

## **Chapter 41**

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### **Partnership Arrangements in the Health Service**



## Partnership Arrangements in the Health Service

41.1 The Health Services National Partnership Forum (the Forum) was established in 1999 as a non-statutory consultative group consisting of management and trade union representatives. The rationale for partnership approaches is that through engagement of stakeholders they can lead to the development of a shared vision of the objectives and goals of the service and contribute to its modernisation. The Forum was established on foot of the provisions of Partnership 2000, the national agreement on social partnership then in place. It was dissolved with effect from 22 June 2011.

41.2 The Forum was funded by an annual grant from the Department of Health and Children until 2004 and thereafter by the Health Service Executive (HSE). In the period from 1999 to 2010 it received funding of around €41 million. The expenditure of the Forum was applied as set out in Figure 163.

**Figure 163 Forum Expenditure, 1999 to 2010**

Cost element	€m
Grants to Partnership Committees and Projects	15.9
Action Plan for People Management	1.7
Salaries and related costs	17.6
Other administration costs	5.9
<b>Expenditure to 31 December 2010</b>	<b>41.1</b>

41.3 The overall objective of the Forum was to promote a partnership approach to change and problem solving in the health service. The role of the Forum as set out in the Health Service Partnership Agreements<sup>318</sup> was to

- provide a national forum within which health service management and trade unions could agree the broad parameters to advance workplace partnership
- support initiatives with service wide application
- resource the partnership process including the provision of suitable training and facilities
- promote and develop measurement and evaluation with a view to learning and sharing information and developing protocols based on that learning and
- verify progress in the health service context in relation to implementation of the modernisation programme as set out in national agreements.

41.4 Because of its joint nature, the Forum was not constituted as a statutory health agency. It functioned with a constitution and rules and its key functions were discharged through trustees. Under its constitution and rules the Forum consisted of up to 24 members split evenly between health service management and staff representative bodies. The Forum appointed joint Chairpersons, one representative of health service management and the other a staff representative.

<sup>166</sup> The first Health Service Partnership Agreement was initiated in 1999 under the Partnership 2000 national agreement. It was updated in May 2006 and incorporated a Protocol on Handling Significant Change through Partnership and Statement of Common Interests.

## Administrative Arrangements

41.5 The Forum was obliged in accordance with its Constitution and Rules to account for its funding and make arrangements to ensure that expenditure was applied for the purposes for which it was allocated.

41.6 Day-to-day operations were overseen by a Director who was supported by a National Coordinator, an Operations Manager, a number of facilitators, a Project Liaison Officer and a small administration complement.

41.7 The Director, and from 2009, the National Coordinator was responsible to the Forum for operational management and the control of the Forum's affairs including internal financial control and reported to the Forum at regular meetings.

41.8 The Operations Manager reported to the Director and subsequently to the National Coordinator on all matters relating to the Forum's financial affairs including its budget, cash flow management, procurement, contracting, capital appraisal, acquisition and disposal of assets, financial reporting and accounting and compliance with relevant legislation.

41.9 The human resources of the Forum were HSE employees<sup>319</sup> assigned to its administration. Up to 2009 the cost of those resources were met from the Forum budget. With effect from 2010 they were charged directly in the HSE accounts.

41.10 The Trustees of the Forum oversaw its financial affairs and made recommendations on the financial matters brought to the Forum by the National Coordinator or the Director.

41.11 The Forum engaged, on a retainer basis, an accountant who assisted in keeping its accounts and an internal auditor who reviewed the financial controls and the integrity of the financial reporting and control systems and reports.

## Financial Outturn 2009 and 2010

41.12 During the final quarter of 2010, the HSE and Forum agreed on the financial integration of the Forum into the HSE. In October 2010 the Forum closed all bank accounts and transferred the remaining balances to the HSE. All expenditure by the Forum was subsequently reflected in the HSE accounts.

41.13 The Forum approved its financial statements for the year ended 31 December 2008 in late 2010.

41.14 At its meeting in March 2011 the Forum decided to commission a due diligence review by a firm of accountants in advance of adoption of the financial accounts for 2009 and 2010 and, following receipt of their report, the Trustees propose to sign those accounts.

41.15 Figure 164 sets out the income and expenditure of the Forum for 2009 and 2010 and the Forum's costs which were accounted for by the HSE since 2010.

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<sup>319</sup> Staff were initially drawn from the Health Service Employers Agency (HSEA) and became HSE employees upon the Agency's merger into the HSE in 2005.

**Figure 164 Partnership Related Expenditure 2009-2010**

	2010	2010	2009
	€000	€000	€000
	HSE	Forum <sup>a</sup>	Forum <sup>a</sup>
<b>Income</b>			
HSE Grants		411	3,507
Deposit interest and other income		5	1
		<b>416</b>	<b>3,508</b>
<b>Expenditure</b>			
Grants to Partnership Committees and Projects	326	110	596
Salaries	1,761	92	2,476 <sup>b</sup>
Office expenses and administration	101	191	466
	<b>2,188</b>	<b>393</b>	<b>3,538</b>
(Deficit) / Surplus for the year		23	(30)
<b>Balance at 1 January</b>		<b>(23)</b>	<b>7</b>
<b>Balance at 31 December</b>		<b>(0)</b>	<b>(23)</b>

Notes: a The 2009 and 2010 accounts of the Forum have not yet been adopted.

b Net of staff superannuation contributions.

## Chapter Focus

I reported in chapter 37 of my report on the Accounts of the Public Services 2009 on the SKILL Programme. A set of similar audit concerns arose in the case of transactions of the Forum including matters relating to foreign travel, control of credit card expenditure and payments under the Action Plan for People Management (APPM).

An internal audit of those matters was completed and submitted to the Health Service Executive. The results have been made available to the Committee of Public Accounts of Dáil Éireann.

This chapter examines the overall work of the Forum and outlines

- the partnership arrangements that operated at national, area and local level
- the results of project evaluations
- how funding under the Action Plan for People Management was administered
- the arrangements to recover the balance of funding not utilised including funds from other State sources.

## Partnership Arrangements

41.16 Funding proposals were submitted to the Forum by hospitals, health agencies and local offices and from 2005 onwards by the relevant parts of the HSE in the case of national projects. Proposals were assessed and reviewed by the Forum prior to a decision to approve funding. In general, funding was paid directly to the health organisation that was responsible for the related human resource administration. Accordingly, accountability for the application of those funds rested with the relevant hospitals and health agencies.

41.17 Since its establishment almost €16 million in funding has been provided by the Forum to support partnership arrangements. €9.5 million of this was incurred on projects and initiatives and €6.3 million was paid to health agencies to fund the work of local Partnership Committees.

41.18 Local Partnership Committees operated in hospitals, voluntary health agencies, local health offices and in various sections of the HSE. Their function was to coordinate the partnership process generally, facilitate the development and implementation of workplace partnership and encourage long-term cultural change within the health service at local level.

41.19 Features of the process at local level included

- the establishment of Partnership Working Groups to advance improved patient services, strategic development and planning, new ways of working, communications and training, development and education as well as an improved work environment and quality of work life for staff
- linking with Area Partnership Forums in each of the four HSE administrative areas that had been established to enable and support active integrated partnership at all levels in the area and ensure productive networking among the partnership committees
- overall coordination through national working groups operating under the auspices of the Forum.

41.20 Partnership Committees also supported the verification process<sup>320</sup> under national agreements through the process of preparing actions plans and progress reports and engaging generally with the performance verification process.

41.21 Funding was provided for projects and activities at the local agency or organisation level and also at national level. Local projects focused on a range of initiatives such as

- better services for patients and clients – for example, extended opening hours in health centres, diversity awareness training and infection control initiatives
- quality of work life improvements such as implementation and review of a Dignity at Work<sup>321</sup> policy
- value for money initiatives such as waste management and efficiencies in patient processing.

41.22 The Forum typically supported 500-600 local projects annually, involving managers, union representatives, staff and service users across the health services.

<sup>320</sup> The verification of the achievement of a number of conditions contained in national pay agreements became part of the process for the awarding of pay increases in the public sector.

<sup>321</sup> The policy covers sexual harassment, harassment and workplace bullying and was originally issued by the HSE in 2004.

41.23 National projects mainly involved pilot programmes which had the potential to be mainstreamed through the health service and programmes to develop and disseminate best practice in the operations of various health sector projects. For example in 2007, the Forum supported a pilot initiative on training and quality for nursing homes in both the public and private sectors aimed at improving the level of residential care and with the intention of developing a foundation from which the pilot would be extended nationally. The project involved the delivery of a training programme for staff within the nursing homes and a range of other initiatives aimed at improving the quality of life of residents and the level of resident care. Another project supported by the Forum was the development of a set of guidelines and tools<sup>322</sup> for measuring and evaluating the delivery through partnership of better quality health services. Details of project activity were categorised and listed in the Forum's annual report each year.

## Project Review and Evaluation

41.24 All applications for project funding were required to identify the mechanism by which the project would be evaluated. The procurement, conduct and publication of the project evaluation was the responsibility of the organisation involved. Each organisation or project receiving funding was required to verify that the project was completed in accordance with the plans submitted to and approved by the Forum.

41.25 The Forum established procedures whereby each project was required to submit to it after the end of each quarter a report on the project in a standard form which outlined the progress being made and the funds spent. From a review of a selection of projects over the period of operation of the Forum the audit confirmed that organisations submitted reports in accordance with the Forum's procedures.

41.26 The Forum commissioned a number of external evaluations<sup>323</sup> over its lifetime to review projects and inform it on the performance of its activities. In general, these reports have been published on the Forum's website<sup>324</sup>. Some key findings and conclusions are outlined in Figure 165.

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<sup>322</sup> 'Partnership – Measuring and Evaluating' published 2007.

<sup>323</sup> The Evaluations were – Evaluating Workplace Partnership Report (OD2, 2007), Learning from Partnership in the Health Service Executive Report (IPA, 2008) and Participative Governance – An Integrated Approach to Organisational Improvement and Innovation in Ireland's Health Care System (UKWON/IPC, 2010).

<sup>324</sup> [www.hsnpf.ie](http://www.hsnpf.ie)

**Figure 165 Key Findings and Conclusions of External Evaluations**

## **Partnership Working**

The Partnership approach to joint problem solving and consensus decision-making is a process that appears to work well within the culture of the health service and partnership provides a framework within which contentious issues can be successfully progressed.

Existing Partnership structures in many hospitals play an important if low profile role in maintaining sound industrial relations and a climate conducive to change at local level. However, their impact on the capacity of frontline staff to contribute knowledge and experience to service innovation or quality improvement was very patchy.

The attitude towards partnership varied - some projects identified the partnership approach as a means of bringing significant changes which needed to be made in their organisations while others viewed the implementation of the approach as an end in itself.

Although many participative initiatives were identified which were improving patient care and hospital performance, there was no systemic approach, either at hospital level or national level, to introducing or disseminating participative practices even when there was evidence that they work.

## **Performance Improvement**

A number of correlations were found between participative practices and performance, particularly in relation to hygiene promotion, staff turnover and sickness absence. However, the lack of appropriate data, particularly in relation to quality of patient care and staff well-being, seriously impeded this aspect of the analysis.

In some cases, national performance management structures are leading to real improvement but there is also a widespread compliance culture based on 'ticking boxes' which undermines sustainable change.

Multidisciplinary working between health service professionals remains a major challenge, and its absence represents a significant area of weakness in many clinical areas. Clinical Directors appear to lack sufficient guidance or direction in this regard.

## **Evaluation and Learning**

Most projects reviewed did not provide for formal monitoring and evaluation which would have added significantly to the status of the project, transferred learning and enabled participants to reflect on the challenges and progress being made. Likewise most partnership groups did not formally review their processes during projects which would have brought similar benefits.

## **Governance**

Integrated governance was an emerging force for improvement and innovation in the health services with new clinical directorate structures becoming major drivers for organisational change in every acute hospital. Yet, in most cases hospital structures concerned with governance, quality improvement, innovation, industrial relations, partnership and staff engagement remain fragmented within discrete silos.

## Action Plan for People Management

41.27 An Action Plan for People Management (APPM) was developed by the Department of Health and Children and the Health Service Employers Agency (HSEA)<sup>325</sup> in consultation with the Forum who subsequently agreed to manage the administration and disbursement of APPM funding. The development took account of input from stakeholders including trade union representatives. Under the plan, key themes for improving people management in the health services were identified and responsibility for the various actions under each theme were assigned to the relevant bodies. The key tasks identified for the Forum were to

- review and assess current practice against recognised best practice benchmarks
- mainstream partnership as a core way of working
- increase staff involvement in service planning
- use a partnership approach to the management of change
- communicate the benefits of partnership working
- use partnership structures, through joint workshops to develop interest based problem solving and bargaining
- measure and evaluate the partnership process
- develop a strategic approach to education, training and development
- train shop stewards and line managers in the operation of the newly developed policies and procedures
- establish training, development and/or education programmes to address the human resource management competencies
- establish a Forum group to examine and report on the possible further use of mediation in resolving disputes.

41.28 A National Implementation Monitoring Committee (the Committee) was established comprising senior personnel from both management and unions in the health service. The Committee invited applications, from health agencies and unions, for funding of specific projects aligned to the objectives of the APPM. Union submissions were made annually to the Committee setting out the training and development measures that unions wished to implement for their members in the health services. The HSEA was assigned significant responsibilities in progressing the APPM until its absorption as a business unit into the HSE on 1 January 2005 and from that date support services to the Committee were supplied by the HSE.

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<sup>325</sup> The Health Service Employers Agency was established under the Health Service Employers Agency (Establishment) Order 1996 to promote value for money in pay cost management in the health service, to support and represent health service employers in the management of industrial relations and to develop appropriate research, education and information initiatives to assist personnel management. It was amalgamated into the HSE in accordance with the Health Act 2004.

### Advances to Levy Fund

41.29 The composition of the APPM funding received and the related disbursements by the Forum are outlined in Figure 166. Payments made by the Forum initially consisted of direct payments to training providers and suppliers, payments to trade unions for project management costs and reimbursement to trade unions of vouched expenditure. Some of the reimbursements for vouched expenditure were initially paid to an account entitled the SIPTU National Health and Local Authority Levy Fund (SIPTU NHLALF). Overall, while €1.56 million had been made available to the Forum in the years 2003 to 2008 under APPM €1.65 million was paid out.

**Figure 166 APPM Activity 2003-2008**

Year	2003	2004	2005	2006	2007	2008	Total
	€000	€000	€000	€000	€000	€000	€000
APPM receipts	155	420	280	200	250	250	1,555
Payments to SIPTU NHLALF	—	59	118	248	250	250	925
Direct payments	173	360	86	109	—	—	728
Total payments	173	419	204	357	250	250	1,653
<b>Funded by Forum</b>	<b>(18)</b>	<b>1</b>	<b>76</b>	<b>(157)</b>	<b>—</b>	<b>—</b>	<b>(98)<sup>a</sup></b>

Note: a This represents part funding by the Forum to specific activities developed under APPM.

41.30 The administration and disbursement of APPM funds allocated to the trade unions for training were managed by the Forum. The arrangements established in 2004 provided that requests for payments should be supported with backup documentation including invoices or copies of bills. However, this procedure was subsequently altered in that the trade union allocations were transmitted to the SIPTU NHLALF in advance of detailed vouching. Included in the 2006 expenditure of €248,000 is an amount of €200,000 accrued at the year-end and paid in early 2007 under the revised arrangements for the disbursement of funds in advance of detailed vouching.

41.31 The payment of €200,000 together with the subsequent payments of €250,000 in 2007 and 2008 each were made on foot of a signed application by a trade union official who was also a Joint Chair of the Forum, with the cheques made payable to the SIPTU NHLALF.

41.32 As shown in Figure 167 approximately €770,000 was advanced to the SIPTU NHLALF without detailed vouching of its application by the ultimate recipients who were, or were intended to be, trade unions who had submitted training and development plans under the APPM. Another €41,315 was disbursed to three trade unions in 2004 in respect of project management costs without detailed vouching.

**Figure 167 Payments made under APPM in advance of detailed vouching 2003-2008<sup>a</sup>**

Year	2003	2004	2005	2006	2007	2008	Total
	€000	€000	€000	€000	€000	€000	€000
Total Payments to SIPTU NHLALF	—	59	118	248	250	250	925
Payments made in advance of detailed vouching	—	20	50	200	250	250	770

Note: a In addition, €41,315 was paid in 2004 to three other unions in advance of detailed vouching.

41.33 The HSE confirmed repayment of grants totalling €275,283 were made to it by four trade unions - €255,283 in quarter four 2010 and €20,000 in January 2011.

## Recovery of Excess Funding

41.34 An internal investigation was conducted by SIPTU into the operation of the SIPTU NHLALF. The results were published in March 2011 and the investigation found that the balance remaining in the SIPTU NHLALF in March 2011 was €697,894. The report explains that the SIPTU NHLALF received funding from a variety of sources including the Forum.

41.35 The report notes that first recorded grants received in the SIPTU NHLALF were from the Office of Health Management (OHM)<sup>326</sup> in 2001 in respect of an arrangement entered into by the Department of Health and Children to fund the provision of training to frontline supervisors in the health services (frontline supervision programmes). OHM also paid grants to the SIPTU NHLALF in respect of research work. The report also notes funding received from the Local Authority National Partnership Advisory Group (LANPAG)<sup>327</sup> of €788,703 and Beaumont Hospital of €100,000. The circumstances of the payment to and disbursement by Beaumont Hospital of the grant funds are set out in Annex A to this chapter.

41.36 In April 2011, the Department of Finance wrote to SIPTU seeking the return to the Exchequer of the unexpended amount of €697,894. That Department received payment in full on 29 June 2011. The Accounting Officer of the HSE informed me that the balance of €697,894 in the SIPTU NHLALF account is not solely attributable to the Forum. The SIPTU report into its investigation of the SIPTU NHLALF, which was published on 26 March 2011, identified that the bank account was the recipient of funding from various sources, for example SKILL, the Forum, LANPAG and Beaumont Hospital as well as refunds from individuals and miscellaneous receipts and rebates. As the SIPTU report does not analyse the bank account balance by individual funding sources it is not possible to determine the proportion of the refund which relates to the Forum.

## Vouching of Expenditure out of Advances

41.37 The Accounting Officer of the HSE informed me that since September 2010, the HSE has endeavoured to obtain supporting documentation from SIPTU in respect of the transactions in the SIPTU NHLALF. While the SIPTU report of March 2011 outlined at a very high level the various types of income and expenditure administered by the SIPTU NHLALF, it did not categorise the income and expenditure referred to in the report. On receipt of the SIPTU report the HSE sought clarification and further information about a number of details in the report and requested SIPTU to provide a full listing of the categories of expenditure (including the total amount disbursed under each category) and full details of income receipts. SIPTU was not in a position to provide the information requested by the HSE.

<sup>326</sup> The OHM was established by the Department of Health and Children (DOHC) in 1997 to implement a Management Development Strategy for Health and Personal Social Services.

<sup>327</sup> LANPAG was similar to the Forum in that it was a national partnership committee which arose from the Local Government partnership programme under the Partnership 2000 National Agreement. It comprised equal numbers of senior management and union representatives, representatives of the Department of the Environment, Heritage and Local Government and from a range of Local Authorities. Its role was to co-ordinate, advise and support each local authority in developing partnership arrangements. Funding was made available to LANPAG by the Department of the Environment, Heritage and Local Government.

## Conclusion

The establishment of the Health Services National Partnership Forum arose from national agreements which involved partnership between management and staff as a mechanism for managing change in the public health sector. Over the period it operated it incurred expenditure of over €1 million on various partnership related activities including the supporting of the verification of progress in relation to implementation of the change programmes in the health sector under national agreements. It was disbanded in June 2011.

The Forum made payments of over €800,000 in advance of detailed vouching. The cumulative unvouched amounts are largely attributable to the adoption from 2007 onwards of a practice of issuing the allocation to Trade Unions under the Action Plan for People Management, en bloc (including a retrospective 2006 grant), for payment into a bank account under the name of SIPTU NHLALF. Taking account of the amounts which have subsequently been refunded by four unions, the residual amount of advances paid by the Forum that remained unvouched in August 2011 was of the order of €536,000.

The funds provided were intermixed with funding from the SKILL Programme and the Local Authority National Partnership Advisory Group. A report by SIPTU found that €97,894 remained in the account of SIPTU NHLALF and, following a demand by the Department of Finance, this sum has been refunded to the State. There has been no progress in vouching the payments that were made out of the Fund.

In general, public funds should not be disbursed in advance of detailed vouching nor should accountability for the use of those funds be devolved to other bodies unless there are valid reasons for so doing. Where funds are disbursed in advance, moneys should only be made available in line with ascertained cash needs. Where, exceptionally, advances are made, commitments should be given by the appropriate authority in the assisted entity

- confirming responsibility to be accountable for and safeguard the public funds
- confirming that appropriate financial systems are in operation in order to ensure that funds are spent for the purposes intended and accounted for
- to facilitate accountability to the Oireachtas for any funds disbursed and
- to allow access to both the funding body and the Comptroller and Auditor General to its accounting records to confirm application of the funds for the purposes intended.

## **Annex A Payment by Beaumont Hospital to SIPTU NHLALF**

In 2007, the Beaumont Partnership Committee made a grant application to the Forum to fund a Work Placement and Best Practice Exchange Programme which involved 16 staff (senior nursing personnel, staff nurses, night superintendents and shop stewards) from Beaumont Hospital and St. James's Hospital travelling to New York to work in two hospitals for a period of two weeks.

The main objective of the programme was *'to create the conditions for the transfer of learning and best practice between the two healthcare systems'* and it involved a number of phases including pre-visit research, joint needs assessment, design of specific work placements, selection of personnel, debriefing and evaluation by steering committee and on-going sharing of learning and agreement of joint working initiatives.

The funding application sought €100,000 to cover accommodation costs estimated at €56,000, travelling costs of €16,000, daily allowances of €6,000 and Steering Committee costs (flights, accommodation, subsistence and evaluation) of €22,000.

The application was approved by the Forum and a payment of €100,000 was received by Beaumont in 2008. In April 2008, Beaumont issued a payment of €100,000 to the SIPTU NHLALF.

The Chief Executive of Beaumont Hospital stated that the programme was first proposed to the nursing teams in Beaumont and St. James's Hospitals by the Union Joint Chair of the Forum and it was initially the understanding of the Hospital that SIPTU would be reimbursed directly by the Forum in respect of programme expenditure and would have no involvement with the finances of the programme. He stated that the Forum subsequently contacted the Hospital and requested it to submit an application for funding on the grounds that, although the trade union was paying for the programme, reimbursement could only be made through the Beaumont Hospital Partnership Committee. This placed the Hospital in the position of paymaster to the trade union in respect of the Programme.

He stated that the Union Joint Chair of the Forum participated with the nursing team in Beaumont Hospital in completing the application for funding to the Forum and all discussions with the Forum in relation to funding for the programme were carried out by the Union Joint Chair of the Forum who made all arrangements in respect of the programme. He stated that as CEO of Beaumont Hospital acting in his capacity as Joint Chair of the Beaumont Hospital Partnership Committee he signed the drawdown request in February 2008 requesting the grant funding. He stated that in processing the request the Forum contacted the Hospital asking if it held receipts in respect of the programme but it was explained by the Hospital that the programme had been organised and paid for its entirety by the Union Joint Chair of the Forum and referred the query back to him.

He stated that as the grant was subsequently paid, the Hospital assumed that the Forum had received the required receipts and explanations, however this assumption later proved to be unfounded as the Forum subsequently confirmed that it required only the drawdown request and not the receipts in order to issue payment. He also stated that while the Forum may have relied on the Hospital in disbursing the grant monies the sequence of events and the contacts between the Forum, the Union Joint Chair of the Forum and the Hospital created the impression that this was a project originated in the Forum and, as a result, Beaumont Hospital was unaware of this reliance and assumed that the Union Joint Chair had satisfied the Forum in relation to the expenditure.

He stated that the report on the programme was completed by the participants from St. James's Hospital and Beaumont Hospital and submitted to the Forum in accordance with its requirements and is a factual description of the programme and of the key learning points which the teams identified.

In relation to the vouching of expenditure by the Hospital the CEO stated that while receipts were not attached to a breakdown of costs, the Hospital satisfied itself that the majority of costs listed were reasonable in the light of what the Beaumont and St. James's Hospital participants knew of the facts of the programme. Correspondence and booking information relating to travel arrangements confirmed the costs for Steering Committee flights and accommodation. The payment of daily allowances were confirmed with senior project participants. He stated that the only substantial unvouched item was the cost claimed for the evaluation of the project and conference costs of around €26,900 and the Hospital has sought SIPTU's assistance in relation to any receipts it may hold for the Programme.

Subsequently SIPTU informed the Hospital that it does not hold any vouchers in respect of the programme.