

7. The Minister for Treasury and Resources - statement regarding H1N1 Influenza Pandemic funding

7.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

Members will be aware that in the past months Ministers have been advised by a senior group of officials, including the Chief Executive of the States, the Medical Officer of Health, clinicians and managers, to ensure the Island is well prepared to deal with an outbreak of H1N1. A great deal of work has already been done and, as a result, the Island is successfully containing the illness. Moreover, we plan to continue to do so until the vaccine, which has been secured, is made available. I want to ensure that Members are fully informed about the likely costs of dealing with this. This afternoon I have presented a report, which I think is R.105/2009, with an up-to-date assessment of likely costs. While the States have to subsequently authorise all expenditure under the Public Finances Law, Article 16(2) allows the Minister for Treasury and Resources to authorise contingency expenditure when satisfied there is an immediate threat to the safety of inhabitants of Jersey and where there were no existing budgets that could be used. I want to inform the Assembly that the Co-ordinating Group has asked me to immediately authorise spending of up to £1.3 million and to set up an additional contingency to fund a further sum of up to £4.2 million, bringing the total additional potential spend, in the event of an outbreak, to £5.5 million. The report I have presented sets out the areas where resources may be needed to be deployed. I plan to use the powers under Article 16(2) to deal with these urgent requests. To ensure the highest standards of government and oversight I am also appointing a panel of senior officers to advise me on each funding request. I plan to lodge a report and proposition in the coming days when I have been fully advised and I am satisfied that the expenditure is or may be necessary. I remain concerned about the scale of financial pressures the Island faces, particularly at Health, but I have to say to Members that there is no choice but to respond to this situation in order to reduce the impact of the outbreak. The Council of Ministers are determined to ensure the Island is in a position to respond to the threat when, and perhaps I should say, if it happens. We are determined to offer the highest level of care and assist any Islanders who may become ill. I take this opportunity of thanking staff from across the States, in addition to staff in related organisations and G.P.'s (General Practitioners) for their hard work on these preparations. They will get our full support and necessary resources available for them to carry out their work. The funds will be drawn from the Consolidated Fund and I will continue to keep Members informed as and when important decisions are required.

The Bailiff:

Does any Member wish to ask questions? Deputy Southern?

7.1.1 Deputy G.P. Southern:

In the light of, yet again, another one-off contingency payment being required, does the Minister not regret his predecessor's abandonment of having a fully-stocked contingency fund for exactly such a situation?

Senator P.F.C. Ozouf:

I think that my predecessor and I are in exactly the same position, that we would like to have a contingency fund available but to do so would mean that in the year where we are budgeting we cannot meet other urgent expenditure, for example, the health issues which we will be discussing in the next few days. There is always going to be unexpected amounts of money that are available in the year. If we set a contingency of £5 million I certainly know that all Members will be hammering at the Treasury's door in order to spend it.

7.1.2 Deputy G.P. Southern:

But is it not the case that without a contingency there are tremendous difficulties in finding these one-off costs, as we have seen in half a dozen issues currently to be debated in the Business Plan.

Senator P.F.C. Ozouf:

I very much regret the fact that we are having, and I am having, to consider a number of exceptional contingency items. Of course, every time I bring them I will be saying to the Assembly that there is a consequence to that and that is that the available balance on the Consolidated Fund will be depleted quicker than we might have otherwise wanted to achieve. There is no free money and putting in place a contingency or return to the General Reserve request does not change the situation. Contingency amounts, urgent payments should be absolutely limited but unfortunately, on this occasion, it is required.

7.1.3 Deputy D.J. De Sousa:

Following on the same lines as the previous questioner, will the Minister look at setting up a special contingency fund for these instances so then in future we have those funds and can be used?

Senator P.F.C. Ozouf:

I really do not think, with respect to the Deputy, that it makes much difference. If there is, and this is the whole problem of the old policies of the General Reserve... where there is a contingency Members will spend the money. So, whether or not we have a contingency earmarking £5 million or £10 million of contingency money, or whether or not we use the facilities under Article 11(8) and 11(6) of the Finance Law, I do not honestly think it makes much difference.

7.1.4 Deputy D.J. De Sousa:

Can I ask a supplementary? If we have so many funds that are set up with certain criteria, could you not do a medical one to cover this contingency, Minister?

Senator P.F.C. Ozouf:

I think that it does not matter, to be honest with the Deputy. I do not want to have to start up a bureaucratic nightmare with different contingencies for different areas of every single thing that we can think of. I am afraid that the Finance Law allows us to make these decisions exceptionally and the States is only going to be persuaded to allocate additional money in exceptional circumstances when the case had been made.

7.1.5 Senator A. Breckon:

Could the Minister remind the House about how much has been allocated already? I am sure I remember we had some debate on this issue before and something like £1.8 million comes to mind and also could you say if you have seen any details of what this £5.5 million is for?

Senator P.F.C. Ozouf:

The Senator is correct. There was originally an amount of money set out for a purchase of a vaccine a number of months ago. I will send the Senator the details of that. I am afraid I cannot remember what the second question was.

Senator A. Breckon:

I asked if you had seen any details of what the £5.5 million was for.

Senator P.F.C. Ozouf:

Yes, I have and I have been challenging those departments to exactly explain it. I am going to take a lot of convincing in relation to these expenses and I want to ensure that it only goes to the actual necessary expenditure for pandemic flu and that it is not used by departments, particularly Health, to deal with some of their other funding challenges. That would be entirely wrong.

7.1.6 The Deputy of St. Martin:

The Minister, in his report, says: “The Council of Ministers are determined to ensure the Island is in the position to respond to the threat when it happens.” How confident is the Minister that it is going to happen rather than if it happens?

Senator P.F.C. Ozouf:

I think that we have all been sceptical, perhaps, with the media interest that has waxed and waned in relation to the pandemic flu and, indeed, it is perhaps the reason why I have not already made decisions under Article 11(8) that meant that I needed to be persuaded that there is a likelihood of this happening. The emerging information is clear that there is a risk. It does depend on whether or not the wave of pandemic flu, which will inevitably happen, comes before the vaccine arrives at the beginning of October. We will make decisions just as soon as we can but I think there is no doubt at all, with the French Government banning *la bise* in schools and other things, that there are real issues for Western Europe to deal with.

7.1.7 The Deputy of St. Mary:

There is, in some quarters, a measure of scepticism about this whole process of the pandemic flu and the expense of tackling it. I do not know whether I share that or not but I think it is important to take it on board that there is a measure of scepticism. My question is, will there be included in the process, to which the Minister refers - he is talking here about a panel of senior officers to advise - of deciding on bids a critical questioning voice on the medical side just so that we can be sure in this House that these resources that people are asking for are indeed necessary?

Senator P.F.C. Ozouf:

The officials that advise are very clear on the provisions under the law. I can sanction emergency expenditure where there is a threat for public safety immediately without recourse to the Assembly but it is ultimately for this Assembly to make that decision, in some cases, where that expenditure will be retrospective. The eyes of every Member of this Assembly is going to be on that expenditure and certainly I welcome the involvement of either Corporate Affairs or the Public Accounts Committee or the Health Scrutiny Panel in overseeing that and yes, there are questioning and sceptical voices raised in relation to the expenditure but I am sure the Deputy would agree with me that where lives are potentially at stake in dealing with people that could be affected by a pandemic flu, with respiratory disease, *et cetera*, that the Island should make available the appropriate care to save lives.

7.1.8 The Deputy of St. Mary:

I do not doubt that the Island should make available the appropriate care but there was an interesting Freudian slip there “panic flu” and what I just want to be sure, and he did not answer the question, will there be included in this process at his level - not at our level in the Assembly, we are not qualified really to make these decisions - a sceptical medical voice so that we know that this money is really needed and well applied?

Senator P.F.C. Ozouf:

The Deputy said, among ourselves, ultimately politicians have to decide and I have to make a decision on emergency funding. We are served by medics and experts, including the Medical Officer of Health and other people from the Chief Minister’s Pandemic Flu Advisory Group and I am sure that the right decisions have been made. What I have to say from my perspective is, so far the advice from the Medical Officer of Health and her colleagues has been spot on in terms of the evolution of the pandemic and I think that the advice that she has given has ensured that the Island has indeed maintained the containment phase for as long as possible. We have secured vaccine, which is not the case for all of the places within our region.

7.1.9 Senator S.C. Ferguson:

When we had the original request for extra funding we were given a detailed list of what was required. Will the Minister undertake to provide such a list for us, probably not today but during this week?

Senator P.F.C. Ozouf:

The list of likely expenditure is still being worked upon and it is being challenged by Treasury officials and other people advising the Pandemic Flu Group. I am happy to provide a confidential draft to any Scrutiny chair, on the basis that it is confidential information, to them in order to ensure transparency and I am sure that we can work together with the appropriate political oversight in the way that we have dealt with economic stimulus.

Senator S.C. Ferguson:

I would just trust that the Minister will confirm that the bariatric bed is not included.

Senator P.F.C. Ozouf:

I am not sure I know what a “bariatric bed” is.

The Bailiff:

Very well, no other questions?

Senator S. Syvret:

I do not have a question, Sir. I was just going to suggest that if that is the end of proceedings I would propose the adjournment.

7.1.10 Deputy M. Tadier:

Sir, I did have a question. I am not a medical expert either and I guess that most Members in the Assembly are not. When this comes to us will we be given information such as which company will be supplying the vaccines, where they are registered, who the directors are, other information about how sourcing happened and if there were more than one supplier available - there may not be, as I said I am not a medical expert - whether other suppliers showed interest? Also, other issues such as the shelf life of the vaccine, are we buying products that will not even last 6 months so that we can all be assured that we are getting good value for our money?

Senator P.F.C. Ozouf:

I will just say a couple of things. I am not an expert either. I know that, for example, the vaccine... that a great deal of work went into securing the Island's supply of vaccine to ensure that we did not only rely on one company, that different locations in terms of its manufacture are identified, just in case the vaccine from one supplier became available earlier to the other. There has been an extreme amount of complicated but good work in relation to procuring the vaccines. Are they from global companies? All that will be available to Members. I understand the Assembly's concern about spending money on emergency items such as this. I know that the Assembly is concerned about the other 11(8) requests in relation to other matters, which will be in Members' minds. I am determined to put in place the maximum but the most appropriate oversight to ensure that taxpayers get value for money but that our Island is protected.

The Bailiff:

Very well. That concludes questions then.