



Health, Social Security and Housing Scrutiny

Panel

Full Business Cases and Hospital Review

MONDAY, 12th MAY 2014

Panel:

Deputy J.A. Hilton of St. Helier (Vice-Chairman)

Deputy J.G. Reed of St. Ouen

Senator S.C. Ferguson

Witness:

Director of Finance and Information

[11:59]

Deputy J.A. Hilton of St Helier (Vice-Chairman):

Welcome to the Health, Social Security and Housing Scrutiny Panel and today we are talking about the redesign of Health and Social Services, the Full Business Cases and Hospital Review.

We will start by introducing ourselves. I am Deputy Jacqui Hilton, acting chair of the panel.

Deputy J.A. Hilton:

Thank you very much. I would like to start by offering the apologies of our chair, the Deputy of St. Peter, who is currently unwell. Thank you for coming along this afternoon.

Director of Finance and Information:

It is a pleasure.

Deputy J.A. Hilton:

So I am going to start by asking you if you could outline your personal involvement in the *Health White Paper* and the future hospital programme.

Director of Finance and Information:

Okay. There is a whole regime of governance around the programme of work which starts with the Ministerial Oversight Group, as I am sure you are aware, and progresses down through various boards and so on.

[12:00]

I sit on what we term the *White Paper Steering Group*, which is the steering group that oversees the entire programme of work and that comprises staff of Health and Social Services, GPs, voluntary community sector, Treasury and Social Security.

Deputy J.A. Hilton:

Can I just stop you there? Is that the group that is now called the Transition Steering Group?

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

Thank you.

Director of Finance and Information:

Sorry, the terminology changes over time but, yes, it is that ...

Deputy J.A. Hilton:

We are trying to keep track of all the groups.

Director of Finance and Information:

It is that group.

Deputy J.A. Hilton:

Okay. Thank you very much. Sorry, did not mean to interrupt there.

Director of Finance and Information:

No, that is fine. So I sit on there. We also have an internal group that meets fortnightly to oversee the practical elements of the programme which is myself, the Chief Executive, the Director of System Redesign, the project director for the new hospital and his colleague who is the project director within the hospital. There is a project board for the new hospital project, which I attend along with colleagues from Health. Those are the various meetings within the government structure that I attend. I am also currently chairing the panel that is looking to appoint financial advisers to the new hospital project and I also sit on the panel that has been looking at the legal advisers.

The Deputy of St. Ouen:

Can I just ask, apart from all of these different groups, what is your day-to-day business?

Director of Finance and Information:

My day-to-day business is the finances for the Health and Social Services Department as a whole.

The Deputy of St. Ouen:

So, obviously, which we are all aware, has pressures of its own.

Director of Finance and Information:

Indeed.

The Deputy of St. Ouen:

If we take it one step at a time. How are you dealing with those pressures currently?

Director of Finance and Information:

There is a whole range of pressures within that environment some of which relate to the hospital, some relate to the new services being introduced, some relate to existing community services. We have an established set of processes and policies and procedures to manage those finances that range from a scheme of delegation that says who is empowered to do what, so which budget holder can spend what money on what services, through to a financial planning policy that says this is how we manage the departmental finances at the highest level and that involves how we put

together submissions into the Treasury and how we allocate resources within the department. It would probably take me half a day to try and describe it in detail but we have those policies and procedures in place and we have a team of people, some of whose job it is to manage specific areas of service. So there is a member of the finance team whose sole responsibility, looking after hospital's finances and advising the Hospital Management Team on the financial consequences of any decisions they are making and planning forward. There is an equivalent in community services. I have somebody dedicated to looking at the finances around the new hospital programme, so working with the 2 project directors to model out what the acute services may look like in the future. So bringing the population data, the demand data, the capacity data, the financial data together to look and say, what does it look like going forward and what impact would various changes have on the departmental finances in the future.

The Deputy of St. Ouen:

That sounds great but the reality is that currently our services are not properly funded. So how on earth are you planning to deal with and acknowledge additional costs in funding when we have not got sufficient funds to deal with the services that we currently provide?

Director of Finance and Information:

I think there is 2 things, one is I would not necessarily say that the services are not adequately funded at the moment. We have, certainly over recent years, provided the services that we provide within budget, which obviously suggests that we are living within our means and we are funding those services to a level that is sustainable. In terms of looking forward, part of our financial planning process is that we look in the short-term, so we look to see what is coming in the next 6 months say, we also look in the medium to long-term to see what could be coming on the horizon. That could be anything from staff with particular skills or expertise who are looking to retire in that time period. It could be new technology that is coming or that we think may come on the horizon. It could be new standards that the N.H.S. (National Health Service) is looking at for example. It could be new nursing ratios. It could be a whole host of things but we look forward to try and identify what could be coming to build that into our plans.

The Deputy of St. Ouen:

Right, and that, I would understand, might work if you are starting from a strong foundation but I put it to you, the initial question, how do we have confidence that the funding is going to be available for new hospitals and the new health service when we know, and we are well aware, and we are told by even Health Department officials and Ministers, that there are pressures which need to be dealt with within the existing system. We only need to look at the hospital to see that the reason for requiring new hospitals and significant investment is a lack of investment in both the

buildings, not only the hospital but other buildings, but indeed in other services including mental health for instance.

Director of Finance and Information:

There are a number of questions in that. In terms of, how do we have confidence looking forward that we have got our estimates right, we can only base the judgments and the projections that we have got today based on what we know and other's experiences and projected changes in the population and demographics and demand for services. There are always things that can come along that you do not know. Somebody comes up with a new treatment that just nobody is aware of at the moment that may materialise in 10 years' time. It is very difficult, stating the obvious, to know that those things are going to happen and when they happen. So we do our best to do that horizon scanning and obviously the shorter distance you look ahead the better you get with all the more information you have got and therefore the better judgments you can make about those things that might come along. In terms of where we are at the moment for our funding I think we manage our budgets very well. We have got a set funding limit which has gone through, that is an unprecedented growth over this M.T.F.P. (Medium Term Financial Plan) period, and I think we can evidence that that is going into new services; that patients and clients are experiencing. That does not take the pressure away from existing and historic services, that is there and it will always be there. If you look at work that is being done in the U.K. (United Kingdom) and other jurisdictions around the world, the one constant amongst all public health services is that the demand for funding and services is just exponentially going up and up. The programme of work that we are putting in place, part of that is designed to mitigate that increase in demand by providing different services in different ways in different settings.

Deputy J.A. Hilton:

How do you think we are going to pay for the services going into the future?

Director of Finance and Information:

Well, that is a piece of work that the Treasury are starting work on at the moment.

Senator S.C. Ferguson:

What evidence have you got that the demand is going up? Where did you get your evidence from?

Director of Finance and Information:

There is a number of places in reality. There is the work that KPMG undertook in the White Paper which has got lots of detailed analysis within in. There is the day-to-day experience where you see demand for services going up on a constant basis. We see it particularly with children

services at the moment where there is activity to that, which I could show you, where the demand for very specialist children's care is on a steep upward trend. So it is a combination of places both from research internationally, from research that is done locally and from the experiential data that we collect within the service.

Senator S.C. Ferguson:

So you are not blaming it all on the so-called silver tsunami?

Director of Finance and Information:

You cannot really limit it to one factor. There are a whole host of factors at play with the increasing demand for health and social care. Demographic is one element but there are other elements as well.

Senator S.C. Ferguson:

Have you analysed the demand keeping costs as a constant?

Director of Finance and Information:

That was part of the KPMG analysis. There have been different scenarios that were within the White Paper. One scenario was to say live within a fixed budget, one scenario was to carry on providing services ...

Senator S.C. Ferguson:

No, no, no. I am sorry. I am talking about the basic steps. I think probably it is something we are slightly off-piste so we will talk about it later.

Director of Finance and Information:

Okay. Happy to do that.

Deputy J.A. Hilton:

Just going back to funding and how we are going to pay for services going into the future, I believe at the present moment in time all the bids would have gone in for the next Medium Term Financial Plan for 2016, 2017 and 2018?

Director of Finance and Information:

We have been asked to make some submissions into the Long Term Revenue Plan which would be a precursor to the next Medium Term Financial Plan.

Deputy J.A. Hilton:

Right, okay. Have you presented those bids to the Treasury Department?

Director of Finance and Information:

To the Treasury, yes.

Senator S.C. Ferguson:

How much have you been asked to reduce them by?

Director of Finance and Information:

Well, we were asked to, along with all other departments, to revisit them to see where we think there could be some efficiencies.

Senator S.C. Ferguson:

Well, in the States a couple of weeks ago the Minister for Treasury and Resources said the total submissions were about £100 million too high and that was in the States so it is a matter of public record. So I just wondered how much you have been asked to reduce yours by.

Director of Finance and Information:

We have reduced ours by a significant amount. Forgive me, I cannot remember the number off the top of my head. I could send that to you separately. It is a reasonably significant amount.

Deputy J.A. Hilton:

So you have reduced the amounts of the bids that you submitted by a significant amount?

Director of Finance and Information:

Yes. We have ...

Deputy J.A. Hilton:

But is that over and ... that does not include the funding which ... well, I know the funding has not been agreed for the *Health White Paper* community services for 2016, 2017 and 2018 but is that a given, that funding?

Director of Finance and Information:

In what way?

Deputy J.A. Hilton:

The services that were outlined in the *Health White Paper* that were going to be delivered in 2016, 2017 and 2018, is that a given or are you being asked to make savings on those figures that you have submitted?

Director of Finance and Information:

We have submitted those along with our other submissions into the Long Term Revenue Plan and we were asked to look at them in their entirety to identify any opportunities for reducing them.

The Deputy of St. Ouen:

Can you just confirm ... I mean you say the Health Department obviously, and you are the Finance Director, submitted figures that are to be considered with regard further growth? I mean what efforts did you put into ensuring that those figures that were presented to the Council of Ministers and the Treasury were appropriate and delivered and were not exorbitant?

Director of Finance and Information:

There are a number of things we do. Obviously, we have developed quite a bit of experience over the last couple of years of planning for the implementation of the first set of services so we have learnt from that process. We have also got the overriding piece of modelling work that KPMG did within P.82 to look at what the scenario 3 spend would likely be over that period of time to implement these new services. So everything we do going forward we revisit to look at in the context of that original piece of work to challenge ourselves, are we still in line with where we thought we were going to be and if we are that is useful to know. If we are not then why not and what are the issues that are driving that. So we do that. We also look at, as I was saying, the experience that we have had of implementing new services and how they are panning out compared to what the original plan was. So every new service that we start to implement we always look back and say, what were we planning to do within the initial White Paper piece of work? What was that cost? What did the cost look like there? What did we think we were going to do? How does that compare to the service that is now being described and developed in detail. So we learn from that process as we go as well.

The Deputy of St. Ouen:

So are you saying that the figures that you presented to Treasury were accurate?

Director of Finance and Information:

They were certainly reasonable. You have to bear in mind we are looking forward a number of years. I would not put them forward if I did not think they were reasonable.

Deputy J.A. Hilton:

How many years were you looking forward?

Director of Finance and Information:

We look forward to, in detail, for the next submission to 2020, I think it was from memory.

Deputy J.A. Hilton:

So these figures you submitted were figures for funding until 2020, 6 years?

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

That is fine, okay.

Senator S.C. Ferguson:

But the figures were all based on the KPMG model?

Director of Finance and Information:

No, the figures were based on the continual rollout of the White Paper services which were obviously as described within the KPMG piece of work.

[12:15]

But we have revisited them in light of what we have done already and what we are planning to do over 2014, 2015 and then we validated that. One of the checks and balances we do is to validate that back against the KPMG model to make sure that it is in line with what we were expecting it to be within that piece of work.

Senator S.C. Ferguson:

So you were basing it on genuine actual figures?

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

Can I just ask you a question there, 2013, 2014, and 2015, as part of the *Health White Paper*, Talking Therapies was going to come into being and the funding was granted in 2012 when we agreed the *Health White Paper*. To date I believe that very little money, I think about £500 ...

Director of Finance and Information:

Yes, it was the figure was talked about, yes.

Deputy J.A. Hilton:

Yes, has been spent on Talking Therapies so there has been a big saving there. So are you just telling us you have been sent away to look at the figures again. Are you hoping to make savings on the money that you have not spent? So some of these services are going to be delivered much later than was originally agreed in the *Health White Paper*?

Director of Finance and Information:

There is a combination of answers to that. To ask the question, are we looking to extract if I call them permanent savings, from delayed rollout, the answer is no. So if we take Talking Therapies as an example we literally, I cannot remember the exact date, within the last few months I have signed off the full implementation of that so there is jobs out to recruitment at the moment and so forth. By the time that is implemented it will be at the full cost so there will be no saving. So the reduced cost through the timing of the implementation is reflected in largely last year's accounts for the department.

Deputy J.A. Hilton:

So that would have been a savings really, would it not, because you did not spend it?

Director of Finance and Information:

It is reflected as an underspend, yes.

Deputy J.A. Hilton:

So what happens to that underspend? Because I note that additional money was spent on Children's Services, which I think you have taken from somewhere else because of the demand.

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

So, is it a question of making savings in one area, for instance, and giving it to another area where you have seen increased expenditure?

Director of Finance and Information:

In terms of Talking Therapies, sticking to that example, the answer is no. So, at the end of last year we underspent against our budget which was entirely down to various White Paper initiatives and the timed implementation of them. That generated an underspend which we sought permission from the Treasury and Council of Ministers to carry forward to spend on a range of issues this year, which is all documented in the ministerial decision. To give you a flavour there was some waiting lists, we had to try and bring down waiting lists. There was some funding for some specific children's placements and various other issues. So that is that money if you like. In terms of the recurrent position, so are we moving money from one place to another to reflect changing priorities and demands, the only situation where we have done that to date is around Children's Services. We have identified 2 areas within the programme that we were expecting to do that; we believe we can either deliver in an alternative way at less cost or that we are going to do later in the programme and we have replaced that with bringing forward some of the investments in children services to an earlier part of the programme.

The Deputy of St. Ouen:

Given that you have been asked to review your initial growth bids could you tell us what are the potential implications ... to be asked to deliver the services under-budgeted?

Director of Finance and Information:

Well, we would not proceed to deliver, or to try and deliver, a service that was not funded because that will just end up with an overspend somewhere. We are in the midst of working through the figures for the Long Term Revenue Plan so there are no final figures at the moment so it is almost impossible to say ... well, it is impossible to say, there is the number and that is the service because we have not got to that point. But clearly what we would always do is plan to deliver a service that was affordable within the funding and what we have done at the moment is say to deliver the services that have been described within the White Paper in P.82, this is our estimate of what that would cost.

The Deputy of St. Ouen:

Sorry, I am going to press you on this because we are well aware that budgets in the past have been dumbed down and it has caused more long-term issues for down the line. Although we acknowledge that mistakes have been in the past we are still getting pressure from departments to

not deal with the budgetary pressures by providing them with a reduced sum of money. With that being the case how then do you see a long-term resource plan being reliable?

Director of Finance and Information:

I think there are a number of things in there. Firstly, there is nothing wrong with challenging and trying to push down costs. It is more complicated than just cutting. You cannot just cut costs off something but there is nothing wrong with challenging the cost, challenging the assumptions underneath and challenging, is there a better way to do it? Is there a way that delivers better value for money? Is there an alternative way of doing things? That is part of the process that we go through on a continual basis and we are always looking to drive those improvements out so there is nothing wrong with doing that. What is important is that wherever a funding level ends up there is clarity over the funding level and the level of service that can be delivered with that. So if you took an extreme; one extreme is something is fully funded, another extreme there is no funding. At the level of no funding you would not expect a service. So the important thing, one of the important things, is to be clear on the consequence of any change to the funding level.

The Deputy of St. Ouen:

Do you not see it as your job to challenge the financial information and the bids that are coming from the different departments before you submit them to Treasury?

Director of Finance and Information:

Absolutely I do, and that is exactly what I was saying earlier. I would not put anything forward without it having been challenged and without reaching the point where I was comfortable that it was a reasonable projection of the cost of the service and to be fair that is not just me doing that. That is the management team within the service that do that and we challenge ourselves to make sure that we come up with the best solution we can.

The Deputy of St. Ouen:

Yet you are saying that even after you have done all of that and you have made sure that the bids are appropriate you have the Treasury Department or the Council of Ministers asking you to revise your gross bids because they believe they are unaffordable?

Director of Finance and Information:

Asking us to review them, revisit them, challenge them; I think that is entirely reasonable. If we go back to our principles that are underpinning all of this, it is about safe, sustainable and affordable. Our services have to be all those 3 things going forward.

Senator S.C. Ferguson:

There is big Lean programme going on, we gather. Are you seeing any of the results of that coming out in any of the figures that come through your department?

Director of Finance and Information:

Yes, I am.

Senator S.C. Ferguson:

Apart from the restaurant and the cleaners ...

Director of Finance and Information:

I was going to say if you give me a second.

Senator S.C. Ferguson:

Apart from the restaurant, the cleaners up at Five Oaks.

Director of Finance and Information:

There are a number of projects on the way at the moment. So, if I can talk about some that are in the midst of being worked through, so forgive me because I will not have definitive answers in terms of it has delivered this, but I can tell you where some of them are heading. Perhaps if I pick 2 extremes. There is one where we are looking at some straightforward petty cash and patient money procedures which affects homes across the Island and that, I am convinced, will deliver savings in nursing time which would be reinvested into frontline patient care. That is at one end of the spectrum. At the other end of the spectrum we are obviously having to change our processes and procedures around long-term care when the Long-Term Care Benefit comes in and we are designing that from a lean point of view from step one. So we will know, and have confidence, that that is as efficient and effective as we can make it and we will not be building any inefficiencies into that. So we are taking all the processes that we do around long-term care at the moment, leaning them and getting to a place where we will have a Lean process in place for the implementation of long-term care around the charges and the benefits.

Deputy J.A. Hilton:

Can you tell us who has personal responsibility, at ministerial and official level, for validating the overall costs and allocations to the funding of the modernisation of health and social services?

Director of Finance and Information:

Okay. At a political level the programme of work has obviously gone through the Assembly who voted for P.82 and then in the M.T.F.P. to put money into the service so that is our framework

within which we always work. Then we have a process internally to rollout the services which is overseen by the steering group.

The Deputy of St. Ouen:

Sorry, can I just rewind? We asked about personal responsibility at ministerial level, not States level, ministerial level.

Director of Finance and Information:

I was just going to come to that in a minute and just go to my next point. So that we have got an internal process within the department for rolling out those services and implementing them, that involves the development of the detailed service specifications. So if we stick with the Talking Therapies example. That service is worked up in some detail to say exactly what it needs to deliver, what measures we are going to use to demonstrate that it has been delivered and how effective it is. That is then presented to the Transition Steering Group who review it and make a recommendation in terms of implementing it. That is then reviewed by some independent individuals who are advising the Minister. They review it and make their recommendation and then finally the Minister makes a decision to implement the service.

Deputy J.A. Hilton:

So it is the Minister for Health?

Director of Finance and Information:

It is the Minister for Health, yes.

The Deputy of St. Ouen:

Who are these independent individuals?

Director of Finance and Information:

I could not tell you their names off the top of my head. I can send you the list.

The Deputy of St. Ouen:

Non States Members?

Director of Finance and Information:

Non States Members, yes. They are professionals in the fields that we are talking about.

The Deputy of St. Ouen:

So these individuals have been selected by the Minister for Health, I presume?

Director of Finance and Information:

They are part of her advisory group, yes.

Deputy J.A. Hilton:

At officer level, presumably it is the Chief Executive Officer, is it?

Director of Finance and Information:

Indeed. So the Minister makes the decision to implement the service and that is based on the service specification and the detailed costings underneath that and so on. There is then a process to go through which depends on whether we are going to provide it internally or externally through a voluntary or community sector ...

Deputy J.A. Hilton:

But getting back to officer level, it would be the Chief Executive Officer?

Director of Finance and Information:

It is the Chief Executive, yes.

Deputy J.A. Hilton:

Okay, thank you.

Director of Finance and Information:

But that is sometimes delegated along with the rest of her responsibilities.

The Deputy of St. Ouen:

Just to confirm, the validating of the costs is still the Minister and who?

Director of Finance and Information:

The decision the Minister makes is whether to implement the service or not based on recommendations from her officers. So in terms of the costs specifically if ... every cost that is part of this programme is a cost that I have got to act on within finance and they are done at a very granular level, so down to individual posts, consumables, equipment, right down to that level of detail and that all has to be signed off. So if we are providing the service internally, so Jersey Talking Therapies as an example, that service would have been decided upon by the Minister, with recommendations from her officers, and it would be signed off by 2 members of the commissioning team to ensure that it was going to deliver what was described in the White Paper, so that we know we are delivering the right thing in the right way. It will be signed off by the Director of Community and Social Services and one of his officers responsible for the service to confirm that

they can provide the services within the resources required. So getting back to your point, how do we know that it is deliverable, that we are going to do what we say we are going to do with the money that we have got. That is the frontline staff that are saying that. Then I and my team review it to make sure that it is in line with the allocations that we have got and it is affordable and that we are comfortable that it has been costed properly then the service budget is issued to the operational service and the service starts.

The Deputy of St. Ouen:

Sticking with the example that you have used of the Talking Therapies, if it is not delivered who do I look to for it to be accountable?

Director of Finance and Information:

The Chief Officer is accountable.

The Deputy of St. Ouen:

The Chief Officer?

Director of Finance and Information:

The Chief Officer is accountable, yes.

The Deputy of St. Ouen:

And the Minister at political level?

Director of Finance and Information:

The Minister will have decided that that service is to be implemented and the Chief Officer is responsible for implementing it.

The Deputy of St. Ouen:

Right, even though you have just listed about, I do not know, 5 or 6 different officers that at some point in time, they were all supposed to be responsible?

Director of Finance and Information:

Yes. There is a difference between responsibility and accountability. So the Chief Officer retains her accountability for implementing that service. She delegates responsibility for doing that to some her officers.

Senator S.C. Ferguson:

So really it is the Minister who should take the first steps to hold the Chief Officer accountable for not implementing it?

[12:30]

If one is looking at the theoretical side of it.

Director of Finance and Information:

If the Chief Officer was not implementing it then, yes, the Minister would hold you to account, sure.

Deputy J.A. Hilton:

Can we talk to you about the 2 site option and the funding around that and how that decision was reached? You were here last Thursday when we discussed that and my colleague asked you a question around the Atkins proposal of £450 million and then the Graham Underwood proposal that was £300 million and we are informed that the services were going to stay the same. There was no effect on services and we wanted to try and understand that difference in money and we were hoping you were going to come here today and elaborate for us.

Director of Finance and Information:

Yes, I was hoping I might be able to do the same. Unfortunately with Liberation Day and so on I have not. What I hoped to bring with me was a piece of paper that listed down the 2 different scenarios and you could see where the key differences were. Unfortunately I have not been able to get that together.

Deputy J.A. Hilton:

Okay. Because obviously there has not been much time we will ask you to come back and talk to us specifically on that point when you have had time to get that information.

Director of Finance and Information:

I am happy to come back. What I would suggest perhaps though is that you might want the project director to come because he will have the detailed information and detailed knowledge of it and I have asked him to start to pull that together for me. So it may be that you would like to invite him.

Deputy J.A. Hilton:

All right. Just with regard to your involvement in the Hospital Project, presumably you have been involved right from the start.

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

With the decision-making around the hospital?

Director of Finance and Information:

Yes. I cannot say I have attended every meeting but I have been involved from the start, yes.

Deputy J.A. Hilton:

Okay. Was that part of the Transition Steering Group, the original White Paper Steering Group or was that another group that was set up specifically, at officer level, to look at the hospital?

Director of Finance and Information:

There is a specific project board for the new hospital piece of work, yes.

Deputy J.A. Hilton:

What is that title just so that we can ... does not matter.

Director of Finance and Information:

Forgive me. I could not tell you what it is. It has got a long acronym which I cannot remember.

Deputy J.A. Hilton:

Is it H.A.S.M.A.P.(?) 12:32:23?

Director of Finance and Information:

No. It is ... it begins with an H. I cannot remember. I can tell you what it is. I just cannot remember what it stands for.

Deputy J.A. Hilton:

All right. Do not worry. Okay.

Director of Finance and Information:

But just to help, it is the formal project board for the Hospital Project. It is chaired by the Treasurer of the States who is the accounting officer for the project. Other members include the Chief Executive of Health and Social Services, the managing director for the hospital. The project director attends. The Director of Property Holdings attends. So it has the proper structure even though I cannot remember the name.

Deputy J.A. Hilton:

All right. Okay, thank you. Can I just take you back to P.82 again and what the States agreed was for the Council of Ministers to take the necessary steps, by relevant Ministers, to bring forward for approval proposals for a sustainable funding mechanism for health and social care to be agreed by October 2014. How far advanced is that piece of work? Are you involved in that piece of work?

Director of Finance and Information:

No, I am not involved in that piece of work. That is a piece of work that the Treasury are leading on.

Deputy J.A. Hilton:

I did not know whether in your role as Assistant Treasurer that you may have been privy to the work being carried out.

Director of Finance and Information:

No, only in terms of providing information to feed into the piece of work. So I have provided information around the department's various sources of income as it stands at the moment.

The Deputy of St. Ouen:

Can you explain why you have not been involved?

Director of Finance and Information:

Probably because I spend an awful lot of my time running the department's finances and information services and I believe the Treasurer has a dedicated resource working on this piece of work.

The Deputy of St. Ouen:

But if you ... sorry, maybe I will rephrase my question. If you are the Finance Director for Health and Social Services and if one is going to develop a sustainable funding mechanism for health and social care, I would expect that you would be the first one they would speak to and involve because you are the one that should be able to say how much is going to be required for them to then work out how to fund it.

Director of Finance and Information:

We have done an awful lot of work around the "how much is required" question which we have fed into the Long Term Revenue Plan and so on. So from that point of view I absolutely have been involved. What I have not been involved in to any degree is considering how to pay for it.

The Deputy of St. Ouen:

How to pay for it?

Director of Finance and Information:

Yes, which is clearly a Treasury function.

The Deputy of St. Ouen:

Right, okay. So just to be clear you have been very involved, little involved?

Director of Finance and Information:

Yes. All the work that we have done around projecting long-term costs and the impacts of changing demand and so on is all feeding in to that piece of work. So from that point of view very involved. What I cannot really tell you is where that piece of work is going in terms of ...

The Deputy of St. Ouen:

Have you completed all of that work, the work that you were required to undertake?

Director of Finance and Information:

Yes.

The Deputy of St. Ouen:

When did you complete that work? Roughly.

Director of Finance and Information:

Within the last few months.

The Deputy of St. Ouen:

Right.

Director of Finance and Information:

But it is probably worth saying that everything that we have prepared so far suggests that we are consistent with the projections that KPMG were showing in the *White Paper*.

The Deputy of St. Ouen:

With regards the sustainable funding mechanism for the health and social care, was that primarily focused on what I call day-to-day plus health, the White Paper, or did it include the larger hospital, dual site options and so on and so forth? Was that added in to the mix?

Director of Finance and Information:

My understanding is that it is about a sustainable funding solution for health and social care, full stop. I do not think it is restricted to one bit or another bit or trying to parcel it up in any particular way.

The Deputy of St. Ouen:

Right, so you see the hospital funding and the dual site ... but the hospital funding whether it is on a single site, dual site, and covered by any proposal that comes out of a sustainable funding mechanism, what you are saying?

Director of Finance and Information:

Not the capital side, which I think the Treasury have described in the budget that went to the Assembly last year, but the revenue side, I imagine, will look to ... well, we will certainly consider the research that it does in all aspects of health and social care.

The Deputy of St. Ouen:

How confident are you in the figures that you provided to view with the Treasury Department that you have been able to identify the full cost or additional cost of running the new hospital with regard to both the option of a single site and a dual site?

Director of Finance and Information:

I am confident as I can be at this stage in the process. We are still at quite an early stage in this process. In terms of the timescale that we are talking about earlier, up to 2020, an impact of the hospital development only starts to really kick in towards the end of that time period. It is quite a long way to look ahead but we have done that initial piece of work and we will obviously continually monitor it, review it, refine it, as we go forward and we know more about how the services may work.

The Deputy of St. Ouen:

So are you saying that the Long Term Revenue Plan will not be taking into account the running of a future hospital?

Director of Finance and Information:

No, it absolutely will.

The Deputy of St. Ouen:

If you say that the hospital will not be delivered until the end of the plan it ...

Director of Finance and Information:

No. I am sorry, I am talking about the recent detailed submission that we have put in to the Long Term Revenue Plan covered that period up to 2020 which just captures the beginning of the new hospital services or the new hospital facilities going on ...

The Deputy of St. Ouen:

Right, but it does not capture the complete picture?

Director of Finance and Information:

No, but the next stage of the Long Term Revenue Plan would.

Deputy J.A. Hilton:

Can I just take you back to the funding of the *Health White Paper* again and the bids that you submitted to the Treasury Department? Can you just confirm that the services that the States agreed in P.82 over the period of the 10 years, I am talking about the services in the community, have not been reduced in any way at all, the funding?

Director of Finance and Information:

Not to my knowledge.

Deputy J.A. Hilton:

So as far as you are aware the figures that you have put in to Treasury will fund all the proposed services?

Director of Finance and Information:

That is the absolute intention, yes.

Deputy J.A. Hilton:

Okay. I understand that the bids that you put in were over and above the *Health White Paper* money. Can you give us any indication of what those additional bids were for?

Director of Finance and Information:

There is only really 2 elements to our funding and one is the delivery of new services, which are described within the White Paper, and that includes acute services as well as community services. Then there is the funding we need to continue and maintain our existing services and to meet expectations and standards and changes in demand of those existing services.

Deputy J.A. Hilton:

So basically business as usual but additional funding to fund increased standards where they are?

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

Okay. So you have not put in any bids for additional services then?

Director of Finance and Information:

Those that we have described within community services or acute services ...

Deputy J.A. Hilton:

Yes, but that was what was agreed in the *Health White Paper*. I may have missed something here. So, you are telling me it was basically the *Health White Paper* service with no reduction in the services but I think you said earlier that you had gone away and made significant cuts to what you had been asked to ...

Director of Finance and Information:

That was largely around ... we were looking at how we dealt with the time between now and when the new hospital facilities open when clearly there is an increase in demand for services that we have not necessarily got capacity to meet. So we were looking very carefully at how we might be able to meet that demand in that interim intervening period. Again, we have gone through various situations to challenge ourselves as to how we might be able to do that and ...

Deputy J.A. Hilton:

Is that the funding for the temporary additional beds that you need by 2017?

Director of Finance and Information:

That is part of it, yes.

Deputy J.A. Hilton:

And the temporary theatres?

Director of Finance and Information:

Yes.

Deputy J.A. Hilton:

So that is the additional funding in your beds for the Long Term Revenue Plan?

Director of Finance and Information:

Some of that is, yes.

Deputy J.A. Hilton:

Some of it? What was ...

Director of Finance and Information:

Yes. Because we are ... so, for example, the extra theatre capacity we put into that bid and we have retained it within that bid. There are some other elements where we have, again, we have gone around again and challenged ourselves and we think we can find a better value for money way of delivering some of that capacity which has meant the bid has changed.

Deputy J.A. Hilton:

Do you mean the additional 50 beds?

Director of Finance and Information:

The different ways of providing those beds, yes.

Deputy J.A. Hilton:

And what are those different ways?

Director of Finance and Information:

I do not mean to try and ... I am not trying to not answer the question. You probably need somebody like the Director of System Redesign to answer that question.

Deputy J.A. Hilton:

All right, we will ask that question this afternoon.

Director of Finance and Information:

Yes, of course, she is coming this afternoon.

The Deputy of St. Ouen:

Could you just tell us what forms of analysis of option appraisals have been undertaken into the role of off-Island services versus on-Island services?

Director of Finance and Information:

I think we touched on this on Thursday, did we not? The acute services planning piece of work that is underway at the moment is looking at those very issues to see where there could be a shift from on-Island to off-Island, off-Island to on-Island. We always come back to the safe, sustainable and affordable and all the issues that we talked around on Thursday about what makes it viable to provide a service on-Island or off-Island are the criteria that we use for making those assessments. There is not, and it would not be sensible, to do one big piece of work to say what services are going to be on-Island and what services are going to be off-Island not least because it changes over time as practices change and I think the hospital M.D. (Managing Director) was talking on Thursday about the skills and experience of particular clinicians in practical ...

The Deputy of St. Ouen:

I am more interested in ... I hear what you are saying and I do not want to repeat and go over what we discussed on Thursday. I am more interested in what financial appraisal has been undertaken especially given that we have had experts tell us we need a £400 million or £450 million hospital but we have had our Minister say, now it is going to be £300 million. I just want to understand what your involvement has been in regard to looking at on-Island off-Island services and how that may or may not impact on not only the services you deliver, the cost, budgets, et cetera.

Director of Finance and Information:

The big area where the on-Island off-Island split may change is not likely to be in patient services in the foreseeable future so it is unlikely to have any significant impact on the number of beds. We are going through the acute services strategy and planning phase which will enable us to continually challenge those services that are on-Island and off-Island. That is, as I say though, it is not likely to make a significant impact on the number of beds within the hospital.

The Deputy of St. Ouen:

Sorry, but you say that work has not been done yet?

[12:45]

Director of Finance and Information:

We have not ... we are not fundamentally looking to change that balance in terms of hospital in-patient services?

The Deputy of St. Ouen:

Why not, when you seem to be able to change everything else around a sum of money?

Director of Finance and Information:

It is the issues that we were talking about on Thursday, it is not simply about the money; it is about the safety aspects and the sustainability of it. So if you are a clinician undertaking a particular procedure and you do one a year it is often not appropriate to do one a year.

The Deputy of St. Ouen:

No, I appreciate all of that. You can only explain the reasons, the clinical reasons or the medical reasons why it might be preferable to have on-Island off-Island. I am just wanting to focus on the financial implications of on-Island off-Island and the impact it may or may not have on the site of the hospital because, as we are well aware, you could have a much smaller hospital and have a lot more services being provided off-Island.

Director of Finance and Information:

If it is not clinically viable then the financial aspect is not going to make a lot of difference. If it is not safe to do it then we would not be being doing it. There is a critical mass of services, as we were talking about on Thursday, that once you have got them here the marginal cost of providing additional services, is just that, it is a marginal cost as a opposed to a full cost that you would pay to provide those services overseas.

Deputy J.A. Hilton:

Can you tell us when will IT systems be up to scratch, bearing in mind the dual site hospital proposal?

Director of Finance and Information:

When will they be up to scratch? It is an interesting phrase. The systems that we have are absolutely up to scratch. We have some very good systems. We have got a rolling programme of work to develop further systems and we have an information strategy, which Senator Ferguson will be aware of from another piece of work. We are rolling this programme of work out and it is a combination of system implementations, of system developments, of changing the way we use information, changing the culture of the organisation as well as just simply implementing systems. Clearly some of the system developments that we are looking at in terms of their priority we are going to try and deliver those in advance of new hospital facilities opening so that we can take advantage of them from day one rather than sometime after the new hospital facilities are open so that may ... not may, it does impact on the timetable for what developments we do first and what we do second.

Senator S.C. Ferguson:

Are the sums for that included in your Long Term Revenue Plan or are they capital and how much do you reckon you are going to need?

Director of Finance and Information:

They are largely revenue and they are included within the Long Term Revenue Plan. I am not going to try and guess the number but I could tell you what the number is. I do have it back in the office.

Senator S.C. Ferguson:

Yes, it would be good to have it. It would be.

The Deputy of St. Ouen:

So when are these systems likely to be implemented?

Director of Finance and Information:

Well, they will ... there is a plan that rolls out for at least the next 5 or 6 years I think and there are developments all the way through. So we have a development that we are doing right now, which is a round a system called F.A.C.E. (Functional Analysis of Care Environment), which is linked in with the Long Term Care Benefit so that means that anybody that has an assessment under the Long Term Care Benefit Scheme will have their assessment records held within the system called F.A.C.E. So that is here and now, that is going as we speak. Then there are various other system developments that we have got planned which are dependent, to varying degrees, on the funding which has yet to be decided but that could include e-prescribing systems for example within the hospital which would make a particular difference to the dual site proposals.

Senator S.C. Ferguson:

Will that not be rather important with the dual site proposal?

Director of Finance and Information:

Indeed.

Senator S.C. Ferguson:

Because if you have not got the systems in place, how are you going to deal with the challenges that you are faced with, with a dual site hospital?

Director of Finance and Information:

Our intention at the moment is to have those systems in place.

Senator S.C. Ferguson:

What is Plan B if they are not?

Director of Finance and Information:

Well, Plan B will be to ... at one end of the spectrum we can continue as we are now or we can implement the various system developments as we would like to. Clearly, implementing the system developments provides benefits in terms of the patients' safety and efficiency and effectiveness of the way the service works; that is why we want to do it. We can continue as we are but if we do not get those benefits particularly around efficiency out, we do not.

The Deputy of St. Ouen:

So what priority is being given to developing improved IT systems?

Director of Finance and Information:

It is a high priority. We have a strategy to implement it. We have already allocated some funding to it. We have identified the further funding that is needed and we have a clinical lead for it. I believe you have met with Dr Prince already. So we have a high level of clinical engagement. We have successfully implemented a lot of systems over recent times. The organisation, the department, is very supportive and understands the benefits that these systems can bring so it is one of our high priorities. You will have seen it referred to at various times in the White Paper documentation identifying that it is a key enabler for the changes that we want to make.

The Deputy of St. Ouen:

What makes you believe that the funding will be available for the IT system this time when it has not been in the past?

Director of Finance and Information:

I think a lot of funding has been put into IT systems in the past.

The Deputy of St. Ouen:

Which is why we still cannot access basic information.

Director of Finance and Information:

Well, I do not think that is correct. Our clinicians can access basic information and it is ...

The Deputy of St. Ouen:

So outcomes, performance measurements, successful or otherwise of ...

Director of Finance and Information:

There is an awful lot of information available, yes, and we are continually improving that as well. So if I go back to the example I used at the beginning in terms of the long term care assessments, by the time Long Term Care Benefit comes in all those assessments will be held electronically. So all that information is there electronically.

The Deputy of St. Ouen:

I am interested to hear you say that the system is up to scratch and can deliver all this information because whether it is this review or others, we have asked and consistently been told, our information systems are not very good, a lot of it is collected on paper, it is not shared, different departments ... the IT systems do not talk to one another. I mean what is the true story?

Director of Finance and Information:

I think it important perhaps if I clarify it. When I say our systems are up to scratch, the systems that we have are up to scratch. So TrakCare, which is the hospital's main patient administration system is a good system. It is recognised internationally, world-wide, as one of the best hospital systems. We do not have the level of automation and systems across the whole spectrum of services that we would want and that is what was identified within the White Paper piece of work and that is what we are aiming to do. So the systems that we have, we have good systems. Do we have systems over every aspect of every service we provide? No, we do not at the moment but we are looking to rollout those systems particularly where we get the biggest benefits.

Deputy J.A. Hilton:

Has the money for IT provision been subject to the significant cut that you referred to earlier in your bid or are you going to be setting that pot of money aside?

Director of Finance and Information:

There are 2 bits here. Perhaps if I just clarify, the significant cut I talked about earlier was not in the underlying services, it was in the transitional services, but in terms of IT that is one of the areas that we have said: "These are things that we either do or we do not do." So we have held that at the top and we are not proposing to reduce that at all.

Deputy J.A. Hilton:

Okay, thank you.

The Deputy of St. Ouen:

With regards to the budgets, how flexible is the ability of yourself and the Minister to reprioritise funding from one area to another within the overall budget of your department?

Director of Finance and Information:

We do have that flexibility. We have tight controls on how and when we do it. So the example that we talked about earlier was the investment in Children's Services. So we identified there was a particular need for that investment and to do it sooner rather than later which we have managed by identifying an alternative way of delivering another service that we believe will have the same results but at less cost. So we do do that but it is controlled.

Deputy J.A. Hilton:

Just to clarify, that is a ministerial decision?

Director of Finance and Information:

It would depend what it was and what level it was. That one is different to it. I would have to pick another example that might be the consequence of a few thousand pounds; that would be a delegated authority.

The Deputy of St. Ouen:

Let me give you an example. With regard to the additional funding that was allocated to deliver the improvement in services in the first 3 years of the *Health White Paper*, is it possible for those funds to be reprioritised?

Director of Finance and Information:

No. So, for example, and I think the analysis on this has been passed through the Treasury on to the panel. So if you go back to 2013 we had our budget for these services which we have accounted for and monitor very closely so we can tell you exactly what has been spent down to the last pound on various different service headings and that then resulted in an underspend which again was reported at the end of the year and the chairman's got the analysis in front of her. So we monitor it very closely and we report on it to the Treasury on a quarterly basis so that they have got transparency over it as well. That then goes to the Council of Ministers, our Minister is obviously aware of it as well. So that would only be reallocated in an open and conscious way. It could not just happen.

The Deputy of St. Ouen:

So you are saying that no funds that were originally intended to deliver these additional services, as described in the White Paper, have been reprioritised and used elsewhere?

Director of Finance and Information:

No. The money that was provided in the M.T.F.P. for these services has been allocated as described in that report there, that has gone to the Treasury.

The Deputy of St. Ouen:

Okay. So then just to confirm there is less flexibility then with regard to the new money for the particular development and community services than there is with the remainder of the department's budget at this moment in time?

Director of Finance and Information:

Legally, there is no less flexibility. At governance level we have exerted particular control of that because we want to make sure that we deliver against the White Paper objectives and deliver those services and controlling the allocation of the resources behind that is one of the key ways that we do that so that it cannot be used for other things. It has to be used for delivering those services.

The Deputy of St. Ouen:

Just with regards to routine data and IT, I just want to take you back there perhaps for a little bit because one of the main recommendations in a previous report of ours was that the development of the 10 year strategy around health and social services within the community should be accompanied by the provision of routine data on a consistent and comparable basis to allow monitoring to take place. How far do you think you have got in being able to offer and provide that data?

Director of Finance and Information:

Forgive me, I am not sure what document you are quoting from.

The Deputy of St. Ouen:

We undertook a review which was entitled "*Health White Paper Review, New Health Service, a journey, the way forward.*" It was undertaken by the Scrutiny Panel and we received a report from the Minister on 26th November 2012.

Director of Finance and Information:

Okay. There is a range of system developments that have and are being put in place around that. So if I give you one example, the Jersey online directory, which I think we touched on briefly on Thursday, is a service that is now available through the Citizens Advice Bureau to carers and patients and anybody that wants to access it to provide information on a whole range of services. That has now, I believe, got something like 1,000 registered users from memory.

The Deputy of St. Ouen:

That is one example.

Director of Finance and Information:

That is one example. Another example is Talking Therapies where that service will soon be operational and we are in the midst of looking at the system to underpin and support that which will obviously collect information on the ...

The Deputy of St. Ouen:

What about the day-to-day services though, for how many people are operated on and whatever, that sort of basic information?

Director of Finance and Information:

So that basic information is within our core hospital system, TrakCare, and that is one of the areas where we have got the system in.

[13:00]

It is a very good system. We are continually improving the way we use it and that is a big element of our information strategy going forward. There are some specific pieces of work going on at the moment around that so the Comptroller and Auditor General are doing a review around theatre utilisation, which one of our teams looked at the use of TrakCare to support that. We are developing our reporting capacity and data analysis capacity to provide that detailed level of analysis and information both to clinicians and to management ...

The Deputy of St. Ouen:

So we are getting there but not there yet?

Director of Finance and Information:

We are getting there but it is a continual process because these things change over ... people's expectations and the types of measure that you want to capture change over time as well. So it is not something that you can ever say: "Right, that is it. That is done now. We have finished." It will be one of those things that continually changes over time but to summarise, yes, we are not there yet. There is more work to do but we are getting there.

The Deputy of St. Ouen:

I mean if you are going to monitor anything, and I understand that certain things change, but you would want 2 things, consistent reliable information that is able to be compared with similar information. If you are pulling it apart and wishing or choosing to change the sort of information that you collect on an annual basis, for instance, you will never, necessarily, achieve the ability to monitor the data and derive any legitimacy out of it.

Director of Finance and Information:

Yes, and as an accountant I have spent many years training on exactly those sorts of issues that you have to be able to have consistency from one year to the other. So I absolutely agree and am fully aware of that. There is an underlying data set that you will want and then from time to time there are alternative measures that you want to look at to see if something we are doing is having a particular impact on the service.

The Deputy of St. Ouen:

You are working towards that?

Director of Finance and Information:

We are working towards the underlying data and the other measures.

The Deputy of St. Ouen:

Thank you.

Deputy J.A. Hilton:

Thank you very much for coming along and talking to us. I close the meeting.

Director of Finance and Information:

It is a pleasure. Thank you very much.

The Deputy of St. Ouen:

Thank you.

[13:02]