



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

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14<sup>th</sup> February 2014

Mr. Ted McEnery,  
Clerk to the Committee,  
Committee of Public Accounts,  
Leinster House,  
Dublin 2.

Dear Ted,

I refer to your correspondence dated 6<sup>th</sup> February from the Committee to Mr. Tony O'Brien, Director General in relation to an update on remuneration of staff in Section 38 Agencies.

Please find attached for the Committees attention an update note on the matter as requested.

If any further information is required please do not hesitate to contact me.

Yours sincerely,

**Ray Mitchell**  
**Assistant National Director**  
**Parliamentary & Regulatory Affairs Division**

## **Update Note on Section 38 Agencies for the Public Accounts Committee:**

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### **Update on Section 38 Compliance with Public Pay Policy**

In December 2013, the HSE began a comprehensive engagement process with all full or part-funded Section 38 agencies in order to address compliance with public pay policy.

In this regard a number of actions are currently underway to ensure that all remuneration of pay and allowances in Section 38 agencies is brought into line with Government Pay Policy.

In some cases allowances have been ceased and in other cases the agencies have made a business case for the allowance to be retained. The HSE asked each of the Section 38 agencies to submit business cases by last Monday, 10<sup>th</sup> February 2014.

The table below outlines responses received by the HSE and those agencies that are deemed, at this point in time, to be Compliant; Non Compliant; Engaged in a Separate Process and those that have submitted Business Cases for continuation of an allowance.

10 agencies are deemed compliant. A total of 88 business cases have been received from 27 agencies.

The HSE has appointed an internal Review Panel of Senior Management of the Health Services Leadership Team to examine each business case on its own merits. Where the Review Panel is satisfied that there are legitimate reasons for the continuation of an allowance, business cases will be submitted to the Department of Health which will liaise as appropriate with the Department of Public Expenditure and Reform prior to the consideration of any allowance in line with public pay policy.

A further 5 agencies are deemed non compliant as business cases have not yet been received.

In respect of the 5 agencies who remain 'not compliant' the HSE has written to those agencies advising them that, as a sanction, the HSE will, with effect from 21<sup>st</sup> February 2014, reduce their cash funding by 20% until such time that they provide confirmation that they are compliant with public health sector pay policy in accordance with Section 7(4) of HSE HR Circular 16/2013 and they submit the necessary detailed Business Cases in respect of their organisation.

It is important to note that this reduction in cash funding is not a budget cut and therefore should, under no circumstances, impact on the provision of services to patients or clients.

<b>In compliance</b>	<b>Business cases submitted to HSE</b>	<b>Non Compliant</b>	<b>Engaged in a separate process</b>
Cheeverstown House	AMNCH (9)	Brothers of Charity South	Central Remedial Clinic
Cork University Dental School & Hospital	Beaumont Hospital (4)	Brothers of Charity South East	
Incorporated Orthopaedic Hospital, Clontarf	Brothers of Charity Clare (1)	St. James' Hospital	
KARE	Brothers of Charity Galway (1)	St. Vincent's University Hospital	
Mercy University Hospital, Cork	Brothers of Charity Limerick (1)	St. John of Gods	
St. John's Hospital Limerick	Brothers of Charity Roscommon (1)		
St. Patrick's, Kilkenny	Cappagh (5)		
St. Vincent's Hospital, Fairview	Carriglea Services (1)		
Sunbeam House Services	Children's University Hospital, Temple St. (8)		
The Children's Sunshine Home	Coombe (2)		
	COPE Foundation (2)		
	Daughters of Charity (1)		
	Dublin Dental School & Hospital (2)		
	Leopardstown Park Hospital (2)		
	Mater (4)		
	Muiriosa Foundation (1)		
	National Rehabilitation Hospital (3)		
	Our Lady's Hospice (8)		
	Our Lady's Hospital, Crumlin (5)		
	Peamount (1)		
	Rotunda Hospital (8)		
	Royal Hospital Donnybrook (6)		
	Royal Victoria Eye & Ear Hospital (2)		
	South Infirmary Victoria University Hospital, Cork (1)		
	St. Michael's House (5)		
	Stewarts Hospital (1)		
	Holles Street National Maternity Hospital (3)		
<b>Total: 10 Agencies</b>	<b>Total: 27 Agencies (88 business cases*)</b>	<b>Total: 5 Agencies</b>	<b>Total: 1 Agency</b>

Note\* Some business cases cover more than a single post

