

Submission from Department of Health to the Department of Public Expenditure and Reform concerning the role and methodology of the Public Service Pay Commission

The Department of Health welcomes the opportunity to make a submission in relation to the establishment of the Public Service Pay Commission.

It is noted that the role envisaged for the Commission includes:

- Providing objective analysis on the appropriate pay levels for identifiable groups within the public sector;
- Comparing appropriate rates for identifiable groups with prevailing private sector/ market rates;
- Comparing appropriate rates for identifiable groups within the public service with their equivalents in other jurisdictions, particularly where internationally traded skillsets are required, having due regard to differences in living costs.

The Department of Health welcomes this approach and wishes to highlight particular issues for attention by the Commission.

The Health Workforce & Population

The delivery of healthcare requires significant levels of manpower and specialist skills. The ability of the public health service to attract and retain health professionals is crucial to the operation of the health service. The World Health Organisation has defined the “health workforce” as “all people engaged in actions whose primary intent is to enhance health”. This includes physicians, nurses, advanced practice nurses, midwives, dentists, allied health professionals, community health workers, social care workers, health care assistants and other health service employees. Additionally the health workforce consists of management and support personnel – those who may not deliver services directly but are essential to effective health system functioning and these include health services managers, financial analysts and accountants, health supply chain managers, medical secretaries and others.

Demographics and epidemiology are taken into account when establishing a medical workforce plan. There will be an increasing demand on the Irish public health service in the coming years due to our growing population. Preliminary Census 2016 results show that the population of Ireland has increased by 169,724 since 2011 (an increase of 3.7%) with a significant increase in the proportion of the population over 65. Age associated chronic illnesses associated with this cohort will add additional pressure to the health service and this figure continues to increase rapidly. The increase in the number of people over the age of 65 is approaching 20,000 persons a year. The population over 65 will almost double over the next 20 years with obvious implications for health service planning and delivery.

Workforce Plan

This Department is developing a national integrated strategic framework for health workforce planning, in collaboration with other relevant Government Departments and agencies. Workforce Planning models in other countries will be assessed and analysed as part of this development process. This will provide an overarching framework for strategic, discipline specific workforce planning and development including the work of the Taskforce on Staffing and Skill Mix for Nursing and work currently underway in the HSE's National Doctors Training and Planning Unit on medical workforce planning. The framework is intended to support the stability and sustainability of the health workforce in Ireland into the future on the basis that the salary is sufficient to attract applicants to the posts.

At present there is an under supply of many categories of health professionals including: - consultants, physicians and nursing/midwifery staff, including mental health nurses, paediatric nurses, theatre nurses and midwives.

Roles within the Health Workforce for Review

Pay policy for the public sector has for the past 8 years been determined by the severe economic situation that required Government to cut pay and implement other pay controls to achieve pay bill reductions. The ability of the health service to attract and retain health staff within the public health sector has been and remains compromised by the pay reductions introduced for new entrants in the public health system since 2011, restrictions on the granting of incremental credit and the freeze on increases.

Graduates from the Irish universities and colleges with health qualifications are more likely than most other categories to seek employment in Anglophone countries where the compensation and benefits package are more attractive than what the Irish public health system can offer.

In addition to the need to address general shortages of certain categories of staff within the workforce, the health sector has specialist posts which are difficult to fill (e.g. transplant consultants, anaesthetists, specialist nurses), and are in demand internationally. However, with the current remuneration constraints this is extremely challenging and recruitment campaigns often result in a failure to fill advertised posts.

It is considered that all entry level grades in the health sector that require a third level qualification should be reviewed by the Public Service Pay Commission, however the health service is experiencing particular difficulties in the following disciplines given global mobility of health service professionals.

Medical:

As with all public sector employees the salaries for consultants were cut in the period up to 2012. This has now been partially addressed with an LRC agreement in January 2015. However, the revised scales for clinical consultants commence at a lower starting point and involve additional incremental points in comparison to their pre-2012 colleagues. Non Consultant Hospital Doctors (NCHD's) who have completed their basic training and those who have completed higher level training but not achieved consultant status are particularly mobile internationally. The salary for new entrant academic consultants is currently under review at present in the context of the LRC agreement of January 2015.

The recruitment and retention of medical doctors who graduate and are trained in Ireland is important to the effective functioning of the Irish health service, and is in keeping with Ireland's obligations under the WHO Global Code of Practice on the International Recruitment of Health Personnel. The Department recognised this and in July 2013, a Working Group, chaired by Prof Brian MacCraith, President, Dublin City University, was established to carry out a Strategic Review.

The Working Group completed its work in June 2014 and made 25 recommendations. The reports address a range of barriers and issues relating to the recruitment and retention of all categories of doctors in the Irish public health system – including general practice. Stakeholders representing doctors in training, including future consultants and physicians have emphasised that restoration of pay parity is fundamental.

Nursing:

There is a worldwide open market for our nursing graduates, markets that we are currently unable to compete with in terms of pay. We need to attract our graduates and international nursing professionals to ensure that we can achieve a high performing organisation which provides a good quality of care. Recent attempts to attract candidates from the UK as part of an international recruitment campaign have had limited success. The package offered up to €1,500 in vouched removal/relocation expenses including the cost of flights, nursing registration costs with NMBI and funded post graduate qualification. This recruitment campaign has been ongoing for over 12 months and it remains ongoing. While approximately 420 applications have been received to date, only 83 nurses have accepted posts with the HSE. The health sector is experiencing particularly significant challenges in recruiting mental health nurses. A potential exists for this problem to become more acute due to the significant numbers of staff eligible to retire. As with other public service unions, the nursing unions continually exert pressure to remove the two tier salary for their members and are seeking full restoration of pay for all nursing grades.

Senior Management Posts

The health sector has in recent times experienced challenges attracting and retaining senior management. The Department can provide additional detail on this point if required.

Challenges for Health Human Resources in other State Departments

It should also be noted that other Departments of State (e.g. Justice and Equality; Social Protection and Children and Youth Affairs) employ medical, nursing and other health professionals and they also find it challenging to recruit and retain these professionals.

Methodology Considerations for the Commission

For categories of health care workers employed in the Irish public health sector who have qualifications that are recognised abroad, this Department recommends that the public salaries are compared to appropriate international comparators in addition to the Irish private sector. Irish medical professionals are sought out globally and have the capacity to take up posts abroad. Given their English language skills, key competitors for the health sector personnel are primarily the Anglophone countries (e.g. United Kingdom, Australia, United States of America, Canada, the Middle East and New Zealand). There is limited migration of doctors between Ireland and mainland and Eastern Europe.

Comparisons should focus on the primary English speaking destinations, notwithstanding the fact that these also happen to be some of the wealthiest economies in the world. Salary comparisons to the United States of America, Canada, Australia, Middle East, and New Zealand need close examination.

Given that the most appropriate comparators are the Anglophone countries, it is also recommended that the Commission interprets any research data with caution taking into account the following factors:

- it is crucial that purchasing power parities are considered when evaluating and comparing salaries
- data may be based upon average salaries, the research may not compare salaries directly
- the definition, role and scope of a consultant and doctor may differ between jurisdictions and may or may not include GP's
- published salaries for medical professionals in the UK may not take full account of merit awards, location allowance etc.
- income tax, PRSI and USC deductions should be considered when compared to other countries
- public sector workers in Ireland pay superannuation and the pension levy

- the complete compensation and benefits package that other countries offer should also be considered (e.g. tax breaks, health insurance, subsidised parking/canteen/childcare/rent, education and training).

While it is accepted that clinical consultants, academic consultants, non-consultant hospital doctors (NCHD's /junior doctors), senior hospital management (administrative) and nursing professionals etc. are not at the low end of the pay spectrum there are significant challenges attracting, recruiting and retaining these professionals that need to be considered and addressed.

It is this Department's view that the Public Service Pay Commission should consider comparable remuneration within Anglophone countries worldwide and not solely from an Irish or European perspective. Particular attention should also be given to new entrant pay for staff at entry level grades, particularly for nursing grades where there are challenges attracting and retaining these staff.

The Department is available to provide additional information or clarification if required.