# Health Budget Oversight Group

## Meeting: Tuesday 29th August 2023, 3:30pm

## *DPENDR, Miesian Plaza - Thekla Beere*

## *Minutes*

- ## Minutes from Previous Meeting - 25/07/2023

  - DPENDR accepted the proposed amendments to the previous Minutes by the HSE.
  - The HSE's Quarter 2 forecast was delivered to DoH on 25th August. It has been cleared by EMT and it was agreed that it would be shared with DPENDR following HBOG.
  - DPENDR opened the meeting by pointing to the absence of material supplied to facilitate the meeting including progress on the various expenditure control groups (timelines and cash impacts).
  - DPEDNR further noted that progress on the expenditure management actions is crucial to address the spending overruns manifesting on the vote.

- ## Industrial Relations Update from DoH

  - DoH informed HBOG that there were 3 separate industrial actions taking place, led by Forsa and Forsa/SIPTU:
    - Management and Administrative staff – An Industrial Action was called as a result of the HSE's decision to pause Management and Admin recruitment to ensure recruitment is within funded limits as well as measures to control agency costs. DoH noted that employees did not follow the appropriate dispute resolutions process.
    - Health and Social Care Professionals - A ballot for strike action will take place as Health and Social Care professionals are of the view that they were promised senior status. DoH noted employees did not follow the appropriate dispute resolutions process.
    - Section 39's – This is primarily the responsibility of DCEDIY. The Union has rejected the offer of 5%.
  - DPENDR informed DoH that it would respond on these matters to DoH requests on these matters as they are raised.

- ## High Earners – Internal Control Environment

  - On foot of queries by DPENDR, the HSE informed HBOG that the High Earners audit committee report will be revised, with a cap of €300,000 to €350,000.
  - Nine Posts are to be thoroughly reviewed.
  - In addition to this, Legal, contractual and clinical reviews will be carried out.
  - HSE are to update HBOG on the outcome of the review in Q2 2024.

- ## Cash Acceleration Requests 2023

  - A discussion took place on the existing process of Cash Acceleration Requests (CARs). DPENDR noted that these are informed too late by DoH to DPENDR and are not accompanied by the necessary evidence base. DPENDR enquired as to the level of visibility of CARs to DoH and potential ways in which the flow of information could be improved.
  - DoH and HSE are discussing as to what is appropriate in terms of improvements to the process and the level of detail provided.
  - It was agreed that this will be worked on tri-laterally to organise sufficient notice and evidenced analysis of Cash Acceleration Requests. In the first instance, DoH and the HSE will work together to design a new governance process for the approval of Cash Acceleration Requests for presentation to HBOG.
  - DCEDIY will also be involved as the area of Disabilities is affected. Since the HSE is one organisation, there is one CAR and then the funding is split between DoH and DCEDIY.
  - The HSE committed to providing a CAR draft within the middle of the month with exact dates to be agreed. It was agreed that there could be a reporting schedule drafted for both informal and written CAR's, with HSE and DoH to work on creating such a schedule as part of the reformed processes.
  - It was noted by the HSE that until IFMS is fully embedded, the HSE cannot fully report on cash versus I&E as the current system functionality does not exist.
  - Due to issues with the roll-out of IFMS, Capital invoices paid through the East are an ongoing issue. The HSE noted that there is estimated end date, but issues will continue until the end of September at least. Some element of Capital underspend is real, but some is due to the processing of invoices.
  - DPENDR enquired as to the cash impact of the IFMS delays and how this would affect cash drawdowns going forward. The HSE could not provide a definitive figure but pointed out that the level of expenditure could be underestimated due to the backlog.
  - There was a discussion on the €100 million cash acceleration experienced in June. This €100 million was a preautionary payment and a stop-gap to manage grants for Section 39's. It was DPENDR's understanding that this position would be reversed in July. However, as July issues came in on-profile, this position was not reversed, signifying a permanent cash acceleration.

- ## Update on Latest Expenditure Position – July/August 2023

  - Discussions took place on Agency and Overtime, where it was agreed that expenditure needed to be brought to a more stable footing.
  - DPENDR noted that over the course of several HBOG meetings, it has stressed the need for meaningful measures to reduce spend on Agency and Overtime focusing on usage in particular. However, DoH noted that options that result in savings would affect service and patient-facing care.
  - There was a discussion on the Capital Underspend, with the HSE explaining that the issues associated with IFMS are masking the true Capital underspend. The HSE outlined that whilst there will be an underspend, the aim is not to have a large surplus on Capital.

- DPENDR questioned the effectiveness of recent measures taken by the HSE to ensure that recruitment within the Management and Administrative category remains within PNS levels.
- The HSE noted that the impact of Management and Administration recruitment pauses would take time to take effect owing to the lead in time of recruitment processes and therefore rather than a reduction in growth would lead to a reduction in the rate of growth as a result of the recruitment pause of certain grades. Since reports are in arrears, an impact will not be seen until at least 3 months into the pause.
- DPENDR noted that such decisions should have been taken much earlier as it was clear since March that measures needed to be taken to reduce the growth rate of this staff category. It pointed out that adhering to the agreed profile of the 6,000 funded staff was a fundamental part of budget management. DoH noted that it should be possible to manage recruitment within the limits agreed.
- The HSE noted that is important to recognise that it had implemented significant measures to ramp up recruitment in response to the requirement to respond to the pandemic and that it equally takes time to slow the pace of recruitment and those on-boarding given the numbers already in the pipeline. It noted that it is also important to consider the impact domestically and internationally for to ensure that we continue to attract and retain a highly skilled workforce that is in short supply worldwide.

## AOB

- DPENDR and HSE agreed to meet in person on the area of Pensions to clarify certain matters not explicitly covered in the pensions note provided regarding the specific drivers of the large monthly swings in pensions spending.
- A Revised DoH forecast of the End-Year Expenditure position will be sent to DPENDR within the next week.

## Actions

- DPENDR to clarify the IR processes of breach in Building Momentum agreement by 15 September 2023
- DoH to share Q2 Expenditure Memo with DPENDR by 5 September 2023
- DoH and HSE to develop more robust financial governance processes for CAR to focus on (i)Analysis and Evidence and (ii)Approval points, deadlines and communications by 30 September 2023.
- A Revised DoH forecast of the End-Year Expenditure position including a list of all expenditure control impacts will be sent to DPENDR within the next week (by 5 September 2023).
- DoH to provide a detailed note on the IFMS issues, impacts and timelines for resolution by 30 September 2023.
- The HSE committed to providing a sample of a hospital-by-hospital pay deficit analysis discussed at the meeting by 30 September 2023 once reviewed internally
- DoH committed to reverting on private hospital policy once the paper was finished.
- DoH committed to responding to DPENDR's queries regarding the final Virement request in 2022 by 30 September 2023.
- HSE to provide further update to HBOG on High Earners before end Q2 2024.