

Health and Social Services Ministerial Decision Report



SUBMISSION OF THE UPDATE TO THE MEDIUM TERM FINANCIAL PLAN ADDITION DEPARTMENT ANNEX FOR 2018

1. Purpose

To enable the Minister for Health and Social Services to authorise the submission of the update to the Medium Term Financial Plan (MTFP) Addition Department Annex for 2018 for Health and Social Services.

2. Background to this Decision

The 2018 Budget has been approved by the States Assembly and a final version of the Department's updated Medium Term Financial Plan (MTFP) Annex for 2018 is required to be signed off by the Minister for Health and Social Services (see Appendix A below for details).

3. Recommendation

The Minister is recommended to authorise the submission of the update to the Medium Term Financial Plan (MTFP) Addition Department Annex for 2018 for Health and Social Services.

4. Reason for Decision

The annual update to the MTFP Addition expenditure allocations and manpower budgets provide a revised position for all departments and an updated point of reference for the 2018 Financial Report and Accounts. The Update to the MTFP Addition Department Annex for 2018 also incorporates the allocations to departments for the Central Growth Allocations agreed in the 2018 Budget, all within the total States expenditure limits agreed in the MTFP 2016-2019 (P72/2015 as amended).

5. Resource Implications

There are no financial or manpower implications as a result of this decision. All of the changes in department expenditure allocations reported in the annual update remain within the total States expenditure limits agreed in the MTFP 2016-2019 (P72/2015 as amended).

Report author : Planning Accountant for HSSD	Document date : 7 th December 2017
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Health and Social Services Department

Health and Social Services Department

Purpose

Health and Social Services aims to enable Islanders to live longer, healthier and more productive lives by ensuring the provision of safe, sustainable, affordable and integrated services that are delivered in partnership with others.

Responsibilities

- Leading the health and social care strategy, working closely with partners, providing the long-term vision;
- Provision of a wide array of hospital services, including emergency and elective care and the associated services such as theatres, pathology, radiology, estates;
- Provision of ambulance services;
- Discharging statutory duties and responsibilities to children in need and at risk along with other groups of vulnerable people such as those detained under mental health legislation;
- Provision of social care and support in the community;
- Provision of drug and alcohol services;
- Provision of mental health care for all age groups, including psychiatry, psychology and 'talking therapies';
- Provision of therapies e.g. physiotherapy, occupational therapy, speech & language therapy;
- Education and development of health and social care professionals;
- Delivering screening in order to identify health issues;
- Prevention and control of infectious diseases;
- Supporting, funding and partnering with voluntary and community sector organisations;
- Monitoring and improving the quality and value for money of all services;
- Providing governance for General Practitioners.

"The transformation of our health and social care services is already underway as Jersey prepares to meet the demographic challenge. System redesign on the required scale requires significant investment but trying to prolong the current system would cost far more in the long term.

It is vital that we see this change programme through, not only to keep pace with growing demand and ensure that services are safe and fit for the future, but also to deliver a health and social care model that is financially sustainable.

Our focus on increasing the health and wellbeing of our community, and ensuring that people can access quality health care if they need it, will help reduce social exclusion. It will also keep more people healthy and in the workforce and helping mitigate the rising costs of health care."

Source: Strategic Plan 2015-2018

2017 – 2019 Change Projects

Projects	Start Year	Council Priority	Strategic Goal
Deliver savings initiatives in support of the Public Sector Reform programme	2016	Sustainable Public Finances	11
Improve value from contracts with on and off-Island service providers and suppliers	2013	Sustainable Public Finances	11

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Projects	Start Year	Council Priority	Strategic Goal
Continue delivery of the priority investments for Phase 2 of P82/2012	2016	Improve Health & Wellbeing	2
Continue to develop the health and social care system, as agreed in P82/2012, including continuing to develop, test and deliver integrated 'out of hospital' (community) services	2013	Improve Health & Wellbeing	2
Deliver the service changes from the Mental Health Strategy	2016	Improve Health & Wellbeing	2
Develop and implement an autism strategy	2016	Improve Health & Wellbeing	2
Develop a plan to improve access to services by developing a 'Care Hub'	2016	Improve Health & Wellbeing	2
Working with the 1001 Days programme and under the auspices of the Children And Vulnerable Adults policy group (CAVA), develop and deliver a multi-agency Children's services strategy, which incorporates Children in Care, disabled children, transition into adulthood, Child and Adolescent Mental Health services	2017	Improve Health & Wellbeing	2
Implement the Sustainable Primary Care Strategy	2016	Improve Health & Wellbeing	2
Review and update the Carers' Strategy	2016	Improve Health & Wellbeing	2
Agree the Future Hospital site	2016	Improve Health & Wellbeing Improve St Helier	2, 9
Agree and then introduce as many of the new models of working in the Hospital as practical and feasible – including new models for emergency and ambulatory care, reduced lengths of stay and new theatres	2018	Improve Health & Wellbeing	2
Engage the contractor and commence the first elements of the build of the Future Hospital	2018	Improve Health & Wellbeing Improve St Helier	2, 9
Continued development of a Nursing degree course delivered on-island	2013	Improve Health & Wellbeing Improve Education	2, 6
Agree a workforce and development plan	2016	Improve Health & Wellbeing	2
Implement the workforce plan and Workforce modernisation	2017	Improve Health & Wellbeing	2
Develop and implement policy for low level long-term care needs	2016	Improve Health & Wellbeing, Sustainable Public Finances	

Financial Narratives

Introduction

All departments' proposals were subject to consideration as part of the Distributional Impact Assessment and also subject to Ministerial reviews. The outcome of these reviews has been that a number of adjustments to the package of draft proposals have been made by the Council of Ministers. These adjustments have been incorporated into departments' final submissions and are intended to recognise and improve the overall impact of the package of proposals by making them more progressive and also to better reflect the States Strategic Priorities.

Investment in the health transformation programme – P82/2012

The Council of Ministers continues to support the decision made in 2012 (P82 'Health and Social Services: A New Way Forward') to invest in transforming health and social care services in order to meet the challenge of the ageing demographic in Jersey. Health and Social Services (HSS) will continue to focus on:

- Developing new models of care that are preventive rather than reactive;
- Keeping people out of (inappropriate) hospital care by providing care in community settings, which also improves safety, outcomes and experience;
- Developing proactive, integrated care which improves independence and a person's ability to stay in their own home for longer.

Maintaining standards of healthcare

In addition to the programme of change, HSS is committed to continuing to respond to changes in standards of care recommended by the Royal Colleges and other professional bodies; to maintain services at a comparable standard to neighbouring jurisdictions; to provide for increases in demand for specific care; and to meet healthcare specific inflation costs (e.g. drugs) and make new drugs, treatments and therapies available to islanders where appropriate.

Savings programme

HSS continues to work hard to deliver efficiencies and savings in order to deliver the savings targets agreed by the Council of Ministers. In 2015, HSS launched the Safely Removing Costs (SRC) programme through which the department's savings commitments are being managed.

LEAN

Health and Social Services has successfully embedded Lean methodology in the department. A number of benefits continue to be achieved, incorporating improvements in quality, safety and value. As part of the sustainability plan departmental staff are now delivering training in house. One of the key objectives is to empower front line staff to use the skills they have acquired to improve the services they deliver and enhance efficiency and effectiveness.

Public Sector Reform

Health and Social Services continues to drive forward the reform of health and social care across Jersey, working with partners in the voluntary and community sector, in Primary Care and with other States Departments such as Education and Social Security. The vision is to ensure services are safe, sustainable and affordable, integrated and delivered in partnership. The system and service changes are consistent with the States Reform themes, particularly in regard to 'Making Islanders' lives better', 'Easier access to services' and 'Services provided effectively'.

Review of Spending Priorities

The department made £4.6 million of savings in 2015 as part of the agreed 2015 budget measures. These were achieved through one-off savings in 2015. In 2016 the department is delivering a further £3 million of savings (£7.6 million in total) and in 2017-2019 HSS has committed to deliver a further £5.7 million reduction in the cash limit. This is in addition to the existing annual departmental target of improved productivity and efficiencies of 0.5% (approximately £1 million per annum).

The department has a clear approach to managing spending priorities which has been in place since 2014. Under the department's financial planning policy, HSS runs a comprehensive prioritisation process on an annual basis to review spend and allocate funding to priority areas. The three principles underpinning the department's prioritisation policy are:

- Quality and Safety – considering for example the effectiveness of the treatment or activity, the feasibility of delivering it and the risk of not doing so;
- Value – reviewing the cost effectiveness, affordability and potential improvements in productivity;
- Customer focus – focusing on the likelihood of an improved outcome for those affected and identifying how many people are impacted and how effective the proposal is to address inequalities.

The department has taken the same approach in developing its savings programme. To ensure that saving costs will not compromise safety, HSS has developed a Safely Removing Costs (SRC) programme. Senior managers, clinicians and staff across HSSD have identified key projects to deliver savings across the department. The programme is designed to:

- Challenge traditional thinking around service provision and delivery;
- Look at what we can do to realise major savings on a continuous basis;
- Embed new approaches as "business as usual" within the department.

Senior Responsible Officers (SROs) are the accountable senior managers for the projects. Delivery of workstreams is monitored by the dedicated Project Management Office and the SRC steering group.

The financial position of the department and health and social care providers across the world is under increasing pressure, and the department therefore continues to actively monitor risks and impacts as part of both the financial planning process and the SRC programme. In 2015 the need to deliver within the cash limit was challenging, as shown by the outturn underspend of only 0.3% of the HSS budget (£618,000). 2016 to 2019 are expected to continue to be challenging years and therefore the SRC programme will play a key role in enabling the department to make change safely and to manage the impact on patients and clients of HSS-funded services.

Effect of growth and savings proposals

In the coming years HSS will continue to face the growing challenge of meeting the health and social care needs of the island's ageing population. In order to do this effectively, both growth and savings proposals are focused on delivering the right services, to the right people, in the right place, at the right time.

HSS will focus on delivery of the Acute Service strategy to ensure that hospital productivity is maximised to meet the needs of the demographic change and to prepare for the building of a new hospital. The period 2017 – 2019 will also see an increased focus on improving mental health services through the introduction of new legislation and the implementation of the Mental Health Strategy.

Children's services are also an area of high priority for the department in the light of recent challenges. HSS has planned to invest significant additional levels of funding in increasing and improving children's services to ensure that those most vulnerable and at risk are properly supported.

In the light of these challenges and developments, the savings programme will include:

- Reviewing what services HSS should provide and which should be commissioned;
- Reviewing existing charges and subsidies;
- Continuing to prioritise services through a robust internal process to ensure that resources are directed and targeted as effectively as possible.

Part of the programme therefore includes an intention to review long-term care services provided and / or funded by the department. HSS will work jointly with the Social Security department to review the funding arrangements for all levels of long-term care in order to ensure a consistent approach that protects the most vulnerable in the community.

Charges and subsidies currently in place will be reviewed.

The department continues to work hard on delivering efficiencies that will enable reductions in costs while retaining the full range of services delivered. In this regard, HSS is working closely with the E-gov team and Digital Jersey to identify ways to streamline services through the use of technology, which will improve patient experience and also allow costs to be reduced.

The department has also agreed to reduce the request for P82/2012 funding by £1 million (by 2019) as part of the contribution to the savings requirements. This is shown net in the growth figures and does not appear in the savings for the department. This reduction will be delivered through a focus on additional efficiency in the implementation of services.

As part of the delivery of this challenging programme of savings in this MTFP period, the department may also further phase the implementation of new P82/2012 services in 2018 and 2019. This is shown in the list of savings proposals in the main report. Delivery of the savings programme is essential to enable the allocation of resources to areas of investment.

A table of growth proposals is shown in the main MTFP report with a brief description of the planned changes. As set out in the MTFP published in 2016, in the period 2017 – 2019, there will be a focus on:

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- Children’s Services - to support the delivery of safe and sustainable services for the future, providing appropriate care to those children who require it. Investment will enhance the department’s ability to safeguard and promote the welfare of children, improving outcomes for the most vulnerable and at risk and delivering timely and high quality child protection services and services to looked after children. In particular there will be a focus on improving the identification of children at risk to ensure a proportionate and sufficiently urgent response to promote and ensure the protection of vulnerable children.
- Mental Health services - implementing the Mental Health Strategy, including investment priorities relating to crisis, recovery, early intervention and criminal justice, for example introducing a Recovery College, working to reduce stigma and improve workplace mental health and mental wellbeing support, improving services for individuals in crisis and improving prison mental health.
- Primary Care - implementing the Sustainable Primary Care strategy, which was published in 2015.
- ‘Out of hospital care’ - providing more care in individuals’ homes, to ensure Islanders remain independent for as long as possible, through ‘reablement’, co-ordinated care which is designed around the individual and support for carers. Examples of service improvements include expanding the Rapid Response, Reablement and Crisis team.
- Acute service – implementing the Acute Service Strategy whilst the Future Hospital is being developed, making changes in the way we provide the services now in order to continue improving quality and reducing cost and to ensure services are appropriate for the newly designed Hospital. Work will continue on the development of IT systems and integration. Acute service developments will also include new theatres, ‘ambulatory emergency services’ and redesigning patient pathways to reduce hospital length of stay and ensure only those needing an inpatient stay are admitted
- Healthy lifestyles - building on phase 1 where investment has been made into education and prevention of alcohol and smoking, the department will continue to raise awareness and encourage Islanders to take care of their own health and wellbeing in key areas such as obesity and sexual health.
- Continual improvement - completing a series of service reviews in order to improve value (improving quality and reducing cost), for example, in redesigning transfers of care from hospital to other settings
- Legislation changes - including the Regulation of Care Law, Mental Health Law and Mental Capacity Law and Food Safety Law
- Health and wellbeing strategies - a new, overarching Health and Wellbeing Framework, connecting existing health improvement and preventative strategies including the Food and Nutrition Strategy and the Tobacco Control Strategy
- Regulations - including those governing care homes, care provided in individuals’ own homes, dental practitioners, and dwellings in the rented sector

In June 2014, the Ministerial Oversight Group Expert Panel noted the progress made and confirmed that plans were appropriate: “The Panel was clear that the case for change was made and the selection of a new model for health and social care was the right one”. They recommended “That the States continue with a new model of health and social care”.

Revised Proposals for Central Growth in 2018

Programme management and rephrasing allowing proposed reduction of £1.452m in 2018

Health and Social Services Department

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The total additional 2018 funding allocated for P.82/2012 Health Transformation is £8.9m, comprising of £3.9m, allocated in the MTFP Addition, and being the full year effect of 2017 spend and £5.0m being the part year cost of new initiatives planned for 2018. It has been agreed that through re-planning and re-phasing the implementation of 2018 proposals, funding of £1.452m can be released in 2018.

As part of the proposed central growth allocation for 2018, £265,000 for Healthy Lifestyles will be allocated to Community and Constitutional Affairs Department following the transfer of responsibilities for strategic public health.

Revised Savings Proposals

The quantum of the 2018 savings proposals remain the same, however the analysis has been updated to reflect latest plans, resulting in an increase in the savings to be delivered from 'efficiencies' as opposed to 'savings' and an equal and opposite movement between staff and non-staff savings.

Service Transfers

Service transfers for 2017 and 2018 relate to transfers of FTE and functions to other departments to more appropriately align budgets and service delivery. The transfers are:

- Transfer of budget to the Law Officer's Department to reflect the increased level of legal support provided by Law Officers' to the Children's Service;
- Transfer of 12.0 FTE and all budgets relating to strategic public health, the professional and care regulation and the Medical Officer of Health to Community and Constitutional Affairs and 3.0 FTE and all budgets for the statistical functions for public health to Chief Minister's Department. The reason for this decision is to position strategic public health and the professional and care regulation separate from the delivery of health care. It will also enhance joint working with related policy and regulatory functions, including wider social and housing policy, so as to support the wider strategic objective of 'tackling the wider determinates of health';
- Transfer of 1.0 FTE and associated funding to the Education Department for administrative support for the Alternative Curriculum Service;
- Transfer of 1.0 FTE to the Treasury and Resources Department (TRD) to support the Accounts Receivable function supplied to Health and Social Services by TRD;
- Transfer of 1.0 FTE to the Social Security Department for the administration of Long Term Care payments;
- Transfer of budget to the Social Security Department for Older Adult Nursing Domiciliary care clients who have now transitioned into the Long Term Care Scheme.

These transfers have all taken place in 2017 and are made permanent in this MTFP Addition Annex Update for 2018.

In addition to these service transfers, additional income of £5 million per annum from the Health Insurance Fund (HIF) was originally proposed for each of the years 2017, 2018 and 2019. This proposal was withdrawn following the rejection by the States of the proposed Health charge in September 2016. The HIF funding has been provided in 2017 from carry forwards from 2016. The latest projections for Social Security benefit spend is that it will be significantly underspent in 2017 and the current proposals are for this underspend to be

earmarked and carried forward to replace the HIF funding in 2018 and also 2019, if other sustainable measures are not identified.

Manpower changes

In 2018 HSS's number of approved full time equivalent employees (FTE) will increase from 2,734 to 2,818.

This is made up of:

- 2.0 FTE reduction to reflect initiatives in the 2018 savings programme;
- 66.0 FTE increase for P82 / 2012 service initiatives;
- 20.0 FTE increase for other changes related to the 2% investment in healthcare inflation and maintaining standards.

Health and Social Services Department

NET REVENUE EXPENDITURE - SERVICE ANALYSIS

Near Cash	Service Area	Near Cash			Non Cash 2018 Revised Net Revenue Expenditure	Total 2018 Revised Net Revenue Expenditure	2018 FTE
		Income	DEL	2018 Revised Net Revenue Expenditure			
2017 Approved Net Revenue Expenditure							
£		£	£	£	£		
2,828,600	Public Health Services	-	-	-	-	-	
	Hospital Services						
19,200,600	Surgical Services	(379,800)	20,665,500	20,285,700	279,100	262.0	
16,061,800	Theatres	(5,223,300)	22,853,700	17,630,400	845,400	248.0	
15,133,600	Women & Children	(758,600)	16,826,500	16,067,900	104,500	226.0	
30,448,600	Medical Specialities and Emergency Care	(1,551,900)	33,564,800	32,012,900	97,200	403.0	
26,892,500	Diagnostic and Clinical Support	(7,364,400)	35,806,600	28,442,200	1,975,300	373.0	
4,795,200	Ambulance Emergency Services	(74,100)	4,972,100	4,898,000	133,200	66.0	
13,305,100	Tertiary Care	(1,291,900)	15,056,200	13,764,300	1,100	7.0	
	Community & Social Services						
22,757,200	Adults and Older Adults Mental Health	(1,819,800)	26,013,800	24,194,000	2,000	378.0	
16,249,800	Adults and Older Adults Other	(6,330,600)	24,398,600	18,068,000	16,600	358.0	
23,588,700	Children's Services	(2,800)	24,962,900	24,960,100	2,000	335.0	
9,520,400	Therapy Services	(61,300)	9,892,100	9,830,800	8,800	162.0	
12,126,200	Voluntary & Community Sector	-	12,126,200	12,126,200	-	-	
212,908,300	Net Revenue Expenditure	(24,858,500)	247,139,000	222,280,500	3,465,200	2,818.0	
(5,000,000)	HIF transfer ¹	-	(5,000,000)	(5,000,000)		-	
207,908,300	Revised Net Revenue Expenditure	(24,858,500)	242,139,000	217,280,500	3,465,200	2,818.0	

Notes:

1. With the States rejection of the Health Charge, the Social Security Minister withdrew P.82/2016 transfers from HIF. This meant that the Health and Social Services gross expenditure and income were both reduced by £5 million in each of the years 2017-2019. The HIF funding was provided in 2017 from carry forwards. Latest projections for Social Security benefits indicate a significant underspend in 2017 sufficient to be earmarked and carried forward to replace HIF funding for 2018 and 2019, if other sustainable measures are not identified.

Health and Social Services Department

NET REVENUE EXPENDITURE - SERVICE ANALYSIS

Approved 2017 Net Revenue Expenditure £		Revised 2018 Net Revenue Expenditure £
Income		
(4,100)	Duties, Fees, Fines & Penalties	-
(23,125,700)	Sales of Goods and Services	(23,862,700)
-	Investment Income	-
(995,800)	Other Income	(995,800)
(24,125,600)	Total Income	(24,858,500)
Expenditure		
1,497,200	Social Benefit Payments	1,497,200
148,272,500	Staff Costs	152,381,900
77,416,300	Supplies and Services	83,336,600
1,616,500	Administrative Expenses	1,574,700
7,764,400	Premises and Maintenance	7,881,600
37,400	Other Operating Expenses	37,400
324,700	Grants and Subsidies Payments	324,700
87,400	Impairment of Receivables	87,400
17,500	Finance Costs	17,500
-	Foreign Exchange (Gain)/Loss	-
-	Contingency Expenses	-
237,033,900	Total Expenditure	247,139,000
(5,000,000)	Reduction in Gross Expenditure - Removal of HIF transfer	(5,000,000)
232,033,900	Total Expenditure	242,139,000
207,908,300	Net Revenue Near Cash Expenditure	217,280,500
3,291,100	Depreciation	3,465,200
211,199,400	Total Net Revenue Expenditure	220,745,700

Health and Social Services Department

RECONCILIATION OF NET REVENUE EXPENDITURE

	2018 £		2018 £
Base Department Budget	207,908,300	Approved Variations to Expenditure Limits since MTFP Addition	
Base Adjustment & Commitments	-	Departmental Transfers:	
Price Inflation Department Net Expenditure	1,020,700	- Transfer of budget to fund the Admin Support for the alternative Curriculum Service to the Education Department	(28,700)
Price Inflation - Provision for General Pay Awards		- Transfer of budget to fund increased workload for the Children's Services to the Law Office Department	(172,000)
Price Inflation - Provision for Specific Pay Awards		- Transfer to increase the contribution to the Long Term Care fund for older adult nursing domiciliary care clients to the Social Security Department	(153,900)
Provision for Re-forecast of benefit levels	-	- Transfer of funding for the administration of Long Term Care payments to the Social Security Department	(3,800)
Departmental Transfers	-	- Transfer of budget to fund support for the Accounts Receivables function to the Treasury and Resources Department	(36,600)
Savings		- Transfer of Public Health budgets to the Community and Constitutional Affairs and Chief Minister's Department	(1,060,500)
- Department Savings Programme		Allocations of Central Growth 2018	
Savings	(100,000)	- 2% Investment in Service Standards and Healthcare Inflation	4,714,000
Efficiency	(2,020,000)	- P82/2012 - Health Transformation (White Paper)	3,235,000
User Pays	(200,000)	Changes to Savings	-
- Benefit Changes	-	Capital to Revenue Transfers	-
Additional MTFP 2 Growth	-	Other Variations	-
Original MTFP 2 Growth		Revised Net Revenue Near Cash Expenditure	217,280,500
- Funding Pressures : 2% Investment in Service Standards and Healthcare Inflation	250,000	Depreciation per MTFP Addition	3,465,200
- New Funding : P.82/2012 - Health Transformation (White Paper)	3,928,000	2018 Depreciation Adjustment	-
Other Variations	-	Depreciation	3,465,200
Net Revenue Near Cash Expenditure	210,787,000	Revised Total Net Revenue Expenditure	220,745,700