

HSE Board Paper 31st March 2023



Subject/Title	Banking Transition Programme – Ulster Bank Care Centre Patients Private Property Bank Accounts not suitable to Danske Banking Contract
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Purpose	Decision

1. Recommendation

The Board of the HSE is required to approve the opening of new Bank accounts as well as amendments to same.

Normal protocol is to seek the support of the EMT and ARC prior to the submission of papers to the HSE Board. Both EMT and ARC have provided support at their recent March meetings.

I am recommending to the ARC the following:

- Transfer of the PPP Central Unit Ulster Bank Account to Danske
- Transfer of c57 local Ulster Bank PPP accounts to either BOI or AIB as appropriate locally
- Approval of main signatories ([REDACTED])
[REDACTED] sufficient to sign new bank opening forms
- Approval for [REDACTED] to approve changes to local changes to signatories subject to recommendation from Manager of PPP Central Unit.

2. Background and Context

The HSE received formal confirmation from its current banking service provider that it will exit the Irish Banking Market in 2023. Danske Bank was the current banking provider on the OGP Framework and was selected as the replacement HSE Banking Partner. A project plan is well advanced to transition current HSE banking requirements to Danske Bank by end March 2023.

The HSE uses Ulster Bank to provide Patients Private Property Services to 57 Care Centres and these Ulster Bank accounts are due for closure by end March 2022 – **see Appendix 1**. The HSE operates client PPP accounts on the basis of the Health (Repayment Scheme) Act 2006. The Act allows the HSE to receive and hold client PPP funds, to use funds for the benefit of clients and to invest funds on clients' behalf.

While the assumption initially was that this service would also similarly transition to Danske Bank, Danske Bank have confirmed that due to the unique nature of this service, in particular the

need to cash cheques to bring funds back to clients, they would not be able to meet the needs of the service and alternative banking partners would need to be sought. This has required a change of direction in respect of the unique HSE PPP service.

3. Alternative Solution for Transition

The majority of the c. €100m PPP fund is invested in NTMA (€92m) on a three month roll-over investment, with €5m held in PPP Central Unit Ulster Bank Account which is proposed to move to Danske Bank as its requirements align with the Danske service. The remaining €3m is held locally in 154 bank accounts of which Ulster Bank hold 57 and the remainder are divided almost evenly across the country between AIB and BOI with only one account served by TSB.

The 57 Ulster Bank PPP accounts would each hold on average about €10,000 euro at any given time. It is not an attractive business for banking due to the 'counter' time required for lodging, withdrawing and cashing cheques. The income to the banks through bank charges for such accounts is very small and would not warrant or justify a tender – affirmed by HSE Procurement. A tender would also, if it did attract any interest, deliver one provider which due to branch closures in recent years might not have a branch in each Care Centre's town.

Thus HSE Treasury and PPP Central Unit concluded that the best solution for clients was for each Care Centre to engage with their local bank branches and secure agreement from their chosen one, most proximate to their Care Centre for security in transit reasons, to open a replacement PPP account and maintain current PPP services which clients of the service need. It is recommended that the main PPP bank account operated by the PPP Central Unit would transition to Danske bank as with the other HSE bank accounts.

4. Background Work to Date

Because the local PPP Bank account requirement cannot be met by Danske Bank the transition required here falls outside the Danske banking transition project. The opening of a local bank account in the commercial banks (likely AIB or BOI) requires the local completion of a **25 page application form**, ancillary identification forms, cheque signatory photo I.D.s and proof of address (utility bill) with final approval by the main composite bank signatories appointed by the HSE Board. The administrative process is underway locally supported by the PPP Central Unit.

5. Board Approval Requested

As part of its reserved functions the HSE Board has to approve opening or amending HSE Bank Accounts. The Board will be asked pending support and recommendation of the EMT and ARC the following:

- (1) It is requested that the HSE Board approve the opening of a replacement Patients Private Property bank accounts for the existing Ulster Bank accounts listed on **Appendix 1**, with a replacement account from Bank of Ireland or Allied Irish Bank most proximate to the Care Centre in question and having regard to the engagements with local banks to provide the required service for clients.
- (2) Approval for two of the Main Bank Signatories - [REDACTED] - to sign new bank opening application forms.

- (3) Requests for changes to cheque signatories on local Care Centre bank accounts, due to staff movement, are received on a weekly basis. It is not feasible to be seeking two main signatory approvals for such activity and it is requested that the Board approve one existing main bank signatory as sufficient approval following request and recommendation from the [REDACTED] of the PPP Central Unit [REDACTED]
- (4) It is also requested that the HSE Board approve the opening of a new Patients Private Property Central Unit bank account with Danske Bank, similarly supporting the transition of an existing account from Ulster Bank, in line with the HSE banking transition project, with [REDACTED] approved to sign new bank opening application forms in accordance with the HSE's mandate with Danske Bank dated 26th October 2022.