



04 January 2021

Mr. Ciarán Devane
Chairman of the Board
Health Service Executive
Dr Steevens' Hospital
Dublin 8

2021 REVISED Approved level of Net Expenditure

Dear Ciarán,

In line with the Health Act 2004, as amended, I am writing to set out the revised 2021 net expenditure determination for the Health Service Executive (the Executive).

In my letter of 3rd November 2020, I advised that in accordance with Section 30A (1) of the Health Act 2004, as amended, the maximum amount of net non-capital expenditure and net capital expenditure that may be incurred by the Executive for the financial year 2021 is **€20,371.5 million** and **€1,020.3 million** respectively. In addition, a sum of **€261.6 million** (*inclusive of €2.450 million Dormant Accounts and COVID-19 funding*) is being held by the Department for the specific new initiatives.

I now wish to advise of additional adjustments which will result in a revised maximum level of net non-capital and net capital expenditure that may be incurred by the HSE for the financial year 2021 of **€20,362.0 million** and **€1,033.3 million** respectively. In addition, a sum of **€261.1 million** (*inclusive of €2.450 million Dormant Accounts and COVID-19 funding*) is being held by the Department for the specific new initiatives. The revisions are summarised in Table 1 below. Further detail is provided in the Appendices attached.

HSE 2021 Net Determination (Capital and Non Capital)	Current (including holdbacks)	Current (excluding holdbacks)	Capital
Original 2021 Net Allocation	20,633.1	20,371.5	1,020.3
COVID-19 Allocation Adjustment to Additional Supports	(10.0)	(10.0)	0.0
Holdback Adjustment		0.5	
Brexit Construction Works - OPW			13.0
Additional Existing Level of Service Funding 2021 sub total	(10.0)	(9.5)	13.0
HSE 2021 Net Allocation (excluding holdback funding)	20,623.1	20,362.0	1,033.3

By Funding Programme		
Existing Level of Service	17,813.7	17,787.0
Brexit	21.1	16.4
COVID-19 Programme	1,676.0	1,655.7
New Measures	1,112.3	902.8
HSE 2021 Net Allocation (excluding holdback funding)	20,623.1	20,362.0

The above table takes into account the following amendments:

Other COVID-19 measures – reduction of €10 million

In order to meet the estimated costs associated with the e-Passenger Locator Form (e-PLF), **€10 million** in funding has been reallocated from the HSE's allocation for Other COVID-19 measures (€248.8 million), currently held centrally in the HSE, into the Department's subheads. The HSE allocation is reduced to **€238.8 million**, with a total COVID-19 Programme Allocation of **€1,676 million**. Please *Appendix A* for detail.

COVID-19 Programme- internal reallocation from PPE to COVID19 Vaccination Programme

As you are aware, the Government approved the National COVID-19 Vaccination Strategy on 15th Dec 2020. To support and streamline the implementation of the strategy, I am reallocating an initial fund of **€200 million** to the HSE from within total 2021 resources and this letter conveys the necessary expenditure approval for the HSE to proceed, up to that amount, subject to the conditions below.

I am directing that within the overall adjusted allocation of €1,676m for COVID-19 Programme in 2021, the following further funding adjustments are made:

- Funding of up to **€112 million** is allocated, with related expenditure approval, on a gross expenditure basis for the purchase of approved COVID-19 vaccines.
- A further initial allocation of up to **€88 million** is allocated to the overall programme costs of delivering the COVID-19 vaccination programme in 2021, bringing the overall initial funding allocation for the COVID-19 vaccination programme, and related expenditure approval, to a total of **€200 million** for 2021.

- In turn, the allocation, and related expenditure approval, for the purchase of Personal Protective Equipment for 2021 within the COVID-19 programme is to be reduced from **€650 million to €450 million** to reflect the updated information relating to closing 2020 stock levels.

All funding for COVID-19 allocations remains ringfenced strictly to that purpose and is subject to ongoing review by the Department in 2021, as provided for in Section 30A (3) of the Health Act 2004, as amended. COVID-19 funding is also subject to the following additional conditions:

- The HSE is required to submit the final fully costed estimate for the COVID-19 vaccination programme in early 2021 for my approval. This will in turn be considered by Government.
- In line with the COVID-19 sanctioning processes, exceptional items that traditionally require separate Ministerial / Departmental approval including contractual arrangements with individual provider groups such as GPs and Pharmacists must be sanctioned by the Department in advance.
- Expenditure on the COVID-19 vaccination programme should be reflected in the Flash report, and further ongoing periodic reporting requirements in relation to the progress of the COVID-19 vaccination programme will be agreed between the Department and the HSE.

It is a matter for the HSE to ensure that all funding is expended in line with Public Financial Procedures and represents value for money.

Holdback Funding – reduction of €0.5 million

Holdback funding has been reduced by €0.5 million, increasing the Existing Level of Service allocation by €0.5 million. Please see *Appendix B* and *Appendix C* for detail.

Winter 2021/22 Influenza Vaccines– €65.5million

Approval is hereby granted to the HSE to proceed with implementation of the delivery of the expanded influenza vaccination programme for the Winter 2021/22 Influenza season at a cost of up to **€65.5 million**. This initiative, which is in addition to what had been set out in Budget 2021 and proposed for NSP2021, is to be funded in the first instance from the savings that may arise from within the existing allocation of **€2,071 million**¹ for COVID-19. My Department will work closely with the HSE throughout 2021 to facilitate the reallocation of any savings that may emerge across ring-fenced COVID-19 programmes and also to access the centrally held COVID-19 contingency funding as necessary.

¹ The COVID-19 allocation for 2021 is inclusive of €1,676 million for current expenditure, €155 million for COVID-19 capital expenditure and a further contingency of €240 million provided for and held by central Government in 2021.

Expenditure on the Winter 2021/22 vaccination programme should be reflected in the Flash report.

Brexit Capital – increase of €13 million

An additional **€13 million** in capital funding has been allocated to the HSE for the ongoing Brexit infrastructure development work at Dublin and Rosslare Ports being conducted by the OPW on behalf of the HSE and other bodies. This infrastructure will allow the HSE to undertake full third country checks on goods arriving from the UK following the end of the transition period. Please see *Appendix D* for detail.

Technical adjustments – NHSS, PCRS

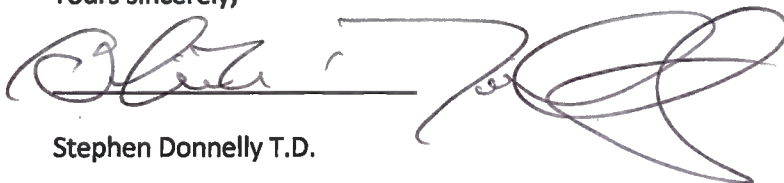
Within this overall revised sum, certain expenditure items have specific sanctioned levels as set out hereunder:

- NHSS has been adjusted to a minimum level of expenditure of **€1,044.2 million**. This net adjustment incorporates the retention by the HSE of €30m to enhance the sustainability of the delivery of public residential care for older people. This funding is ringfenced for this specific purpose and subject to the agreement of the Department on the sustainability programme. Engagement is ongoing between the Department and the HSE in relation to the reform deliverables for 2021.
- PCRS has been adjusted to a minimum level of core programme expenditure of **€3,194.1 million (excl. €50 million new drugs funding)**

Any queries in relation to the above should be directed to John O’Grady, Finance Unit, in the first instance. There has been ongoing and positive engagement between the respective finance teams in relation to the specific details of this revised allocation.

I would like to thank you and your officials for your commitment and look forward to working with you during the year ahead.

Yours sincerely,



Stephen Donnelly T.D.

Minister for Health

Appendix A – COVID-19 Programme Allocation

REVISED Department of Health Covid-19 Programmes 2021 Allocation - (€m)	
HSE Covid-19 Allocation	
Covid -19 Contingency Fund	240.0
Covid-19 Capital Allocation (including eHealth)	155.0
Covid-19 Current Allocation	1,676.0
HSE Adjusted Current Allocation	2,071.0
Specific Covid-19 Current Allocations	
PPE	450.0
COVID Vaccination Programme	200.0
Testing, Tracing and Public Health (excludes €205m Contingency)	445.0
Access to Care Fund	210.0
Private Nursing Home Support Scheme (to end Q2)	42.0
GP Covid-19 Contract (to end Q1)	10.0
Infection Prevention and Control	7.5
Hospices	7.7
Home Care	17.0
Disability Day Service recovery	10.0
Mental Health Service supports	15.0
Homelessness	11.0
Cancer Services Restoration	12.0
Subtotal Specific Covid-19 Allocations	1,437.2
Additional Supports	238.8
HSE Covid-19 Current Allocation (pre holdback funding)	1,676.0
Delivering enhanced community and social care services	-
Implementing National Strategies & Expert Reviews	(12.0)
Public Health & Wellbeing & The National Drugs Strategy	(8.3)
Subtotal holdback funding	(20.3)
	-
HSE Covid-19 Current Allocation	1,655.7

Appendix B - Revised Existing Level of Service

HSE 2021 Net Core Programme Allocation (€m)	Original LOD	Revised LOD Dec'20
Opening Allocation	17,099.1	17,099.1
Opening position adjustments	25.7	25.7
Net Additional Existing Level of Service Allocation	705.0	705.0
2021 Existing Level of Service Allocation	17,829.8	17,829.8
Less Holdback Funding	(27.1)	(26.6)
2021 Existing Level of Service Allocation (excluding holdbacks)	17,802.7	17,803.2
Less Brexit Programme ELS	(16.1)	(16.1)
HSE 2021 Net Core Programme Allocation (excluding holdback funding)	17,786.5	17,787.0

Appendix C - Revised Holdback Table

REVISED New Measures 2021 (€m)	HSE Core		HSE Covid-19		Total Holdback
	Allocation	Holdback	Allocation	Holdback	(Core + Covid)
Increasing capacity to progress implementation of the Capacity Review 2018	426.3	12.0	-	-	12.0
Acute Beds	236.0	-	-	-	-
Sub Acute Beds	13.3	-	-	-	-
Critical Care beds	52.0	12.0	-	-	12.0
Community Beds	125.0	-	-	-	-
Delivering enhanced community and social care services	313.0	85.0	17.0	-	85.0
Home Care Packages and modernisation of delivery of HCP via new assessment tools and the Home Support office	133.0	10.0	17.0	-	10.0
Enhanced Community & Social Care Services	150.0	75.0	-	-	75.0
Community Paramedicine/ Critical Care Retrieval/ Pathfinder/ 1813 Medical Helpline/NEOC	5.0	-	-	-	-
GP Access to Diagnostics	25.0	-	-	-	-
Disabilities Services	87.5	10.0	10.0	-	10.0
Progressing Disability Services (Children)	3.5	-	-	-	-
Progressing Disability Services (Adults)	1.7	-	-	-	-
Day Services Recovery	20.0	-	10.0	-	-
In year Transitions from Tusla to HSE (residential)	1.0	-	-	-	-
School leavers/Day Services	17.4	-	-	-	-
Respite	5.0	-	-	-	-
Residential Placements: planned	5.5	-	-	-	-
Alternative Placements from Nursing Homes	3.0	-	-	-	-
Decongregation	4.1	-	-	-	-
Section 39 (51-250)	10.0	10.0	-	-	10.0
Intensive Support Packages	6.0	-	-	-	-
Residential Placements: emergency	5.5	-	-	-	-
Residential Placements: Tusla Under 18s	4.2	-	-	-	-
Personal Assistance Hours	0.6	-	-	-	-
Mental Health Services	23.0	22.0	15.0	-	22.0
Mental Health	-	-	15.0	-	-
Mental Health - Sharing the Vision	23.0	22.0	-	-	22.0
Implementing National Strategies & Expert Reviews	89.5	80.5	12.0	12.0	92.5
Cancer Strategy	20.0	20.0	12.0	12.0	32.0
National Maternity Strategy	12.0	12.0	-	-	12.0
Trauma	6.0	6.0	-	-	6.0
Paediatric Model of Care	6.3	6.3	-	-	6.3
National Ambulance Service Strategy	5.0	5.0	-	-	5.0
ODTI Strategy	0.8	0.8	-	-	0.8
Slaintecare Consultant Contract	10.0	10.0	-	-	10.0
Safe staffing implementation and pilot	10.0	10.0	-	-	10.0
Antimicrobial Resistance In Infection Control (AMRIC)	6.5	0.5	-	-	0.5
National Dementia Strategy	5.0	5.0	-	-	5.0
Palliative Care	2.0	2.0	-	-	2.0
National Carer's Strategy	2.0	2.0	-	-	2.0
National Positive Ageing Strategy	0.5	0.5	-	-	0.5
Housing Options for our Ageing Population	0.5	0.5	-	-	0.5
Staff Health and Wellbeing	3.0	-	-	-	-

Appendix C - Revised Holdback Table

New Measures 2021 (€m)	HSE Core		HSE Covid-19		Total Holdback
	Allocation	Holdback	Allocation	Holdback	(Core + Covid)
Public Health & Wellbeing & The National Drugs Strategy	12.0	-	11.0	8.3	8.3
Public Health Workforce	12.0	-	-	-	-
Homelessness	-	-	11.0	8.3	8.3
Improving access to care	78.0	-	210.0	-	-
Access to Care Fund	-	-	210.0	-	-
NTPF	-	-	-	-	-
Alternative Care Pathways	33.0	-	-	-	-
Acute Hospital Service Restart	35.0	-	-	-	-
Cancer Screening	10.0	-	-	-	-
Introducing New Drugs	50.0	-	-	-	-
New Drugs	50.0	-	-	-	-
eHealth (Current & Capital)	33.0	-	-	-	-
eHealth	25.0	-	-	-	-
Key enablers	8.0	-	-	-	-
New Measures subtotal	1,112.3	209.5	275.0	20.3	229.6
COVID-19 Measures: Testing, Tracing & Public Health			445		-
COVID-19 Measures: COVID Vaccination Programme			200	-	-
COVID-19 Measures: PPE			450	-	-
COVID-19 Measures: Additional Supports			306	-	-
2021 Covid-19 Measures			1,401	-	-
Other	13.0	12.2			
Pilot Statutory Homecare Scheme	7.0	7.0			
2020 Measures	20.0	19.2			
Brexit	5.0	4.7			4.7
Dormant Accounts	2.5	2.5			2.5
Core Holdbacks (s39's)	15.0	5.0			
Other 2021 Holdbacks	22.5	12.2	-	-	7.2
Total HSE 2021 Holdbacks		240.9		20.3	261.1

Appendix D - Revised Brexit Programme Allocation

HSE 2021 Net Brexit Programme Allocation (€m)	Original LOD	Revised LOD Dec'20 Current	Revised LOD Dec'20 Capital
Opening Allocation - Non Capital	16.1	16.1	-
New measures	5.0	5.0	13.0
2021 Brexit Programme Allocation	21.1	21.1	13.0
Less Holdback Funding	(4.7)	(4.7)	0.0
2021 Brexit Programme Allocation (excluding holdbacks)	16.4	16.4	13.0
HSE 2021 Net Core Programme Allocation (excluding holdback funding)	16.4	16.4	13.0

