

Office of the National Director of Procurement Health Service Executive Dr. Steevens' Hospital Dublin 8 D08 W2A8

> Oifig an Stiúrthóir Náisiúnta Soláthair Feidhmeannacht na Seirbhíse Sláinte Ospidéal Dr. Steevens' Baile Atha Clíath 8 D08 W2A8

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Deputy Albert Dolan Dáil Éireann, Leinster House, Kildare Street, Dublin 2.

07/07/2025

RE PQ 34996/25

Question

To ask the Minister for Health her views on the significant growth in procurement expenditure by the HSE in recent years, rising from €1.29 billion in 2020 to over €4.19 billion in 2024, and to explain what mechanisms are in place to ensure value for money, transparency, and oversight in light of the fact that the HSE has confirmed it cannot currently track whether spending exceeds original contract award values due to the lack of an integrated financial system. -Albert Dolan

Response

Dear Deputy Dolan,

The Health Service Executive (HSE) 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.

The HSE's National Service Plan 2025 outlines the services to be provided within a €26.9 billion budget. To support the delivery of health and social care services, the HSE, as the largest purchaser in the state, has a procurement spend of approximately €5.4 billion on goods and services in 2025 of which €4.9billion (90%) has been identified as the target value for contracting, called Spend Under Management (SUM).

The figures quoted in the Parliamentary Question relate to the SUM values for 2020 and 2024 respectively, rather than to the total procurement expenditure in those years. SUM has increased year on year in line with increases in the HSE Budget and other factors such as:

- Formal adoption of Spend under Management as the key KPI for HSE Procurement
- ➤ The introduction of the Multi Annual Procurement Plan (MAPP)
- > Improved data access plus data & reporting analysis within HSE Procurement

The HSE is accountable for effective and compliant procurement that delivers value for money with security of supply. Procurement activities take place within a regulated environment underpinned by complex EU and national legislation.

The roll out of the new Integrated Financial Management System throughout the HSE in 2025 will provide real time expenditure and purchasing activity data to assist with contract performance and management initiatives. In addition, HSE Procurement intends to shortly source a technical solution for upstream procurement processes capable of integrating with IFMS and the government etenders portal whilst delivering procurement project management, data analysis, tender management and contract information solutions.

I trust this information is of assistance to you, but should you have any further queries please do not hesitate to contact the Office of the National Director of Procurement on (01) 635 2251 or via ProcurementND@hse.ie .
Yours sincerely,
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