Northern Ireland Assembly

Committee for Health, Social Services and Public Safety

OFFICIAL REPORT (Hansard)

Department of Health, Social Services and Public Safety: Financial Position

3 September 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:
Ms Maeve McLaughlin (Chairperson)
Mr Jim Wells (Deputy Chairperson)
Mr Roy Beggs
Mr Mickey Brady
Mrs Jo-Anne Dobson
Mr Gordon Dunne
Mr Kieran McCarthy
Mr David McIlveen
Mr Fearghal McKinney

Witnesses:

Mr Poots	Minister of Health, Social Services and Public Safety
Dr Michael McBride	Department of Health, Social Services and Public Safety
Ms Julie Thompson	Department of Health, Social Services and Public Safety

The Chairperson: Minister, you are very welcome to the Committee. I am pleased that you have taken the time to attend today. Accompanying the Minister is Ms Julie Thompson, the deputy secretary of resources and performance management in the Department of Health, and Dr Michael McBride, the Chief Medical Officer. You are both very welcome.

Minister, I ask you to make an opening presentation on the current financial position.

Mr Poots (The Minister of Health, Social Services and Public Safety): OK. I will be fairly brief, but thanks for the opportunity to come to the Committee and brief you on the serious and significant financial challenges facing Northern Ireland's Health and Social Care system in 2014-15 and indeed beyond — it is very important to take account of that.

In April, I provided the Committee with my assessment of the financial challenges. That formed the basis of my June monitoring bids. Despite my submitting compelling bids of £160 million in the June monitoring round, £20 million has been set aside. It will be provided in October monitoring, subject to my Department's demonstrating that it is taking the necessary actions to live within its budget. That means that, at best, my Department is left with a residual deficit of £140 million to manage in 2014-15. That is on top of the £170 million of in-year savings that we were already making.

My letter of last week outlined my latest assessment of the financial position and my significant concerns about it. It is important that members understand the basis upon which the letter was written. First, the savings that were identified in my letter reflect the reality of what actually can be implemented at this stage in the financial year to curtail costs. It is not scaremongering; it is a factual

analysis of those areas where expenditure has not yet been committed. As the financial year progresses, the options to curtail such expenditure are diminishing. Secondly, the letter does not represent the totality of the measures that are being undertaken by trusts to make savings. Indeed, many of the measures that members may have expected to see in the letter are, in fact, already being implemented by the trusts. Those include reviewing administration costs and control over discretionary expenditure. Those measures are required to bring the trusts' deficits into line with the opening positions and to achieve their savings targets, and cannot therefore be used to help address the £140 million because they were already absorbed in the £170 million that we were previously saving.

Let me be clear: given the serious and detrimental impact that these options would have on patients and clients, I do not support the implementation of the measures proposed to me. The service implications are serious, clearly controversial and cross-cutting, and they impact on previous Executive-approved strategies and Programme for Government commitments. Over the past three years, the investment in Health and Social Care has played a critical role in improving the health and well-being of patients and clients. Since June 2011, there has been a 22·8% reduction in the numbers waiting for initial appointments over 13 weeks; a 65% reduction in the number of patients waiting for specialist drugs for conditions such as arthritis; a more than halving of the number of people waiting longer than 12 hours in A&E; an increase in the number of clients receiving domiciliary care and the number of hours provided; and improved outcomes for patients and clients, with life expectancy continuing to increase for both males and females.

We have also continued to invest in the Health and Social Care workforce. Over the past three years, the number of qualified nurses and midwives has been increased by almost 800 — that is 5·7% — while the number of medical and dental consultants has increased by 200 or 15%.More needs to be done, and we need to continue to invest in these critical front line services to maintain the good progress that has been secured over recent years. To do otherwise would inevitably result in a deterioration in the range, access and quality of services provided.

Finally, it is important for members to note that I am absolutely committed to delivering savings and have proven as much over recent years. Since I came into office, Health and Social Care has delivered £490 million of savings, and I am committed to delivering a further £170 million in 2014-15. These savings cannot, however, bridge the £140 million gap. That means that there are now effectively two options for the Executive: either additional finance must be provided to avoid the worst of these measures; or the Executive must take collective responsibility for these decisions and the impact that they will have on the citizens of Northern Ireland.

I am happy to take questions from members on any of these matters.

The Chairperson: OK. Thank you, Minister. I want to begin by thanking you for your presentation. I preface my remarks by saying that I think that, collectively, we all want to address the pressures that exist across a number of Departments and, of course, the pressures that exist in health in particular. All of us collectively and the citizens whom we represent deserve a first-class health service that is free at the point of delivery, which targets health inequalities and which provides better health outcomes for all our citizens. That needs to be said.

Minister, in my view, the current scenario is a mess. I specifically relay to you today an issue that was pointed up by your party colleague the Finance Minister, Mr Hamilton, when he referred to mismanagement of the budget and to "poor budget management", saying that management of the health budget was highly disappointing.

There are questions — very real questions — about the management of your budget, Minister. That has been backed up again by your party colleagues and indeed, in my view, by your admission, quite publicly, that you cannot or will not deliver the proposed cuts. I ask you to reflect on that in your response today.

We had a further comment in January 2014 from Minister Simon Hamilton in a statement to the Assembly on the monitoring round:

> *"I have made it clear to the Health Minister that I expect his Department to contain the remaining costs."*

I ask the Minister to comment on those remarks.

Mr Poots: If it is a mess, it is a mess of the member's party's making. Let us be very frank about it: last year was the first time that there was an overspend. Indeed, if you look at the record over the last three years, you will identify that we have been sitting very tight to and living within our budget over that period and doing so better than most Departments. So, financial management in the Department has been strong, as has its performance.

Last year, we overspent by £13 million. Last year, the Executive handed back £15 million to Westminster on the basis of welfare reform not being carried out. We are setting aside £8 million a month to pay fines to Westminster. Now, if I had that £8 million a month, I would not be sitting before you today, so perhaps the Chair would do well to reflect on her position and the position of her party. It is hurting innocent people. It is hurting people who require care and the people who work in the care system. I make no apologies whatsoever for the fact that we went £13 million over budget last year. The waiting lists started to rise in the middle of last year, and, as was identified, there were problems coming in from the trusts. Those waiting lists would have been considerably greater. Thousands of people have benefited from getting procedures and operations as a result of me holding the line. I am putting it to the Committee today, to the Assembly and to Executive colleagues that we need to ensure that we make the right decisions in and around health. If your party's priority is welfare, stand up and say that. My party will have the priority of health, and I will not shirk from that. Perhaps you would like to confirm that welfare is more important to you than health.

The Chairperson: In response, Minister, I do not want to turn this into a welfare cuts debate. The Minister knows rightly and only too well the party's position and all the parties' positions on welfare cuts. The issues in your Department predate the debate and debacle around welfare cuts. That is factually correct. The pressures in the health system well predate those issues. There needs to be an acknowledgement of that and a separation of this issue.

I go back to the comments that I made and the direct question in relation to the two references to mismanagement of the health budget from your party colleague, the Finance Minister: was that advice ignored in January and June?

Mr Poots: In terms of the financial position, I made it very clear that, over the past three years, we have been living very close to our budget but have been able to remain within it. I have appreciated the support that I have received from the Finance Ministers — Mr Wilson and Mr Hamilton — in ensuring that we were able to expand services, ensuring that we were able to do things like buy cochlear implants for children who are deaf and in ensuring that we were able to invest in areas around diabetes, which will make a transformative difference to people's lives as a result of investments that we received. For example, with regard to NICE drugs, when I came into office, the waiting time was nine months for people who needed anti-TNF biological drugs. Rheumatologists were saying that that was hugely detrimental to people with arthritis. We have slashed that time to under three months. A course of work has happened and investments have been made through the Finance Ministers and through the Executive in health, which is making a considerable difference.

In terms of the £13 million overspend, that was purely on the basis that I would have had to stop a lot of the elective procedures that were identified, and, consequently, those things would have been pushed back into this year. In the middle of the financial year last year, we were looking at a £7 million underspend. The trusts came to us and said, "We have difficulties. We are looking at £60 million of a gap". Over that time, that was reduced, and we still managed to carry out a large number of elective procedures. However, those numbers have started to rise on the back of that, and that is something for the Executive to look at. I hope that the Committee will support me in going to the Executive. I do not pick it up much from the Chair at this stage, but I hope that I will have the Committee's support in fighting for the resources for healthcare in Northern Ireland. It would be useful if the Committee Chair would clarify whether that is the case.

The Chairperson: I think that you have the Committee's support, and you certainly have the Chair's support in making sure that we have robust health service delivery and that we have proper oversight and mechanisms in place that provide that proper and accountable health service. That is the support that you will receive from the Committee.

I ask the Minister this, in closing this part, and I know that a number of Members have indicated: are you giving us an assurance today that, in your belief, the budget to date has been properly managed —

Mr Poots: Absolutely.

The Chairperson: Absolutely — and that money has gone in the right direction at all times?

Mr Poots: If you are asking me, "Is there waste in the health service?", I would say that there is. If you are asking me, "Is there waste in every other Department?", I would say that there is. If you are asking me, "Have we reduced the amount of waste over the past three years?", I would say that we have. Is there more work to be done? We have more work to do. We will continue to pursue those things where there is wastage. It is good when Members come forward and identify those things and we can follow those up. However, the vast majority of our money is being well spent and is providing good-quality care for the people of Northern Ireland. Indeed, just a few days ago, Dr Tom Black said that, up until this point, we had been providing a world-class health service. That is not a DUP Health Minister's statement but that of the leader of the independent representative body of general practitioners. We are providing a world-class health service, and we should never forget that. Why would we move away from providing a world-class health service? Dr Black sees the potential for a move away from that should we do these things. I see it, and I hope that the Committee will see it and that I will get its support in fighting for the health service as opposed to having the Committee oppose me.

The Chairperson: With respect, Minister, what I will point out and what the World Health Organization and others will point out is that the health inequalities gap is increasing as opposed to decreasing. Finally, why, if it is a world-class service and is doing all that has been outlined, did you fail to convince your party colleagues to increase the allocation in this monitoring round?

Mr Poots: Health inequalities will increase further as a result of this. If someone has money and needs a hip replacement, that person will get the hip replacement. It is the poor people who will be deprived as a result of this.

My party asked for more money and was supporting me to get more money. This was done on the insistence of your party, and we can identify that from the tracked changes. The tracked changes are there, from your party officials, that removed half the money that was being allocated to health. Again, Madam Chair, you need to look at how your party has performed in this. It has performed despicably. It has attacked and undermined the health service in a way that has put me in a wholly untenable position, because I cannot in all conscience carry out the proposals that have been put before me by Ms Thompson, who, incidentally, does not want to see the cuts carried out, because of the impact that they will have, as identified by Dr McBride. I cannot do it. We have to change the direction in which we are going as we move forward, because what is before us and what was put before me is unacceptable. I am not in the habit of crying wolf, by the way; I have not done so over the past three and a half years. I have lived within the allocation and bid for more money, which I must be able to do, but I have now identified that we have reached a crunch point, and I need the backing of the Assembly, the Executive and, indeed, the Committee to ensure that we continue to provide the world-class health service identified by Dr Black.

The Chairperson: OK. Finally — absolutely finally — Minister, does that change in direction require more scrutiny or oversight of your budget and your Department?

Mr Poots: The Committee has been scrutinising me for the past three and a half years —

The Chairperson: Is more required?

Mr Poots: — so has it failed to identify the weaknesses? I am saying clearly that we have been spending our money well. There are areas of wastage that we have reduced, and there are other areas of wastage that we need to go after, but, on healthcare, we are spending our money well.

The Chairperson: Again, Minister, I want to drill down on this point: that is contrary to the statement made to the Assembly and to the comments by the Finance Minister about "poor budget management" and about it being "hugely disappointing".

Mr Poots: If you look at the underspends over the past number of years, you will see that we have been excellent in how we have been delivering. If you have well over £4·5 billion and are coming in at around £10 million or £15 million, plus or minus, you are very close to the mark.

I make no apologies here. The health service has not been handing back tens of millions to the Executive and saying, "We don't need this, because we are not spending it on health". We are

ensuring that as much as possible of the money that we are allocated is spent on healthcare. I always hear the media criticise Departments for handing back money to Westminster. You may think that that is a good idea and a good policy — in fact, as things stand, your party has that policy — but I think that it is much better to spend that money in Northern Ireland and for the Health Department to spend it on the healthcare of the people we serve.

The Chairperson: With respect, Minister, there is a direct question. The Finance Minister referred to poor management and said that he was hugely disappointed about the budgetary process: is that not accurate?

Mr Poots: I am making it very clear that we have managed our budget well. I have continuously —

The Chairperson: So the Finance Minister's comments are not accurate.

Mr Poots: We have continuously managed our budget well.

The Chairperson: So the Finance Minister's comments are not accurate.

Mr Poots: You make whatever references you wish, but we have been managing our finances well and can stand over that.

Mrs Dobson: Thank you, Chair, for the warm welcome to the Committee.

Minister, I did not think that my first Health Committee would be a recall meeting, but maybe, if I had the powers of your predecessor as Minister, I could have predicted it four years ago. I will ask a number of short questions, so I would appreciate it if you could give me concise answers.

To set the record straight, do you acknowledge that the cuts in the June monitoring round and the limited finances available for reallocation really had nothing to do with welfare reform? The public are very interested; outside the Building, they are genuinely concerned about the future of their service. Was this a deliberate attempt to mislead the public when in reality the issues had been simmering for many months? In essence, when specifically did you realise the severity of the funding shortfall in the budget? Were you not advised by your senior officials in 2011 and 2012 about the issue? Why speak only from May of this year?

Mr Poots: You are completely wrong about the welfare reform aspect. At the outset of the year, it is normal practice for Finance Ministers to have around £100 million or £150 million for overspend, because Departments always come back and say that they have not spent their full allocation. They will always have that bit of flexibility built in at the outset. In the June monitoring round, that was entirely removed. That was a wise thing for the Executive to do, and it was done because Sinn Féin refused to build in welfare fines at that point. So, we have taken it from one part of the Budget, and now it does not exist. It will, no doubt, be used in October and across the rest of the year to pay those fines. That is what happened, and I hope that that helps the member to understand that aspect of financing.

As for budgetary concerns, as I outlined to the Chair, we have managed, within the resources allocated to us, to carry out the services that we have, to take on many hundreds more nurses, to take on an additional 200 doctors and to reduce waiting times for NICE-approved drugs by 65%. We have managed to reduce waiting times for outpatients by 24%. All that was progressing very well until the middle of last year, as I indicated to the Chair. We predicted that we would have a £7 million surplus. That became an issue around August last year when the trusts started to report that they were facing additional pressures. At that stage, they indicated that the consequence was that they would require a further £60 million. That is the background, and it is not a background of three and a half years ago. I have dealt very clearly with the circumstances and the advances that have been made. It is a more recent issue and problem.

Mrs Dobson: Minister, from your opening statement, it appeared that you were here maybe to receive a pat on the back from the Committee for all that you have done. That is quite baffling, given the real reason why you are here.

I will ask Michael McBride a quick question before I go back to the Minister. Mr McBride, what concerns did you have on the budget agreed in 2011? When did you first bring those to the Minister's attention? Do you feel that he listened back then?

Dr Michael McBride (Department of Health, Social Services and Public Safety): I became aware of the budgetary pressures when they emerged, at the same time as the Minister has indicated, in the summer of 2013. Obviously, I made those concerns known when it became clear. As the Minister has indicated, also, we have had the benefit, over the last number of monitoring rounds, of securing additional resource from the Executive, and that has been much welcomed in addressing some of the escalating pressures that we see in the health service.

It was quite clear, as the Minister has indicated and indeed as the record will show — Julie can talk to the detail of it — that there has been ongoing communication between the Minister and other Ministers. Information has also been conveyed to this Committee about the pressures as they were emerging. When the outcome of the June monitoring decisions became clear, it was obviously my responsibility to advise the Minister of my concerns about the potential implications. I might add that those are in relation to the flexibility and a factual statement of the potential savings available to the Minister to break even. Those papers and the summary that members have before them demonstrate clearly that the implications of the cuts are quite wide-ranging. It was my professional duty to raise my concerns, and I did so at that time to the Minister, as he has indicated.

By way of illustration, I will add that the potential implications of this at this time of the year would go not only to wider public health and some of the issues there but to the quality of services that we provide. This is very important in terms of the efficiency and effectiveness of those services. I will tease out some examples because that is hugely important. So far, we have considered numbers, and I think that it is my responsibility, as you mentioned, Jo-Anne, to explain to the public and reassure them about the actions that we are taking and some of the genuine concerns that I have. It is easy to forget that behind all of these numbers and the talk of millions, £0·7 million and £2 million that there are services that people depend on. It is important that we get a picture of that.

Members have the summary paper at appendix 2, and I will highlight two particular areas: emergency department (ED) capacity planning and winter pressures. Now, I do not need to inform the Committee about some of the pressures that our EDs have faced over the last period of time. We have seen attendance at accident and emergency departments grow by 1·8% over the past year, and we have had a 7% increase in emergency admissions. Despite that, this winter, we had 1,085 people waiting for more than 12 hours in our emergency departments. That is 1,085 too many, but compare that with 2011-12, as the Minister indicated, when that figure was some 5,500. Obviously, winter brings a range of pressures with it, and, as in previous years, we had measures that we had planned to put in place to address some of those pressures. Clearly, we will not be able to put those arrangements in place, if these decisions materialise into actions.

Transforming Your Care is on the same page. It mentions a sum of money, but what does that actually mean to people and what will it mean to services? It will impact ultimately on the efficiency and effectiveness of our services and our ability to transform services in a way that will meet the growing needs of an ageing population. It will mean, specifically, that the planned investment in September this year to detect atrial fibrillation in older people attending for their flu vaccine — some 238,000 older people — will not happen. That check has the potential to prevent 144 strokes and means that some of the advances in stroke therapy will not proceed uniformly across Northern Ireland. Only two trusts — the Northern Trust and the Southern Trust — will proceed with projects to improve stroke care. It also means that some of the enhanced home care arrangements that we had planned to put in place will not happen. I am conscious that I am taking up a bit of time, but I think that this is hugely important.

Some 25,000 people in Northern Ireland — some of the most vulnerable — depend on domiciliary care. They require those services to meet their basic needs — things that you and I take for granted. There was a 7% increase in demand for domiciliary care in 2013-14, which is another sign of the pressure on the health service. That is 800,000 additional hours of domiciliary care, costing some £12 million. Some of the decisions that we are faced with now have the potential to bring about a reduction of 4% over 6 months, taking out something in the region of 225,000 hours of domiciliary care.

As I look around, I am not certain that too many members of the present Committee were here when I was here in the past. I remember attending the Committee under previous Chairs and being, quite rightly, challenged on the waiting times for NICE-approved drugs, which were completely

unacceptable. Back in 2011, we had 393 people waiting for drugs for inflammatory arthritis, and 290 of them had been waiting for more than three months. In June of this year, no one had been waiting for more than three months. If these decisions are made, the consequence will be that more people wait for NICE-approved drugs, and we will have to develop a waiting list for people to access not only drugs for arthritis but drugs that people currently receive for MS, inflammatory bowel disease and a range of other conditions. That is not even to mention the new drugs that NICE will approve next year. That means people waiting in pain and potentially, if these decisions materialise, developing complications. It is a matter of "if they materialise" because, at this stage, we are talking about a hypothetical situation, and it is important to emphasise that. Those complications will ultimately be more costly.

I move on to cancer services. We know the deteriorating position with cancer access targets. We have particular issues in relation to introducing an acute oncology service, which is for people who are on chemotherapy, develop sepsis and do not then need to attend our A&E departments. We have pressures in relation to introducing new radiotherapy techniques and the cancer service framework. With 8,500 new cancers a year, we certainly need to invest in our cancer services. There are a number of potential capital schemes that have an impact.

The Chairperson: I will interrupt, Michael, if I may. I am mindful of the detail and that the question was about when you became aware of the budgetary pressures.

Dr McBride: I have answered that.

The Chairperson: The Committee is fairly well informed of some of the issues and challenges etc, so I think that we are potentially getting into too much of the finer detail at this point.

Dr McBride: I accept your point, Chair. All I will add is that there are other examples that I would wish to draw your attention to, but, in the interests of time, I accept the point that you make. I was made aware at the same time as the matter arose.

I will just add finally that, even on the basis of what I have highlighted to date, you can understand why I could not recommend these cuts to the Minister, nor, indeed, could I support their implications for the health service in Northern Ireland and the patients and clients who depend on it.

Mrs Dobson: Michael, thank you for your very detailed answer. The 2011 Budget was insufficient, as predicted, and you say that you made the Minister aware of the concerns in the summer of 2013. I am concerned that the detail is being lost in the millions of pounds. As you correctly outlined, it is the public who will suffer.

Essentially, we are fixing the roof of a building that was built in 2011. Minister, why do you think that the Executive did not meet this week? Did you ask for an earlier recall? I know that Danny Kennedy certainly would have supported it. The power to change the Budget rests not with the Committee but with the Executive. I appreciate, Chair, that concise answers are important. Minister, have you spoken in person to your party colleague the Finance Minister in the last couple of weeks on the crisis? Do you know where we are with your calls for political and personal support for the First Minister as leader of the Executive?

Mr Poots: Dr McBride, on my behalf, has been in touch with the head of the Civil Service in relation to the Executive meeting. I understand that there will be an Executive meeting scheduled for Tuesday coming, so those matters will be dealt with there. I will be happy to outline the issues. I need to correct you on the 2011-13 comment that you made immediately after Dr McBride: this problem has arisen since August 2013. When we came into office, we put in place a plan with the budget that we had. We did not pay off thousands of staff; in fact, we took on hundreds more nurses and hundreds more doctors. We shortened the waiting time for NICE drugs. We shortened the waiting list. This is a recent problem; it is not an old problem.

Mrs Dobson: Chair, if I may, I have another supplementary. I think that that is where we will disagree.

Mr Poots: The facts speak for themselves. If you want to ignore them, that is a matter for you.

Mrs Dobson: I do not ignore any facts, Minister. It is our role here to scrutinise and to get the detail from you.

Given that the trusts report their position at the monthly board meetings and that this is passed to your permanent secretary and the chief executive of the HSC Board, why are both of these people not accompanying you to the Committee today? Can I ask whether you receive a monthly briefing on the delivery and financial positions of the trusts?

Mr Poots: I think that the people whom you have at the Committee today are perfectly capable of dealing with the questions that are to be asked. Ms Thompson is in constant contact with the trusts, with the Health and Social Care Board, with the Public Health Agency and with the arm's-length bodies —

Mrs Dobson: Are you?

Mr Poots: — on my behalf and will report to me. That is her role. She looks after the finances from the Department's perspective. Where there are problems and issues, those will be identified to me as soon as they come to her attention. Dr McBride is here on behalf of the medical side. It is important that he is here, given the comments that have been made associated with the cuts that were proposed. I am not sure whether it is appropriate for Julie to respond at this time, given that it is her role.

Ms Julie Thompson (Department of Health, Social Services and Public Safety): There is certainly a considerable amount of liaison, through the HSCB predominantly and directly with the trusts about their financial positions. Those are monitored on a monthly basis. They are reported to our departmental board and, routinely, submissions go up to the Minister as and when figure work changes. Obviously, a considerable number of submissions have been ongoing from September 2013 right through to now, as the position has gradually become clearer and worsened as we look forward.

Mrs Dobson: I will sum up, Chair, if that is OK.

Finally, Minister, 39 months have passed since you became Minister. That is 39 monthly reports from the trusts. Why then has it taken so long before you have chosen to, essentially, ring the alarm bells? Can you explain when you first became aware of the problems? In essence, you have spent a lot of time reviewing important areas, including Antrim, the Royal, children's heart surgery and, indeed, organ donation, but no improvements have been made as a result of these. Have you taken your eye off the ball in terms of the trusts?

Mr Poots: I know that the member is probably reading herself into the brief at this stage, but, if she looks at those issues —

Mrs Dobson: I have been dealing with health issues for a very long time.

Mr Poots: If she looks at those issues, she will find that there has been a dramatic improvement in many of the areas, including organ donation, particularly in live organ donation. The progress that has been made there has been absolutely fantastic, and we have been able to support that and ensure that the finances are available to do that. Again, organ donation is one of the areas that are threatened as a consequence of this, given the financial position that has been put to us. That is one of the reasons why I have difficulties in accepting the proposals and one of the reasons why I will not accept the proposals that are being put to me.

I did not have cause to ring alarm bells over the last 39 months. When we had an issue last August, we were able to have most of the money put in place for last year. I rang alarm bells in April of this year. It was August of this year before you seemed to pick up on it. You were made aware of the issues in April. The First Minister and deputy First Minister were made aware of the issues in April. As the deputy First Minister left the meeting, he said, "We will have to see how we can help you", and the assistance and help was to slash what was being proposed to come to the Department of Health by half.

I need support, and I need help to ensure that we can do this. I hope that the Assembly, the Executive and, indeed, the Committee will give me that help and support to ensure that we continue to provide a world-class health service to the people of Northern Ireland.

Mr McCarthy: Minister, when your officials, including Julie, came to the Committee on 28 May to discuss the Department's approach to the June monitoring and its priority status, as has been said already, your figure was £160 million. At that time, I asked what would happen if that funding was not forthcoming. You will remember, Julie, that the implications, as pointed out in that paper, were that waiting times would be longer, your targets would be compromised and the safety and quality of services to patients may be compromised, as would the ability to deliver statutory requirements to the population. As you may remember, Julie, I described those consequences as shocking, horrendous and dreadful. That was in May. Three months later, we are told that £20 million has been suggested by the Executive to the Department of Health, provided that the Department of Health carries out some improvements. We now get this letter from the Minister — from you, Mr Poots — that describes the consequences. I have to say that I could use even stronger language to condemn what is in it.

We in the Alliance Party are open to considering additional resources for health and social services, but that has to come in the context of a proper strategic review of expenditure across the Executive. We simply cannot continue to put money into the Department of Health that will subsequently be mismanaged or, some might say, squandered by the Minister and his Department. Given what you, Minister, said in relation to the £140 million deficit, do you accept the authority of the Executive to set the budget for your Department and that you have the legal responsibility to maintain expenditure within those agreed limits? I understand that, as recently as 2013-14, which is the last financial year, your Department stressed that it could live within its budget. What has changed so dramatically? Indeed, as others have said, our constituents deserve better. As members of the Assembly and the Health Committee, we must always strive to provide the best health service, as the Chair said, to every section of our population.

Those are my questions. I would be grateful if you could refrain from using four words in answer to my questions, and the four words are "Sinn Féin welfare reform".

Mr Poots: I am happy to use a different form of words, although those words are very important and need to be emphasised because they are a reality.

I note what the member said about squandering money and about having the ability to squander money, and he is speaking on behalf of the Alliance Party. In the Royal Victoria Hospital, for example, which is under regular pressure in its emergency department, I wish that I could spend £1 million a month on something that might happen, in the way in which we have police sitting at Twaddell Avenue for something that has never happened —

Mr McCarthy: Here we go again. This is going into flags, Chair. This is ridiculous.

Mr Poots: The member asked a question. He did not just ask a question; he made a statement about squandering money and how this Department could get money only if it demonstrated that it was not squandering money. He did not identify that we had squandered money. I am saying very clearly that I wish that we could put £1 million worth of nurses a month into the Royal Victoria Hospital to sit there and wait for problems to arise. We would not have ED in the headlines on a regular basis if we had that £1 million a month. I wish that we did not have to give £20 million out to legal aid because that matter was not dealt with, if Mr McCarthy is speaking on behalf of the Alliance Party. We will continue to work hard to live within the budget that is given to us.

With regard to ministerial responsibilities, I have conflicting responsibilities here: I have responsibilities to meet the Programme for Government; I have the responsibility of meeting minimum care for the public; I have responsibility to live within my finances; and I have responsibility to ensure that, when matters are controversial or cross-cutting, I take those decisions to the Executive. That is what I have said I am doing. Some of these matters are of such a controversial nature that a Minister who made such a decision would be liable to challenge in court. Therefore, it is a matter for the entire Executive to take such a decision. That is not surrendering my responsibilities: it is acting appropriately within the ministerial code, which the member should perhaps take a look at.

Mr McCarthy: It seems to me that in passing the buck, if I can use that term, to your Executive colleagues, you are not fulfilling your responsibilities as a Minister. I would have thought that, when you signed the Pledge of Office, you became responsible for the Health Department. Now, you are clearly saying that you are not and will try to drag in the whole Executive to make decisions that you cannot make yourself.

Mr Poots: I am responsible to the Assembly, the Executive and the people of Northern Ireland for my decisions. It has been made clear by the courts in Northern Ireland that, where matters are of such a controversial nature, you bring them to the Executive. For example, if I was to do something different on pay from every other Department, I would expect that the unions would have me in court very quickly and a judge would make a ruling and say, "Actually, you should have taken that decision to the Executive". I am acting properly in saying that, if you want us to make these savings, here are the recommendations that are coming from officials, some of which are hugely controversial, and I am not, therefore, in a position to make them independently of the Executive. The Executive will have to step in at that point and ensure that they support such decisions.

Mr McCarthy: Finally, in relation to the budgets and your bids, I notice that, in the last number of years, you have made bids — in 2011-12, it was £20 million. These are bids that you have made over and above your budget. It seems to me that, for whatever reason, the Department is not living within its budget. Every year, it has to bid for money. In 2013-14, you had a bid in for £185 million, and you got £54 million. On and on it goes. There does not seem to be an end in sight, where you can live within your budget and provide the first-class, world-class care that we all want to see for our constituents.

Mr Poots: Again, the member should look at what is behind the bids. For example, one of last year's bids was for additional domiciliary care. Dr McBride outlined the number of hours involved as being some 800,000. Does the member suggest that it is not good to provide that additional domiciliary care to ensure that our vulnerable elderly people and people with disabilities receive support in their own home? We bid, for example, for some £5 million for childcare support. That was because of the headlines about Savile, which showed that children were in a much more vulnerable situation and more — significantly more — were being identified to us. Does anybody suggest that children who are being abused should not receive support when that is being identified in additional numbers? I am glad that the Finance Minister supported me. I am glad that Mr McCarthy was not the Finance Minister in that instance. Then, we had clinical negligence. Some of this goes back for decades. It goes back many, many years. As a result of the work of the Public Accounts Committee, the Northern Ireland courts are now dealing with these matters much more quickly. The consequence of that was that our bill for clinical negligence more than doubled, and we required large amounts of money to pay out on those issues. So, some of these things are unforeseeable and, indeed, unavoidable. The member would do well to look at that, as opposed to just throwing out numbers.

Mr McCarthy: Let us just go to Transforming Your Care, for instance, which we all supported and hoped would work out. You have bid for £21·3 million, which you are obviously not going to get. Where does that leave Transforming Your Care?

Mr Poots: Actually, £13 million of that has been allocated, so the difference is £8·7 million. Transforming Your Care will continue to happen, and it will continue to roll out. Dr McBride explained that a number of trusts would fall behind because some are more advanced than others in delivering Transforming Your Care. However, many significant things are happening publicly in Transforming Your Care. For example, more people who require blood transfusions or, indeed, IV antibiotics have it carried out in their home. Considerable work is going on in reablement and in getting people who have had a stroke back on their feet. A lot of work is being done. I encourage members to visit some of the trusts' projects that are happening under Transforming Your Care so that they can see the transformational difference being made to the lives of individuals who have been very unfortunate and, consequently, very unwell.

Mr McCarthy: Finally, Minister, how are you dealing with our GPs? Everyone knows that, under Transforming Your Care, our GPs are under enormous pressure and are at breaking point. Will you be able to sort them out?

Mr Poots: Not under this Budget. One of the issues that I have identified is that out-of-hours GP services will be cut. That is an unsatisfactory situation, because, if people do not receive care from GPs, where do they end up? They end up in our emergency departments.

Another area proposed to be cut is social care and domiciliary care, which people require when they are exiting hospital. Another area to be cut was radiology, where people are diagnosed. All those cuts will ensure that people spend more time in hospital. We have made considerable progress in reducing the time that people stay in hospital by 11%, from 6·7 to 6·1 days. That has been an area in which we have saved considerable amounts of money, and that will be undone if we allow this Budget to go through as it stands.

Mr Brady: Thanks for the presentation. You rightly mentioned a world-class health service. It seems, from the paper that you have given us, that that will disappear overnight. I was delighted to hear your compassion for the poor people who will not get operations, rightly so. Unfortunately, your compassion seems to stop when it comes to welfare cuts. You are the one who raised the issue of welfare cuts, so I feel the need to respond.

First, I refute strongly the accusation that my party has behaved despicably. You are being disingenuous. You have told me on several occasions, in answer to questions that I have raised with you, that health is not political. You have certainly made a big issue of making health political in the past while, which is a point that I want to get across.

You talked about squandering money and about controversial issues being taken to the Executive. When you were taking court cases about blood transfusions and single-sex adoption, you did not feel the need to take those issues to the Executive, yet you spent a lot of money. There is £50 million to £60 million being spent on private procedures that could well be spent in the health service. There are other issues, such as the bonuses paid to consultants — something like £34 million — that you signed off on.

On the whole issue of welfare cuts, £4 billion has already been taken off the Executive's budget by the British Government, and that is before welfare cuts start to kick in. That leads me to a question that I want to ask Dr McBride. A recent 'British Medical Journal' article talked about a public health emergency as a result of welfare cuts in Britain and the proliferation of food banks. The number of people being admitted to hospital with malnutrition has more than doubled, and the number of people using food banks has gone up by something like 500%. Already, we are seeing food banks introduced here, and that is happening before the cuts kick in.

Minister, you talked about our approach to welfare. I would have thought that welfare and health are inextricably linked. People's well-being depends on their health, and their health obviously depends on the service that they get, which is free at the point of delivery. You have created a doomsday scenario by saying that this is all going to happen overnight. You have used welfare cuts as an excuse, almost as a get-out clause. Your time would be better spent on convincing your colleagues, particularly the Finance Minister, of the need for more money.

My party is fully supportive of the health service and will continue to be. We recognise that the health service faces many issues, and we can only support you in addressing those issues. However, you are being totally disingenuous when you make a political issue out of the health service, which you have continued to do over this past while. You really need to step back and take stock of what you are suggesting.

Mr Poots: I am a politician, and we are all politicians, so we deal with politics daily.

I am glad that your party is supportive of health. I would not like to be working under the savage cuts that you might make if you were not supportive of health, given the circumstances that your party has put us in at this stage.

Many of the welfare reform funding issues that Sinn Féin raised in the first instance — bedroom taxes and all sorts of things — have been dealt with. We have the best deal on welfare reform of anywhere in the UK. It really gets to me that I have people who get up, come into work every day and get around half the proposed cap on welfare reform. One of Sinn Féin's sticking points is that there is a cap of £26,000 in your hand, which is the equivalent of £35,000 before tax for an individual person. I have people getting up for less than half that. Consequently, I may not be able to give them the pay rise that they deserve. It really annoys me that the working poor in the health service will not get the support or the pay rises that they should get because of this. That is one of the issues that I have. I am actually standing with the trade unions on this occasion and saying that that is not right. Sinn Féin is the party that is actually introducing the cuts to the Department of Health to allow that to happen, so I will not take lectures from your party on this matter.

It was very clear that the DUP put in the bid in the first instance. Simon Hamilton produced the £40 million, not me. That was not enough, but at least I could go back in October. However, the paper that came out stated that it would be half of that and that I was not getting any more for the rest of the year. At that point, I said to my permanent secretary, who is the chief accounting officer, "Right, we need to work up the paper". He said, "What do you want done?", and I said, "First and foremost, I want the savings that can cause least pain to be identified". Even after that was done, this is where we arrived in terms of the available money.

I have not created a doomsday scenario; I have stated the facts. If, in the member's view, the facts relate to doomsday, those are the circumstances that we find ourselves in. It is not concocted. I note that none of the members who have asked a question thus far has identified that these are concocted figures or ideas. It is just a fact of life. It is a reality that we have to deal with.

Mr Brady: Just to finish, Minister. I do not want to get into the debate about welfare cuts — that is for another day — but, given that you raised the issue of the benefit cap, I will say that what you are suggesting is, with respect, arrant nonsense. You are suggesting that people on benefit are well off and that the benefit system is some sort of saviour for people, which is absolute nonsense. A single person on income-based benefit has to run a household on £72·40 a week. Now, the working —

Mr Poots: They are not worried about a £26,000 cap then.

Mr Brady: There are only approximately 640 families in the North who would be affected by the benefit cap.

Mr Poots: Why are you holding out for that while we are paying fines?

Mr Brady: The reason is that those families have larger numbers of children. By the introduction of the benefit cap, you are suggesting that almost 4,000 more children are put into child poverty. In the Programme for Government, the Executive are committed to the eradication of child poverty, so you really need to check your facts before you come out with statements like that. To suggest to me, as somebody who has worked in the benefits system for a long, long time, that people on benefit are well off is absolute nonsense. Your argument falters and fails when you come up with that kind of argument, which is insipid at the very least.

You said that you are a politician. You are the one who has said to me in the past that health is not about politics. You are the one who said it, not me. I am just putting that point back to you. I will finish by saying that you really need to go back to your colleague the Finance Minister and convince him of the need for extra money, because he also signed off on the Budget.

Mr Poots: He is totally convinced that setting aside £8 million to go back to London is a waste of money that would be better spent on areas such as health. The Member is sitting on the Health Committee, and he has had a fair go on welfare issues. He has accused me of saying a range of things that I never actually said, but he has decided to construe them in that way. The fact of life is that many people who are working day and daily in the health service will be getting half or less than half of the cap. He is making the argument to sustain his party's position that £26,000 is not enough and that people on welfare should get more than that, while, as a consequence of his party's actions, people who are on £15,000 or £16,000 a year may have to live with a 1% pay rise, which is below the rate of inflation and either receive incremental pay or just 1% but not both. That is a position which, I think, is untenable for most of the people in Northern Ireland. As they look on, they will wonder why Sinn Féin wants to pay people more not to work rather than to give to those who are actually out working.

Mr Brady: No. What Sinn Féin wants, Minister, is the creation of jobs that pay proper wages, not necessarily the minimum wage, and, with respect —

Mr Poots: The Executive have created 10,000 jobs over the last year. There are 10,000 people fewer claiming unemployment, and that is where the real solution lies: creating work, training and opportunities for people and good healthcare and education. That is where the focus of the Executive needs to be, and that is where the focus of me and my party is.

Mr Brady: Unfortunately, like many other people, they are propagating the myth that people on benefit actually like being on benefit.

Mr Poots: I never said that.

Mr Brady: No, but you are suggesting it by implication.

Mr Poots: I did not.

Mr Brady: Of course you are, and you cannot deny it.

The Chairperson: I will move it on, folks, because a number of members are still waiting patiently.

Mr McKinney: As a member of the Health Committee, I and, indeed, the whole Committee have to be completely reassured about a budget demand or threats over cutbacks, before we would put our hands up to support that expenditure. Members need to be doubly reassured, given the extent to which the Minister drags wider political and welfare issues into the argument, given the context, indeed, within which internal DUP politics may come into play and absolutely within the context that the Minister himself has outlined, which is wastage in the health service. In the context of the last point, Minister, can you give me a figure or an estimate for how much wastage there is in your £4·6 billion budget?

Mr Poots: It will be a small percentage.

Mr McKinney: What sort of percentage?

Mr Poots: It will be a small percentage of the overall budget. Many of these things are hard to identify in the first instance, but some of the areas that will be looked at will include, for example, diabetes services, cancelled operations and emergency hospital admissions. Sometimes, a debate will take place on whether someone should have been admitted to hospital in the first instance. The Northern Ireland Audit Office has carried out work, for example, on safer births and the private practice arrangements that the HSC bodies were prescribing in primary care. All those courses of work happen on a continuous basis with the assistance of the Audit Office, and we appreciate the advice that it gives us in the work that it carries out purely as an auditor.

Mr McKinney: I notice that you have not answered the question. In the context of that wastage and the other issues, you can understand, Minister, why you cannot take for granted the support of the Health Committee for your demand.

You have mentioned one issue around waiting times. Can you explain to me why the Department cannot explain the reasons for the 191,000 hospital cancellations last year?

Mr Poots: The figure for cancellations is coming down. That is something on which progress has been made. We would like to see more progress, but there are numerous reasons why hospital appointments may be cancelled.

Mr McKinney: How much money do those cancellations cost us?

Mr Poots: Let us see what the figures say. In 2013-14, there were 34,000 outpatient appointments and 133,000 review appointments cancelled. The total number of appointments cancelled by hospitals remained stable. The number of first outpatient —

Mr McKinney: I appreciate the numbers, Minister, but how much is it costing us?

Mr Poots: I am not sure, Julie, whether you have the figures—

Ms Thompson: Certainly, it is an area subject to targeted reductions. In the acute sector generally, we expect to take out a further £10 million in cash release during 2014-15. As the Minister said, total savings over the past three years were some £490 million.

The savings come from a range of issues, and it is difficult to look at any one in isolation because you are looking at reducing the length of stay, encouraging the use of day cases and bringing people in on the day of surgery. When the trusts are planning for their savings, they do not look at one aspect in isolation; they look at the totality.

Mr McKinney: Do you accept that we have already paid for the existence of the appointment? Is there a read-across, then, to the extent to which we are also buying in the private sector to relieve the queues that have built up as a result of our cancellations?

Mr Poots: Quite a number of those will be in circumstances in which, for example, people are unwell and, therefore, not available. Very often, these staff are working with vulnerable people and cannot

afford to pass on any infection. You will have occasions when surgical people, for example, are called on to carry out emergency surgery.

We believe that that figure can continue to be reduced, but a massive number of these cancellations are unavoidable. So, throwing out a high figure for hospital cancellations and saying that we can, therefore, save all of that money, would not stack up.

Mr McKinney: My point, Minister, was that when we interrogated the Department, it could not tell us why this was happening, yet we are making other financial decisions on the back of it.

Mr Poots: Why cancellations happen?

Mr McKinney: Yes. The Department did not know and was not able to tell us.

Mr Poots: I have just given you a couple of reasons why cancellations happen.

Mr McKinney: Yes, you have, but not in their entirety and across the full breadth.

Mr Poots: Dr McBride might be in a position to do that.

Dr McBride: I appreciate that, and, indeed, you did interrogate the Department quite extensively on concerns about cancelled outpatient appointments. That was, I think, back in February 2013. Quite rightly, members asked a range of questions about the reasons for cancellations, including, for instance, the percentage cancelled by patients.

The current PAS system lacks some sophistication. If, for instance, a patient's appointment is brought forward, it is counted as a cancellation. If a clinic runs but is run by a different doctor, it is counted as a cancellation. We need to understand the range of factors that lies behind the figures to determine how we drive out further efficiencies.

A working group was established following the meeting in February, and I know that departmental and trust board colleagues are working extensively to see what additional refinement can be made. However, look at the new patient DNA rate or, indeed, at the review outpatient DNA rate. The new patient DNA rate remains at around 7% and has done since 2009-2010. If we benchmark ourselves against England, we see that that is lower than the English average of 7·7%. The review outpatient DNA rate has reduced from 11·9% in 2009-2010 to 10% in 2013-14.

There is clearly still room to go. You are absolutely right. I signal only that there is evidence that efficiencies are being made and that the service is bringing about improvements, as the Minister made clear in his opening comments. Is there more to do? Absolutely, there is much more that we can do.

Mr McKinney: By how much has Transforming Your Care now been underfunded?

Dr McBride: Again, I think that Julie has those figures. The Minister mentioned them earlier. My recollection is that bids in excess of £21 million were made in the October monitoring.

Ms Thompson: Yes, in the June monitoring, the bid was for £21 million. At this point, some £8·7 million is on the list.

Mr McKinney: Since the start of Transforming Your Care, how much has it been underfunded by, given the projections of spend?

Ms Thompson: We received £9 million last year against a bid of £27 million, if I recall rightly. I need to check that number, but we certainly received £9 million last year and £19 million the previous year.

Mr McKinney: So there has been —

Ms Thompson: We bid for £21 million and have already spent £13 million of that.

Mr McKinney: Do you accept, Minister, that there has not been proper funding, that there has not been proper measurement against proper targets and that there has not been proper implementation of Transforming Your Care?

Mr Poots: What has been identified is that £42 million has been spent on Transforming Your Care. Would I have liked to spend more at that point? Yes, I would, and we would save more money the earlier it is implemented.

Mr McKinney: Do you accept that that is a major flaw at the heart of your present management of the health service?

Mr Poots: Absolutely not. We have bid for the money, and the money has not been available because other Departments have had needs and the Executive have made the allocations on the basis of the needs that they identified.

Mr McKinney: I am not pointing the finger of blame: I am asking whether this is a flaw at the heart of your health service planning.

Mr Poots: It is not a flaw.

Mr McKinney: It is not the way you would have wanted it to go.

Mr Poots: One has to work with the resources that are made available, and there was criticism because we marginally went over our resource last year. Transforming Your Care has been identified as a means of dealing with the tsunami of care that we need to provide. Look at things like chronic illnesses, for example: between now and 2020, we anticipate a 30% increase in heart conditions, diabetes, COPD and asthma. In areas like the South Eastern Trust, the rise in cancer rates over 18 months was something like 42·2% — absolutely incredible. Those pressures are all coming our way. Transforming Your Care is a means of ensuring that we can absorb those pressures without coming back to the Executive over and over again looking for billions of pounds.

Mr McKinney: Do you accept that it is not being funded and therefore your targets cannot be met, cannot be implemented and cannot be measured and that, given that we are now in year three of the process, that is a major failure in the system?

Mr Poots: We were looking for three- to five-year delivery of Transforming Your Care. It is going more towards the five years as opposed to the three years as a consequence of that.

Mr McKinney: You have not done significant measurement of that. In fact, when I asked for that measurement in the past, it was not forthcoming. Will you welcome an Audit Office investigation — a value-for-money audit — of Transforming Your Care?

Mr Poots: The Audit Office informed us on 12 March this year that it was doing that. We will work closely with the Audit Office on that. I am glad that the member has caught up with that course of work five months later. That is already under way.

Mr McKinney: In some of your public comments you said that it was not happening. Do you welcome the Audit Office review of Transforming Your Care?

Mr Poots: I indicated earlier that I welcomed the course of work by the Audit Office because it helps us identify waste and reduce it. We will always want to reduce waste. Is it a particular problem in the health service in Northern Ireland? I do not believe that it is. Is it happening? Yes, it is. Can we continue to drive out waste? Yes, we can. Have we made savings over the last three years? We have made £490 million and a further £170 million this year, and that will take us up to £660 million saved over that period. I am saying that I cannot make the additional £140 million and sustain the world-class service that the public have come to expect. I think that Dr McBride would like to comment.

Mr McKinney: Can I ask a specific question on domiciliary care? Millions are spent on that, and the private sector props up a lot of it. Is a 15-minute care package for elderly people acceptable?

Mr Poots: It depends on the needs of the individual, and many individuals get considerably longer than 15 minutes. In some trusts, there are very few 15-minute packages. Fifteen minutes may be long enough depending on the care that the person needs. Dr McBride indicated a short time ago the numbers of hours and, indeed, additional hours. We bought 800,000 additional hours last year alone. We are committed to domiciliary care, and the Finance Minister gave us additional money to support us and to ensure that we could provide that quality of care. We are making it very clear that, on this budget, that will be undermined, damaged and affected and therefore pressures will be applied on vulnerable people. I do not find that acceptable.

Mr McKinney: Do you accept that the Health Committee and individual members on it may find it difficult to back your position given the level of potential wastage in the system, the lack of measurement and the fact that your core plan may be failing as a result of its underfunding, its lack of implementation and its measurability?

Dr McBride: If I might, Minister?

The healthcare system in Northern Ireland is no different from any healthcare system across the world in trying to respond to the pressures that we are seeing. There are demographic changes; we have an ageing population. By 2022, we will have something like 26% more people over the age of 65 and 50% more people over the age of 85. The Minister has already mentioned the figures for people with more long-term conditions. We are making significant improvements. From 2006-08 to 2010-12, we have increased the life expectancy of men in Northern Ireland by 1·9 years. We have reduced the gender gap in life expectancy from 4·9 years to 4·4 years. So, we are making improvements in the wider public health challenge. We have been supported by the Committee and the Executive through the new public health framework, elements of which are, again, now being challenged.

I want to come back to an important point: the transformation of healthcare is not about a shiny, green document that sits on a dusty shelf somewhere; it is about what doctors, nurses, social workers and care workers do, day and daily, to provide care. We are embarked upon major change in how we meet the needs of the population. It is not about just the money that we spend on Transforming Your Care or particular elements of projects in it. It is about the totality of the spend on health and social care, how we commission services, where we commission those services from and that we do so in an increasingly efficient and effective way.

Mr McKinney: Given, Mr McBride, the lack of funding, where have your public comments been on concern about Transforming Your Care?

Dr McBride: Where have my —?

Mr McKinney: Where have your public comments been?

Dr McBride: I am not sure that I understand the question. I have not made any comments about —

Mr McKinney: Have you had concerns about Transforming Your Care?

Dr McBride: Have I had concerns about Transforming Your Care? I have made clear, as early as 2009, the need for a major transformation in how we deliver and meet the health and social care needs of the population in Northern Ireland.

Mr McKinney: But in your comments on Transforming Your Care, when did you first become concerned, given your —

Dr McBride: Sorry, I am not indicating that I have concerns about Transforming Your Care.

Mr McKinney: You do not have any concerns.

Dr McBride: I am indicating that, like all healthcare systems, we need to have a model of care —

Mr McKinney: This is a specific plan —

Dr McBride: Sorry; please let me answer the question. It is an important question, and I think that I need to be allowed time to answer it. You are asking whether I have expressed concerns about Transforming Your Care. As the Minister has indicated in the past, Transforming Your Care is our blueprint for ensuring that we have healthcare that is fit for purpose for the changing needs of the population. It is the blueprint. I do not know anyone around this table who would disagree with the fundamental principles of Transforming Your Care. It is completely in line with the evidence base and thinking around the world on what is needed in a modern healthcare system.

Mr McKinney: I have given you time to answer —

Dr McBride: Please, can I —

Mr McKinney: I have given you time to answer, but you have not answered —

Dr McBride: No, you are not giving me time to answer. I need to be allowed time to answer. What I am saying to you, Fearghal — this is a very important point — is that it is not just about a document. It is about how we use the commissioning arrangements, how we use the resources available to us to best effect, and how we introduce a more evidence-based way of streamlining care and ensuring that we deliver care closer to home. There are umpteen examples of how we have been doing that and, indeed, how we will continue to do that as we continue to commission services. So, we are mainstreaming Transforming Your Care into the methods and pathways by which we commission care and the models that we provide for patients in Northern Ireland.

Mr McKinney: I have asked you the question. You had a long time to answer it and, in my view, you have not answered it.

Dr McBride: What aspects have I not answered? I will try to assist you in answering the question.

Mr McKinney: When did you become concerned about the implementation of Transforming Your Care?

Dr McBride: I have not, at any stage, said that I have become concerned about the implementation of Transforming Your Care.

Mr McKinney: So, you have no issues about the implementation of Transforming Your Care.

Dr McBride: I am not certain what concerns the member is referring to. I have not here expressed —

Mr McKinney: Have you concerns, or have you had concerns, about —

Dr McBride: I have concerns, as the Minister has probably expressed, around the pace of change that is required to live within the resources available to provide a health service of a quality that the public expects, which is, as Kieran mentioned earlier, a world-class service.

Mr McKinney: When did you first —

Dr McBride: I think that the pace —

Mr McKinney: — articulate that? This is at the core of our health service transformation.

Dr McBride: It is. And as I —

Mr McKinney: Mr McBride, you were very happy to come out with a statement on the impact of the cuts. The plan is where I see the focus of all this. I did not see it in your audit report last year. In fact, when you told us earlier about being alerted to danger, the Minister said that we are on the right path to developing a health and social care service. So, when did you become concerned about Transforming Your Care? If you have been concerned, why have you not told the Committee?

Dr McBride: The member has repeatedly asserted that I am concerned about Transforming Your Care —

Mr McKinney: Are you not?

Dr McBride: What I have indicated to the member is the fact that all healthcare systems across the world are facing tremendous challenges in transforming services to meet the needs of the population.

Mr McKinney: I am talking about our plan.

Dr McBride: Our plan is no different from that. For instance, the Nuffield Trust report, 'Into the Red?', which was published in July this year, clearly indicates the difficulty —

Mr McKinney: Why did you not come to this Committee with your concerns?

Mr Poots: Madam Chair —

Dr McBride: Again, I have answered the question. I have no specific concerns, nor have I expressed specific concerns about Transforming Your Care.

Mr McKinney: Even about the expenditure on it?

Dr McBride: Again, member, I am not certain what you are referring to.

Mr McKinney: It has fallen shy by millions of pounds in its expenditure.

Dr McBride: The answer that I provided is that Transforming Your Care is about how we commission services and the models that we commission. It does not sit separately from the commission arrangements of services and how we commit our expenditure. It is the blueprint that informs our approach to how we commission services. Through commissioning, we determine the models of service that we need and ensure that they are fit for purpose. That is how you bring about change.

Mr McKinney: Has it met its targets sufficiently for year 3?

Dr McBride: I think that the Minister has indicated publicly at meetings his need to see progress and more rapid progress.

Mr McKinney: Is that a no?

Dr McBride: As I say, the Minister has indicated the need to see further and faster implementation. He also responded by saying that, in terms of the three-year plan, he is concerned that it could now be five years. It would not be for me to add to that.

Mr McKinney: I will put the question another way. Should you have come to this Committee reporting on Transforming Your Care and worries about its financing, its implementation and its measurement of targets?

Dr McBride: I have not had concerns, nor indeed was it my place to come to this Committee to express concerns. I had no such concerns. Again, I have answered that question on at least four occasions.

Mr McKinney: I will just clear that up. You have had no concerns about Transforming Your Care, its targets, its implementation, its financing and its outcomes.

Dr McBride: I think I am on the record as saying — and I have said it again today — that no one could argue with the values and principles and the approach taken with Transforming Your Care. What we should not underestimate is the challenge in turning around a healthcare system or any healthcare system across the world facing the same challenges. Again, I refer the member to my annual report in 2009, in which I indicated the need for fundamental transformation in health and social care in Northern Ireland.

Mr McKinney: I thank you both.

Mr Poots: Madam Chair, I want to respond to something that Mr McKinney said about having difficulty supporting our bid. I find that very depressing indeed. His is the other party that has objected to welfare reform happening in Northern Ireland, so he is supportive of that particular position and must not believe that any money is squandered in that aspect of life. *[Interruption.]* I think that you have had a fair crack of the whip, and I will respond to what you said.

What areas are we identifying? We have just identified that domiciliary care was an area that we needed. Who benefits from domiciliary care but our vulnerable people in the population? One million pounds, for example, will buy us 72,000 hours of domiciliary care. The member may think that that would be wasted. It would buy us 26,000 physiotherapy treatments, 1,700 weeks in a nursing home for an elderly person or 100 coronary artery bypass grafts. It would buy 150 inpatient hip procedures; I am sorry, each of those costs a million, by the way. It would buy 175 knee procedures, 40 kidney transplants, 95,000 prescription items, 28,000 GP consultations or 35 band 5 nurses. I do not consider that to be a waste. I do not consider that, Madam Chairman, to be squandering money. That is what we need money for. That is what we need to be delivering to ensure that we have the world-class health service that other independent people have recognised and to maintain and sustain that. If Mr McKinney thinks that we are better spending money on welfare than on those items, let him say it.

Mr McKinney: Number one, I never used the term "squandering". The word "waste" was used by you, Minister, and my issue, which has been a consistent one since my attendance at my first Committee meeting, has been around accountability and transparency in health service spending. When the Minister comes to this Committee looking for more and more money, we need double reassurance that the money that is being spent in the system is being spent with value for money. Your admission that there is wastage in the system makes me think that we need greater levels of scrutiny within that system to make sure that we get absolute value for every vital public pound spent.

Mr Poots: If the member were to look at the facts, he would identify that, over the past three years, we have had a 1·5% to 2% rise in finance each year and a 5% to 6% rise in demand. The consequence of that, which would be very clearly indicated, is that not only have we been dealing with that rise in demand, because we have been reducing waiting times, but we have been driving efficiency over that period. We have been massively outstripping the efficiency expectations because of the rise in demand against the rise in cash.

It does not take a rocket scientist to work this out. I would have thought that Mr McKinney should have been capable of working it out. We go to the situation of the rise in demand. We look at the amount of money that we have available. One will see that we are more efficient than ever with the health service.

Mr D McIlveen: I have just a few questions. I will probably bounce from person to person a little bit, if you do not mind. If I can start with you, Minister, there has been quite a lot of talk recently, and in the past couple of years, about reduced services in some smaller hospitals, such as Downe Hospital, Daisy Hill Hospital, Lagan Valley Hospital and, indeed, Causeway Hospital, which serves a fair proportion of my constituency. What do you envisage the impact on those hospitals and the services that they provide being if the cuts that we are being told will go through materialise?

Mr Poots: Those hospitals provide a hugely valuable service. Many of them do tremendous work on chronic illnesses while the major hospitals deal with more acute illnesses. They have a role to play. If they are not there to carry out that role, that adds pressures to other facilities. Although elements of rationalisation can take place that will involve removing a service from a particular hospital and doing it on one site, many of the services being carried out at those hospitals are best placed there. One area that we are looking at is that of locum doctors. Many of those hospitals are considerably more reliant on locum doctors. A consequence is that the service that they provide may be challenged. As a result, some services may be withdrawn from smaller hospitals. That is the reality.

Mr D McIlveen: Thank you.

Dr McBride, to come back to the issue of transformation, which is probably one that you want to move off pretty soon, the view is often taken that it would occur much more quickly if doctors, nurses and other professionals were more closely engaged in the process through a bottom-up approach. Is there room for improvement from where we are at the moment? Do you believe that a bottom-up approach would have the longest-lasting impact on services?

Dr McBride: I absolutely agree. That follows on very well from Fearghal's question, because I think that at the heart of this are the decisions that doctors, nurses, social workers, allied health professionals and carers make. They have the ideas and solutions for how care might be delivered more efficiently and effectively. Obviously, that needs to be informed by evidence.

I suppose that that is the approach that has been taken with integrated care partnerships. Those are very much clinically focused, concentrating on things that will make an actual difference to patients. Looking at some of the achievements there to date, we see improvements in home oxygen therapy, which improves care for people with chronic obstructive pulmonary disease (COPD) and obstructive airways disease. Improvements have been made in stroke services and enablement, and, as I mentioned earlier, significant progress has been, will now and can still be made, because, at this stage, it is on track in the Northern Trust and the Southern Trust. We need to improve rates of thrombolysis for acute stroke and reablement rates for people living with the consequences of stroke. There are good examples of that. For example, community pharmacists are working with older people in particular on medicines reconciliation so that the 15% of our budget that we expend on drugs is used to best effect and that people derive the benefits from those drugs through our medicines optimisation programme.

As the Minister referred to earlier, we have recognised the demands that are on the future healthcare service. We had a healthcare system that was designed in 1948 for treating people with once-in-a-lifetime life-threatening conditions. The pressures now are in the direction of supporting people with long-term conditions, which requires a completely different approach. That can be informed only by those working on the front line owning and taking responsibility for this agenda and working with and alongside those managing the health service to effect change.

The frustration that we heard expressed in the Chamber today is with the pace of that change and how quickly we deliver it. That is, I suppose, my frustration because I know the scale of the challenge. The Minister referred to a tsunami of long-term conditions. We know about the constraints on the budget and the pressure on us to work more efficiently and effectively and, indeed, to derive maximum benefit, but we can do that only by fundamentally changing how we do things and by ensuring that we secure the front line to work with us. That is crucial.

Mr D McIlveen: Finally — I will maybe direct this one towards Julie — the budget that the health service commands is, obviously, immense; it is huge. Often, the bigger the object, the more difficult it is to turn. Although we had some indications earlier this year that these problems were looming on the horizon, will you explain to me in simple terms what the environment in your office was like when you realised that, mid-year, you were going to have to find efficiencies to the extent that the Minister indicated to us? How much of a challenge was that? I am not sure that the Committee is fully getting its head around the scale of that challenge in an organisation as large as the health service.

Ms Thompson: It is a significant challenge. It is a challenge not just in my office but right across the system for finance professionals and the service. To a certain extent, the finance profession is the custodian of the numbers, but the spend is in the actual services that we provide. Therefore, it is everybody's responsibility to manage the budgets effectively.

Last August/September, it would be fair to say that there was a significant degree of scrutiny and a significant degree of doubt about whether the figure work was real and genuine and whether it would go away if we waited long enough. That has not been the case, and the demand figures behind that are driving what has happened. As we look from 2013-14 into 2014-15, we see that a large portion of the 2014-15 issues are effectively running through from 2013-14, hence the scale of our bids. The Committee is obviously aware of us coming with those bids, which have been gradually increasing. Last October and last January, it was at £65 million, and it was at £160 million in June.

I am sure that there has been incredulity in this Chamber and across Northern Ireland about whether the numbers are real, but we have poked, challenged and absolutely asked the questions. Does that mean that we have everything done? No, but we are taking £170 million out. We are having to do more, given the increasing pressures that are presenting day and daily. Therefore, some of the contingency plan proposals that trusts are putting in place are addressing those issues and challenges on an ongoing basis. It does not go away. We need transformation and to do things differently, but having looked at the numbers, I can assure the Committee that they are real. They are coming from trusts experiencing those pressures on the ground, and they are not going to go away.

Mr Dunne: Thanks very much, Minister and officials, for coming in this afternoon.

Minister, we all recognise that you probably have the most difficult job in the Northern Ireland Executive. Out there in the public eye, you have gained a lot of respect for most of the work that you have done in trying to bring about change in our healthcare system, and, to date, you have not shied away from challenges. Will you summarise very succinctly, in a couple of sentences, what convinces you that these budget challenges are now too much and are unachievable?

Mr Poots: As indicated, we have delivered £490 million over the last three years. We will put another £170 million onto that this year, which will bring it up to £660 million. To bridge that £140 million gap, it would take £800 million of real savings over that time. I believe that we could save that £140 million if we were given time to do it in a reasonable way, but we cannot save it in the seven or eight months that remain in this financial year. The methods of providing those savings would be wholly counterproductive and would have a negative consequence and impact on the Northern Ireland public. That is something that I am wholly resistant to. So, I will make savings this year over and above the £170 million, but I think that the deeper that we go into this £140 million, the greater the consequences are for the public.

Mr Dunne: OK. Finally, with regard to underfunding and the implications for elective care, the pressure there is £21 million. The implications of that are drastic. We all recognise that a considerable amount of work has been done to try to reduce waiting times. No later than last week I had a constituent in my office who was complaining bitterly that he had to wait on neurology tests. He was concerned that he was going to have to wait for up to four months, and he had already waited for seven or eight weeks. If the cuts are to come about, do you see a real risk that the waiting times will increase in cases like that? As elected representatives, we find that unacceptable.

Mr Poots: Without doubt, waiting times will increase. They already have increased and are rising exponentially as we sit back and do not employ people to carry out this work. Someone made reference earlier to the private sector. Very often, the private sector will do the work more cheaply than the public sector, but some people have an issue about using the private sector, full stop. Very often, it can be done more cheaply than being carried out by the public sector. When we work in areas such as coronary care, we can provide capacity for around 90%. If we were to put another team in, we would have capacity that is well over 100%, which would drive the costs up exponentially. Therefore, the wise thing to do is to buy in some coronary operations and allow the more tricky stuff to be carried out by our own surgeons.

So, in all of this, if we take money away and say, "The private sector will not benefit from this money any more", then the private sector will not benefit and neither will the public. What you have indicated about your constituent will be reflected in my mail bag from members in this room, Assembly Members who are not on the Health Committee and, indeed, members of the public. We will see our waiting times rise significantly as a consequence of this. People may not pay that much attention to elective care because it does not look to be that big an issue, but it is a huge issue for someone who is in pain requiring a knee operation or a hip operation or for someone who is losing their sight and requires an ophthalmic operation, and so forth. That is an area that we should not allow to fall back from the progress that has been made.

Mr Dunne: Michael, finally, preventative care has been a big drive in the past three years. When we look through the documentation before us, we can see that there seem to be considerable cuts coming that way. I know that the Minister is very keen on healthcare and prevention, and the benefits from that, education and so on. Is that now at risk because of the proposed cuts?

Dr McBride: As I said, I think that none of us wants to find ourselves at this place when we are looking at what decisions are available in respect of reducing expenditure to live within budget. As I said earlier, many of these are counter-strategic and will impact on the health of the population and the services that we provide.

As I also mentioned earlier, we have had support from the Committee and the Executive in respect of the new public health framework, Making Life Better, and Mickey referred to it earlier. Obviously, that overarching document is cross-cutting, and, as the Minister said previously, improving the health of the population is every Minister's responsibility. He has said that, but, beneath that, we have made inroads into improving life expectancy, reducing the gender gap in life expectancy, and the Chair is absolutely right that all health systems have struggled to address the health inequalities. If I may, I will take one example in relation to childhood obesity. Some years ago, we introduced the weighing of all primary one school pupils to develop very targeted training and a family directed programme to assist primary one schoolchildren. Members will recall our overarching obesity framework. If you look at

figures comparing the number of P1 children suffering from obesity, you will see that the figure in 2010-11 was 5·6% and the figure in 2012-13 was 4·8%. We will have to make specific decisions on some of the public health interventions that were planned. One that we will need to consider is the planned family programme, funded by the Public Health Agency, for children identified as having childhood obesity. I make no apology for being passionate about this, and I know that members share my passion. Kieran has expressed this previously. The fact is that we are making decisions that, in my view, are not in the best long-term interests of our children: preventing obesity in children or preventing complications in the longer term of diabetes or associated cancers. For me, not saying that I cannot support it and that I cannot recommend it to the Minister would be in dereliction of my responsibilities. We are making and have made, to date, significant progress.

We know that the cost of alcohol to the Northern Ireland economy is some £900 million a year and that the direct cost to the health service is £250 million. Again, because of the decisions that we are having to consider to break even, the planned investment in alcohol/substance liaison services will, potentially, not proceed. That is counter-strategic because we know from the evidence that every £1 million that we spend on alcohol and substance liaison services in our hospitals, such as identifying people in our EDs who have alcohol dependency problems or whose consumption of alcohol puts them at increased risk and targeting specific programmes for them, can prevent up to 1,200 admissions, at a saving of £1·7 million. So it makes no sense for the future health of the population or for the most efficient and effective use of resource in the health service. My view, and hence my concern, is that the choices that we are being faced with are short term and short-sighted, and, in short, I cannot recommend them to the Minister.

Mr Dunne: Thank you very much, Michael. Thanks, Minister, and thanks, Chair.

Mr Wells: Minister, may I concentrate on your proposals to save the £80 million? Something on pay constraints, which nobody has mentioned, intrigued me. It is suggested that we fall into line with England and that the only people who will get the 1% pay rise will be those at the top of the scale. Am I reading that correctly?

Mr Poots: Yes.

Mr Wells: Surely, the obvious thing to do would be to recommend that those at the bottom get the pay rise rather than those who have done relatively well already.

Mr Poots: Those at the bottom of the pay scale will get the incremental rise —

Mr Wells: Yes, but no cost of living rise.

Mr Poots: — which will probably be more than 1%. It is an either/or as opposed to both: the incremental pay rise or a 1% pay rise. I do not agree with that. I disagree, and I want the Executive to make a decision on it. We have to find these savings, and there are £14 million of savings to be found by doing that, but I do not think that it values our healthcare workers in the way that I would like them to be valued.

Mr Wells: Also, buried amongst your proposals is a £3 million saving from core funding for administrative costs. You reckon that that amounts to two thirds of the budget for core funding in the voluntary and community sector. Am I right in thinking that that cut would put most of those groups to the wall? If you take away two thirds of their core funding, it will be almost impossible for them to survive.

Mr Poots: There are community services being carried out in the voluntary sector in an efficient way that we could never replicate because it has lots of volunteers and, therefore, can deliver the service on a much more cost-effective basis. However, there is the ability to cut there. In other aspects of the health service, the money is already committed and, therefore, we cannot use it. If you were given appropriate time to look at and address this, these are not the areas in which you would make the cuts, but they are the areas that we are being forced to look at as a consequence of the timescale.

Mr Wells: You are also proposing to save £7·5 million by reducing locum nursing care by the equivalent of 450 positions. Earlier, you mentioned the fact that you have had a significant increase in the number of permanent nurses. Is the increase in permanent positions sufficient to overcome the problems that will be encountered with the loss of 450 equivalent locum positions?

Mr Poots: Again, we are moving towards what is described as "normative nursing". I think that the figure is 1·3 nurses per person in our hospitals. Of course, the nurse is there only for around a quarter of the whole-time equivalent, so that is really a nurse looking after five or six patients at one time in hospital, but that is what is regarded as normative nursing. That is what we were working towards. Again, we have insufficient money to identify that. Some of the money that we will save on locums will already have been covered by having more permanent nurses in place. That is where we want to get to. Again, however, we will have nurses stretched to the absolute limit. We will more than likely require nurses to stay on after their allocated time is over because there will be so much work still undone. That is not a place where I want to put our nurses.

Mr Wells: Even more worryingly, you are suggesting a £9 million saving via a 50% cut in locum and agency doctors. It has already been alluded to, but I am particularly thinking of places like the Downe, Lagan Valley and Coleraine. How will you maintain the present number of hours covered, particularly for A&E and emergency medicine, given the fact that a lot of those hospitals depend on bringing in locums to cover? How can you maintain the hours and yet have a 50% cut in locums?

Dr McBride: Again, I think that this was covered earlier. Irrespective of the professional group you are looking at, whether it is doctors, which, obviously, I am in a position to comment on, or nursing staff, one has to ensure that the rotas at all times provide safe cover and care. That is of absolute paramount importance; we cannot compromise on the safety of care that we provide to patients. Nor can we compromise staff in terms of the hours, as the Minister has said, that they are being asked to work. Obviously, the degree of senior supervision and senior decision-makers present also impacts on the efficiency of services.

You are absolutely right: should this materialise, trusts will have to look at rotas across a range of services. You rightly pointed out that some services are fundamentally dependent on locum doctors, such as those in the South West Hospital, Lagan Valley and Downe, etc. Again, I know that the Committee is aware of some of the decisions that we have had to make in the past on the basis of patient safety in relation to Downe Hospital and Lagan Valley. Similarly, the temporary closure of Belfast City Hospital's A&E department was a decision on the basis of clinical supervision and patient safety. Those are all real issues. Obviously, we will have to approach them in a calm and considered way to seek to minimise the impact on patients, but it would certainly be remiss of me not to indicate to the Committee that it will be extremely challenging.

Mr Wells: Finally, I see that the proposal for the Altnagelvin radiotherapy unit is that the planned opening date of September 2016 is likely to be delayed for six months. One of the arguments put forward for that unit was that the City Hospital cancer unit was rapidly running out of capacity and that we simply had to get the new unit up and running so that we did not completely run out of facilities at the City Hospital. If you delay its opening for six months, are we not likely to get to that position, where you are completely crammed into the City Hospital and you do not have the new unit open?

Mr Poots: As the member well knows, my first significant decision was to proceed with the radiotherapy unit at the Altnagelvin site and make the investment. To date, in terms of capital and everything that we have done, we are on target for the opening time that we considered at the outset. However, all of that is reliant on having the personnel. We could have a very nice building but not have the personnel to carry out the work required. Those personnel require training. As things stand, they require training this year, but there is a proposed cut of £2 million that will inevitably delay things, so we will have a building but we will not have the personnel in place appropriately trained to carry out that service. To me, that is an unacceptable position.

Mr Wells: Where does that leave the City Hospital, as the numbers there continue to grow?

Mr Poots: The City Hospital has been taking in more linear accelerators to carry out the radiology services that already exist there. Those have been continually increasing. I indicated the levels of cancer increases in the South Eastern Trust area. The number of cancer cases continues to rise significantly, particularly as the population gets older, so, in my view, there were two very good reasons for the Altnagelvin service to proceed. First, people in the west deserved to have a service much closer to them so that they did not need to make a four-hour round journey to and from Belfast in order to receive 15 or 20 minutes of care; and, secondly, the City Hospital would exceed capacity in due course. We will not allow that to happen, and we will monitor that carefully.

Essentially, I did not enter into this debate over the course of the past few weeks with the intention of arriving at a position where the Executive would take the decision to make these cuts. I entered this

debate with the idea and the notion that I would persuade the Executive of the necessity to provide more funding than the proposed £20 million to the health service this year. I do not intend to lose that battle; I do not intend to make a lot of the cuts that are being proposed to me. We will have to make savings on some of them, but there are others that I think are wholly and totally untenable. I will need some assurances from the Executive that we can get more finance to ensure that we do not allow the world-class service that people enjoy here in Northern Ireland to deteriorate.

Mr Beggs: I am sure that the public will agree that it has been unedifying and unhelpful to have had a spat over welfare reform here at the Health Committee, largely between the DUP and Sinn Féin, rather than trying to resolve our health difficulties.

Minister, can you confirm that the 2014-15 budget, which was largely set in 2011, has been protected and has not undergone cuts?

Mr Poots: Yes, the budget itself is protected. However, demand exceeds the rise in the figure that we get; the percentage increases.

Mr Beggs: Was that rise not predicted? Inflation in the health service is always much greater than that in the general public, particularly one with an ageing population.

Mr Poots: What happened last year was completely different from the previous two years. In the middle of last year, the trusts indicated that they were coming under pressures that they had previously been able to absorb and advised that they were not able to absorb them.

Mr Beggs: According to what the chief finance officer had indicated and something that you said about the particular pressures last year and the growing in-year monitoring bids in October and later in the January monitoring round, significant sums of money were awarded to health during in-year monitoring: over £100 million. On top of that, there was a £13 million deficit. Was there not a very clear signal that there was going to be a problem this year? What did you do about it?

Mr Poots: There was a clear signal, and I asked my officials to prepare papers. When those papers were available, we asked for a meeting with the First Minister and deputy First Minister, which took place on 6 April. I informed the Committee in April of the financial position. We had made it clear, both at Executive and Committee level, that we were under financial pressure and that we needed to receive a considerable investment in the monitoring round to ensure that we could live within our means.

Mr Beggs: The former Finance Minister indicated that we did not need to re-look at the Budget at all and that in-year monitoring would deal with the pressures. Is it realistic to expect £160 million from one round of in-year monitoring or do you accept that we actually do need to look at the overall Budget?

Mr Poots: I know you might think that is unedifying, but we are looking at handing close to £100 million back to Westminster this year. If that was available — it should be available — it would be quite realistic to get that in the monitoring round, or certainly the largest proportion of it.

Mr Beggs: Chief Medical Officer, would it not be much better to be able to plan the commissioning of the health service with secure funding rather than bid for it, particularly for new models such as Transforming Your Care, which are bringing about new commissioning arrangements, which are bringing about earlier intervention, which is changing modes of healthcare and bringing about savings? Would it not be better to have that in a planned fashion rather than, at this stage, looking at those ridiculous, intolerable cuts? Would it not be better to do it in a planned fashion rather than have to slash expenditure halfway through the year?

Dr McBride: Obviously, in relation to finances, it is important that, as Chief Medical Officer, I restrict my comments to my area of expertise and competence to comment. The Minister mentioned the significant savings of some £490 million that have been made over the last three years of the Budget. He has asked some £170 million of the health service again next year. As I mentioned earlier, that is against the context of some significant rise in demand: a 1·8% increase in A&E attendances; a 3·6% increase in demand for consultant-led outpatient clinics; and a 7% increase in demand in terms of admissions. There is an element of that pressure for which you could make the case in terms of an ageing population, the demographic change, new technologies and new drugs that can be estimated,

but — Julie is probably better placed to comment on this — if you look at the pressures in terms of growth, which the Minister just mentioned, you can see that, in 2010-11, the pressures that we faced amounted to some 5·1% of our budget. They rose last year to 5·9% and are estimated to rise to some 6·7% next year. Julie can check the figures.

What we are seeing is an element of predicted pressure in terms of new technologies, new drugs and an ageing population, but, over and above that, a significant increased demand. As I mentioned earlier, clearly the additional resources agreed by the Executive are very welcome, but we have a system that is under pressure. We have delivered efficiencies. The system is now demonstrating the strain. As the Minister mentioned, the hard-earned improvements that we saw in waiting times are now beginning to go back out again. That is a system under strain. You have heard from a range of professional organisations about what that means for staff on the front line. Kieran mentioned general practitioners. You heard from the Royal College of General Practitioners about its concerns over demands and its ability to meet the needs of the population.

Of course, ideally, all those things could be predicted and planned for. That is why we seek to use the commissioning process — as I mentioned to in answer to Fearghal's question — to mainstream some of the transformational change that we need to see in how healthcare is delivered.

Mr Beggs: Is there a particular problem when you do not even have the funding to initiate that transforming process? I look in particular at what it has been proposed to cut: the £8·7 million. Coincidentally, I got a briefing earlier this week from the northern integrated care partnership, which highlighted how, by earlier intervention and different models, it could save money and could do things better than the current model of late and costly intervention, yet we are proposing to cut it.

Dr McBride: Exactly.

Mr Beggs: Why is it on that list?

Dr McBride: The Minister and Julie will want to comment on that. My professional duty, as the Minister indicated and admitted publicly, was to voice my concerns to the Minister. That is what I did because it is my professional duty and I would be in dereliction of my responsibility if I did not point out, as I have done at this Committee today and have repeatedly tried to do today, the fact that I believe that those cuts, because of what we can do at this time in the financial year, will impact negatively on some of the improvements in health that we have secured, will impact negatively on the range of services that we provide, will impact on individuals and are counter-strategic to the more efficient and effective running of the service. They do not make any sense.

Mr Beggs: My question is this: why is it on the list? Why was it not planned —

Mr Poots: Julie is the person to answer that. She drew up the list, and there is a reason that those cuts, which I, you and most of the Committee do not agree with, are there and that we are not looking to other areas to make cuts.

Ms Thompson: The list is straightforwardly a matter of fact of where money has not been committed and where services are not on the ground. Where staff and services are on the ground, you cannot make a saving. Effectively, if you were to make a saving on a permanent member of staff, you would require redundancy of some shape, manner or form to do so. That in itself would cost more money than the money that you would save in-year from that staff member. So, you have to look at where you have not committed resources, and most of the lists are made up of that type of expenditure, where, at this time, the money has not been committed contractually during the year. Where that has not been sufficient, you look at other areas. No decision has yet been made on pay, for example. You can take decisions about locums and agency nurses, but those all have implications. The list is a very factual one, and it has been made from within our own resources, from within the board's resources and from looking across the trusts. It has been made by looking right across the system at what the viable things are that could deliver funds in this year. It does not mean in any way that those are the right things to do, that they are the strategic things to do or that they make any degree of sense. It is a factual —

Mr Beggs: What are the right things to do and the strategic things to do?

Ms Thompson: The right things to do is to improve how we provide our services, and the Transforming Your Care agenda is absolutely the right thing to do. Does that mean that you would love to take the £8·7 million off the list? Of course you would. I equally want to do that, but then —

Mr Beggs: But you have not built it into your top-line budget.

Ms Thompson: — we still have £140 million of a gap to fill, and what does that look like? This is not an easy list, and the work that has gone into developing it has been significant. I think that everybody, right across the service has found it exceptionally difficult, because nobody wants a single thing on the list to be stopped or delayed.

Mr Beggs: Do you accept —

Mr McKinney: Will you accept an intervention at this point?

Mr Beggs: Briefly.

Mr McKinney: I think that this is an important point to make. Given what you have said, Mr McBride, about the threat to innovation and the subsequent savings that emerge out of that case, why have you not been vocal in the past number of years about the underfunding in TYC and the subsequent savings that that could provide?

Dr McBride: Again, I have answered that question. If there was any lack of understanding of or clarity in my previous answer, I will answer it again. Transforming Your Care is a long-term strategic plan over three to five years to transform health and social care. It is about using the building blocks of how we change and deliver care. How we commission care is fundamentally underpinned by the principles and values of and the approach taken by Transforming Your Care. Again, member, I do not know how many times I need to explain that.

Mr McKinney: No, you continue to describe what Transforming Your Care is. That is not the answer to the question that I am asking you. The question that I am asking you is this: given its underfunding, the threat to innovation that that leads to and the subsequent savings that it could have provided, why have you not been vocal about the Transforming Your Care model?

Dr McBride: We have been transforming health and social care.

Mr McKinney: No, that is not the point. You have just described —

Dr McBride: Sorry —

Mr McKinney: — to Mr Beggs how the underfunding there could lead to a threat to innovation. Why have you not been describing that threat up to this point?

Dr McBride: I think that there is a fundamental misunderstanding here, if I may suggest that, Fearghal. Let me take you through this. Let me take you back to a 1948 quotation from Bevan at the instigation of the health service:

"This service must always be changing, growing and improving".

The health service does not stand still. The Minister indicated in his opening remarks the improvements that have been made in the health services in the past number of years. On the transformation of health and social care, a few years ago, we were not carrying out thrombolysis for patients who had had an acute stroke. A few years ago, we were not giving thrombolysis to patients who had had acute myocardial infarction (MI). Now, as a result of investment and of transforming the model of health and social care delivery in Northern Ireland, we have a 24/7 primary percutaneous coronary intervention (pPCI) therapy process in the greater Belfast area. That opens up the arteries, improves survival and reduces complications and length of stay. We are in the process, subject to decisions around the health budget, of beginning to roll that out in the north-west as well.

So, all of that is part of the transformation process that happens day and daily, year on year, through how we commission our services. What is it that you are not clear about in the commissioning plan?

The Chairperson: Mr McBride, at the start of the process of Transforming Your Care, which, in principle, nobody can take issue with, we were informed that £70 million was required as a transitional fund to take us to the point at which we could transform the delivery of our health and social care services. When we are getting to a point, three years in, at which we are not even making that transitional bid a priority, there is a risk. If that money is not even in place to do all the great and wonderful things that TYC will deliver on, there is a risk. This is the point: if we are not bidding and if, in the last monitoring round, TYC was prioritised as category (c), at what point will that be flagged up by you and the Department as being a potential risk?

Dr McBride: That was discussed at length at the meeting on 28 May, and I think that Julie explained the categorisation of the bids at that time and, indeed, some of the challenges. Category (c) had nothing to do with prioritisation of bids. Julie, do you want to go through that again?

The Chairperson: I go back to this point: the money for TYC transition is not even in place.

Ms Thompson: We had £19 million in 2012-13, another £9 million last year, and we have spent £13 million out of the existing budget within the currency of this year. Therefore, £42 million has been spent, and we would like to spend the remaining £8·7 million in 2014-15. The prioritisation of the bid was simply a matter of the fact that the TYC elements of that money could be stopped. We knew that the higher-level bids that were ranked at categories (a) and (b) were inescapable and were services that were effectively already on the ground. That was the only element of ranking. As I recall, we had a lot of discussion on 28 May on that issue. At the moment, £42 million has been invested, or will be invested by 2014-15, in TYC transitional funding out of the £70 million that was discussed. You then get into three years versus five years. I think that we had discussions on 28 May as to whether that would mean that the transitional funding would have to go on for longer than was originally anticipated because it was going to be spread across further years. That was the debate that we had at the time.

The Chairperson: With respect, Julie, anybody from the outside looking in who sees that there a package of reform and an identified budget to take you to that package but that the identified budget is, effectively, not in place would say that that brings with it an element of risk to the package of reform. At what point is that flagged up as a potential risk to the entire Transforming Your Care process?

Mr Poots: TYC, just like the historical abuse inquiry, came after the Budget, so it was always going to be a bidding process. Is it the ideal way to do it? No, it is not, but we will do it and will succeed in doing it because we are very determined to succeed. A massive difference is already being made. The Nuffield Trust, for example, reported in April that the HSC had made significant improvements in life expectancy, had made huge improvements in stroke care, had improved ambulance response times and had significantly reduced waiting times for knee and hip replacements. At the same time, NISRA's health survey in Northern Ireland demonstrated high levels of satisfaction with our hospitals, GPs and pharmacies. Elements of that are due to the work that we are doing on Transforming Your Care.

The Chairperson: I am sorry that I interrupted you, Roy, but I will come back to you. Minister, with respect, for every one of those scenarios that you painted, other organisations, individuals, constituents and representatives could equally point out to you that there are increased waiting times in our A&Es, decreases in domiciliary care packages —

Mr Poots: There is not; you are wrong on both of those, Madam Chair. With 12-hour waiting times, that was reduced —

The Chairperson: There is an issue about the guidance for domiciliary care packages and how the criteria are reached, but I do not want to get into a specific debate.

Mr Poots: There were 800,000 additional hours in domiciliary care last year, so you need to get the facts right.

The Chairperson: The point that I am making, which I think that you will accept, is that, over the last number of years, we have seen increasing pressure and more examples of an ageing population, increasing issues around our A&Es and a shift left, in some regards, in some services without the investment. With our mental health services, for example, there has been a shift left, and people are being moved into the community without there being investment at community level. Therefore, for

every single one of those examples that you highlight, we can equally point out flaws, and that has to be acknowledged.

Mr Poots: You cannot move people from mental health facilities or move people with learning disabilities into units unless packages are in place. Therefore, that always happens first: the packages are identified before the shift takes place.

The Chairperson: That is not, necessarily, the experience. I apologise, Roy.

Mr Beggs: One area that was flagged up was the danger of lengthening waiting lists, and they have lengthened over the past year. Is that correct?

Dr McBride: Correct.

Mr Beggs: There is an additional cost to the health service and the suffering of patients on those waiting lists. A GP recently highlighted to me the case of a patient who required his gall bladder to be removed. He went to accident and emergency several times, had overnight stays and was treated for side-effects but had to wait six months for his gall bladder operation. All those additional and unnecessary costs were built in. What additional cost do you think we will suffer this year — costs that will be painful to patients and wasteful of our limited health funding as a result of those excessive waiting lists?

Mr Poots: That is why I welcome the discussion on elective care in the first instance. People can easily push that one to the side and say, "Well, we can make that £21 million saving there". I do not think that that will deliver for us. That was one of the reasons why we ended up £13 million over budget last year, because all you would have been doing was push issues and problems down the track. That is what we want to avoid.

I am not sure that you can identify a particular cost, but you have certainly indicated a reasonable case: someone with a gall bladder problem being in hospital several times because of the pain they suffer while waiting for the operation. That goes without saying.

Dr McBride: That is wrong, and it should be the focus of our discussion today. As I said at the outset, it is easy to bandy numbers about. Fundamentally, this is about the impact on patients and clients who use our service. That is the discussion to be had; those are the important issues. I have been trying to give voice to some of those impacts. You are absolutely right: the paper that came to the Health Committee on 20 May demonstrated that there was a shortfall of 78,000 in outpatient capacity in Northern Ireland. That demonstrated the need for, I think, in the region of some 28,000 additional inpatient/outpatient procedures over and above the core capacity that we have now.

What that will mean, and what the paper clearly illustrates, is that the number of people waiting over 15 weeks for an assessment will grow by 20,000. The number waiting more than 26 weeks for treatment in certain specialties will increase by about 7,000. That particularly applies in areas such as ENT, neurology, ophthalmology and orthopaedics. What is the net impact of that? Who will notice? Yes, you will see it in the statistics, but people who are waiting to access treatment and care will endure increased pain and discomfort, and I do not think that that is acceptable.

Mr Beggs: I have a final question. In 2013-14, there was about £100 million from in-year monitoring. The previous year, health got more like an additional £50 million. To expect £160 million from an in-year monitoring process would make it an exceptional year. Minister, do you welcome the support of Michael McGimpsey for you? You hounded him for recognising the need in the health service's overall budget.

Mr Poots: I absolutely welcome the support of Michael McGimpsey, and would equally welcome the support of this Committee in what is a legitimate and reasonable bid for additional money that we are making. This Department, indeed healthcare in Northern Ireland, is not squandering money. It is providing services to people in need. We can do better in some areas. We will continue to work with people who point out inefficiencies and deficiencies, in order to meet needs. I will work with whomever I need work with to ensure that we continue to improve the healthcare service, as we have done over the past three years.

Mr Brady: Minister, you mentioned welfare cuts several times. In view of the shambles emerging in Britain, and I mentioned the public health emergency, which is all to do with people not being able to feed themselves, and this is a direct question to both the Minister of Health and Chief Medical Officer: do you think that the imposition of welfare cuts here in the North will have a detrimental effect on the most vulnerable in our society — the young, disabled and old?

Mr Poots: The answer to that is yes. That is why our party argued and voted against it at Westminster, whilst your colleagues were absent. The consequences are that we now have to live with the fact that we are being fined because we have not imposed it, and those fines are punishing the Department of Health and, consequently, the health trusts and the people who provide healthcare. So, if I am to take a decision on whether welfare or health is my priority, health is my priority, and I hope that that would be Sinn Féin's priority.

Mr Brady: I suppose the point was that this will add an extra burden to an already overburdened health service. There is absolutely no doubt about that. In relation to your effectiveness at Westminster, there is the proof.

Mr Poots: I suspect that it will not add £100 million of burden.

Mrs Dobson: Minister, before I was a member of the Health Committee, as you know, I lobbied you on issues that included children's heart surgery; the meningitis B vaccine; zero blood alcohol concentration (BAC); the cancer drugs fund; the awareness campaign for ovarian cancer; parochially, new doctor surgeries for Lurgan, Waringstown and Donaghcloney; and, of course, organ donation. Are you telling us now that, on all these issues, you are unable to deliver as Minister within this mandate?

Mr Poots: No. For capital developments, it is less of an issue.

Mrs Dobson: So you will deliver capital developments.

Mr Poots: My problems exist in recurrent expenditure, and although I would love to have more money to spend on capital projects, we are not referring to concerns on that front.

Mrs Dobson: You visited the surgeries in my constituency. Can you give us a timeline or guarantee of action on any of the issues that I have just mentioned on behalf of my constituents?

Mr Dunne: I think that it —

The Chairperson: I will cut that, and you two can have a conversation. I do not want to get bogged down on particular constituency issues. I do not think that it would be appropriate.

Mr McCarthy: The Minister referred to the good things that are being done, and we welcome that. He mentioned the Ambulance Service. Is he happy with its current performance? In recent times, I have been getting more complaints about inordinate delays in ambulances getting to patients.

Mr Poots: The Nuffield Trust's report in April recognised that we had improved Ambulance Service waiting times. I recognise that a lot of our paramedics are under a lot of pressure. People who have been trained are applying for jobs, and there are issues there. The chief executive and the team in the Ambulance Service are in the very difficult position of providing support for their staff while living within the budget allocated to them. Of course the Ambulance Service is feeling the pressure of what is being proposed as a result of the monitoring round.

Mr McCarthy: You are not happy with that. You would like to see earlier, quicker delivery of the service to the patient.

Mr Poots: I think that we have a quality service. I want that to be maintained and, indeed, improved, and that can be done only by properly utilising the skills of Ambulance Service personnel, and I want to work closely with them to ensure that, when they have done their training, they can carry out the job that they have skilled themselves to do.

The Chairperson: By way of conclusion, Minister — I thank you, Julie and Michael for taking the time today — I want you to take the message that the Committee is concerned and will play its part in the delivery and enhancement of our health provision and health service to create better health outcomes for all our communities, and that point needs to be stressed and heard loud and clear. However, today, I have heard conflicting messages. I have heard contradictory messages about the budget and the pressures on it. I have heard the blame being put squarely at the door of welfare cuts. Equally, I have heard the blame being put at the door of increased demand in the health service. I, therefore, remain unconvinced, as I said in my initial comments, that there has been proper oversight, proper management and proper scrutiny of the current budget. I point out and question the huge and significant jump in a bid from £67 million in January of this year to £160 million in June. The rest of the world, reflecting on this debate today, will question whether money in our health service is going to the right place. We hear about issues like £55 million to £60 million going to the private sector in elective care every year. We hear about £34 million going to senior consultants in bonuses. We hear about £130 million going to the private sector over three years. We hear about issues like the cancellation of patients' appointments. There are clearly issues.

It is of concern today, Minister, that we hear your acknowledgement that there is waste in the system, yet you cannot tell us the figure, percentage or cost of that waste in the system. It clearly remains an issue of concern, and I remain unconvinced that there is that property scrutiny in place. I have listened, and I have sympathy with the Minister and the Department in relation to those pressures. However, we would be failing in our responsibilities if we were anything less than convinced that you can assure us that that scrutiny is in place — and properly in place. My request today, Minister, is that you consider the case for additional scrutiny, monitoring and oversight of your Department in relation to this budget and planning process moving forward.

Mr Poots: Well, you are the scrutiny committee, so I regret that you are condemning your own Committee in the way that you just have. In any event, if we are looking at issues, you throw out the issue of private companies carrying out care. Does that deliver value for money or not? In the vast majority of instances, it does. That is not money wasted. It is very poor form, I have to say, for the Chair of the Health Committee to throw out a statement like that as if this is money that has been squandered. It is money that has been spent on operations for people. It is money that has been spent on providing domiciliary care for vulnerable people in our population. It is not money wasted. I will not sit back and allow glib statements like that to be made and thrown out there as if it is some sort of fact.

The Chairperson: I do not think that they are glib statements, Minister. I think that your reaction shows that they are not glib statements. I do not want to open up this debate. I have made a number of concluding remarks, and I will reiterate them. Money is not going in the right direction when we have issues around the unavailability of staff or not being able to recruit the appropriate staff that we require, yet we see £55 million to £60 million going to the independent or private sector. I do not think that any of us around this table is naive enough to say that we do not need to bring in that expertise at certain stages. However, when that can be brought in house and used to recruit or increase capacity, there is clearly an issue about money going in the wrong direction.

I conclude again, Minister, by making this appeal — this request — from the Committee. We have listened carefully, but I request that additional levels of scrutiny, oversight and monitoring be attached to your budget and any potential additional money that may come forward in the future. If that includes the Committee, so be it.

Mr Poots: We are not going to have somebody standing in every ward overseeing every item of wastage, because it would cost us more money to achieve that. In all of these things, we will seek to maximise efficiencies. We are on the record that we have delivered £492 million of efficiencies over the last three years whilst, at the same time, employing hundreds more nurses, hundreds more doctors and hundreds more allied health professionals. We have reduced waiting times for drugs — key NICE drugs. We have reduced waiting times for outpatients and elective surgery. That strikes me as a success story, not a failure. We need to build on the success and ensure that those who have recognised that success — who are independent, outside and expert — can continue to recognise Northern Ireland as a place that is making progress in healthcare. We can do that only by having the adequate funding. In this instance, we do not have adequate funding. We will appreciate the support of the Health Committee in achieving that to continue progress.

The Chairperson: So you will consider additional oversight.

Mr Poots: We will always carry out oversight and scrutiny within reason, but we will not have people on every ward watching to see if —

The Chairperson: I do not think that anybody is suggesting that, but I appreciate your honesty. Thank you for attending today.