



Northern Ireland Audit Office

MEDIA RELEASE

A General Report on the Health and Social Care Sector 2012-13 and 2013-14, published today by Mr Kieran Donnelly, the Comptroller and Auditor General, reviews the performance of the health and social care sector in a number of key areas.

Financial Pressures

The Northern Ireland Audit Office report notes that the scale of financial difficulty facing HSC Trusts was so severe in 2013-14 that they relied on additional funding, including allocations from in-year monitoring rounds and managed slippage/deferral of expenditure, in order to make up the deficit position. Despite this, four (out of five non-regional HSC Trusts) failed to break even. Only the Belfast HSC Trust was able to break-even as a result of the extra funding. This has led to Trusts carrying forward an underlying / “real” deficit of £115 million into 2014-15.

HSC bodies have found it increasingly more difficult to balance their budgets in the face of rising inflationary cost pressures, demographic pressures from an increasing and aging population and the pressures associated with new treatments and patient expectations while at the same time delivering a challenging programme of efficiency savings. **Mr Donnelly said:**

“While additional funding allocations have helped Trusts to achieve financial balance over recent years, this has masked, rather than addressed, underlying financial pressures.”

Waiting Time Targets

The report notes that HSC Trusts have found it increasingly difficult to meet hospital waiting time targets for all types of patient - whether inpatients, those attending outpatient clinics or those attending emergency departments. Of particular concern is the performance of Trusts in meeting targets for cancer treatment. Overall, hospitals did not meet the target to ensure that 95 per cent of patients began their first treatment for cancer within 62 days following an urgent GP referral for suspected cancer in any month during the two year period to 31 March 2014. The percentage of patients seen within 14 days of an urgent referral for breast cancer fell considerably from around 100 per cent in the period from April 2012 to December 2012 to just over 72 per cent in November 2013 and just under 53 per cent in March 2014.

Clinical and Social Care Negligence Claims and Patient Safety

Approximately 83,000 adverse incidents are reported each year. In the two year period to 31 March 2014, 828 adverse incidents of a “serious” nature were reported to the Health and Social Care Board. In the two years under review, 446 clinical and social care negligence claims were settled incurring costs of over £81 million. The anticipated liability on 3,000 outstanding claims has been estimated at just over £121 million.

Under-reporting when things go wrong continues to be a widespread issue, particularly in the acute sector. Over the period covered by this report, significant concerns have been raised over performance within the Belfast and Northern HSC Trusts. In 2013, the Department commissioned a Turnaround Team to determine the changes required to accelerate performance improvement in unplanned care in the Northern HSC Trust. The work was extended when it was identified that the cause of the poor performance was not confined to the Emergency Departments.

One possible reason for under-reporting is the presence of a perceived “blame culture.” **Mr Donnelly said:**

“Ensuring that adverse incidents are identified and reported is central to the learning process so that potential harm to patients can be avoided in the future. Changing the culture within the health and social care sector from one of fear to an eagerness to report, explain and learn from what went wrong will only happen through cultural change”

Procurement

HSC sector procurement is significant at almost £800 million each year. In the two years to 31 March 2014, over 2,600 contracts were let without competition, with a value of just under £130 million.

Following allegations from whistleblowers, Internal Audit (IA) identified a serious lack of control within the Estates Department of the Northern HSC Trust. While the investigations did not reveal evidence of fraudulent activity, £5.7 million of potentially inappropriate expenditure was identified and sufficient evidence was uncovered to proceed with disciplinary action. In 2013-14, when IA extended its review to other HSC Trusts, it assessed the controls in place in the Southern HSC Trust as “unacceptable”, identifying works to the value of £1.7 million incurred during 2012-13 and 2013-14 which was not subject to proper procurement and awarded only “limited” assurance over the controls within the Belfast HSC Trust and the NI Ambulance Service.

Investigations into whistleblowing allegations over arrangements within the Belfast HSC Trust Transport Department revealed that, despite a significant alteration to the terms, a contract was not retendered. Over £230,000 was paid to the contractor after the contract alteration. Failure to use employment agencies to provide the revised service cost the Belfast HSC Trust an additional £36,000 up to 31st March 2014. **Mr Donnelly said:**

“Given the level of procurement across the HSC sector, it is imperative that effective controls are in place. The use of competitive procurement helps ensure value for money is achieved. The exceptionally high use of direct award contracts is a matter of concern. It is disappointing to note that senior officials within the Northern HSC Trusts were aware of issues but took no action, although I acknowledge that progress has now been made on improving controls and implementing recommendations.”

Income from Private Practice undertaken on HSC premises

In recent years, revenue of between £4 million and £6 million is generated as a result of treating private patients on HSC premises. While comprehensive guidance has been issued by the Department, an examination of a sample of cases identified instances where patients had not confirmed in writing prior to receiving treatment that they (or their Private Medical Insurance provider) were willing to pay. There were also a number of cases where payment had either not been collected or was not collected on a timely basis. At 31 March 2014, £2 million of revenue remained outstanding although the Trusts were continuing to collect these outstanding monies.

Transforming Your Care

The Transforming Your Care (TYC) model will see a major strategic and cultural shift in HSC provision - moving services and associated resources from hospital based settings to primary and community based prevention, early intervention and care services. The TYC review estimated that £70 million of transitional funding would be required to implement the reform. Progress has been slower than anticipated as the full extent of the transitional funding has not been available. The report notes Mr Donnelly's intention to examine management of the transition in more detail and issue a short positional report.

NOTES FOR EDITORS

1. This report provides information on the main issues arising from my audits of 16 health and social care bodies as follows:
 - six HSC Trusts (five non-regional HSC Trusts and the Northern Ireland Ambulance Service);
 - the HSC Board;
 - three special agencies;
 - three special health bodies; and
 - three non-departmental public bodies (the NDPBs).
2. This report does not include findings from the audit of the accounts of the Department of Health, Social Services and Public Safety (the Department) or the Northern Ireland (NI) Fire and Rescue Service since these are included in a General Report I prepared on central government.
3. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
4. This report is available from the Audit Office website at www.niauditoffice.gov.uk. The report is **embargoed until 00.01 hrs on 26 May 2015**.
5. Background briefing can be obtained from the Audit Office by contacting Sean McKay (028 9025 1075) or Clare Dornan (028 9025 1035).