

1: Introduction

1.1 Background to this Review

This Review was commissioned in late 2004, by the then Northern Ireland Finance Minister, Ian Pearson, with the support of the Health and Social Services Minister, Angela Smith. The background to this Review was two-fold. First, a growing feeling that despite many years of significantly higher per capita health and social care spending than, in particular, England, Northern Ireland was not enjoying the levels of outputs and outcomes that might be expected even allowing for a greater level of need. Secondly, over the last few years a number of wide-ranging reviews have taken place in other parts of the UK, starting with the first Wanless Review of future funding for health care across the UK, and followed by a second Wanless Review investigating ways to improve the public's health. Further efficiency and organisational reviews have also been conducted in Wales (again, under the auspices of Sir Derek Wanless), and now, most recently, in Scotland - the Kerr Review.

While somewhat different in nature, each of these reviews has attempted to tackle some similar issues, not least, how to ensure that the scarce resources society agrees to make available to health and social care services generates the best outcomes for patients and other users.

This Review most closely resembles that carried out in Wales - where similar concerns were felt about the ability of the system to deliver given its financial inputs. Apart from tackling this efficiency question, this Review has also examined what the future might look like with respect to the level of funding that should be made available for health and social care services.

Over the next few years, across the UK, spending on health and social care will absorb one pound in every ten in the entire economy, taking the UK into the upper half of the spending league in comparison to similar countries. And as a public service, funded from taxation, where every extra pound spent on health and social care is a pound not spent on other public services, there is therefore a growing need (if not an absolute requirement) to explore how funds are used and whether there are better ways to achieve the goals set for health and social care services.

1.2 Terms of Reference¹

The overall aim of the Review is to look at the resourcing of health and social services and to consider how reforms leading to targeted and sustainable investment, effective and efficient delivery structures and appropriate incentive systems can result in improved service delivery. The specific objectives of the Review are based on those previously undertaken in Wales and at the UK-wide level. The Review will need to consider and make recommendations in the following areas:

¹ See Annex A

1. the current position in levels of demand in relation to the levels of funding available;
2. the demands of the population for health and social services in NI, taking account of its distinctive characteristics, in terms of long term and sustainable resourcing;
3. technological, demographic, medical and other trends over the next two decades that may have implications for the future resource needs of the HPSS sector in NI consistent, where possible, with the approach adopted in the Wanless Review;
4. the extent to which resources are being used effectively and efficiently and, if there is evidence of sub-optimal resource utilisation, the issues which are impairing the most efficient and effective use of resources;
5. the scope for a more effective use of resources (human, revenue and capital) to bring about a significant improvement in access to, and quality of, services in the HPSS and specifically the optimum balance between prevention, community-based care and acute hospital care;
6. ways in which the interactions between the health and social care systems can be improved to maximise performance and the use of resources
7. the effectiveness of the organisational and incentive structures, decision-making and accountability processes in health and social care in NI;
8. further measures to improve health and well-being which can reduce the demand for health and social services.

1.3 Methodology

The Review will need to consider the present distribution of resources and the outcomes achieved for the level of spend. Performance measures and indicators will be an important part of the issues to be taken into consideration, and the establishment of incentives to encourage best practice. The Review will take evidence from key stakeholders with a focus on gathering evidence of best practice and what works.

1.4 Structure of report

Section 2 of this report examines historic and current funding levels in Northern Ireland, tracks current spending from various perspectives and, importantly, adapts the approach and results employed by the first Wanless Review of future funding in the UK to suggest possible spending paths for health and social care services in Northern Ireland.

Section 3 then provides more in-depth analysis broadly bearing on the question of the efficiency with which services are currently delivered in Northern Ireland. This section focuses on the level of use of and activity provided by health and social care services, waiting lists and times, efficiency of provision and issues concerning workforce and pay.

Section 4 examines the current performance management arrangements in Northern Ireland, and suggests how these might be strengthened in order to improve performance.

1.5 Acknowledgements

This Review would not have been possible without important contributions from many people. In particular, I would like to thank the Chief Economic Adviser of the Northern Ireland Civil Service, Michael Brennan and his team for their analytical support and Sarah Benton for secretarial support to the Review.

Support also came from the DHSSPS in providing data, analysis and answers to our questions. In particular I would like to thank Denis McMahon - our main link with the DHSSPS, Clive Gowdy and Paul Simpson and their staff, with Michael McKibbin in particular providing valuable assistance on the survey work.

In the course of this Review we consulted as widely as we could with managers, doctors, nurses, allied health professionals and, not least, patients groups, in our attempt to get behind the often rather dry descriptive statistics. A full list of those we talked to is included in Annex B.

Finally, I would like to acknowledge the hard work and commitment of Paul Montgomery (assigned full time to the Review from the Department of Finance and Personnel) and for his tremendous support in carrying through the Review to its conclusion.