

HSC 2017/18 SAVINGS REQUIREMENT

FAQ for HSC Trusts

1. How much is the Health budget this year?

The indicative departmental resource allocation for DoH, set by the Secretary of State, is **£5,095.4m** which provides an additional **£224.8m** for Health, when compared against the 2016/17 baseline. This includes an additional £60.1m to DoH for 2017/18 as set out in a further written statement from the Secretary of State to Parliament on 19 July 2017.

The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2017/18.

2. Why does Health need to save £70m?

The HSC system is required by statute to deliver an annual balanced financial plan and the savings target applies to this year in order to achieve financial balance in 2017/18. Therefore the majority of the savings proposals put forward by Trusts for consultation involve the temporary closure or change in services.

Despite the additional indicative allocation, the financial challenge for Health remains significant. Although the Department's allocation has increased each year over recent Budget periods, these uplifts have to fund inflationary cost pressures, demography pressures from an increasing and ageing population and the cost pressures associated with new treatments and patient expectations.

The Department and HSC continues to be subjected to a range of pressures, including pay, non-pay, demography and Family Health Services. There are also a significant number of front line service pressures right across HSC from the hospital sector, through community services to social care and demand continues to rise. Healthcare inflation is widely recognised as running at 6% per annum, and funding levels have not kept pace with this requirement.

In 2017/18 there are also a range of new inescapable pressures, such as the additional costs associated with the introduction of the National Living Wage and Apprenticeship Levy which are required to be addressed.

3. Why can't the SoS's £60m allocation go towards meeting this £70m deficit?

The Secretary of State's additional, one off, allocation of **£60.1m**, announced in July, has been taken into account in determining the projected budgetary shortfall for 2017/18 - in simple terms, prior to this allocation the savings required by Trusts would have been comparably higher.

The financial challenges facing health and social care are significant and the position will continue to be closely monitored, including the need for additional savings measures to support break even.

4. Will these savings plans mean Trusts will break-even?

Trusts have a statutory duty to break even and these savings plans are necessary as Trusts cannot spend money they do not have.

The financial challenges facing health and social care are significant and the position will continue to be closely monitored, including the need for additional savings measures to support break even if necessary.

5. Why do this now - so late in the financial year?

Financial planning is an ongoing process and has to be responsive to changing circumstances. For example, the Secretary of State's additional, one off, allocation of £60.1m, announced in July, has been taken into account in determining the projected budgetary shortfall for 2017/18 - in simple terms, prior to this allocation the savings required by Trusts would have been comparably higher.

The Department has, and will continue, to work with HSC Trusts on ongoing financial planning to live within the available funding.

6. What is the accumulative impact of these savings plans?

The Department has asked the HSCB working with the Trusts to assess the cumulative impact at a regional level consultation period and to develop mitigation plans where possible.

7. What are the budget implications for future years?

Savings are required in 2017/18 to meet the statutory requirement of achieving a balanced financial plan across the HSC this financial year.

It is a matter for the Department to comment on the budget position in future years.

8. Should the proposed closures of services/ facilities not be for a Minister to decide?

This is a consultation process for informing decisions, not making them at this stage. The HSC is taking this step by step in discharging its statutory responsibilities to secure a balanced financial plan in 2017/18. The first step is for Trusts to publicly consult on savings proposals.

9. Is there a risk to patient safety if these savings plans are implemented?

HSC Trusts continue to prioritise the most urgent patients to ensure they are seen and treated as quickly as possible and the HSCB is working with Trusts to maximise the activity that can be delivered from existing capacity.

The HSCB will work with the Trusts during the consultation period to develop actions to mitigate as far as we can the proposed temporary service changes to maintain quality of provision. Maintaining patient safety remains the prime priority for the HSC.

10. Is this going to have an impact on waiting times?

The financial pressures have contributed to a situation where the HSC has been unable to undertake the previous volumes of additional activity to meet the gap between demand for services and funded capacity and as a result, waiting times have grown.

Elements of the savings plans will further impact on waiting times for routine procedures as HSC Trusts will continue to prioritise the most urgent patients to ensure they are seen and treated as quickly as possible. We must ensure that available resources are directed to achieve the best outcome for patients.

The HSCB will continue to work with Trusts to maximise the activity that can be delivered from existing capacity.

11. What facilities are going to close?

The Trusts' consultation documents contain details of specific proposals.

12. Are these changes going to be temporary or permanent?

The changes are temporary. Savings are required in 2017/18 to meet the statutory requirement of achieving a balanced financial plan across the HSC this financial year.

In the event that these proposals are implemented there will be a further public consultation if it is considered necessary to extend any of the proposals beyond 2017/18, or if it is considered necessary that specific proposals should be made permanent.

13. Will these savings mean job losses?

The Trusts' consultation documents contain details of specific proposals.

14. Will these savings have any impact on future recruitment plans for the health service?

These plans relate solely to the 2017/18 financial year. Savings are required in 2017/18 to meet the statutory requirement of achieving a balanced financial plan across the HSC this financial year.

It is not possible to say what the position will be in future years.

15. When will these savings have an impact on the ground?

Savings are required to take effect in 2017/18 to meet the statutory requirement of achieving a balanced financial plan across the HSC this financial year.

16. How long is the consultation period?

The consultation period will run for a six week period. It has been necessary to shorten the consultation period from the more usual 8-12 weeks in order to comply with the statutory requirement for the HSC to achieve financial balance each year.

17. Is there a timeframe for when decisions will be made on the consultation proposals?

Following public consultation decisions will need to be taken quickly on whether to implement final plans to enable the HSC to deliver a balanced financial plan in 2017/18.

18. What impact will these plans have on the transformation of HSC?

Every effort will be made to ensure that the HSC remains focused on achieving the outcomes set out in *Delivering Together*. Indeed, the impact of these cuts only serves to underscore the pressing need to make fundamental changes to our health and social care system. We must also face up to the present financial realities and the HSC's legal duty to ensure that we live

within our budget. This means making very difficult choices. It also means that we must pursue the reform of the system to safeguard vital services for the future.