Minute of the meeting of the

Board of the Health Service Executive
on
Thursday, 12th February 2009

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

Apologies: W.O'Reilly

Attendees: D. Purcell, Secretary to the Board

Joined the meeting: S. McGrath, L. McGuinness, A. Doherty, J. Carolan, L. Woods, B.Gilroy, D. McCallion and P. Doorley

Time & Location: HSE Offices, Adelaide Road, Dublin at 8.00 a.m.

Item	Discussion / Comments	Action
1	**Minutes of the previous meeting**	
	The minutes of the meeting held on the 15th January, 2009, were agreed.	
2	**Matters arising from minutes**	
	The action points from the previous meeting were reviewed and noted. The Board requested that the issue of individual patient appointment times for attendance at outpatient clinics would be on the agenda for the June 2009 Board meeting.	**Secretary**
3	**Report from CEO**	
	The CEO spoke to his monthly report to the Board. He updated the Board on the acceptance rates for the Consultant contract 2008 including: the verification process to ensure provisions of the new contract are being implemented; the finalisation of negotiations on the Academic Consultants' Contracts with the Higher Education Authority and the Department of Health & Children; progress of Clinical Director appointments and the decisions by the independent arbitrator on appeals made by consultants for whom the HSE had refused a request to change their employment contracts from Category 1 to Category 2 under the Consultants' Contract 1997. The Board noted that the uptake rate for the Consultants' Contract 2008 was reaching 85% and welcomed the good progress on implementation of the contract provisions. The Board requested that a report on the effectiveness of implementation of the new Consultants' contract would be provided on a six-monthly basis. The Board also requested a briefing paper be circulated on the provisions in the Consultants' Contract 1997 which allow Consultants to change from Category 1 to Category 2 contracts. The CEO reported that as part of the ongoing organisational changes under the integrated service delivery programme arrangements have now been put in place to give effect to the decision to incorporate the three functions of Procurement, ICT and Estates within a single Commercial and Support Services Directorate under the management of B. Gilroy. The CEO informed the Board on his visit to the south-east to advance the re-configuration of acute services and his meeting with the Minister for Health & Children and other Oireachtas members to brief them on progress with re-	**S. McGrath / Secretary**

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	configuration of services in the north-east. Following a discussion the Board noted the CEO's report. The Board requested that an update on the progress of the national financial system for the HSE would be included in report to the March 2009 meeting.	CEO
4	**Reports from Committees of the Board**	
	Audit Committee Meeting on the 23rd January, 2009. The Chairman of the Audit Committee, N. Brennan reported on the issues considered at the Committee meeting held on the 23rd January 2009. She mentioned in particular that M. Torpey had attended the committee meeting to discuss his report on the Review of Financial Controls within the HSE. The Committee had also received a briefing on the study commissioned by the Department of Health and Children on certain accounting issues related to the HSE (Considine report); and on the streamlining of procedures within the Primary Care Reimbursement Division for management and control of medical card applications. She also reported that the Committee had written to the CEO to bring to his attention slow progress in finalising certain matters which were on the committee agenda for some time, namely the National Treasury Management Agency report, phase 2 of the National Financial Regulations and the amalgamation of subsidiary companies within the HSE. **Remuneration and Organisation Committee meeting on 4th February 2009** The report of this Committee meeting was taken later in the meeting under item 6.	
5	**Performance Monitoring Report - December 2008**	
	L. McGuinness, A. Doherty, J. Carolan, L. Woods, S. McGrath joined the meeting for consideration of this item. L. Woods reported to the Board on activity levels, employment levels and the finance position to the end of December 2008 as set out in the Performance Monitoring Report. He confirmed that the HSE delivered a balanced vote in 2008 and also met or exceeded the main service delivery commitments as set out in the Service Plan 2008 while tightly managing the total employment numbers within approved limits. The HSE is now in the process of preparing the annual financial statements and the appropriation accounts for 2008 in compliance with statutory requirements. In relation to the Vote Report for January 2009, L. Woods reported that the health contribution receipts are €30 million under profile and if this trend continues there would be a full year potential shortfall of between €350 and €400 million. The long stay repayment scheme is projecting a €70 million requirement for 2009 which is €47 million above the budget allocation of €23 million. He also reported that a provision of €140 million was provided for the pay costs of the new Consultant Contract. This was based on a 70% uptake. The latest projected uptake could be as high as 85% which would increase the cost of the pay awards by approximately €30 million. He also reported that an assessment of the impact of the likely growth in the cost of providing community schemes in 2009 has been undertaken and management is estimating an additional financial impact of €100 million in 2009. The CEO reported that discussions are ongoing at a senior level with officials in the Department of the Taoiseach, Finance and Health & Children in relation to measures to fund both the financial risks highlighted in the Service Plan 2009 and these new emerging financial costs. The outcome of these discussions will be reported to the Board as a matter of urgency. The	

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	Chairman advised the Board that, following the conclusion of the management discussions with Government officials, it may be necessary to convene a special Board meeting to address these emerging financial pressures.	
6	**Organisational Matters – Integrated Service Delivery Programme**	
	S. Mc Grath was present for consideration of this item and D. McCallion joined the meeting. D. de Buitleir, Chairman of the Remuneration and Organisational Committee reported on the Committee meeting held on 4th February 2009 which had been convened to continue the engagement with management and the Secretary General, and his officials, Department of Health and Children on the integrated service delivery programme. The Committee had considered a management paper outlining in particular the feedback received from meetings with Local Authority Managers and the Garda Siochana in relation to public sector integration within the Dublin local authority areas; the proposed HSE regional operating units and the principles for the organisation design at local level. The Committee also considered the recommendations in the 'Torpey' Report in relation to the reporting structures within the finance function. The Board agreed that the Remuneration & Organisational Committee would finalise the proposals with management and the Department/Minister for Health & Children.	
7	**Capital Plan 2009**	
	B. Gilroy and L. McGuinness joined the meeting for consideration of this item. **Capital Plan 2009** B. Gilroy briefed the Board on the Capital Plan 2009 as circulated prior to the meeting. He reported that the Capital Plan 2009 had been revised to take account of the reduced level of capital funding announced in the public capital programme 2009 and the most up-to-date project cost estimates. Discussions have been underway with the Department of Health & Children to finalise the Plan and it will then be submitted to the Department of Finance for approval. He updated the Board on the status of the major capital projects, both acute and within the PCCC directorate to be progressed in 2009. Following discussion of the Plan the Board noted that, in line with the overall corporate strategy, the overall balance of investment within the Plan favours PCCC projects and that it is intended to provide 100 primary care centres through lease arrangements with the private sector in 2009. **Mental Health Infrastructure Strategy** B. Gilroy spoke to the briefing paper which had been circulated prior to the meeting on the HSE Mental Health Infrastructure Strategy. He reported that the HSE working group on the modernisation of mental health infrastructure had reviewed all existing mental health infrastructure under each of the criteria set out in the Government strategy document A Vision for Change. The group had identified some existing infrastructural deficits and he outlined the mechanism proposed for funding the capital costs of the recommendations within the report. L. McGuinness briefed the Board on the strategy to co-locate mental health teams and day hospitals within some larger primary care centres as part of the overall mental health developments. Following a discussion, the approval of the overall strategy for the provision	

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	of mental health infrastructure and the leasing of up to 4000 additional sq. feet in certain primary care centres to accommodate mental health teams and 2000 sq feet for day hospitals was proposed by M. Gaffney, seconded by A. Scott and agreed by the Board **[HSE Board Decision No. 12.02/(02)/2009].** **Strategy for provision of infrastructure for primary care centres** B. Gilroy spoke to the paper which had been circulated prior to the meeting and updated the Board on the implementation of the Government strategy announcement in Budget 2009 by the Minister for Finance endorsing the scheme whereby infrastructure for primary care centres is provided by the private sector and leased by the HSE for a 25 year period. 92 such locations under this initiative have been approved and progressed and there are 9 locations which will open in 2009. He confirmed that, in consultation with the National Development Fund Agency, a national quarterly testing of the ongoing VFM assumptions in the annual revenue costing of the scheme will be carried out. Following a discussion the Board noted the report.	
8	**Property Transactions**	
	Item 8.1 - Lease arrangements for provision of infrastructure for primary care centres B. Gilroy spoke to the briefing paper which had been circulated prior to the meeting on the 41 additional locations where preliminary negotiations for lease arrangements for the provision of accommodation for primary care centres had concluded and GP participation had been achieved. He outlined the offers which had been received and confirmed to the Board that the pricing model is rechecked and reassessed on a quarterly basis to ensure that it is in line with market value. Following a discussion, approval for the lease arrangements for the 41 property transactions was proposed by P. Farrell, seconded by N. Brennan and agreed by the Board **[HSE Board Decision No. 12.02/(03)/2009].** **Item 8.2. - Commitment of HSE Capital Funds towards the construction of Cureen Hospital, Cork** B. Gilroy spoke to the briefing paper on this item which had been circulated prior to the meeting. He reported that the project consists of a relocation of existing services from St. Patrick's Hospital and Marymount Hospice to a new facility at Curragheen in Cork city. HSE capital funding towards the construction and equipping of the new Hospice/Hospital will be provided. B. Gilroy confirmed that the agreement to the release of capital funding is dependent on the hospital complying with HSE general procedures including the signing of a grant agreement in respect of protection of the State's interest and the provision of an undertaking to occupy and use the new facilities on an existing level of services and revenue neutral basis in the first instance. Following a discussion, approval of capital funding was proposed by J. Mooney, seconded by A. Scott and agreed by the Board. **[HSE Board Decision No. 12.02/(04)/2009].** **Item 8.3 - Grangegorman Development Strategy** B. Gilroy spoke to the briefing paper on this issue which had been circulated prior to the meeting. He reported that, following discussions by all the statutory parties involved in the statutory scheme, agreement has been reached to transfer lands at St. Brendan's Hospital, Grangegorman to the Grangegorman Development Agency (GDA) under the Grangegorman Development Agency Act 2005. He confirmed that under the statutory scheme the majority of the site will transfer to the GDA but some lands will be retained by the HSE and developed for use as mental health facilities. In	

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	addition a portion of the land transferred will be developed as a commercial hub by the GDA and then when commercially developed it will be transferred back to the HSE. Following discussions on the individual proposals outlined in the paper, approval to the transfer of the freehold title to circa 16.3 hectares to the GDA Agency to house the development of the new DIT campus and granting of circa 5.25 hectares, under licence to DIT for the development and use of sports fields was proposed by PJ Fitzpatrick, seconded by M. Gaffney and agreed by the Board. **[HSE Board Decision No. 12.02/(05)/2009].** The Board also approved the progression of discussions with the GDA in relation to the proposal that a portion of the lands transferred to the GDA be developed for commercial development and when completed transferred back to the HSE. Any further decisions required arising from the discussion would require further Board approval. **Update on Co-located Hospitals Project** B. Gilroy provided a verbal update to the Board on the eight sites participating in the co-located hospital projects. (E. McCague left the meeting for the discussion on this item.)	
9	**Health Care Acquired Infections**	
	P. Doorley joined the meeting for this item and he spoke to the briefing paper on the Health Care Acquired Infections (HCAI) which had been circulated prior to the meeting. He reported that over the past two years the HSE has set targets, put in place governance arrangements, developed and published data on HCAI and has put in place monitoring arrangements and support for better prescribing of antibiotics. This is now showing a decrease in bloodstream MRSA infections. He also outlined the priorities for 2009 which included measures to increase public confidence in the cleanliness and safety of the hospitals. Following a discussion, the Board noted the progress report and welcomed in particular the preventative measures being put in place to reduce HCAI through the HSE ‘ Say NO to Infection’ campaign.	
10	**Any other Business**	
	No items were raised under this heading.	

The meeting concluded at 1.55pm

Signed: Date:

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Liam Downey,
Chairman