



## Special HSE Performance and Delivery Committee Meeting

### Minutes

A special meeting of the HSE Performance and Delivery Committee was held on Tuesday 30 August 2022 at 4.00 pm via video conference.

**Committee Members Present:** Fergus Finlay (Chair), Brendan Whelan, Anne Carrigy, Dr Sarah McLoughlin, Sarah Barry

**HSE Executive Attendance:** Damien Mc Callion (COO), Dean Sullivan (CSO), Stephen Mulvany (CFO), Dr Philip Crowley (ND Strategy & Research), Colum Maddox (Assistant CFO), Miin Alikhan (AND Planning and Reporting), Dara Purcell (Secretary), Niamh Drew, Patricia Perry.

The Committee Chair welcomed members to the meeting noting that the purpose of this meeting was to update the Committee on the Estimates process, Existing Levels of Services (ELS) and New Service Developments for 2023, which will then be brought to a Special Board Meeting on 2<sup>nd</sup> September 2022.

### 2. Governance and Administration

No conflict of interest was declared.

### 3. Estimates – Existing Level of Services (ELS)

The Chairman informed the Committee that the preparation of the Estimates incorporates two elements:

- i. An estimate of funding requirements for an existing level of service (ELS) for 2023 (led by National Finance). This is informed by the forecasting of expenditure to the end of 2022 and will project the 2023 financial requirements or full cost of existing services.
- ii. An estimate of requirements for key new service developments (NSDs) for 2023.

The Chairman invited the CFO to provide an overview of the paper setting out the estimated financial cost in 2023 for Existing Level of Services (ELS) which had been circulated to the Committee prior to the meeting for review and consideration.



The CFO explained that the estimate of funding requirements for an ELS for 2023 are led by National Finance and specify and project what the financial requirements or full cost of existing services (excluding COVID-19 services) will be for 2023, which is informed by the forecasting of expenditure to the end of 2022. He noted that this is still a work in progress, and that the draft document reflects the current commitments in what is a constrained environment.

He informed the Committee that the planning and decision making for 2023 had to consider results from a 'bottom up' approach to determining ELS needs, the prioritisation of NSDs that aimed to optimise and 'future-proof' front-line service delivery, and the evaluation of COVID-19 related service implications during a transition from pandemic to endemic state and commitments to ensure ongoing system resilience against cyber-attacks, building on lessons learned from the most recent cyber-attack.

The CFO outlined the 2023 Total Estimates figure required of €5,317 billion and brought the Committee through the breakdown. ELS 2022 & 2023 figure of €3,491.8m (17.5% of 2022 budget), broken down into 2023 ELS Core of €2,499.3m + €993m 2022 Gross deficit. There will be an expected requirement of up to €971m in 2023 in relation to COVID-19. NSDs figure of €765.6m which includes €629.53m (6,395 WTE) for operational requirements and, €136.11m (1,252 WTE) for key service delivery enablers. Cyber-security implications required is €88.5m (of which €19.2m in capital).

He informed the Committee, the latest HR assessment of recruitment is projecting a minimum overhang of 4,494 WTEs into 2023 as the maximum recruitment possible in 2023 is 6,010 WTEs. This means that there is scope to seek funding for and recruit an additional 1,500 posts in 2023 while remaining within overall recruitment targets.

The Chairman then invited Committee members to provide comments on the detail of the ELS estimate that had been presented.

The Committee were concerned with the ELS 2022 core deficit of 17.5%, which is larger than can be afforded, and noted discussion is ongoing with Government regarding a Supplementary Estimate to address aspects of the core deficit highlighted as financial risks in the HSE Service Plan which would have happened in previous years.

The CFO brought the Committee through the primary deficit driving factors for the 2022 Core Gross Deficits, excluding COVID 19 which will fall to be dealt with as part of any supplementary estimate for



2022. These include FEMPI; Winter Flu; loss of Acute Private Income; Acute Gross Costs; Public Community Nursing Home Costs; Ukrainian Response; Non-Pay Inflation; Haddington Road Agreement; Pensions, PCRS and other demand leads; Disability Operations; Clinical and Operation Services.

The Committee discussed the need to maintain COVID-19 funding separate to HSE core funding requirements. The CFO informed the Committee that the expectation is there will be an extra €1billion for COVID-19 funding across Government and the HSE will bid for monies under this funding stream.

The Committee noted the existing level of services estimate costs pose significant challenges in the face of current Exchequer financial and recruitment/retention realities and require further rationalisation in the coming days, cognisant of the forecast 2022 c4500 WTE recruitment overhang.

The Committee note also that this preliminary view of Estimates (ELS) 2023 has been shared with the DoH in order to allow a more informed process leading up to budget day 2022.

The Committee emphasized the need for clear communication and open engagement with the DoH and DPER to ensure the primary deficit driving factors for the 2022 Core Gross Deficits are understood as financial risks which had been highlighted in the HSE Service Plan this year.

The CFO then provided an outline of the prioritisation exercise that will be undertaken over the coming days to present the DoH with options to narrow the gap and ensure fully informed, collaborative decision-making towards final commitments for 2023.

#### 4. Estimates - New Service Developments

The Committee were then presented with an overview of the Estimates – New Service Developments (NDSs) which is being led out by the CSO and COO. The CSO presented the key messages from the briefing papers circulated prior to the meeting which provided an estimate of requirements **for key new service developments** (NSDs) for 2023 under two broad categories that reflect requirements related to:

1. Operational Service Delivery (WTEs 6,395; €629.53m),
2. Strategic, Clinical and Corporate Enablers for Service Delivery (WTEs 1,252; €136.11m)



The CSO informed the Committee the focus is on full implementation of all strategic developments and service improvements funded in previous years, and to identify exceptional areas where targeted investments are required in 2023, and where there is an assured supply of the requisite staff categories.

The CSO brought the Committee through a summary NSD list, which was produced following several iterative reviews and prioritisation of individual NSD submissions across different organisational areas.

The CSO noted that the aim of the NSDs estimates is to ensure submissions would reflect both current realities and strategic alignment with a link to high value, high impact results for our system:

- i. Initiatives requiring additional Whole Time Equivalent (WTEs) should only be submitted in exceptional circumstances, noting that recruitment in 2023 will need to concentrate on 2022 overhang posts, HRA implications and replacement posts.
- ii. Linked to the above, the feasibility of recruitment in specific staff categories, especially in specialty areas, must be considered.
- iii. Requests for NSD funding should address how current resources such as equipment / technology / infrastructure are leveraged and optimized such that the case for additional resources to enable new and / or improved services can be justified.
- iv. Learnings from COVID-19 should be considered and how these can be further developed as new and sustainable practices and/or innovations for ongoing support (and as relevant, how they may replace or substitute others for which resources can then be redeployed).

The Chairman then invited Committee members to provide comments on the briefing papers that had been presented.

The Committee discussed challenges relating to staff recruitment and retention; the pace and approach for the implementation of Regional Health Areas and also the need for a strategic focus that delivers transformational change; and national strategies.

Following the discuss the Committee agreed to support submission of the draft estimates to the Board. The Chairman thanked the EMT and Committee members for their input and comments noting that



amendments would be made to the briefing documents presented and would be consolidated into one document, which will go to the Board on 2<sup>nd</sup> September.

The meeting concluded at 17.10.

**5. AOB**

No other matters arose.

A handwritten signature in black ink, appearing to read 'F. Finlay', is written on a light-colored, textured background.

**Signed:**

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**Fergus Finlay**  
**Chairperson**

**Date: 23<sup>rd</sup> September 2022**