

BCC Departmental Response Template to DoH Budget 2023 – 24 EQIA

Link to DoH Consultation:

[Equality Impact Assessment of the 2023-24 Budget Outcome | Department of Health \(health-ni.gov.uk\)](#)

Summary of DoH budgetary position for 2023-24

- The £7.3 billion Resource budget set out by the Secretary of State on 27 April sees DoH receiving a budget that remains at a similar level compared to 22/23 funding however this means that no allowance has been made for pay, price and demand inflation.
- The department is therefore projecting a funding gap of some £732 million and will be required to deliver significant savings in order to achieve breakeven.
- With a sustained effort across the HSC system, it is anticipated savings and efficiencies can yield in the region of £260 million. While savings at this scale cannot be made without some impact, our analysis suggests measures up to this value can be delivered without long-term or irrevocable damage to services. Trusts and other HSC organisations have already been instructed to implement these low and medium impact savings leaving a funding gap of around £472 million.
- The most significant element of this is the estimated pay inflation pressure at c£375 million which includes the cost of implementing the English pay offer in full for Agenda for Change Staff.
- The Department has assessed that a further £100 million of cost reduction measures could be delivered. While these further savings will have an impact on services, our analysis suggests that these impacts could also be classified as medium in line with savings already identified and any services affected could be restored should additional funding be made available in future. This reduces the funding gap to some £372 million. Further work is ongoing to clarify the impact of some of these measures and the potential impact of this is reflected in our analysis below. Until that work concludes it will not be possible to completely rule out the need to implement some high impact cuts to services, although every effort will be made to ensure that this is a last resort. The work we have undertaken to date indicates that implementing further cost reductions beyond this level will certainly have an immediate detrimental impact on services to citizens.
- As a result, the Department is not currently in position to make a pay offer to its staff. Our present analysis suggests that, to do so, would require decisions to cease critical services which are beyond the power of the Department to make. It is recognised that this is not the position we would want to be in: appropriate reward and recognition for our staff is clearly an important part of demonstrating that we value the

work that they undertake. This will be kept under review as the budgetary position develops during the year, with every effort being made to maximise those cost reductions that will not impact on services in order to enable a pay offer to be made. However, it is important to recognise that without significant additional funding being made available, any such offer will inevitably fall short of expectations.

- The budget settlement for capital of £468.6 million shows an uplift on the previous years' allocations, however this is mainly due to a change in accounting treatment for leases and, when the funding required for the leases is excluded, the capital budget settlement is less than the previous year's allocation. As such, the Department has had to reduce the planned capital allocations for estate and backlog maintenance, investment in the upgrade of GP Practices, in Research and Development and in IT.
- After funding flagships, committed projects and annual running costs, including leases, there is just £35.9 million left to meet the £110.6 million of inescapable capital pressures.
- The Department's ability to transform and rebuild our Health Service is directly linked to the level of capital resources that are made available each year. There is a significant capital investment programme that the Department has planned to take forward over the next 10 years which will see investment in acute, primary, and social care, in our ageing mental health facilities, in the cancer strategy, in digital technology and in our emergency services but, without a sizeable uplift in our annual budget settlements, the critical investment we wish to make will be delayed by having to live within capital budget allocations that are significantly less than what is required.
- There are a number of critical capital schemes that the Department would like to commence in 2023/24 which include the construction of two new mental health inpatient units, the new Community Treatment Centre in Newry, the provision of additional bed capacity at Craigavon Area Hospital and investment to provide critical lifesaving equipment for the Northern Ireland Ambulance Service and to support the regional breast screening programme. In addition, there is a business critical need to renew the 3-year HSC Microsoft licence agreement at a value of £61.3 million.

Draft BCC Departmental Responses

Overarching points BCC Departments would like to raise/ emphasise in covering letter to consultation response:

Specific points from EQIA which BCC Departments would like to respond to:

DoH Budget 2023-24	Draft Departmental Response
Resource Budget	
<p>The Department is facing an extremely challenging financial outlook for 2023/24 with an estimated funding gap of some £732 million. As a result, significant reductions will be required to contain existing resource expenditure and meet funding pressures. All our Trusts and ALBs have been asked to start to actively deliver those savings classified as low and medium impact in order to bridge the funding gap which is anticipated can yield in the region of £260 million without a long-term damaging impact on services.</p>	<p>Addressing health inequalities is a key priority within the Belfast community plan, the Belfast Agenda. Council works with partners to develop interventions that will address health inequalities particularly through the Belfast Health Development Unit which is a co-located team of Council, BHSCT and PHA staff. This team delivers projects that address identified health inequality targets, particularly around drugs and alcohol, mental health and wellbeing, physical activity and nutrition, anti-poverty, older people and children and young people. Programme activity within the Unit is primarily funded through PHA.</p> <p>Any reduction in the available budget for the DoH and the services that it provides will have an impact on the health and wellbeing of the citizens of Belfast. It is also likely that these cuts will have the biggest impact on those who are already facing multiple challenges and that this will serve to increase the level of health inequality within the city.</p>
<p>In 2020 as part of the New Decade New Approach the Department committed to delivering an extra 900 nursing and midwifery undergraduate places over a three year period. This involved a further 300 places per year on top of the 1025 baseline places. However, these three years are now complete and no additional funding has been provided to continue the extra 300 places in 2023/24.</p>	

<p>Since March 2020, financial support has been provided to General Dental Practitioners (GDPs), initially via the Financial Support Scheme (FSS) and then via Rebuilding Support Scheme (RSS). The RSS currently allows eligible General Dental Practitioners (GDPs) to apply for a 10% enhancement to the Item of Service fees claimed for Health Service treatment provided. While the scheme had been extended until the end of the first quarter in 2023/24 given the budget allocation the scheme cannot be extended beyond this period.</p>	
<p>The Wastewater Surveillance Programme was previously funded from Covid funding with surveillance a crucial element of our wider pandemic preparedness work. The level of funding available for further Covid spending in 2023/24 would not enable this programme to continue without further budget cuts being made elsewhere. While funding has been provided for the first quarter in 2023/24 this will not continue beyond this period.</p>	
<p>Even with a sustained effort across the HSC system to deliver these savings and efficiencies the Department is still facing a funding gap of some £472 million.</p>	
<p>As highlighted above, the financial position does not therefore allow the Department to make a pay offer without implementing measures that would have an immediate detrimental impact on services to citizens. Our present analysis suggests that, to do so, would require decisions to cease critical services which are beyond the power the Department to make. Every effort will be made to maximise savings from other measures during the year in order to enable a pay offer to be made and the position will be kept under review. However, it is important to recognise that without significant additional funding being made available, any pay offer will inevitably fall short of expectations.</p>	

Should the additional savings measures fail to yield the level of savings indicated, further cuts to services will be required. The sorts of measures that will need to be implemented include:

- Reduction in payments for support services provided by the Community and Voluntary sector.
- Reduction in expenditure on community aids and adaptations for clients living in their own homes.
- Reduction in education and training places
- Further reductions in Waiting List Initiative activity.
- Reduction in nursing and residential care placements
- Restriction of domiciliary care packages

Addressing health inequalities is a key priority within the Belfast community plan, the Belfast Agenda. Council works with partners to develop interventions that will address health inequalities particularly through the Belfast Health Development Unit which is a co-located team of Council, BHSCT and PHA staff. This team delivers projects that address identified health inequality targets, particularly around drugs and alcohol, mental health and wellbeing, physical activity and nutrition, anti-poverty, older people and children and young people. Programme activity within the Unit is primarily funded through PHA.

Any reduction in the available budget for the DoH and the services that it provides will have an impact on the health and wellbeing of the citizens of Belfast. It is also likely that these cuts will have the biggest impact on those who are already facing multiple challenges and that this will serve to increase the level of health inequality within the city.

The Belfast community Planning Partnership and BHDU work closely with the community and voluntary sector to provide services to those in the most disadvantaged areas of the city. Any reduction in available payments for support services would increase the impact of cuts and again are likely to widen health inequalities.

In considering the scope to make further savings, the Permanent Secretary has considered the powers in the Northern Ireland (Executive Formation) Act 2022 and the associated guidance. He has concluded that, as things stand, these decisions fall outside that framework and require Ministerial authority. However, if there is a risk of overspend, further consideration will need to be given as to whether they fall within the powers of the Permanent Secretary, or whether the likely impact on services remains that these decisions would need to be taken by a Minister.

While the Department has had to consider many cost reduction measures as set out above, the funding provided will still be sufficient to protect and maintain a wide range of essential services, albeit it is recognised that the timeliness of access to these services may continue to fall short of what is desirable. The Budget allocation will enable the department to meet its legal commitments such as providing funding to support the National Living Wage and will enable key service transformation projects to continue at 2022/23 spending levels.

Capital

The Capital Budget settlement for the Department of Health in 2023/24 is some £468.6 million which is net of £15.6 million of capital receipts. This one year budget allocation will enable the Department to fund existing priorities, however it significantly falls short of the capital funding required to progress the Department's capital investment programme.

The budget settlement will enable the Department to meet the flagship projects, contractual commitments, maintain the HSC estate and begin to reduce the significant cost of backlog maintenance which currently stands at **£1.1 billion**. In addition, it will provide investment to the Northern Ireland Ambulance Service and the Northern Ireland Fire and Rescue Service for their fleet and estate, for HSC research and development, in new and replacement medical equipment and IT and in GP practices across Northern Ireland.

Flagship Projects - £35.8 million

The Mother and Children's flagship project will provide a new Regional Children's Hospital which will deliver integrated and contemporary paediatric healthcare services. The single phase build which is due to complete in 2028 will include 155 inpatient beds, 10 Operating Theatres, a Day Procedure Unit, an emergency department, ambulatory care facilities, outpatient, therapy & medical investigation units.

A new Maternity Hospital will provide care for over 6,000 births per year and will replace existing facilities. The project will complete in three phases with completion of the main Hospital building (Phase B1) projected for mid 2024. Phase B2 and B3 will see the completion of a link bridge to the Critical Care Building and demolition of the existing Neonatal Building; these phases are scheduled to complete in early 2025. The new hospital will provide 16 delivery rooms, 68 beds, an admissions unit and an early pregnancy unit. Maternity post-natal beds and outpatient services will be provided in levels 7-9 of the Critical Care Building access via the linked bridge. The overall Mother and Children's project also includes associated site and energy infrastructure.

The Northern Ireland Fire and Rescue Service Learning and Development Centre will provide a centralised training function with practical scenario based training facilities. Phase 1 of the project which comprised a six storey tactical firefighting facility and teaching support building was handed over in July 2019. Phase 2 will provide a multi-function training warehouse, fire call-out scenario village, flood water training facility, road traffic collision scenarios and learning support centre, construction commenced in 2022.

<p>Contractual Commitments - £23.9 million</p> <p>Contractual commitments are inescapable and reflect amounts we are obliged to pay to ensure the projects are delivered to the agreed completion date. There are already a number of projects contractually committed within the capital programme where the main construction has commenced or is near completion.</p>	
<p>In addition, there are a number of projects which either at the design stage or deemed as inescapable as they will ensure the sustainability of our services in those areas. These projects are as follows:</p> <ul style="list-style-type: none">• Ulster Hospital redevelopment• Craigavon 2nd CT scanner• Altnagelvin Phase 5.1• New Children’s homes at Glenmona• Regional Radio Pharmacy• Northern Mental Health Inpatient Unit – Stage 1 Design• AAH Interim Beds• AAH Electrical Infrastructure• CAH Low Voltage• DHH Low Voltage• Lisnaskea Health Centre• Cityside Health and Care Centre – Stage 1 Design• Children’s Heart Disease – Professorship	

<p>Critical ICT - £115.1 million</p> <p>The pace of change over the next few years across the HSC ICT programme will require significant investment over and above routine funding. The projects listed below are regarded as critical to the continuity of service and functioning of the health service.</p> <ul style="list-style-type: none"> • Encompass • Northern Ireland Picture Archiving and Communication System (NIPACS) • Laboratory Information Management Systems (LIMS) • Business Services Transformation Programme (BSTP) • Technical Enablement • General Medical Services ICT • NIAS Telephony • Digital Identity Service • Blood Production • Equip • 	
<p>Maintaining Services - £273.5 million</p> <p>Funding in this category whilst not fully contractually committed is required each year to provide regular and ongoing investment to the Health Service and the Northern Ireland Fire and Rescue Service. It should be noted that the cost to maintain a hospital is much higher than any other public sector building and as a result the Department has to direct a significant portion of our annual budget to this category. Regular ongoing investment is also required in vehicle fleet, in particular for the Northern Ireland Ambulance Service and the Northern Ireland Fire and Rescue</p>	

<p>Service, for the replacement of medical equipment, replacement of flu stocks, research and development, the cost of new leases and funding for the GP Improvement scheme.</p>	
<p><i>New Projects - £35.9 million</i></p> <p>There are a significant number of new projects the Department would want to commence in 2023.24 that unfortunately are unaffordable from within the Department's capital budget allocation. Nevertheless, we propose to commence the two new mental health units in the South Eastern and Western Trust areas, provide essential equipment to the Northern Ireland Ambulance Service and to HSC Trusts for breast screening. We also propose to commence the construction of the Newry Community Treatment and Care Centre, two rapid diagnostic centres in the Northern and Southern Trust areas and some additional bed capacity at Craigavon Area Hospital. In addition, we will provide funding to expand placement options for children in care and care-experienced children and young people and provide additional funding to enhance our digital services.</p>	

Receipts – (£15.6 million)

The Department also has to account for the sale/disposal of property and assets owned by the Department (retained estate) and its Arm's Length Bodies. Income from asset sales is available for reallocation within the capital budget. In addition, the HSC Research and Development team in the PHA secure additional funding from external organisations such as Cancer Research UK and the Medical Research Council. Budget cover is also provided to our five main trusts for commercial income they receive to carry out clinical trials.

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