

**From: Neil F Guckian  
Former Director of Finance  
Northern Health & Social Care Trust**

**Witness Statement : The Clostridium Difficile (CDiff) Public Inquiry  
(Northern Trust Hospitals)**

I was appointed as Director of Finance of the Northern HSC Trust in December 2006, and the Trust became operational on 1 April 2007. Prior to December 2006, I was Director of Finance of Causeway HSS Trust from 1998. I left the Trust in September 2009.

In my statement I will provide comment on the following:-

1. The merger of Northern Area Trusts.
2. Specific requested areas:-
  - (i) Financial aspects of management of resources to cover the Clostridium Difficile outbreak, and whether a budget was ring-fenced for Clostridium Difficile.
  - (ii) Relations with DHSSPS Director of Finance and others in respect of any financial difficulties faced by Northern Trust.
3. Other Themes.

**1. The Merger of Northern Area Trusts**

The three years from 1 April 2007 have been extremely challenging. On 1 April 2007 the three Northern Area Trusts (Causeway, Homefirst Community and United Hospitals Trusts) were merged to create the new Northern Health & Social Care Trust. This created a new

organisation with 14,000 staff and expenditure of over £0.5billion per annum.

The priority in the initial period (from April 2007) was to establish proper processes, structures and governance arrangements. A key initial element of this was the risk register from each of the three legacy Trusts, which identified the key priorities and risk transfer framework. A formal meeting was held between the Senior Teams of Northern Trust and legacy Trusts to identify key risks going into the new organisation. The major issue relating to the Clostridium Difficile Outbreak, highlighted by the Risk Register, was the nurse staffing in United Hospitals Trust. Much management time and energies went towards the nurse staff review issue in 2007/08 and 2008/09.

**2 (i) Financial Aspects of Management of Resources to Cover the Clostridium Difficile Outbreak, and Whether a Budget was Ring-fenced for Clostridium Difficile**

Whilst the first Clostridium Difficile ribo type 027 case occurred in June 2007, it was not formally identified until September 2007. It was only after the outbreak was declared in January 2008, that the main costs of addressing Clostridium Difficile were identified and monitored. Given the stage in the financial year, the majority of the costs associated with addressing the outbreak occurred in the 2008/09 financial year. An

amount of £250k was informally set aside in the final few months of 2007/08 to address the additional costs of the outbreak. A separate Cost Centre was not created at this time, due to the small level of expenditure, and the stage in the financial year.

The Outbreak Control Team (OCT), chaired by the Chief Executive, provided clear leadership for the implementation of Action Plans to address the Outbreak. All resources required to address the Outbreak, in 2008/09, as identified through formal Action Plans approved by the OCT, bypassed the normal financial control measures and were implemented. Safety of patients was the priority of the organisation throughout the Outbreak.

In the period February – July 2008, the costs of addressing the outbreak grew significantly, primarily due to the nature of the strain of Clostridium Difficile (ie Ribo type 027). This was a virulent strain and thus required much more actions to address the outbreak than would previously have been required. In the Financial Strategy for 2008/09 (presented to Trust Board in May 2008), the Trust estimated the costs of addressing the Outbreak as £0.7million (excluding the Nurse Review Costs). By July 2008, the Trust's estimate to address the Outbreak was £2.0million and this was communicated by me to DHSSPS via the Financial Monitoring Return. This reflected the various Action Plans and feedback from external advisers on similar experiences in the United Kingdom, particularly The Cleaner Hospitals Team and the

locally established Task Force, which highlighted the need for a much more rigorous and sustained implementation action plan.

The Finance Directorate identified a range of Cost Centres (for each Directorate). Thus, when Goods & Services were ordered, then the Clostridium Difficile Cost Centre would be identified. Also, when staff were employed, the Clostridium Difficile Cost Centre would be used.

As a result of the above processes, the Trust was able to identify £1.409million specifically as Clostridium Difficile costs throughout the Trust, in three different Directorates.

The reason why the above figure is likely to understate the costs of Clostridium Difficile actions is the complex nature of the costs. Staff costs would have included additional hours and overtime for many staff – Cleaning, Nursing, Estates, Facilities, Laboratory and Medical. The Clostridium Difficile salary costs would have been only one of several elements of payroll costs, and costs particularly in the early months of 2008/09, these costs would not have been routinely separately identified. Finance staff would cross reference Action Plans to Cost Centre Budget Reports to try to ensure completeness but costs were difficult to fully identify.

I believe the estimate of £2.0million in July 2008 would still be a reasonable estimate of the costs of addressing the outbreak and would

be reasonable against indicative figures suggested at the RQIA review and other external parties such as the Cleaner Hospitals Team. Given the complexities of identifying the costs, the creation of a separate budget was problematic. Also, given that little specific additional funding was provided for the Outbreak, the above approach was the most appropriate – Managers were monitored against the assessed costs of Action Plans for the Outbreak. The OCT approved Implementation Plans, and costs were separately identified and monitored.

The income the Trust had available for Healthcare Associated Infections was £237,000, plus the cost of an Antimicrobial Pharmacist, which represented only 12% of the expected full costs. This funding was designed for a range of proposals and was part of the Regional allocation of £2m for all organisations. Northern Trust, I believe, was the only Trust to direct all of this funding directly to the cleaning service.

The Trust received no other specific external assistance towards the expected costs of £2million – leaving a deficit of between £1.2million and £1.8million. It should be noted, however, that a general funding of £3.1million was received by the Trust (from Northern Health & Social Services Board) in January 2009. This was to address an element of the overall Trust deficit. This was the normal approach of the local

Commissioner – to allocate resources on a non-recurrent basis in the second half of the year.

The direct costs of Clostridium Difficile do not include the recognised shortfall in Nurse staffing in the legacy United Hospital Trust Hospitals. A Nurse Staff Review was commissioned jointly by Northern Health & Social Services Board and United Hospitals Trust prior to 2007. The results of this Review were that an additional £2.275million of Nurse staffing was needed to bring levels up to minimum acceptable standards. At 1 April 2007 only £0.4million of this had been resourced by the Northern Health & Social Services Board, thus nurse staff levels were below the minimum safe levels.

During the Outbreak, Northern Health & Social Services Board released a further £0.5million towards Nurse Staffing, under the label of Clostridium Difficile, thus reducing the shortfall to £1.2million - £1.3million (this is not included in the Clostridium Difficile costs above) as it was solely used to address the nurse staff risk.

In May 2008 I presented a paper to Trust Board in which I felt the Nursing risks needed to be addressed, and that we would have to negotiate for the funding with Northern Health & Social Services Board, after the Nurses were in post. This reflected the fact that patient safety was paramount at this time.

At the end of the 2008/09 year, Northern Trust experienced a deficit of £978,000, which meant that the statutory duty to break-even was not achieved. This deficit can be attributed to a range of issues but largely to the Clostridium Difficile Outbreak. As the Health and Social Care System achieved break-even in 2008/09, effectively the Department of Health & Public Safety in Northern Ireland resourced the overspend – to the value of £978k. The Trust absorbed a significant element of the costs internally as the total costs were approximately £2m and the deficit only £978k.

**2 (ii) Relations With DHSSPS Director of Finance and Others In Respect of Any Financial Difficulties Faced By Northern Trust**

The structure of Health & Social Care in Northern Ireland, during the Clostridium Difficile Outbreak was as follows:-

Services were commissioned (and resourced) by Health and Social Services Boards (Board).

Health and Social Services Boards were resourced from the Department of Health, Social Services and Public Safety.

Health and Social Care Trusts provided services, under a Service & Budget Agreement (SBA) with their host Board.

For Northern Trust, the SBA was with the Northern Health and Social Services Board.

Resources are distributed between resident populations by means of a capitation formula, based on crude population and adjusted for various need indicators. Thus the main discussions regarding resources occur between Trusts and host Boards and are primarily linked to the Service and Budget Agreements.

Resources were released by submission and approval of formal business cases. This was a slow and inflexible process and inevitably delayed distribution of funding, thereby releasing funds on a non-recurrent basis. It would be impossible to address an Outbreak whilst adhering to the financial business case process – i.e. no spend until approval, say three months later, particularly in a fluid situation such as the Outbreak.

Communication with the Department of Health, Social Services and Public Safety Director of Finance is primarily by means of a monthly financial monitoring return. The monthly monitoring return is a set of financial accounts with a narrative section. From May 2008, and each month thereafter throughout 2008/09, Northern Trust identified Clostridium Difficile as a major element of the deficit of the Trust in the Financial Strategy and monthly monitoring returns. The Department of

Health, Social Services and Public Safety commented on the bottom-line projections of the Trust and their key role was to ensure the Health & Social Care System achieved break-even. The Department of Health, Social Services and Public Safety rarely got involved in local resource issues.

As the year-end deficit was lower than the previous projections, no special measures were required in the final few months of 2008/09.

I met the Director of Finance, Department of Health, Social Services & Public Safety, on 3 March 2009 to highlight the causes of the deficit (a primary cause being Clostridium Difficile Outbreak). No additional funding was identified by DHSSPS. As stated above, however, the fact that Health and Social Care in Northern Ireland achieved break-even, means effectively the Department of Health, Social Services and Public Safety funded the shortfall. The primary reasons given by DHSSPS for not funding the deficit was due to the need to release resources through the Capitation formula, referred to above, to allocate resources outside this would disadvantage other populations.

### **3. Key Comments in Relation to the Other Themes**

#### Priorities

I believe the leadership shown by the Chief Executive, by chairing the OCT, and meeting weekly as required, confirmed the key priority of managing the Outbreak to everyone in the organisation. This resulted

in quick decision-making and timely resolution of any perceived barriers to success.

### Communication

The suite of information presented to the Senior Management Team, on a weekly basis, was unprecedented. This focused not only on numbers of cases, but also on progress against high impact interventions and key elements of the care bundles. I believe this suite of information should be a template for all organisations.

### Media Handling/Morale of Staff

I believe that the media handling of the Outbreak contributed directly to the low morale and stress of staff in the Trust. The organisation felt isolated within the Health and Social Care system, and key aspects of this perceived isolation were the RQIA special investigation/review, politicians comments, media reporting and a concentration on Northern Trust as a Clostridium Difficile outlier, and the announcement of a public inquiry solely for Northern Trust was unhelpful.

I believe our underlying rates, whilst they did increase in 2007/08 – 2008/09, would be in a similar range as other Trusts, if all organisations carried out full testing of admissions.

The treatment of Dr Flanagan (Medical Director) and Ms Evans (Chief Executive) by the media, I believe, was inappropriate and had a

demoralising effect on the Trust. Both carried themselves with professionalism and integrity, but were subjected to extreme reaction by some media outlets.

I believe it is extremely unfortunate that the Public Inquiry does not focus on the wider issues in Northern Ireland, such as:-

- Is there a standard testing approach?
- Are levels comparable?
- Has best practice been shared, particularly regarding the 027 strain?
- Was Northern Trust an outlier?
- Impact of demographic and other underlying medical conditions.

The RQIA report suggested that Medical staff in Northern Trust were overly prudent in assigning Clostridium Difficile to death certificates. This may be a reason for the high profile of the Outbreak.

It should also be noted that the Hospital profile within Northern HSC Trust was extremely difficult to manage – with many smaller Hospitals, large distances between Hospitals, older buildings, pressure on beds and transfers between Hospitals.

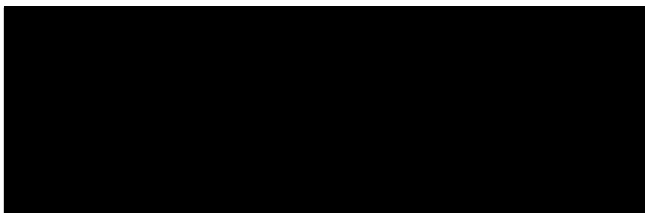
## Personal Reflections

The period of the Outbreak was extremely stressful for the entire Senior Team in Northern Trust, myself included. As a public servant, your wish is to develop services and improve the health of the population. The Outbreak was stressful because of the impact on patients, and staff at all levels, because of the perceptions of the media and, for me, due to the difficulty in accurately planning, identifying and estimating the full costs of addressing the Outbreak.

The personal stress was further increased due to the need to continually commit resources the Trust did not have, thereby breaching the fundamental financial duty to live within the resources available.

## Declaration

I confirm that, to the best of my knowledge, the contents of the above statement are true.



**Neil Guckian**

21 May 2010