

General Information	
Ministerial Decision Type	Approval: Budget/Contract/Resource Allocation
Report Title	Approval: Health Insurance Fund Transfer for Jersey Care Model and Health Digitisation costs for 2021
Minister	Social Security
Signatory	Minister
Lead Department	Customer and Local Services (CLS)
Lead Directorate	Public Policy (SP3)
Ministerial Decision Summary: Public or Absolutely/Qualified Exempt	Public Select if more than one Absolutely/Qualified Exemption.
Date decision made if different to date 'Ministerial Decision Summary' signed.	Select date.
Report and Supplemental Report Details	
Report Author	Senior Policy Officer
Date of Report	23/03/2022
Supplementary Report Title <i>(If applicable)</i>	Jersey Care Model Update Report 2021
Supplementary Report Author <i>(If applicable)</i>	Health and Community Services
Date of Supplementary Report <i>(If applicable)</i>	23/03/2022
Ministerial Decision Report: Public or Absolutely/Qualified Exempt	Public Select if more than one Absolutely/Qualified Exemption.
Relevant Case/Application/URN <i>(Only complete if making a decision related to an appeal where appropriate or allowed under legislation/case/application)</i>	Insert Relevant Case/Application.
Relevant Proposition Number <i>(Only complete if presenting Comments or if lodging an Amendment)</i>	Insert P. number.
Relevant Scrutiny Report <i>(Only complete if presenting a ministerial response)</i>	Insert S.R. number.

Associated Law(s) and/or Subordinate Legislation	Health Insurance Fund (Miscellaneous Provisions) (Jersey) Law 2011 Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment No.3) (Jersey) Law 202-
Action required if recommendation agreed	Department to take necessary action.
Resource Implications	There are new financial and/or manpower implications. Further detail is included in the detail section of the report.

Introduction

The Social Security Minister is required to approve a transfer of £6.3m from the Health Insurance Fund to the Consolidated Fund for the costs of the Jersey Care Model programme and health digitisation projects incurred during 2021.

The Social Security Minister is satisfied that the costs for the Jersey Care Model and health digitisation projects have been verified and are appropriate for the Health Insurance Fund to pay for - in line with previous States decisions P.156/2020 and P.102/2021.

Recommendation

To approve the resource allocation.

Only insert text if 'Other' selected above.

Detail

Summary

During 2020, the States Assembly approved:

- the Jersey Care Model programme of work.
- a budget of £11.3m in the Government Plan 2021-24 for the Jersey Care Model and health digitisation programmes for 2021.
- the Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment No.2) (Jersey) Law 202- which enables the Social Security Minister to transfer £11.3 million from the Health Insurance Fund into the Consolidated Fund in 2021. ([P.156/2020](#)).

And in 2021:

- the Draft Health Insurance Fund (Miscellaneous Provisions) (Amendment No.3) (Jersey) Law 202- which enables the Social Security Minister to transfer any balancing amounts up to the original approved £11.3 million from the Health Insurance Fund into the Consolidated Fund in 2022. ([P.102/2021](#))

As planning and recruitment efforts were significantly affected by the pandemic and the resulting availability of staff to join the teams, £6.3m was spent during 2021. The remaining £5m of project budget has been carried forward to 2022. The use of this budget and the budget already set aside for 2022 will be reviewed during the year before any further transfers from the Health Insurance Fund are made.

The Jersey Care Model annual report provides details on the work carried out and the costs. This is attached as an annex to this report.

The Head of Finance Business Partnering for the Health and Community Services (HCS) and the acting Head of Finance Business Partnering for Customer and Local Services (CLS) departments have reviewed and approved the activities and financial information for 2021. Senior HCS officers briefed and discussed the activities and costs with the Social Security Minister on 4 March 2022.

In particular:

- The appropriate governance and financial reporting, processes and checks are in place in the projects.
- They have reviewed the annual report, including the activities and financial information.
- The costs relate to the Jersey Care Model and Health digitisation work set out and agreed by the States in the Government Plan.

- The staff time cost allocated to the programme of work accurately reflects their input during 2021.

Activity and spend during 2021

In 2021, the government spent £5.1m on the Jersey Care Model programme, including £3.1m on new and improved health services and £1.8m on programme management team.

This was £1.5m less than the planned £6.6m (table 1) because planning and recruitment efforts were significantly affected by the pandemic and the resulting availability of staff to join the teams.

During the last quarter of 2021 successful recruitment to posts improved significantly with many new starters in the last quarter of the year

Table 1: Government Plans 2021-25 funding for the Jersey Care Model - Revenue

Revenue Funding	2021	2022	2023	2024
Jersey Care Model	6,600	8,300	6,100	4,100

The government invested £1.2m on health digitisation projects, such as the main Electronic patient record (EPR) programme. This was £3.5m less than the planned £4.7m (table 2) for the digital projects.

Table 2: Government Plans 2021-25 allocated funding for Jersey Care Model Digital - Capital

Capital Funding	2021	2022	2023	2024
Jersey Care Model Digital	1,300	800	500	400
Digital Care Strategy	3,400	3,900	5,560	3,325
Total	4,700	4,700	6,060	3,725

Overall Summary of the JCM Governance Structure

The governance structure of the JCM links into the existing HCS Governance Structure is summarised in this diagram:

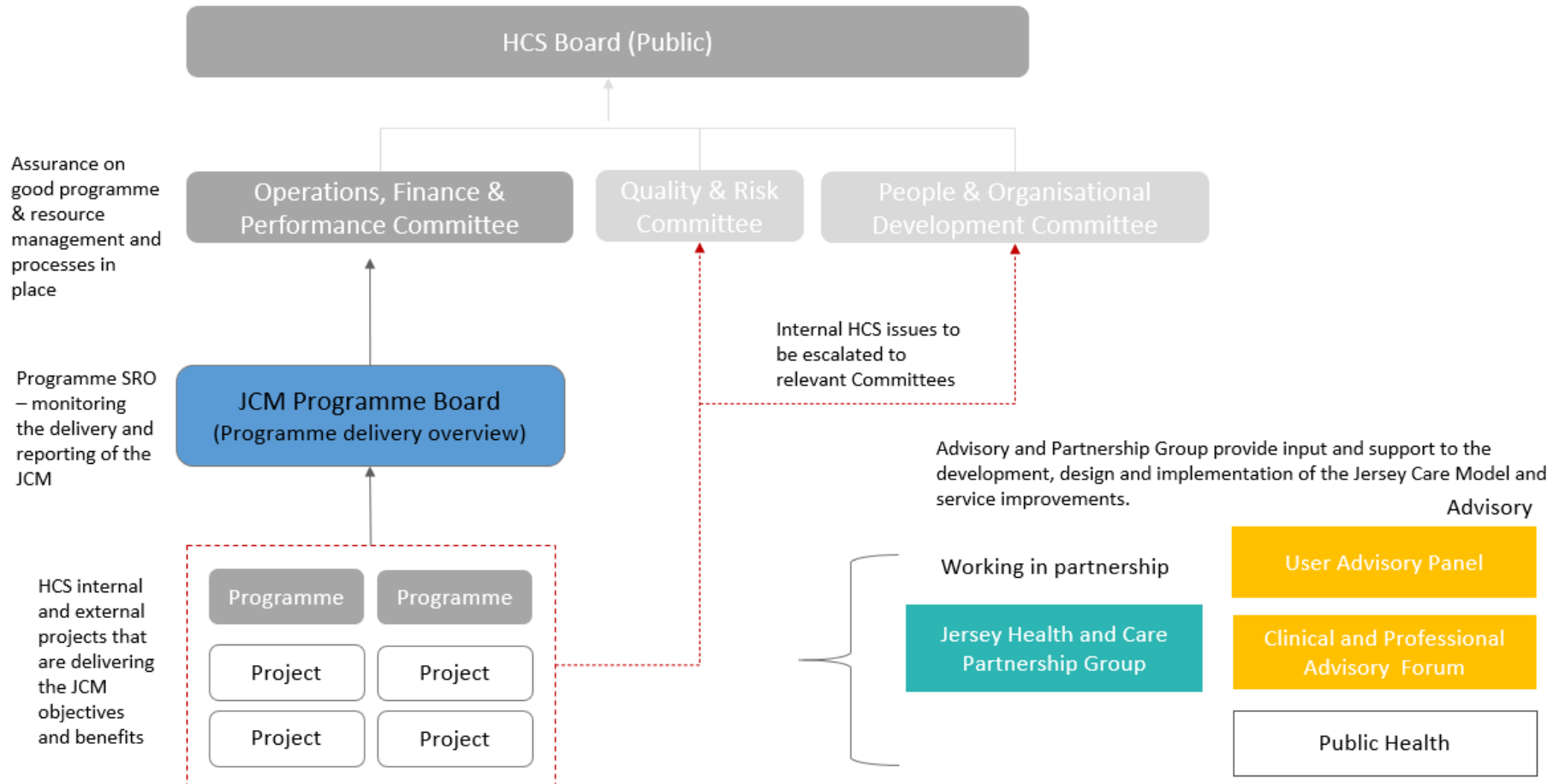


Figure 1 - JCM Governance Structure

The JCM programme accountability framework is summarised in this diagram:

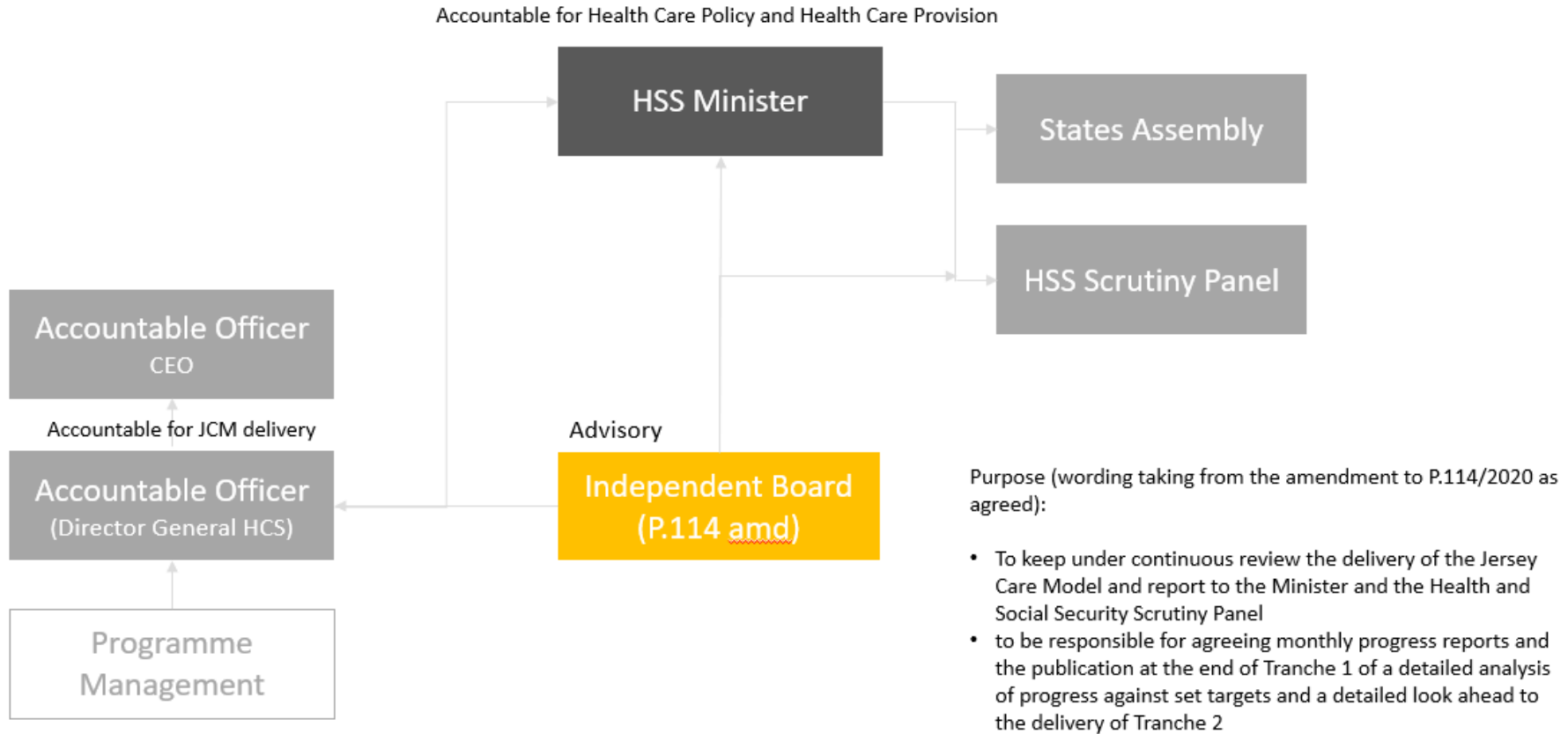


Figure 2 - JCM Accountability Framework

The JCM Independent Oversight Board will conduct an independent review of the programme in March 2022 and will regularly monitor the Programme's activity, management and spend.

The projects within the JCM Programme are being managed in line with the Government of Jersey's Corporate Programme Management Delivery Frameworks.

The programme management team maintains a process to track and forecast the programme's funding allocations and financial position. This ensures the clear recording and reporting of the programme spend to ensure project delivery remains within the funding allocations. Day to day financial management support is also provided by the HCS project and operational managers and colleagues in the Treasury & Exchequer Department. The financial reports are updated monthly and the JCM Programme Board reviews them on a quarterly basis.

Scrutiny Panel amendments

Furthermore, the Health and Social Security Scrutiny Panel amended¹ the last Government Plan to require:

The following safeguards and transparency measures will be put in place in relation to the operation of, and any transfers made out of, the Health Insurance Fund:

- *The Minister for Health and Social Services will annually publish a report, which will also be presented in advance to the Health and Social Security Scrutiny Panel, to detail the information provided to the Minister for Social Security relating to the costs incurred on the Jersey Care Model that require a transfer of funds from the HIF;*
- *The Minister for Social Security will publish a report, within 2 weeks of any transfer, to detail how any funds transferred out of the HIF for the purposes of the JCM or its related digital strategies costs have been verified;*

The Health Minister has published a report for the two programmes, detailing the activities and costs for 2021 and an overview for 2022.

The Head of Finance Business Partnering for the Health and Community Services (HCS) and the acting Head of Finance Business Partnering for Customer and Local Services (CLS) departments have reviewed and approved the activities and financial information for 2021. Senior HCS officers briefed and discussed the activities and costs with the Social Security Minister on 4 March 2022.

In particular:

- They have reviewed the annual report, including the activities and financial information.
- The costs relate to the Jersey Care Model and Health digitisation work as set out and agreed by the States in the Government Plan.
- The staff time cost allocated to the programme of work accurately reflects their input during 2021.
- The appropriate financial reporting, processes and checks are in place in the projects.

¹ Government Plan 2022-25 as amended, pages 6-7 ([p.90-2021 amd. \(15\).pdf \(gov.je\)](#))

Ministerial Office

Ministerial Decision Report

The expenditure figures are considered “near-final” pending the final sign-off of the Government of Jersey Annual Audit. In the unlikely event that any adjustments are made to these figures, these will be set out and described in the next report. The next Health Insurance Fund transfer will be adjusted if necessary.

Outlook for the Health Insurance Fund

The Health Insurance Fund had a forecast balance of £92 million at the start of 2022 and is expected to have a balance of £48 million at the end of 2025. This forecast includes all the proposed transfers from the Health Insurance Fund which are planned to end in 2024. The current transfer (and those proposed up to 2024) will not affect the ability of the fund to fulfil its legal obligations.

Table 3: Health Insurance Fund forecast balances 2022-2025

	2022 Estimate (£000)	2023 Estimate (£000)	2024 Estimate (£000)	2025 Estimate (£000)
Opening balance	92,487	77,199	62,272	51,247
Return on investments	770	840	800	810
Contributions Income	36,744	37,523	38,499	39,646
Benefits and other expenditure	(39,802)	(41,130)	(42,499)	(44,113)
Transfers - Jersey Care Model & Digital Care	(13,000)	(12,160)	(7,825)	0
Closing balance	77,199	62,272	51,247	47,590

Table 42: Health Insurance Fund

Source: *Government Plan 2022-25 (p.90/2021)*

This year there will be an actuarial review of the Health Insurance Fund which will include long-term income and expenditure projections based on agreed policy decisions and recent experience. The results are expected to be published in the first quarter of 2023.

Resource implications

£6.3m will be transferred from the Health Insurance Fund to the Consolidated Fund to pay for the Jersey Care Model and health digitisation programme costs for 2021.

Appendix – Health Insurance Fund law extract

2C Withdrawal of money from Health Insurance Fund for 2021^[4]

- (1) £11,300,000 may be withdrawn, in one or more instalments, from the Health Insurance Fund in 2021 and credited to the Consolidated Fund for the purposes of funding –
 - (a) the redesign of health and community services so that they meet the current and future needs of Jersey residents; and
 - (b) the modernisation and digitisation of health and care services.
- (2) To the extent that this Article is inconsistent with Article 21(1) of the [Health Insurance \(Jersey\) Law 1967](#), this Article prevails.

“2D Withdrawal of money from Health Insurance Fund for 2022

- (1) The following sums may be withdrawn, in one or more instalments, from the Health Insurance Fund in 2022 and credited to the Consolidated Fund –
 - (a) up to £9,100,000 for the purpose of funding the redesign of health and community services so that they meet the current and future needs of Jersey residents;
 - (b) up to £3,900,000 for the purpose of funding the modernisation and digitisation of health and care services.
 - (2) In addition, if the total sum withdrawn under Article 2C(1) is less than £11,300,000, the difference between the sum withdrawn and £11,300,000 may be withdrawn, in one or more instalments, from the Health Insurance Fund in 2022 and credited to the Consolidated Fund for the purposes set out in Article 2C.
- (3) Paragraph (2) is subject to Articles 19 and 20 of the Public Finances (Jersey) Law 2019.
 - (4) To the extent that this Article is inconsistent with Article 21(1) of the Health Insurance (Jersey) Law 1967, this Article prevails.”