

Evidence to Northern Ireland Affairs Committee – The funding and delivery of public services in Northern Ireland

April 2023



Introduction

The British Medical Association (BMA) is a professional association and trade union representing and negotiating on behalf of all doctors and medical students in the UK. It is a leading voice advocating for outstanding health care and a healthy population. It is an association providing members with excellent individual services and support throughout their lives.

We would like to thank the Northern Ireland Affairs Committee for the opportunity to provide evidence for its inquiry into the funding and delivery of public services in Northern Ireland. BMA Northern Ireland's submission will largely be limited to the funding and delivery of health services.

We note the Secretary of State's reference to a £660m black hole¹ in Northern Ireland's public finances. A recent briefing² from the Department of Health stated that the best-case scenario for 2023/24 is currently 'Flat Cash' i.e. no increase on 22/23 funding. It says that even with a sustained productivity and efficiency drive, the 23/24 budget will be £300m short of estimated funding requirements and that bridging this gap will require medium and high impact savings, with adverse consequences for an already highly pressurised health and care system.

BMA Northern Ireland has responded to a number of recent budget consultations from the Department of Health, setting out increasing concerns over the unsustainable and unsafe levels of pressure within the health service and calling for strategic and long-term investment. Clearly, the current state of HSC services in Northern Ireland demonstrates that our previous calls have been ignored and, coupled with the ongoing dereliction of responsibility by local politicians, it's unlikely that any meaningful action to address our concerns is forthcoming, at least in the short-term. This is plainly unacceptable.

Overarching comments

Before responding to the specific topics outlined in the inquiry terms of reference, we would like to make a number of comments to outline the context within which HSC services are operating.

Spending on health makes up approximately half of the block grant and so any budget limitations will of course impact the delivery of HSC services. Despite multiple reviews and reports on improving healthcare systems and structures in Northern Ireland, significantly including the 2016 Bengoa report, regrettably there has not been a strategic approach to delivering HSC services for some time. The current lack of political structures, along with pandemic recovery have, of course, exacerbated this problem. However, the failure to address long-term and systemic issues impacting the sustainability of health services in Northern Ireland is a chronic problem.

Continuing to operate in crisis mode, which is the worst of all worlds, with high costs and poor patient outcomes, has already begun to take its toll on staff and patients.

It also has an impact on the crumbling estate, with spiralling maintenance costs of old buildings that are in disrepair and not fit for purpose. We are aware of estate and maintenance budgets being

¹ Gov.UK (2022) *Secretary of State for Northern Ireland's statement on Northern Ireland Finances 2022/2023*: <https://www.gov.uk/government/news/secretary-of-state-for-northern-irelands-statement-on-northern-ireland-finances-20222023>

² Department of Health (2023) *Budget 23/24*: <https://www.health-ni.gov.uk/sites/default/files/publications/health/doh-budget-2023-24-briefing.pdf>

reduced, which may well realise short-term savings but the long-term effects of further degradation will be significant.

The crux of the challenge we face is that as demand increases and resource diminishes, there are difficult choices to be made. Do we continue to do everything we currently do, and risk doing it in an unsafe system and to an ever-decreasing standard? Or do we prioritise the services we need, ensuring that they are fully resourced, efficiently managed, and able to meet the health needs of the population? Local politicians have continually failed to make these hard choices and the continued political hiatus now means that officials in the Department of Health and Trust management are having to keep an ineffective and costly system going.

There is little in the way of accountability and transparency in the way the HSC NI operates, and the lack of robust data to underpin decision making is somewhat lacking. The new Integrated Care System currently being developed has identified the need for improved data and monitoring, which will be crucial as it's developed and rolled out.

What our members want, and what the people of Northern Ireland deserve, is an open and honest appraisal of how the health service is currently funded, whether it can continue to meet the needs and expectations of the population and, if not, what needs to change. We need to identify what is cost-effective, what makes the most difference to patients and then empower frontline staff to deliver it.

We are absolutely clear that funding gaps in the HSC service cannot be shouldered by the good will of doctors and other health professionals through ever-worsening terms and conditions and ongoing pay erosion.

The impact of the lack of a functioning Executive on budgetary management and strategic decision-making across Northern Ireland Departments

The lack of an Executive has a clear detrimental impact on the management of the budget and strategic planning within the Department of Health, with civil servants placed in unenviable situations where they are unable to make decisions necessary to improve services.

The most obvious example of this impact is on the development of multi-year budgets. BMA NI was disappointed in February 2022 to respond to the Department of Finance budget consultation which, while outlining such a budget, knew it could not be implemented due to the collapse of the Executive.

The BMA Northern Ireland response stated:

Single year budgets do not allow for the planning to transform the HSC in the ways identified as necessary. Or to sufficiently plan a rebuild of services as we hopefully transition to a post-pandemic world.

Additionally, single year budgets are given as the reason departments cannot commit to multi-year pay deals, which led to significant issues during the negotiations of the 2021 Specialty and Specialist doctor contracts and a lower uptake of the contracts in Northern Ireland³.

³ BMA Northern Ireland (2022) 2022 Budget Consultation

These issues remain and highlight the deficiencies in short term planning and funding. Ultimately, no serious action can be taken to improve long term recruitment and retentions issues that are central to the current challenges within the health service.

Pay in Northern Ireland is a significant concern with different groups of doctors experiencing long-term pay erosion of around 30% in real terms, and worse when the ongoing cessation of Clinical Excellence Awards for senior doctors is considered. Discussions with trade unions in other parts of the UK have led governments to make improved pay offers. For example, in Wales the Welsh Government has committed to pay restoration in principle, and made both additional in-year and consolidated increases in doctors' pay to help address ongoing recruitment and retention challenges. Whilst this in itself is insufficient, the issues are at least recognised and the structures in place to facilitate further progress.

Such progress is significantly hampered in Northern Ireland with no political leadership, a lack of long-term planning and severe budget constraints. This will inevitably see doctors in Northern Ireland fall further behind their UK counterparts, but of further concern is the widening discrepancy in pay and conditions with their Republic of Ireland colleagues, too. We are aware anecdotally of an increasing number of doctors in Northern Ireland either seeking registration with the Irish Medical Council, or who have already left the HSCNI for roles in the ROI. This trend is acknowledged by the Department, noting in its evidence to the Review Body on Doctors' and Dentists' Remuneration for the 2023/24 pay award, that:

Often the terms and conditions for health service staff are significantly more attractive in ROI. This also increases the risk of staff leaving to work in ROI and of students choosing to take up posts in ROI following completion of their training⁴.

We'd also point out that where the Department of Health can act to improve things for doctors in the short-term, it often still fails to do so. Whilst the pension tax changes announced in the 2023 Spring Budget removed many of the barriers doctors faced to undertaking additional HSC work or staying in the health service longer before retiring, the Department's lack of action has been a significant concern to our members.

Notably, the Department of Health has indicated it is unable to implement scheme flexibilities such as pensionable reemployment and partial retirement, which would enable many retiring or retired doctors to take full advantage of the recent changes. The justification for this is that these can't be progressed without an Executive in place. However, even when the Executive was in place and approved pension tax mitigations, such as employer pension contribution recycling, the Department of Health has failed to meet its own commitment to develop such a policy. Where mitigations and flexibilities exist in other parts of the UK that have a demonstrable positive impact on retention within the health service, it's unacceptable that these aren't implemented in Northern Ireland. We believe that such changes could and should be made regardless of whether there is an Executive in place.

BMA Northern Ireland is also concerned about the impact of restricted, short-term funding and a lack of strategic decision making on doctors' education and training. In particular, we note that the Department of Health briefing proposes a reduction in education and training places as a potential means of making short-term, high impact spending cuts. Implementing such a proposal would be catastrophic to the long-term success and sustainability of the health service in Northern Ireland. After five years of medical school education, doctors typically require a further 6–8 years of training before they can practice fully independently without supervision. Therefore, decisions made now in the

⁴ Department of Health (2023) *Northern Ireland evidence – The review body on doctors' and dentists' remuneration*.

interest of financial expediency will see harmful and lasting impacts for many years to come. There cannot be limits on the number of doctors trained in Northern Ireland without a corresponding reduction in the health care services that the people of Northern Ireland can expect, and any such fundamental change must be clearly set out and communicated to the public.

It's BMA Northern Ireland's view that a sustainable health service needs to be fully staffed by health professionals who are fairly rewarded for the work they do and motivated to develop innovative service transformation where needed. This must be supported by upfront investment, which will lead to a better system for patients and save money in the longer term.

Such investment must be made with a very clear emphasis on medical workforce planning, something which has been woefully absent for many years. This has resulted in an over reliance on agency/locum staff leading to a huge drain on resources. Proper planning can significantly reduce this reliance on short term agency fixes to fill rota gaps, and reduce costs overall. However, rather than address planning issues, employers are instead aiming to fill these gaps by offering low pay to those already employed doctors to undertake extra-contractual work. Many parts of the health service have been held together by the good will of staff taking on this additional work, contributing to high levels of burnout. When doctors finally say no to taking on more work for poor pay, trusts then turn to expensive agencies and pay higher costs anyway. Better planning practices and working with doctors ensure fair rates of pay for work outside of their contract will improve morale and continuity, while also reducing costs.

The financial situation facing Northern Ireland's public services, including the police, health, education and children's social care, and the consequences of budgetary pressures on the delivery of those public services

Current and projected financial pressures will mean the unprecedented and ongoing challenges in the delivery of health services in Northern Ireland will continue, and likely worsen.

Fundamental here is the lack of investment in the workforce. The workforce is the health service, and without motivated, supported and fairly rewarded people, there is no service. Currently, staff are simply burnt out and there is no light at the end of the tunnel. To put the health service on a sustainable footing, Northern Ireland must be an attractive place to work, or else staff will simply go elsewhere.

The impact of this on service delivery is demonstrated by the current issues in primary care, which has seen a number of practices hand back their contracts. Many GPs are leaving the profession and those coming through are not attracted to GP partnership with current unresolved issues around indemnity, immense workloads and a lack of centralised planning and support. The Department of Health's own evidence to the Review Body on Doctors' and Dentists' Remuneration for the 2023/24 pay award recognised that:

...the increase in [GP] headcount has not been replicated in terms of whole-time equivalent (WTE) GPs and the total number of GMS sessions provided compared to 2014 has decreased.

Without radical transformation, along with the adequate financial resources to deliver it, then the future of general practice in Northern Ireland looks increasingly bleak.

The issues within primary care do not exist in isolation, and the general deterioration of the health service in Northern Ireland is clearly evidenced by the current waiting lists and care backlogs that are on an extraordinary scale.

In the quarter ending December 2022:

- 1,387 patients started treatment following an urgent GP referral for suspect cancer, but just 36.5% (506) of those patients started treatment within 62 days, against the 95% target.
- 54.5% (88,341) of patients were waiting more than nine weeks and 27.3% (44,213) were waiting more than 26 weeks for a diagnostic test. The target (from March 2023) is 75% of patients waiting no longer than nine weeks for a diagnostic test, with no patient waiting longer than 26 weeks.
- 78.5% (96,018) of patients were waiting over 13 weeks and 54.2% (66,302) were waiting more than 52 weeks for an inpatient or day case admission. The target (from March 2023) is 55% of patients waiting no longer than 13 weeks for inpatient/day case treatment, with no patient waiting longer than 52 weeks
- 83.5% (315,894) of patients were waiting over nine weeks and 49.9% (188,749) were waiting more than 52 weeks for a first outpatient appointment⁵.

The scale of the current challenges facing the health service in Northern Ireland cannot be understated, and further budgetary restrictions will have significant consequences in the short and long term.

Recent figures show a 73% increase in reported consultant vacancies between Dec 2019 and Dec 2022, and there was a 108% increase in SAS vacancies between Dec 2020 and Dec 2022⁶. The recent DoH evidence submission for the DDRBs 2023/24 pay round noted that in one HSC trust, the permanent medical and dental vacancy rate was sitting at 51%. These figures clearly demonstrate existing difficulties in the delivery of health care in Northern Ireland, the consequence of which is increasing stress and burnout of those in the workforce forced to fill the gaps. Addressing these issues will require additional investment, whilst ignoring them will cause irreparable damage to the health service and the remaining workforce.

A further issue identified as a contributing factor to the current care backlog is a lack of social care placements that will enable medically well patients to be discharged. However, the Department of Health briefing lists reductions in nursing, residential, and domiciliary care placements as a means of making savings. It's clear that these savings would never actually be realised, as waiting lists rise even further, patients become more acutely unwell, and intervention and treatment becomes more expensive. This type of short-sightedness is not just harmful, it's plainly ineffective.

Of course, keeping people out of hospital in the first place is the best means of reducing costs, and why it's so frustrating that community beds, and programmes such as Acute Care at Home are so poorly resourced. It's bad for both cost and patient experience. This is also true of any plans to make savings through the withdrawal of health promotion campaigns and community based projects which will only serve to further medicalise social issues and add the already overwhelming demand on health care professionals

⁵ Department of Health (2023) *Hospital Waiting Times Statistics*: <https://www.health-ni.gov.uk/topics/doh-statistics-and-research/hospital-waiting-times-statistics>

⁶ Department of Health (2023) *Northern Ireland health and social care (HSC) workforce vacancies December 2022*: <https://www.health-ni.gov.uk/publications/northern-ireland-health-and-social-care-hsc-workforce-vacancies-december-2022>

The effectiveness of the Barnett formula in calculating the amount of money the UK Government makes available to Northern Ireland for providing essential services

BMA Northern Ireland recognises that due to the current formula which determines the resource available for public service delivery in Northern Ireland, funding, whilst increasing in absolute terms, is reducing over time relative to the funding available in England.

The Northern Ireland Fiscal Council Sustainability Report 2022 notes that:

Public spending has long been higher per head in NI (and the other Devolved Administrations) than in England, which the UK Government recognises as an appropriate reflection of greater need in order to deliver equivalent services⁷.

However, it's predicted that the block grant will fall below the estimated additional relative needs threshold of 20 per cent in the early 2030s and below 10 per cent in the late 2040s. This squeeze does need to be addressed to ensure the funding required to deliver essential public services in Northern Ireland is available now and into the future.

It's also the case that current high levels of inflation are a significant contributor to current financial pressures, which impact the delivery of public services.

It would be helpful for longer-term budgets to be set at both UK and NI level, enabling more effective planning. This is noted in the Northern Ireland Fiscal Council's budget assessment, which states that, in principle, the longer departments have to plan, the wider the range of potential options they can deploy to address budget pressures⁸.

We would also welcome the development of mechanisms that ensure budgets are better informed by levels of need and, perhaps aligned to Assembly terms and for five years to ensure local accountability for delivery. Clearly, the current arrangements which are leading to a significant budget squeeze does not sufficiently account for the distinct needs of the people of Northern Ireland. We must avoid the situation that has arisen whereby public services are expected to be delivered with no approved budget in place.

Alternative options for increasing revenue in Northern Ireland which could be open to the NI Executive or UK Government in bringing NI's finances onto a more sustainable footing.

BMA Northern Ireland is clear that HSC services should be free at the point of delivery, equitably resourced and funded out of general taxation. Whilst we recognise the significant funding pressures faced in the delivery of public services in Northern Ireland, we simply cannot accept funding options

⁷ Northern Ireland Fiscal Council (2022) *Sustainability Report 2022*:

https://www.nifiscalcouncil.org/files/nifiscalcouncil/documents/2022-10/NI%20Fiscal%20Council%20-%20Sustainability%20Report%202022%20September%202022%20amended%2020.10.22-%20web%20version_0.pdf

⁸ Northern Ireland Fiscal Council (2023) *The NIO's 2022-23 Budget for Northern Ireland: an assessment*:

https://www.nifiscalcouncil.org/files/nifiscalcouncil/documents/2023-03/The%20NIO%27s%202022-23%20Budget%20for%20Northern%20Ireland%20-%20web%20version%2028.03.23_0.pdf

that go against these core principles. On this basis, we are uncomfortable with the concept that HSC services should be revenue raising.

This is particularly true in the context of large inequality gaps, as identified in the recent DoH Health Inequalities Report 2023⁹. The report highlighted markedly higher rates of premature mortality in the most deprived areas, with the majority of gaps showing no notable change over recent years. Analysis showed even preventable mortality increasing in the most deprived areas resulting in the inequality gap widening with the rate in the most deprived areas now treble that in the least deprived areas. We need to act on the root causes of why people are ending up in poor health. Proactive, public health activities are an essential part of not just health care, but of other areas, such as education and the economy and need to be protected. They are not simply a 'nice-to-have' that can be cut at the first opportunity but are integral to addressing health inequalities and investing in the future health of the population.

BMA Northern Ireland has previously called for health impact assessments to be put on a statutory footing, noting that that the real determinants of health relate to how and where we live, learn, work and play. BMA Northern Ireland believes that there is a moral obligation on government to tackle the drivers of poor health by making health improvement an objective in all policy areas, in recognition that it is fundamental to a prosperous and sustainable society. This 'health in all policies'¹⁰ approach, recognises that every policy decision will have an impact on population health. Adoption of such a policy is also a means of cost effective, prudent healthcare. In the context of budgetary pressures, health impact assessments are even more important to avoid a worsening of outcomes and inequalities that lead to more expensive interventions further down the line. It may be practical and cost-effective, in light of this approach, to explore all-island solutions by working with the Republic of Ireland to develop and deliver services that meet the needs of all people across the island. There is already precedent for this on the island of Ireland and it is important that this is explored further.

BMA Northern Ireland agrees, that where possible, the health service must limit any unnecessary spend and make the most of finite resources, however, we would suggest that there is also a significant cost to implementing ill-conceived measures aimed at addressing short-term funding gaps. Worsening population health and stubborn inequalities will push the health service over the precipice and make recovery and future sustainability almost impossible.

On specific proposals for increasing revenue suggested by the Department of Health, BMA Northern Ireland is not at all persuaded that the benefits of these will be greater than the costs. Suggestions include full cost recovery for car parking charges, introducing prescription charges and charging for domiciliary care.

We do not support income generation from car parking charges on the backs of ill patients, their visitors or the HSC staff caring for them. This will only serve to widen the inequalities referred to above and make the working lives of HSC staff more difficult. The same can be said for charging for prescriptions and for domiciliary care. These measures do nothing to reduce inequalities, help patients recover quicker or enable them to stay well longer – there's no evidence that the purported income will cover the increased costs borne.

Conclusions

⁹ Department of Health (2023) *Health inequalities annual report 2023*: <https://www.health-ni.gov.uk/publications/health-inequalities-annual-report-2023>

¹⁰ BMA (2016) *Health in all policies: health, austerity and welfare reform*: <https://www.bma.org.uk/what-we-do/population-health/addressing-social-determinants-that-influence-health/health-in-all-policies-health-austerity-and-welfare-reform>

The current budget props up an inefficient and outdated system which is in urgent need of reform. The Bengoa report in 2016 was hailed as the foundation on which to build stability and sustainability for the health service in Northern Ireland over the long term. But to date progress has been slow and lacks urgency that is needed to prevent the system from collapsing.

Whilst we acknowledge the current financial constraints and support the Department of Health's efforts to look at ways to make the system more efficient, it's crucial that it better values the workforce. Simply looking to make short term savings, often on the backs of burnt-out medical staff, will cost more in the longer term, cause untold damage to the health and wellbeing of the people of Northern Ireland and will cause irreparable damage to the sustainability of the health service.