



Northern Ireland
Assembly

Committee for Health

OFFICIAL REPORT (Hansard)

Budget 2021-22: Department of Health

11 February 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Colm Gildernew (Chairperson)
Mrs Pam Cameron (Deputy Chairperson)
Ms Paula Bradshaw
Mr Jonathan Buckley
Mr Gerry Carroll
Mr Alan Chambers
Ms Órlaithí Flynn
Ms Cara Hunter
Ms Carál Ní Chuilín

Witnesses:

Mr Andrew Dawson	Department of Health
Ms Ciara Dolan	Department of Health
Mr David Keenan	Department of Health
Ms Brigitte Worth	Department of Health

The Chairperson (Mr Gildernew): I welcome, via video link, Ms Brigitte Worth, director of finance.

Ms Brigitte Worth (Department of Health): Good morning, Chair.

The Chairperson (Mr Gildernew): Good morning, Brigitte. I welcome Mr David Keenan, head of financial planning. Good morning, David.

Mr David Keenan (Department of Health): Good morning, Chair.

The Chairperson (Mr Gildernew): I welcome Mr Andrew Dawson from the investment directorate. Good morning, Andrew.

OK, I am not hearing from Andrew. I will check then. Hopefully, we will also be joined by —. Is that Andrew Dawson now? Yes. We can see you on the screen now. Good morning, Andrew.

Mr Andrew Dawson (Department of Health): Good morning. How are you?

The Chairperson (Mr Gildernew): I am very well, thank you.

I welcome Ms Ciara Dolan, director of transformation. Good morning, Ciara. Are you online with us? Can you hear me?

Ms Ciara Dolan (Department of Health): Yes, I can. Can you hear me?

The Chairperson (Mr Gildernew): We can hear you fine. Tá fáilte romhaibh uilig go dtí an Coiste Sláinte. You are all welcome to the Health Committee. We appreciate your coming along and briefing us. Please give your briefing. Brigitte, will you indicate how you intend to organise the briefing, please?

Ms Worth: Yes, Chair. I will start by making some opening remarks from the resource position before handing over to Andrew, who will speak about the capital position. As usual, I have Ciara and David here to provide assistance with your questions. There will just be opening remarks from Andrew and me, Chair. If you are happy with that, I will start.

I would like to start by setting some context for what is, as I am sure that you will appreciate, an incredibly challenging Budget settlement for the Department. As you will be aware, prior to the COVID-19 pandemic, the health and social care system was already under mounting pressure. The costs associated with maintaining our existing models of service were increasing at a pace that could not be sustained within the budget available, and those issues have been further compounded by the pandemic. We require major, sustained investment in order to rebuild our struggling services and reduce waiting times. In particular, increasing the capacity of our elective-care system, whether in-house or in the independent sector, requires a recurrent funding commitment to enable us to invest in the staff and infrastructure required to start to make progress.

Unfortunately, the funding available in our draft Budget allocation does not allow us to make any significant headway into that issue, which was already estimated to cost between £750 million and £1 billion before the impact of the pandemic is taken into account. Similarly, the draft Budget will not allow us to undertake a transformation programme with any level of ambition. Such a programme also requires significant investment to enable us to make the transition needed to a more sustainable service, investment that is, again, not possible with the level of funding that this Budget provides.

You will appreciate that we are still working through the detailed implications of the Budget settlement at an official level before bringing recommendations to the Minister on the key issues associated with the constrained funding position. It is particularly important that we take the time needed to do that work thoroughly, given the difficult choices that need to be made. The need to do that, while continuing to respond to the challenges of the pandemic, has meant that this work has not been able to proceed at the pace we would ordinarily have wished for. There will, therefore, likely be many questions on whether certain specific services will be funded that I will not be in a position to answer today. However, I hope that the paper will help to give you a sense of the position that we are dealing with, and I will spend some time talking you through the specifics of it.

The opening paragraphs set out the detail of where we expect our final Budget position to land, and that is at some £6.6 billion. That is £495 million of additional funding when compared to this year's baseline of £6.1 billion. You have a breakdown of the additional allocations that make up the £495 million in the paper.

I will pick out a couple of key details from the rest of the paper. First, the settlement does not include any additional funding for safe staffing. However, we have been assured by the Finance Minister that safe staffing funding will be made available in the June monitoring round. I have highlighted a requirement for an additional £20 million for safe staffing. Our financial planning is now proceeding on the basis that the funding will be forthcoming.

We are also dependent on the COVID-19 rebuild funding of about £250 million to mitigate the pressures that were previously included in our requirements to maintain existing services, to meet some new inescapable pressures, and to fund some of our New Decade, New Approach (NDNA) priorities, although that will not be without its challenges. Whilst one-off COVID funding can be effectively deployed to an extent to provide elective care, you will know that rebuilding services requires multi-year commitments to training places and to appoint people to permanent posts to attract and retain staff.

That brings me to the most important financial management point and my main concern as finance director. Only the £52 million of Agenda for Change (AfC) pay funding has been provided recurrently, which represents a recurrent increase of less than 1%. To put that in context, in 2020-21 the Department received some £400 million of additional funding with £344 million provided recurrently. The main constraint on our spending in 2021-22 is, therefore, going to be the extent to which we can assume that funding will be received in 2022-23 to meet any commitments that we make recurrently. With our estimate of pay and price inflation running at £150 million, it will, therefore, be very difficult for

us to make recurrent commitments in excess of the £250 million mark. Even that will require us to receive an additional £400 million in 2022-23 just to stand still. Whilst this is not an unreasonable expectation, given the 2020-21 allocation, to go above this amount would run the risk of running up bills that we cannot pay.

I find myself in a very strange position today. I am telling you that we do not have enough funding to do everything that we want to do next year, but I am also sounding a note of caution about the provision of additional or non-recurrent funding, as we will be limited in how that can be spent without assurances about the amount of additional funding we will receive in 2022-23. As the Health Minister has said on a number of occasions, we really need a multi-year budget to enable us to plan the services that we can deliver on a sustainable basis and to enable us to invest with confidence in training and to increase the staffing levels required to provide the health and social care service that we all need.

On that note, I will hand you over to Andrew to provide an update on the capital position.

The Chairperson (Mr Gildernew): Thank you, Brigitte. Go ahead, Andrew.

Mr Dawson: Thanks. A capital briefing paper has also been provided. You will see that the proposed capital allocation for the 2021-22 is £326.5 million, and that represents an increase on the 2020-21 opening budget. While any increase is welcome, we are still in need of further funding to provide for all the projects that we would like to do.

There have been some changes to our profile since our November paper to you; they are set out in table 1 of the briefing paper. The proposed allocation for 2021-22 will enable us to take forward those priorities that we regard as inescapable, as well as continuing to progress our flagship projects, commence a small number of critical new projects, and provide regular and ongoing investment to the health service and the Northern Ireland Fire and Rescue Service for fleet and estate maintenance.

In this financial year — 2020-21 — we have allocated £70 million of COVID capital funding to a range of proposals brought forward by health organisations to meet the COVID response. That funding has been allocated for additional equipment in hospitals, including ventilators and medical equipment, provision of funding for PPE storage, a second Nightingale hospital at Whiteabbey, an increase in medical oxygen supplies, a range of IT solutions to enable Health and Social Care (HSC) to resume services through new ways of working, and to allow the health service to reset and rebuild in a COVID-safe environment.

Some of the COVID proposals have commitments into 2021-22. Whilst we have received an allocation of £3.6 million of COVID funding for that, we are prepared to set aside a total of £6.5 million for COVID capital funding to include that £3.6 million to meet the 2021-22 priorities.

The paper details the flagship projects position at paragraph 5, the committed projects position at paragraphs 6 and 7, the critical ICT at paragraph 8 and the need to maintain services from paragraph 9 onwards. From paragraph 16 onwards, we detail a number of critical new projects, for which we have provided an allocation of £3.5 million. It is probably better to go into more detail on the resource and capital position in questions, so I will pause at this point.

The Chairperson (Mr Gildernew): OK. Thank you, Andrew. The first question from me is probably for Brigitte. Will you outline for us how the £250 million for COVID rebuild will be allocated over this Budget period?

Ms Worth: In total, we have received £380 million of funding for COVID. As you can see from the paper, £25 million of that is for anticipated vaccine roll-out costs, and £105 million is for response. We are still looking at exactly how we will prioritise the £250 million of funding. It is the only additional funding over which we have any discretion, so we are really looking at how it needs to be prioritised across all those areas to meet pressures in 2021-22. We will need some of that to ensure that we do not need to ask our health services to make savings in order for us to afford pay and price inflation. We are using some of it to enable us to continue services at the current level, and we are looking at how the rest of it needs to be prioritised against the pressures that we identified in our previous paper to maintain existing elective care services, rebuilding after the pandemic, and looking at the NDNA priorities that feed into that.

With Ciara on the line, I obviously cannot forget the need for us to look at the transformation projects and which of them need to be prioritised from that funding, and that work is ongoing.

The Chairperson (Mr Gildernew): Given that that is flexible spend, what plans, systems or procedures are in place for consultation on the allocation of that funding? What consultation are you proposing on it?

Ms Worth: The Department of Finance is undertaking, as I am sure you are aware, a consultation on the overarching Budget settlement. We have provided additional information on our website on the high-level consequences of the settlement. That is publicly available to assist people in responding to the consultation and includes a high-level assessment of potential equality impacts as well. That is also available on our website for consultation. As we work through the outworkings of the Budget, we expect that decisions and measures will need to be subject to further consultation at local level where decisions need to be taken. They will also need to be subject to the appropriate equality, rural proofing, and screening.

The Chairperson (Mr Gildernew): Thank you. My second question relates to transformation and is probably for Ciara. How does the Budget feed into the transformation programme, and what is the assessment for the funding required in future to implement it? What projects have been put on hold or have been allowed to progress as a result of COVID?

Ms Dolan: No transformation projects have been paused as a result of COVID. We protected the transformation work, as, ultimately, transformation is the only long-term solution that we have to create a sustainable service. In many ways, transformation projects support our COVID response. For example, the multidisciplinary teams in primary care paved the way for the COVID centres. The day-case elective care for varicose veins and cataracts protected those surgeries. With the roll-out of the day-case elective care centre in Lagan Valley, a lot of the acute care at home, ambulatory care and unscheduled care services supported the system's capacity and flow when we needed it most. It has become a cornerstone for how we get people through the system. Transformation needs to continue.

As Brigitte set out, the Budget settlement is not ideal. We anticipate £49 million for transformation. That is not enough. As Brigitte said, for long-term transformation, we need multi-year budgets because we need to be able to plan ahead. This year, we had £44 million in allocation for NDNA transformation. We supplemented that with almost £50 million from reprioritising other funding streams, recurrent demography funding, and we also sought more money, as you know, Chair, through June monitoring. We have a total of £94.4 million for transformation at the moment. Forty-nine million pounds does not add up to what inescapable costs will be next year, so we will look to meet the inescapable costs of transformation, but they are the inescapable costs of projects that started in 2018. Whilst that is very valuable, we need to look at what we need to do now in the context of what we know, after the third wave of the pandemic.

A great deal of work is ongoing in the system. For example, I am undertaking an evaluation of the £94.4 million to see whether what we are doing is meeting our objectives. We are looking at Brigitte's exercise on prioritisation, against all our other priorities, to see where the transformation projects sit. I do not have the detail because we do not know at this point. It is for the Minister to decide what goes ahead. Transformation remains our only option for long-term sustainability.

The Chairperson (Mr Gildernew): I have a similar question for you, Ciara, about the consultation. What systems are in place and what consultation is planned? This is a key rebuild and transformation. It was initially impacted by COVID, so what plans are in place to ensure that there is full and proper co-design and co-production of all these spends?

Ms Dolan: It will be exactly the same process that Brigitte outlined for consultation screening at a local level, Chair. A lot of the transformation projects are pilots or prototypes, but we now need to move out of that space and, if projects are proving successful, embed them into the system so that we can plan ahead. We will be able to do that only with multi-year budgets. Decisions on what goes ahead and what we can fund will be determined by what else is prioritised in the system. I cannot give you any guarantee at the moment about what will or will not happen, but we are working on it.

The Chairperson (Mr Gildernew): But you can guarantee, I hope, Ciara, that there will be substantive and meaningful consultation. That is the key part of it.

Ms Dolan: Absolutely. Of course.

Mrs Cameron: Thank you, panel, for your attendance at the Committee today. I want to ask about the absence of funding for the review of adult social care. That is pretty worrying. How does that absence fit in with the Minister's commitment to reform the care home sector and placing care staff terms and conditions on the same footing as those in the NHS? Could you address that, please?

Ms Worth: I will take that question. Along with all our other priorities, we have to look at what can be afforded from the funding envelope that we have been given, and that will be one of a number of things that we will look at and decide how to prioritise. It is a substantial requirement, and that will obviously make it harder to fund. As I said before, we have not yet got to the point where final decisions have been made on what we will allocate funding to.

Mrs Cameron: OK, Brigitte. Do you have an estimate as to how much that may cost?

Ms Worth: The figure that I have for 2021-22 is about £20 million. I am looking to see if David is nodding at me. Yes, he is. Good.

Mrs Cameron: OK, thank you. The Chair asked the question that I wanted to ask about the £250 million health service rebuild after COVID. You said that that list has not been prioritised. You referred to multi-year budgets, which is the preferred option. How differently would you do things, or what would you be telling us today, if multi-year budgets were in place? What progress has been made towards achieving multi-year budgets for the future?

Ms Worth: It would depend on what the multi-year budgets were telling me. I could have a multi-year budget in front of me that would not change the message. I could have a multi-year budget that did not provide additional recurrent funding into future years, and that would mean that I would still be giving you the same message.

Ideally, I would like to have a multi-year budget that provided significant additional funding into the future, and rather than saying that I am worried about making recurrent commitments, I would be saying that I am confident about making recurrent commitments to priorities because I know that the money will be there next year, the year after and the year after that. As I say, if it does not have the right numbers in it, I could have a multi-year budget that does not change my message, if that makes sense. Sorry, I have forgotten the second part of your question.

Mrs Cameron: It was on the progress that has been made on achieving a multi-year Budget for future years.

Ms Worth: Although that is primarily a matter for the Finance Minister, the Health Minister continues to raise the issue with him and in public. I understand that the Finance Minister continues to make the case for that with his colleagues in Treasury.

The Chairperson (Mr Gildernew): Cara, go ahead, please.

Ms Hunter: There we go. Sorry, folks, but I could not unmute myself. Thank you all for being here today. I have two main questions. The first is this: what were the agency staff costs in the past year and what are the expected costs for 2021-22?

Ms Worth: I am sorry, Cara. I do not have that information with me today. If you follow that up in writing, we can provide you with the information.

Ms Hunter: Great. I will chase that up after this.

Secondly, I see that £127 million is being invested in ICT projects. That is a significant amount of money. Can I get a breakdown of costs for ICT projects and the likelihood of their being delivered on budget?

Ms Worth: I will throw that one over to Andrew.

Mr Dawson: There is a proposed allocation of £127 million for the ICT programme. It is quite wide-ranging and comprehensive. It covers a number of things that are already well in train and hopefully some business cases and small projects that remain to be drafted.

I will give you a breakdown of the main figures. The amount that is allocated to ICT infrastructure and critical systems is £11.3 million. Our proposed allocation for the Encompass project, which is our main ICT project, is £52.7 million this year. We then have the technical enablement project, which is to upgrade the operating systems etc so that they are in use [*Inaudible.*] That is £30 million. An allocation of £20 million has been made towards ICT business cases that we are aware are coming but are still being drafted. The other main number is £6.5 million for the ongoing laboratory information management system (LIMS) scheme. There are some small items as well. For example, the business services transformation programme (BSTP) replacement has £1 million allocated to it. I can provide the breakdown to you in writing, but those are the main points from it.

You asked about the possibility of their being delivered on time. That is a complex issue. We always aim to give a robust analysis of whether something can be delivered on time and within budget. If it cannot, we cut our cloth or change our schedule accordingly. The figures that I have just read out to you are our best estimate at the moment of the amount of money that we can spend in 2021-22. That will probably be subject to change. There will be a number of in-year monitoring periods in which we change our assumptions and the amounts etc. At the moment, the figures are based on what we think can be spent in 2021-22, but I will caveat that by saying that it is always a moving feast, not just for ICT but for most of the capital projects.

Ms Hunter: Andrew, thank you so much. That was a really detailed answer. It was very informative.

I have one other question. I see that £10 million is to be invested in mental health. This may be a question for the Minister, but has it been identified how and where that money will be spent? Do you have that information?

Ms Worth: Yes. That is funding that we had previously received under confidence and Supply for mental health. It therefore relates to things that are already on the ground. Around £0.5 million of that contributes to the running costs of the new acute mental health inpatient centre in the Belfast Trust, and around £4.6 million is being invested to ensure that we maintain psychological therapies at existing levels. The rest went towards ensuring that we were able to meet some of the inflationary pressures on the service up until the past year, by which I mean inflationary pressures emerging prior to 2020-21. We recognise that there are probably rising pressures as a result of COVID. Any additional funding over and above that £10 million, which, as I said, has already been deployed, will have to be considered for prioritisation alongside the rest of the areas as part of the £250 million. That is how the £10 million has been spent over the past number of years and will continue to be spent into the future.

Ms Hunter: Thank you, Brigitte. I will come back to you on the agency costs. Thank you.

The Chairperson (Mr Gildernew): Before I go to Jonathan, there are a couple of things that I want to follow up on. Can you provide the response to the agency question to the entire Committee, please? On Cara's point about the inflationary element of the mental health funding, do you mean inflated demand rather than financial inflation?

Ms Worth: Yes.

The Chairperson (Mr Gildernew): OK. I am aware that, between the first and second surges of the pandemic, psychological support for nurses in critical care had been reduced. It almost seems that half of the budget is a contingency fund. Surely the funding is needed right now more than ever, so should it not be mobilised now? Does the workforce exist to be able to spend that £5 million on psychological support?

Ms Worth: It is for support that is already on the ground for psychological therapies. We have had that £10 million for a number of years now but have never had it recurrently. It comes from the confidence and Supply funding. That was part of our existing service prior to the pandemic, and still is.

The Chairperson (Mr Gildernew): Are you indicating that you are planning to be able to cater for a doubling of demand? You have allocated £4.5 million, plus the £0.5 million, which leaves £5 million in the contingency for inflation, as you have referred to it. Do you think that it is going to double?

Ms Worth: No. Apologies, Colm. When I say that that is being used to deal with rising demand, that is a rising demand prior to the pandemic. That £5 million was therefore already required to deal with the

rising demand for mental health services before we factor in any further increase that might be required as a result of the pandemic. I am talking about any further increase above and beyond that £10 million when I say that it needs to be prioritised from the £250 million that we were talking about earlier. Does that make sense?

The Chairperson (Mr Gildernew): OK. Yes, I understand that.

Does the workforce exist to increase the service? Does psychological support funding apply to child and adolescent mental health services (CAMHS) as well as to adult services in this discussion?

Ms Worth: Yes. I think that it includes CAMHS, but I will need to double-check that. I have completely forgotten the first part of your question. Apologies.

The Chairperson (Mr Gildernew): Is there the workforce to meet the demand and draw down the budget? Are there any workforce constraints to providing psychological support?

Ms Worth: I do not expect there to be constraints in that particular element, because that is support that is already on the ground. We will have to consider whether we can afford any increase in 2021-22, and deliverability will form a key part of our assessment of any funding allocation we might make.

The Chairperson (Mr Gildernew): OK. Thank you.

Mr Buckley: Thanks to the panel members for their contribution so far. Cara hit on a very interesting point, which will be very useful to the Committee, on the costs associated with agency staff. That is an issue that has gone relatively unnoticed by many in the Assembly, even during Committee scrutiny. It will scare us when we see the costs and when we see how the model of funding for our health service is broken in so many ways. The staffing element in particular needs to be addressed to ensure we never get our health service into this state again.

From looking at the presentation that is in front of me, I think that it is worrying that only £50 million of the extra £492 million that has been added to the health budget for next year is recurring. In reality, it is a standstill budget. The briefing paper goes into a lot of detail about transformation projects that will not be funded in the next financial years. With that in mind, which projects, including the NDNA projects, will be funded, and how are they prioritised?

Ms Worth: I will pick up on that. As I said in my opening remarks, we are not in a position at the moment to confirm exactly what will and will not be funded. That work is ongoing. To do that, we are working with policy colleagues and with colleagues on the commissioning side of the Health and Social Care Board (HSCB) to identify all the things that we would have wanted to do and then work out which of them should be prioritised out of the £250 million. We will then pull that together as a recommendation for the Minister to consider. Whether he will agree with those recommendations, we do not know. Given the level of pressures that we identified to you in previous briefings on the health budget, what we have been given is probably only around 60% of what we asked for. There will therefore be a not insignificant proportion of things that we will be unable to fund. That is the piece of work that we have ongoing.

Mr Buckley: How soon do you anticipate that piece of work being carried out?

Ms Worth: As I said, it is under way, but it is difficult to be specific about time frames, because, again as I said earlier, we are trying to complete that piece of work with policy colleagues and with colleagues in the Health and Social Care Board, who are also trying to deal with the pandemic at the same time. We would like to be moving a lot quicker, but we have to be cognisant of the fact that this is not their main focus. Their main focus is on making sure that our pandemic response continues. We are therefore having to move at a slightly slower pace than is ideal, but we continue to move as quickly as we can.

Mr Buckley: It seems that the commitment to an additional 300 student nurses and midwives over the next three years has not been met in this Budget. How will that be addressed, and to what extent does this Budget assist with addressing the core challenge of staffing facing the health service, especially, as you have outlined, during the pandemic?

Ms Worth: As I mentioned, although we have not been given any specific funding in this Budget to address those places, I will be looking at that as part of COVID rebuild. That is part of our assessment of what we are prioritising, because, as you rightly say, training and staffing are key to rebuilding the health service. That is therefore part of the ongoing exercise with the £250 million. You are probably going to get fed up hearing me say this, but a multi-year budget with sustainable funding is the only way in which we will be able to address the key underlying problems, which, as you say, are around training and staffing.

Mr Buckley: I hear what you are saying about the use of the term "multi-year Budget". It has been bandied about that many times in the Assembly that I am sure that it is frustrating for you to hear it, given what you are dealing with in reality. We have to deal with that reality, however, and we have to make inroads into addressing those serious staffing pressures in the health service so that, when the pandemic subsides, we can get our staffing back to a place of strength.

Finally, the Budget may be at a standstill when it comes to available resource, but is there a threat that, in areas such as elective waiting lists and estates management, it could represent a net loss for our health service?

Ms Worth: I paused slightly there, because I can see the point that you are making. We will still have the funding available to us that was always in our baseline for those things, but, when you look at that relative to the growing waiting lists, that is probably the point that you were making.

Mr Buckley: Yes.

Ms Worth: The waiting lists are now worse than they were, and we already knew that the money that we had in the baseline was inadequate to deliver against the demand for those services prior to the pandemic. As I said in my opening remarks, the funding that we have got will not allow us to make meaningful progress on addressing waiting lists.

Mr Buckley: I am looking at it with that perspective, and that is a very valid way in which to look at the matter. It will be extremely distressing to see that the health budget represents a net loss for tackling the backlog of waiting lists, maintenance etc that is in the system. That is deeply worrying for the days ahead. I will leave it there, Chair.

Ms Ní Chuilín: Thank you, guys, for your presentation and your very detailed written briefing, which is very much appreciated. I have a question about the additional £165 million that is required, which includes funding for the review of adult social care. It is concerning that £20 million is needed for that, because the issue was there well before the pandemic. I apologise because I could not find this information, but have funds been set aside or even considered for the likes of current, ongoing public inquiries or for compensation. That may be a question for the different trust areas to answer, but I would like to get that point cleared up. Secondly, I —.

The Chairperson (Mr Gildernew): I am sorry, Carál, but may I cut across you for a second? I want to check with the panel members that they picked you up. Your sound is breaking up a little. I ask that you can take it as slowly as possible. I caught just enough to get the question. I see that Brigitte is indicating. I hope that we got enough of that, Carál, but just be aware of it, please.

Ms Ní Chuilín: OK. My second question is about the social clauses in the Budget. Quite a lot of capital money, particularly but not exclusively, is going out, so I just want to ask about the social clauses and the social value attached to your procurement, commission and tendering.

I mentioned this next point to the Minister. I implore the Department to carry out a full equality impact assessment (EQIA) on that, given the fact that there are issues, particularly around adult social care, some mental health services and safe staffing. Safe staffing needs to happen.

Finally, £90 million was returned by the Department, yet additional money is being asked for. What is the situation with all of that?

Ms Worth: If it is OK with you, Chair, I will try to pick up on the first and last points and ask Andrew to pick up on the procurement issue. The inquiries are a part of our funding considerations. I cannot confirm a position on funding for them, but I feel fairly confident in expressing a sense that I would be

very surprised if they were not of sufficiently high priority to be funded as part of that exercise. Ultimately, that is for the Minister to decide, however.

On the £90 million, you will know that the Finance Minister announced yesterday an additional £175 million for the Department for PPE stock. It was possible for us to make the bid for additional funding for PPE only because the Treasury changed the budgeting rules, and that change was communicated to us only relatively recently. When we were looking at what we could spend as part of the January monitoring round, we were not able to avail ourselves of that rule change, so were not able to spend that additional funding at the time. Now that we have had the rule change, we are able to charge our PPE stock to the 2020-21 Budget. That will then enable us to pre-fund PPE that we will use next year. That has allowed us to claim back the £90 million that we surrendered in January monitoring and use it to reduce costs that would otherwise have scored to the 2021-22 Budget. That has therefore worked out quite well for us in that sense.

The Chairperson (Mr Gildernew): OK. Are we going to Andrew for the other element?

Mr Dawson: *[Inaudible.]*

The Chairperson (Mr Gildernew): We are not hearing you, Andrew.

Mr Dawson: *[Inaudible.]*

The Chairperson (Mr Gildernew): Sorry, but we will need to stop. We are catching very little of that, Andrew.

Mr Dawson: Can you hear me now?

The Chairperson (Mr Gildernew): We were hearing bits and pieces but not enough to follow you. Do you have a headset or earphones available?

Mr Dawson: *[Inaudible.]* How is that? Is that any better?

The Chairperson (Mr Gildernew): That is a bit better now. Go ahead, Andrew.

Mr Dawson: OK. Stop me if I begin to break up again.

This is about the social value in social clauses when we procure, commission or tender. Regrettably, I do not have the up-to-date position on that as part of my briefing for the forecast budget, but I am aware that work was commissioned back when the *[Inaudible.]* I will have to check the up-to-date position on that, but I am happy to write to you with *[Inaudible.]*

The Chairperson (Mr Gildernew): Andrew, you are very patchy, but I think that we caught enough to understand that you do not have the full answer today but will give the Committee with a written response.

While we go to other members, Andrew, I ask that you check whether there is a way in which to improve your sound in case we need you back in to answer a question.

Carál, have you had the three elements covered? Are you happy enough, apart from that final one?

Ms Ní Chuilín: No one has mentioned at all whether a full equality impact assessment will be done.

Ms Worth: Apologies, Carál. We have done a high-level assessment of the impact of the Budget, and that is available on our website. We will, as we move forward and make further decisions, need to do further equality impact assessments and screening as necessary. We do not have sufficient detail to do that at the moment, however.

Ms Ní Chuilín: Chair, may I make a wee point? I mentioned that issue to the Minister earlier in relation to the Department for Communities, which was able to say what things it could not do if the relevant funding was not made available. That is a full equality impact assessment. Given the number of things that the Department cannot do, by even its own briefing, I urge that equality impact assessment to

start now. It is clear that really vulnerable people will be disadvantaged and will feel as though they have been discriminated against if a full EQIA does not happen.

Andrew, your line broke up badly. I heard you say that you will *[Inaudible.]* When you are feeding back, will you also include in your response the point about social clauses and ask why the Public Health Agency is making small groups in the community and voluntary sector tender and provide substantial funding, which they do not have, in advance of completing a tender application. Effectively, that will mean that those groups will be unable to apply, and that will have a direct impact on services in the community. Can you follow that up as well?

The Chairperson (Mr Gildernew): Thank you. The Clerk will have noted that and will get your final request across. Alan, go ahead, please.

Mr Chambers: The Bengoa report is our road map for transformation progress, but I know that it has been sitting on a shelf, gathering dust, for four or five years. Given our current budget position, the fact that we are dealing with a pandemic and that we do not have long-term forward budgeting in place, when is the earliest that we could see progress on Bengoa from a financial position?

Ms Worth: Ciara may have some comments on the transformation agenda. I will make a comment at a high level. When you only have a one-year budget, it is difficult to know what will happen beyond that one year. That is the fundamental point. Ciara can add a bit more colour to that.

Ms Dolan: Surely, Brigitte. It is not entirely accurate to say that the Bengoa report, and the resultant Delivering Together, which was launched by the Minister in 2016, has been gathering dust. As I said, from 2018 to now, we have invested almost £300 million in transformation, which covers the whole spectrum of Health and Social Care. There has been support for retraining, recruiting and upskilling staff in secondary care and primary care and investment in community services and prevention. The four aims of Delivering Together have very much been driven forward. There are a number of significant programmes on the ground, and as I mentioned to the Chair, those have been protected, albeit at the level on which they were being taken forward last year. For example, there has been significant investment in the day-case elective care and acute care at home. We are taking forward work now on the urgent and emergency care review, which looked at the pressure that our emergency departments were under and how we resolved that.

We have now taken forward work under 'No More Silos' to look at how to take the pressure off emergency services and make sure that people can access the care that they need when they need it. So, it is not true to say that Bengoa has gathered dust. However, I take the Member's point in terms of the speed at which we want and need to move forward with the transformation programme. The continual one-year budgets have meant that the money that we got invested through confidence and supply and the money available for transformation is being used to meet the inescapable costs of the things that started in 2018. We have not been able to grow our transformation programme in the way that we want to and in the way that, we know, is the right thing to do. Yes, funding has been curtailed, but we have always said that the speed and pace of transformation will be dictated by the resources available for it, and that includes financial and people.

Mr Chambers: I am reassured by the fact that Bengoa has not been gathering dust. Has all the very welcome transformational work over the last of years that you talked about been prompted by Bengoa?

Ms Dolan: Yes, a programme of work was established in 2018 to maximise the funding opportunity that the confidence and supply arrangement offered, with the first £100 million in 2018-19, and the second £100 million in 2019-2020. I can share a detailed breakdown of what that has covered and what it continues to cover, if that would be helpful?

Mr Chambers: No, I was trying to establish that the contents of the Bengoa report are what have prompted the transformational elements that you have been talking about over the past number of years.

Ms Dolan: Yes.

Mr Chambers: Thank you.

Ms Bradshaw: Thank you, panel. Some of the questions that I was going to ask have been covered. The report shows the priorities to which money has not been allocated. Will you speak to the £8.1 million for the three cycles of IVF treatment and the £10.7 million to rebuild/stabilise cancer services?

Ms Worth: I am sorry to sound like a broken record, Paula, but, as part of the prioritisation exercise around the £250 million, we are looking at our NDNA priorities and the extent to which they can be funded from that. Obviously, we do not have enough money to do all of them, but we will be looking at which of them need and can be prioritised from the funding that we have been given. We have not been given anything specifically to address those pressures.

Ms Bradshaw: I appreciate that. In the prioritisation process, to what degree do you look at the ethical aspects of the health budget? This sort of news will be devastating for a lot of couples who have been waiting for a long time for the three IVF cycles to be made available. Jonathan alluded to the extensive cancer waiting lists. A lot of this news will greatly shock and dismay people who are waiting for services.

Ms Worth: That is where being the finance director in the Department of Health can be particularly difficult. I do not think that there is anything on our list of priorities that is unimportant. Everything that we have on our list represents a service that people need, an operation that somebody needs or an issue around mental health that needs to be addressed. It is incredibly difficult, and it will inevitably lead to some people being disappointed and finding that their needs are not being met.

Ms Bradshaw: I appreciate the difficulty with that. The question was about how you ensure that the ethical aspect is filtered in? Do you work with clinicians? Who helps feed that discussion and decision-making?

Ms Worth: We work with our policy colleagues and the commissioners in the Health and Social Care Board who have experience of the needs in the trust areas that inform the prioritisation. That is probably what is making the process take longer than it otherwise would. It would be easy for us as finance people to sit in a darkened room and stick red lines through funding requests, but we do not have a full understanding of what they mean to people who are using the services that the figures on a spreadsheet represent. That is why we are taking the time to ensure that our policy colleagues and Health and Social Care Board colleagues are fully engaged in the process.

Ms Bradshaw: I appreciate how difficult the task is. I have a small question that goes back to the £127 million for ICT projects. Will any of that money be allocated to healthcare partners? I am talking particularly about GP practices. Some of them have sophisticated online booking systems, but you cannot get some others on the phone for weeks on end. Is there any way that some of that money could be spent on modernising those sorts of patient-facing services in the community?

The Chairperson (Mr Gildernew): Can you check your headset?

Mr Dawson: Can you hear me?

The Chairperson (Mr Gildernew): Yes, we can hear you now.

Mr Dawson: The proposed allocation of the £127 million goes right across the service. The biggest item on the IT allocation is Encompass. Encompass is a very inclusive project across health and social care. It is designed to improve service delivery, and that will be rolled out to a number of partners, as will the £11.3 million dedicated to infrastructure and critical systems. *[Inaudible]* the budget for ICT general capital and small projects, as we would define them, has a number of specific individual lines that will be allocated to a range of partners.

Ms Bradshaw: Thank you.

The Chairperson (Mr Gildernew): Andrew, we are still losing bits of your sound. It is better, but can you talk slowly? Moving around may be causing a problem. We will persevere, and everyone else is quite clear.

Mr Carroll: Can you hear me?

The Chairperson (Mr Gildernew): Yes.

Mr Carroll: I will quickly run through a couple of questions. It is a concern that we, effectively, have a standstill Budget, as has been raised. We have come through a pandemic, and there is no significant increase for our health service, and that is very concerning and does not bode well or fill me full of confidence for the challenges we face going forward.

Can you provide clarity on the £12.5 million for sale of property and assets? There is no additional financial support for safe staffing. In our previous session, it was mentioned that staff will need to take some time off when the pandemic is over. Some staff are already exhausted and will feel worse at the end of the pandemic. Is the Department confident that we will be able to have safe health centres and hospitals as there is no money specifically allocated for safe staffing?

Finally, why has the £20 million for the 'Power to People' report has not been allocated? If that was allocated, what will it go towards? There has been an inquiry into care homes, and the Minister has repeatedly referred to the 'Power to People' report as his preferred strategy. The fact that it has not been budgeted for suggests that the Department has no planned change for care homes despite the concerns raised by the inquiry and society at large. Clarity on those points will be helpful, thank you.

Ms Worth: Maybe, Andrew can answer the question on assets, first.

Mr Dawson: Yes. I will do what I can, and I will turn my camera off to save bandwidth. Hopefully, you can hear me.

Our expected receipts in 2021-22 as you have rightly pointed out are projected at £12.5 million. The £12.5 million is made up of £2 million from asset sales, £100,000 of repayments under the financial transactions capital scheme, £2.4 million of HSC research and development income from external organisations and £8 million of budget cover is also provided to our five main trusts for commercial income that they receive to carry out clinical trials.

Ms Worth: OK. I will pick up on the other two points. The first point was about safe staffing. Whilst we have not been allocated money for safe staffing in the budget, we have been given an assurance that it will be forthcoming in the June monitoring round. As a result of that, we are planning on the basis that it will be forthcoming and that we will continue to move ahead with those plans. I understand that that is primarily focused on increasing staffing levels in particular areas. Whilst we do not have the money in our budget, we are working on the basis that the Finance Minister has given us a commitment to find it in-year and that we will therefore be able to continue with those plans as expected.

Mr Carroll: Is £20 million the figure this is being suggested or promised?

Ms Worth: We have asked for £20 million. I do not believe that there was a specific amount on the commitment. The Finance Minister said that he committed to giving us funding for safe staffing. We will be expecting £20 million, but I could not comment on whether the Finance Minister is intending to give us that amount, but he has committed to giving us funding.

On the 'Power to People' report, my answer is similar to the one that I gave earlier to your colleague, Pam Cameron. We have not received specific funding for 'Power to People', if we had, that would have enabled us to take that initiative forward, but what we are doing is looking at that alongside all of our other priorities as part of our work on the £250 million. We estimated that we would need a significant amount of money to provide sustainable pay levels to those who were providing social care and to test and promote new models and additional training to support new ways of working. We are looking at how we prioritise the money that we have received and whether there are elements of that that are deliverable within that envelope. That is something that we would still need to confirm on completion of that work.

Mr Carroll: Thank you.

Ms Flynn: Thank you to the team of officials for another detailed briefing. I do not want to start off on a negative note, so I am pleased to see, in the briefing on committed projects, the new mental health facility at Holywell Hospital and that that has progressed to stage 1, the design phase. That will have a positive impact for those who need that level of mental health support. I see that the health facility in the South Eastern Health and Social Care Trust is in the critical new projects.

Overall, looking at it on three different fronts, I am worried about the levels of investment and prioritisation of mental health in general. The last time that I met with the Minister in November he said that the mental health budget, as part of the overall Health budget, is somewhere in between 5% and 6%. I am assuming that that has not increased at all. I would be interested to know if it has decreased, based on this budget. I would appreciate if you could provide, in writing, a breakdown of what additional bids have been made in the context of child and adult mental health and what additional money has been allocated. Furthermore, I would like you to confirm what the mental health share of the overall Health budget is and whether it still falls between 5% and 6%.

In relation to the COVID money and the £380 million, I am unclear as to how much of that funding is intended to go towards mental health facilities or services. I know that the mental health action plan had a section on COVID-19 in it. I spoke with the Minister about that, and, in the October monitoring round, he made a bid for £2.5 million, which went towards additional nurses and the talking therapies. Bridget, you gave the breakdown to Cara on that £10 million for mental health. Is the £4.6 million for psychological therapies in addition to the £2.5 million that was announced previously? I am keen to see what else has come out of that COVID money for mental health.

There is also the issue about the New Decade, New Approach priorities. I completely agree with everything that has been said. When you look down that list, it is horrifying that we have to prioritise those issues. They are all crucial, all lifesaving. I have a particular concern that important health strategies are impacted upon, such as the substance abuse strategy and the 10-year mental health strategy. The Minister has prioritised the substance abuse strategy, and I am sure that a lot of people are grateful for it, but is it going to go, once it is complete? We are not sure whether it is going to be funded. Figures were released just a short while back. In 2019, we had the highest level of alcohol-related deaths on record; it was well over 300. The number of drug deaths doubled over the 10 years to 2018. I will not even go into suicides, self-harm and all the rest. We know that the COVID-19 pandemic will have a detrimental impact on people's mental health. Therefore, I am really concerned about those strategies in particular. I want to know how the work will be carried forward. There is no mention of the centre of excellence for addictions that was spoken about for Derry. I have already mentioned the substance abuse issues and the deaths that have resulted from them.

If you can provide me with any detail on those subjects, I would appreciate it. I am conscious that some of the funding went towards perinatal mental health services, and that is great, but I worry about more of the strategic things over the next number of years.

Finally, in the section in which you mentioned the mental health investment, it is described as £11.7 million for mental health and severe deprivation. Bridget, you gave a breakdown of what the £10 million included, but why do mental health and severe deprivation both come under the one heading? What is the breakdown of the £1.7 million for severe deprivation? I am just not clear why that is attached onto mental health funding because, clearly, we want to get serious about dealing with health inequalities, and saving money through the health service.

The Chairperson (Mr Gildernew): Ok, Órlaithí.

Ms Flynn: Some £1 billion per year is spent on drug and alcohol deaths. Could you just explain that issue of severe deprivation?

Ms Worth: OK. I will try to pick up on most of the themes that you raise. Let me know if I miss anything major. A list of all the specific mental health amounts that were included in our initial budget assessment are in the paper that you received back in November. That total is around £46.9 million of specific pressures. Other items are included in our general pressures such as demographic growth, pay and inflationary pressures, in addition to that. I have that list here, if you want me to run through it, or perhaps it is something you prefer to receive at a later date.

As to the £11.7 million, the only reason those elements are added together is that both those things were previously funded from confidence and supply moneys, so it is really just for us in finance. We think of those two things together because they were both previously non-recurrently funded from confidence and supply money. There is not any operational or other intent in linking those, but the £1.7 million of severe deprivation money is being used, I believe, for places at day-care centres for children who are particularly in need and their families. The childcare partnerships across Northern Ireland provide that quality, accessible and affordable day-care for children in need and their families.

You mentioned £2.5 million additional for COVID mental health for 2020-21. As I said, the £4.6 million for psychological therapies that I referred to previously has been ongoing for a number of years. It is just that it has never been recurrently funded, so, every year, we have to continue to make the case to get that funding to ensure that that provision continues. The £2.5 million absolutely is on top of that £4.6 million that has been ongoing and on the ground for some time.

On the allocation of funding for mental health, as I have always said, we are working through that prioritisation exercise, but one thing that we do when we are looking at how we allocate funding is that, when we come to a final point and we are looking at making a final recommendation to the Minister, we do a bit of a sense check. As you said, we are looking at the fact that mental health is recognised as being underfunded, so, when we come to make funding allocations, we look at those and consider whether that overall funding allocation increases the share of the budget that mental health gets. We do that as a sense check, because, obviously, we are trying to be on the journey towards increased funding for mental health. Obviously, I cannot provide any guarantees. We could look at that and say that mental health funding is falling but that, given the other range of priorities, that looks OK. It is more likely that we would look at it and say that we have allocated a disproportionate amount to mental health because we recognise that it is underfunded, but we will certainly do that sense check and double-check ourselves before we make those recommendations.

The Chairperson (Mr Gildernew): Is that everything covered, Órlaithí?

Ms Flynn: Thanks, Brigitte. The only other thing is that Protect Life 2 is not mentioned anywhere. I know that it is due for procurement in October 2021.

Ms Worth: I am afraid that, again, I will have to give the stock answer on that. It is part of the assessment of the priorities from the funding that we have.

The Chairperson (Mr Gildernew): Thank you, panel. That was certainly extensive, although there are certain key pieces of information that you have committed to forwarding to the Committee, and I look forward to receiving those. Thank you all for your attendance at the Committee today and for your comprehensive overview of what is, undoubtedly, a worrying and difficult situation. It is really a significant setback that we cannot get to multi-year budgeting to do the transformation work to provide certainty and to assist with recruitment and retention and all of the issues that are so key. It is a fundamental building block, but, unfortunately, that is the situation that we are dealing with at present. Thank you all, and I wish you all the very best. Keep safe in the time ahead.