



MEDIA RELEASE

General Report on the Health and Social Care (HSC) Sector

The increasing pressures on the Health and Social Care system in Northern Ireland are highlighted in a report published today by Kieran Donnelly, the Comptroller and Auditor General. His 'General Report on the Health and Social Care sector' is based on audit work carried out over the last two years.

Mr Donnelly said *"It is clear from the results of my audit work that the health and social care system, as currently configured, is simply unable to cope with the demands being placed on it. Consequently, far too many patients endured unacceptably long waiting times for treatment. My report makes the urgency of the reform agenda clear and emphasises the need for long term financial planning in the health sector."*

Financial Pressures

Since 1991, HSC bodies have been statutorily required to 'break even' financially. Whilst the five main HSC Trusts have recorded marginal surpluses in recent years, since being established in 2007 they have accumulated a total cumulative deficit of just over £18 million.

In practice, the Trusts have only been able to achieve annual surpluses through being allocated an increasing amount of additional in-year funding and through implementing a series of one off, non-recurrent efficiency savings across their budgets.

As the HSC system faces mounting pressures and rising demand for care, the costs of maintaining existing service models are increasing at a pace which cannot be sustained within available budgets. In purely financial terms, the Department estimates that the underlying pressure across Trusts at the start of 2017-18 was approximately £160 million. The total HSC sector funding gap, which fully reflects inflationary and demographic pressures, the need to transform service delivery, and build additional capacity to meet population need will be significantly higher. Given this serious and rapidly escalating situation, the report highlights the need for substantial progress to be achieved in transforming the delivery of HSC services.

Waiting Time Targets

At a Northern Ireland level, none of the key HSC waiting time targets for inpatient and outpatient care, Accident and Emergency treatment and cancer treatment were achieved in 2015-16 or 2016-17, even though the targets for inpatient and outpatient care were adjusted by being lowered to take account of increased demands and the acknowledged capacity gap.

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At an individual Trust level, there was only very limited success in meeting the inpatient and cancer care targets, and no Trust achieved the standards for outpatient care or emergency treatment in either year.

Mr Donnelly concluded *“Since we last reported, performance in respect of key waiting time targets has clearly been very disappointing. Going forward, I can only conclude that the rising demand for services which is increasingly exceeding health service capacity, together with ongoing uncertainty over future funding, will significantly impact on the ability of HSC Trusts to meet future population need.”*

Business Services Transformation Programme (BSTP)

The BSTP aimed to introduce shared services for a range of key corporate functions including finance, human resources and payroll across 16 HSC bodies. The BSTP business case estimated that it would generate almost £125 million of efficiency savings over a 10-year period.

However significant implementation difficulties arose with BSTP. These included a £10 million cost increase; significant delays in the implementation of the Human Resources, Payroll, Travel and Subsistence (HRPTS) system; and difficulties in correcting salary overpayments made by the payroll system. One staff member was overpaid by more than £43,000 over three years.

At the end of 2016-17, BSTP had achieved savings of £48.8 million, and it is projected that savings of £99.4 million will be delivered by 2021. Whilst such savings are welcome, these would be £25 million lower than initially envisaged.

Payments to consultants under the Waiting List Initiative

In recent years, Trusts have been allocated non-recurrent funding to undertake additional activity to reduce waiting lists. This has mainly been delivered by setting up additional evening and weekend clinics to maximise in house capacity – commonly referred to as Waiting List Initiative (WLI) activity.

A review of WLI payments made by the Southern Trust from April 2015 to March 2016 identified that the Trust had entered into an agreement with consultants which was based on the number of cases the Trust expected to be completed during 4 hour in-house sessions. Whilst consultants delivered all work allocated to them, some completed the cases in less than the allocated 4 hours. For those consultants, the Trust paid almost £247,000 which had no impact on reducing waiting lists.

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 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 (the Department) or the Northern Ireland 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 18 December 2018.
5. Background briefing can be obtained from the Audit Office by contacting Denver Lynn (028 9025 1063) or Roger McCance (028 9025 4312).