

**Department of  
Finance and Personnel  
Memorandum on the Thirty Third  
Report from the  
Public Accounts Committee  
Mandate 2011-2016**

**General Report on the Health and Social Care Sector  
2012-13 and 2013-14**

**Presented to the Northern Ireland Assembly  
by the Minister of Finance and Personnel**

**25 March 2016**



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# Glossary of Abbreviations

<b>DAC</b>	Direct Award Contract
<b>DEL</b>	Departmental Expenditure Limit
<b>DFP</b>	Department of Finance and Personnel
<b>DHSSPS</b>	Department of Health, Social Services and Public Safety
<b>HSC</b>	Health and Social Care
<b>NHS</b>	National Health Service
<b>NI</b>	Northern Ireland
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SAI</b>	Serious Adverse Incident
<b>TYC</b>	Transforming Your Care
<b>UK</b>	United Kingdom

**DEPARTMENT OF FINANCE AND PERSONNEL MEMORANDUM DATED 25<sup>th</sup>  
MARCH 2016 ON THE 33<sup>rd</sup> REPORT FROM THE PUBLIC ACCOUNTS  
COMMITTEE MANDATE 2011-2016**

**Thirty Third Report**

**Department of Health, Social Services and Public Safety**

**General Report on the Health and Social Care Sector 2012-13 and 2013-14**

*PAC Recommendation 1*

**High quality care and the efficient and effective use of health and social care funding go hand in hand. Action is needed, therefore, to place the finances of health and social care organisations on a more sustainable footing. The Committee considers a more flexible system is required (like that which exists in Scotland) which would involve a move from annual to medium term financial planning to avoid the annual budgetary constraints and monitoring round bail-out arrangements which currently afflict Trusts. The Committee recommends that the Department approach DFP to explore the options available for introducing three-year budgets for the HSC Trusts.**

The Department of Health, Social Services and Public Safety (DHSSPS) accepts this recommendation.

DHSSPS has written to the Department of Finance and Personnel (DFP) to explore the options available for introducing three year budgets for the Health and Social Care (HSC) Trusts. The DFP response noted that the next Budget round will extend across a three year period from 2017-2020 for Resource Departmental Expenditure Limit (DEL) and across four years for capital DEL. The setting of budgets across these periods should allow HSC Trusts to plan more effectively. DHSSPS will continue to discuss this issue with DFP as part of the budget process, but the issue of budgetary allocations is ultimately a matter for the Executive.

*PAC Recommendation 2*

**The Department needs to explain in detail how it will tackle the issue of consultant shortages. In particular, the Committee recommends that it examines the extent to which the consultant contract allows Trusts to award incentives to attract consultants to geographical areas and specialities where there are shortages, without financially disadvantaging the organisations concerned.**

DHSSPS accepts this recommendation.

In order to fill consultant vacancies, DHSSPS has tasked the Business Services Organisation with taking forward a regional tendering process for the international recruitment of medical doctors (including consultants). It is anticipated that this tender will be awarded by summer 2016. In addition, where there is difficulty in recruiting at consultant level DHSSPS has, where appropriate, sought to alleviate the issue by commissioning additional training places at the Northern Ireland (NI) Medical and Dental Training Agency in the affected specialities.

In respect of incentives, there is a facility under the existing United Kingdom (UK) wide consultant contract which enables HSC Trusts to apply a Recruitment and Retention Premium for hard to fill posts. However in NI, in order not to destabilise the workforce, decisions to award recruitment premiums are submitted to DHSSPS for consideration on a regional basis. These decisions are not left to local employers to determine. DHSSPS takes the view that premiums are only paid in very exceptional circumstances and in those instances where the whole HSC sector benefits by a post being filled from an applicant currently working outside of the HSC sector in NI. Further, the payment of a Recruitment and Retention Premium should not disadvantage organisations concerned as it should offer a more cost-effective option for HSC Trusts than paying agency or locum costs.

In addition, DHSSPS has undertaken some preliminary work on the development of non-monetary recruitment and retention incentives, where a variety of schemes from outside of the UK are under consideration by DHSSPS in conjunction with the HSC Trusts. Issues under consideration include providing additional training opportunities, leadership development opportunities and time off for research purposes.

*PAC Recommendation 3*

The Department must work cooperatively with the HSC Board and Trusts to seek innovative and cost effective ways of enhancing staff flexibility. For example, consideration should be given to the possibility of recruitment on a Northern Ireland regional basis for certain specialties as a way of matching skills to need. Moreover, we recommend that the Department should explore the extent to which it may be possible to insist that, for a limited period after qualification, newly qualified consultants would be expected to fill a vacancy where their specialism met the need.

DHSSPS accepts this recommendation.

There are a number of areas where HSC Trusts and the HSC Board already work in collaboration to improve staff flexibility and patient access. For example, urology consultants in both the Belfast and Western HSC Trusts have been able to provide services to Northern Trust patients during Northern Trust consultant shortages. A number of regional clinical networks also exist to ensure information-sharing and problem-solving is undertaken across HSC Trust boundaries.

DHSSPS is also fully engaged in negotiations in respect of new terms and conditions for consultants and is considering the way forward in relation to junior doctors within the context of negotiations on a new contract. A key aim in each of these negotiations is the encouragement of staff flexibility.

As reflected in the response to recommendation 2, work is underway for the international recruitment of medical doctors on a regional basis and it is the intention that this exercise will match skills to need. In addition, DHSSPS has commissioned additional training places at the NI Medical and Dental Training Agency in the affected specialties.

The extent to which it may be possible to insist that, for a limited period after qualification, newly qualified consultants would be expected to fill a vacancy where their specialism met the need is an issue which DHSSPS will explore with the British Medical Association in NI as part of discussions around the new contract.

*PAC Recommendation 4*

The HSC Board should ensure that it can pinpoint why cancer waiting time targets are not being met and should set out the action needed to meet the targets, and the date by which it expects Trusts will achieve those targets again.

DHSSPS accepts this recommendation.

The HSC Board, through its monitoring of the cancer pathway, has identified the main reasons for delays in meeting cancer waiting time targets as being outpatient capacity, diagnostic capacity, and treatment capacity. This situation continues to be exacerbated by the growing incidence of cancer due to an ageing population, an increasing number of suspected cancer referrals and the challenging financial climate.

The HSC Board is actively engaged with the HSC Trusts in addressing, strategically, some of the pressures that are facing cancer services across the region through a process of targeted investment, service redesign and benchmarking quality with our National Health Service (NHS) England colleagues.

In addition, a number of specialty specific regional groups involving representation from the HSC Board, Public Health Agency and HSC Trusts have been established and work is being taken forward in these forums to develop innovative solutions to the capacity and workforce issues. The HSC Board also meets with HSC Trusts on a monthly basis to share best practice across the region and identify opportunities for delivering improved performance.

Further, HSC Trusts are engaged in the National Peer Review process whereby over a three year period all sites that deal with tumours and cancer pathways will be visited by a team of national experts and clinicians from NHS England to assess the quality of services and make recommendations for improvement, where appropriate.

The HSC Trusts and the HSC Board will set out their approach and the proposed timescales for the achievement of cancer waiting times in 2016-17 within the HSC Trust Delivery Plans and the HSC Board Commissioning Plan which will be completed by summer 2016. DHSSPS will update the Committee on this in due course.

*PAC Recommendation 5*

**The HSC Board, working with Trusts, should begin a process of identifying best practice in those hospitals/specialties where performance against waiting time targets is bucking the trend, both locally, and across the wider NHS, so that the lessons learnt from successful innovation can be disseminated across the Trusts.**

DHSSPS accepts this recommendation and it reflects existing practice.

The HSC Board has for many years been identifying and disseminating best practice across all aspects of healthcare, including performance against waiting times. The Scheduled Care Service Improvement Team within the HSC Board was established in 2009 and is responsible for the identification and sharing of best practice to improve the overall quality, efficiency and productivity of scheduled care services; and works with HSC Trusts to ensure service changes in line with the best practice.

DHSSPS and the HSC Board will continue to review practices across HSC Trusts and wider afield, including from areas where performance is exceeding targets, with a view to learning further lessons from successful innovation which has helped to reduce waiting times. DHSSPS will continue to disseminate best practice across HSC Trusts identified from these areas.

*PAC Recommendation 6*

**In the interests of transparency and value for money the Department should take steps to get together with its counterpart Departments in the UK in order to agree the specific indicators that would provide the most insight into health and social care performance, establish the data needed to make valid comparisons and identify how to collect that data cost-effectively.**

DHSSPS accepts this recommendation and it reflects current practice.

In developing its full range of targets and indicators for the 2016-17 Commissioning Plan Direction, DHSSPS considered the indicators and targets used in other UK jurisdictions and further afield. Key HSC stakeholders also provided advice on the appropriateness of specific indicators, and the insight they will provide into health and social care performance, based on their knowledge of service delivery.

In addition, DHSSPS participates in a number of UK analysts groups which look at harmonising specific measures across the UK. For example, DHSSPS is currently involved in a group looking at UK waiting times, which is seeking to produce an agreed set of quality indicators in response to an Organisation for Economic Co-operation and Development (OECD) report.

DHSSPS recognises that accurate and relevant performance data is fundamental to improving the delivery of high quality care. DHSSPS will continue to engage with its UK counterparts in order to agree the specific indicators that will enable the production of a comprehensive range of high quality performance information which can be used to make valid comparisons.

DHSSPS will also continue to ensure that the most cost effective and efficient processes are followed when collecting and analysing performance data.

*PAC Recommendation 7*

**The Committee recommends that the Department clarify the expected time period over which it expects the benefits of TYC to be realised.**

While DHSSPS accepts this recommendation in principle, it is difficult to provide an exact timescale as to when the full benefits of Transforming Your Care (TYC) will be realised.

TYC is being taken forward through a range of change programmes. It was clear at the outset that benefits from individual projects would be realised both during the implementation work and in subsequent years. Projects underway are now beginning to show improved patient outcomes and reductions in hospital bed usage. The authors of TYC acknowledged however, that the pace of change required to deliver the full transformation of

health and social care service delivery was dependent on financial circumstances and the prioritisation of resources allocated by the NI Executive to DHSSPS, and as such it may be a longer term undertaking.

In November 2015, DHSSPS produced a second update on HSC actions to deliver the model of care set out in TYC. The report showed that two and a half years into what TYC originally described as a five year programme of change, work on around half of the 99 proposals had been completed with good progress made on nearly all the rest.

DHSSPS will continue to monitor progress of TYC change programmes to ensure that the full realisation of benefits arising from individual projects is achieved. This will be done in line with established best practice.

#### *PAC Recommendation 8*

**Particularly in light of the Trusts' poor financial performance, it is essential that goods and services are procured competitively in order to ensure value for money. The Department must lead efforts to make sure that the Committee's previous recommendations on the management of Direct Award Contracts have been effectively embedded and applied across all Trusts.**

DHSSPS accepts this recommendation.

DHSSPS consider that current procedures already ensure that the majority of general goods and services are procured competitively in order to ensure value for money. This is largely carried out through monitoring of a Strategic Procurement Action Plan for HSC organisations, which has been developed by DHSSPS in conjunction with the HSC Trusts and Centre of Procurement Expertise (Business Services Organisation PaLS).

DHSSPS accepts the importance of complying with DFP guidance on the management of Direct Award Contracts (DACs). The Strategic Procurement Action Plan for HSC Trusts referred to above contains distinct targets in relation to complying with best practice when awarding DACs. In addition to the approvals outlined in DFP's guidance, any DAC over the European Union threshold must be submitted to the Departmental Accounting Officer for scrutiny and approval. The DHSSPS Audit and Risk Assurance Committee also receive regular updates on the volume and costs of DACs across DHSSPS and the HSC Trusts. Further, in terms of transparency, DACs over £30,000 are published in accordance with DFP guidance.

The HSC sector is however an area of significant technological innovation, particularly with respect to drugs, other technology and equipment, and where intellectual property rights apply. This means that DACs will continue to be a necessary and significant feature of DHSSPS operations.

DHSSPS will continue to manage and monitor DACs as set out above to ensure that best practice guidance is embedded and applied across all HSC Trusts.

#### *PAC Recommendation 9*

**While recognising the positive action which has been taken to date, the Committee calls on the Department to continue to do all it can to foster and grow a culture of openness and honesty across all health and social care bodies. It is essential that employees in the health and social care sector have trust in the system for handling whistleblowers and that they have confidence they will be taken seriously, protected and supported by their organisations if they blow the whistle.**

DHSSPS accepts this recommendation.

DHSSPS is committed to ensuring a culture of openness and honesty across all HSC bodies.

In March 2012 correspondence from the then Health Minister was issued to all HSC staff which encouraged them to raise any genuine concerns they had in the workplace and reassured staff that their concerns would be taken seriously and that they would be protected. DHSSPS will continue to encourage all HSC employees to raise concerns they may have in the knowledge that appropriate action will be taken and that this has support from the highest level.



In addition, DHSSPS and all HSC bodies are required to have a whistleblowing policy in place which encourages staff to raise concerns. Local policies also set out the arrangements for raising concerns both internal and external to the organisation.

Further DHSSPS will utilise information from the 2015 HSC Staff Survey and from the Regulation and Quality Improvement Authority's review of HSC whistleblowing arrangements to help inform further improvements to whistleblowing arrangements for HSC staff.

#### *PAC Recommendation 10*

**The Committee recommends that the Department undertakes a review of existing guidance and controls around private practice arrangements to assess whether, as far as is practical, all necessary steps are being taken to ensure that health service patients are not being disadvantaged as a result of the close intertwining of public and private health care. The Department should report its findings back to the Committee by 31 March 2016.**

DHSSPS accepts this recommendation.

DHSSPS is already undertaking a review of existing guidance and controls around private practice arrangements and will strengthen these as appropriate. DHSSPS has written to all HSC Trust Chief Executives asking them to explain how they obtain assurances that all necessary steps are being taken to ensure that health service patients are not being disadvantaged as a result of the close intertwining of public and private health care. Chief Executives have also been asked to indicate any further steps that they consider should be taken locally or regionally to improve controls and assurances in this area. DHSSPS has also approached the HSC internal audit unit, who regularly review and report in this area, to ascertain their views on the operation of internal controls in this area.

DHSSPS will report the findings and proposed actions back to the Committee.

#### *PAC Recommendation 11*

**Recent revelations and reports from elsewhere in the UK have ensured that the priority and status of patient safety has risen to the top of the agenda among health and social care bodies. The Committee is concerned, however, that, as the other major issues dealt with in this report become ever more prominent, such as reducing waiting times and achieving financial balance, the focus on patient safety may diminish. It is vital that the momentum built up in recent years in terms of learning and improving patient care is not lost.**

DHSSPS accepts this recommendation.

DHSSPS can assure the Committee that patient safety remains very much a priority and the focus on patient safety remains firmly embedded as part of 'Q2020', DHSSPS's quality strategy. This is monitored by the Q2020 Steering Group which is chaired by the Chief Medical Officer. It is responsible for the strategic direction and oversight of the Quality 2020 implementation and reports on progress regularly, or as required, to the Permanent Secretary, Top Management Group and the Health Minister.

Maintaining momentum in terms of the learning associated with Serious Adverse Incident (SAI) reporting and investigation is being addressed through a number of improvement initiatives aimed at identifying the learning from SAIs, particularly those cases involving the death of a patient and those involving suicide, homicide and serious self harm.

Further, the HSC Board working together with the Public Health Agency have been asked to consider changes which can be taken forward now in support of recommendations arising from the Donaldson Report (an expert examination of the application of health and social care governance arrangements for ensuring the quality of care provision in NI). The focus of any changes will be on the effective use of the SAI system as a system to capture and promote learning in the most effective way.

The HSC Safety Forum will also continue to identify and promote good practice and learning flowing from the SAI process.

*PAC Recommendation 12*

**To help inform the development of a culture of openness and transparency across the Trusts, the Committee recommends that the Department should monitor the safety culture in Trusts by arranging to have them use one of the established tools available to undertake a cultural audit.**

DHSSPS accepts this recommendation and will identify a suitable cultural audit tool for use in NI. This will be undertaken by the Q2020 Implementation Team during 2016-17.

*PAC Recommendation 13*

**It is important that Trusts lift their game in paying invoices promptly. The Committee recommends that the Trusts develop individual action plans to help them implement measures which will bring about the needed improvement in their performance.**

DHSSPS accepts this recommendation.

During the 2015-16 financial year HSC Trusts' performance in relation to the target of paying 95 per cent of invoices within 30 days has improved and performance against the 10 day target has improved significantly.

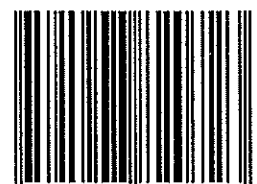
However, DHSSPS acknowledges that more needs to be done to improve performance overall. From April 2016 DHSSPS will request any HSC Trust which paid less than 95 per cent of invoices in 2015-16 within 30 days to develop an action plan to help it bring about the needed improvement in performance. Prompt payment performance will also continue to be monitored through monthly reporting by HSC Trusts and performance against the action plans will be reviewed as part of accountability and governance procedures.

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