

24 October 2011

Mr Colin Menton  
Secretary  
Implementation Body  
Lansdowne House  
Dublin 4

### **Public Service Agreement 2010-2014**

Dear Mr Menton

I refer to your letter dated 22 September in relation to your request for a report on progress with the Health Sector Action Plan for the period April to September 2011. I apologise for the delay in replying. It has taken the Health Service Executive some time to compile its full update report, drawing on a range of national, regional and local sources.

I now enclose the report received from the Executive. As requested, it provides a detailed narrative update and follows the 'traffic light' format. The report includes an additional element of regional reporting, which is still in the process of being developed. This shows clearly that not only are initiatives being driven at national level, but much change is being achieved regionally and locally also. This is very important, in my view, as it demonstrates the success of management and staff in progressing practical measures to improve service quality and efficiency in a situation of progressively reducing financial and staff resources.

The PSA is an 'enabler' to allow us to progress reform and to respond to the healthcare needs of the population in an appropriate and sustainable manner. The health service has been going through a major process of reform for several years now, and very significant further change is in prospect on foot of the major reforms provided for in the Programme for Government. Furthermore, the health service has already been engaged in driving change in many of the areas reflected in the wider public service reform agenda now being embarked upon – such as service reorganisation, increased emphasis on service quality and safety, performance measurement, value for money, and centralising functions (including procurement and HR).

In recent months the Minister has established the Special Delivery Unit, which represents a collaborative Department/HSE initiative, linked to the HSE's Clinical programmes, to address certain longstanding access issues in the health service. The

work of the SDU will challenge the system to achieve significant further improvements in performance and reform the way in which care is delivered. This agenda may necessitate some revision of the current Health Sector Action Plan to ensure that continues accurately to reflect the plans and priorities of Government, as well as the outcome of the Comprehensive Review of Expenditure.

It is becoming clear - and this should not be regarded as unexpected - that changes which have a real and substantial impact on the professional and personal lives of staff may not be secured without due process, including in many cases the use of the State's industrial relations machinery. This has the potential to affect the pace at which the more significant changes can be achieved. On the other hand, it does mean that agreements, once reached, have a formal standing which should allow matters then to proceed to full implementation without further delay.

In terms of the progress made in the period under review, I would cite the following as the principal achievements:

- The finalisation of arrangements for the transfer of 1,020 staff of the Community Welfare Service from the HSE to the Department of Social Protection (which took effect on 1 October 2011). This represented the culmination of a lengthy process and will enable the CWS to function as a fully integrated part of the social welfare system, with savings to the Exchequer and better outcomes for service users;
- Internal redeployment within the health service of a further 750 staff, as well as short-term redeployment/mobility, to achieve best deployment of available resources and improved organisation of services;
- Completion by 1 July of the centralisation of medical card processing in Finglas, Dublin, with staff and other savings estimated at €20m;
- Continued implementation of service changes in line with national policy, particularly within the acute hospital system, mental health services and services for older people;
- A reduction of a further 1,377 WTE staff; in the light of the recruitment pause now in place for all but the most critical of posts, there is no doubt that the sector will meet its employment numbers reduction target for 2011.

Clearly there must remain a clear focus on achieving the changes and in particular the efficiencies which the PSA makes possible. Further reductions in funding and staffing are certain for 2012 and beyond. The HSE will now be pursuing further initiatives with the staff side, particularly in the areas of rostering and skill-mix, to ensure that we continue to leverage all possible benefits from the Agreement so that the maximum quantum of service can be provided within the resources provided.

Yours sincerely

Frances Spillane  
Assistant Secretary