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27th July 2023

Deputy David Cullinane TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 35093 23: *To ask the Minister for Health to outline the total agency and consultancy spend by his Department and the HSE for the years 2018 to 2022, broken down by year; and if he will make a statement on the matter.*

Dear Deputy Cullinane,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

In relation to your request for total agency costs please see **Appendix 1 Table 1** below which shows the total HSE spend on agency staff, for HSE Statutory services only, for the years 2018 to 2022. The data was sourced from the HSE Consolidated Financial Intelligence system and is for HSE Statutory services only.

The available supply in the labour market for health workforce continues to be a challenge. This is not unique to Ireland, but rather a global health workforce challenge. Recruitment and retention of Clinical, Nursing and other key staff is a constant challenge and impacts adversely on the ability to maintain safe and effective services. Therefore, as part of the HSE's overarching resourcing approach whereby direct employment does not meet the needs of service delivery requirements, agency staff are utilised. This can be for a variety of reasons, including sick absence replacement both long and short term, to replace vacancies currently being actively recruited to, to replace maternity leave etc. More recently, subsequent to the government announcement to reverse the Haddington Road Agreement, this has placed additional resourcing requirements, with the replacement of lost hours in critical services areas, a priority. In advance of the filling of these hours via direct employees, there is a need to prioritise critical services for replacement through agency and overtime. Collectively, these give rise to the utilisation of agency resources however while simultaneously running large scale domestic and international recruitment campaigns to fill through direct employment.

In a number of instances in recent times the HSE have been unable to fill a vacancy even via agency. The agencies have indicated that they are experiencing difficulty in recruiting themselves due to a lack of availability and also accommodation costs.

The majority of agency spend is salary and statutory pay costs such as PRSI, holiday allowance etc. In line with the Protection of Employees (Part -Time Work) Act agency staff have the right to the same basic employment conditions, this includes basic pay, shift premiums, unsocial hours and Sunday rates.



In relation to your request for total consultancy costs please see **Appendix 2 Table 1** below. In compliance with the stipulations of the Code of Practice for the Governance of State Bodies (“the Code”), as published by the Department of Public Expenditure and Reform in August 2016, the HSE discloses the total Consultancy costs charged to Income and Expenditure in Appendix 2 to the HSE Annual Financial Statements (AFS). Consultancy costs include costs of external expert analysis and advice to management which contributes to decision making or policy direction. It excludes outsourced ‘business as usual’ functions. In order to meet this disclosure requirement, an extensive exercise, involving manual collation from numerous ledger systems and analysis of the data, is completed annually as part of the AFS process. The latest consultancy costs available are contained in the 2020, 2021 and 2022 HSE Annual Financial Statements. 2020 was the first year that this disclosure was included within the HSE AFS.

I regret to inform you that the same information for the years 2018 and 2019 is not available.

The shortcomings in the HSE legacy financial systems are well acknowledged and their replacement by a single standard financial system for the Health Sector is at the core of the Finance Reform programme initiated by the Department of Health.

If you have any queries, please do not hesitate to contact me at sarah.anderson1@hse.ie or tel: 087 9423319.

Yours sincerely

Sarah Anderson

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Appendix 1 to PQ 35093 23

Table 1

Total HSE Agency Staff Costs for the years 2018, 2019, 2020, 2021, 2022					
<i>HSE Statutory Services Only</i>					
	2018	2019	2020	2021	2022
	€'000s	€'000	€'000s	€'000s	€'000s
Total HSE Agency Staff Costs	330,465	349,027	390,057	568,389	619,794
<i>Source: HSE Consolidated Financial Intelligence System (CFI)</i>					

Appendix 2 to PQ 35093 23

Table 1

HSE Consultancy costs incurred for the years 2020 to 2022			
<i>HSE Statutory Services Only</i>			
	2020	2021	2022
	€'000s	€'000s	€'000s
Legal Advice	84	6	263
Tax & Financial advisory	-	218	139
Public relations/marketing	299	273	344
Human Resources & Pensions	245	186	280
Strategic Planning and Business improvement **	23,038	51,043	59,442
IT Consultancy	3,294	7,653	5,392
Other	21,055	16,496	31,784
Total	48,015	75,875	97,644
<i>Source: Appendix 2 HSE Annual Financial Statements</i>			
<i>** Includes costs related to Covid-19</i>			