



HSE Board Briefing Template

Subject: Financial Briefing Paper
Submitted for meeting on: 26 th April 2023
Name & title of author: Stephen Mulvany Chief Financial Officer, HSE
Why is this information being brought to the Boards attention? To brief the Board in relation to the overall level of financial issues and risks in the year ahead and actions being taken to mitigate same.
Is there an action by the Board required, if so please provide detail?: For information and consideration.
Please indicate which of the Boards objectives this relates to ; <ul style="list-style-type: none">▪ The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; <input type="checkbox"/>▪ Developing a plan for building public trust and confidence in the HSE and the wider health service; <input type="checkbox"/>▪ Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy; <input type="checkbox"/>▪ Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget. <input checked="" type="checkbox"/>
Brief summary of link to Board objectives. <p>The NSP calls out a number of financial risks and issues of up to 10.2% (or €2.2bn) that may arise in 2023. It is evident even at such an early stage of the financial year that health services face a significant material financial and operational challenge.</p> <p>The HSE acknowledges its legal requirement to protect and promote the health and wellbeing of the population, having regard to the resources available to it, and by making the most efficient and effective use of those resources.</p> <p>The National Finance Division (NFD) has developed a Financial Framework that will seek to mitigate the financial risks faced in 2023 and as such exercise effective budgetary management with the objective of delivering the NSP within budget.</p>
Background - provide context in order to ensure that the Board fully understand the issue. <p>In the recent revision of the HSE's Letter of Determination 2023, in addition to a general concern in relation to the overall level of financial issues and risks still being referenced the HSE, two specific financial concerns were highlighted by the Minister.</p> <p>The first was the level of 'emerging expenditure trajectory' specifically in relation to COVID Acute and Community responses particularly given the unfunded / at best "once-off only" funding nature of this expenditure.</p> <p>The second specific concern was in respect of the already evident expenditure pressures within the hospital system.</p>

Highlight any implications that the Board should be made aware of in its consideration;

The health services face a significant material financial and operational challenge in 2023, as set out in the attached Briefing Paper. Recognising the impact the financial challenge will have on available resources and delivery of services, the HSE will need to work collectively with significant monitoring and engagement through internal governance structures, most notably the EMT, Audit and Risk Committee and the HSE Board.

In addition, engagement with external stakeholders including the DoH, via the Health Budget Oversight Group process, will be continued and enhanced until the financial risk has been sufficiently bottomed out and mitigated as far as is practical via any, and all, available options.

Conclusion

Mitigation initiatives and any other ongoing improvements in efficiency and effectiveness are a normal part of any system and it is assumed that this is the case across the health system, including for 2023. However, it is appropriate to recognise the likely ongoing impact on capacity and capability for same due to the last three years of responding to the ongoing pandemic.

It is also assumed that any improvements in efficiency and effectiveness are more likely to be consumed in mitigating the well evidenced unmet need and ongoing requirements to improve the safety and quality of services, rather than yielding significant net cash releasing savings.

Recommendation