



Oifig an Phríomhoifigigh Airgeadais
Feidhmeannacht na Seirbhíse Sláinte,
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7th August 2024

Deputy Duncan Smith TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 32866 24: *To ask the Minister for Health the projected cost of providing additional funding to Section 39 organisations to provide pay increases in line with the current public service pay deal; the breakdown, by organisation; and if he will make a statement on the matter.*

Dear Deputy Smith,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

Section 39 agencies are agencies under Section 39 of the Health Act 2004 where the HSE provides a grant to allow the agency to provide services similar or ancillary to the HSE. However, it must be acknowledged that Section 39 organisations are privately owned and run, and staff in these organisations are not public servants. Their terms and conditions of employment, once in line with employment legislation, are strictly between the employer and the employee and lie beyond the remit of the HSE. All funding provided by the HSE is on a total basis and the allocation of these funds within the agency is determined by the agency. Consequently the HSE is not in a position to advise as to what pay rate adjustments, if any, have been implemented by each individual agency, of which there are many.

The HSE is currently engaged in a process arising from a WRC pay agreement to provide increased funding to Section 39 agencies which is intended to provide additional funding to be allocated specifically to provide pay increases for those employees that each agency deems are entitled to a pay increase. Allocation of these funds within the agency is determined by the agency itself.

Background WRC pay agreement

Following intensive talks under the auspices of the Workplace Relations Commission (WRC), parties to the process, including the Department of Children, Equality, Disability, Integration and Youth and the Department of Health, reached a pay agreement with Unions representing Section 39, Section 56 and Section 10 organisations. The agreement proposes an 8% increase in funding for pay over three phases.

The HSE is tasked with developing administrative arrangements to make this additional funding available to all eligible Section 39 organisations. This funding is only to cover HSE funded services within an agency. KOSI was appointed, through the OGP Multi Supplier Framework Agreement, to administer the pay agreement process.



Process

All eligible Section 39 organisations, regardless of the level of funding, were asked to participate in the Section 39 pay Process. An email invite was issued to 1,162 Section 39 organisations, asking them to submit their claim via upload to a secure portal. Email invites to the portal began to issue on 8th March 2024.

Current Status

As of 31 July 2024:

673 WRC claim submissions have been received.

98 Section 39 organisations advised they are not encompassed in the process as they do not receive HSE Section 39 pay funding and will not be submitting a claim.

391 Section 39 organisations have not submitted a claim or communicated with the HSE.

This process is ongoing with Section 39 organisations that have submitted claims. As at 31st July, 257 organisations (relating to uplifts due to 18,056 workers), which include the largest organisations, have been approved for payment and have exited this process. All these agencies (257) have been sent to the Community Healthcare Organisations (CHO's) on payment files for payment. In this process 2023 funding has been paid in full, funding for 2024 has been part paid to date with the balance of 2024 funding being paid monthly going forward. It is not possible to provide a projected overall cost at this time as the process is ongoing.

If you have any queries, please do not hesitate to contact me at sarah.anderson1@hse.ie or tel: 087 9423319.

Yours sincerely

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