Health Budget Oversight Group

Meeting: Monday, 17th October 2022, 14.30

DPER, 7-9 Merrion Row

1. Minutes from Previous Meeting

The minutes of the meeting of June 30th were agreed.

2. Expenditure Plan

a. Core

A detailed discussion was held in relation to the core expenditure position for the Health Vote.

DPER enquired about the variance between the Cash and I&E positions. HSE replied that this variance was due to movements in working capital over time. This was due to the timing between expenditure being recorded and cash payments related to the maturing of these liabilities.

DPER raised the issue of a potential supplementary estimate for DOH and again highlighted the need for any expenditure management plan to include mitigating actions to counteract any emerging pressures. DOH pointed to the difficulties of mitigation strategies once money has already been allocated. DOH is coordinating with the HSE to identify areas where savings might be possible. DPER welcomed the work being done on mitigation, but pointed to the need for quicker responses to emerging overspends. The issue of time-related savings being used to mask expenditure pressures was also highlighted.

DOH emphasised inflationary pressures and reduced private income as drivers of overruns. DOH also pointed to the need for realistic expectations, and challenges related to measures and reduced service provision. DPER pointed to the upcoming National Service Plan (NSP) 2023 and the requirement that any identified financial risk is associated with a potential mitigation. DPER reiterated that it is incumbent on DoH and HSE to plan and deliver services within the agreed allocation as set out in legislation.

<u>Cash Balances</u>

DPER also raised the issue of HSE cash balances, and stressed the requirement that 2022 drawdowns are only used for 2022 expenditure. This would also apply to any supplementary estimate for 2022. HSE pointed to liabilities incurred in late 2022 that would need to be settled in early 2023. These should not be settled using the 2023 allocation. DOH responded that any larger-than-usual float requirement for HSE into the beginning of 2023 would have to be flagged early and clearly justified. DPER noted the importance of engagement on this matter as soon as possible.

Staffing

DOH updated the group on the latest HSE staffing numbers, with recruitment below profile in August. This was in part driven by a reduction in Covid swabbers under Community Services.

DPER enquired about whether the HSE Pay and Numbers Strategy for 2023 would be provided before end-2022. DOH responded that they are eager for this to be the case. Some discussion followed about the need to reduce spending on Agency and Overtime, with the reversal of Haddington Road Agreement (HRA) hours impacting this. DPER requested that a plan to reduce Agency/Overtime spend be provided by DOH as a priority.

DPER raised the issue of continued high levels of recruitment to Management and Administration grades. As maximum recruitment targets for these grades were being met in 2022, DPER questioned the need for any significant additional recruitment of these grades in 2023, and raised the possibility of redeployment of Management and Admin staff instead. DOH responded that, while some redeployment may be possible, new hires would be necessary for certain roles, e.g., the new Regional Health Areas (RHAs) and cyber specialists.

b. Covid

DPER asked about the current estimate of cost for the Pandemic Special Recognition Payment, and about the eligible cohorts that have yet to be paid. DOH agreed to provide further information about this issue.

DPER also queried cost estimates for the Covid-19 Vaccination Programme to the end of the year and the extent to which progress was being made by DOH on developing a new strategy around PPE. DOH agreed to revert on these matters separately.

DPER also queried the Covid-19 Acute/Community spend, particularly the extent to which measures can be clearly identified as Covid-specific. DPER also raised the lack of information to date regarding expenditure to reduce Waiting Lists. DOH agreed to revert on these matters separately.

3. AOB

No other business was raised.