WRITTEN QUESTION TO THE MINISTER FOR HEALTH AND SOCIAL SERVICES
BY DEPUTY J. RENOUF OF ST. BRELADE
QUESTION SUBMITTED ON MONDAY 17th NOVEMBER 2025
ANSWER TO BE TABLED ON MONDAY 24th NOVEMBER 2025

Question

"In relation to expenditure within the Health and Social Services Department during the last 2 years, will the Minister detail which areas have overspent in each year and by how much?"

Answer

The below figures are based on Health and Care Jersey internal reporting. The States of Jersey Annual Accounts for each year reflect central allocations that are applied to offset departmental overspends; therefore, internal financial reporting provides a clearer picture of where overspends occurred.

Net Expenditure by Service Level (all figures in £ '000)
Service Level outturn by year

	2023			2024		
Service Areas	**Budget**	**Spend**	**Variance**	**Budget**	**Spend**	**Variance**
Medical Services	56,719	68,076	(11,357)	61,837	70,093	(8,256)
Surgical Services	41,921	50,265	(8,344)	45,077	51,922	(6,845)
Mental Health	32,882	36,175	(3,293)	37,255	40,507	(3,252)
Social Care	21,089	23,003	(1,914)	23,217	27,455	(4,238)
Women & Children	18,822	20,368	(1,546)	20,593	22,450	(1,857)
Tertiary Care	12,799	13,831	(1,032)	13,064	15,492	(2,428)
Estates & Hard FM	10,720	11,579	(859)	11,878	13,224	(1,346)
Patient Access & Clinical Administration	0	0	0	8,103	8,986	(883)
Other	75,350	79,495	(4,145)	83,527	83,233	294
Total	**270,302**	**302,792**	**(32,490)**	**304,551**	**333,362**	**(28,811)**

Healthcare expenditure in Jersey has been and continues to be influenced by a range of factors, many of which mirror pressures seen across comparable jurisdictions including the UK. Rising demand driven by an ageing population, higher prevalence of chronic conditions, such as diabetes, cardiovascular disease and dementia, and increasing levels of frailty and complexity are placing sustained pressure on services. These demographic and population health trends combined with global workforce shortages, inflation in high-cost drugs and clinical consumables, as well as the increasing prices within Tertiary care create significant upward cost pressures. Social care inflation, alongside heightened demand and acuity for mental health placements further add to this challenge, alongside supply-side cost volatility. Together these factors have created structural financial pressures, some of which sit outside HCJ's direct control and form the context for the variances and analysis set out below.

Summary of Spend Patterns at Service level :

- Overspends were recorded across all clinical service areas in both years.
- 2024 shows reduction in overall overspend (£28.8m vs £32.5m) related to higher budget growth (13%) relative to expenditure growth (10%)

Across the two years, the largest cost pressures were concentrated in:

- Social Care, rising 19%
- Mental Health, up 12%
- Tertiary Care (UK referrals), increasing 12%
- Estates & Hard Facilities Management, increasing 14%

These reflect both service demand pressures and external market and inflation impacts.

Analysis by expenditure category (all figures in £ '000)

The analysis below details broad categories of expenditure. Please note that where indicated in brackets for example "Social Care (packages)" this indicates the predominant element of spend but may not represent the full value of the spend.

		2023			2024		
Subjective Category	**Subjective Detail**	**Budget**	**Spend**	**Variance**	**Budget**	**Spend**	**Variance**
Staff Costs	Substantive Staff Costs	196,267	179,738	16,529	217,468	208,378	9,090
Staff Costs	Agency Staff Costs	2,810	30,396	(27,586)	6,862	21,722	(14,860)
Staff Costs	**Total**	**199,077**	**210,134**	**(11,057)**	**224,330**	**230,100**	**(5,770)**
Non-Pay	Social Care (Packages)	13,296	15,294	(1,998)	15,203	19,629	(4,426)
Non-Pay	Drugs & Vaccinations	18,488	18,854	(366)	17,290	19,111	(1,821)
Non-Pay	Tertiary Care (UK Acute Referrals)	12,949	13,999	(1,050)	13,238	15,629	(2,391)
Non-Pay	Mental Health (Placements)	6,098	10,083	(3,985)	9,413	11,411	(1,998)
Non-Pay	Surgical Services (Consumables)	6,861	8,484	(1,623)	6,473	7,054	(581)
Non-Pay	Premises & Maintenance	5,954	6,235	(281)	6,138	6,553	(415)
Non-Pay	Medical Services (Pathology, Clinical Investigations, Diabetes)	5,254	5,895	(641)	4,959	6,417	(1,458)
Non-Pay	Patient Access & Clinical Admin (Patient Travel)*				2,564	3,145	(581)
Non-Pay	Medical Director (Various)	974	1,443	(469)	1,400	2,563	(1,163)
Non-Pay	Estates & Hard FM (Maintenance)	872	2,035	(1,163)	1,645	2,251	(606)
Non-Pay	Clinical Supplies	1,662	2,130	(468)	1,677	2,166	(489)
Non-Pay	Administrative Expenses	274	848	(574)	355	607	(252)
Non-Pay	"Budget Pressure"	(4,117)	3,693	(7,810)	(5,456)	28	(5,484)
Non-Pay	Non-Clinical Support Services (Patient Travel)	4,764	5,908	(1,144)	0	0	
Non-Pay	Other	24,102	25,607	(1,505)	34,297	34,131	166
Non-Pay	**Total**	**97,432**	**120,508**	**(23,076)**	**109,196**	**130,695**	**(21,499)**
Income	**Total**	**(26,207)**	**(27,851)**	**1,644**	**(28,975)**	**(27,43)**	**(1,542)**
	Total	**270,302**	**302,791**	**(32,489)**	**304,551**	**333,362**	**(28,811)**

During 2023 and 2024, the financial recovery programme was established. This developed a quality-led Financial Recovery Plan (FRP), combining financial discipline with patient-centred considerations, clinical engagement and staff involvement, and inclusive leadership to deliver sustainable improvements. The work conducted in 2023, which underpinned the establishment of the FRP, categorised the drivers of the HCJ deficit in 3 categories:

- Operational – relating to efficient ways of working
- Strategic – relating to service delivery models and organisation or logistical matters
- Structural – relating to challenges outside HCJ control, driven by issues such as Island factors, demographics, market forces (e.g. workforce) and policy

The FRP focusses on factors that are within the control of HCJ and consists of initiatives including clinical productivity, demand management, procurement efficiencies and workforce optimisation. In 2023 and 2024, these supported the realisation of recurrent savings of £3.2m and £6.74m respectively, with additional one-off savings also delivered. The aim of the programme is to deliver savings of £25m over a 4-year period between 2023 and 2026.

Drivers of Overspend and examples of FRP actions:

Substantive staffing: In both years, substantive staffing underspends were offset by significant overspends on agency staffing. A key driver of this overspend was structural vacancy levels. This is not a recent issue but rather a trend which evolved and escalated between 2018–2022. Recruitment to substantive roles in 2023–2024 has begun to reduce reliance on premium-cost agency and locum staff, and substantive staff budgets increased in-line with pay awards and workforce investments.

Expenditure on purchase of healthcare has continued to increase over a sustained period. Much of Healthcare activity and purchasing is need-driven not discretionary or budget driven. Small shifts in patient need can create large swings in cost, especially in a small island system, where volatility is amplified due to unavoidable reliance on off-island providers.

- The largest elements of growth are in domiciliary care packages, mental health and social care placements (UK), along with HCJ liability for on Island "top up" care costs over beyond Long Term Care Benefit. These packages are typically life-long, and their growing volume and price represent a sustained cost pressure HCJ year on year.

- Mental Health and Social Care UK placements have varied in number over recent years and peaked in 2024 (with 27 placements). Average day rates have increased, e.g. from £533 in 2017 to £761 per day in 2024. Cases exceeding £1,000 per day, have occurred in 2023 and 2024. On-Island Mental Health care has also seen a growth, reaching c. £1.9m in 2023 and c. £1.6m in 2024 (with 22 placements).

- Tertiary care contracts, via UK Healthcare and NHS providers, were showing significant overspends in 2024, £2.4m above budget. Case mix and acuity can be highly variable. High-cost cases (e.g., neurosurgery, oncology, paediatric cardiology) can add hundreds of thousands in unplanned expenditure.

Drugs Costs continue to rise significantly; due to price and volume increases. Approximately 90% of drug spend is account for by high-cost drugs. Historical analysis has shown that there was a significant increase between 2020-2022 of some 30%+. A dedicated high-cost drugs pharmacist has been appointed to support medicines optimisation, e.g. through a focus on contract management, formulary control and switching to biosimilars, which is starting to deliver demonstratable savings.

Clinical supplies and consumables have seen a sharp rise in expenditure in this category over recent years, in 2023 and 2024 consistent spend of around £9-10.5m. The rise appears to relate to inflationary impacts on the price of consumables. As this is impacted by global supply chain issues, historical spend may not adequately predictor of future costs.

Initially, the lack of quality data made it difficult to identify exact details to inform a targeted action plan. However, the FRP non-pay transformation initiatives are now making inroads through the Centralised Purchasing Scheme, e.g. enabling ward stock control support and consolidation of purchasing through the NHS supply chain, securing improved value for money and reducing wastage.

Patient Travel included both scheduled and unscheduled travel costs, which have risen significantly over this period. In addition to increases in referrals, changes to the travel policy to include companions was introduced in 2023.

Premises (including Estates & FM) costs have seen sustained increases over recent years, in particular for utility costs which had above-inflation increases. This will be exacerbated by an aging estate, which is increasingly energy inefficient.

Income

Private Patient activity has steadily declined from pre-covid levels, mainly due to lack of bed availability and lower than average theatre productivity when benchmarked against comparable peers. Although private patient charges have increased, this is more than offset by a significant reduction in activity. In 2024, Surgical Services underachieved its budgeted income target, of which the majority relates to Private Patient Accommodation and Main Theatre Charges.

The under-achievement of private patient income was also driven by an increased focus on public activity in order to manage growing waiting lists, and a change in clinical practice of converting in-patient procedures to day cases as recommended by the British Association of Day Case Surgeons (BADS). The FRP clinical productivity workstream aims to deliver additional private patient income through increased theatres utilisation and higher throughput of procedures, increasing theatres' utilisation from a previous level of 64%-72% to a target of 85%.

However, the key enabler is bed capacity. During 2023 and 2024 there were challenges in releasing inpatient beds, for example due to discharge capacity to care homes or home packages. In 2025, initiatives in patient flow and clinical productivity are gaining transaction, reducing the length of stay, and capacity for private patients is also improving due to ringfencing of a small number of beds for this activity.

The FRP Programme and enhanced executive grip and control are embedding a financially accountable culture, demonstrating that improved quality and efficiency in clinical care which directly supports improved financial sustainability. A continued focus will help enable HCJ to live within its means, but this alone will not solve the structural deficit challenges that HCJ faces, which are common in other jurisdictions.