



Committee for Health

Matthew O'Toole
Chairperson
Committee for Finance

Our Ref.: C35/24

17 May 2024

Dear Matthew,

Health Committee consideration of Budget proposals

At its meeting on 16 May 2024, the Committee considered the request from the Committee for Finance requesting details of the Health Committee's scrutiny of Department of Health's Budget for 2024-25.

Please find enclosed correspondence the Committee received from the Minister, correspondence the Committee issued to the Department in relation to the Budget and a copy of the Hansard from the Minister's appearance on 2 May.

As you will see from my letter to the Minister on 7 May, I have requested that the Committee be briefed on the detailed spending plans in advance of the Budget debate and that the Committee be provided with the Departmental Business Plan, Savings Plans and information on their Invest to Save initiatives.

However, we have been advised that the Department will be unable to brief the Committee on the detailed spending plans in advance of the Budget debate scheduled for 28 May and that the officials will only be able to brief the Committee on the Main Estimates (we have scheduled this for the Committee meeting on 23 May).

The Committee is disappointed that it has not been able to scrutinise the Department's spending plans in advance of the Budget debate. That does leave Members in a difficult position of not knowing where the Department is going to spend the budget that it has received and how it will prioritise spending over the incoming period.

The Committee is of course supportive of the need for additional funding for the Department of Health to address important issues such as waiting lists. However,

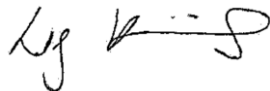
Committee for Health

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the Committee has not seen any detailed plans of how the Department of Health would spend any additional funding it receives.

I would highlight that the Committee continues to press the Department for sight of detailed plans. Once the Committee receives them, I can assure you that we will apply the necessary scrutiny to ensure the Department of Health has the plans in place to deliver better health outcomes and services.

Yours sincerely,



Liz Kimmins MLA
MLA
Chairperson
Committee for Health

Enc.

1. Letter from Minister – 25 April – Consequences of Budget
2. Letter from Minister - 29 April – Outcome of agreed Budget
3. Copy of the Hansard from briefing with the Minister on the Budget
4. Letter to the Minister – 7 May – request for briefing on detailed spending plans

Committee for Health

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FROM THE MINISTER OF HEALTH

Email to Keith McBride for the attention of all
Health Committee members –
Keith.mcbride@niassembly.gov.uk



Department of

Health

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Our Ref: SUB-1258-2024

Date: 25 April 2024

Dear Health Committee members,

I find it my duty to inform each member of the Health Committee of the incredibly serious consequences of the Executive's 2024/25 budget document for health and social care in Northern Ireland.

The assessment below reflects the contents of a letter I recently sent to Executive colleagues. This budget would leave my Department with 2% less funding at the start of 2024/25 than we spent in 2023/24. It would therefore mean an unprecedented cash terms budget reduction.

I believe it would result in serious and potentially irreparable damage to health and care services. Patients and others who rely on these services would be placed at significantly greater risk of coming to actual harm and the already intolerable pressures on staff would be multiplied. I want the Health Committee and the wider Assembly to be clear about the consequences if this budget is approved.

I set out below the measures that we would have to start implementing if we were to have any chance of living within the budget.

I can assure the Committee that my Department is continuing to take a robust approach to efficiency and productivity across the system. As you will be aware, I have commissioned NHS efficiency experts to assist Trusts in making the best use of existing resources.

While this focus will continue, it is important to be realistic about the extent to which it will be able to free up savings this year. Indeed, the cost cutting measures outlined below would be on top of challenging assumptions for efficiencies which have already been included in the papers I provided as part of the budget process. While my Department's assessment was that £1 billion was required to maintain services at their present level, I had made clear that I was prepared to reduce this by £200m to bring the figure down to £800m. This approach was not without risk and would have depended on Health being prioritised through the allocation of in-year monies. The budget now passed by the Executive requires further savings of £285m on top of the £200m. This is unsustainable.

The savings measures listed below would be contrary to the interests of health and social care, requiring us to actively shrink the HSC and resulting in more pressures on services and staff and yet more gaps in provision at a time when the clamour is understandably to invest in more doctors, nurses and other health professionals.

The measures have been drawn up because they can produce the immediate cash-releasing savings required to balance our budget. And even then, my officials have expressed serious doubts about whether it is possible to make all of the savings in year.

We must also treat with caution the financial claims that are too often made about transformation in Health.

The aim of reform and reconfiguration is to improve services and meet the unmet needs that are all too commonplace across all health and social care areas. To portray it principally in cost-saving terms misleads the public and does the case for transformation no favours.

The by-product of transformation in some cases will be greater efficiency and productivity. However, in most areas – such as reforming and growing social care and expanding Multi-Disciplinary Teams in primary care – significant additional investment is needed to deliver core services and enable secondary care to work optimally.

The sorts of measures that we would have to deliver therefore include:

- A halt to Waiting List Initiative (WLI) activities. Executive Colleagues will recall that WLI funding of approximately £75-80m is needed to ensure those with cancer or time critical conditions can be treated as required. The £34m provided for waiting lists is less than half of that needed for red flag and urgent cases alone. Any funding over and above that £75-80m was going to be used to fund additional clinics and additional capacity to address some of our unacceptably long waiting times. To be clear, the proposed allocation will see waiting lists rise sharply in 24/25 despite that being one of the Executive's agreed priorities for the PFG. That is an untenable position and one that runs contrary to the broad cross-party calls for greater investment to made to tackle waiting times. I am also not prepared to withhold funding from essential time critical treatments – such a move would see enormous actual harm inflicted. This is a red line issue for me.

Under this budget, the Executive is providing precisely no additional targeted resources for waiting list activity. The only additional targeted investment will be the £34m provided as part of the UK Government package for the restoration of devolution.

- No budgetary provision for 2024/25 pay settlements – with a recurrence of the serious industrial relations consequences that we have only just succeeded in addressing in relation to 2023/24.
- Restrictions on the use of new drugs and therapies approved in Great Britain leading to lower levels of treatment for our patients.
- Suspending some vaccination programmes.
- Reduction in funding for enhanced GP services for example diabetes, psychology, carers health and palliative care.
- High impact cuts to Trust services. For example, a package of cuts that would reduce costs by c£100m would need to include all the following:
 - reduction of 1.1 million hours of domiciliary care which would impact on 5,000 to 6,000 of the most vulnerable people in our society.
 - reduction of 500 independent sector care home beds and 100 packages of enhanced care for clients with complex needs.
 - reduction of c140 acute hospital beds across the region with the resultant reduction in the use of agency staff.

I could not stand over the implementation of cuts on this scale. I have a real fear that a service that is currently struggling in many areas could be pushed to the point of collapse in at least some areas.

We all know that we need to transform our HSC, and to be willing to think differently about how we deliver services to our citizens and how we innovate to ensure we can continue to meet growing needs with diminishing resources. However, this is the work of years, and first we need to stabilise the system. This budget, if passed by the Assembly, will drive unplanned and potentially chaotic change from which we will struggle to recover.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Robin Swann', with a stylized flourish at the end.

Robin Swann MLA
Minister of Health

FROM THE MINISTER OF HEALTH

Email to Keith McBride for the attention of all
Health Committee members -
keith.mcbride@niassembly.gov.uk



Department of
Health

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Our Ref: SUB 1262 - 2024

Date: 29th April 2024

Dear Colleagues,

Further to correspondence which I sent to Executive colleagues this morning I wish to share the content of that letter with Health Committee Colleagues.

I would like to place on record my deep concerns at the process by which the Executive agreed the Northern Ireland budget for 2024/25.

I believe this process was not best suited to the unique and challenging position facing Ministers. I also believe that decisions were taken in the absence of genuine recognition of their full implications.

Whilst we were all aware that this was going to be a challenging budget, I had sincerely hoped that we would have all entered this process with fair and open minds. Unfortunately, however, even the tone and tenor of a number of comments made since Thursday's meeting would suggest that there is little acceptance or even recognition of the actual pain the decision will inflict across our health and social care system in particular.

In relation to the budget setting process, I would highlight what I consider to be two central flaws:

- Firstly, there was no true assessment of the various levels of impact that decisions would have. There was a lack of honest assessment of the relative risks to the NI population from various budget reductions and inescapable pressures in each Department. Whilst as Ministers I know we will all have our own individual departmental priorities, ultimately the actual impact of such pressures in the health service will be felt much differently by our population compared to other Executive Departments. I do not believe Ministers can make objective decisions on budgetary priorities without an overall assessment and grading of potential harms. Were Ministers actually aware of the true impact of allocations, I suspect the outcome last Thursday would have been quite different.
- Secondly, I was also alarmed when Ministers were told during Thursday's meeting that different Departments have used different assessments of what even constitutes an inescapable pressure. This therefore raises serious questions

regarding the criteria by which these were set, the extent to which these criteria differ between Departments and what actual assessment was undertaken by DoF of the identified pressures in each Department.

The normal Executive process for agreeing a budget is in my opinion ill-suited for the current realities.

It resulted in Executive Ministers spending less than two hours to collectively discuss and vote on the budget paper, with inadequate information and assessment to guide us.

My decision to vote against the budget was taken with great reluctance.

At the beginning of February this year I returned to this office heartened by the cross-party assurance to put the health of our people first. All Parties committed to prioritising our health service and, in particular, putting our shoulder to the wheel to tackle our appalling waiting times position. Early after the restoration of the Executive I was asked by Ministers what I needed to turn the position around. I was clear that the Department required £75-80m to enable it to keep funding waiting list initiatives to ensure those with cancer or time critical conditions can be treated as required. I also made it clear, however, that if the Executive also wished to genuinely prioritise tackling the broader waiting times position that my Department stood ready to spend up to £135m this year to deliver additional activity.

Yet, as I pointed out at Thursday's meeting, under this budget the Executive has provided precisely zero additional targeted resources for waiting list activity. The only additional targeted investment will be the £34m that was already provided as part of the UK Government package for the restoration of devolution.

As a result, I could not in all conscience vote for a budget that will without doubt exacerbate the already appalling pressures facing our health service patients and staff.

I remain convinced that a better way forward can still be found, either through Assembly scrutiny or by fresh Executive discussions.

Yours sincerely



Robin Swann MLA
Minister of Health



Committee for Health

OFFICIAL REPORT (Hansard)

Budget 2024-25:
Mr Robin Swann MLA, Minister of Health

2 May 2024

NORTHERN IRELAND ASSEMBLY

Committee for Health

Budget 2024-25: Mr Robin Swann MLA, Minister of Health

2 May 2024

Members present for all or part of the proceedings:

Ms Liz Kimmins (Chairperson)
Mr Danny Donnelly (Deputy Chairperson)
Mr Alan Chambers
Mrs Linda Dillon
Mrs Diane Dodds
Miss Órlaithí Flynn
Mr Colin McGrath
Mr Alan Robinson

Witnesses:

Mr Swann	Minister of Health
Dr Tomas Adell	Department of Health
Ms Linda Carter	Department of Health
Mr Chris Matthews	Department of Health
Ms Brigitte Worth	Department of Health

The Chairperson (Ms Kimmins): I welcome the Minister and his colleagues from the Department, who have come at short notice; we appreciate that. As we have a strict 45 minutes, I ask the Minister to keep his opening remarks brief because we want to get into questions, or we can go straight to questions, whichever suits best. I ask members to ask one question each, and, if there is time at the end, I am happy to come back. The Minister has indicated that he needs to leave at 2.45 pm sharp.

I welcome the Minister of Health, Robin Swann; Chris Matthews, deputy secretary, resource and corporate management group; Brigitte Worth, director of finance; Tomas Adell, director of elective care and cancer policy; and Linda Carter, resource and corporate management group. Thank you all for attending today. I ask the Minister to brief the Committee.

Mr Swann (The Minister of Health): Thank you, Chair. I have a brief opening comment to make. I welcome the early opportunity to meet the Committee to discuss the consequences of the Budget agreed by the Executive last week.

Before I make a few brief remarks on the Budget, at the Chair's discretion, I will touch on today's announcement from our junior doctors. Like many other professions, they are a critical part of our health service workforce. Whilst last week's Budget decision has not made it any easier, I remain fully committed to negotiations, but we need to be clear that strike action will still have a significant impact on service delivery and will further exacerbate the challenges facing our health service. I must warn the Committee that the Executive Budget, as it stands, will make further industrial action in our health service all the more likely.

First, I acknowledge that it was a difficult budgetary process for all Departments and Ministers; of that I have no doubt. Equally, we can all agree around the Executive table and the Committee table that Northern Ireland is underfunded and, at the same time, there is an onus on us to make the very best use of the resources that we have and to protect the most vulnerable. That is why I took reassurance from public statements before and after the restoration of the Executive that the health of our people would be prioritised. I do not believe that the new Budget achieves that. I know that people can debate figures all day long, but the fact of the matter is that the Department of Health's budget has been cut by over 2% compared with where it stood a little over a month ago. To me, that is the exact opposite of prioritising health. I ask those who say that they do not accept the figures for a little more honesty.

To give you an illustration, I received an in-year allocation in the last financial year to pay for the uplift in pay. Does anyone seriously suggest that the uplift be taken back from our workers this year? Of course, it will not be and cannot be done, but that is the implication when people say that there is no need to include it in the overall assessment. That is why, in all conscience, I had to vote against the Budget last week. If I had voted yes, I would not be able to look patients or healthcare workers in the eye or at myself in the mirror.

I refuse to accept that the Executive have made the best of a tough job. Promises were made that tackling our appalling waiting times would be a cross-party priority. The Committee was anxious to see the details, and I have provided that. I needed between £75 million and £80 million just to ensure that additional red-flag cancer and other time-critical patients are treated on time. As I said, if the Executive were serious about waiting times, I could spend, as the Chair has indicated, a further £135 million on other critical activity to tackle hips, knees, cataracts and many other procedures. I would have reinstated a reimbursement scheme, and services would have been restored to primary care elective. Overall, almost 70,000 people would have benefited. I believe that further detail on all of that has been shared with the Committee. However, once push came to shove, all the targeted funding for waiting lists that the Department of Health got was the £34 million that we already knew we were getting from the UK Government, nothing more. There is little point in demanding maximum action to tackle waiting times while tying my Department's hands behind its back. Likewise, I am sure that some of the people telling me to suck it up and just accept the Budget will also soon be urging me to increase spending on a range of health issues.

I fully accept that every pound given to the Department of Health is a pound less for somewhere else, but, speaking frankly, as I wrote to the Committee earlier this week, not all need or level of risk is equal. All public services are, of course, important, but the impacts on the population, if they are further impacted or withdrawn, will differ vastly. That reflects the wider dysfunctionality of the budgetary process that I sought to highlight in a letter to the Committee and Executive colleagues this week. The budgetary process is based on individual Departments identifying inescapable pressures and bidding to the Department of Finance for sufficient funding. It has transpired since, however, that different Departments use different assessments of what constitutes an inescapable pressure, and it seems that it is something of a self-certifying process. Ministers were not provided with the detailed information about other Departments' finances that would allow them to take informed decisions on how much should be allocated or reallocated. I fully believe that an assessment based on the principle of reducing harm would have led to a better Budget outcome for Health. It is my assessment as Minister of Health that the Budget as presently set will result in serious and potentially irreparable damage to health and care services. Chair, I do not say that lightly.

The Chairperson (Ms Kimmins): Thank you, Minister. It is fair to say that we are all acutely aware of the difficult budgetary position that the Department is in, but so are the whole Executive. We have said that from day one of the Assembly's restoration. However, as, I am sure, other members will allude to, the Committee has said from day one that we will work with and support you to do the best that we can in the difficult circumstances that we are operating in financially. The Assembly voted clearly in the first week, I think, that we were back that we need to take the fight to the British Treasury to get the money that we rightly need and deserve and are entitled to. At the end of the day, the taxes of the people from this part are as valid as anyone else's, and we should get the funding to deliver on the basis of need here.

I have to express the disappointment that the Committee felt last week when a letter that was addressed to the Committee was leaked to the press. We did not even get sight of it until a number of hours later. That letter was obviously prepared on the morning of an Executive meeting. It would be remiss of me not to mention that because we were learning about that in the media before we had even had sight of it. We were having our strategic planning day when we received that. That needs to be addressed from the outset. We are very committed to doing the best that we can with the Minister

and the Department, but that situation, considering respect amongst other things, was disappointing to see.

Minister, I understand that it is a challenging Budget, and we all, as I said, are aware of that. However, people need hope at this time. We want to support you in giving that hope and the leadership that is required. We knew ahead of any allocations that this would be very challenging. At the minute, we have heard only of all the things that cannot be done, but we cannot stand still. I am not suggesting that that is what you are saying, but we need to work together to see what we can do within the financial envelope, as other Ministers have said that they are willing to do.

When we look at the allocation — I understand what you said; it still falls short of what is needed — we see that, in reality, while you said that you needed £1 billion to stand still but could work with £800 million, that was, as I understand it, £800 million out of £958 million. I am not sure how we could realistically have expected that £800 million to be allocated, knowing that all other Departments are at a huge stretch and that Health got by far the highest allocation overall. I would like a wee bit of feedback on that, because to say that the Executive have not prioritised health is wrong; to get, in a very difficult financial picture, over 50% of the allocation suggests otherwise. I ask for your feedback on that first, and then I will come to some of the other stuff.

Mr Swann: I do not doubt the commitment of Members, whether sitting in Committee, around the Executive table or in the Chamber, to our health service and health service workers and to delivering the best that we can. I am concerned that the Budget does not allow me, as Minister of Health, to do that.

When it comes to the specific figures for the allocation of moneys, as I made clear to Executive colleagues in discussions and correspondence and in my opening comments, it is about assessed need. With a one-year, short-term Budget, resources should be allocated in the way that has the least damaging effect and is of most benefit to the wider population while we work that through or, as you have articulated it, sort out where the fiscal floor should be. We know that no more money is coming this year — that is what the Minister of Finance said — so the situation that I am left in is this: I bid for funding for inescapable pressures of £555 million, but the opening offer that I received from the Executive was £515 million, which does not meet what we have deemed to be inescapable pressures. On top of that, there is £306 million that is our carry-over from the pay commitments that we made last year; that is how I got to the £800 million for the inescapable things that we must do in order to stand still.

That does not even get into the stuff that we have talked about that we all want to do in regard to waiting lists, which the £135 million referred to in the paper that I shared with you this morning was for. I shared that with you this morning rather than previously — I want to be clear with you about this, Chair — because I did not want to build an expectation out there until I had received a guarantee of the allocation that I would get for waiting list initiatives. I wanted to be able to scale that figure up or down proportionally. However, as I said in my opening comments, the only waiting list initiative money that I have is the £34 million that came from the UK Government as part of the financial package. I will now have to assign that to red-flag cases, because, for escapable pressures, we needed £70 million to £80 million to meet the commitment that was made last year.

I can go around the figures and compare opening bids with where we sit, which is at a 2.3% reduction. We all agree that the opening bid for Health and for every Department for 2023-24 was in a Budget set by the Secretary of State that Members in the Chamber and elected representatives more widely have called an "austerity Budget". I cannot see 6% on top of an austerity Budget as an improvement for Health. At the finish of the previous financial year, we needed the Treasury settlement of £551 million, of which £417 went on pay and £134 million made up the deficits in our trusts. We needed that money then — it was not frittered away or put down the back of the sofa for a rainy day; it was costed money — and that took us to that closing position. We are now receiving less than that closing position to start with. That is the challenge as we have it.

The Chairperson (Ms Kimmins): I appreciate that. You will be aware that, at the Finance Committee meeting yesterday, Joanne McBurney clearly outlined how the figures are compared. In comparison with the opening figure for last year, it is an uplift; there is no doubt about that. I expect there to be, through monitoring rounds, opportunities for in-year funding that were not available last year because we did not have a functioning Assembly. It is important to make that point, because to compare an end-of-year closing figure with the starting figure for this year does not really factor that in. I hope that there will be potential for uplifts in that way.

Mr Swann: Chair, I will come back on that specific point. I had hoped for that too; it was one of the things that we put in our ask. I do not think that I am breaking any confidentiality to say that one of the things that we put in the Budget paper was a request that Health would be a priority in monitoring rounds. Unfortunately, the Department for the Economy and the Department of Education made the same ask, so the Finance Minister could not give me that reassurance. That still leaves me in a bidding process for that. They have made it clear — Joanne McBurney made it clear to the Finance Committee yesterday, from what I read quickly — that the reallocation in the monitoring round would be in the tens of millions, not the £138 million that we need even to balance what we finished up with at the end of last year. When I cannot get reassurance that it will come in the monitoring rounds, it leaves me in a difficult position to work out how the Department and the trusts will balance their books. Unlike last year, when the permanent secretary had no legal cover and overspends were permitted, Ministers are now in place, and the legal onus is on trusts, on the permanent secretary, as accounting officer, and on my Department to set a trajectory that breaks even.

The Chairperson (Ms Kimmins): I appreciate that. For me, the fight is not with the Executive. It needs to go to the British Treasury, because, no matter how we do it — we can go round in circles about where money should go — every Department needs money. Do we take money out of Education? Do we take it out of Infrastructure? They are all important Departments that impact on people's lives. Minister, will you continue to work with the Finance Minister and the rest of the Executive to take that argument where it needs to go? That is what we need to see. We need an uplift on the overall Budget so that we can properly deal with the issues in front of us. Someone will suffer regardless of how this works out, if we take money from another Department. We have to make sure that we are being realistic about that.

Mr Swann: Chair, that position is not in doubt. That conversation was had around the Executive table. I do not want to get into party politics, but my party leader made that clear in regard to an additional ask specifically for Health to bring up the balance. Before we took up the portfolio, commitments were made to us that we want to see honoured. Like you and the Committee members in the room, I think that there are no stronger advocates for our healthcare service and healthcare workers than me, my departmental officials, our trust officials and everybody else in this room. In all conscience, from where I sit as Health Minister, I will do my damndest to fight for a good budget for Health, so that I do not see people coming to harm or people not being paid.

The Chairperson (Ms Kimmins): OK. You mentioned party politics. On the back of the Executive meeting last week, you came out with your party leader. It would have been more appropriate to see you as Health Minister. It would be better if we could all rise above party politics and work in that trajectory, because politics should not come into health. At the end of the day, we should all work together to get the best for everyone whom we serve. I just make that point. I will open up to members.

Ms Flynn: Thanks for your opening remarks. I will pick up on a wee thing that the Chair said. Everyone knows how bleak the Budget is. Obviously, that goes across the board for the whole Executive. We are all aware of that, but I am conscious that we should try to give people a bit of hope, coming out of whatever the messaging is today, about the money and the budget that you have. I worry that the health and social care system and everyone who uses it will feel a sense of burden and dread. How can you lift that a bit and, with the money that we have, give people a bit of hope?

You mentioned the junior doctors' announcement today: can the Department put in place any practical short-term or medium-term measures on workforce, for example, to avert part of the crisis? As you said, Minister, this might not be the last industrial action that is called, so how can we turn the situation into some sort of positive?

Mr Swann: Thanks, Órlaithí. It is about those ongoing conversations. I met trade union side on Monday and had that conversation with them.

This is the start of the process as regards the Budget. I am still prepared to fight for this. The Budget still has to get through Committee scrutiny and the Assembly, so I am not prepared to give up now. That is why I am here and why I have made the statements that I have made. I have asked the trade unions to be part of that process and not to go to where they could have gone, namely industrial action. I really do not want our workforce to be in that position. That is why the offer is still open to our junior doctors to engage.

The hope that I can give, sitting here with a budget that I find constraining, is that the people out there, who want our health service to work and want to see our health workers supported, now have access to local political leadership and representatives, which we did not have during the Budget process over the past two years. The hope that I give them is members around the Committee table, the Executive and the Assembly and how we engage. It is how we look at assessed need to make sure that we make best use in the short term of the budgets being delivered across all Departments in what is a financially constrained position over the next 11 months.

Mrs Dillon: Thank you to the Minister. I will try to keep my question brief, because I know that other members will definitely want in.

For me, Minister, it is about seeing some plans. I need to see plans for what you will do with what you have and what you will do if you get more. I understand the point about how you do that without a budget: I get that. However, I have just come from a Policing Board meeting, and I know from numerous resource meetings at the Policing Board that we hold the police to tight account on what they will do if they get money. They give us the answers to that. They show us exactly where they have had to make cuts, where they can make cuts and what they will do if they get money. As the Health Committee, we have not necessarily seen that. I am concerned because I am not seeing plans and am not seeing what is happening to keep people well instead of managing sickness, which is what we are doing. There is a lot in this: what are we doing at both ends? What are we doing at the early intervention and prevention end in primary care, and what are we doing at the other end on care packages? It is plans for those things that I want to see as well.

Mr Swann: I agree. When I was last in front of the Committee, I made it clear that those were my two strategic aims. We put an additional £70 million at risk into domiciliary care packages. That is already part of the financial commitment on domiciliary care packages and hospices and raising the minimum living wage in that sector. Hopefully, I will be in a position to sign off on a GP contract within the next few days. I am still looking within the current financial envelope because there are no additional moneys to do that.

With regard to wider plans, we have shared what we would have done, as I said, if we had received the £135 million. Was I thinking, at that point, that we would get £135 million for waiting list initiatives? No, I was not, but we had a sliding scale — you will see it in the table in the letter — of what we could do and have not done. I was already working on an update of our elective care strategy. In an Assembly debate, I promised that we would bring that forward towards the end of next month. That still goes on with regard to the allocations that we are able to make under this financial package. That will be presented but will not be as ambitious or deliver as much as I would have hoped had there been a bigger Budget allocation. However, we still have to do that; we have to make those plans.

You will have seen that we went out to trusts about what they can do in meeting some of the deficit. We will have to balance their books as well. They will come back by 21 May. Again, because of the effect that that has on services, that has to go out to consultation. As I said to the Committee and to the trade union side, this is the start of a process in regard to what we need to do.

I have asked officials in the Department to look at a three-year plan — I think that that is what the member is looking for — even though we are on a one-year budget, as to where we could go strategically across health, including the blueprint. There is nothing in the budget that would prevent the publication of and engagement on the acute hospital blueprint. That can still progress. Those pieces of work keep going.

Mrs Dillon: I have a quick supplementary; I am not seeking an answer. I understand that, when we get the elective care strategy, it will be within the budget. Can the Committee then see a plan for what an elective care strategy would look like should you get further money this year? It is just about us understanding what can be done if you get money.

Mr Swann: Yes, but it is also important to be honest about that. It is fine to set out what we would do if we were to get £30 million, but it is also about where else the pressure is. If we were to get £30 million, it may not all go towards working on an elective care strategy. It is about where it works out. That is why I was always conscious about producing that £135 million targeted plan. Tomas Adell had worked that up and has talked about it. That has been shared with you. That shows you the ambition that we had, if we had got that money.

Mr McGrath: Thank you, Minister, for an honest, albeit bleak, assessment of where you are with the Budget. Recently, the Health Committee heard from witnesses from the Royal College of Surgeons. They detailed the fact that our waiting lists are killing people. It is not that people are dying while they are on the waiting list; they are dying because they are on the waiting list and not getting access to treatment. In your words, our Executive are not prioritising health. Do you believe that the Budget allocation will result in people dying?

Mr Swann: I do not want to use language like that about where we are, Chair. I have expressed my concern about the Budget having a harmful effect on people on waiting lists, people in our healthcare service, people who may not be able to access healthcare and people who work in it. The member knows me well enough to know that I do not want to make alarmist comments on this, but there will have to be an honest assessment.

Mrs Dodds: Thank you for coming to the Committee, Minister. I think that you know this about me, but I want to make it clear that, collectively, all of us on the Committee want to do good in relation to our health service, and it is important to remember that while we are in the middle of really difficult conversations. I find it a bit — I will say the word — distasteful that we are reduced to debating the Health budget in the manner that we are. I noticed the headline in the 'Belfast Telegraph' this morning, which said that it is an "indisputable" fact that the Health budget has increased. It quoted the figure for the increase as £472 million. We are really down to debating from where the baseline of the Budget should be judged. You and I know that the Health budget will receive money from monitoring rounds, and I wish you well in getting money in the monitoring rounds.

I have a couple of questions, and then we will draw to a close. You called for the Assembly to make changes to the Budget. Will you provide guidance to the Assembly on where the changes should be made — whether to education or the environment, for example — so that we know where those changes should be? The Assembly simply debates; it does not make those decisions. Will you provide alternatives so that we know your views on that? If the Budget remains unchanged, will you vote against it, knowing that to do so is would be in contravention of the ministerial code and potentially a resigning matter?

My last question is —.

The Chairperson (Ms Kimmins): Diane, keep it brief. Everybody else had one question.

Mrs Dodds: Yes, but this is really important. I just want to know why there were no bids for the £13 million end-of-year money. That could have hugely impacted on and helped the Children's Hospice, had your Department made those bids.

Mr Swann: I will briefly go through those. The question of bringing forward alternative proposals for the Budget probably veers into party politics, Chair, rather than being departmental. When the Budget came to us, it had been 80-odd days from the Executive proposing that Budget, given the workings between the larger parties. We had about 36 hours to assess it. As Minister of Health, I assessed it from the point of view of its impact on the Department of Health, rather than looking at where we could look to for alternative proposals. The paper that we were given did not provide the granular detail of what other Departments had bid for. We did not sit down at that Executive meeting to mark each other's homework. That is why I said that the process that we entered into was flawed when it came to assessing need. With regard to the Budget, as it stands, coming to the Assembly, I have made it clear that I will vote against it. Given the current allocation, if I did otherwise, I could not look a healthcare worker or someone on a waiting list in the eye. The member knows me well enough to know that I do not say that in any way to make a point. As I have said, it is not about me, but, in my heart, I could not do that. That is where we are.

I think that the end-of-year £13 million was revenue that the Department for Infrastructure was able to take to be part of Translink's reserves; it was not open money that I could have used in the Children's Hospice. It is about how money is allocated in those end-of-year allocations. As the member will know from being Minister for the Economy, it is not easy balancing those budgets and where bids sit against the money that is offered.

Mr Donnelly: Thank you, Minister, for coming here today. I appreciate what you said about Northern Ireland being underfunded. We are all aware of that. I appreciate the issue of the definition of inescapable pressures across the Executive, and, maybe, we can get to that at some other point. It is clear that no Minister got what they wanted.

When the Budget was announced last week — I associate myself with the Chair's comments about the letter coming out — putting that letter on social media was not respectful. You said that this is not about politics but about people's lives. However, we have seen, within a couple of days of the Budget being announced, a couple of announcements on social media saying that the Sinn Féin/DUP/Alliance cuts to the health service would mean a reduction of 140 acute hospital beds, a reduction of 1.1 million hours of domiciliary care and the loss of 500 independent sector care home beds. I was unclear on whether those were announcements or something that was going on that you had not let us know about again. I would like a bit of clarity on that. Are all three of those things happening? The information is available on social media.

My question is on reform. We have heard nothing about that yet. You have talked quite a lot about the need for healthcare reform so that we can start to reduce the financial pressures on the health service. I would like to hear about your plans for reform and, particularly, what the Finance Minister talked about a couple of days ago: the ring-fenced transformation fund and the £47 million that is available each year for the next five years. I would like to hear what your plans for reform are, particularly for the likes of our invest-to-save projects. What can you do to start bringing the financial pressures down?

One of the points today is about the independent living fund. I know that you were in Scotland two weeks ago. If the independent living fund has an invest-to-save element to it, would you consider bringing it back?

Mr Swann: The social media posts were shared by the party. They did not come from the Department.

Mr Donnelly: They were not announcements?

Mr Swann: They were not announcements. They were examples that were shared, and I think that they were in the letter to the Committee as well. The Chair has raised an issue that I will investigate around the processes of that letter and where it came from. They were not announcements that came from the Department, but they are examples of where cuts could come, and we will see those coming forward.

It is important that we bottom out the narrative around transformation. To me, transformation is about the improvement and efficiency of service; it is not solely about cutting costs or cost saving. The two can run in tandem, but, if we look at transformation only through the lens of cutting costs — purely from a financial point of view — we will lose the prize that true transformation can be. As I have said, transformation takes a number of years to come about. There are no short, sharp fixes.

The member talked about the £47 million transformation bid. My officials have challenged me on that, because there is a £49 million pot that we use for multidisciplinary teams (MDTs). That came from New Decade, New Approach (NDNA) for transformation and the roll-out of those teams. We have heard primary care say that it wants more multidisciplinary teams. Part of the Budget process removed New Decade, New Approach moneys, so the £49 million that we were using, which was allocated to the transformational funding model, is now part of our baseline. Therefore, that £49 million has been subsumed as part of our allocation. When it comes to the £47 million allocation for transformation year-on-year, given that it costs £49 million to run the multidisciplinary teams, I could spend that money on big transformation projects day in, day out. To me, the benefit of that is that it is a three-year pot, which means that it sits outside the single-year allocation. It allows us to do something but not to the extent that we want.

I return to something that Órlaithí, I think, said. I am looking at transformation money for further training courses and to increase our training numbers, but we may not have the funding to do that as a core activity any more.

Mr Robinson: Thanks, Minister, for making yourself available at such short notice. I am pleased that, in your opening statement, you said that Northern Ireland is underfunded. That was the theme of your presentation, which referred to that on a number of occasions. My question is more of a comment, in light of the Chair's comments that preceded it. Do you regret the tone of the correspondence that you sent to the Committee? Every glove was laid on your Executive colleagues, but there was no glove for the Treasury or the British Government. I found the telltale sign in the correspondence to be that the attacks were all on your colleagues, who were dealing with a small cake, the slices of which are becoming ever thinner. What pressure are you or your Department putting on the Treasury? Are any meetings planned?

There is a matter of optics. I picked up on the fact that, last week, when you made your presentation in the Great Hall, you were with Ulster Unionist colleagues rather than Health colleagues. I found that disappointing. Each to their own. I cannot prevent you from doing that, but, for me, the optics were that it looked not like a Department of Health statement but like an Ulster Unionist statement.

Mr Swann: I will pick up on that. The member will notice that, in coming before the Committee to take questions on the Budget today, I have brought officials with me to support me. I will never put an official in a party political position in which they have to answer for my beliefs from a party political point of view. That is why I stood with party colleagues, just as the First Minister and deputy First Minister did after the Executive meeting last Thursday when they came out and challenged my position of not supporting the Budget.

Unfortunately, the structure of this place means that I cannot meet or write to Treasury. That is the remit of the Minister of Finance and the Department of Finance. I have no doubt that she has meetings with Treasury. As I have said to the Committee and at the Executive meeting, I have a tough job in trying to make my budget work, but I have no doubt that Caoimhe had a tough job in bringing the Budget forward. The fact is that I do not agree with the allocation for Health, because it does not meet our financial needs. If the criticism is that I am an Ulster Unionist or that I am defending Health, I will take that, Alan. Do not worry about it. I will do what I believe to be right for the Department of Health's funding allocation. Any Minister would do that and behave like that; at least, I hope that they would.

Mr Chambers: Minister, this is not a blame game question. What is your assessment of where our health and social care system is heading if the budget currently allocated to your Department remains unchanged?

Mr Swann: It is about the challenges that we currently face. I will go back to the Fiscal Council's assessment of where Health was. It did an assessment of some funding pressures in 2022. There has been commentary that Northern Ireland gets more than England, but the Fiscal Council's 2022 report found:

"Health spending per head... was... broadly the same as in the North West and North East of England."

It also found:

"health spending in NI appears to have previously been broadly in line with relative need".

There is a narrative out there that we get more, we should be thankful for it, and we should be able to do the same with less. The Fiscal Council report in 2022 looked at the Health-specific spend and made those assessments. It went on to talk about improving efficiency, getting the number of bed nights down and all the rest of it. That is work that the Department has been doing and will continue to do.

In facing that challenge, we go back to what I laid out in the letters to Committee members about where, we believe, cuts will be necessary in the short term. As I said to the Chair, because this is a single-year Budget, those reductions have to be all the more drastic because of what we have to do in that short time to meet that legal commitment.

The Chairperson (Ms Kimmins): Minister, I have just realised that Danny asked you a question about independent living.

Mr Swann: He did, yes. It was about the independent living fund.

The Chairperson (Ms Kimmins): Could you come back on that, please?

Mr Swann: Sorry. I recognise some of the individuals sitting behind me, because I have met them before to discuss the independent living fund. At this time, when I do the overall assessment of my budget, I can make no commitments, and I do not think that the Chair and members of the Committee would want me to do so. In regard to additional moneys coming forward, my Department and I will do the best that we can with the budgetary allocations that we have. Did we expect it to be at the level that it is? No.

Mr Donnelly: With the likes of invest-to-save projects, will you be able to give us examples of the reforms that you are doing to try to save money?

Mr Swann: We will, Danny. I can get that. We will get something sent to the Committee. As members will be aware, we had already done some initiatives, and one of the early ones was agency nursing. The decision that I took before I left office the last time was to remove off-contract nursing. The member will be fully aware of the implications. That was done at risk at that point. At the minute, because of that step, we think that, year-on-year, there will be a £20 million saving in agency nursing spend. That step was taken at risk, but, as I said, when you look at the initiatives that come forward, there are other areas in which the Department and trusts could take steps, but it needs that bit of time. That was a decision that I made back in 2021-22, and we now see the financial rewards of that and how that has balanced out. There are other initiatives around that. There are the medicines use review (MUR) medicines and how we make savings there. I have figures, Chair, that I can share with the Committee in writing. I will follow up after the meeting.

The Chairperson (Ms Kimmins): We appreciate that.

I thank members for their questions. There are a few themes on which we really want to see some detail. First, we need to see solutions, and we need to see plans coming forward now for those critical issues. Those plans need to be within the financial envelope that is there, because I do not foresee that funding envelope getting any bigger in the immediate future. We need to see what will be done, and I ask for that to be brought forward so that we can tell people that, regardless, we are still working collectively and very hard to deliver as best we can. We also need to see a united front in lobbying the Treasury for the money that we need here. I ask you, Minister, to take that away. That is the strong message from us all here. We want to work together, but we need to see what we can deliver in the time ahead. Going forward, we will work with you where we can.

It is fair to say that we are very disappointed about what happened last week. You referred to alarmist remarks: I think that it is safe to say that the comments in the letter were pretty alarmist. I am glad to hear that they were not announcements, because I know that they caused a lot of concern among the public, particularly the reference to domiciliary care and all those issues, which are particularly difficult as it is. It was not good to see that there will potentially be further cuts to that, and that may or may not be the case. I hope that it will not be the case, and we will work with you to ensure that that does not happen. Moving forward, we need to be as positive as we can. I know that it is not easy, but I hope that you take that on board.

Mr Swann: I do, Chair. Thank you, as always, for the engagement on the letters that were sent to the Committee. They are no different from the letters that I sent to Executive colleagues about what I saw the Budget allocation meaning and the effect that it will have on meeting that financial commitment in the time that we have. When the Budget process comes forward, an equality impact assessment will be done on each Department's allocation that will then be factored in down the line in monitoring bids. Do I think that there will be enough monitoring bids to meet our needs? I am not sure, and I do not think that we have received that guarantee. As has been said, every Department is under financial constraint and pressure because of what it has been allocated this year. Given that we have to hold out for monitoring bids, we have to be realistic. They will not be at the levels that we have seen previously.

The Chairperson (Ms Kimmins): I have one final point, Minister, that I meant to mention. Danny mentioned transformation, and we have to focus on the workforce, because we are losing significant money in trying to plug gaps, considering the amount that is being spent on locums and agency staff across Health and Social Care. We would like to see what plans will be coming forward to tackle those issues, because we could see a different picture if we were able to get ahead of some of that stuff.

Mr Swann: We will be able to do a direct comparison on agency spend in 2023-24 shortly, and we will see what savings have been made since the changes were made. There is a piece of work, as you said. The use of locums is another area that we want to look at. There will be a cost-saving analysis of permanent posts versus locum posts. The way to get more permanent posts is by training more staff. If we had trained more people five or six years ago, there would be more staff in the workforce now. I am concerned, if we have to start looking at cutting training places now, about the impact that will be seen in five or six years' time.

The Chairperson (Ms Kimmins): Training is important, but we need to make sure that we do enough to retain those staff. That is key.

We have brought this almost to the wire, and I appreciate your time. Obviously, we will come back on some of the other correspondence that we have received. Thank you, Minister and officials, for coming today.

Mr Swann: Thanks, Chair.



Committee for Health

Robin Swann
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Our Ref.: C26/24

7 May 2024

Dear Minister,

Ministerial Briefing on Budget 2024-25

Thank you for briefing the Committee on 2 May 2024 on the Department's Budget.

At the briefing, the Committee acknowledged spending challenges facing the Department from the Budget for 2024-25. The Committee stated its willingness to work in partnership with you and provide its support on this matter. As highlighted by Members, the Committee requires a detailed brief of spending plans of the Department. I am, therefore, writing to you to request that you provide the Department's current detailed spending plans regarding Budget 2024-25. Moving forward, the Committee would also like to see the detailed proposals when the Department is making bids during the monitoring round process throughout the year.

During the briefing, you kindly agreed to provide further information on the Department's invest to save initiatives and the Department's savings plans for 2024-25.

I look forward to your response to the above, at your earliest convenience.

Yours sincerely,

Liz Kimmins MLA
MLA
Chairperson
Committee for Health

Committee for Health

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