

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2012 (P.123/2011): SIXTH AMENDMENT

Lodged au Greffe on 30th August 2011
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PAGE 2, PARAGRAPH (a) –

After the words “withdrawn from the consolidated fund in 2012” insert the words –

“except that the net revenue expenditure of the Health and Social Services Department shall be increased by the amounts shown below to enable the cancellation of the draft CSR savings and user pays proposals for 2012 –

(a)	Introduce systems to manage procurement (Procure to Pay System)	£250,000
(b)	Review Service Level Agreements (UK & Jersey) with providers	£150,000
(c)	Reduction in Energy Consumption	£130,000
(d)	Rationalisation of Management Posts	£91,000
(e)	Review Occupational Therapy Services, less essential SLA annual increases and other efficiency savings	£100,000
(f)	Review process pathways in the hospital to improve efficiency	£175,000
(g)	Joint initiatives with Guernsey	£150,000
(h)	Rationalisation of H&SS Estate	£110,000
(i)	Redesign of Respite Services	£65,000
(j)	A&E – appropriate use of service	£50,000
(k)	Workforce efficiencies review	£50,000
(l)	Redesign of Special Needs residential services	£50,000
(m)	Better price negotiations for the purchase of care services	£15,000
(n)	Patient Transport: Review PTS provision (user pays)	£46,000
(o)	A proposal to move smoking cessation support services into a community setting (user pays)	£94,000
(p)	Introduce an A and E charging mechanism (user pays)	£94,000

(q)	Review the thresholds for travel to the UK for elective surgery (user pays)	£94,000
(r)	Consider the re-introduction of prescription charges by H&SS (user pays)	£78,000
(s)	Surgical specialties: non-urgent cosmetic procedures (user pays)	£32,000
(t)	Income generation initiatives within Community and Social Services (user pays)	£31,000
(u)	Recovery of costs from Private Patients and insurance companies for Road Traffic Accidents (user pays)	£161,000

and the net revenue expenditure of the Treasury and Resources Department (Provision for Restructuring Costs) be reduced by an equivalent sum in 2012.”.

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

I bring this amendment as a result of my role as Chairman of the Health, Social Security and Housing Scrutiny Panel, and in particular, concerns about the lack of rigour I have detected in the analysis applied by the Health and Social Services Department (HSSD) to their savings and user pays proposals in the 2012 Annual Business Plan.

Having examined the 2011 proposals one year previously, I was aware that the documentation supplied to the Panel was sufficiently detailed to enable a thorough examination of the risks and viability of each proposal. I was therefore able to bring in amendments to the Annual Business Plan (ABP) either or in my own name or in that of the Panel. Other savings proposals were accepted.

That process meant that both the Scrutiny Panel and the Department were able to bring to the debate in the States on the ABP, a full examination of the case for or against the proposals, and this resulted in a fully informed and comprehensive debate before Members made a decision. This, I feel, added significant value to the quality of the ABP debate. Whatever the outcome of these debates, members could feel sure that the proposals had been thoroughly examined in debate.

2012 process

The Panel undertook a similar process for the 2012 proposals, which started in January 2011, giving itself a full 6 months to examine the proposals. The Panel expected that a similar level of analysis would have been carried out on each proposal within HSSD, on which the Panel could base a judgement as to what impact the proposals would have. This would enable the Panel to come to the Assembly with its assessment and detailed amendments where necessary.

The Panel recognises that the preparation and introduction of CSR changes must be approached with caution, as a small saving in one area can have consequences that are damaging to other parts of the service. For example, a small charge for patient transport may discourage patients from attending appointments, causing conditions to deteriorate. This in turn may result in greater and more expensive intervention a few months later.

The Minister for Treasury and Resources obviously believes that the Draft Annual Business Plan 2012 contains a sufficient level of detail when he states in the Financial Foreword of the plan –

‘A comprehensive schedule of savings for 2012 is set out later in this report [the Draft Annual Business Plan]’

As I shall demonstrate here, the Health and Social Services section of the schedule is far from comprehensive, in that the level of detail that was available in 2011 is missing in the 2012 Plan. This gives me cause for serious concern.

Furthermore, some changes, particularly user pays, may need a change in the law. The Minister for Health and Social Services states in her introduction to the Annual Business Plan –

‘This may mean consequential charges to the public for some of our existing services. To facilitate this, I intend to bring before the States a new law, the Health and Social Service (Charges) (Jersey) Law.’¹

In many cases, it is clear that the work on establishing whether saving proposals are safe, viable and realistic has yet to be undertaken.

2012 structure

Whilst I accept that the process used for the 2011 CSR savings was adequate, and succeeded in delivering and monitoring these savings, it placed great stress on staff, who were essentially asked to deliver these savings on top of their day-to-day work. As a consequence of the 2011 experience, HSSD decided to apply for funding from the restructuring fund in order to deliver the savings required in 2012/13, as follows –

“The £1.2m from the restructuring fund will be used to staff the Programme Management Office (PMO) for a period of 2 years (September 2011-September 2013). The recruitment process is in train for a

Senior HR Manager,

HR officer,

Senior Management Accountant,

Informatics Manager,

Project Managers (x3) and an Administrative Assistant.

Recruiting into these posts will be by secondment in the first instance. The Head of Programmes post has now been appointed to and the 2 year contract will commence on 1 September. Due to the volume and complexity of work it is not possible for existing employees to take on these roles in addition to their day to day business, hence the secondment route for recruitment.”

Members will note the timescale involved in this process. The head of Programmes has just been appointed. At the time of writing, the 8 further staff are not in place. It is clear that the setting-up of this team is woefully behind schedule. Some idea of the problems involved in the whole process of implementing the CSR is given by the following traffic-light diagram summing up progress back in February 2011.

¹ States of Jersey Annex to Draft Annual Business Plan 2012, page 51

Comprehensive Spending Review				Monthly Dashboard	
Date: 14 th Feb '11				Status: AMBER	
Area	Status	Reason	Action	 Timescales  Resources  Milestones  Savings	
PMO		Lack of resources in PMO after end of February due to staff member leaving and temporary resource returning to UK.	Additional resources to be identified and funded.		
2011		2011 - majority of projects deliverable.	2011 – Exception Reports in the process of being approved by Exec leads, Corporate Directors and the Minister.		
2012/13		2012/13 - projects high risk.	2012/13 – Draft PIDs being developed – process stalled until resources funded.		
Overall Risk status		Capability and capacity to project manage and deliver savings within the departments for 2012/13 projects.	Resources required no later than 1 st March to address capacity and capability issues.		
<p>Progress in the last month (January) Monitoring tool tested</p> <p>Monitoring for 2011 projects has commenced</p> <p>Exception Reports approved by Minister for 2011 Hydrotherapy Services 2010 Ambulance Service (Hospital Car Service)</p> <p>Exception Reports drafted and sent to Exec leads / PMs 2011 Closure of VB House 2011 Stop prescribing for Anti Dementia</p> <p>8 PIDs drafted for 2012/13 projects</p> <p>BOSCARDs for 2011 projects finalised</p> <p>Weekly meetings set up between PMO Manager and (a) HSSD CEO; (b) Finance Dept; (c) Central CSR Team (d) HSSD PMO team</p>					
<p>Plans for this month (February) Urgent need to identify resources for PMO and funding from Central CSR</p> <p>Monitoring tool to be updated with monitoring templates from PMs Project Manager's meeting (14th Feb)</p> <p>Planning for CSR road shows in March and April</p> <p>Exception Reports drafted and sent to Exec leads / PMs 2011 Amalgamation of kitchens at St Saviour's 2011 Standardisation of infusion pumps 2011 Nurse bank / workforce IT systems</p> <p>Collation of staff suggestions; action plan developed on how to use / communicate these ideas</p> <p>Meet with Finance to identify savings realised to-date</p> <p>Develop BOSCARDs or PIDs for User Pays schemes</p> <p>Follow up PMs for BOSCARDs returned, signed by Project Manager</p> <p>Exception Reports drafted last month presented to Corporate Dir's, once approved by Exec leads</p>					
<p>Key Risks Lack of capacity within PMO to deliver. Lack of project management capability within 2012/13 projects. Timescales for approval of Restructuring fund resources could lose momentum of CSR Delivery.</p> <p>Key Issues P2P project double counting with CSR projects. Corporate T&Cs and Procurement. Lack of contingency projects if there is a shortfall.</p>					

It can be noted that there was a recognised lack of resources in the Project Management Office (PMO) due to a staff member leaving and a temporary member of staff returning to the UK. This lack of resources prevented Draft Project Initiation Documents (PIDs) being developed, which caused the process to stall until staff were funded and recruited. This has yet to happen.

Several risks were recognised in the table in February, namely –

Lack of capacity within PMO to deliver.
Lack of project management capability within 2012/13 projects.
Timescales for approval of Restructuring fund resources could lose momentum of CSR delivery.

These have now become a reality.

In particular, when asked what the timeline for completion of the proposals for savings for 2012/13 savings was, the answer was as follows –

“The intention is to have fully scoped and approved Project Initiation Documents (PIDs) in place by the end of 2011.”.

I cannot fail to conclude that the 2012 HSS CSR process has fallen way behind schedule. The result is that a significant number of proposals remain unscoped and without the necessary cost/benefit or risk analysis, which Members of the Assembly have a right to expect to have been completed for the ABP. This particularly applies to the proposals for user pays.

As a consequence, Members of the States are being asked to accept these proposals without any details of the mechanisms by which many of the targets will be met. I suspect that many members, like me, will find that this is an unsatisfactory way for the States to do business.

In the absence of adequate scoping documents, the Panel has been unable to assess the viability of much of what is proposed in the HSS 2012 ABP.

If the Minister for Health and Social Services were to bring this set of proposals with such a lack of detail in the scoping to the Assembly on any other occasion than as part of the ABP, I am convinced that it would face a strong motion for a reference back. Unfortunately this route is not open for a part of the ABP.

This amendment to the ABP refers to the summary of the HSSD savings contained in the Draft Annual Business Plan 2012, shown as savings (£1,386,000) on page 78 and User Pays (£630,000) on page 81.

However, the detail behind the figures, which give a description of what is proposed, along with the potential impact, is contained within the Annex to the ABP. Pages 181 to 183 show savings and pages 199 to 201 show User Pays. These tables are laid out in a very different fashion and separate the savings into the service delivery areas. However, the total sums involved are the same. The table below shows how this has been laid out.

Details within the Annex to the ABP.

	<i>Description of Service</i>	<i>Savings (p.181–183)</i>	<i>User Pays (p.199–203)</i>
(a)	Public Health Clinical Services	£8,000	£94,000
(b)	Public Health Strategies	£8,000	£0
(c)	Hospital Services, Inpatients	£177,000	£74,000
(d)	Hospital Services, Theatres	£97,000	£55,000
(e)	Hospital Services, Women & Children	£82,000	£25,000
(f)	Hospital Services, Unscheduled care	£114,000	£104,000
(g)	Hospital Services, Ambulatory care	£171,000	£84,000
(h)	Hospital Services, Clinical Support	£115,000	£123,000
(i)	Hospital Services, Ambulance Emergency Services	£25,000	£6,000
(j)	Community & Social Services, Older People's Services	£126,000	£21,000
(k)	Community & Social Services, Adults' Services	£266,000	£35,000
(l)	Community & Social Services, Children's Services	£153,000	£6,000
(m)	Community & Social Services, Therapy Services	£44,000	£3,000
		£1,386,000	£630,000

Examination of the tables in the Annex gives rise to concern, in that it is difficult to assess what the impact of a particular change will be on service delivery. For example, there is very little analysis of how individual services will be affected. Instead, there is a stock description which is repeated in each service.

Stock description

The statement below is applied across all 13 targets for savings within the HSSD CSR Savings Proposals on pages 181 to 183 of the ABP.

Apportioned savings from reduction in energy consumption, management posts and appropriate systems to manage procurement. Apportioned savings from joint initiatives with Guernsey, work force efficiencies, rationalisation of estates and SLA's with UK providers. LEAN methodology will also be introduced to redesign patient pathways.

There is no indication given as to which of these mechanisms for producing savings would be most effective in any of these options. Similarly, assessment of the impact of these changes is contained in a further stock phrase as follows –

Impact: Reduction in energy consumption; lower levels of management supervision, insuring contracts deliver value for money and are able to secure volume discounts. Joint initiatives with Guernsey will ensure more efficient use of resources, review of areas of recessionary pay to achieve savings, produce a vale for money accommodation model for the future and reduction in the number of acute providers we contract with in the UK.

'LEAN' methodology will create a more efficient and effective care service.

Whereas other departments have produced impact statements that indicate that in some circumstances, services will be reduced, and have pointed out some of the risks associated with their proposals, the HSSD impact statement contains no assessment of any risks attached to these actions. Neither is there any attempt to produce a cost benefit analysis.

The 13 proposals outlined on pages 181 to 183 of the Annex to the ABP contain insufficient detail of the impact of the savings.

Worse than that, the last 4 of the 13 proposals, contained within Community and Social Services are not fully scoped and are described as follows –

Some savings proposals within Community and Social Services require further scoping but could include a review of Occupational Therapy Services less SLA annual increases.

I am convinced that to accept these proposed changes without a risk assessment and full details of the impact on the Occupational Therapy Service, whose aim is to support clients to live as normal a life as possible in their own home, is unsafe.

User Pays

Analysis of the viability of the User Pays proposals contained in the ABP, pages 199 to 201, is impossible since scoping has not been completed. Furthermore, some of the User Pays proposals require a change in the law with the introduction of a Health and Social Services (Charges) Law. In response to questions from the Health, Social Security and Housing Scrutiny Panel, the Minister had the following to say –

HSS36, HSS50. A&E User Pays and HSS53, Charges for early intervention in psychological assessments.

- i. How is this to be means tested?*
- ii. How much will the administration cost?*
- iii. How is it appropriate to base £287k and £62k of savings on the back of new laws, which have to be passed by the States?*

- iv. *How is this considered to be other than a reduction in service, when some of the vulnerable in society will be unable to pay for treatment?*

(i) and (ii) Charging for early intervention in psychological assessments (HSS53) is no longer part of the CSR programme. The A&E project (HSS36 and HSS50) has not been fully scoped and an in depth feasibility study is required; therefore we are unable to answer this part of the question at the present time.

(iii) The HSSD charges law is an enabling law and will not in itself allow or disallow charging for specific services. If approved, it will allow charging for certain services which have prior approval by the States. Even if the law is approved by the States this year, it will be unlikely that the first charges under the law will be made until 2013.

Charging for A&E services may not itself be dependant on the HSSD charges law, as full project scoping may reveal a model allowing a user pays model which falls outside the need for new legislation.

(iv) Any user pays processes and respective thresholds will ensure that a safety net exists for those who need treatment or therapy, but who are unable to pay.

HSS54 Patient Transport.

- i. *How will the vulnerable be protected with those that can afford to pay being identified?*
- ii. *What risk assessments have been done to ensure attendance to appointments does not fall off?*
- iii. *What are the costs of appointments being missed?*
- iv. *What are the knock-on affects of missed appointments?*

(i)-(iv) This project has yet to be scoped so specific answers to these questions are not possible at this time. However, any forthcoming proposal will ensure that those in need and eligible for transport will be provided with transport, and those who cannot afford to pay will not be excluded on those grounds. We are well aware that non attendance to an appointment will be to the detriment of the patient or client and to the efficiency of running our services.

HS55 Removal of subsidy for travel to the UK for elective surgery.

- i. *How is 'elective surgery' defined?*
- ii. *How will it be means tested and at what level?*

(i) Elective surgery is surgery that is medically necessary but need not be performed immediately.

(ii) HSSD currently subsidises travel to the UK for some patients referred for non-emergency surgery, and uses a set of household income criteria to determine eligibility and level of subsidy. A reduction in subsidised travel for

elective surgery will not be recommended without a comprehensive service review and impact assessment being undertaken.

The requirement for a new Law raises a fundamental question of process, in that it presupposes that such a Law, whether it is simply an enabling Law or not, will be accepted by the States when it is presented. The same argument would apply to specific measures to charge Accident and Emergency patients, for example, or to charge for elective surgery. This pre-empts future decisions to be made by the States and must be avoided.

There is a major political decision to be made here on the whole principle of whether it is acceptable, no matter what the financial circumstances, to start to charge for health services that have previously been free at the point of delivery. This is a fundamental principle which cannot be simply subsumed in the ABP, pre-empting further debate.

Furthermore, it is clear from the answers above, that the majority of potential charges, with the exceptions of prescription charges and charges for insurable events, cannot be put in place until 2013, and yet identical sums, it is suggested in the ABP, will be saved in 2012 and 2013.

The Scrutiny Process

Finally, despite the extreme doubts I have of the viability and safety HSS proposals, it is clear that in many cases the Project Initiation Documents will not be ready until December 2011 at the earliest. If any of the savings proposed for 2012 are to be achieved, the proposals will have to be implemented as soon as possible in 2012. This makes it extremely difficult, if not impossible, for proper scrutiny to be undertaken.

The States of Jersey mandates Scrutiny to review the Comprehensive Spending Review policies. Standing Order 136 states –

“The terms of reference of a scrutiny panel are, in relation to the topics assigned to it:

... (f) to scrutinise the draft Annual Business Plan, the Budget and other financial proposals of the Council of Ministers....”.

This requires Panels to scrutinise the financial proposals such as those within the Comprehensive Spending Review and the Annual Business Plan. Therefore, by implication, requires those proposals be made available for scrutiny.

As Standing Orders include all States Members, it is reasonable to expect members of the Council of Ministers to comply with the requirement that allows scrutiny to be undertaken, or at the least, to consult with the Chairman of the relevant Panel to establish if there is a need for time to be allocated to scrutiny.

This is a contradiction of Standing Orders and is neither acceptable to me, as Chairman of the Health, Social Security and Housing Scrutiny Panel, nor is it in the public interest.

I am firmly of the opinion that to proceed with the HSSD proposals for savings and for user pays at this stage is unsafe.

The Minister for Treasury and Resources however, has the power to transfer sums between heads of expenditure. Should part or all of this amendment be successful, then those items affected can be brought back to the States with the proper scoping and impact assessments completed for acceptance. The Minister for Treasury and Resources will then be able to restore funds to the Provision for Restructuring Costs.

Financial and manpower implications

There are no manpower implications arising from this amendment.

The financial implications are outlined within this amendment and amount to a maximum reduction of £2,016,000 from the Treasury and Resources Department.