

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2011 (P.99/2010): FIFTH AMENDMENT

**Lodged au Greffe on 13th August 2010
by Deputy G.P. Southern of St. Helier**

STATES GREFFE

1 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Health and Social Services Department shall be increased by £74,000 in order to prevent a reduction of necessary services provided by the General Hospital’s pharmacy and not proceed with the Comprehensive Spending Review proposals on page 62 of the Plan HSS-S5 (‘Pharmacy skill mix review and reprofile of out-of-hours service to reduce cost of service’) and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for Restructuring Costs.”

2 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Home Affairs Department shall be increased by £52,000 in order to maintain intelligence services and not proceed with the Comprehensive Spending Review proposals on page 63 of the Plan HA-S6 (‘Customs and Immigration – Staff reductions’) and the net revenue expenditure of the Treasury and Resources shall be decreased by the same amount by reducing the allocation for Restructuring Costs.”

3 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Social Security Department shall be increased by £300,000 in order to prevent the proposed removal of the GST bonus and not proceed with the Comprehensive Spending Review proposal on page 63 of the Plan SS-S4 (‘Removal of the GST Bonus budget) and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for Restructuring Costs.”

4 PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2011” insert the words –

“except that the net revenue expenditure of the Social Security Department shall be increased by £54,000 in order to prevent the proposed reduction in the housing adaptations budget and not proceed

with the Comprehensive Spending Review proposal on page 63 of the Plan SS-S7 ('Reduce the housing adaptations budget by 50%') and the net revenue expenditure of the Treasury and Resources Department shall be decreased by the same amount by reducing the allocation for Restructuring Costs."

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

Amendment (1) – Health and Social Services Department – Pharmacy

Following work done by the Health, Social Security and Housing Scrutiny Panel, I have serious concerns about CSR proposal HSS-S5 which, if accepted, would see a reduction in the out-of-hours services provided by the Pharmacy at the General Hospital. In response to the Panel's initial questions regarding any risk assessment that was undertaken prior to this proposal being lodged, the Department simply stated that it had identified the following risks –

- medicines not being available when needed;
- inability to discharge patients out-of-hours;
- no pharmacist available for advice/information.

In the following paragraph of the same correspondence, various mitigating factors were then cited but the Department still concluded that –

“Despite the above measures there will still be the possibility that a particular medicine may not be available or that medical or nursing staff may require advice from a pharmacist out of hours. There is, therefore, an increase in risk to the organisation despite the mitigation which will be put in place.”

Surely, then, further questions need to be asked and further research undertaken before it is decided that, for the sake of a £74,000 saving, the Department should knowingly allow an element of risk into the routine running of the General Hospital. It is my understanding that no formal risk assessment was undertaken nor any report produced to justify this proposal. I urge members to support this amendment in order that a more thorough investigation of the repercussions of HSS-S5 can be undertaken.

Financial and manpower implications

The amendment is cost-neutral as the increase in expenditure for Health and Social Services would be funded by a reduction in the £6,000,000 provision for Restructuring Costs in the Treasury and Resources Department. There are no manpower implications.

Amendment (2) – Home Affairs Department – Customs and Immigration

The Customs and Immigration Service is to lose 2 posts under HA-S6 of the Comprehensive Spending Review. This proposition protects one of these posts.

There is no doubt that Customs is a service under intense pressure, having taken on the front-line work in the introduction and management of GST. In December 2008 a Post Implementation Review (PIR) was conducted by H.M. Revenue and Customs and found that the implementation had been very well managed. It also pointed to the need back then for a review of staffing levels. The Service did receive an additional 5 officers for GST duties, but still had to divert another officer away from front-line work.

In his 2009 Annual Report the Head of Service had this to say –

“2009 was a very busy year for all of us and there is every reason to believe that the forthcoming year will be no less burdensome. We will have to look to maintain our high standards in an environment of increased pressure on resources for all the public sector.

*It must be remembered though **that our Service is still three staff below its agreed minimum operating level due to cuts imposed in previous years and I firmly believe that it is imperative not to weaken it any further.** I will be doing my best to avoid that outcome and ensure that the essential work we do is not jeopardised.”*

He went on to say –

*“**We are fully prepared to be innovative and enterprising in finding solutions to ensure our demanding work does not suffer – this is something that we are used to which is clearly demonstrated by the major changes the Service has successfully negotiated in the last decade.**”*

I was somewhat shocked therefore to find that 2 further posts were to be cut from the establishment in the CSR and hence into the 2011 ABP. One is a passport officer in a supervisory role. The loss of this post will put additional pressure on the passport office, waiting times for the issue of passports will undoubtedly increase, and opening times may have to be reduced. Perhaps this is not too damaging a cut.

The other post however is that of Intelligence Analyst. This post was only created 2 years ago in response largely to the increases in drug trafficking the Island has witnessed. It is one of the “innovative and enterprising solutions” proudly mentioned above by the Head of Service. It is intelligence-led investigation that has resulted in the spectacular success we saw this year in the successful prosecution of major drugs syndicate bosses.

Ultimately the Customs Service is here to help protect the well-being of us all by protecting the Island from the threats posed by illegal immigration, the organised smuggling of harmful goods and the evasion of duties. It is essential for us to be allowed to provide a properly functioning and effective border control and to continue to catch and deter criminal enterprises.

The importance of intelligence to investigatory work is highlighted thus –

INVESTIGATION

Drugs

To investigate the importation of all types of controlled drugs, but with a particular emphasis on the importation of Class A drugs as these are judged to pose the biggest risk to the people of the Island.

For this purpose the intelligence and investigation sections of the Service will work together closely and support each other in the development of drug operations which lead to the arrest and prosecution of the principals behind these drug syndicates.

The Service will look to work jointly with other law enforcement agencies, both on and off Island, wherever possible to achieve its aims in this area. In such operations, officers in the Service will always look to effect arrests and make seizures where this will cause the greatest impact on the drug syndicate itself. If this means arranging for action to be taken by a law enforcement agency outside the Island then that is the strategy that will be adopted.

In this way the Service will meet its responsibilities under the Island's Criminal Justice Policy.

ENFORCEMENT ACTION

Drug Seizures

During 2009 officers in the Service were responsible for the seizure of £1.9 million of drugs. In addition, officers conducted 4 joint operations with law enforcement agencies outside the Island. Those operations resulted in the seizure of £713,000 of drugs. In total there were 108 separate drug seizures during 2009. Of those, 20 were of a commercial nature.

All cases brought to court in 2009 resulted in a conviction for the individuals concerned and in total the courts handed out sentences totalling 94.3 years. In addition 6 individuals have been arrested and prosecuted in other jurisdictions as a result of the joint operations that were conducted with UK/French law enforcement agencies.

There is no doubt in my mind that the position of intelligence analyst forms a vital part in the success and reputation of our Customs Service. To lose this post would be a retrograde step.

Financial and manpower implications

The amendment is cost-neutral as the increase in expenditure for Home Affairs would be funded by a reduction in the £6,000,000 provision for Restructuring Costs in the Treasury and Resources Department. The amendment to HA-S6 would protect one post.

Amendment (3) – Social Security Department – GST Bonus

This is possibly the most cynical piece of political manoeuvring I have witnessed since I saw the last-minute attempt by Deputy Le Fondré to successfully persuade the States that a package of measures he proposed to pay back the poor for the costs of GST on their food and heating was the best way to protect them from the regressive nature of GST, and to keep it on food. That was called the "GST Bonus". It was designed to protect those who were not poor enough to claim Income Support but were below the thresholds for income tax.

Many members said at the time that taking tax and then paying it back is economically inefficient and bureaucratic. They were ignored. Others pointed out that what was given in the large print could just as easily be taken away in the small print. And so it has come to pass. The triennial Regulations are not to be renewed. At a stroke this action, if allowed, will make around 2,000 households significantly worse off by around £3 per week. These may not be the worst-off in our society since they are not recipients of Income Support, but they are below the threshold for paying income tax and therefore likely to be low-paid earners. £3 per week may not seem like very much, but it would largely negate the rise in the minimum wage delivered by the States earlier this year of around £4.80 for a 40-hour week.

Increased food and fuel prices

The main thrust of Deputy Le Fondré's proposition (P138/2008) accepted by the Assembly, was that –

“...steps should be taken to assist the public in dealing with the significant worldwide rise in food and fuel prices during recent months, and the consequential effect upon the basic cost of residing in Jersey.”

He also argued that –

“... it is also recognised that food and fuel do form a proportionately greater share of the expenditure of the poorer members of our Society.”

Later the States’ agreed to P.163/2008, Regulations which gave effect to the proposed changes to a further rise in the GST Bonus.

The 2008 budget for the GST Bonus was £400,000, with households eligible to receive a fixed bonus of £75 per annum. The Treasury estimated that approximately 5,000 households would claim this bonus.

P.163/2008 doubled the value of the Bonus so that the amount paid in 2009 was £150 per household. The additional cost was estimated at £400,000 per annum. It was thought that there would be a slightly higher take-up under the amended scheme.

Increasing the GST Bonus by £75 per annum was equivalent to £1.44 extra per household per week.

As the Bonus is no longer linked specifically to an offset of average GST on food, the name of the Regulations will be amended by removing the reference to GST, and just referring to a bonus for food costs.

The rate for 2009 was set at £150. For 2010 the rate was raised by the annual increase in food costs as at September 2009.

Table of GST Bonus rates 2008 to 2010

2008 (part year)	£50.00
2009	£150.00
2010	£153.60

The households eligible for Food cost “Bonus” are still paying those high food prices. In fact, food prices have continued to rise as shown by the RPI in June 2010 which reveals that food has risen by 3% and fuel by 10%. Housing costs rose by 5% over the same period; all of these have significant impact on families in receipt of the Bonus. Further significant increases in food prices, including the price of flour which is a staple for many products, are said to be in the pipeline.

There has been no case put forward by the Minister for Social Security to demonstrate that this measure to protect this particular low-income group can be safely done away with, especially in the light of the promises made by Ministers back in 2008 on its introduction.

Financial and manpower implications

The amendment is cost-neutral as the increase in expenditure for Social Security would be funded by a reduction in the £6,000,000 provision for Restructuring Costs in the Treasury and Resources Department. There are no manpower consequences.

Amendment (4) – Social Security Department – Housing adaptations

It is my view of proposal SS-S7¹, put forward by the Social Security Department as part of its savings plan for the Comprehensive Spending Review (CSR), that it will detrimentally affect an already disadvantaged section of the community.

The Social Fund exists to help with the cost of household adaptations for those with a disability to cope with living in their own homes. It applies to those in the private rental sector and to home owners. The Housing Department have their own scheme for States tenants. I understand that this scheme is often spent up before the end of the financial year.

I ask how it is possible for the States to approve a proposal that would make it harder to secure funding to assist with home adaptations when the Island has an ever-increasing ageing population. I question whether the move is reasonable given the difficulties already faced by those with disabilities.

I am concerned that the proposed reduction in budget will add to the difficulties experienced by this vulnerable section of the community in securing essential funding. I am further aware that referring agencies have previously been told by the Social Security Department that the housing adaptations budget was frozen (as happened in 2009) or that the budget had been spent. When this occurs, demand for adaptations is not met and that Occupational Therapy professionals spend an inordinate amount of time looking for charitable funding for housing adaptations.

The Social Security Department have justified this reduction in spend by suggesting that the average spend has been below the sum proposed over the past years.

When asked about the 2009 spend, the Department responded as follows –

“There was some uncertainty over Income Support costs due to the recession and the rise in the number of claims and the daily rate of spend. Although the Department was preparing bids under the automatic Stabiliser initiative, the outcome would not have been known until mid year so tighter control was put on all discretionary spend until the Automatic Stabiliser funding was approved by the States. The budget was fully re-instated from August.”

The result of this was that applications were markedly down in 2009 –

2007	13 applications	11 grants approved
2008	15 applications	12 grants approved
2009	6 applications	4 grants approved

Based on feedback received from some voluntary agencies working in the community, I believe that funding is not requested as often as it might be due to a lack of sufficient publicity on the part of Social Security and a lack of awareness: those in need, and the agencies supporting them, are simply not aware that they can apply. I do not believe that it is reasonable or advisable to reduce funding by 50% in one department (Social Security) when it is likely to add to the pressure on community work professionals in another department (Health and Social Services).

¹ Reduce the housing adaptations benefit by 50%

What is more, the proposal contradicts the aims and objectives outlined in the Strategic Plan 2009–2014². The Social Security Business Plan for 2010 states under its Objective 1 that it will ‘Support people to achieve and maintain an acceptable standard of living’. The success criteria for this is outlined at (ix) which states –

‘In accordance with the Social Policy Framework, work with other departments and voluntary organisations to establish pathways to ensure that individuals are able to access all relevant assistance and improve information flows between departments to facilitate this.’

The Health and Social Services Business Plan for 2010, Objective 5, supports the following to improve the health and social well-being of the population –

‘The independence of adults needing health and social care thus enabling them to live as safe, full and as normal life as possible, in their own home wherever feasible.’

The reduction in budget for housing adaptations should be opposed given the absence of evidence that both professional and voluntary groups, as well as individuals with disabilities, are fully aware of the availability of the fund to allow those with disability to continue living at home and retain independence for as long as possible.

Surely, the reasonable course of action is to ensure that those with disabilities are made aware of the funding, and that access to the full amount of funding allocated to housing adaptations is maintained in light of the Island’s demographic and the section of our society that will be affected.

Financial and manpower implications

The amendment is cost-neutral as the increase in expenditure for Health and Social Services would be funded by a reduction in the £6,000,000 provision for Restructuring Costs in the Treasury and Resources Department. There are no manpower implications.

² 2009–2014 Strategic Plan – Aim: ‘meet our health, housing and educational challenges’ and ‘prepare for an ageing society’. Priorities: 6. ‘Provide for the ageing population’; 8. ‘Increase social inclusion by encouraging and supporting people to help themselves’; and 14. ‘Adequately house the population’