

**Public Accounts  
Committee**

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**OPENING STATEMENT**

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Paul Reid  
Chief Executive Officer

26<sup>th</sup> May 2022



Chairperson and Members, thank you for the invitation to attend today's 2<sup>nd</sup> resumed meeting in relation to the HSE Financial Statements 2020.

I am joined today by my colleagues:

- Anne O'Connor, Chief Operations Officer
- Stephen Mulvany, Chief Financial Officer
- Mairead Dolan, Assistant Chief Financial Officer
- Anne Marie Hoey, National Director Human Resources
- Liam Woods, National Director, Acute Operations

A number of briefing papers have been submitted to the committee in advance, including in relation to the specific topics of interest to the committee referenced in the invite to today's meeting. Accordingly, I will confine my remarks to the following:

### **Annual Financial Statements 2020 & Financial Outturn**

The COVID-19 pandemic placed significant pressure on funding and expenditure during 2020. The HSE's overall reported income for 2020 of €20.265bn includes once-off net additional funding allocation of €2.329bn, of which €2.129bn was in respect of 2020 COVID-19 costs, with the remaining €200m allocated to Winter Plan funding.

The HSE's Annual Financial Statements for 2020 record a final audited revenue income and expenditure surplus of €200.7m (for comparison the reported 2019 AFS surplus was €60.5m).

### **Annual Financial Statements 2021 & Financial Outturn**

The HSE's 2021 Annual Financial Statements (AFS) were prepared and submitted, in line with the required timelines to the Comptroller and Auditor General, for audit. I understand that the audit process is nearing finalisation and is expected to be complete around the end of May in time for inclusion in the published 2021 HSE Annual Report. Subject to the finalisation of the audit, it is expected that the 2021 AFS will record a revenue income and expenditure deficit of €195.0m. This deficit is entirely due to an excess of COVID related costs, including Vaccination and Test & Trace Costs, over available COVID funding.

In arriving at the net deficit of €195.0m, the excess of COVID costs over COVID budget was substantially offset by a surplus on core (non-COVID) which was due to the regrettable suppression of core activity and knock on delays in progressing new developments largely driven by the pandemic and our need to respond effectively to it.

Over the two years of the pandemic i.e. 2020 and 2021, the HSE will have recorded a combined revenue surplus of €5m, or a combined surplus of €65m over the 3 years 2019 to 2022.

## **National Service Plan 2022**

The National Service Plan (NSP) 2022 outlines the health and social care services that will be provided to the people of Ireland in 2022 within the allocated budget of €20.7bn which included:

- Additional investment in new measures (including Winter Plan) of €310.3m
- Additional Existing Level of Service funding €727.4m, including:
  - €286m pay cost pressures including funding increments of €39m
  - €364.4m for ELS and demographics
  - €77m in relation to 2022 full year costs related to Table 4 NSP 2021
- Additional once off investment specified for COVID-19 costs of €697m, including:
  - €497m to cover COVID-19 responses, including but not limited to, vaccination, testing and tracing, personal protective equipment (PPE) and Hospital and Community COVID-19 Responses.
  - €200m to cover acute and community scheduled care access (waiting lists and waiting times) including use of public and private hospitals

The NSP focuses on the delivery, improvement and reform of healthcare services while continuing to manage within a COVID-19 environment and is prepared within the strategic context of Sláintecare, the HSE Corporate Plan 2021 – 2024, the Minister’s Annual Statement of Priorities and the Winter Plan.

### **Financial Position YTD March 2022**

The draft revenue Income and Expenditure financial position at the end of March 2022 shows a year to date deficit of €250.9m or 4.96%, with a significant element of this being driven by the direct impact of COVID-19, as reflected in the €224.1m adverse variance on the COVID-19 reported costs and €26.8m or 0.6% adverse variance on core (Non-COVID 19) related costs. However, from an overall perspective it is expected over the coming weeks and months, that our core (non COVID-19) activities will naturally increase and the impact of “delayed” care will also increase demand for core services.

### **HSE Recruitment**

In relation to recruitment, the HSE has seen unparalleled growth in both 2020 and 2021 of an increase of +12,506 WTE (*+6,357 WTE in 2020 and +6,149 WTE in 2021*). This is in addition to recruitment via third party for staff in our Covid testing, tracing and vaccination services. In 2022, the resourcing strategy approach is underpinned by a resourcing delivery range. The minimum point of the range, sets out the minimum resourcing target at a net increase of +5,500 WTE, upon which the HSE will be monitored against, in addition to a higher target, to allow for our commitment to maximising our recruitment and retention efforts. This level of recruitment is a net increase when recruitment to vacancies that arise are backfilled – this requirement is in the region of 9,500 posts in 2022.

In the past two years, the HSE has increased its recruitment capacity and capability, through investment in national and local recruitment services. This has secured further resources and skills, thereby removing potential barriers to domestic recruitment capacity and capability.

In recognition of the increased global competition for health care professionals, together with the ambitious recruitment targets, the HSE is supplementing its already robust recruitment strategies to maximise the national market with comprehensive international recruitment across the clinical grades.

This concludes my opening statement.

Thank you.