

Stiúrthóir Ginearálta na Seirbhíse Sláinte
Urlár 1
Ospidéal an Dr. Steevens
Baile Átha Cliath 8

Director General of the Health Service
1st Floor
Dr. Steevens' Hospital
Dublin 8

Tel: (01) 635 2000
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Email: dgpa@hse.ie

18 February 2014

Our Ref: TOB/SB
DG Ref: 280898

Professor Noel Whelan
Chairman
St Vincent's Healthcare Group
Elm Park
Dublin 4



Dear Noel,

Thank you for your letter dated 17 February 2014 addressed to Tom Byrne. I note that this letter has received wide circulation. I also note your reference to conversations you have had with my colleague Dr. Ambrose McLoughlin, Secretary General Department of Health.

It is important for the avoidance of any doubt that SVHGL's service arrangement and funding relationship is with the HSE and the HSE alone. Consequently, it is the HSE that SVHGL must satisfy as to your compliance with public pay policy.

Mr. Byrne's letter to you dated 14 February 2014 was issued with my full approval.

When we met on Tuesday 14 January you undertook to write to the HSE in advance of your meeting with the PAC on Thursday 16 January to confirm that you would be in full compliance on or before 31 March 2014.

A letter was received from you at 15:16 on 14 January that did not reflect what was agreed at our earlier meeting on that day and did not satisfy the HSE that you would be in full compliance on or before 31 March 2014. A letter was subsequently sent to you at 16:41 on 14 January setting out the HSE's understanding of the meeting and the elements required ensuring that SVHGL would come into compliance. No response was received from you following our letter to you.

The approach taken by Mr. Barry O'Brien at your appearance at the PAC and by myself on RTE Radio the following day was based on our full expectation, on the basis of your stated commitment, that we would receive the written undertakings referred to above.

As you are fully aware you have not proceeded to provide these written undertakings. This is despite various requests for information by Mr. David Walsh, Regional Director of Performance and Integration.

As you may appreciate, the choice of unusual and indirect forms of language by you at the PAC, when asked when SVHGL would become compliant, means it is not practically possible for the HSE to place any reliance on verbal statements given in that forum, especially in the absence of follow through on your undertaking to provide us with a firm written commitment.

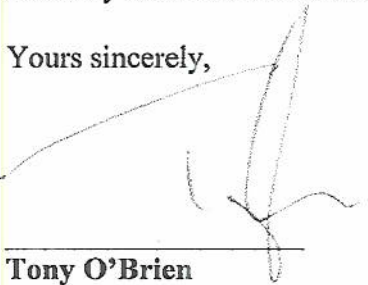
It is worth noting that in your letter of 17 February you use the phrase "*I confirm yet again that we are working towards compliance for the three cases indicated above by 31 March 2014 as per the agreement with the PAC and HSE*". I cannot comment on any purported "agreement" that you contend is in place with the PAC. What I can confirm is that no agreement exists with the HSE currently that is grounded upon SVHGL working towards compliance by 31 March 2014. Any agreement would have to be based on actual compliance by 31 March 2014.

Should the HSE receive such written confirmation within the next 24 hours, in unambiguous terms, then we are prepared to defer our intention to withhold part of your funding.

I also note that in your letter you have asked to be regarded as "*engaged in another process*". Only one entity is regarded as being engaged in another process. That entity is the Central Remedial Clinic. I am surprised that you would wish to be in the same category as the Central Remedial Clinic, given the implications of that for your Board.

If you wish us to regard St. Vincent's University Hospital as being in compliance with our process you must now write to us, as you indicated you would, setting out in unambiguous, straight forward, plain English your absolute commitment to be in full compliance by 31 March 2014. I would welcome such a letter. For ease of reference I attach the most recent version of the intended agreement between us. We are prepared to accept an unambiguous written undertaking or a signed copy of the form of agreement. In default of this, we will proceed with a 20% funding withhold with effect from 21 February 2014 which I must stress can not result in a reduction or diminution to services for patients.

Yours sincerely,



Tony O'Brien
Director General

c.c. Deputy John McGuinness, Chairman, Public Accounts Committee (PAC), Oireachtas Eireann
Dr. Ambrose McLoughlin, Secretary General, DOH
Ms Laverne McGuinness, Chief Operating Officer, HSE
Mr. Barry O'Brien, National Director Human Resources, HSE
Mr. Tom Byrne, Chief Financial Officer, HSE
Mr. David Walsh, Regional Director of Performance & Integration HSE
Mr. Nicholas Jermyn, Group CEO, St. Vincent's University Hospital
Board of Directors, St. Vincent's University Hospital

**Health Service Executive
(20h00)**

Tuesday 18th February 2014

Dear Tony

Thank you for your letter dated 18th February 2014 (today) which I received via email at 17h30 this afternoon.

You say in the fifth paragraph of your letter that no response was received from me following your letter of 14 January 2014. This is not correct. I sent a letter via email on 15 January 2014 (at 18h45) confirming SVHGL's commitment to achieving full compliance without breaching the contracts of employment of the three individuals involved.

I confirm, unambiguously, that SVHGL is absolutely committed to being in full compliance with public pay policy for the health sector by 31 March 2014. SVHGL understood that this was quite clear from the comments and responses at the PAC meeting on 16 January 2014 (the PAC hearing with SVHGL).

Yours sincerely

**Noel Whelan
Chairman, St. Vincent's Healthcare Group Ltd.**

From: dgpa [<mailto:dgpa@hse.ie>]

Sent: Tue 18/02/2014 16:05

To: Grenham, Patricia (PA to CEO)

Cc: John McGuinness; ambrose_mcloughlin@health.gov.ie; RDPI DML; Anne Malone; Brophy, David Dr. (Radiology); Dr. Michael Somers; mary duff; James Menton; Keane, Brian (COO); McGrane Kilian (Chief Operating Officer); Cormac Maloney; Michael Keane {UCD}; Mr. Harrington; Mr. Michael Meagher; Mr. Tom Lynch; Ms. Gemma McCrohan; Ms. Louise English; Seamus Murtagh; Professor Des Fitzgerald; Noel.Whelan; Sister Mary Benton; Sr. Agnes Reynolds; Tom Byrne; Derek_Finnegan@health.gov.ie; nationalhr; Laverne McGuinness; p.grenham@svuh.ie

Subject: RE: Correspondence from Tony O'Brien DG HSE to Prof Noel Whelan Chairman St Vincent's Healthcare Group 18.02.14

Dear Patricia,

Please find attached letter from Tony O'Brien and Memorandum of Understanding which I would appreciate if you can bring to the attention of Professor Noel Whelan, Chairman St. Vincent's Healthcare Group.

Hard copy to follow by post.

Kind regards,

Suzanne

**Suzanne Bushnell
Personal Assistant
to the Director General**

Health Service Executive
Office of the Director General
1st Floor, Dr. Steevens' Hospital
Dublin 8

Contact No: 01-6352701 - **Mobile No:** 087 4104431 - **Fax No:** 01-6352211 - **E-mail:** DGPA@hse.ie

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19 February 2014

Our Ref: TO'B/SB
 DG Ref: 280898

Professor Noel Whelan
 Chairman
 St. Vincent's Healthcare Group
 Elm Park
 Dublin 4

Dear Noel,

My letter to you dated 18 February 2014 and your e-mail to me at 20:07 on the same date refer.

I acknowledge that a letter was received from you on January 15th 2014. However, despite the contention in your e-mail of last evening, said letter did not confirm SVHGL's absolute commitment to achieving full compliance with public pay policy. The central thrust of that letter was to restate particular difficulties that SVHGL may face in achieving full compliance. The lack of definitiveness in your January 15th letter, regarding SVHGL's absolute commitment to achieving full compliance, became evident, once again, in the unusual and indirect form of language that you chose to use on this matter in the Public Accounts Committee meeting on the following day (16th January 2014).

In the absence of any firm commitment to achieving full compliance in that letter to me (15 January) I chose not to reference it in my letter to you yesterday (18 February).

Notwithstanding, it is encouraging to view the objective commitment contained in your e-mail to me of yesterday evening, in which you state:

"I confirm, unambiguously, that SVHGL is absolutely committed to being in full compliance with public pay policy for the health sector by 31 March 2014."

Had this form of objective and positive language been contained in earlier correspondence and in your comments to the PAC, this correspondence would be unnecessary.

I therefore request that you furnish to me a formal letter before 5pm today, providing an unambiguous commitment that SVHGL intends to achieve full compliance with public pay policy before 31 March 2014.

By doing so, this will avoid a 20% funding withhold coming into effect for SVHGL from 21 February 2014, as detailed in my letter of yesterday.

Yours Sincerely



Tony O'Brien
Director General

c.c. Deputy John McGuinness, Chairman, Public Accounts Committee (PAC), Oireachtas Eireann
Dr. Ambrose McLoughlin, Secretary General, DOH
Ms Laverne McGuinness, Chief Operating Officer, HSE
Mr. Barry O'Brien, National Director Human Resources, HSE
Mr. Tom Byrne, Chief Financial Officer, HSE
Mr. David Walsh, Regional Director of Performance & Integration HSE
Mr. Nicholas Jermyn, Group CEO, St. Vincent's University Hospital
Board of Directors, St. Vincent's University Hospital

Elm Park
Dublin 4

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St. Vincent's Healthcare

GROUP LIMITED

From: Professor Noel Whelan, Chairman

19th February 2014.

Mr. Tony O'Brien,
Director General,
Health Service Executive,
Office of the Director General,
1st Floor, Dr. Steevens' Hospital,
Dublin 8.

Dear Tony,

Thank you for your letter of today, received here at 12h40.

Please take this as the formal letter which you have requested.

I confirm, unambiguously, that the Board of SVHGL intends to achieve full compliance with public sector pay policy before 31st March 2014.

Please take this as the formal letter, requested by you, reiterating that which I stated in my e-mail to you of last night (18th February 2014).

Yours sincerely



Noel Whelan
Chairman

BOARD OF DIRECTORS

Professor Noel Whelan
Chairman

Mr. Nicholas C. Jermyn
Group Chief Executive

Sr. Mary Benton

Dr. David Brophy

Ms. Louise English

Prof. Des Fitzgerald

Mr. Stewart Harrington

Prof. Michael Keane

Mr. Thomas Lynch

Ms. Gemma McCrohan

Mr. Michael Meagher

Mr. James Menton

Sr. Agnes Reynolds

Dr. Michael Somers

c.c. Deputy John McGuinness, Chairman, PAC
Dr. Ambrose McLoughlin, Secretary General, HSE
Ms. Laverne McGuinness, Chief Operating Officer, HSE
Mr. Barry O'Brien, National Director Human Resources, HSE
Mr. Tom Byrne, Chief Financial Officer, HSE
Mr. David Walsh, regional Director of Performance & Integration, HSE