

Assembly debate – residential homes – 23 February 2009

Health Minister Michael McGimpsey

I am grateful for the opportunity to respond to this debate today. At the outset let me say that I fully appreciate that many people are anxious about proposals around residential homes.

As members are aware, these proposals, and I emphasise the term proposals, have been suggested by Trusts following the decision that **all** government departments must achieve 3% efficiency savings. For Health this equates to some £344 million by 2011 and some £700 million over the three year CSR period. This decision was made by all parties at the Executive table, including the DUP.

This enormous sum of money, which is the largest of any department, must be found within a budget that is already stretched to its limit. Since becoming Minister I have repeatedly stated many times how difficult this task will be and I don't apologise for one moment for insisting that more money must be invested in our Health Service.

The additional money I secured for health and social care services was only won after a hard fought battle. I have no doubt this money will save lives. It has helped to introduce a range of vital life-saving service developments such as:

- The introduction of bowel cancer screening which will save up to 70 lives every year;
- The introduction of the HPV vaccination against cervical cancer which kills around 40 women every year
- Up to 5,000 patients having access to remote monitoring -
- An additional 2,000 units of respite and community-based care
- The extension of breast cancer screening from 65 to 70.

If I had accepted the original budget allocation – something which the DUP insisted that I should do – then the situation for hundreds of patients would have been much worse.

Mr Speaker, members will be aware that in light of the fact that many of the Trusts consultations on proposals to produce these efficiency savings are ongoing, it would be inappropriate for me to discuss this matter in any detail nor can I discuss individual proposals.

When the consultation processes have finished I will look in detail at all the proposals and will give careful consideration to the views that have been expressed.

It is therefore disappointing that some members have attempted to use today's debate as a political point scoring exercise.

Let's be clear - A DUP Finance Minister proposed the efficiency savings process, the DUP supported it at the Executive, including one of the members proposing today's debate who was a Minister at the time. In addition, every member of the DUP Assembly team trooped through the lobby in support of the process. Indeed some members criticised me for not commencing the efficiency exercise earlier so any attempt to distance the DUP from this process smacks of hypocrisy.

Mr Speaker, we all know that our older population is growing rapidly. Over the next 50 years the number of people over 65 will more than double from around 250,000 to 500,000. Our health and social care service must be equipped and ready to deal with the enormous demands of caring for this vulnerable group of people. We already spend around £630m supporting our older people. Only acute care gets higher funding. I am committed to improving services for our older people and that is why I am investing a further £60m over the next three years to support an additional 1,500 older people in the community.

However, if we are to continue to meet the needs of our growing elderly population, we need to ensure that we are using these resources as efficiently and effectively as possible.

Mr Speaker through a range of schemes our Health Service provides a diverse range of options to support elderly care. One such option is Supported Living and in October 2007 I was delighted to open Barn Halt cottages in Carrickfergus. The scheme provides accommodation, care and support to frail and older people and can house up to 36 residents in 26 cottages. The cottages are designed to enable those with complex care and support needs to maintain their independence and keep links with the community.

This is the type of development I would like to see rolled out across the Province; an example of how we can maximise independence while providing reassurance that help is at hand.

Both domiciliary care and Supported Living have featured heavily in Trust consultations as potential alternatives to statutory residential care. I recognise, however, that the current residents in our care homes are unsure and anxious about how and where their needs would continue to be met.

So let me provide absolute clarity. If, a decision is taken to proceed with a home closure, there is no question of existing residents being evicted. Any suggestion that people are going to be chucked out onto the streets without a roof over their heads is bogus and is scaremongering at its worst.

It is important to remember that many of our statutory facilities are old and not fit for purpose. It is estimated that it would take around £8m to bring these facilities alone up to an acceptable standard and members will be well aware of the limited capital budget I have available.

Mr Speaker, I have been listening carefully to the concerns and issues raised by my Assembly colleagues over the Trusts current proposals. Some have made suggestions on alternatives to these proposals, including cutting down on postage and travel expenses. Others have been keen to remind me that I have the largest share of the budget and should live within my means.

Indeed a further favourite topic for members has been the Appleby report. So let me deal with some of the myths that have been presented on Appleby. I fully accept that Appleby made some challenging recommendations for my Department. We have tackled this challenge head on, working in collaboration with DFP to agree actions to meet the recommendations.

Some members conveniently quote selective abstracts of Appleby in an attempt to portray a failing Health Service. This is most unhelpful.

However, the one recommendation that is conveniently overlooked is around need. Professor Appleby did conclude that Health services in Northern Ireland received 7% more funding than the UK average, although considerably less than Scotland. However, subsequent research which was independently verified shows that our need for health services is 10% greater in Northern Ireland than in England, after allowing for current spending. For social services, the need is more than one-third higher. Combining the two means that NI is between 14% and 17% worse off than England. That's £250M to £300M of a difference.

On top of this, there is a further £300M gap between ourselves and England because of the difference in extra funding up to 2011. That's up to £600m less to deliver a Health & Social Care service in N Ireland, or about 15% of my overall budget.

Professor Appleby also highlighted that we could do better with the money we had, and recommended more focus on improving performance. This is something I have focussed relentlessly on since I took up office and the facts speak for themselves. Let me give a few examples:

In April 2006, there were nearly 74,000 patients waiting over six months for a first outpatient appointment.

In the same period there were almost 6,500 patients waiting over six months for surgery. One year later these lists had disappeared. The dramatic reductions in waiting times for surgery and outpatient appointments continue.

How has this been achieved, when resources are so much less? Between March 2007 and March 2009;

- Inpatient activity is on target for an 8% increase
- Daycase activity is on target for a 14% increase
- Outpatient activity is on target for a 4% increase

Appleby said an extra £55M of efficiencies could be derived from the drugs budget – in fact my department delivered this and a £20M saving over and above this in the last CSR

period despite criticism from some in this house. These are tremendous achievements, and I pay tribute to staff across all of Northern Ireland, and in all disciplines.

In relation to residential homes, Appleby pointed to many good examples of new and innovative practices in the area of community care.

His view was that we were going the right way but that we should do more to change the way that community care was delivered. He also pointed out that Northern Ireland used 10% more nursing and residential home care than England.

John Appleby recommended significant budget rises, curiously this is seldom raised by my critics. He concluded that at least 4.3% above inflation each year up to 2013 was needed in order to maintain and improve services. This key recommendation was ignored by some members when they insisted that I accept the draft budget

What's more – as I have already said there is a £300M gap between ourselves and England because of the differential between CSR settlements. Compared to the 4.3% recommended by Appleby, England received 3.7% and we received only a 1.2% increase over inflation.

Mr Speaker, it is right that people are concerned about the damaging impact efficiency savings could have on our health service.

Once again it is heartening to hear so many members expressing their grave concerns about proposals to change services. How sad then that some members did not recognise this independent assessment of need.

It is an undeniable fact that an increasingly elderly population and medical technology advances mean that significant increases are needed every year just to meet this growing demand on our services. Furthermore at a time when we are facing challenging economic conditions our Health Service needs greater investment. This fact was highlighted only last week when the World Health Organisation said much more investment was needed in Health Services during the recession.

Some members of the Assembly would do better to realise that the issue of health and social care services being under resourced has been independently assessed with no political agenda. It is therefore saddening that some people still insist on playing politics with health.

Mr Speaker I have heard many complaints that I am not doing enough to tackle administration. That is simply utter nonsense and again the facts speak for themselves. My Department has already begun to reduce Health Service administration costs, with a three year target of £53M – that's out of a total admin budget of £250M – a 25% reduction in back office staff and 15% reduction in other managers.

The number of senior executives will reduce from 170 to 58, down by two thirds. I am content that is a sustainable reduction for Health & Social Care. I look forward to other Departments matching it when they eventually move forward with RPA as Health has already done.

As for getting efficiencies from travel expenses, postage and phone bills – Trusts are already making and planning savings in these areas. Indeed, there are plans to make around £140M or 40% of the total efficiencies through better working practices, locums, energy efficiency, phones.

For example, we spend around £70M each year on locums, agency and bank staff – that's 4% of our total pay costs.

I accept that this is a considerable sum of money. For that reason, I welcome Trust plans to reduce this by 15%, having said that, we have an obligation to maintain patient safety and keep our wards properly staffed – even if, in the short term, that means using more expensive locum or agency staff.

Postage and telephone expenditure concerns some members greatly.

How else are staff supposed to deal with patients and clients – to contact them to advise of appointments and confirm test results.

We must also ensure staff are reimbursed for reasonable travel costs incurred in the course of doing their job. Are some members really suggesting we reduce our contact with

patients, or that social workers and community nurses should not be reimbursed for travelling to bring care to the population? Nonetheless, current Trust proposals are targeting some £3M per annum savings from reduced transport and travel costs.

With regard to the amendment, all proposals must of course be subject to appropriate equality impact analysis.

Four of the five Trusts are still engaged in consultation, and none of the five have arrived at a final view. I am monitoring the consultation closely, and all final decisions about major proposals are mine to take.

Mr Speaker, let me conclude by giving a simple commitment to the public, to residents, their families and staff:

- Trust proposals are not a done deal;
- No decisions have been made.
- As Minister, I will listen to your views;
- No one will be thrown out on the street; and finally,
- If – and I emphasise If – there is to be any change, that change will be managed carefully and sensitively. Viable alternatives must be in place to provide an equivalent or better standard of care.

Our health and social care services are undergoing immense change. This is change which needs to happen if we are to deliver a world-class health service for everyone. However, I have given my commitment that there will only be change if it is change for the better.

I am in the business of looking after our most vulnerable members of society. They have the same rights to health and social care services as everyone else. I will continue to improve and invest in services for the the elderly to ensure that they have access to the very best our health service can provide.