# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ

## COMMITTEE OF PUBLIC ACCOUNTS

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*Déardaoin, 23 Meán Fómhair 2021*

*Thursday, 23 September 2021*

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The Committee met at 9.30 a.m.

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MEMBERS PRESENT:

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| Deputy Colm Burke, | Deputy Imelda Munster, |
| Deputy Matt Carthy, | Deputy Catherine Murphy, |
| Deputy Cormac Devlin, | Deputy Verona Murphy, |
| Deputy Alan Dillon, | Deputy Sean Sherlock. |
| Deputy Paul McAuliffe, | |

DEPUTY BRIAN STANLEY IN THE CHAIR.

**Mr. Seamus McCarthy** *(An tArd Reachtaire Cuntas agus Ciste)* called and examined.

## Business of Committee

**Chairman:** I welcome everyone to the meeting. Apologies have been received from Deputy Jennifer Carroll MacNeill. The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness to this committee, and he is joining us remotely. Deputy Marc MacSharry has stood down from the committee and is being replaced by Deputy James O'Connor, who may join us later. I propose that the committee ask the clerk to send a letter to Deputy MacSharry to thank him for his work as a member of the committee over many years. He took a great interest in that work and I express the committee's thanks for his efforts.

As we return to participating at committee meetings in person, I ask members and all in attendance to exercise personal responsibility in protecting themselves and others from the risk of contracting Covid-19. They are strongly advised to leave at least one vacant seat between themselves and others attending, practise good personal hygiene and always maintain an appropriate level of social distancing during and after meetings. Masks should be worn at all times during meetings except when speaking. I ask for the full co-operation of members on this.

## Financial Statement 2020 and Related Matters: HSE (Resumed)

**Mr. Paul Reid** *(Chief Executive Officer, HSE)* called and examined.

**Chairman:** We are resuming our examination of the financial statements of the HSE for 2020. The HSE has been advised that the areas of interest to the committee include oversight and governance arrangements concerning grants to section 38 and section 39 organisations and the service arrangement between the HSE and SouthDoc. We are joined remotely from within the precincts of Leinster House by the following officials from the HSE: Mr. Paul Reid, CEO; Ms Anne O'Connor, chief operations officer; Mr. Stephen Mulvany, chief financial officer; Mr. Joe Ryan, national director of operational performance and Integration; and Ms Mairéad Dolan, assistant chief financial officer. We are also joined remotely from outside the precincts of Leinster House by Mr. Kevin Colman, principal officer at the Department of Health. They are all very welcome.

When we begin to engage, I ask members and witnesses to mute their microphones while not contributing so that they do not pick up any background noise or feedback. As usual, I remind all those in attendance to ensure their mobile phones are on silent. We have a hybrid meeting this morning, with some members in the room and others joining remotely. I ask for everyone's co-operation with these arrangements.

Before we start, I wish to explain some limitations to parliamentary privilege and the practice of the House, as regards references that witnesses may make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected, pursuant to both the Constitution and by statute, by ab-

solute privilege. However, one of today's witnesses, a Department official, is giving evidence remotely from a place outside parliamentary precincts and, as such, may not benefit from the same level of immunity from legal proceedings as a witness who is physically present does. The witness has already been advised of this and may have thought it appropriate to take legal advice on this matter. Members are reminded of the provisions of Standing Order 218, which states that the committee shall refrain from inquiring into the merits of a policy or policies of Government, or Minister of the Government, or the merits or objectives of such policies.

Members are also reminded of the long-standing parliamentary practice that they should not comment on, criticise, or make charges against a person outside the House, or an official, either by name or in such a way as to make him or her identifiable. To assist our broadcast services and the staff of the Debates Office, I ask members to direct their questions to specific witnesses. If the question has not been directed to a specific witness, I ask each witness to state his or her name the first time that he or she contributes.

The Comptroller and Auditor General, Mr. Seamus McCarthy, delivered his opening statement on the board's financial statements at our meeting of 16 September and it was recirculated to the committee before this meeting. Unless the Comptroller and Auditor General wishes to address this matter again, we will move straight to Mr. Reid for his opening statement. Is Mr. McCarthy happy for us to proceed?

**Mr. Seamus McCarthy:** Absolutely. I have nothing more to add.

**Chairman:** I thank Mr. McCarthy. I call Mr. Reid to make his opening statement and I ask him to try to limit his contribution to five minutes.

**Mr. Paul Reid:** I thank the Chair and the members of the committee for the invitation to attend this meeting to continue the examination of the HSE's annual report and financial statements for 2020, including grants to section 38 and 39 organisations and SouthDoc. I am joined today by my colleagues, Ms Anne O'Connor, chief operations officer; Mr. Stephen Mulvany, chief financial officer; Mr. Joe Ryan, national director of operational performance and integration; and Ms Mairéad Dolan, assistant chief financial officer.

We submitted information and documentation to the committee in advance of the meeting on the topics for examination, so I will confine my opening remarks to the following concerning section 38 and section 39 services providers. The HSE must use the resources provided to it each year by the Government in the most beneficial, effective and efficient manner to improve, promote and protect the health and well-being of the public. The HSE is mandated in law to manage and deliver, or arrange to be delivered on its behalf, health and personal social services. These services are, by their nature, varied and complex. In the main, the HSE delivers services directly but it also relies on voluntary providers to deliver services on its behalf. It also funds providers to deliver similar or ancillary services.

Section 38 and section 39 service providers comprise more than 2,100 funded and grant-aided organisations nationwide, including some of the large academic teaching hospitals, disability service providers and a diverse range of other health and social care providers. These organisations play a central role in the provision of acute, community and home-based services to the public and many have a long history of caring for patients and service users within their communities. They have been vital and trusted partners of the HSE during the Covid-19 pandemic in protecting, treating and caring for our most vulnerable. I acknowledge and appreciate their enormous contribution to the success of the national health response.

Annual funding released by the HSE to these providers is approximately €5.4 billion. Given this spending, the HSE has a formal governance framework in place with each organisation, incorporating standardised contractual documentation and guidance coupled with direct engagement processes. The governance framework underpins the allocation and oversight of the funding granted and the services provided in return. The requirements of the governance frameworks are onerous on providers, and we know that, and they are also onerous on the HSE. However, such a governance framework is necessary to ensure the HSE and the providers meet their obligations to one another. The terms of a governance framework are informed by the public spending policy and the framework is reviewed and updated in accordance with those principles. The manner in which funding is overseen by the HSE is also informed by the recommendations of the Comptroller and Auditor General. In this regard, I highlight two developments in particular.

First, the large number of service providers, approximately 2,100, funded primarily by the community healthcare organisations, CHOs, led to a decision being taken to establish contract management support units, CMSUs, in each of the nine CHOs. Several of these teams are in place and it is expected that the remaining staff for these units will be in place and the units fully operational by the end of the year. These CMSUs are a dedicated permanent resource and their primary purpose will be to assist service managers at operational level in managing the contractual relationship with the service providers.

Second, as we advised the committee previously, external reviews of the governance of 30 organisations have taken place as part of phase 1 of this process. Phase 2 will commence later this month and it will involve the review of the section 38 service providers not previously reviewed and some of the higher funded section 39 service providers. The purpose of these reviews is to gain external assurance regarding the standards of governance and to ensure that enhancements are put in place where required.

It is important to recognise that our section 38 and section 39 providers are separate legal entities, with their own boards that are directly responsible, in the first instance, for the standards of good governance within their organisations. Most of these providers are registered charities and their boards are subject to oversight by the Charities Regulator, quite apart from any additional governance assurances the HSE may seek. We continue to work closely with our section 38 and section 39 providers to ensure the services we provide together meet the needs of our communities, are complementary to each other and are of high quality. To this end, we will continue to examine and keep under constant review the governance framework in relation to section 38 and section 39 providers. Some of these organisations are facing funding challenges, and committee members will be aware of this.

The HSE is also participating, with representatives in the voluntary sector, in a dialogue forum set up following the report of the independent review group. The aim of the forum is to build a stronger relationship between the State and voluntary providers for the benefit of patients and service users. It is my view that we need to consider a revised governance framework which better supports accountable autonomy within the sector, while at the same time meeting the important and necessary governance and accountability obligations to which the HSE is itself subject.

SouthDoc provides an out-of-hours GP service to a population of 694,000 in counties Cork and Kerry, in addition to the 3 million visitors to the region each year. There are 502 GP members and the services provided by SouthDoc are governed by a service level agreement which is agreed and signed annually and reviewed quarterly. The agreed level of expenditure for the full

year of 2021 is €7.5 million. All calls to the service are processed through a central call centre hub in Killarney in the SouthDoc headquarters. A triage nurse, in consultation with the patient, decides on the most appropriate course of clinical care for the clinical condition. There are 12 walk-in treatment centres as well as seven treatment centres which are attended by appointment only in the SouthDoc catchment area. While some treatment centres were temporarily closed due to safety concerns associated with Covid-19, all patients were still in receipt of a full out-of-hours service, which may have been provided in a different location or via telehealth.

The SouthDoc service continued to operate throughout the Covid-19 pandemic, with necessary precautions applied during the different phases of the public health emergency. SouthDoc introduced medical triage to support normal triage. This allowed for certain issues to be dealt with via telecommunication, where appropriate. There were two specific sites which were later to open, at Listowel in County Kerry and the Blackpool centre in Cork city. Both services were the subject of discussion between SouthDoc and the HSE regarding their restoration, with both centres now open subject to public health measures. The Listowel service recommenced in July and Blackpool recommenced in early September.

**Chairman:** I thank Mr. Reid for his opening statement. The first committee speaker, Deputy Colm Burke, has 15 minutes. He was to be followed by Deputy Jennifer Carroll MacNeill. As I noted earlier, Deputy Carroll MacNeill is as láthair today, so after Deputy Burke there will be six minutes for each speaker. I will give Deputy Burke a reminder after 12 minutes.

**Deputy Colm Burke:** I thank Mr. Reid and all the people in the HSE for their work over the last 18 months. It has been a very difficult time for everyone.

I want to touch on the last issue Mr. Reid dealt with. With regard to the funding for SouthDoc, I note from my notes that in 2019 the funding for SouthDoc was €8.3 million, my figure for 2020 was €12.3 million and for 2021 it is €7.5 million. I wonder why there was a 50% increase between 2019 and 2020, in particular when some of the centres were closed. Could I have an explanation for that variation in the funding to SouthDoc over that three-year time period?

**Mr. Paul Reid:** I will make a brief comment on 2019 and 2020. I can get the full figures but, certainly, any extra funding which would have been assigned would have related to Covid and the extra supports we would have had to put in due to Covid, with the various agreements. I will see if I can confirm the other increases but, certainly for 2020, extra expenditure was funded to GPs for out-of-hours services.

**Deputy Colm Burke:** It sounds like a huge increase, in particular when facilities were closed. Another issue is in regard to facilities that closed. For instance, Blackpool, which is on the north side of Cork city, was closed down. With regard to access to the facilities on the south side, there is no public transport, so a facility was closed down that people on the north side of the city and the rural area on the north side previously had access to, whereas the south side was far more difficult for people to get access to. Where are we going in regard to the development of facilities in Cork, in particular when we are spending that kind of money?

**Ms Anne O'Connor:** I might come in on that. In terms of how out-of-hours services work and their funding, it is not just for face-to-face consultation. A lot of the work that an out-of-hours service does is over the phone. They have nurses who triage people, so if people phone an out-of-hours service, they will be triaged by a nurse in the first instance, they may then be triaged by a doctor, all over the phone, and it is only if they need to present in person-----

**Deputy Colm Burke:** I know that.

**Ms Anne O'Connor:** The activity still goes on over the phone.

**Deputy Colm Burke:** Could we have a reason for the substantial increase in funding and how that funding was allocated during that period? Those are the figures I have. I know the witnesses may not be able to give that to me now but they might give it to me subsequently in writing.

I want to move on to deal with the issue in regard to the value for money report in regard to nursing homes. We have been waiting nearly three years for this report. Why can this report not be laid before the Houses of the Oireachtas? Where are we with it now? In regard to the whole nursing homes issue, additional funding was provided under TAPS, the temporary assistance payment scheme. What allocation went to the public nursing homes as opposed to the private nursing homes? For example, under the fair deal scheme, €768 million is going to the private nursing homes and €356 million to the public nursing homes. Additional moneys were provided during Covid. What element of that went to the public nursing homes and what element went to the private nursing homes? Could we have a breakdown of those figures?

**Mr. Paul Reid:** I might ask Mr. Mulvany to clarify some of those figures.

**Mr. Stephen Mulvany:** The TAP scheme only applied to the private nursing homes. It is roughly €6 million a month so, in 2020, it was about €70 million-odd. From it started until about the middle of this year, about €120 million of support has gone to the private nursing homes.

**Deputy Colm Burke:** The question I am asking is what additional funding was then provided to the public nursing homes at the same time and what additional supports had to be put in place.

**Mr. Stephen Mulvany:** The reality is that the public nursing homes incurred additional costs, which are also set out in the annual financial statements. Their other fixed costs were of the order of €55 million to €57 million, up from about €22 million or €23 million the previous year. They incurred additional costs because their occupancy levels would have fallen. I do not have information on the value for money report.

**Deputy Colm Burke:** What is the difficulty with the value for money report? This has been going on for over three years and costs have increased in the meantime. There are complaints from the private nursing homes about having difficulty retaining staff, but part of the problem is funding. The other issue with funding is this. When people go into a private nursing home, they are assessed as regards the level of care they require when they are admitted. As I understand it, if their health disimproves and they need additional care, there is no provision for the cost of their care to be increased or for additional funding to be provided by the HSE under the fair deal scheme. Could we get some clarification on that?

**Mr. Paul Reid:** I am not sure if our colleague in the Department wants to make a quick comment.

**Mr. Kevin Colman:** The value for money review has been presented to the Minister. A departmental response is being prepared which will form part of the memorandum for Government, which will be laid before the Oireachtas. Unfortunately, I do not have a timeline for that at the moment.

**Deputy Colm Burke:** In fairness, it was to be published in quarter 2 of this year. We are now into quarter 3 and we will soon be into quarter 4. Is it going to be published by the end of quarter 3?

**Mr. Kevin Colman:** I cannot give a definitive position on that. I know the preparation of the memo is advanced. We would certainly hope to have it by quarter 3 but I cannot be definite.

**Deputy Colm Burke:** Can the Department respond to the Committee of Public Accounts setting out a guide as to when is likely to be published?

**Mr. Kevin Colman:** We can do that. We will certainly come back to the committee with a timeline on when we hope to have the memo for Government presented.

**Deputy Colm Burke:** I raised an issue about people who are admitted to a nursing home and for whom a weekly fee is agreed and who then need additional support, for example, 12 months later. Are we looking to vary that scheme in any way?

**Ms Anne O'Connor:** The amount that a nursing home gets for an individual for the cost of care is fixed. The InterRAI assessment, which is a common assessment, is being rolled out and we are recruiting a lot of new assessors, so in terms of assessing the changing care needs of individuals we are moving towards that. That does not mean that the cost of care in an individual nursing home will flex up and down. We are working towards having a more up-to-date assessment. It also allows us to support people. Another criticism is about the lack of support for assessment, for example, for equipment, aids and appliances. It helps with all of that and assessing what an individual's need is and ensuring that we provide the right supports.

**Deputy Colm Burke:** What is the timescale for when that is likely to be introduced?

**Ms Anne O'Connor:** That is happening now. The InterRAI is there. We have in excess of 100 additional assessors coming in this year.

**Deputy Colm Burke:** Is Ms O'Connor talking about towards the end of the year or earlier?

**Ms Anne O'Connor:** I would have to check the timeframe. It is in 2021. I can check and come back to the Deputy with details.

**Deputy Colm Burke:** An issue was raised in the statement. It is about internal control, on page 122, and relates to payroll fraud. I presume that matter is being dealt with by the Garda. What amount is involved? When did this occur?

**Mr. Paul Reid:** I will make a couple of comments on that and I will ask the chief financial officer to do so as well. The nature of that fraud was surfaced and identified by us as part of the financial returns requested. It occurred over a number of years. That is our understanding of it. I will not go into the details of the scale of the fraud. Suffice to say, it is significant that criminal charges - prosecutions - are being brought. Many issues arise from that case that we have taken on board in internal audits of other organisations and for controls that need to be put in place. A few general issues have come through but, as the Deputy said, it will be part of a criminal case shortly, so I will not go into the full details of it. The chief financial officer might want to give some more instances of what we found.

**Mr. Stephen Mulvany:** It involved a substantial breach of our various controls, all in a particular directly-run facility of the HSE. That local hospital has made significant changes since this was discovered by its teams. The hospital group in which it sits has also gone out to other

hospitals to check whether this is a possible issue in other hospitals. On a national level, our executive management team has discussed this and I have written on behalf of the HSE to all our services with a detailed checklist asking them to carry out a self-assessment on the range of controls relevant for payroll. We have asked them to come back to us by the end of September setting out what their position is with that. At a board level, our audit committee has oversight of this on behalf of the board and has brought in the relevant hospital and hospital group to discuss progress on implementing changes. As the CEO said, the matter will be before the courts shortly and has been with the Garda for some time.

**Deputy Colm Burke:** More than 2,000 organisations are allocated over €5.4 billion. It is a significant task to have checks and balances on every one of them. I presume all of the organisations have the appropriate procedures in place. When the HSE does an audit, is it satisfied that enough safety precautions are in place to deal with something like this?

**Mr. Paul Reid:** The Deputy is correct about the wider set of controls. There are 2,100 organisations, with a €5.4 billion overall spend. We put in place a range of controls. We have completed about 158 internal audits on section 38 and 39 organisations over the past few years. There would be a range of consistent issues coming through that we would put particular focus on relating to governance, delegations, income controls, travel and subsistence.

The controls that we put in place are largely set out in the section 38 and 39 agreements. They range from service agreements with those organisations which spend above €250,000 to grant-aid agreements for those which spend less than €250,000. Those organisations which receive grants of over €3 million have an annual compliance statement. There is a range of controls relating to reviews. As I mentioned in our opening statement, we have our compliance unit and we resource compliance support teams in our CHOs all across the country. We have a range of governance and oversight devices to protect the funding of the State but, inevitably, issues have arisen and some consistent issues have arisen as part of some audits. That is our overall oversight.

**Deputy Colm Burke:** Going back to the service level agreements and the SouthDoc issue, where there is an agreement in place and the agency is not delivering on its side of the agreement, is there a provision for penalties being imposed for such a breach? That does not appear to have occurred with SouthDoc.

**Ms Anne O'Connor:** There is no evidence that SouthDoc was not providing the service. Considerable work has been undertaken to review its activity and costs. Its activity-----

**Deputy Colm Burke:** Two centres were closed down.

**Ms Anne O'Connor:** To go back to what I said earlier, the work of an out-of-hours service is about assessing-----

**Deputy Colm Burke:** I agree with that.

**Ms Anne O'Connor:** Regardless of the centres, people would be sent somewhere. It is not a walk-in.

**Deputy Colm Burke:** Access to two major centres was no longer available to people.

**Ms Anne O'Connor:** They would be referred to a centre. There is another centre in Cork, on the Kinsale Road. If somebody is triaged by the nurse as needing to see a doctor, that person

will be sent to a centre or receive a home visit. Even though those two centres, which are back now, were not operational for that time, patients were still being triaged and sent to a centre.

**Deputy Colm Burke:** Is it not the case that where a centre is closed down and a hospital is closer than a centre, which may be three or four miles away, people will tend to go into the hospital and, as a result, additional people who should be going to a GP out-of-hours service end up in accident and emergency?

**Ms Anne O'Connor:** Not necessarily. The nurse or doctor who triaged the patient would determine if he or she needs to be seen. People will always opt for an emergency department even if the centre is open. The centres are not walk-in facilities.

**Deputy Colm Burke:** I accept that. When people are aware that a centre is closed, they will feel there is no point in ringing SouthDoc and will decide to go to the hospital, such as the emergency department in Mercy University Hospital or Cork University Hospital, rather than going all the way out to the Kinsale Road. That is what tended to happen.

**Ms Anne O'Connor:** We have looked at their activity and costs. A detailed review is being carried out by the CHO in that area. We do not have evidence to suggest that they have not been working or did not deliver a service. The two centres are now reopened but, having said that, their activity would indicate that they still saw a lot of people in the past year, as per other centres.

**Chairman:** The Deputy's time is up.

**Deputy Colm Burke:** It might be interesting to look at how many people turned up to emergency departments who could have gone to a general practitioner's surgery.

**Chairman:** I will allow the Deputy back in for a second round. Deputy Cormac Devlin will be late because he has an engagement in the Dáil and he will hopefully join us later.

**Deputy Verona Murphy:** I welcome the witnesses back. I have some queries about the section 39 organisations. What interaction is there regarding the service level agreement with the service user, the provider and the HSE?

**Mr. Paul Reid:** Is the Deputy's question about the user of the service?

**Deputy Verona Murphy:** Yes.

**Mr. Paul Reid:** We have a number of patient engagements and advocacy groups that we would meet about a range of services that we provide. We meet with and engage with them as part of implementation of policy in the HSE. It would help to inform policy. Some patient advocacy groups are led directly by Anne O'Connor on the operations side and some by our chief clinical officer. There is a range of engagement processes with patient users. The HSE's board has nominees, who are obviously full board members, who came with experience of patient advocacy.

*10 o'clock o'clock***Ms Anne O'Connor:** We are part funders, in the main, for section 39 organisations. There are some section 39 organisations where we provide very significant funding but in many cases we are a part funder, so we rely on the organisation to have mechanisms in place in terms of engagement with those who use their services.

**Deputy Verona Murphy:** Do the service level agreements make provision for transport or

is it made clear that the section 39 organisation provides transport for the service users out of its pocket? Is that catered for in service level agreements?

**Mr. Paul Reid:** They may all differ.

**Deputy Verona Murphy:** That is fine. I have an issue that is recurring in one section 39 organisation in Wexford. It seems that every year we end up at square one. I cannot see the reason for it because initially all the service users understood that the service level agreement included transport. Maybe we could tic-tac on that.

**Mr. Paul Reid:** I will be happy to clarify that.

**Deputy Verona Murphy:** That is fine. Turning to the annual report, what is the overall funding for the home care support package this year?

**Ms Anne O'Connor:** We have about 19 million base hours and additional funding has been provided as part of the winter plan of up to 5 million extra hours. We have delivered about 2.3 million or 2.4 million of that. The challenge for us in relation to home support is not one of funding but in securing home support workers.

**Deputy Verona Murphy:** That is correct and it is the very challenge I am going to ask about. What actions has the HSE taken? I am having difficulty with the HSE in CHO 5 which is telling me that the private providers cannot provide carers either. While we do not seem to have an issue with money, we have an issue with bodies. We are telling people there is a home care package for them but we do not have anyone to deliver it. I have only recently raised this matter in the Dáil. It is is absolutely unacceptable that we have people in beds in hospital whose families want to take them home but, due to the lack of three hours of care a day in some instances, we cannot get those people home. What actions are being taken to resolve that?

**Ms Anne O'Connor:** I completely agree with the Deputy. The notion of having people in hospital who could or should be at home is not one that any of us want to live with. There has been a lot of work done in relation to home support workers. If we go back a few years, our challenge was one of funding. We have two different groups awaiting home support. We have people who have a package and maybe their care needs to be increased and they need more hours and then we have those who are on a waiting list to receive home support.

In the last 18 months or so, we have found a reduction in the number of workers available. This relates, in the main, to two things. The first is that people are not applying for these jobs both in the public and private sector. It used to be that this was a problem in certain parts of the country. For instance, in parts of the south east, unfortunately, there have always been some issues with recruiting these workers into some of the private agencies. However, it is now a national problem. Some of our CHOs are only able to deliver up to 60% of their funded allocation of home support. That is impacting hugely on people such as those the Deputy mentioned - people in hospital who are trying to go home - as well as the disability sector where people are not getting the right in-home supports.

We are working on a number of fronts on this. One challenge is around people not applying for these jobs. They have other income at the moment and are not putting their hands up. Equally, we have identified a problem with training. We are working on a new model to bring people in and providing an internship-type training to try to encourage them. We have found that many of the people who apply do not have the necessary qualifications. They are very well meaning and want to do this work but the reality is that home support work is very rewarding

but also very challenging. It is not an easy job.

**Deputy Verona Murphy:** I could not agree more. I am very glad to hear that as it is something I also mentioned.

**Chairman:** The Deputy has 30 seconds left.

**Deputy Verona Murphy:** I also want to ask about speech and language therapists. I discovered we are not covering for maternity leave across most of our services. Will the witnesses explain that to me? This is critical from an early intervention perspective, particularly with children. Why, in God's name, would maternity leave not be covered for speech and language therapists?

**Ms Anne O'Connor:** I am not aware. I would have said that we have not always covered maternity leave. However, we now have significant funding in our services by virtue of enhanced community care. We have a lot of new posts, etc. I would have to know the specific examples around that. In many areas people do backfill.

**Deputy Verona Murphy:** It is in Wexford. It is well documented that we have children-----

**Chairman:** The Deputy's time is up.

**Deputy Verona Murphy:** I will come back to this issue, which is one on which I will make a recommendation.

**Chairman:** I will allow the Deputy to contribute in the second round. Deputy Dillon has six minutes.

**Deputy Alan Dillon:** We appreciate the witnesses' engagement on these important matters. I raise the funding scheme for section 39 providers. One provider that I have supported locally is Western Care, which does a fantastic job. It is experiencing serious issues providing the quantum of service it is contractually agreed to provide with the funding provided by the HSE. It is not authorised by the HSE or its board to exceed the level of service provision in the absence of adequate funding. However, demand for services is increasing and applications for funding are not being addressed.

Western Care has experienced serious financial difficulties in recent years. The cost of service provision exceeds the funding received by the HSE, which is leaving it in a position where it has no option but to implement cost containment measures. That is having a huge negative impact on those most in need of the services and their families. Demand for services is increasing and applications for funding are not being addressed. Western Care has told me it has submitted over 135 business cases to the HSE, with a value of €11 million, over the past three years and the HSE has responded to very few of them. How is the HSE dealing with specific requests for additional funding from service providers such as Western Care?

**Mr. Paul Reid:** The Deputy is correct. There is signficant demand for services, not just from section 39 providers. Section 39 providers account for about 28% of the total €5.4 billion grants to section 38 and 39 organisations. Many section 39 organisations have deficits and are having issues with demands for services exceeding funding. It is a big challenge across the health service. We engage with the organisations. Comparing 2020 with 2019, significant extra funding was provided to recognise the Covid demands on all section 38 and 39 organisations.

I fully understand the issue the Deputy is raising. We receive those requests on a regular

basis. We allocate funding based on Government funding in the Estimates and the budget, based on the national service plan. Those demands are increasing, particularly for section 39 providers, but we can only allocate the funding to the extent that we have it. The demands on all of our services are a big challenge. We receive them, review them and allocate to the best extent we can.

**Ms Anne O'Connor:** On Western Care and the disability sectora lot of work is going on in the west with the relevant disability providers. Nationally, the disability organisations in particular are very challenged with their funding. The demand is going up, as the Deputy said. We are looking at the funding of the organisations in our engagements, as Mr. Reid said. Equally, we are looking at the whole model of delivery of disability services to ensure we are making the best use of the funding available for all organisations, including Western Care. I would say the disability sector is the most challenged. There are many organisations in the same space as the one the Deputy set out.

**Deputy Alan Dillon:** I hear what Ms O'Connor is saying but the reality on the ground is that the HSE managers have very limited access to funds to support the business cases. Western Care was informed by the HSE that funding would be only allocated for 44 emergency places for the whole country in 2021. If that is the case, the business cases that Western Care is submitting are falling on deaf ears. That does not reflect what people in the west - in counties Mayo, Galway and Roscommon - need. Covid has shone a spotlight on this.

There is pent-up demand and the lack of adequate funding to support families in the short, medium and long term is causing real suffering. That must be addressed. What I hear today does not give me or the people I represent confidence. There is a huge issue around section 39 organisations. There is no capital funding available for Western Care to properly renovate its existing stock. There is no plan to support the development of new facilities for both day and residential services, apart from what was available under the Covid-related minor works scheme. Significant issues arise, even in rural constituencies. There is no funding for transport provision, which is fundamentally important for both day and residential services, especially given the geographical spread in Mayo. These are the issues that are coming up day in, day out from this type of provider and we must address them.

Regarding the increased number of referrals of children for autism supports, Western Care has had no increase in funding for autism support workers in recent years and that must also be addressed. We are spending large amounts of money. Western Care has more than 940 staff supporting a massive county like Mayo.

**Chairman:** The Deputy's time is up.

**Deputy Alan Dillon:** What we need is action to address the deficits.

**Deputy Paul McAuliffe:** I am going to stay on the section 39 organisations. First, I will deal with pay. Decisions were made in December 2020 regarding pay restoration, with a further phase in May 2021. What level of compliance has there been on that within section 39 organisations?

**Mr. Paul Reid:** Does Deputy McAuliffe mean compliance with the allocation of the pay increase?

**Deputy Paul McAuliffe:** Yes.

**Mr. Paul Reid:** Our understanding and expectation is that what has been agreed is applied. We have not had any indications that organisations have not done so. I might ask the chief financial officer to comment on that.

**Mr. Stephen Mulvany:** Yes, the post-FEMPI pay restoration process for section 39 organisations is proceeding. It has been funded last year and this year and we are pursuing funding for it for next year. As far as we are concerned, as Mr. Reid said, individual section 39 organisations will be proceeding with that, but there can be ongoing difficulties with organisations and their staff representatives around the pace of that.

**Deputy Paul McAuliffe:** I use that as an example of the level of oversight and governance we have in respect of the section 39 organisations. We expect the implementation of a pay increase to happen automatically but there is non-compliance in many areas of policy, for example, procurement. What level of oversight is there of procurement and pay policy regarding section 39 organisations?

**Mr. Paul Reid:** I will make a brief comment. From the range of oversights I touched on with the previous Deputy, in particular in some of the internal audits completed by the HSE on some section 38 and 39 organisations, a range of issues come up, no more than for ourselves, as the Deputy has just outlined. Issues arise relating to board governance, travel and subsistence, income controls, procurement, purchasing, segregation of duties, human resources, HR, and petty cash. I am not saying they all default and they all have those issues, but they would be some of the consistent issues that arise. A lot of these organisations are registered as charities and have their own boards. They are accountable and the board members are accountable. We provide an oversight in some cases for a portion of their total income streams, but they are the consistent issues that come up as part of audits.

**Deputy Paul McAuliffe:** Despite that, the service user sees them as just another outlet of the health service and would not often be aware of the underlying structure. We do not have a sufficient level of oversight and governance of some of these organisations. During Covid, we saw that we did not have a sufficient level of control, in particular over service delivery. Have we analysed whether the section 39 model is the way to proceed?

**Mr. Paul Reid:** In terms of policy, it is, as the organisations are a major part of the service provision in the Health Act 2004. They are a part of the health system and the delivery of services and they provide a very valuable service. While I have highlighted some of the governance issues that arise, overall, as Deputy McAuliffe is aware, they provide a very valuable service for service users and in particular for the health service. We see them as a valued part of the service providers going forward.

**Deputy Paul McAuliffe:** I appreciate that is Mr. Reid's view. The question is whether there has been a systemic review of the governance, compliance with procurement and benefit for service users of the section 39 model.

**Mr. Paul Reid:** There has not been a systemic review specifically on the section 39 model, but in terms of the overview or issues that may emerge, which I have just raised, they are all incorporated as part of the normal service engagements that happen between service managers in the HSE, the section 39 providers, and others, and ultimately and equally into the service agreements and the grant-aid agreements that we have in place.

**Deputy Paul McAuliffe:** Does Mr. Reid have any insight into the level of compliance as

regards the targets set for service delivery, that is, what was agreed in the service level agreement, and what was delivered? What percentage of organisations meet the targets?

**Mr. Paul Reid:** I might just ask my colleague who oversees the process to make some brief comments and then I will come back.

**Mr. Joe Ryan:** All of the organisations are reviewed locally by the local service managers in terms of the services delivered. With Covid and other challenges over the past year, the provision of service has been challenged due to the unavailability of staff who are close contacts and the various issues that have arisen.

In terms of the monitoring of compliance, we have a number of measures which have been outlined to the Deputy such as our annual compliance statements. They are detailed in terms of compliance with procurement and other procedures the organisations have to comply with, such as public standards. Any organisation with funding of over €150,000 has to provide annual financial statements and any organisation with funding of over €250,000 has to provide a more detailed statement on compliance with corporate governance, procurement and other control measures. The statements that are submitted to us are all reviewed by our teams in the CHOs. The CMSUs, to which the CEO referred to earlier and which are being resourced at the moment, are assisting the services in doing a more detailed analysis and supporting their engagement with the service providers.

**Chairman:** The Deputy's time is up.

**Deputy Paul McAuliffe:** I am not undermining in any way the work of many of these organisations. In fact, sometimes they struggle with the level of funding, in particular capital funding, that they need to grow their services. My question is whether the section 39 model benefits them, the service user or the State. I cannot see the benefit of a system which puts obstacles in the way of the State being able to act in the way it would in a more direct provision model.

**Chairman:** Mr. Reid can make a brief response.

**Mr. Paul Reid:** They are big policy issues. One of the benefits of the section 39 organisations in particular is that they are local, have buy-in and have other funding sources which they can secure above and beyond State funding. They have many benefits at a local and regional level and in terms of the engagement they get from the public and service users.

**Deputy Cormac Devlin:** I welcome Mr. Reid and his colleagues and I thank him for his opening remarks. I apologise as I was not here at the time, but I have read his statement since.

I will start with the grant-aid agreements, which have been a welcome addition to the entire process for section 38 and 39 organisations. There is a little bit more certainty and there is good engagement between the relevant CHO and the organisations.

I also welcome the fact that contract management support units are being established across the nine CHOs. I have a quick question on the grant agreements. Where an organisation exists, but spans several CHOs, surely it would make more sense to have a single service level agreement or grant agreement with one particular body of the HSE rather than multiple grant-aid agreements? Is there a process in place for such a thing? I am not aware of it but I will ask that initially.

**Mr. Joe Ryan:** Yes, we are trying to move to where there is a lead CHO that contracts with organisations that deliver in more than one area or region. We are making progress in that regard.

**Deputy Cormac Devlin:** Good. That makes sense. I thank Mr. Ryan for that clarification. In terms of the capital programme, to which Deputy Dillon referred, there is a real need for many of these section 38 and section 39 organisations, which either lease or maybe own their own building, to access capital funding. Is there any plan coming forward for that?

**Mr. Paul Reid:** The reality is that capital funding for the health system is quite challenged overall, particularly with the children's hospital project and other major infrastructural projects. It is a tight pot of availability. It is reviewed based on all health needs, not just the HSE's, but those of section 38 and section 39 organisations, but it is limited funding. We certainly feel that capital as a proportion of our total expenditure on health is tight, although it has been increased in the last few years. However, it is an available window that we have. Our capital review teams review all submissions they get and try to fund over a period of years and build them into a three-year programme. Mr. Mulvany might comment.

**Mr. Stephen Mulvany:** The voluntary organisations under section 38 and section 39 represent about a quarter of our overall revenue funding but they receive about a third of our overall capital funding. While the overall capital is limited, as the CEO said, it is finding its way to section 38 organisations and some section 39 organisations proportionately more than on the revenue side.

**Deputy Cormac Devlin:** It is very hard for those organisations to try to access capital funding. While I appreciate it is limited, particularly in urban areas such as Dublin, where we need extra capacity for some of these organisations, the benefit of unlocking capital funding is that it could expand those much-needed services.

To stay with the section 38 and 39 organisations, I want to ask a few questions on the internal audit. There are anomalies with the Charities Regulator as well, and I would ask the HSE to examine that aspect. The Charities Regulator is asking some of those independent boards to do one thing and the HSE audit is saying it is frowned upon, so there are some anomalies there. How many audits have taken place since the publication of the Comptroller and Auditor General's 2016 report and what is the breakdown between random and targeted audits?

**Mr. Paul Reid:** I can give some figures straight off and I can give some more in a couple of minutes, when I get my notes. Under section 38, 158 audits were completed by internal HSE audit in the period 2014 to 2021, although I will have to clarify if that is the correct period. Certainly, in 2020, there were a limited number, due to Covid and redeployment of most of our internal audit teams.

**Deputy Cormac Devlin:** Does Mr. Reid have a breakdown between random and targeted audits? He can come back to me on that if he wants.

**Mr. Paul Reid:** They would primarily be part of our internal audit annual plan and they would be done on a needs basis or targeted, as the Deputy said. Primarily, they are programmed audits as part of our annual plan.

**Deputy Cormac Devlin:** I have limited time. In terms of the integrated financial management and procurement system, which is known as IFMS, I know that over the last couple of weeks, and even for the last number of years, the IT systems across the HSE have been ques-

tioned. What impact have the cyberattack and the pandemic had on the original budget for the financial management and procurement system within the HSE?

**Mr. Stephen Mulvany:** Overall, the capital budget for the IFMS programme is €82 million, which covers external costs. The impact in terms of both Covid and the cyberattack is that it has cost us approximately 12 months in time, as per the briefing we sent to members. The cost impact of Covid and the cyberattack on the programme is of the order of about €1 million or thereabouts, so it is not substantial in the overall context, albeit it was significant. It is the time delay of the year overall, which we can break down if needed, which obviously is more worrying.

**Deputy Cormac Devlin:** Has the original date of March 2025 to have it implemented been pushed out to 2026?

**Mr. Stephen Mulvany:** No, the original date was the first quarter of 2024. Because of the first and third waves of Covid, the cyberattack and planning difficulties, that has been pushed out to quarter 1 of 2025.

I need to mention to members that, in recent weeks, we have been engaging with our external third party, what is called a systems integrator, that is, an expert professional firm which is assisting us with this programme. They have indicated to us that they have difficulties in commercial terms in meeting the contract because it is a fixed price contract. We are exploring with them all the options around how to deal with that. As the Deputy can imagine, it is fairly commercially sensitive. The project continues and is simply suspended in order to stop accruing costs. We have suspended an element of the billed work which they are completing but we are proceeding with the rest of the project, and we are working with them on the various options. Those options may include securing a different systems integrator through a procurement process. Again, we are very mindful that any procurement process will take more time, so we have tasked the team to look at all the options to mitigate any further delay to that quarter 1 of 2025 target of having 80% of the health system, including the voluntary organisations, on a single finance and procurement system. Those negotiations are under way at the moment and, as I said, we are exploring the various options to deal with the issues.

**Deputy Cormac Devlin:** The HSE might correspond with the committee.

**Chairman:** Deputy Devlin should conclude. I will let him back in later. I call Deputy Sean Sherlock.

**Deputy Sean Sherlock:** I want to ask Mr. Reid if he is aware there is a proposal by the HSE to close the Owenacurra centre in Midleton, County Cork, where 19 residents will be rehoused across a number of other settings throughout the county and possibly beyond.

**Mr. Paul Reid:** Yes, I am well aware of that. I know there was a presentation yesterday by some of the HSE team to the Joint Committee on Health to set out the issues in regard to Owenacurra, which, on inspection and review, was found to be beyond refurbishment in terms of the costs allocated to it. I know a very strong commitment was given by the HSE teams at a national and local level for the service users of that site to be managed in a very sensitive way over a period of time. The original dates were October of this year but that has been pushed out to manage each case on a case-by-case basis. Certainly, the costs associated with any refurbishment were well beyond any benefit that could accrue over the long term.

**Deputy Sean Sherlock:** I have two points. First, we still do not have sight of what the

costs of refurbishment would be. Second, it is our understanding that it is proposed to rehouse or rehome some people in institutional settings like St. Stephen's Hospital in Glanmire and also in St. Catherine's, and possibly on the site of St. Finbarr's Hospital in Cork. If it is the case that the HSE is proposing to re-institutionalise people at a time when the HSE policy and Government policy is to decongregate, I think that would be taken very seriously. I ask that the HSE take another look at this decision on the basis that people are very concerned, given where it is proposed that people will be sent to, in that this further institutionalises them. All I am asking at this stage is that Mr. Reid take another look at this and run the rule over it, as chief executive officer. I will leave it there.

SouthDoc is very important. During the pandemic, a number of cells were taken out of action, and that is the fact of the matter. Mitchelstown and Fermoy, as well as the Cork centres, were taken out. This meant that cars were going much further afield to cover off services on an out-of-hours basis. It meant that doctors were much more stretched, if they were doing home visits. Please do not tell us how the service works. We know how the service works. There is a fear that the €7.5 million of taxpayers' investment in this service is not buying enough scrutiny of the service that is being provided, notwithstanding the fact it is a separate entity. There is a presence by the HSE on the board of SouthDoc. To my mind, that buys the taxpayer and the HSE greater scrutiny of how SouthDoc operates.

On Deputy Colm Burke's point, which he ran out of time on, I share his view. More and more people are now going to Cork University Hospital, CUH, on an accident-and-emergency basis and bypassing SouthDoc because they do not feel confident that they will be seen at times by SouthDoc. We need to deal with perceptions in the public mind as to how SouthDoc operates. I am very familiar with the Mallow service and the Mitchelstown-Fermoy service. They are excellent services staffed by brilliant people. I could not say enough good things about them. However, we do not have a service in Youghal out of hours. Someone who phones from Youghal is expected to go to Midleton. That is a journey of about half an hour. The services at times are stretched between the Waterford border and the Kerry border.

There needs to be a review of how SouthDoc operates. It is our view that the €7.5 million investment of taxpayers' money buys the HSE greater scrutiny to ensure that it is triaging and building out a public message in a way that ensures that if people can avoid the accident and emergency department in CUH and go through their local services, while those services are very good, there might need to be a greater degree of scrutiny or some sort of review as to how the services operate, particularly within the city. There needs to be a look back on why the Blackpool and Fermoy-Mitchelstown services were closed because the HSE took out a massive geographical area there. They were taken out during the pandemic. I ask - this is my only ask - that the HSE look back on how SouthDoc operated during the pandemic. A little report could be furnished to Members of the Oireachtas or there could be just a look back on the basis of what lessons can be learned, how the service, which is by and large an excellent service, can operate more efficiently and whether it can cover more sufficiently east Cork. I am convinced that it is not covering the Youghal area. It does not have sufficient resources to cover the Youghal area and ensure that people in Youghal or further afield are not forced to go to Midleton or onward to Cork, directly to an accident and emergency department.

**Chairman:** I ask Mr. Reid to respond briefly.

**Mr. Paul Reid:** I reassure Deputy Sherlock that there was, has been and continues to be a lot of engagement with SouthDoc, particularly in terms of the restoration of the services in the two sites that were closed. The out-of-hours services provide a valuable service. I do not

disagree with the Deputy. Another Deputy mentioned the issue of people going to emergency departments, EDs, as opposed to using their out-of-hours service. That is a confidence issue and we want to build up confidence across the board, not just in SouthDoc, for people to value their services and use them. We know that the impact on our EDs can be significant if people do not value those services. That will be part of our constant review with them. I assure the Deputy of that.

**Deputy Catherine Murphy:** The witnesses are very welcome. What is the status of the Department of Health's value for money review of the nursing homes support scheme? That report has not been published yet. When is it likely to be published and will it be out of date when it is published? Covid certainly shone a light on deficiencies. It is one thing paying for a service; it is another thing for that service to be adequate. The lack of staff ratios is a case in point. Do the witnesses have any update on when that review will be published or if it is being looked at again in advance of its publication because of Covid?

**Mr. Paul Reid:** I know that our colleague in the Department, Mr. Kevin Colman, mentioned earlier that there is a memorandum being put together for the Minister in terms of bringing that forward to the Government and for publication. I will let him comment. I am not in a position to give confirmation of the date for that but it is in process, as far as I understand. Mr. Colman-----

**Deputy Catherine Murphy:** Yes. It started in 2018. We know there has been a pandemic, but it is probably all the more important now than in 2018 not only that it is a value-for-money audit but also that it compares quality of service and value for money.

Reference has been made to the 2016 audit, which showed significant weaknesses, and that has been stated each year. What are the sanctions for non-compliance? Has the HSE applied sanctions for entities that have been consistently non-compliant or are not addressing the issues?

**Mr. Paul Reid:** I will ask my colleague, Mr. Joe Ryan, to summarise that.

**Mr. Joe Ryan:** Sanctions would not be our first resort in terms of trying to deliver services-----

**Deputy Catherine Murphy:** Sorry, but I will stop Mr. Ryan there. I have a very short time. I know sanctions would not be the first thing the HSE would start out to do but they have to be available if there is non-compliance. I really want to get to that net point. Are there sanctions? What are they? Have they been applied?

**Mr. Joe Ryan:** I would have to come back to the Deputy with any specifics on that or any statistics related to it. I do not have that information to hand. The local management teams engage constantly with the service providers in terms of the quantum and the quality of the service provided.

**Deputy Catherine Murphy:** Yes, but if there is an entity that is consistently non-compliant, will the HSE come back not just to me but to the committee with that information? It is very important that we see how exactly the HSE deals with non-compliance.

**Ms Anne O'Connor:** We do issue notices under the service arrangements, so where an organisation is consistently non-compliant, it gets a notice under the service arrangement and we then work with it. In the main, we have had a couple of organisations, one quite publicly

of late, with which we have had significant difficulties. We have issued notices but we have worked with them and their boards in general to turn that around because, clearly, a lot of these organisations provide very valuable services that we want to sustain. However, we do issue notices under the service arrangement.

**Deputy Catherine Murphy:** It would be useful to get a list of those notices and to understand what issues they are addressing.

On another issue, in the Comptroller and Auditor General's report - again, this relates to the 2016 audit - Enable Ireland is the organisation at hand and a breakdown is given of the amount paid right across the country. Kildare and west Wicklow, which would have a population of approximately 250,000 and a disproportionately young population with new needs, does not have a history of having organisations already in place because it is a growing area. I note, however, that it got one of the lowest amounts of money in that distribution model. Mayo, for example, got €888,000, with Kildare and west Wicklow getting €83,000. There may well be a good reason for that. I do not think there is any part of the country that could boast that it has an exceptional service because they will always be stretched. However, is there an objective resource allocation model for the delivery of services? When it came to, for example, the distribution of new staff around the time of the crash, where there was a relaxation of the embargo on recruitment of staff - for example, speech and language therapists and other therapists - Kildare in fact got a disproportionate number relative to the rest of the country because it was so deficient and the staff were distributed on an objective resource allocation model. Is that the model or is it just that there is an offering coming from services?

**Ms Anne O'Connor:** Is that across the board or in respect of funded agencies? The Deputy mentioned Enable Ireland. It would get a budget or money from us and would determine how it needs to use that in line with us. However, if the Deputy is talking about a resource allocation model, we have looked at that in certain instances - for example, in some of our disability services and in our primary care services, looking at the population-specific needs.

As for the realities she mentions, Kildare has come from a very low base in terms of disability funding and primary care funding. We have been working with it, so it was one of the first pilot areas in terms of the in-school supports, etc. We are working with it.

As for disabilities, I emphasise that the funding of disability services is a huge challenge for us. The demand far exceeds the available resource, in terms of both early intervention but, equally, the emergency supports we talked about and emergency placements. To answer the Deputy's question briefly, we are looking at more population-specific resource allocation. It is a model we are growing, although it is not there everywhere, and we are seeking to do more and more of that in line with Sláintecare, particularly as we roll out our enhanced community care and health networks.

**Chairman:** Deputy Murphy may contribute again in the second round. Deputy Munster has six minutes.

**Deputy Imelda Munster:** Last week, I asked Mr. Reid if there would be any questions arising from the purchase by the HSE of PPE that was unusable and I was left with the impression that the answer to that question was "No". The document I am holding up, received under a freedom of information, FOI, request, indicates that the hand sanitiser referenced last week was only one of 30 in respect of which the HSE was engaging with the Department of Agriculture, Food and the Marine to ensure compliance. As members can see, almost all of the information

is redacted. I accept that some of the products listed may well have been donations and that some may have been cleared. How many of the products purchased by the HSE have, to date, not been cleared for use and what is the total value in that regard?

**Mr. Paul Reid:** I will answer the Deputy's question giving a few perspectives. Last week, we summarised on the issue around PPE. There was a significant write-down, which is an accounting issue in terms of the realisable value at the year end, of the stock in total. As part of that, there was an approximately €64 million cost in regard to PPE suits. The preference is always to have gowns applied in terms of PPE for clinical front-line staff. When gowns became available at a later stage in the pandemic, we moved to the use of gowns. That was part of the issue. There were other issues, as just mentioned by the Deputy, in terms of the hand sanitisers based on a specification by the Department of Agriculture, Food and Marine, which were recovered from the system and placed in quarantine. There was a value associated with those as well. As far as I understand it, there were issues with FFP2 masks as well. They are the issues to which I can point straight away. The write-down value in total, as stated last week, included the €64 million in terms of suits.

Mr. Mulvany might want to add to my response.

**Mr. Stephen Mulvany:** At the previous meeting, we referenced the hand sanitisers and the issues in that regard with the Department of Agriculture, Food and the Marine. That covers all of the relevant hand sanitisers. We also said that we were not aware of any other stocks. Since then, we have become aware, as referenced by Mr. Reid, of 1 million FFP2 masks which an assessment indicates are not fit for purpose. As I understand it, it has been agreed with the supplier that it will replace those 1 million masks. We were not aware of that at the previous meeting, but I am happy to clarify that now.

**Deputy Imelda Munster:** Of the 30 products listed, how many cannot be used and what is the total cost of products purchased by the HSE that are useless or have not been cleared for use?

**Mr. Stephen Mulvany:** I do not have that list. We are not aware of the details of it, but we are happy to send the committee a note on it.

**Deputy Imelda Munster:** I submitted a request and the list forms part of the response I received from the HSE. I ask Mr. Mulvany to explain that.

**Mr. Stephen Mulvany:** We answered the question last week as best we could and we-----

**Deputy Imelda Munster:** For clarity, what is the total cost of products purchased by the HSE that cannot be used? Masks, gowns and sanitisers were mentioned. What is the total cost of all of those products?

**Mr. Stephen Mulvany:** We will have to come back to the Deputy with a note on the issue.

**Deputy Imelda Munster:** This is the HSE's second week before the Committee of Public Accounts. Is Mr. Mulvany seriously telling us it does not know the cost to the public purse of all of the products purchased by the HSE that were not fit for purpose?

**Mr. Paul Reid:** We will give the Deputy any further details we have to hand. We have certainly given her, both last week and this week, details on all available PPE that we were not able to put into use, including gowns, FFP2 masks and hand sanitisers. If there are other issues,

we will-----

**Deputy Imelda Munster:** What is the total cost in that regard?

**Mr. Paul Reid:** We will provide a summary note outlining all of the details. I was a little short last week in terms of providing a little bit of context, which it is important to provide for the committee and the public. When we were in the middle of a complete world chase for PPE, we erred on the side of protecting the public and our staff.

**Deputy Imelda Munster:** I understand that, but the HSE appears to have spent more than any other country on PPE that cannot be used.

**Mr. Paul Reid:** No. That is incorrect.

**Deputy Imelda Munster:** I will repeat the question. Does Mr. Reid have the total cost to the HSE in respect of the purchase of PPE that was not fit for purpose and is that figure likely to change?

**Mr. Paul Reid:** We provide in the accounts the total cost of PPE-----

**Deputy Imelda Munster:** For the public record, what is that cost of PPE that cannot be used?

**Mr. Paul Reid:** We provided the total cost of PPE and the total cost of realisable value at the year end of certain stock items. We provided a cost of €64 million which relates to suits but, instead, we will use gowns. There are two points to be made. We will revert with a summary table of PPE in stock that cannot be used. Nobody should ever lose sight of the challenges to which our teams were working across the board and how this health system punched well above its weight, with the support of our international ambassadors, IDA Ireland and many agencies of the State.

**Deputy Imelda Munster:** We accept all that. This is the Committee of Public Accounts and we are tasked with assessing transparency procedures, practices and so on. To date, we still do not have a figure for how much was spent by the HSE on products that cannot be used because they were not fit for purpose. Will Mr. Reid accept that he cannot give me that figure?

**Chairman:** Sorry, Deputy, Mr. Reid does not have the figure to hand. I know the Deputy is anxious to get it. We are all anxious to get it. If any of the HSE officials are able to elicit the figure before the end of the meeting, I ask that they do so. If not, I ask that the information be supplied to the clerk of the committee and Deputy Munster within a week or two. We must move on. The Deputy is out of time. I call Deputy Carthy.

**Deputy Matt Carthy:** We are moving to the point of the pandemic where people are wondering what shape our health services will now take and how we will address some of the deficiencies in our health services that have been exposed. I would like to go through some of the areas where they may be particular issues with Mr. Reid.

The following figures are from August. The waiting list for breast surgery in 2019 was 89. In 2020, it increased to 113. Is Mr. Reid aware of the number in respect of the current waiting list?

**Mr. Paul Reid:** I am sorry, Deputy, I do not have it to hand.

**Deputy Matt Carthy:** The figure I have is 151, but that may be a month or two old.

**Chairman:** Is the Deputy referring to 151 weeks?

**Deputy Matt Carthy:** No. My understanding of the figures is that there are 151 individuals awaiting breast surgery. Can Mr. Reid outline how many of those 151, assuming that is the correct figure, will be addressed by the end of this year and what proposals are in place to eliminate that list?

**Mr. Paul Reid:** Again, we can certainly provide a summary note across all of the cancer care programmes, particularly BreastCheck, in terms of the current waiting lists and timeframes. On the general question in terms of the impact of Covid, there is no doubt, particularly in terms of BreastCheck, that infection prevention control measures throughout Covid had significant impacts on our services across the board and still have to be done in a very different way. Our teams in all of the cancer programmes are very focused on that as a priority but the Deputy is correct that cancer services, in particular BreastCheck, were impacted throughout Covid.

**Deputy Matt Carthy:** In regard to orthopaedics, the waiting list figures are 9,879 for 2019, 10,282 for 2020 and 9,698 for 2021. It would appear the figures are stable. They are outlandish but stable. Why is it that in regard to orthopaedics we are in a position to manage numbers whereas in almost every other area the numbers increased exponentially?

**Mr. Paul Reid:** I will make a general comment and then ask my colleague to come in. Some of our elective-only hospitals, such as Cappagh hospital and others, would not have been impacted to the same extent and are not impacted by the same demands that are on our emergency departments. We have, however, seen big impacts across the board. I will ask my colleague to comment.

**Ms Anne O'Connor:** The Deputy will recall that at the beginning of the pandemic, we stopped all scheduled activity other than time-dependent critical surgeries. People were assessed on the basis of their clinical need. We worked with the private hospitals in terms of referring the most urgent cases. Our waiting lists did grow. We saw a reduction in them last summer. We managed to stabilise and start reducing those numbers. The surge in infection at the beginning of this year saw us stop all of that activity again, so it is fair to say that all scheduled work has been hammered. Many services have now re-initiated a lot of their activity. We have seen considerable progress in some sites. The national figures give an overall number. When we look at the figures site by site, however, we can see that some sites are doing a considerable amount of scheduled activity.

On cancer care, we have sought to prioritise. Within those numbers, as with any waiting list, people are triaged and the most urgent will be seen first. That is what we did during the pandemic.

There are different responses in orthopaedics and other specialties. The numbers are huge when one looks at the overall waiting list but the inpatient and day-case lists have been dealt with and in terms of stabilising, they have come back more quickly. Our longest lists relate to outpatient activity. We are coming up with different ways of working to address those lists. We are currently in the process of agreeing some immediate actions around reducing some of those lists.

There has been a significant increase in our unscheduled care activity. The committee will know that the emergency departments in many of our big hospitals are extremely busy. That

drives a lot of the activity in hospitals and means that we continually have to scale back scheduled care. We are constantly trying to manage the balance between unscheduled care and the activity the Deputy is talking about. We are seeking to do a lot of activity before the end of the year to make an impact. Critically, we intend to do that before the serious winter flu season kicks in.

**Deputy Matt Carthy:** I will ask some questions of Mr. Reid to outline some of the other figures. The waiting list for an oncology appointment has increased from 32,000 to 94,000 since 2019. The waiting list for an audiology appointment has increased from 16,000 to over 19,000, with 7,000 people waiting more than a year. Are we in a worse position than we may have been due to the historical deficiencies in all of these services?

I will follow on from a response I received to an earlier question. Does Mr. Reid accept that difficulties in terms of presentations to accident and emergency departments are accentuated by the fact that there are delays in all these other treatments? People who should have been scheduled for other appointments are presenting to accident and emergency departments.

**Mr. Paul Reid:** I will take the three parts of the Deputy's question in the round. Covid has had a severe impact on our health services overall in terms of waiting lists and delayed care. We can see in our emergency departments that many people have delayed their care during Covid. We can see that because of the volume of patients, the frailty of some of them and the severity of their illnesses. As my colleague outlined, delaying non-urgent care was a part of our response to the pandemic. Health services have certainly been hugely impacted over the past 18 months.

We in the HSE and the Department are anxious to put together a kind of restoration approach, not only to deal with non-Covid illnesses but also to address the size of waiting lists. We want to do that from a few perspectives. We will, first of all, look at how we can increase capacity in the public system. That will mean significant extra recruitment and resourcing, for which we have funding. We have approximately 10,500 extra resources compared with January 2020. We have approximately 4,500 extra resources for 2021. We will probably add another 3,000 before the end of this year. On top of that, we have approximately 3,200 people working on our testing and tracing and vaccination programmes as agency staff who we want to convert to full-time employment. We have funding for resourcing.

This will be a significant challenge for the health service as we move to an approach that looks at increased public capacity. Increased utilisation of private capacity is also part of our plan. We are also examining a completely new way of delivering many of our services, using many new technologies and medical supports. We are going to take a comprehensive approach but it will be a massive challenge.

**Chairman:** I wish to return to the integrated financial management system. In 2014, as I understand it, there was recognition that such a system was needed. A decision was made to go ahead with it. In 2017, as I understand it, SAP was appointed. I noted Mr. Reid's earlier response on the matter. My understanding is that it has now entered design stage, or that was the stage it was at a week or two ago. Phase 1 of the project was to be completed by May 2024. There has been a delay of 12 months, obviously, and the Department and the HSE have said that is due to Covid-19. Phase 2 of the new system is to be completed in March 2025. I wish to ask a couple of questions in that regard. Assuming those targets are met, that is a full nine years after the recognition of the need for such a system and the decision to go ahead with it. Will the whole system be out of date? Mr. Reid, in reply to an earlier question, mentioned that the company concerned now appears to be out of the frame and a new company is being brought

in. Does that mean we will go back at the starting blocks? If the first company has dropped out, is there a liability in terms of payment? How much in payments has that company already received?

**Mr. Paul Reid:** I will invite my colleague to answer that question.

**Mr. Stephen Mulvany:** The software platform is provided by SAP. The SAP S/4HANA platform was procured in the middle of 2017. It will definitely not be out of date because part of the overall process is ongoing upgrades of the system. That is one of the reasons we would go with a first-tier company such as SAP.

As we said in the briefing, the timeline for getting to 80% of the publicly-funded healthcare system, including voluntary organisations, by quarter 1 2024 has been pushed back by Covid and the cyberattack to quarter 1 2025. The current systems integrator, as I have said, has indicated commercial issues about living within the fixed price contract. One of the options may be, as the Chairman indicated, that we will have to secure a different company. I will have to come back to the Chairman with the exact figure for the payments that have been paid to date. The contract is fixed price, as I said, but it is also staged and the company is only paid for deliverables on specific milestones.

**Chairman:** Mr. Mulvany said he will come back to me with an exact figure but what is the generally accepted figure for what it has cost to date?

**Mr. Stephen Mulvany:** The entire contract with this company, including VAT, is approximately €19 million. The design phase was completed last July.

**Chairman:** Was that figure €19 million or €90 million?

**Mr. Stephen Mulvany:** Approximately 30% of that will be due at design phase. We can check what has actually been paid and come back to the Chairman.

**Chairman:** What was the first figure? I did not pick it up. Was it €19 million or €90 million?

**Mr. Stephen Mulvany:** The figure is €19 million, including VAT. It is about €15.5 million, excluding VAT, and €19 million, including VAT. The design phase is roughly 30% of the process and that phase was completed at the end of July.

**Chairman:** I estimate that roughly €6 million or €7 million has been paid, in that case.

**Mr. Stephen Mulvany:** That amount would not have been paid to date. Some of that money will be due. I will come back to the Chairman with an actual figure.

**Chairman:** Okay.

**Mr. Stephen Mulvany:** The key issue is that when design is completed, one gets a detailed design. We are obviously exploring options and this is a commercially sensitive matter. In the event that we need to get a new company, we will have that design and will not be restarting the design process. That is partly why we suspended the technical part of the build, albeit the overall project completes, because we are seeking to ensure we are not accruing costs when there is a potential that we will have to get a different external systems integrator. We will take the design we have already and we will ask an alternative company to build it for us.

**Chairman:** Could I clarify something in the value for money report on nursing homes with Mr. Coleman? That has been a while in the making. In March 2000, the Department initiated that process. When will we have that review?

**Mr. Kevin Colman:** As I mentioned, the review has been presented to the Minister and Department. The Department is reviewing it and preparing its response and a memorandum for Government. As I said, I do not have an exact timeline on that, but I will revert to the committee with it.

**Chairman:** We are very interested in seeing that. When will we see the report regarding progress and final costs for the children's hospital? We have been pursuing this matter for a considerable period. The hospital board told us a long time ago that the report had gone to the Department. The Department has had a considerable period to look at it. We are anxious to know about the progress. This is the biggest capital project undertaken by the State and the taxpayer is digging deep for it. We all want to see the children's hospital in place. The committee has been following this closely. Members did a site visit before the summer recess and followed it during the recess. When will the report be available to the committee? We are answerable to the public, as is Mr. Colman. When will we see it?

**Mr. Kevin Colman:** I am not in a position to give an exact timeline. I will revert with colleagues in the Department on the capital side and come back to the committee with an agreed timeline about when we will provide that to the committee.

**Chairman:** Can we expect to have it in the next two or three months? We have been told many times it would be available along with the final costs. I do not expect Mr. Colman to say what the final cost is, although I would like to hear it. I understand there are negotiations ongoing with the contractor. They should not be still ongoing on a project that is two thirds of the way there. It is ridiculous but I will not go back over that ground. We would like to know as soon as possible what are the final costs of the project.

**Mr. Kevin Colman:** I will endeavour with my colleagues to revert to the committee as soon as we can with a timeline on when the report will be available. Hopefully that will include the figures on the final cost.

**Chairman:** Can I expect to see that in the next two or three months?

**Mr. Kevin Colman:** I hope so but I cannot give a guarantee at this time.

**Chairman:** Mr. Colman will stress to the Department officials that we want to see it.

**Mr. Kevin Colman:** Absolutely.

**Chairman:** I will go back to an issue I raised with Mr. Reid last week regarding the ambulance services. I have spoken to people at different levels of the ambulance services. The headline in my local newspaper two weeks ago said "No Ambulance Help 'A Disgrace'". Sometimes headlines are not accurate, but on this occasion, it is. I could rattle off cases where ambulances have been deployed and diverted but time does not allow it.

One case involved a person in part of north Kildare about 50 km or 55 km from Portlaoise hospital. A horse fell on top of this person and he was seriously injured with internal bleeding and all of that. The ambulance came to within 2 km of him but was then stood down and turned back. It was sent over to Athy to deal with a what they were told was an emergency.

The crew diverted but it was not an emergency. Whoever made the call in used words that gave the impression to the person dispatching in the control centre that it was. Meanwhile, another ambulance chased the original call for the emergency and took longer.

There was also an example of an elderly person who waited more than two hours for an ambulance in Clonaslee. There are other examples of people waiting for ambulances that did not show up. The newspaper headline referred to a case where an ambulance did not show up and the people on-site were told not to move the patient. It was a no-show. There are no-shows and late shows.

Insofar as I can ascertain, dynamic deployment can only work if there are huge resources and increased numbers of ambulances and staff. I understand the problem at the moment is the service has between 20% and 25% fewer resources in terms of personnel and ambulances than it needs. In Mr. Reid's estimation, is the capacity of the service 20% to 25% below what is required?

**Mr. Paul Reid:** Throughout 2021 and, indeed, 2020, our National Ambulance Service and crews have been extremely stretched beyond their normal role as 24-7 paramedics. They have been stretched through their involvement in resourcing and setting up testing and tracing programmes. They have been involved in vaccination programmes. Their responsiveness in terms of nursing homes throughout Covid has drawn hugely from their resources and their responsiveness in keeping people at home and out of hospitals to keep them protected has severely stressed the service in the past year.

Specifically on resourcing, we have a recruitment resourcing budget for this year. A number of graduates will be emerging later this year and will be deployed. The service has a continued recruitment budget and allocation. I accept it has been particularly stretched throughout Covid and more resourcing is required for it.

**Chairman:** What percentage shortfall is there? I am aware there are many graduates coming on and I welcome that. Does Mr. Reid accept the service is 20% to 25% below capacity in terms of personnel and vehicles? Could I have a "Yes" or "No", please?

**Mr. Paul Reid:** I ask my colleague to make a brief comment.

**Ms Anne O'Connor:** Yes. At any one time, we have between 160 and 180 ambulances on the road. We estimate we need about 250 ambulances. Every ambulance takes 12 staff. From 2015, we have grown from 1,500 to 2,000 staff. We intend to grow that figure. It is a multi-year plan. We agree that the service is significantly under-resourced. To compare it with Scotland, for example, the latter has approximately 5,000 staff for a similar population and geography. We are working on a multi-year plan to increase capacity and what the Deputy described is a symptom of demand outstripping available capacity, not dissimilar to what we see in emergency departments, etc. The ambulance is part of our unscheduled care pathway and is experiencing the same pressures. The Chairman is right. We need to grow the resource and we are planning to do so.

**Chairman:** Ms O'Connor accepts it is over 20% below what is required.

**Ms Anne O'Connor:** Yes.

**Chairman:** Working groups are examining deployment and that is good, particularly the fact there are front-line staff involved. I mentioned at our previous meeting that ambulances

being dragged from Laois to Cork and Wexford, and all over the place. Am I correct in saying distance is one of the issues being seriously examined by those working groups? I ask for a "Yes" or "No".

**Ms Anne O'Connor:** I believe it is. Certainly we are looking at this. Dynamic deployment is about trying to get to the sickest people first.

**Chairman:** Okay. I was not trying to hammer the witnesses the last day but distance is an issue because of the lack of resources. I thank Ms O'Connor for confirming that. We will now have a second round of questions from members.

**Deputy Cormac Devlin:** I did not get a chance to delve into the financial statements for 2020. On page 146, according to note 6, there has been an increase in agency staff. Is that more staff or higher salaries with the same staff?

**Mr. Paul Reid:** The agency cost rose from 5.8% to 6.1% of our total payroll. It is a combination of increased costs and, no doubt, staff. We have had significantly increased agency staff as part of the testing and tracing programme and the vaccination programme. Ultimately, it is a combination. It has not risen hugely as a total percentage of our pay bill. Mr. Mulvany may wish to add to that.

**Mr. Stephen Mulvany:** As Mr. Reid said, it is a combination of price and volume. The positive news is that the overall percentage is relatively stable. In particular with medical, where the figure was nearly 9% in 2019, which is worryingly high, that has fallen back to 8.3% of our overall medical pay bill. That is a positive move but there is still a concern that medical is so high.

**Deputy Cormac Devlin:** Is there a need to increase the level of agency staff for this year? What is the plan there?

**Mr. Paul Reid:** Our primary focus here is to increase our HSE dedicated resource staff. We have a significant budget this year, as I mentioned. We have about 4,400 staff already recruited. There are likely to be another 3,000 staff recruited before the end of the year. We are making submissions to continue that funding into next year as well. It is the first time in many years. Last year was the biggest year for our recruitment in many years and this year will be the same. A significant proportion of those have, quite rightly, come from nursing on the front line and consultants. These are net increases. On top of those recruitment numbers, we recruit about 8,000 staff every year just to stand still. The number I have given of 7,000 before year end is on top of recruitment we must do just to stand still in terms of churn.

**Deputy Cormac Devlin:** Yes, with retirements and whatnot. I turn to note 4 on patient income on page 143. I assume it was the pandemic which saw the reduction in a lot of these charges, particularly the E111 claims. What does the heading "Road Traffic Accident Charges" relate to?

**Mr. Stephen Mulvany:** That indicates road traffic cases where, in some instances, the driver of one of the vehicles is pursued for the costs by the insurer. It depends on the specific instance.

**Deputy Cormac Devlin:** Okay.

**Mr. Stephen Mulvany:** Overall, the vast bulk of the reduction is in the private maintenance charge because of difficulties associated with Covid and getting into and around hospitals. Ob-

viously, Covid patients are automatically deemed to be public patients so that makes up €69 million of a total €80 million drop, year on year.

**Deputy Cormac Devlin:** I thank the witnesses.

**Deputy Verona Murphy:** I want to go back some of our questioning last week and follow on from Deputy Munster. I understand there were pressures but what I am hearing from Mr. Reid is it seems that despite the money provided, which itself seems to have been well in excess of that in other countries *per capita*, there were no control measures in place. All caution was thrown to the wind. I would have thought the object was to ensure we have systems in place for when a crisis hits us. I thought the objective was to ensure we have institutional capacity, particularly in relation to procurement, to be able to deal with substantial shocks such as Covid. As I said, spending €81 million on 2,200 ventilators that were of no use whatever is an extraordinary and abject failure on the part of the HSE and its procurement department. I cannot see how Mr. Reid can defend it in any way. I fully understand that people will get into dire straits but not when their day-to-day job is procurement.

**Mr. Paul Reid:** I fully respect that the role of the Deputy, as a member of the Committee of Public Accounts, and all the committee members, is to carry out due diligence and assessments of spend. We fully respect that role. However, I will make a few comments. First of all, no, we do not throw caution to the wind and, no, we did not blow any funds. What we did do is operate in an environment that certainly was more high-risk. This is not just for Ireland. EU-approved procurement rules were relaxed on the basis of the pandemic. There was a world demand in excess of supply. If members look beyond our country, they will see export bans were implemented by many providers of PPE and ventilators across the world. The Governor of New York-----

**Deputy Verona Murphy:** I must interrupt Mr. Reid and I will tell him why. There was also worldwide reporting of fraud in this area, with PPE being paid for but not being provided, substandard PPE and PPE that was not PPE. That was reported worldwide. I am very concerned that at no point is Mr. Reid taking on board what we could have learned, should have learned and did not learn. I appreciate he has said he understands my position as a member of this committee. I understand his position as the head of the HSE. What the public want is accountability. Who has been accountable for the mismanagement, abject failure-----

**Chairman:** The Deputy's time is up.

**Deputy Verona Murphy:** -----of losing in excess of €81 million on something we got no benefit from.

**Mr. Paul Reid:** I apologise to the Deputy but first of all-----

**Deputy Verona Murphy:** That is the question.

**Chairman:** We must leave the issue now. We are going over time.

**Mr. Paul Reid:** If I can respond, Chairman, I absolutely reject some of the language, comments and accusations the Deputy made. First of all, some of the facts are wrong. A significant proportion of the €81 million has been recovered. We brought the committee through the detail of that last week. It is not 2,100 ventilators because we stopped the purchase. That is what we set out to purchase at the start. When we had significant ventilators we stopped further procurement. I make no apologies on behalf of my-----

**Deputy Verona Murphy:** How many ventilators did we pay for Mr. Reid?

**Mr. Paul Reid:** We went through the full details on Tuesday both in regards to the suppliers-----

**Deputy Verona Murphy:** I am asking how many we paid for.

**Mr. Paul Reid:** We will give the committee the details now. I just want to make a comment because the Deputy keeps cutting me short on this one.

**Chairman:** Pleas do so briefly.

**Mr. Paul Reid:** The Deputy has made certain accusations which I reject. I do not-----

**Deputy Verona Murphy:** I did not. I have not seen-----

**Chairman:** Just allow Mr. Reid to continue.

**Mr. Paul Reid:** I do not think the Deputy accepts the worldwide context in which we had to do this. I make no apology-----

**Deputy Verona Murphy:** I am saying Mr. Reid does not seem to accept there was also worldwide commentary on the fraudulent aspect of what was happening in relation to the supplies.

**Mr. Paul Reid:** That is absolutely correct. I was going to make the point that if we take the then Governor of New York, Andrew Cuomo, he described it as Ebay-style bidding wars. That is the environment we were operating in and the environment some people seem to forget but, yes, I heard what the Deputy said about lessons.

**Deputy Verona Murphy:** Is Mr. Reid then saying we have no capacity-----

**Chairman:** I thank Deputy Verona Murphy. I call Deputy Catherine Murphy.

**Deputy Verona Murphy:** -----within our system to deal with something like the pandemic arising and that we had no preparation? As I have asked, is that not the object? Mr. Reid cannot give us a categoric figure but we know in some instances, we spent more *per capita* than many other countries. Should the object of our systems not be that we have the ability, capability and institutional capacity to deal with pandemics so that this does not happen?

**Mr. Paul Reid:** That is a fair point. As I said last week, at the start of this we did not have the pandemic workforce capacity and capability that is needed. We have certainly strengthened that during this pandemic. I fully accept that.

**Deputy Verona Murphy:** At least the HSE has learned that.

**Chairman:** Deputy Catherine Murphy has three minutes.

**Mr. Paul Reid:** There have been many learnings in terms of procurement reports that we have fully embraced.

**Chairman:** I am sorry now but there are other speakers. Deputy Catherine Murphy has three minutes.

**Mr. Paul Reid:** I am sorry, Chairman, but the Deputy really is missing the point about the

context. The HSE did this country proud and protected our patients and the public. That should not be lost either.

**Deputy Catherine Murphy:** Last week, Mr. Reid told us the cyberattack cost in the ballpark of €100 million. Microsoft has a special security arrangement for Windows 7 and there is a replacement programme for computers. I would have thought the cyberattack was in the emergency or urgent category, given what it has caused in disruption of services and the potential cost in lives. Where are we with that replacement programme to ensure we no longer rely on any device running Windows 7? What is the timeline on that? Are we paying Microsoft as well for that special arrangement?

**Mr. Paul Reid:** I thank the Deputy. She is right that Windows 7 is a real cause of concern for us in terms of its deployment. There are about 30,000 units across the HSE running Windows 7. I will break them into a few categories. About 12,000 of those are related to our national integrated medical imaging system, NIMIS. Unfortunately, we need to replace NIMIS and, certainly, significantly upgrade before we can take those out of it. There are another 11,500 units which will be taken out by the end of this year as part of the replacement. There are about another 6,400 units which are currently being deployed at the minute and people are migrating some of their own software from the Windows 7 version across to laptops. In 2019, there were 46,000 units on Windows 7 and 12,000 on Windows 10. In 2021, it is now 30,000 on Windows 7, a reduction of 16,000, and 30,000 on Windows 10. That replacement can be-----

**Deputy Catherine Murphy:** It is no big surprise. How much is being paid for this special arrangement? I ask Mr. Reid to provide a timeline for every member of staff being moved onto a system that is properly secure, such as Windows 10 or another system that is more modern than Windows 7. He accepted it is a risk. Was it not on a risk register? It is not like it was not known that these licences were not going to provide the protection that is required. Was that on a risk register in advance of the cyberattack? Was there a programme to phase them out in advance of the attack? I know that has probably been accelerated but why did the HSE get itself into this position?

**Chairman:** I ask Mr. Reid to keep his answers brief because there are other Deputies waiting to get in and we have to watch the clock.

**Mr. Paul Reid:** Windows 7 was not a contributor to the attack. It was completely separate from Windows 7. However, I fully accept that Windows 7 is an exposure for us. The ultimate target date, as I mentioned, is for the replacement of the approximately 12,000 national incident management system, NIMS, units and that will be in 2022. We expect to have the rest of them out in a much shorter period. We can provide the committee an update note on that and on the support arrangement with Microsoft.

**Deputy Catherine Murphy:** If Mr. Reid can do that, it would be appreciated.

**Deputy Imelda Munster:** I will make two quick observations relating to my previous contribution. Mr. Reid said he had erred on the side of protecting the public and that is fine; we accept that. However, in the context of purchasing products not cleared for use by the Department of Agriculture, Food and the Marine, was he not doing the opposite with substandard ventilators, masks and sanitisers and all of that?

The data to which I referred came from a pivot table outlining details of supplies and suppliers, etc. Is Mr. Reid seriously claiming there was not a column providing the value of those

products?

There are currently more than 900,000 people on waiting lists. Back in January 2020, there were 870,000 people on them. Covid did not cause the waiting lists; they were there long before it came along. Does Mr. Reid expect that at this rate, given that referrals were not happening during the pandemic and that we are now coming out of it and everything is opening up again, the total number on waiting lists will exceed 1 million people by December or shortly thereafter?

**Mr. Paul Reid:** We are doing everything in our power to make sure that does not happen. We are finalising a suite of initiatives between the Department, the Minister and the board of the HSE that will target an approach in the very difficult period through winter to ensure that is not what happens. As Ms O'Connor stated, we are addressing some of the inpatient, outpatient and day-case waiting lists and, indeed, scopes that need to be addressed between now and year end.

**Deputy Imelda Munster:** I ask Mr. Reid to furnish the committee with those details. I am asking in particular for the more than 900,000 people who have been waiting long periods.

**Mr. Paul Reid:** We fully appreciate that.

**Deputy Imelda Munster:** The number is growing. Can Mr. Reid accept, in all fairness, that people are asking where the heck the money is going? These waiting lists show that it is certainly not going directly to the patients. As I stated, Covid did not cause the waiting lists; they were there all along. Would Mr. Reid agree that those waiting lists, from a public health service perspective, are an absolute scandal?

**Ms Anne O'Connor:** The number on waiting lists is stabilising; it is not growing. That figure of 900,000 is made up of several lists, with the biggest being the outpatients list, which is in excess of 700,000.

**Deputy Imelda Munster:** Yes, it is a combined total.

**Ms Anne O'Connor:** In terms of where we are going, as Mr. Reid stated, we are looking at reducing those lists. We hope that the total will not rise to 1 million but the reality is that we are actually dealing with cases and most sites are now managing what is coming at them. They are not yet able to make a dent in the backlog but some sites are starting to get there. As I stated, we are seeing an improvement on some sites now but clearly it is a big mountain to climb. The waiting lists only tell one part of the story. The reality is that we do a huge amount of scheduled care work every day on all of our hospital sites and some of our hospitals only do that. There is very significant investment going into scheduled care. When one looks at the level of activity that goes on, that is where the money is going, and it is significant. The waiting list does not tell the story about the activity that is happening. Our performance reports tell that story in terms of the number of people who are being seen every day around the country.

**Chairman:** I call Deputy Carthy, who has three minutes.

**Deputy Imelda Munster:** I accept that, but does Ms O'Connor accept that it is no comfort to the 900,000 people on waiting lists?

**Chairman:** I have three more speakers to get in and if I keep allowing Deputies in, there will not be time to do so.

**Deputy Imelda Munster:** That is fine. I thank the Chairman.

**Deputy Matt Carthy:** I will continue on the issue of waiting lists. My colleague, Deputy Cullinane, who is the Sinn Féin health spokesperson, has indicated that there are 652,244 people waiting to see a consultant, of whom 183,491 have been waiting more than 18 months and 85,950 are children, with 29,271 of those children waiting more than 18 months. More than 200,000 patients are waiting for access to a diagnostic scan. Are those figures correct? I am looking for a "Yes" or "No" answer, please.

**Mr. Paul Reid:** We met Deputy Cullinane recently and briefed him on some of those figures.

**Ms Anne O'Connor:** As regards what the Deputy is setting out there, those waiting the longest are of key concern to us. In our initiatives that we are looking to drive, it is about actually bringing those forward-----

**Deputy Matt Carthy:** I just wanted that clarified because I have a couple of specific questions. Deputy Cullinane stated that 727 consultant posts are not filled on a permanent basis. Is that figure correct?

**Ms Anne O'Connor:** I do not have the number in front of me. The figure might be correct.

**Deputy Matt Carthy:** Some 160 beds funded in budget 2021 will not be delivered this year. Is that correct?

**Ms Anne O'Connor:** There is a delay. Some of the acute beds that were funded in our national service plan have been pushed into quarter 1 next year, again because of the pandemic and the cyberattack, but in reality we have delivered more than 850 of the acute beds already.

**Deputy Matt Carthy:** Okay. We can take it that 160 beds will not be delivered.

**Ms Anne O'Connor:** They are delayed. Some will be delivered later in the year, others towards the end of the year and others in the early part of next year.

**Deputy Matt Carthy:** Of the 14,700 staff funded in budget 2021, 7,000 will not be recruited this year. Is that correct?

**Ms Anne O'Connor:** Yes. They have been pushed into next year.

**Deputy Matt Carthy:** How can anybody have confidence that the HSE is adept and capable of addressing the waiting lists we have described?

**Ms Anne O'Connor:** These initiatives were agreed in advance of this year. They come from the service plan that was agreed before this year. We then had the surge from January to March of this year and its impact. We then moved straight into the cyberattack and we are still recovering from that. As regards confidence, the reality is that many things have happened. Some of those initiatives have been deferred. However, when one looks at what has been delivered, in line with the funding that has been made available, we made very considerable inroads on several initiatives, particularly in the context of what has already been described several times this morning.

**Deputy Matt Carthy:** If more than 163,000 people have been waiting more than 18 months to see a consultant, and leaving aside whatever treatment may be required, that indicates this problem predates any cyberattack or Covid pandemic and therefore the central question remains - how can we have confidence that, even with an increased budget under budget 2022, the

HSE as currently structured will be able to deliver the health outcomes we want to see?

**Mr. Paul Reid:** The Deputy is correct that there is no doubt the waiting lists are a function well beyond the period of Covid and the cyberattack. As Ms O'Connor stated, I think everybody would acknowledge that the impacts on the health system in the past 18 months have been severe. However, those problems were legacy issues that we are going to approach.

As regards confidence in the health service, during Covid we have tracked some of this in terms of the health service response to Covid overall. That showed that public trust and confidence in the health service strengthened. I fully accept the challenges we face are momentous but the commitment from the HSE and from the funding we have received this year is setting out to address those challenges.

**Chairman:** I call Deputy Dillon. He indicated late, so I ask him to be brief.

**Deputy Alan Dillon:** I will be brief. I refer to the speed and execution of capital projects. I welcome that funding of €18.4 million was approved for an extension to the emergency department of Mayo University Hospital. I ask that HSE estates is adequately resourced to deliver on this project with speed. The hospital is crying out for this extension. It was built to cater for over 20,000 patients and that figure now exceeds 40,000 annually. I would really appreciate if Mr. Reid could work with his team to see how, after funding has been allocated, we can work through the process of procurement, tender and construction. I look forward to his engagement on this. If he could send me a note, I would appreciate it.

**Mr. Paul Reid:** I am happy to revert with a note to give the status and an update. I appreciate there are many frustrations from everybody's perspective with capital projects, but in fairness to our HSE estates team it has a strong track record of delivering big strategic projects in-house, particularly this year with the national forensic mental hospital and the national rehabilitation hospital. I appreciate the frustrations around the procurement and planning issues that emerge. We can give a summary note on the status.

**Chairman:** The figure for spending on agency staff increased from €136 million a decade ago to €355 million in 2020. Replies to parliamentary questions show that agency staff cost about €60 more per shift. I accept there are always recruitment problems and difficulties. Is the HSE making a conscious effort to move away from the dependency on agency staff? Every day, the HSE spends €1 million on agency staff internally. That is not counting the section 38 organisations and all the other bodies that are also contracted.

**Mr. Paul Reid:** The increase of total payroll spend on agency staff was marginal last year. It went from 5.8% to 6.1%. Our intention is to build a sustainable workforce and we have funding from the Government to do that and to continue it into next year. Our primary focus is a sustainable in-house workforce. However, there are requirements and needs for agency staff to supplement our requirements, particularly, looking at this year, in parts of the testing and tracing programme, which we know will last for a period of time, and the vaccination programme in some cases too. Agency staff will be a feature but our primary focus is to recruit in-house.

**Chairman:** I forgot to ask a question about the ambulance service earlier. Advanced paramedics and other highly trained staff were transferred to work in swabbing and test and trace during the pandemic. That was understandable in the early days. We have a capacity issue in the ambulance service, as Mr. Reid and his operations managers agree. It is a fact of life and there are moves afoot to change that. However, there are still highly trained ambulance person-

nel who have been deployed on test and trace and swabbing. How many are doing this? When will they move back? I stress the importance of moving these people back into the ambulance service. I am sure Mr. Reid knows this. It is really important that we get all hands to the wheel to improve capacity in the ambulance services. How many are there? When will we see them all back? That needs to happen soon.

**Ms Anne O'Connor:** There will be 45 of them returning full time next week. The Chairman is absolutely right. We want our paramedics and advanced paramedics to do the emergency work. We will continue to support the testing through our emergency medical technicians, EMTs.

**Chairman:** How many are still deployed?

**Ms Anne O'Connor:** We are already looking at redeploying our paramedics back to frontline services. As Mr. Reid said, we also have two groups graduating between November and December, which will give an extra 76 staff.

**Chairman:** How many are still deployed on testing and tracing and Covid-related activity?

**Ms Anne O'Connor:** I do not have the full number. I know 45 paramedics are being redeployed back to the ambulance service next week for emergency duties.

**Chairman:** Are we talking about more than 200?

**Ms Anne O'Connor:** I will have to come back to the Chairman on that. I do not have that figure with me.

**Mr. Paul Reid:** On recruitment, I mentioned earlier that we are continuously recruiting to the ambulance service. I mentioned the graduates. An extra 100 staff have gone into the National Ambulance Service since January 2020. We will continue to do that. An extra 50 have gone into the service this year already. There is a capacity review which the head of the ambulance service is conducting. He may have spoken to the Chairman during the week. He will bring that to me and the executive management team.

**Chairman:** I thank the witnesses and the staff of the HSE for their work. It is a big organisation with a lot of difficult situations and there is obviously always room for improvement. I also thank the Comptroller and Auditor General, Mr. McCarthy, and his staff for attending and assisting in our preparations. I also thank the committee secretariat.

Is it agreed to request that the clerk seek any follow-up information and carry out any actions agreed at today's meeting? Agreed. Is is also agreed that we note and publish the opening statements and briefings for today's meeting? Agreed.

I remind members that it is okay to come back into the committee room. I know some have been complaining for the last year about not being able to come into the room. They can come into the parlour if they feel they can manage things better in here. Sometimes we talk over each other because of the time lag that arises when we are meeting remotely. That is difficult for witnesses and members. I apologise for that. I try to manage it as best I can.

*The witnesses withdrew.*

The committee adjourned at 11.36 a.m. until 10 a.m. on Tuesday, 28 September 2021.