



Northern Ireland
Assembly

Committee for Health, Social Services and
Public Safety

OFFICIAL REPORT (Hansard)

October 2014 Monitoring Round:
DHSSPS Officials

24 September 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Maeve McLaughlin (Chairperson)
Mr Mickey Brady
Mrs Pam Cameron
Mr Gordon Dunne
Mr Kieran McCarthy
Mr David McIlveen
Mr Fearghal McKinney

Witnesses:

Ms Catherine Daly	Department of Health, Social Services and Public Safety
Ms Julie Thompson	Department of Health, Social Services and Public Safety

The Chairperson: I welcome Julie Thompson and Catherine Daly from the Department of Health, Social Services and Public Safety (DHSSPS) to the meeting. I will hand over to you, Julie, and we will then open it up to questions from members.

Ms Julie Thompson (Department of Health, Social Services and Public Safety): Thank you for the opportunity to provide evidence to the Committee today on the Department's financial position for 2014-15. For clarity, whilst we can discuss the factual position of the DHSSPS budget, given the change of Minister, we will not be able to discuss our approach to October monitoring as that matter will obviously be subject to the decisions of the new Minister.

As outlined in the briefing paper that was sent to the Committee on 29 April and the previous Minister's letter to the Committee on 28 August, the Department faces a considerable financial challenge in 2014-15. Members will be aware that the Department submitted bids of £160 million in the June monitoring round. However, only £20 million has been set aside and will potentially be provided in October monitoring, subject to the Department demonstrating that it is taking the necessary actions to live within its budget. That means that, at best, the Department is left with a residual deficit of £140 million to manage in 2014-15.

Financial deficits are projected in all five health and social care trusts due to a range of front-line service pressures. The Department, the board and the trusts have been working closely to identify opportunities for delivering both cash-releasing and productivity improvements totalling some £170 million in 2014-15. Unfortunately, despite those demanding savings plans, we still have a funding gap of £140 million. The previous Minister's letter of 28 August to the Committee and the briefing paper of 17 September outline the options that would be feasible at this stage of the financial year to achieve financial balance. As explained at the Committee meeting on 3 September, the proposals are not desirable and have significant consequences, but they reflect the factual reality of what could be

implemented at this stage in the financial year to curtail costs. As I indicated, however, the approach to October monitoring will be a matter for consideration by the new Minister, so we are not in a position to discuss that with the Committee today.

The constraint on capital expenditure is that any bids must be for projects that can be fully spent in 2014-15. We have reviewed all our capital expenditure and potential receipts, and considered the bids. However, as with revenue, the approach to October monitoring for capital will also be a matter for consideration by the new Minister, and we therefore cannot discuss the bids as outlined in the briefing paper.

In conclusion, the scale of the projected revenue funding deficit in 2014-15, even after the delivery of a significant level of savings, clearly indicates that it is not possible to fund a number of critical service pressures from within existing budget allocations. In light of all those financial pressures, the new Minister will need to decide on the approach to October monitoring. You will be aware that discussions are also ongoing at Executive level to seek a resolution to the 2014-15 financial pressures.

With those caveats in mind, as I am sure you will appreciate, we are happy to take questions from members on any of the issues raised.

The Chairperson: Thank you, Julie. I want to clarify a number of points. I appreciate the situation that you are in, and you have made that very clear in relation to the new Minister, priorities and bids going forward. However, will what is in front of us today be submitted as the current expenditure bid?

Ms Thompson: That will be a matter for discussion with the Minister. I can clarify that the list of proposals contains the factual options that are available to achieve financial balance. That does not change. How the Minister decides to bid in October monitoring is a matter for him, and that is where the line effectively gets drawn. The analysis in the paperwork is the factual position of the £140 million of options that could be stopped. Where the new Minister wants to bid, how he wants to bid and what priorities he wants to place around the bids are matters for discussion with him.

The Chairperson: Effectively, what is the £140 million in the paperwork that is in front of us today? Might they not become bids?

Ms Thompson: They are options to balance the books. Does the Minister wish to take those options? How does he want to bid? What level of bid does he want to make in October monitoring? Those are matters for discussion with him. Obviously, there has been no opportunity to have that discussion with him.

The Chairperson: They may not, however, become bids.

Ms Thompson: We do not know.

The Chairperson: The Committee wants to be very clear on that, because they were submitted to us on the basis that they were bids going forward.

Ms Thompson: They are the factual representation of the options available to balance the books. That does not change; that is the reality of the position. We do not know the approach that the new Minister will take, based on that analysis, or what he will bid into the centre.

Ms Catherine Daly (Department of Health, Social Services and Public Safety): I will add to that. I appreciate that that may be slightly confusing, but, if the Department is not getting additional funding, those are the things that could be stopped or done to cover the £140 million pressure. It is a slightly different presentation. It is not the same presentation as bids, but it identifies where we are. Whether the Minister bids or how he approaches October monitoring is up to him, but it will be in the context of that being what he would have to do to cover the current pressure.

The Chairperson: I want to make this point, because I think that it is important: the paperwork that we had before a certain time yesterday contained bids, but your paperwork also refers to them as unfunded pressures.

Ms Thompson: They are unfunded pressures. That is the basis on which they were put forward to the Committee. It is the same as what was discussed with the Committee on 3 September and previously provided to the Committee on 28 August, because those are in essence the options to break even. We do not know what the new Minister will consider around those, whether he will be minded to action some of the proposals or to bid for all of them. We simply do not know. However, I can confirm that they are the factual analysis of the available options, and we will discuss each of them with the new Minister to identify whether he wants to take them forward as bids. Unfortunately, that is all we can say at this point.

The Chairperson: Were they bids yesterday?

Ms Thompson: They were unfunded pressures yesterday.

The Chairperson: I am not clear. We received this paperwork, saying this is the bid for the October monitoring round and asking whether the Committee would support it.

Ms Thompson: Yesterday, those were the unfunded pressures, as identified, and, working through the strategy for October monitoring with the previous Minister, that was still in play, so that does not move the Committee on. This is the list that will go to the new Minister, who will need to consider what to do with it. He will have to consider whether to bid or to action and how to deal with that. In the meantime, discussions are ongoing with the Executive around this base, so, for all sorts of reasons, it is an exceptionally fluid position.

The Chairperson: It is very unclear.

You give great emphasis to the Minister's priorities. In June monitoring, we had a bid for £160 million. There was much conversation and speculation on that. There was an allocation of £20 million. What has that £20 million been allocated to?

Ms Thompson: We have not received that £20 million. It was conditional and has not yet been received. It is still wrapped up within the decisions on October monitoring.

The Chairperson: What will it be spent on?

Ms Thompson: Again, it will be a matter for the new Minister, but expenditure, as you know, has continued to be incurred right from the start of the year. Expenditure has already been incurred against a lot of the areas that we bid for. The actual split will be a matter for the new Minister because we have not yet received the money.

The Chairperson: With respect, there must have been a pecking order, from the Department's perspective, for that £20 million when it was conditionally allocated.

Ms Thompson: That is ultimately a decision for the Minister. With the bids that we made in June monitoring, spend has continued to be incurred in virtually every area. It will be a matter for the Minister where he wants to assign that £20 million, assuming that we get it.

The Chairperson: I want to move on to the bid that is in front of us today, which is now being called "unfunded pressures". If you were to receive an additional £140 million, what would the priorities be on spend?

Ms Thompson: I am afraid that I cannot answer that. We need to go through this list with the new Minister and identify where his priorities lie. There has been no opportunity to do that, so we need to work down that list with him.

The Chairperson: We have just come from a training session on monitoring bids, and there is a clear requirement across all Departments to provide Committees with their list of bids, showing what they are asking for, the allocation, priority and impact. What we have in front of us today, yet again, does not give us any indication of the priorities. I suggest that all of us want to find all that money to deliver for health, but I think that there is also a stark reality about what can be allocated. It is not clear from any of this paperwork or any previous paperwork what the Department's priorities are going forward. What will be a, b or c?

Ms Thompson: I completely accept that, and when we submit the information to the Department of Finance and Personnel (DFP) — it is due in next Thursday — it will have to have a prioritisation, and that will have to include the analysis that you discussed. We do not have that at this stage because we need to go through it with the new Minister, so it will be worked up with him. We are starting that conversation with him tomorrow, and, in the next week, we will work up exactly what you are suggesting we require because we need to put that in to DFP next Thursday.

The Chairperson: I have two quick comments. Are you confident that your approach to managing the Department's budget is in line with DFP guidance?

Ms Thompson: When we submit the October monitoring returns, which we will copy to you as we routinely do, they will be in line with DFP guidance. They will set out the rationale for the bid, the impact of its not being funded, the amount and the prioritisation. That has to be done by next Thursday.

The Chairperson: Why were they not done in that format for today's meeting?

Ms Thompson: That was not done because, at the time, we had unfunded pressures. Numerous conversations were still ongoing with the Executive, and that work was still to be put forward. That work was all timetabled to be put through. There is an Executive meeting tomorrow, which could change things as well. That is where we are at this time.

The Chairperson: I think, Julie, that there was a similar discussion at the previous monitoring round and the one before that. At the previous monitoring round, you will remember the conversation when the Committee was pushing to get the list of priorities, and we got a, b and c. At no stage to date have we been given the proper format, based on the requirements in DFP guidance.

Ms Thompson: With respect, nothing of that nature has been fed back to us from DFP. The material that was given to DFP in June had the prioritisation and all the detail in the format that it requires. DFP officials have said nothing to us as a Department about our not submitting the right material.

The Chairperson: That was not shared with the Committee.

Ms Thompson: It absolutely was shared with the Committee.

The Chairperson: It was not shared in the format under DFP guidelines that we saw today. It was not shared with the Committee today.

Ms Thompson: We can certainly have a look. Obviously, I am not familiar with exactly what you have been told. All I know from DFP officials is that no feedback was given to us in June that what we had done was incorrect. I am happy to look at that.

The Chairperson: This is an important point: every time that the Department has been in front of the Committee about monitoring rounds, a conversation has taken place in which we have continuously asked what the priorities are, given that we have a limited pot. We now discover that the format that should be used in a day or two has not been used. Regardless of the changeover of Minister, we are effectively being asked to sign off today on £140 million with only very basic information. We are not told in any of that paperwork — in fact, it has been copied from the previous monitoring round — what priority a, b or c is. What does the Department have to do to protect the delivery of our service?

Ms Thompson: I absolutely appreciate that. Certainly, I fully accept that the paper that you have now is not in the right format for DFP. What I am saying is that the one that was done in June was in the right format, and we have had no indication from DFP officials that it was incorrect.

I appreciate that we have had previous conversations with the Committee, and I think that, for the last two monitoring rounds, if not more than that, we have copied the full detail of our bids to the Committee at its request, and that has been worked through. So, the material given in June included the full bids that we gave to DFP, and we have had no comment on or problem with that. I fully accept that the material today is not in the bid format, and we need to work with the new Minister to get that into the bid format over the next week.

The timing of this has been exceptionally complex. Given that discussions are ongoing at the Executive day and daily, what was going to happen by now could have fundamentally changed where we are at. We are where we are today with a £140 million shortfall. We need to discuss the priorities with the new Minister to see how much he wants to bid for and where he wants to place those priorities. Unfortunately, we know that we cannot discuss that with the Committee. That is just the reality of where we are.

The Chairperson: Is that good financial management?

Ms Thompson: We know the £140 million of options that could be actioned to bring back to financial balance. Those have been known and were set out to the Committee and the Executive in August. They have not changed, and that is the plan that would have to be actioned to break even. We worked on that as soon as we were aware that the June monitoring position was going to prove very difficult for us. That has been done. What I cannot answer for you is what the Minister then wants to do with that information and where he wants to place his priorities as we move ahead.

The Chairperson: So you accept that what we have received today is not in the correct format required by DFP going forward.

Ms Thompson: Absolutely.

The Chairperson: We have not received the material in the correct format, so did you intend to come back to us next week?

Ms Thompson: We intended to copy the detail to the Committee. I would have talked more about the priorities and what those look like, but I cannot do that because of what has happened. We probably could have had a further conversation about it. We asked whether you wanted to have this session today, given the circumstances. We made that offer this morning. I do not have any authority to talk about priorities, because there has not been a conversation with the new Minister about them.

The Chairperson: A number of members have indicated that they have questions. I have one final question about the bids or, as they are now being called, unfunded pressures. The Department requested to retain the £2.4 million receipt for the radiotherapy unit in the north-west, and there was a debate in the Assembly on that last week. Can the Department guarantee that, if that money were returned, it would be used for that project, or would it be transferred to another project?

Ms Thompson: That receipt is related to Altnagelvin and is expected to fund the Altnagelvin project, but we have to go through a process of bidding for it to get it back into our budget.

The Chairperson: If it were back in the budget, would it be specifically for the Altnagelvin project?

Ms Thompson: As I understand it, the money would be assigned to Altnagelvin.

Ms Daly: The funding is being made available in full for Altnagelvin, reflecting the full cost, which would include that. The point is that there is that technical process to go through, so it will be funded and will come into the Department. If it has already been funded, it will be used for whatever was offset to fund it. It is a timing issue, but the Altnagelvin project will be properly funded.

The Chairperson: I accept that it is a technicality and that the request has to go forward, but I want to be very clear that, if that is agreed, it will not go to another project.

Ms Thompson: The funding that Altnagelvin needs to be built will come from there. Absolutely.

Mr McCarthy: I share your exasperation, Chair, that we are not able to discuss what you people are here to discuss. That is not our fault, and it is probably not your fault, but I am suspicious of how the whole thing has been handled. Is it a case of the Minister who has just left his post throwing up his arms and saying, "I'm not getting £140 million. I'm not going to go through with these cuts", and so we have a crisis on top of a crisis? That is where we are at today. You are giving no information. You have spent the last 20 minutes defending yourself for not being able to explain the October monitoring round to us. What is happening? What is going on?

Ms Thompson: The £140 million is the financial pressure that we are experiencing. The list in the paperwork is the list of options to bring back to financial balance. We need to discuss with the new Minister how he wants to approach October monitoring. Does he want to bid for the funds? Does he want to action some of them? Does he want to bid for all of them? All that has to be discussed with him.

Mr McCarthy: The Minister who has just left quite clearly had a request for £160 million. He got £20 million but has not received it yet, so we are still left with the £140 million. The last time you people were here, you said that, if we did not get the £160 million, our patients would suffer and our waiting lists would go up. That is exactly what is happening, and it is going to happen for even longer because there is a new Minister. That cannot be good for patients, our constituents or anyone. The outgoing Minister talked about £80 million to plug that gap. Where did that go to? Where is that at? Is that why he has left? This is true: there was talk of £80 million to plug that gap. That has gone into the ether somewhere. The Minister has gone. What is happening?

Ms Thompson: In the overarching position, there are ongoing discussions at the Executive. Those discussions have yet to reach a resolution on whether any funding would be found for health and what the impact on other Departments would be. The reality is that that conversation is expected to continue at the Executive meeting tomorrow. We do not know what the outcome of that will be. I concur completely that uncertainty is a problem at the minute, as is the fact that, as expenditure continues to be incurred, it gets harder and harder to pull back in to financial balance. We all need clarity about what the budget will be so that we can take whatever actions are necessary, in line with the Minister's decisions. That is where we are at the moment. That is all I can say about it.

Mr McCarthy: In the meantime, Transforming Your Care goes on apace. There was a request in the June monitoring round for £23 million. That was not given, because you are still looking for the £140 million, but still Transforming Your Care goes on.

Ms Daly: As with all aspects of health and social care, services are continuing. Clearly, we have a very serious problem with the financial deficit, but we have a £4.5 billion budget, so major services continue to be developed, and elements of Transforming Your Care continue to be progressed. However, as was clear from the outset, it was indicated that a total of £70 million would be required across the life of Transforming Your Care for implementation transition costs. Clearly, where there is a shortfall in that and pressures are identified, that will have an impact on those elements — not all elements — of Transforming Your Care. As Julie said, this paper shows the unfunded pressures. If you compare this with the figures in the June bids, some of this has changed. That is a reflection of the fact that services are continuing to be delivered. Some of the figures are changing because we have to continue. The brakes have not been put on, but, as time progresses, that becomes more difficult.

Mr McCarthy: Many people will suffer as a result of this. Is it the case that Simon Hamilton, the Finance Minister, was right in that the health budget had been mismanaged through the last period?

Ms Thompson: The Finance Minister's comments related to the £13 million overspend in 2013-14. Our Minister discussed that with the Committee when he was here on 3 September. We obviously need to find a solution in 2014-15. That is not yet available.

Mr McCarthy: In the meantime, until the £140 million gap is funded, patients — our constituents — will be at risk of less domiciliary care, elective care and so on? So, as the Chair said, we are in a real mess. As long as the delay goes on, we are allowing that mess to get bigger.

Ms Thompson: If the proposals for £140 million had to be actioned, there would be significant and severe consequences.

The Chairperson: On that point, there was an indication that between £60 million and £80 million would be required to get through some of the pressures. What was that to be spent on?

Ms Thompson: Again, those conversations are ongoing. There will have to be a discussion with the new Minister.

The Chairperson: OK.

Mr Dunne: Thanks very much, ladies, for coming in this afternoon. We understand from your last presentation that appendix 1 and appendix 2, which you have provided, were drawn up after careful consideration by officials in the Department. Are they on the various priority lists, or were they drafted up on need or against any real priorities?

Ms Thompson: No. They are simply a factual analysis that was done by looking across the entire budget. They are put into categories. The first category relates to where you could take additional savings or where pay restraint could be employed. The second list looks at service developments. Where we have not yet committed funds, there is an option not to commit those funds and therefore get back to financial balance. A lot of detailed work went into generating those lists to identify all the uncommitted funds. We cannot look at committed funds because the expenditure has already been incurred, staff are in post or legal commitments are already in play. Therefore, we have looked at where money is uncommitted. That is what the lists represent at that point, but they are not in any priority order.

Mr Dunne: What advice would you give to the Minister on priorities?

Ms Thompson: I guess that it would be to maintain service provision, protect patient flow and ensure that emergency departments have the capacity to manage. Those are the sorts of areas where, if you constrain or restrict expenditure — even in the likes of domiciliary care, which would also help to maintain patient flow — and you cut them back, there would be severe consequences for the hospital system and its ability to cope, particularly in the winter period. Equally, you can have a similar discussion about the importance of National Institute for Health and Care Excellence (NICE) drugs, Transforming Your Care and elective care. Every single thing on the list should effectively happen. There needs to be that type of discussion with the new Minister about where he would see the priorities in those lists. There is no doubt that, as in previous discussions on locum doctors or agency nurses, for example, any of those proposals would have very significant consequences on the hospital system's ability to manage through the winter period. That type of conversation will need to be had.

Ms Daly: In that context, looking across all the issues, anything that relates to any impact on patient safety would be key. That would be a key element of the consideration.

Mr Dunne: We have had various figures. I understand that the £20 million is likely to be provided. Is that fair?

Ms Thompson: The £20 million has been set aside for us but is dependent on the final decisions on October monitoring. Those have not been decided yet.

Mr Dunne: There is talk of an additional £60 million.

Ms Thompson: There is an unofficial number of that nature, but there is no official Executive paper on that at this stage.

Mr Dunne: If you were to get £100 million in total, could we live and retain our services to reasonable standards — existing standards — across the organisation?

Ms Thompson: I think that the issue is around whether it would avoid the worst of the consequences, and that would be the case. It is a judgement call about how far along the spectrum it goes. Obviously, the more money we receive, the fewer consequences there would be. However, you are right. If we got £100 million, at least the worst of that could be avoided, but we would have to work with the new Minister around what he would be prepared to action and where the £100 million would go. That is not an easy conversation, because every single one of these issues is compelling, in terms of where money might go.

Mr Dunne: The A&E problem is a continuous draw on resources. It seems to be a bottomless pit. Do you think that we will get to the stage where it will be manageable and where it will not be such a continuous draw? It seems to be the priority and is the one that the media focuses on and that has a major impact on all of us who are involved in the health sector. How do we address that without continuously paying out?

Ms Daly: Clearly, that has been a major focus of priority for the Department. Members will be aware of the Regulation and Quality Improvement Authority (RQIA) inspection report for the Belfast Trust at

the beginning of this year and then the further RQIA report on the Belfast Trust, looking at regional elements of unscheduled care. The previous Minister established an unscheduled care task group, which is chaired by the Chief Medical Officer and the Chief Nursing Officer and involves the chief executives of all the health and social care trusts, to look specifically at unscheduled care.

Clearly, in the unfunded pressures paper, you can see that there will be funding pressures year-on-year within emergency departments, and funding will be required to address the winter pressures and emergency department (ED) capacity issues. The reality is that a lot of this is the manifestation of the changes that have been talked about, such as demographic change and the increased prevalence of long-term conditions. This is being felt across all parts of the Health and Social Care services. Emergency departments are under pressure, and work is being undertaken to try to address those issues. Certainly, there has been an improvement on the number of 12-hour breaches, if we go back to this time last year. However, clearly an awful lot of work is still required there, and there is a great emphasis on that. As you go through each element of this paper, you will see all the various elements that link to that. It is not, on its own, an emergency department problem. If you look at the rates of discharges and the domiciliary care packages and care in the community, you find that they are all linked. So, the whole system has to work together to ensure that those problems are effectively addressed. I appreciate the Committee's frustration that we cannot prioritise in what we are talking about today, but, as you look through it, you find that there is not a single element that is not related to other parts. It is all inescapable, really.

Mr Dunne: Elective care obviously affects a lot of people, and the other thing is prevention programmes, which the previous Minister was very keen on. I think that we are all very supportive of prevention programmes, because effectively they save money and keep people in good health. How do you see those issues — elective care and preventative programmes — within your brief to the Minister? Do you see them as being something that you would speak up about?

Ms Daly: Absolutely. Elective care is part of the unfunded pressures. There are two issues there to do with demand and capacity across the service: the gap between demand and capacity and the ability to deliver on that. There are pressures on elective care. The extent of the gap between demand and capacity is significant, but a lot of that will be addressed by the Health and Social Care Board within its own resources.

Across a whole range of specialties, the numbers on waiting lists in excess of nine weeks will increase by around 20,000 for assessments and are expected to increase by more than 7,000 on day-case and inpatient treatments. The waiting list position is currently not good. Waiting lists have been increasing over recent months. They had been improving between March 2012 and March 2013, but more recent figures show an increase. If this pressure is not funded, those waiting lists will increase.

Mr Dunne: We really need that £21 million. It is very much a priority.

Ms Daly: Yes.

Mr Dunne: Thanks very much, ladies.

Mr D McIlveen: I wonder whether I can move us away from ministerial decision to departmental responsibility. I think that there has been a little bit of diverging from that today.

Almost two years ago, the Department was in court with the board of Community Pharmacy Northern Ireland (CPNI). The Department lost. The outcome of that was that there was to be an interim payment of, I think, around £6 million made and then a cost of services survey and needs assessment would be carried out. To the best of my knowledge, not one penny of that £6 million has been forthcoming to Community Pharmacy. I am also led to believe that the needs assessment and the cost of services survey has also been fairly light in content so far. I have checked the past three monitoring rounds, and I have not even seen any bids for this sum of money. Not to be too harsh, but I think that, by not bidding for that money, the Department is putting the Business Services Organisation in the position where it is effectively in contempt of court. How is that issue going to progress?

Ms Thompson: You are quite right in that the court decision was made in December 2012. There was an interim agreement at that time, with money provided to Community Pharmacy for 2011-12 and 2012-13. Since then, we have been working on both the margins survey and the cost of service inquiry (COSI) survey. Progress has certainly been made on the margins survey. I cannot remember

exactly what year they have got to, but they are working through the years in discussion with CPNI and liaising with it. The latest position on the COSI survey is that it has been moved and will now be carried out through the Department under the auspices of the Central Procurement Directorate (CPD). Tenders for that will issue in the next few weeks, which will kick that process off. That has been discussed and agreed as an approach with CPNI. So, we are working very closely with it, and there are ongoing discussions about where we are with that.

The financing of any further money to CPNI is wrapped up in the outworkings of those two key investigations, and that is what we are waiting to work our way through. It is likely to be in and around springtime next year before those particular investigations will be fully worked through. There is close liaison ongoing with CPNI about that.

Mr D McIlveen: Thanks for that, Julie. I remain a little bit unclear, because an interim payment by definition is interim, and you are telling me that the payment will come after the COSI is done.

Ms Thompson: The two investigations will effectively help to inform what payment is needed.

Mr D McIlveen: But, with respect, the judge has already decided that.

Ms Thompson: The judgement was about process and the fact that this was absolutely required to move the position forward. That is the work that we are going through. As part of the good faith around that, interim payments were made for 2011-12 and 2012-13. That is where it sits at this time. There has been ongoing discussion with CPNI about all of this and about moving those investigations forward. The current approach with the COSI analysis and the tenders coming through under the auspices of the Department is that the tenders are drawn up and nearly ready to go. So we are making progress. It is maybe not as quick as CPNI would have liked, but it is within touching distance of getting that work fully away and with its report through into next year.

Mr D McIlveen: So when is 2013-14 expected to be paid?

Ms Thompson: We have to work through the processes, is my understanding of that.

Mr D McIlveen: The industry fails on the basis of the judgement of 2012 that it is entitled to that, so if that is not forthcoming, presumably there is a considerable risk that it will go back to court.

Ms Thompson: We need and intend to work through with CPNI that these are the key processes that need to be done in order to decide the remuneration levels for community pharmacy. That is what we are intent on working through, and discussions are ongoing about that. That is about as far as I can take the conversation today, but we are certainly keen to work with CPNI and get those processes finished off as quickly as possible.

Mr McKinney: Can I just clear up the status of this? Is this a bid?

Ms Thompson: At this point in time, no.

Mr McKinney: Would it have been a bid today if the Minister had not changed?

Ms Thompson: These are lists of unfunded pressures. That would have been a matter for the previous Minister in light of ongoing and fluid Executive conversations. That is the issue that is also causing confusion, I think, within this.

Mr McKinney: I think that is a bit more confusing: it is not a bid, and it is a bid, and it is not a bid. It is not quite clear, Julie.

Ms Daly: We need to be absolutely clear: the paper you have in front of you is not a bid and was not presented as a bid. When it was presented, there were capital bids in it and schedules of unfunded pressures. We were clear then in light of the developments yesterday that it would not be possible to talk to the Committee today about bids, but the paper you got was not a bid, other than the capital bids.

Mr McKinney: We were under pressure privately and publicly — in this Committee and externally, if you like — around the need to back this, otherwise all would collapse.

Ms Thompson: They are absolutely a factual analysis of the unfunded pressures. In then turning those into bids and the extent to which you bid — do you bid for the whole £140 million or an element of that? — that is where the conversation, if you like, has got to and that is where we need to have that conversation with the new Minister.

Mr McKinney: What is the margin between what is a bid and what you could conceivably live with?

Ms Thompson: Ultimately, I guess, it is back to the conversation with Gordon around it depending on where the new Minister wishes to draw the line on that. You can create a case about why every single one of these should be funded and the difficulties that are presented if they are not. But the new Minister may take the view, "I will bid for these and not for these, and we will see where we go with them and whether we action them". That is the reality of the position that we find ourselves in.

Mr McKinney: Some people might say that you are doing your job. You are looking after the books, and you need to make sure that you get as much money as possible. Would that be right?

Ms Thompson: Absolutely.

Mr McKinney: So you would allow us some scepticism over those figures.

Ms Thompson: The Committee is entitled to challenge them, absolutely.

Mr McKinney: Absolutely. So how did you arrive at them?

Ms Thompson: For the £140 million — this applies to the budgets generally — we look at all the pressures that are presenting across the service from existing service provision and where the costs may increase on those. New and expected service developments are all worked through. You then analyse what you can bring to the table effectively to fund against that. Obviously, the original Executive budget allocation is in there, alongside the savings that trusts and the rest of the system can bring in. The net result of that was the £160 million analysis that formed the original bid. Moving on to this analysis, if we assume that we will get that £20 million, we are £140 million short. Then what do you do? What we had to do at that point was to say, "Right, the only things you can do at this point are the things you can effectively stop that are uncommitted." That is where the flip comes between the bids as they originally were and where we are currently, because at that point you are only interested in things that are options for breaking even. That is the financial analysis behind it.

Mr McKinney: So, you are trying to do your job and maximise your pot. You write to the trusts and ask them to tell you how bad their situation is. They are going to maximise their pressures, one guesses, because they are doing their job.

Ms Thompson: I suggest that they should be giving us a realistic assessment of pressures and of what can be achieved. We are looking at those numbers and identifying whether more can be brought to bear on them. Last September/October, when the deficits of the trusts significantly increased, we took the approach that you are talking about and said, "What more can be done? Can you do a bit more? What more can you bring? What have you not looked at? What extra can be brought into that? Are those pressures really there?" That is around the demand side of the picture and where increasing population needs have come into play. That conversation is being had on an ongoing basis with the trusts, initially through the HSCB and then through to us.

Mr McKinney: I suppose that the picture I am trying to paint is that there is room within that for people to make it a bit blacker than it is, at least given the context that you want to do your job and they want to do theirs.

Ms Thompson: We challenge them and look to identify that they have done all that they can. As we have said at the Committee before, the numbers are not changing. They are not going away. If anything, the pressures out there are increasing. Absolutely, I need to do my job rather than take for granted what somebody gives me as a deficit and say, "Well, we'll just add that on to the pot". You are looking to see what is happening on the ground. Every finance director across the system has to

do that, then ensure that they report to their accountable officer about what that financial position is and then work with the teams around both managing pressures and bringing savings into play. Every single organisation is doing that, back through and up to us. The history of where the Department has been is that it has had a very small underspend and, last year, a very small overspend, but the numbers have stuck around where we expected them to be.

Mr McKinney: So, if we drill into this further at some stage, you will be able to point to really good, deep interrogative work between you and the trusts about narrowing those figures down.

Ms Thompson: You will see that we have asked them for further savings, contingency plans and their monitoring arrangements. There is a series of things informing that, predominantly between the trusts and the board in the first instance and then between the board and the Department. That is all about understanding where people are and ensuring that the numbers are hammered down.

Mr McKinney: I will turn to one specific figure around bank and agency staff. How much, across all of your outlets — if that is the right word — is spent annually on bank and agency staff?

Ms Thompson: The figure that we had for 2013-14 was in the order of £50 million. The figure work in this analysis works back to an annual figure of £30 million — £7.5 million for 50% of the year for 50% of the cost multiplies back up to £30 million. We have not gone with the full £50 million because, in the meantime, normative nursing has been brought in. That is about deliberately bringing in permanent posts and staffing up wards to the normative nursing levels, which was always expected to reduce agency and bank spend. Rather than stick with last year's figure, we have brought an element of conservatism to that. The proposal is £7.5 million. If that could be delivered with less than a 50% reduction in agency and bank, that would be fantastic, but, at the end of the day, that particular proposal is an exceptionally damaging one and, I suggest, is something that you would do as a matter of absolute last resort. All the trusts have identified that as an option in their contingency plans, although they take slightly different approaches. So, we have sat above that and tried to make an analysis of what it would mean, and it is mathematically driven from a £30 million agency and bank nurse spend, because we know that, as a minimum, we will be spending that much in 2014-15.

Mr McKinney: Is there a common pattern of bank and agency staff? There are some figures that suggest that in June alone the Western Trust spent just under £6 million on bank and agency staff.

Ms Thompson: No, the Western Trust spent about £750,000 on agency and bank staff in one month. I am not sure where the £6 million comes from, but the number that the trust has given us is £750,000 for a month.

Mr McKinney: I am sitting with figures in front of me that show the spend was £6 million.

Ms Thompson: We can share figures afterwards.

Mr McKinney: How advanced has your review work been on savings in pharmacy?

Ms Thompson: Pharmacy is an area that we have been looking at over the past few years. We have taken out in family health services (FHS) £117 million in the period 2011-12 to 2013-14, with another £25 million to be targeted in this financial year. So, it is an area that we are continually looking at and continually looking to improve. Our generic prescribing and dispensing have been increasing as percentages. Is there more to be done? Yes. Will we do more? Yes. In 2014-15, £25 million has to come out. So, it is contributing on an ongoing basis to the figure work around our savings, but more will be needed to be done.

Mr McKinney: How much of the money that you are bidding for is going on TYC board wages?

Ms Daly: How much of it is for —

Mr McKinney: How much of the money that you are bidding for goes on the wages of those who are employed to do TYC work at a board level?

Ms Daly: Sorry, when you say "board level" —

Mr McKinney: The TYC board.

Ms Daly: Sorry, I do not have the detail of spend on TYC broken down to that level. That is something that I will have to come back to you on. We have details of what the spend has been to date, but I do not have it broken down to that level. However, we can provide that to you.

Mr McKinney: I have seen a figure in a chart that says that there are no wages associated with the TYC board.

Ms Daly: Sorry, can I ask where —

Mr McKinney: That is what I would like to know. Are the members of the TYC board being paid out of the money that you bidding for or are they being paid from elsewhere?

Ms Daly: That is why I was not clear about what you meant by, "TYC board". There is the transformation programme board within the Health and Social Care Board. Is that the board you are referring to?

Mr McKinney: We can play with terms, but who runs the TYC plan and how are they getting paid? Are they getting paid out of this bid or out of somewhere else?

Ms Daly: HSCB is responsible for taking forward the vast majority of the implementation proposals under TYC. It has a transformation programme board, which is staffed by HSCB staff, whose cost would not be reflected in the TYC bids. Their cost is part of the HSCB staff costs.

Mr McKinney: Are you saying that all moneys that are bid for in the round are going to projects and the development of TYC work and —

Ms Daly: Within that, there are staff costs.

Mr McKinney: That was my first question. How much? Is it entirety or is it partial?

Ms Daly: It is not entirety, but it is probably a significant proportion, because when it comes to taking forward the work of the ICPs, staff resources will be largely driving that work forward. For example, staff will be developing care pathways. A lot of that is staff driven. So, we can get the detail of that, but I do not have the figures broken down to that level with me. Certainly, across the ICPs and the service changes, there will be significant staff costs, because staff are required to deliver those things.

Mr McKinney: Finally, in domiciliary care, and I know that this might reflect the pressures, is there a danger that you will fall below your legal requirement in the sense of provision? Could you find yourselves on the wrong side of issues if you drop below certain timescales? For example, could health and safety issues emerge as a result of that?

Ms Thompson: That is something that absolutely cannot happen, because the safety of every patient, whether it is a domiciliary care client or anybody else across the system, has to be the priority. That is very much at the heart of where everything is. There is a minimum. You can assess need against the different standards and say that you are only going to produce or provide packages over a certain level, but, at the end of the day, the safety of domiciliary care clients will have to be given primacy. As Catherine has said, safety is one of the things at the heart of it. If additional money is found, you would want to put it in places where safety is protected and maximised.

Ms Daly: A member was asking earlier about our advice to the Minister. Obviously, that is private to the Minister, but when we are advising the Minister about prioritisation, if there are statutory obligations that are required to be delivered in any of those areas, we would certainly highlight those statutory requirements.

Mr McKinney: Can you give us a guarantee that you have not fallen below that threshold as it is?

Ms Thompson: That is the responsibility of the trusts. They have a duty of care, and they need to ensure that, when they provide their services, they do it within that duty.

Mr McKinney: As you look at it, with your responsibility for the trusts, can you guarantee us that the trusts are providing that level of care, given the pressures that we hear about, the fact that there are 50-minute care packages and the fact that, we hear, those who are providing them cannot give adequate travel time to and from individuals who receive that care? Can you give us a guarantee today that the trusts are in line with their obligations?

Ms Thompson: We hold the organisations to account for a wide range of issues, among which are quality and safety, and certainly ensure that they take the necessary steps to provide that safe, quality care and that they meet performance targets on finance and whatever. It is difficult to give a full, cast-iron guarantee that everything is being done within that. That is the responsibility of the trusts, and we are holding them to account for the delivery of that. That is our responsibility, and I fully accept that.

Mr McKinney: It is more than a tad worrying though that I am not hearing a resounding "yes".

Ms Thompson: I have no reason to believe that it is not, but —

Ms Daly: I understand your point about the resounding "yes", but I also understand what Julie is saying. In the systems and processes that we have set up, we expect that, if there are any issues, we in the Department should be aware of them through the accountability framework. I am not aware of any issues where there has been a breach in that respect. We absolutely expect that that would be fed to us through the trusts and the HSC Board.

Mr Brady: Thanks very much for the presentation. I know that you are facing a new regime now that the Skoda has finally arrived for Jim. I think that, in the circumstances, you have been very politic with your answers. You have said quite a lot and told us very little — no real reflection on the situation that you are faced with. You said that you are going to have to talk to the new Minister about his priorities. In your experience, is there likely to be a divergence between his priorities and what you think the priorities are?

Ms Thompson: I do not think that I can comment on that. I do not know. I would need to have the conversation.

Mr Brady: It was a rhetorical question. Presumably there are priorities there, and it would seem strange if you were talking to the Minister about priorities and there was a divergence there.

Ms Thompson: We have no reason to believe that there will be a divergence, if that is the question. The real issue is that every single one of these is viewed as important. That is the conversation that we have had with the Committee as well. How do you prioritise these when they are all so compelling in their own right? That is a difficult thing for us to answer, because it will ultimately be decided by the Minister.

Mr Brady: But, ultimately, somebody has to prioritise.

Ms Thompson: Yes, and he will have to do so.

Mr Brady: You will be advising him wisely, I am sure.

The Chairperson: By way of conclusion, I am certainly not satisfied with what we have heard today and suggest that we are not in a position to move forward with the information that we have been given. I think that whether this is a bid or not a bid needs to be said. I quote your briefing paper to the Committee for today, Julie, point 10 of which states:

"In that context, the Department is proposing to submit those unfunded pressures, totalling £140m (details provided in Tab B), as its request for additional funding in the October Monitoring Round."

So, it feels very much to me that these items were almost being slipped in. They were a bid up until yesterday, because that is what the Committee was being asked to sign off on.

Julie, given that you have admitted that we have not had the information in its correct format — we have been consistently asking for that — I suggest that you supply us with that written format in advance of the Committee meeting next week. I also request that the Department comes back to the

Committee next week. I am very mindful of the timescales, but I would equally say that the Department chose this date and time to present on the issue. So, I request a detailed written update on the bids, in the format that is required by DFP, which clearly outlines the bids as being submitted, the cost allocation, the impact and the priorities.

Ms Thompson: I am happy to do so, pending the conversations with the Minister. Normally, you get a briefing paper for a Wednesday Committee meeting on the Thursday before, and the conversation with the Minister will only happen tomorrow morning. I am absolutely happy to return next week and to get you a paper in advance, but the only issue I have is in getting that paper done in time. We will get it to you as soon as possible before next Wednesday.

The Chairperson: I respect that there are timescales for all of that, but, equally, there is a responsibility and requirement to get the Committee to agree and sign off on the bids. That is an equally important part of your work. I would go as far as to suggest that we should have the Minister before the Committee next week as well. It is clear that he is now prioritising the bids.

Mr McCarthy: Julie, in your response to members you talked about the Executive meeting tomorrow. Do you expect to have positive results in relation to the June monitoring round on the back of that meeting? I am talking about the outstanding £140 million.

Ms Thompson: We do not know. It is obviously wrapped up in Executive discussions. No official paper has yet been released, so I have no basis to understand what is going on.

Mr McCarthy: It might not even be on the agenda of that meeting.

Ms Thompson: I do not know. I cannot comment.

The Chairperson: I suppose that it is not fair for officials to comment on what might happen there. Thank you for your time today.