



Oifig an Phríomhoifigigh Airgeadais

Feidhmeannacht na Seirbhíse Sláinte,
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19th May 2025

Deputy Marie Sherlock TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 16964 25: To ask the Minister for Health to outline where the €34 million in HSE savings on management consultancy was achieved in 2024; whether contracts were renegotiated, or how the level of saving was determined; whether contracts ended or the HSE availed of less services; how much was paid to each management consultant company or partnership in 2024, and the reduction on 2023; to provide copies of the documentation underpinning this figure; and if she will make a statement on the matter.

PQ 16965 25: To ask the Minister for Health to outline where the published figure of €163 million in HSE savings on pay and non-pay costs was achieved in 2024; the main headings where savings were achieved; to provide copies of the documentation underpinning this figure; and if she will make a statement on the matter.

Dear Deputy Sherlock,

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

Context

The Productivity and Savings Taskforce was established in January 2024. The Minister for Health requested the Secretary General of the Department of Health and the CEO of the Health Services Executive to co-chair a programme to drive savings and productivity improvements across the HSE. The ongoing work of the Productivity and Savings Taskforce aims to ensure maximum use of health funding by delivering safe health services to as many people as possible in a timely way. To achieve this the taskforce identified savings and opportunities to improve productivity across the health service.

The HSE consultancy savings target was set by the CEO in July 2023 being an initiative to reduce consultancy expenditure by 30% in Q3 2023 v Q1 2023 and to maintain that saving into 2024. This was estimated by the Department of Health to yield savings of approximately €34m in a full year. Excluded from the consultancy savings targets were key critical IT infrastructure and Clinical programmes and Capital projects.

The approach taken on the CEOs direction was an immediate review of all consultancy expenditure by HSE operations with a view to achieving savings by delaying, deferring or doing without. For practical purposes this meant that existing projects were wound down and not replaced by other planned work unless that could be accommodated within the new spend limit target (Q1 2023 * 70%).



The year on year 2024 v 2023 savings delivered based on the savings criteria was €32.905m or 31%.

Please see Tables 1 and 2 in the attached **Appendix 1** (separate excel attachment). **Table 1** shows total consultancy costs (based on the savings criteria) by region for 2024 and 2023 showing a saving of €32.905m, being 31% year on year. **Table 2** shows the Top 10 vendor analysis which show reductions year on year of €36.680m or 38%. Note that the Top 10 vendors represent 92% of 2023 expenditure.

As part of the overall financial stabilisation of the HSE, the HSE is focussed on maximum delivery of the savings agreed to as part of the two-year funding agreement set out in the National Service Plan for 2025.

In relation to Management Consultancy specifically, from March 2025 the CEO directed that

- No new management consulting contracts or engagements can be procured or entered into without the expressed written approval of the CEO to a member of the Senior Leadership Team and the default of the organisation is not to increase this use. This excludes ICT contracts provided for by the Chief Technology & Transformation Office (CTTO) or major capital by the Head of Strategic Health Infrastructure.
- No extension of or use of additional costs in existing contracts is permitted with the same approval requirement as above.
- All non-ICT (CTTO) and non-Estates management consulting contracts currently in use are to reduce by a further 15%.

The Taskforce Action Plan is a live document, responsive to change, with updates and recalibrations as it is implemented across the HSE. Savings targets were revised in accordance with the two-year expenditure agreement on Health Funding for 2024 and 2025. The focus is twofold. First is the reduction/avoidance of cost where possible and the second is the generation of maximum use of resource (additional activity) in the public interest. As part of the expenditure agreement with the Department of Public Expenditure, NDP Delivery and Reform, the HSE's final revised expenditure limits for 2024 incorporated a savings target of €251 million.

The HSE introduced cost control measures across each Regional Health Area (RHA) and significant progress was made by the Taskforce on developing activity and productivity measures to drive efficiencies. The HSE operated within the available budget of €1.749bn & €162m supplementary funding approved by the Oireachtas for DoH and DCEDIY funded services respectively to end 2024. This is in line with the 2-year agreement reached with DoH for funding of services, thus delivering the savings/reduced expenditure target. Along with the savings of almost €33m on management consultancy as outlined above, the HSE achieved medicine savings of €54m and further reduced expenditure of €164m resulting in overall HSE delivered savings/reduced expenditure in 2024 of €251m.

Further savings targets have been incorporated into the HSE expenditure allocation provided in Budget 2025. The HSE's National Service Plan for 2025 sets a target of an additional €382 million savings in 2025 (cumulative savings of €633 million in 2025).

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

Bainisteoir Ginearálta | General Manager

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HSE Consultancy Expenditure yr 2023 & yr 2024 (Pure Management Consultancy as defined for Non Pay Savings Target)

	Q1_2023	Q2_2023	Q3_2023	Q4_2023	Year 2023	Q1_2024	Q2_2024	Q3_2024	Draft Q4_2024	Year 2024	Versus 2023	% Change
Corporate	€27,729,583	€25,583,384	€16,308,985	€27,868,421	€97,490,373	€19,485,771	€14,736,305	€13,488,525	€17,188,992	€64,899,593	€32,590,780	-33%
Dublin & South East	€67,574	€105,178	€189,159	€200,534	€562,446	€253,356	€213,872	€252,855	€247,262	€967,345	€404,899	72%
Dublin and Midlands	€14,175	€23,210	€35,427	€118,844	€191,656	€191,343	€108,123	€70,033	€143,863	€513,362	€321,706	168%
Dublin and North	€11,042	€36,720	€45,132	€99,069	€191,963	€89,504	€140,042	€138,071	€186,246	€553,862	€361,900	189%
Mid West	€286,605	€179,829	€67,889	€48,752	€583,075	€10,225	€115,308	€40,506	€95,088	€261,127	€321,947	-55%
National	€435,879	€157,767	€165,357	€229,916	€988,918	€372,209	€112,965	€104,497	€64,439	€654,111	€334,808	-34%
South West	€1,526,576	€1,451,037	€1,636,933	€627,380	€5,241,927	€1,462,737	€1,269,656	€740,652	€703,988	€4,177,033	€1,064,894	-20%
West and North West	€95,381	€42,519	€107,769	€136,870	€382,539	€201,810	€107,579	€218,604	€173,330	€701,323	€318,784	83%
Total	€30,166,814	€27,579,645	€18,556,651	€29,329,787	€105,632,897	€22,066,956	€16,803,850	€15,053,743	€18,803,209	€72,727,757	€32,905,140	-31%

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HSE Consultancy Expenditure - Top 10 vendors - yr 2023 & yr 2024 (Pure Management Consultancy as defined for Non Pay Savings Target)

Vendor	Sum of Q1_2023	Sum of Q2_2023	Sum of Q3_2023	Sum of Q4_2023	Year 2023	Sum of Q1_2024	Sum of Q2_2024	Sum of Q3_2024	Sum of Q4_2024	Year 2024	Versus 2023	% Change
DELOITTE IRELAND LLP	€1,863,695	€1,284,324	€901,632	€3,102,858	€7,152,509	€1,603,967	€2,232,878	€2,782,679	€2,810,406	€9,429,930	€2,277,421	32%
ERNST & YOUNG	€15,318,297	€14,748,531	€8,364,710	€10,101,698	€48,533,236	€7,008,356	€5,787,995	€1,957,811	€2,435,518	€17,189,680	€31,343,556	-65%
GARTNER IRELAND	€562,448	€397,905	€0	€799,439	€1,759,792	€474,134	€0	€679,646	€501,107	€1,654,888	€104,904	-6%
GRANT THORNTON CONSULTING LTD	€2,404,713	€1,852,176	€656,306	€2,644,377	€7,557,572	€2,415,987	€1,664,453	€1,236,073	€1,217,472	€6,533,986	€1,023,587	-14%
KOSI CORPORATION LTD	€275,176	€378,409	€276,830	€144,760	€1,075,175	€0	€105,515	€488,790	€48,645	€642,950	€432,225	-40%
KPMG	€377,142	€242,360	€39,765	€592,153	€1,251,420	€87,822	€471,672	€397,503	€1,369,140	€2,326,136	€1,074,717	86%
PA CONSULTING GROUP	€500,979	€490,032	€249,690	€194,586	€1,435,287	€162,114	€307,131	€285,852	€235,791	€990,888	€444,399	-31%
PRICEWATER HOUSE	€5,509,616	€4,503,002	€5,978,788	€4,613,544	€20,604,950	€5,173,177	€2,014,197	€4,312,835	€4,934,250	€16,434,458	€4,170,492	-20%
PROSPECTUS LTD	€322,868	€169,279	€0	€325,314	€817,460	€391,969	€0	€0	€0	€391,969	€425,491	-52%
THE CENTRE OF EFFECTIVE SERVIC	€33,387	€314,117	€10,000	€414,685	€772,188	€0	€448,674	€0	€0	€448,674	€323,514	-42%
VISION CONSULTING LTD	€1,733,567	€1,432,123	€117,705	€3,488,823	€6,772,217	€1,677,275	€1,025,776	€894,966	€1,410,001	€5,008,019	€1,764,198	-26%
Total for Top 10 consultancy vendors					€97,731,805	€61,051,577					€36,680,228	
Top 10 as % of all consultancy vendors					93%	84%					38%	