

# STATES OF JERSEY



## COMPREHENSIVE SPENDING REVIEW 2 (S.R.13/2011) – RESPONSE OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES

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Presented to the States on 13th December 2011  
by the Minister for Health and Social Services

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STATES GREFFE

**COMPREHENSIVE SPENDING REVIEW 2 (S.R.13/2011) – RESPONSE OF  
THE MINISTER FOR HEALTH AND SOCIAL SERVICES**

**Ministerial Response to:** S.R.13/2011  
**Review title:** Comprehensive Spending Review 2  
**Scrutiny Panel:** Health, Social Security and Housing

**Introduction**

The Minister is pleased to respond to the recommendations made in this Health, Social Security and Housing (HSSH) Scrutiny Panel’s report on CSR 2 (Health and Social Services).

The Minister notes the Panel’s concern at the lack of available detail to underpin the proposed schemes, and of the perceived problems this has caused them during the Annual Business Plan debate in September. The Minister is committed to ensuring project details are provided to the Scrutiny Panel as soon as they are available, to allow full transparency of the potential service changes and their impacts.

The Minister was grateful for the opportunity to comment on the factual accuracy of the Panel’s report prior to its publication, and for the Panel’s inclusion of some of the corrections highlighted.

The Panel’s findings and recommendations are identified below with the Minister’s response to each.

**Findings**

	<b>Findings</b>	<b>Comments</b>
1	By including items within the Annual Business Plan 2012, the Minister for Health and Social Services is attempting to bind future States Assemblies to accept major policy change.	This is factually incorrect. The Minister has no means to bind future States Assemblies to any major policy change.
2	The States has accepted a savings target for 2012 from Health and Social Services which may not be capable of delivery until 2013.	Health and Social Services has a track record of delivering savings and balancing budgets. Over the last decade the Department has never exceeded its cash limits, and is set to over-achieve on its 2011 CSR target. Against a backdrop of increasing demand and costs, savings for 2012/13 will be challenging. However, the Minister is committed to supporting their delivery and, where the original CSR proposals are difficult to deliver, alternatives will be sought.

	<b>Findings</b>	<b>Comments</b>
3	In accepting these unscoped proposals for charges within the Annual Business Plan, the Assembly may have accepted the principle of charging, in direct contradiction of a previous decision (P.63/2003).	<p>The Panel clearly articulates concern that the Minister has been given a route to ignore P.63/2003 (States approval for new “user pays” charges), and to introduce new charges without bringing them before the States Assembly for approval. The Panel and the Assembly have the Minister’s assurance that this will not be the case. The new HSSD charges Law is due to come before the Assembly next year and, if approved, will allow for all charges, new and existing, to come before the Assembly. It will also describe a mechanism to introduce new charges which will include a States approval process. The States, of course, have the right to reject this new Law and in due course, the subordinate legislation, if it does not feel they are in the best interests of the Island.</p> <p>This key finding is therefore factually incorrect. The Minister has no mechanism to introduce charges without first bringing them before the States Assembly or circumventing P.63/2003.</p>
4	The Minister for Health and Social services failed to put in place sufficient resources early enough to produce scoped CSR proposals for the Annual Business Plan debate in September 2012.	The Minister acknowledges that placing resources within the Programme Management Office (PMO) was delayed, and this was due to internal States processes. These delays have somewhat compromised the timely progress of developing savings and user pays schemes. The staffing of the PMO has progressed significantly and is almost complete. Internal secondment has provided a value-for-money solution, whilst allowing home-grown staff valuable development opportunities. PMO staff are making significant inroads with regard to scoping and planning key projects.
5	Savings within Occupational Therapy Service are likely to have a direct impact on frontline services.	This finding implies that any direct impact on frontline services is negative. Driving efficiencies through all service areas, including Occupational Therapy, is part and parcel of the modernisation of Health and Social Services. Developing new models for frontline services is essential to ensure they remain fit for purpose.

	<b>Findings</b>	<b>Comments</b>
6	The CSR timeframe set by the Minister for Health and Social Services is contrary to Standing Orders in that it excludes the possibility of proper scrutiny.	The Minister believes this to be factually incorrect. The development of a 3 year medium-term financial plan giving a clear view on resource availability will be very useful, and will improve the Minister's ability to provide the Panel with the information it requires for the scrutiny process.
7	The 3 year timeframe for the delivery of the CSR savings within the Health and Social Services Department is unrealistic.	Service redesign is time-critical, and must not be delayed if we are to be prepared for the effects of the predicted increase in our elderly population. CSR therefore dovetails perfectly with the HSSD transition plan being developed as a result of the Green Paper R.63/2011 – "Health and Social Services Review May 2011: Caring for each other, Caring for ourselves – Consultation Paper". However, a funding stream for the future model remains to be identified.
8	There has been a severe lack of communication between the Minister for Health and Social Services and the Third Sector.	See recommendation 2 below.
9	It is unreasonable for States Members to be expected to vote on the totals presented in the Draft Annual Business Plan without being fully informed of the mechanisms by which those totals are to be delivered.	States members have the opportunity to vote against any elements of the Annual Business Plan that are not sufficiently detailed.

### **Recommendations**

	<b>Recommendations</b>	<b>Comments</b>
1	The Minister for HSSD must not introduce any savings in Occupational Therapy Services until they have been approved in principle by the States.	<p><b>The Minister REJECTS recommendation 1 for the following reasons –</b></p> <ul style="list-style-type: none"> <li>(i) to single out a service in this way is illogical and inequitable;</li> <li>(ii) it abdicates responsibility from the Minister to the States Assembly;</li> <li>(iii) it will stifle innovation, modernisation and patient/client safety.</li> </ul> <p>The Minister instead advocates working closely with the HSSH Scrutiny Panel in examining <b>all</b> proposals as they further develop.</p>

2	<p>In order to allow organisations to have confidence in funding into the medium future, the Minister for Health and Social Services must create a greater flow of information from the department to the Third Sector with more robust lines of communication. This must be reflected in the Annual Business Plan 2013 process, to include open negotiation relating to SLAs and financial planning for a 3 year period.</p>	<p><b>The Minister REJECTS recommendation 2.</b></p> <p>The Panel has been made aware that earlier this year a well-attended meeting took place with a large group of Third sector representatives to specifically discuss the CSR targets. It has also been informed that a senior member of one of HSSD's major grant-aided bodies attends the Department's CSR project management forum.</p> <p>In the report, the Panel describes Brook's perceived poor treatment by HSSD in relation to receipt of their 2011 grant. It failed to comment, however, on the high levels of support given to this organisation by HSSD staff in terms of budget analysis and management and development of an SLA.</p> <p>The Minister would also like to mention that the consultation on the Health and Social Services Green Paper has resulted in unprecedented consultation and engagement and that, at manager level, a provider network exists for many independent services where business strategy is discussed.</p> <p>Flow of information between organisations can always be improved, and as a matter of course we will endeavour to keep channels between the Department and the Third Sector as fluid as possible.</p>
3	<p>The Privileges and Procedures Committee must bring an amendment to the Public Finances (Jersey) Law 2005, to require a sufficient level of detail to explain the breakdown of the total amounts presented within the summary of the Draft Annual Business Plan and that this should be in place for the 2014 Plan.</p>	<p><b>This is a matter for the States Assembly.</b></p> <p>The Minister's view is that the law change proposed would serve no purpose, as it is incumbent upon States members to vote against proposals that do not inspire their confidence or indeed that give them cause for concern.</p>

## CONCLUSION

**The Panel draws 4 main conclusions:**

### **1. Knowledge of Members**

**The Panel concludes that States Members, through the process of voting, have been asked to agree unscoped proposals. This means therefore that the States Assembly cannot be confident in the safety of the proposals, and that there is no certainty in the assurance that frontline services will not be affected.**

The Minister does **NOT ACCEPT** this conclusion and expresses concern at the Panel's assertion that States Members voted for a proposal they do not understand or have confidence in. The majority of the HSSD budget is staff pay, and therefore by default changes to staff deployment must occur, and will of course have some impact on frontline services. These changes are essential to modernise service delivery to provide safe and efficient care that offers best value for money.

### **2. Changes to proposals**

**The Panel is concerned that because the business plan proposals lacked detail the Minister will later adapt them into something the Assembly would not have agreed to. The example of a shared paediatric consultant with Guernsey is given.**

The Minister does **NOT ACCEPT** this conclusion. The Minister will not implement a project until it has been fully endorsed by professionals working within the specialities concerned, and hence projects will be safe and sustainable. In reference to the example given by the Panel – the idea of sharing resources with Guernsey should be considered with an open mind, although the specific example given is not one being pursued, and the Minister is concerned that the Panel's assertion may have caused undue public concern.

### **3. Pre-supposing future votes in the States**

**The Panel concludes that the principles within the user pays policies pre-suppose that the States will agree in a future vote and may, therefore, hold the States to ransom at a later date.**

The Minister does **NOT ACCEPT** this conclusion. The Minister will comply with P.63/2003 (States approval for new "user pays" charges) and has no intention of using the argument that "This was agreed within the Annual Business Plan, so must be passed by the States now". The Assembly will have the opportunity to debate each and every new user pays proposal and either accept or reject them on their own merits.

#### **4. Planning for the Scrutiny process**

**The Panel is concerned that because 2012/13 proposals will not be fully scoped until the end of 2011, there will be no window of opportunity for the Panel to scrutinise proposals before projects commence in 2012.**

The Minister does **NOT ACCEPT** this conclusion. It has never been the intention to commence all schemes on 1st January 2012. Some schemes will commence later in the year, and the Minister looks forward to working with the Panel over the next 2 years as remaining proposals develop.

#### **Minister's Conclusion**

It was with disappointment that the Minister read the Panel's sensationalised description of the HSSD proposals as "Horrors", as this emotive description is not only unsubstantiated, but ripe for the negative media attention it subsequently attracted.

Whilst the next 2 years are going to be no doubt challenging, the Minister is content that the CSR process being undertaken in her Department is robust and will not compromise patient and client safety. On the contrary, it is fundamental to the modernisation of safe and sustainable services, as discussed in the recent Green Paper R.63/2011 – "Health and Social Services Review May 2011: Caring for each other, Caring for ourselves – Consultation Paper".

The report has highlighted general areas of concern which can be managed, and it is the Minister's opinion that there are no insurmountable issues contained within this report. The Minister looks forward to working with the HSSH Scrutiny Panel in relation to the Comprehensive Spending Review going forward.