was right.

Deputy A.D. Lewis:

So HRG have responded?

Chief Officer:

They have responded but I do not think they have responded ... I do not personally think they have responded that there is any fundamental issue with the system; the system works fine. For lots of other organisations, HRG do provide a very good service, so I am told. I just do not feel it serves the purposes of Health and Social Services particularly well.

Deputy A.D. Lewis:

Thank you. Final question to close, and thanks for being so candid with us today. What lessons have been learned from recent adverse publicity about the public sector’s procurement of travel and related activities and what changes have you made in your department as a result of it?

Chief Officer:

Well, obviously, we have followed the issues very, very carefully. We have reviewed all of our policies and procedures. We have been engaged with the centre in the review of the overarching travel policy, which is still a work in progress, and we are currently now reviewing our own study leave policy to see if that needs to be tightened up in any way. I think that the biggest change we are making is the one that we alluded to earlier, which is going back to a more centralised approach within our own department: fewer people able to access the system but very expert in accessing that system. Also, I do not genuinely feel it is right that very highly paid doctors, who should be out there providing service to patients, should be spending lots of time trying to make a system work. I think if we have a more centralised approach we can get some of the benefits we used to have, albeit we will still be using the HRG system for the time being.

Hospital Managing Director:

If I may add, I think that we have had an internal policy that has been quite strict throughout that whole process. In 2015, we had 977 study days taken by doctors. You can see where around the world they have been going. We have not had a single business class or premium ticket paid for by H.S.S.D. (Health and Social Services Department). They would have always paid the difference themselves because that has been our policy all that time.

Deputy A.D. Lewis:

That has been illustrated in the information you have given us.

Hospital Managing Director:

Yes.

Deputy A.D. Lewis:

I think with one exception there which was paid and it was paid by the individual.

Hospital Managing Director:

Exactly, so if they do upgrade then we have mechanisms of recharging them for that. So, I think we have already had some quite tight policies in place within the department that are in addition to States policies.

Deputy A.D. Lewis:

When a consultant goes away on a conference and they tack on extra time there - and why would they not in some instances - I take it that is leave? It is not taken on your time?

Hospital Managing Director:

Yes.

Deputy A.D. Lewis:

Because I guess the question might be asked these are consultants working for Jersey Hospital. They should be taking care of patients in Jersey with the exception of their C.P.D. So you are confident that their time is spent doing C.P.D. and that there is not time that they should be here but they are away?

Hospital Managing Director:

We have a system called Circadian, which is the medical staffing electronic system that records all of the doctors' annual leave and/or their study leave. We have agreements with them that if you are going beyond some of Europe and the U.K. you might need travel time to get to wherever you

are going for the start of the conference, so we allow some travel time, but if they want to tack on holiday then they have to very clearly put that as annual leave and have that approved at the same time before they book their study leave. We do not limit that. If you want to take holiday at the same time and it is appropriate for your specialty, that is fine.

Deputy A.D. Lewis:

If it is in the Financial Direction you can do it, yes.

Hospital Managing Director:

Yes.

Deputy A.D. Lewis:

Just one final thing on that. If you are attending a conference the same day of travel, would you endeavour to try and go the day before so you are well rested for the conference rather than go business travel so you can sleep, which some might do as preference?

[14:00]

Are you saying that you would normally make sure they are fit before the conference by perhaps travelling a day earlier?

Hospital Managing Director:

If they are going long haul, then yes, they would go the day before. If they are going to the U.K. or Europe and a flight can connect you there in time, then they would travel on the same day or certainly home on the same day.

Deputy A.D. Lewis:

So you would always take the policy of going the day before rather than going premium to rest?

Hospital Managing Director:

Yes.

Mr. R. Parker:

Chairman, can I just ask a quick question? That is have you had ... based on the HRG, which obviously can create exception reports, have you had any questions related to exceptions and so forth coming from the centre, ie basically procurement or Treasury asking for explanations on various flights?

Chief Officer:

I am not aware of any. I have not had any.

Assistant Director of Finance:

I have had one in the last year, which turned out to be a query about a social work client that we were sending to the U.K. and the person booking it said a holiday, but it was not really. They were visiting relatives before going into a placement in the U.K. and they just put it down wrong there. To be fair to HRG they said: "We do not book people's holidays" and when we got to the bottom of it, it was ...

Mr. R. Parker:

So it was from HRG but from actual sort of like the internal audit or basically from Treasury or the Chief Minister or procurement?

Assistant Director of Finance:

Well, the HRG query came via procurement. They said HRG had alerted procurement that somebody was trying to book a holiday and when it came down to it they were not at all. The booker did not want to tell HRG about ...

Chief Officer:

A delicate issue.

Assistant Director of Finance:

... a delicate issue.

Mr. R. Parker:

Yes, okay.

Assistant Director of Finance:

So that is the only query that I have had, but it was HRG alerted procurement. Procurement alerted me. I found out what was going on.

Deputy A.D. Lewis:

Okay. Our time is up. Thank you very much for coming to see us. That has been very useful. We do need to get to the bottom of the thorny issue of reconciling this management information, so perhaps you could help us do that over the next few weeks.

Chief Officer:

Absolutely.

Assistant Director of Finance:

Of course.

Deputy A.D. Lewis:

That would be very helpful, then we can make sure that you are fully represented in our report in the manner that you would like. It will be good for the public to see departments doing this sort of thing in many cases well. So, thank you for your time today. Is there anything else you would like to add?

Chief Officer:

No, thank you.

Deputy A.D. Lewis:

Okay. Thank you very much.

[14:02]