

# Treasury and Exchequer Ministerial Decision Report



## RESERVE FUNDING FOR HEALTH AND COMMUNITY SERVICES PRESSURES IN 2022

### 1. Purpose of Report

To enable the Minister to approve the allocation of up to £13,357,000 in 2022 from the General Reserve to the Health and Community Services head of expenditure, as detailed in the table below to fund the identified though unavoidable pressures in 2022.

### 2. Background

Following a review of expenditure requirements in 2022 with the benefit of financial reports for the third quarter of the year, a number of financial pressures have been identified within departmental budgets. Where possible, departments are expected to manage pressures within existing expenditure limits, but a variety of issues as outlined below cannot be managed within existing resources.

IA Ref	Title	HoE	2022
IA 22-054	Tertiary Care and Ward and Midwifery Staffing	HCS	£2,795,000
IA 22-064	Surgical Income Deficit	HCS	£2,800,000
IA 22-065	Parental Leave	HCS	£1,260,000
IA 22-066	Rebalancing Target	HCS	£6,250,000
IA 22-067	Les Amis Financial Support	HCS	£72,000
IA 22-068	Hugo Mascie-Taylor Report Recommendations	HCS	£180,000
			<b>£13,357,000</b>

#### General Reserve

#### **Tertiary Care and Ward and Midwifery Staffing – up to £2,795,000**

The Health and Community Services department provides access for Islanders for a wide range of off-Island care services ranging from neurosurgery, cardiology and radiotherapy with selected NHS and specialist healthcare providers.

More patients are returning to the hospital for diagnosis, which has resulted in a higher than anticipated number of patients that require off-Island tertiary care. These are both critical care needs, and preventative treatments, which cannot be provided on Island. Tertiary care is one of Health and Community Services key services and contributes to supporting wider health outcomes.

The £2,600,000 of funding supports the immediate and continual care of more than three hundred Islanders.

Ward Manager grades and four Midwifery Sisters salaries were re-evaluated in 2022 and increased during the year. This brought these staff salaries in line with the level of work that is expected and enables HCS to maintain a competitive recruitment and retention proposition to ensure the continued provision of high-quality ward and Midwifery care to Islanders.

The £195,000 funding will support the additional salary increases of twenty-eight members of staff.

### **Surgical Income Deficit – up to £2,800,000**

Surgical Income is generated by treating private patients and is one of the revenue streams that supports the cost of public patient provision in the main hospital. Surgical income was expected to increase in 2022 following the refurbishment of a third main theatre. However, income has not been realised as expected due to several factors:

- There has been a higher than anticipated level of hospital beds still holding treated patients that are unable to be released back into the community.
- The main theatres have not been able to be fully staffed to allow for the volume of treatment to be undertaken as planned.
- On-going sickness from Covid-19 by both staff and patients before treatment has resulted in cancellations for services that are expensive and cannot be moved to others in a quick enough timeframe.

These factors have made the forecasted surgical income target unachievable and resulted in a financial deficit of £2,800,000. Funding is needed to offset this amount and thereby increase departmental net revenue expenditure.

### **Parental Leave – up to £1,260,000**

Statutory changes to parental leave entitlements increased allowances for Government of Jersey staff to up to twenty weeks for both female and male parents. This has resulted in additional costs that are not able to be met from the available staff budget. This impact is felt by both HCS and the Family Nursing and Home Care service and funding is required to allow the department to meet its increased staff expenditure.

Funding of up to £1,260,000 is requested to meet the associated cost of implementing the new statutory entitlement to parental leave for 2022.

### **Rebalancing Target – up to £6,250,000**

The department has indicated that due to the pressures facing the Department, its rebalancing target for 2022 could not be delivered whilst maintaining appropriate standards of patient care. The department has not been able to identify alternative measures (including any non-recurring measures) and have applied to the reserve to meet the shortfall.

### **Les Amis Financial Support – Up to £72,000**

Les Amis is a registered charity providing support to Islanders with learning difficulties. The organisation identified challenges in its financial position, which requires the financial support via a grant for a three month period, along with support in developing workstreams to enable the charity to continue providing its services.

### **Hugo Mascie-Taylor Recommendations Pressure – up to £180,000**

Health and Community Services has begun the implementation of recommendations from the Hugo Mascie-Taylor (HMT) Report into clinical governance and care at the General Hospital. In ensuring that as many recommendations are completed, initial investment is required to allow for preliminary research, development of internal communications and fulfilling necessary positions to the Board.

Funding of up to £180,000 is requested to meet these initial costs of implementing the recommendations of the HMT Report.

### 3. Recommendation

The Minister is recommended to approve the allocation of up to £13,357,000 in 2022 from the General Reserve to the Health and Community Services head of expenditure, as detailed in the table above to fund the unavoidable pressures in 2022.

### 4. Reason for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a Government Plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

The current Policy for Allocations from the Reserve, presented to the States Assembly as R.76/2022 sets the requirement that all allocations from the General Reserve are recommended for approval by the Treasurer of the States, taking into account comments from the Principal Accountable Officer (PAO), prior to submission to the Minister for approval.

This has been circulated to the Council of Ministers in accordance with the requirements of the policy.

The Investment Appraisal Team has reviewed the business cases for these requests. Following these reviews, the Treasurer, taking into account comments from the PAO, recommends that the Minister allocates funding from these Reserves.

### 5. Resource Implications

The General Reserve to decrease by up to £13,357,000. The HCS head of expenditure to increase by up to £13,357,000.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2022-25.

Report author: Specialist – Special Project Assurance	Document date: 19 <sup>th</sup> December 2022
Quality Assurance / Review: Group Director, Strategic Finance and the Head of Financial Governance	File name and path: L:\Treasury\Sections\Corporate Finance\Ministerial Decisions\DS, WR and SD\2022-xx - Reserve Funding for HCS Pressures 2022
MD sponsor: Treasurer of the States	