

EASTERN HEALTH BOARD

**Minutes of proceedings of Special Meeting
of the Eastern Health Board
held in the Boardroom, St
Brendan's Hospital on Thursday
19 January 1984 at 5.00 pm.**

PRESENT

**Mr N Andrews TD
Dr J D Behan
Cllr L Belton
Mrs B Bonar
Cllr D Browne
Cllr M Carroll
Mrs D Clune
Cllr E Doyle
Dr R J Draper
Cllr B J Durkan TD
Mr P Finegan
Ald A FitzGerald
Cllr Mrs E Fitzgerald**

**Mr J Gahan
Cllr Mrs A Glenn TD
Cllr A Groome
Cllr T Hand
Cllr P Hickey
Cllr F Hynes
Dr D I Keane
Dr P McCarthy
Dr B Powell
Cllr J Sweeney
Cllr G Timmons
W C Willoughby**

APOLOGIES:

Dr M Butler, Dr J Buttimer, Prof J S Doyle

IN THE CHAIR

Cllr Mrs A Glenn TD

OFFICERS IN ATTENDANCE

**Mr P B Segrave, Chief Executive Officer
Mr K J Hickey, Programme Manager, General Hospital Care
Mr T P Keyes, Programme Manager, Special Hospital Care
Mr F J Donohue, Programme Manager, Community Care
Mr J F Reynolds, Finance Officer
Mr L P Kavanagh, Personnel Officer
Mr G Brennan, Technical Services Officer
Mr J N McNee, Management Services Officer
Prof B O'Donnell, Dublin Medical Officer of Health
Mr M J O'Connor, Senior Executive Officer, Secretariat**

12/84

ALLOCATION FOR NON-CAPITAL HEALTH EXPENDITURE 1984

At the request of the Chairman, the Chief Executive Officer introduced Report No. 1/1984:

'We have circulated to our Board members a copy of the Department's letter of 14 December 1983 which sets out our Board's revenue allocation for 1984.

The allocation for direct expenditure by our Board (excluding its share of the General Medical Services (Payments) Board, £22.68 m.) is £147.45 m. The Minister recognises that the amount allocated will fall short of the amount necessary to maintain our existing services at their current level throughout 1984. The letter indicates guidelines which should be adopted in dealing with the problems caused by the shortfall, it will be noted that we are asked to identify priority areas and services and give priority to individuals and groups most at risk.

We have also circulated to the members a report of the meeting between the Minister and the Chairmen and Chief Executive Officers of the eight health boards. This meeting confirmed that reductions should be effected in the institutional services area in the first instance, particularly by supplements to basic pay and by not filling all vacancies that occur.

The reduction in real terms of the resources available to us has created particular difficulties for our Board. The rate of increase in the population of our area greatly exceeds the rate of increase in the rest of the country. Furthermore, the spectacular urban development of our area has by its nature produced a disproportionate increase in the number of individuals and families at risk for whom we are obliged to provide services. The economic recession produces further demands for services for families, children, the aged, the homeless and the mentally ill.

The position which we find ourselves in January 1984 may, therefore, be summarised as follows:

1. We have an increasing number of persons 'at risk' in our area and in need of services.
2. Our basic resources - funds and staff - are declining in real terms.
3. We have an inadequate stock of buildings (which are in the main of poor quality) from which to deliver health and personal social services.
4. We have gaps in the provision of important services in some urban and rural areas.
5. Through the efforts of our staff, significant savings have been achieved over the last several years in many areas of non-pay costs, including medicines, monitoring of stock level and stock control, purchasing, transport, housekeeping, catering, and laundry/linen services. These efforts are continuing and are being intensified where it appears that further savings, however limited, may be achieved.

6. Complex health and personal social services do not lend themselves to sudden 'on/off' changes. Worthwhile savings can only be effected over a period on the basis of policy decisions, reached after full investigation of the particular problems involved.
7. While funds for our community care services have not been reduced to the same extent as those of the large acute hospitals, some measures which may be taken by voluntary hospitals can in fact place an increasing burden on these community services.
8. The task of achieving savings in our Board's institutions creates a serious problem for us because our hospitals in the main provide services for the mentally handicapped, the psychiatrically ill, and the aged. The measures which might be taken to reduce costs in acute short-stay hospitals cannot be readily adopted in our long-stay hospitals.

To cope with inevitable reductions in services caused by declining resources over the last several years our Board adopted three major policies:

firstly, we should maintain services for those whose health and welfare was most at risk;

secondly, we should move the delivery of health care services where possible and practicable from institutional settings to the community;

thirdly, we should maintain staff employment to the greatest extent possible.

Against this background, we have set to identify possible options for living within the allocation for 1984.

The draft budget circulated to the members was prepared on the basis of what we believe to be the cost of maintaining all of our existing services at their current level throughout 1984. It will have to be cut by £3.22 m. to bring it to the level of £ 147.450 m. which has been allocated for our direct expenditure.

In examining our expenditure to determine where savings of this order can be made we have focused a good deal of attention on the Department's guidelines relating to 'on-cost', i.e. payments in excess of basic pay.

A strongly motivated staff is essential for the high quality of patient care, particularly for those who are chronically ill such as we have in our psychiatric, geriatric and mental handicap institutions and services. We are fortunate in our Board to have a highly motivated staff.

To date we have received a responsible level of co-operation from most of our staff in effecting savings in the area of on-costs. For example overtime has been substantially reduced in a number of areas of our Board's activities.

I should say, lest there be any misunderstanding in the matter, that the practices and the payments referred to as 'on-cost' or supplements to basic pay did not originate in the health services and are not confined at present to the health services or indeed to the public sector.

If we are to look at reducing on-costs further it will be necessary to do this in a way which will reflect that our Board's primary responsibility is to provide patient care and, secondly, in a way that will show consideration for our staffs' commitment to that responsibility. For their part, we would expect that our staff would continue to understand that in the current economic climate supplements to basic pay and additional costs arising from such as overtime, locums and absenteeism can only be justified where major issues of patient care arise.

It would, however, be extremely difficult to justify the loss of a large number of jobs, or alternatively, the reduction of important services to patients without, in the first instance, taking necessary and appropriate action in the area of supplements to basic pay or in cost of locums.

While we have had no further communication from the Department of Health in relation to paragraph 6 of the letter of allocation (staff numbers), I believe that it is in the best interests of our services and our staff to achieve the savings required under the guidelines in the area of pay, on the basis of the strategies set out below, which would involve a mixture of reduced on-costs such as weekend working, night-duty, overtime, reduced absenteeism/locums and the selective non-filling of some vacancies.

The total provision for on-costs in our health board area, that is, the total amount provided in excess of basic pay, included in our budget is £12.6 m. (This includes aH premium payments, overtime, cost of locums etc). We have, following lengthy consideration proposed a target savings of about 15% in this area over the remaining eleven months of 1984 with a view to achieving a target savings of £1.6 m. to £1.7 m.

The achievement of the target figures will effect all staff categories, administrative, medical and dental, nursing and allied, para-medical, catering and housekeeping, maintenance and others. It will in its application have to take account of the need to maintain essential and emergency services which are an integral part of any health services.

Where steps which we might wish to take in any area are of particular significance we will consult with appropriate staff representative bodies.

In summary, in order to contain our budget within the approved level of £147.45 m. we propose the following:

PAY COSTS

	£000	£000
Reduce supplements to basic pay and cost ofhcums. Leave vacancies unfilled		1.650
Non-Pay Costs		
Curtail expenditure on medicines, energy, transport, furniture etc.	570	200
Curtail Section 65 Grants	200	
Curtail payments to private psychiatric hospitals		
Savings in dental and ophthalmic schemes due to non-issue of medical cards to students, etc	200	200
Curtail expenditure on engineering works	200	1,570
Increase income from long-stay patients	TOTAL	£3,220

While we believe that these targets will be difficult to achieve we feel that, with the co-operation and understanding of all our staff, it can be done.'

Following a lengthy discussion to which Mrs Clune, Cllr Hickey, Dr Powell and Cllr Mrs Fitzgerald, Mr Finegan, Dr Draper, Dr Keane, Mr Gahan, Dr Behan, Cllr Groome, Ald FitzGerald, Cllr Hynes, Mrs Bonar, Cllr Durkan and Cllr Doyle contributed, and to which the Chief Executive Officer replied, the following motion was proposed by Cllr Doyle, seconded by Dr Powell, and agreed:

That the proposal contained in Report No. 1 1984 be adopted but that the contents of Paragraph 6 in the Department of Health letter of 14 December 1983 do not apply to the Eastern Health Board and that discussions be undertaken.'

Mr Finegan and Mi Gahan abstained.

The meeting concluded at 7.00 pm.

CORRECT: P B Segrave
Chief Executive Officer

Chairman

