

## EASTERN HEALTH BOARD

*Minutes of Proceedings of Finance and General Purposes  
Committee held at St. Brendan's Hospital, Grangegorman, on  
Thursday. 1st July. 1976 at 4 pan.*

*Present:*

Councillor. M. Carroll	Professor J. McCormick
Mr. J. Corcoran	Dr. J. R. Mahon
Mr. H. Corrigan	Dr. A. Meade
Dr. J. Cullen	Mr. D. O'Flynn
Councillor J. Durning	Mr. M. Ruane
Alderman A. FitzGerald	Councillor J. Sweeney
Councillor P. Hickey	Dr. J. Walker
Councillor Mrs. E. Lemass	

*Apologies for Absence:*

Councillor Mrs. A. Glenn. Mr. K. Harrington, Dr.  
P. C. Jennings and Councillor D. Kinsella.

*In the Chair: Mr. D.*

O'Flynn, Chairman.

*Officers in Attendance:*

Mr. J. J. Nolan, D/Chief Executive Officer	Mr. F. J. McCullough, Administrative Assistant
Mr. F. J. Donohue, Programme Manager	Mr. P. J. Swords, Administrative Assistant
Mr. J. F. Reynolds, Finance Officer	Mr. J. Clarke, Administrative Assistant
Mr. F. Elliott, Planning & Eval. Officer	Mr. J. Doyle
Mr. J. Sadlier, Technical Services Officer	Mr. H. Dunne
Mr. R. N. Lamb, Personnel Officer	Mr. C. D. McElree
	Mr. K. Quinn
	Mr. T. McManus
	Mr. T. Barry
	Miss L. O'Kelly

**C.17/76            CONFIRMATION OF MINUTES**

Minutes of Meeting held on 3rd June, 1976 having been circulated were confirmed on a proposal by Councillor J. Sweeney, seconded by Mr. H. Corrigan.

C.18/76                    **REVENUE ALLOCATION-**  
**REPORT No. F. & G.P. 33/1976**

The following report from the Deputy Chief Executive Officer was submitted :—

"At its meeting on 3rd June, 1976 the Finance and General Purposes Committee of the Whole House received a comparison between expenditure and income for the first four months of the year and the revised estimate adopted on the 4th March. The relationship with the allocation for the year fixed by the Minister for Health was also shown. The members noted that the C.E.O. had officially informed the Secretary of the Department of Health that he was satisfied that it would not be possible, despite the series of measures taken to effect economies, to maintain services and staff complements at 1975 levels, with the allocation presently approved by the Minister.

In the interval the Chairman has, as agreed, asked the Minister to receive a deputation and has been advised that the Minister is willing to do so.

The management team had a further discussion with the Secretary of the Department and his officials last week to clarify the situation shown by the most up to date budgetary control figures to the end of May. This process is being continued at programme level but is unlikely to result in any really significant change in the predicted outturn of expenditure and income for 1976 based on the experience of the period from January to May inclusive.

Briefly, the revised estimate of £34,363,400 net adopted on 4th March provided for cut-backs in expenditure over a large number of headings to yield £2,741,000 and increases in income of £205,000. (There still, of course, remained a difference of £773,000 between the revised estimate and the Minister's allocation of £33,590,000 notified by letter of 12th January, 1976 which was subsequently the subject of a directive to the Chief Executive Officer given by the Minister in accordance with the powers under Section 31 (1) of the Health Act, 1970.)

Having reviewed the prospects for the year as a whole in conjunction with the budgetary control returns for the first five months it appeared that cut-backs in expenditure may yield a total of £2,363,000 if present staffing levels can be

preserved and controls on outgoings other than wages and salaries can be maintained. This figure would be £75,000 greater if the Programme Manager, Special Hospital Care, had not found it necessary to request extra provision for certain extern services as listed on page 2 of the attached schedule. Increased income may reach a figure of £305,000 on the assumption agreed with the Department of Health that £70,000 will be received from the European Social Fund. On this basis, net expenditure for the year would be £34,641,400, i.e., £278,000 above the revised estimate.

However, with the inclusion of the sum of £773,000 already referred to the current prediction must be that the difference between the sum of £33,590,000 allotted by the Minister for Health for the maintenance of services during 1976 and the sum required to maintain them at their existing levels is some £1,051,000.

In his original report (11/1976—5/2/1976) the Chief Executive Officer pointed out that the Board was faced with the very difficult task of identifying ways and means of cutting back expenditure very substantially over the year. At that time, the Board agreed to measures by which net savings of £1,610,000 would be sought and it was suggested to the Minister that further relief of the situation in relation to service cost could be achieved to the extent of some "724,000 with his assistance, i.e., a total of £2,334,000. Following lengthy discussions with officers of the Department the target was raised to £2,946,000 net as shown in Report 14/1976—4/3/1976. Of this amount, however, only £450,000 would be secured with the Minister's assistance. As the closing figure on the schedule submitted herewith shows there is, as of now, the prospect of producing net savings of some £2,668,000 over the year by the methods agreed to date.

By any standards, savings of £2,668,000 on the original budget of £37,309,000 represent a most determined effort on the part of the Board to achieve every possible reduction in expenditure and to secure extra income.

That the estimated savings over the year would still leave a gap of £278,000 with the revised estimate is due to the following main factors:

1. Inability as yet to get agreement to the elimination of constant overtime for psychiatric nurses who still work an 85 hour fortnight.

2. Inability as yet to apply more realistic charges for staff meals and for accommodation and services provided for resident staffs.
3. Significant increases in prices.
4. Under-estimation of the cost of maintaining public health nursing services at normal level.
5. Increases in payments to extern bodies sought by the Programme Manager, Special Hospital Care.
6. Reduction to £130,000 of the contribution of £450,000 towards closure of the gap which it was understood would be obtainable with the Minister's assistance.
7. Payments in respect of the limited eligibility medicines refund scheme.

If the difference between the revised estimate and the Minister's allocation (£773,000) is added the shortfall becomes £1,051,000. We have been advised in the course of the most recent discussion in the Department of Health that there is no indication that an additional allocation will be available.

Faced with this situation it is necessary for the Board again to consider ways and means of cutting back expenditure or increasing income in order to keep net expenditure within the limits specified by the Minister. It must be borne in mind that only six months remain in which to achieve such gains as are considered possible. In an exceedingly difficult situation, approaches to the task such as are mentioned below would appear to be unavoidable:

	<i>Possible Saving</i>
1. Require long-stay patients of psychiatric hospitals who do not contribute at present and who are maintained primarily for social reasons to make some contribution „.....„	(say) £75,000
2. Maintain budgets for the extern institutions listed on page 2 of schedule attached at original levels .....	(say) £75,000
3. Hold reduction in payments under long term illness scheme to £20,000 as in the revised estimate ____ —	(say) £24,000
4. Hold reduction in provision for medical and surgical appliances to £70,000 as in the revised estimate.....	(say) £28,000

5. Hold grants to voluntary organisations under Section 66 of the Health Act, 1953 to 1975 levels — — (say) £35,000
6. Further defer dental treatment and continue rationing of orders for the supply of spectacles, and system of implementation of approvals to the grant of Disabled Person's Maintenance Allowance — — (say) £5,000  
(say) £10,000  
(say) £15,000
7. Discontinue for three months the operation of the free milk scheme (say) £60,000
8. Effect further reductions in cost of heating, power, and lighting in institutions (say) £15,000
9. Close down special care unit. Central Mental Hospital and day care unit at Usher's Island for 4 months to December (say) £40,000
10. Hold back refunds to entitled persons under the limited eligibility medicine refunds scheme so as to maintain expenditure at the level of the revised estimate provision, i.e. £577,000 \_\_\_\_\_ (say) £150,000

£532,000

It is difficult to see how consideration of the closure of long-stay beds for a time could be avoided.

It will be apparent that the further measures listed above if all were implemented would not suffice to reduce net expenditure to £33,590,000 as prescribed by the Minister. Moreover, the demand under the limited eligibility refund scheme referred to at 10 above may well show a substantial increase on the raising of the qualifying income level. In the circumstances the Board may find it necessary to raise again the suggestions previously made to the Minister in regard to the terms of the allowance for handicapped children in need of constant care at home, the long term illness medicines scheme, the free milk scheme and the introduction of a prescription charge in the general medical service scheme."

## EASTERN HEALTH BOARD

## Schedule 1

	<i>Savings Proposed 24/2/1976</i>	<i>Savings or increases envisaged on basis of five months experience</i>
	£	£
<b>Central Services</b>		
Maintenance	700,000	720,000
Bank interest	200,000	200,000
Admin. & Superannuation	80,000	80,000
General Expenses	20,000	20,000
<b>Community Care</b>		
Long term illness	20,000	4,000+
Hardship cases	10,000	10,000
Public health nurses	50,000	84,000+
Home helps	125,000	125,000
Meals on wheels	26,000	26,000
Handicapped children allowances —	25,000	25,000
Medical & surgical appliances	70,000	42,000
Social workers —	25,000	25,000
Oomiciliary maternity scheme	10,000	10,000
Medical & Midwifery costs —	10,000	—
Milk scheme	36,000	35,000
Boarding-out children	27,000	27,000
Infectious diseases	56,000	56,000
Dental, ophthalmic & aural	120,000	120,000
Food standards	15,000	15,000
Blind weifare grants	10,000	10,000
Welfare homes	10,000	5,000
Section 65 grants	133,000	133,000
Miscellaneous	9,000	9,000
<b>General Hospital Care</b>		
Salaries	170,000	185,000
General non-pay & medicine —	95,000	113,000
Maternity Unit, St. Patrick's —	30,000	—
Ambulance & taxis	95,000	65,000
Extern Hospitals	86,000	86,000
<b>Special Hospital Care</b>		
Salaries	340,000	240,000
Non-pay	140,000	115,000
<b>Total Gross Expenditure</b>	<b>2,741,000</b>	<b>2,453,000</b>
<b>Income Increases</b>		
Patient's income	60,000	256,200
Superannuation	17,000	37,000
Emoluments & other income...	128,000	11,800
<b>Total</b>	<b>205,000</b>	<b>305,000</b>
<b>Net expenditure</b>	<b>2,946,000</b>	<b>2,758,000</b>

## Schedule 2

*Savings on Board's original estimate of expenses for 1976 envisaged in the light of five months expenditure to 31st May, 1976*

Savings on Gross Expenditure _		<b>£2,453,000</b>
Less increases on estimate		

*Special Hospitals*

Extern Services—

Mater Child Guidance Clinic St. John of God (Cluain Mhuire)

St. Patrick's (Hospital 6. James's)	<b>£75,000</b>	
Richmond Geriatric Unit		

*Community Care*

Increased capitation rates on approved schools .....	<b>£15,000</b>	<b>90,000</b>
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**£2.363.000**

*Add income increases*

Patient's income	<b>£256,200</b>	
Superannuation	<b>37,000</b>	
Emoluments and other income	<b>11,800</b>	<b>305,000</b>

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<b>Net Savings</b>		<b>£2.668,000</b>
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Mr. J. F. Reynolds, Finance Officer, at the Chairman's request, explained the various implications of the report to the members and the financial position in which the Board now found itself. The members, having noted the overall position which they deplored, proceeded to examine the suggestions in the report (numbered 1 to 10) where it might be possible to further reduce expenditure. After a lengthy discussion to

which Dr. Meade, Dr. Cullen, Dr. Walker, Councillor Mrs. Lemass, Councillor Duming, Councillor Carroll, Councillor Hickey, Councillor Sweeney, Mr. Ruane, Mr. Corrigan, Mr. Corcoran, Professor McCormick and Alderman FitzGerald contributed and to which Mr. Reynolds, Finance Officer, Mr. Elliott, Planning and Evaluation Officer and Mr. J. J. Nolan, Deputy Chief Executive Officer replied, the following motion was unanimously adopted:—

"proposed that the Report No. 33/1976 be adopted, subject to the exclusion of clauses 2 to 10."

The meeting terminated at 5.45 p.m.

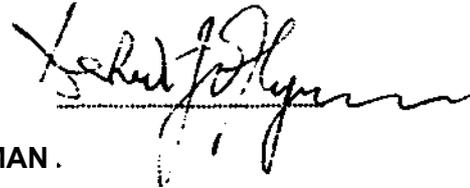
CORRECT:

J. J. Nolan,

*Deputy Chief Executive Officer.*

Signed:

CHAIRMAN.

A handwritten signature in black ink, appearing to read 'J. J. Nolan', written over a horizontal dotted line. The signature is cursive and somewhat stylized.