Health Budget Oversight Group

Meeting: Wednesday 8th November 2023, 2:30pm

Minutes

DPENDR, 7-9 Merrion Row - Thekla Beere

1. Minutes from Previous Meeting

- The HSE provided feedback on the minutes for the previous meeting, which has been reviewed by DPENDR. DPENDR will revert with revised minutes, which account for this feedback.
- DPENDR noted there remained various outstanding items, which were agreed actions that arose from the previous HBOG.
- DoH informed DPENDR that the Q2 and Q3 Quarterly Expenditure Memoranda for Government on Expenditure will be collated together and noted that there has been an issue with getting visibility on financial data. Additionally, this Memorandum will include an update on productivity measures.

2. Pay and Industrial Relations Issues

- There was a discussion in relation to the need to effectively manage the industrial issues that has arisen in the Health Sector, including the actions by Management and Administrative staff in response to the control measures taken to align recruitment within funded limits across these grades.
- DoH sought assistance from DPENDR to address the industrial action in the health sector
- DPENDR was of the view the specific industrial action under discussion was not a matter that pertained the existing pay agreements. DoH and HSE dispute this position.
- DoH and HSE noted the technical position of DPENDR. DoH disputes this position.
- Do HSE both further noted that request was made on the basis of demonstrating a collective response on the issue across HSE, DoH and DPENDR given that a key focus of HBOG had been on control of Management and Administration growth, which was the specific issue giving rise to the industrial action.

3. Expenditure Control Actions 2023

- DoH informed that due to action by Forsa the regular monthly financial reporting has not been possible.

Core

- DPENDR queried the effectiveness of recent control measures taken by the HSE to ensure that recruitment within the Management and Administrative grade remains within Pay and Numbers Strategy levels.
- DPENDR noted that if the level of recruitment for 2023 exceeds the 6,000 WTE funded for the year, this would lead to a first charge on the staffing allocation for 2024.
- DoH explained that they are currently projecting the end-year position and the potential impact this may have on 2024 recruitment levels.
- DoH acknowledged that there is a need for a structured recruitment plan for 2024 to avoid employment control measures during the year.
- The HSE noted that the growth rate of recruitment across certain grades is starting to slow down given that the current HSE recruitment notifications take 2 -3 months to have an impact.
- HSE/DoH will provide a note before the next HBOG on the impact the control measures are having on recruitment across certain grades year-to-date and the potential end-year position.
- DPENDR enquired about the effectiveness of the various expenditure groups introduced this year and the savings that would arise from such groups.
- DoH noted that there is a focus on proactive measures for future expenditure but the main impacts may not occur until 2024.
- No cash update could be provided on the effectiveness of the Agency and Overtime control measure and it was stated that November would be the first month where the impact of the control measure would be seen.
- The HSE pointed to agency conversion as an important contributor to management of the agency overrun issue. DPENDR noted that this could not lead to additional recruitment beyond funded limits. Any agency conversion proposals are subject to DPENDR approval.
- The HSE noted that any conversion would only be against “funded posts”. DPENDR sought an explanation of what this meant.
- The HSE noted that there have been evaluations of the implementation of the Safe Staffing Framework and these have been published.
- DPENDR also sought clarification as to whether reductions in usage of agency (i.e. volume) would form part of the suite of measures to control agency spending. The HSE undertook to revert with an analysis of the full range of measures planned including reductions in usage.
- The HSE advised that progress is being made to analyse the level of staff staffing and cost efficiency of rostering in each hospital. This analysis is done on a hospital-by-hospital basis. DPENDR noted that it was difficult to fully understand this pay analysis without a note/paper summarising this work which would set out the pay variances on a hospital by hospital basis. In addition DPENDR noted that this analysis was requested earlier in the year and has not been provided.
- HSE undertook to provide a summary note on the analysis and control measures being taken.

Covid-19

- DPENDR enquired about the lack of reporting by DoH to DPENDR on expenditure in relation to waiting list measures and it was agreed that improvements need to be put in place to enhance such reporting.
- The HSE noted that monthly reports are provided to DoH on waiting list expenditure.
- DoH agreed to share a summary of the monthly reports with DPENDR.

4. Status and Outlook for IFMS project

- DPENDR noted their support for the modernisation and reform of key reporting systems within the health system.
- DPENDR enquired about the current IFMS backlogs and the timelines for final resolution of the issues.
- According to the HSE, as of 6th November there was a backlog of 100,000 invoices, which amounts to c. €375 million (50,000 invoices at one time would normally be the case). The HSE highlighted that they are targeting a steady rate of invoices at year-end.
- DPENDR queried if the invoice backlog would have an impact on the end of year position. HSE advised that if the backlog remains at end of year it could have an impact on Cash requirement at the end of the year.
- DPENDR sought clarification regarding the impact of the IFMS backlog issues on implementation of the project overall i.e. timelines.
- The HSE noted that due to the current problems, the implementation of IFMS in the West has been pushed back from January 2024 to May 2024. Overall implementation in the statutory system has been delayed from early to mid-2025. Such delays do not account for the current industrial issues and the additional IFMS investment allocated in Budget 2024.

5. CAR Governance Process

- At HBOG on 28th August 2023, it was agreed that DoH and the HSE would develop more robust financial governance processes to allow for sufficient notice, analysis and detailed visibility of Cash Acceleration Requests.
- An update was provided which stated that progress has been made on developing a potential new CAR process, with DoH (and DCEDIY) and the HSE working on the final issues for agreement.
- It was noted that an outline of the new CAR process would be provided to DPENDR for observations before the next HBOG meeting.

6. AOB

- DPENDR noted the HBOG technical sub-group on Acute services had to be cancelled at the last minutes despite DPENDR agreeing to re-schedule and the discussion at technical sub-group on Pay and Staffing was useful.
- DoH provided an update on the 2023 delivery of capital projects under the National Development Plan, noting the challenges and liabilities incurred during the year. It was stated that it would be unlikely that there would be any significant capital surplus at year-end.
- As previously discussed, there is a need to organise a meeting on pensions with the HSE and DPENDR.

7. Actions

- Outstanding notes to be provided by DoH and HSE in relation to: Hospital-by-hospital pay deficit analysis, monthly reports on core and non-core Waiting List/Access to Care expenditure and the financial plan to address the agency overrun in particular including the individual actions (agency conversion, reduction in usage, etc.)
- DoH and HSE to develop more robust financial governance processes for CAR, which will be provided to DPENDR for observations and presented at HBOG.
- HSE and DoH will provide a note on the impact the control measures are having on recruitment across certain grades and the potential end-year position.