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Minute of the  
**Health Service Executive**  
**Board meeting**  
**Thursday, 10<sup>th</sup> September 2009**

**Members present:** L. Downey (Chairman), B. Drumm (CEO), N. Brennan, D. de Buitleir, P. Farrell, PJ Fitzpatrick, M. Gaffney, E. McCague, J. Mooney, W. O'Reilly, A. Scott and D. Power

**Apologies:** None

**Attendees:** D. Purcell (Secretary)

**Joined the meeting:** L. McGuinness, A. Doherty, L. Woods, S. McGrath, B. White, J. Carolan and B. Gilroy,

**Time & Location:** HSE Offices, Adelaide Road, Dublin at 8a.m.

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The items are presented in the order in which they were discussed.

Item	Discussion / Comments	Action
<b>1</b>	<b>Minutes of the previous meetings</b>	
	The minutes of the Board meetings held on 9 <sup>th</sup> July and 23 <sup>rd</sup> July, 2009, were approved subject to minor amendments agreed at the meeting.	
<b>2</b>	<b>Matters arising from minutes &amp; Review of Action Points</b>	
	The action points from the previous meetings were noted. No matters were arising.	
<b>3</b>	<b>Report from CEO</b>	
	<p>The CEO spoke to the monthly report to the Board and reported in particular on the following matters - the resolution of the action taken by pharmacists; implementation of 'Fair Deal' Nursing Homes Support Scheme; implementation of the European Working Time Directive (EWTD); discussions which are ongoing with voluntary service providers to finalise service level arrangements under Sections 38 and 39 of the Health Act, 2004 - the proposed response to correspondence received by the Chairman from certain voluntary providers on this matter was noted; the state of preparedness for H1N1 Influenza; and his visit to the Inek Institute in Germany to obtain support from the Institute to develop a resource allocation model within the HSE.</p> <p>Following a discussion the report was noted by the Board.</p>	
<b>4</b>	<b>Reports from Board Committees</b>	
	<p><b>Risk Committee</b>  Prof A. Scott, Chairman of the Risk Committee, reported on the committee meeting held on 2<sup>nd</sup> September, 2009. She reported on the Committee's consideration of a letter dated 26<sup>th</sup> July, 2009 from the Minister for Health and Children in relation to the implementation of recommendations in certain reports commissioned through the HSE/Department of Health and Children. The Board noted the proposed response to the Minister indicating significant progress with implementation. She also reported that the health care audit of the corporate risk register was ongoing and a first audit report would be provided to the Committee at its meeting in November 2009. The Committee had also considered progress on the work plans of the Serious Incidence Management Team and the Quality and Risk Division.</p> <p><b>Audit Committee:</b></p>	

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	<p>Prof. N. Brennan, Chairman of the Audit Committee, reported on the committee meeting held on 4<sup>th</sup> September 2009. The committee had reviewed the action plan to implement the recommendations in the Considine report and had received management updates on the following matters: implementation of the recommendations in the review of financial controls; completion of Phase 2 of the National Financial Regulations; improvements in income collection arrangements; and progress on the amalgamation of subsidiary companies within the HSE. The committee had also considered a report from management on the work underway to develop a resource allocation model within the HSE and a report from the National Director of Internal Audit on the activities of that Directorate.</p> <p><b>Remuneration &amp; Organisation Committee:</b> D. de Buitleur, Chairman of the Remuneration and Organisation Committee reported on the committee meeting held on the 3<sup>rd</sup> September, 2009. The Committee had noted that the 5-year contractual arrangements with certain National Directors were due to conclude in December 2009 and had requested the CEO to review this matter and to report back to the committee with recommendations. The committee also noted the new travel policy guidelines issued by the Department of Health and Children.</p> <p>The Committee had engaged with management and the Secretary General Department of Health and Children on the progress of the integrated services programme on organisational design. He reported that stage 2 of the programme, which involves the establishment of the Quality &amp; Clinical Care Directorate and the Integrated Service Directorate and regional operations directors in place by October 2009 was progressing. Management are considering locating the existing Corporate Planning and Control Process Directorate within the Clinical Care &amp; Quality Directorate. This will require further evaluation and agreement with the Committee prior to a final decision. Stage 3 of the Integrated Services Programme, which involves determining how frontline services should be organised, is ongoing and the committee will continue to engage with management and Department of Health and Children to finalise the programme.</p> <p>Following a discussion the reports from Committees were noted.</p>	CEO
<b>5</b>	<b>Monthly Performance Report - July 2009 and Vote Expenditure Report August 2009</b>	
	<p>L. McGuinness, A. Doherty, L. Woods, S. McGrath, B. White and J. Carolan joined the meeting for consideration of this item.</p> <p>L. Woods reported to the Board on the activity and employment levels and financial position as set out in the July 2009 Performance Report and the vote expenditure report for August 2009 which had been circulated prior to the meeting. He also tabled at the meeting a report on the projected vote outturn to year end based on expenditure at the end of August 2009 and the actions to be taken to achieve break-even by year end.</p> <p>He confirmed that the continuation of savings from 2008 into 2009 is being achieved and that the 2009 Value for Money programme is being delivered particularly the non-pay item savings with slower progress on the identified pay savings.</p> <p>He reported that the issues giving rise to budgetary pressures are attributable to extra medical card costs associated with community medical schemes, significant increase in superannuation payments arising from increased retirements and shortfalls in the targeted pay savings, put in place earlier in the year, due to the difficult IR environment particularly non-</p>	

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	<p>cooperation with service reconfiguration and overtime reductions. He also highlighted that expenditure in the NHO is ahead of profile and although there have been recent improvements in most hospitals, there are a small number of hospital networks which continue to show significant overall budget variances particularly in the West/North West areas. A. Doherty confirmed that a particular focus is being given to resolve the budgetary difficulties in the West/North West area.</p> <p>Following discussion on the performance report and the Vote expenditure report, the Board noted the progress being made to deliver the service level targets agreed in the National Service Plan within budget and HR ceilings but recognised that additional budgetary pressures were arising. The CEO confirmed that discussions were ongoing with the Department of Health and Children and at Government level on the emerging financial position and that expenditure costs for the remaining months of the year will be monitored very closely by management to control overall spending. The emerging situation will be considered further at the October 2009 Board meeting.</p>	<p>L. Woods To be considered further at Oct 09 meeting</p>
<b>7</b>	<b>Property Transactions</b>	
	<p>B. Gilroy joined the meeting for consideration of this item.</p> <p>He spoke to the briefing papers on the following property transactions which require Board approval in accordance with the HSE property protocol as they are below market value. He confirmed that there were no additional costs arising in relation to these property transactions.</p> <ol style="list-style-type: none"> <li>1. Lease of property at 11 Tramra Road, Granard, Co. Longford from Longford County Council for a community-based family support service.</li> <li>2. Acquisition under the Residential Institute Redress Scheme of the Sacred Heart Unit, Lady Lane, Waterford to provide healthcare, day activities and educational facilities for children with intellectual and physical disabilities and two properties in Cappaquinn, Waterford, owned by the Sisters of Mercy to provide residential healthcare facilities for children.</li> <li>3. Acquisition of a 99 year lease from Udaras na Gaeltacht to allow construction of a health centre and locum staff accommodation on the Inis Oirr Island.</li> <li>4. Formalisation of a lease arrangement with the Peter McVerry Trust for a property at Whitworth Road, Drumcondra, Dublin 9 for the provision of a transitional housing programme to reduce homelessness and drug abuse and social disadvantage.</li> </ol> <p>These property transactions were proposed by PJ Fitzpatrick, seconded by W. O'Reilly and agreed by the Board (<i>HSE Board Decision No. (10.09 (18)/2009</i>).</p> <p><b>Assignment of a lease at 6-7 North Frederick Street, Dublin 1</b></p> <p>B. Gilroy spoke to the briefing paper on this lease assignment. He confirmed that Temple Street Children's Hospital wish to acquire this property and that the continued occupation of the property did not represent value for money for the HSE as the cost of repairing the schedule of dilapidations was in excess of the current use of the building. He recommended the assignment of the lease to Temple Street Children's Hospital with a capital contribution of €490,000. This would relinquish all rights to the property including any responsibility for repairing the schedule of dilapidations and all further lease payments under the lease. The assignment of the lease was proposed by PJ Fitzpatrick, seconded by A. Scott and approved by the Board (<i>HSE Board Decision No. (10.09 (19)/2009</i>).</p>	

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<b>8</b>	<b>Contract Approvals</b>	
	<p>B. Gilroy spoke to the briefing paper circulated prior to the meeting on the contract approval request for the National Integrated Management Information System (NIMIS) project.</p> <p>He reported that this project has been identified as a high-priority project on the HSE capital plan. He confirmed that a procurement and evaluation process was undertaken in full compliance with EU Directives and national procurement guidelines and approved by the NIMIS Project Board. The interim process auditor's report indicated no issues in relation to the procurement and selection process. The most economical advantageous tender submitted was being recommended for approval by the Board. Department of Finance /CMOD approval had been obtained for this project and capital funding is provided within the HSE Capital Plan.</p> <p>Following a discussion approval to proceed to contract signing with the recommended company was proposed by J. Mooney, seconded by PJ Fitzpatrick and agreed by the Board (<i>HSE Board Decision No. (10.09 (20)/2009</i>).</p>	
<b>9</b>	<b>Capital Plan Update</b>	
	<p>B. Gilroy tabled an updated paper on the Capital Plan and reported that the 2009 Capital Plan remains unapproved. The HSE continues to work with the Departments of Health and Children and Finance to finalise the 2009 Capital Plan particularly the arrangements for the release of funds following the sale of mental health lands.</p> <p>He confirmed that progress continues on all major projects but until the plan is approved no contractual capital commitments beyond 2009 can be entered into by the HSE. He informed the Board that the contract for the design of the National Paediatric Hospital will be awarded by the National Paediatric Hospital Development Board and noted that the approval of capital funding for this project is a matter for the HSE Board in line with the provisions of the Capital Plan. Management will bring a proposal on capital funding for approval by the Board in November or December 2009.</p> <p>He outlined the projects being considered for funding through innovative funding mechanisms and confirmed discussions are ongoing with the Departments of Health and Finance to finalise these projects.</p>	<b>B. Gilroy</b>
<b>6</b>	<b>National Service Plan 2010 - Planning assumptions and Report on Public Service Numbers and Expenditure programmes (McCarthy report).</b>	
	<p>L. McGuinness, A. Doherty, J. Carolan, B. White, L. Woods and S. McGrath were in attendance for the discussion of this item.</p> <p>J. Carolan spoke to the briefing paper, circulated prior to the board meeting, which set out the HSE response to the request from the Secretary General, Department of Health and Children that, as a planning exercise in preparation for the 2010 estimates, the HSE submit proposals to reduce overall expenditure in 2010 between 3% to 6%.</p> <p>She outlined the unavoidable expenditure requirements presenting for 2010 and the potential options which had been considered to reduce overall expenditure levels in 2010 in line with the Department's request. These included intensification of the value for money programme and cost efficiency savings already commenced during 2008 and 2009; savings to be achieved through service reconfiguration; and the potential for achieving savings in the pay bill, including non-fixed elements of pay, such as overtime</p>	

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	<p>and allowances in line with the recommendations in the Report of the Special Group on Public Service Numbers and Expenditure Programmes (McCarthy report).</p> <p>Following consideration of the various options in the paper including the potential for increased income generation as a result of policy and legislative changes, the Board noted that, as part of the 2010 estimates process, management will continue to engage with the Department of Health and Children and that the matter will be brought back to the Board for consideration in the context of preparing the National Service Plan 2010.</p>	J. Carolan
<b>10</b>	<b>Workforce Planning - Board Briefing</b>	
	The Board noted that the Integrated Workforce Planning Strategy for Health Services 2009 - 2012, which has recently been finalised jointly by the HSE/Department of Health and Children, would be published shortly. This strategy would be on the agenda for the October 2009 meeting.	S. McGrath To be on agenda for Oct 09 Board meeting.
<b>11</b>	<b>Code of Practice for the Governance of State Bodies (Revised 2009)</b>	
	The Board noted the publication of the revised Code of Practice for the Governance of State Bodies (2009), a copy of which was provided to all board members. The HSE Framework for Corporate and Financial Governance will be updated to take account of the revisions in the new Code of Practice and a report will be provided to Audit Committee.	To be reported to Audit Committee
<b>12</b>	<b>AOB</b>	
	The Chairman informed the Board that the Secretary General Department of Health and Children had requested an opportunity to attend a Board meeting to brief the Board on the Government programme 'Transforming Public Services'. This will be arranged for the October 2009 board meeting.	Secretary To be arranged for Oct 09 Board meeting

The meeting concluded at 12.05pm.

Signed:

Date:

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Liam Downey,  
Chairman

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