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Matt Cooper: Michael Cawley, the HSE, and the quest for efficiency in the public sector

Matt Cooper

11–14 minutes

Kenny Jacobs isn't the only former Ryanair executive displaying sharp elbows on behalf of the state. The even more senior Michael Cawley, long-time deputy to Michael O'Leary and since retirement still on the airline's board, is doing so too.

The question, as with Jacobs at DAA, is how much impact Cawley will be allowed to have. He isn't at a commercial state operative as Jacobs is, instead serving as a part-time director at the HSE, an organisation with a budget for this year of €26.9 billion.

It is likely to bust that budget, as it almost always does. It is the state's largest employer, with not far short of 150,000 full-time equivalent employees, but it is the costs beyond wages that have caught Cawley's attention.

The HSE is the country's single body with statutory responsibility for the management and delivery of health and personal social services. It is required to use its resources "in the most beneficial, effective and efficient manner to improve, promote and protect the health and welfare of the public".

The good health of the people of the country is paramount, but there's only so much money with which to achieve it.



Chief executive of the HSE Bernard Gloster and Minister for Health Jennifer Carroll MacNeill. Picture: Collins

Applications to replace Bernard Gloster as chief executive of the HSE closed in recent weeks. He surprised everyone earlier this year when he announced his intention to retire next March, as he is entitled to do given the length of service he has given, but ahead of the end of the term he could have served.

The criteria set out for his replacement in the €400,000 salary job are demanding. He or she will be required to implementing complex organisational initiatives; demonstrate financial and resource management; collaborate with internal and external stakeholders; and show strong interpersonal and communication skills. As if that isn't enough, the person will be required to display "extensive transformational leadership skills", "excellent problem solving and analytical" abilities, and the capacity to "exercise exceptional judgment in the face of conflicting pressures".

What could have been added is that the chief executive now has a member on the HSE board who has a focus on the spending of money as much as on the delivery of services.

Cawley was brought in last year by the then health minister, Stephen Donnelly, to deal with "productivity" at the HSE. That could be interpreted as treating more patients without spending more, or even spending less.

Struggle

A series of e-mails that have become available publicly over the course of recent months, secured under freedom of information by specialist journalist Ken Foxe, suggest that Cawley is struggling to make headway in persuading the HSE bureaucracy that cost savings are an achievable priority.

It is not that he is being particularly ruthless in the suggestions he has been bringing to management. While his initial estimates of €300 million in cost savings are undoubtedly large – and would bring some pain to those on the receiving end – this needs to be seen in the context of the budget for 2025 being €26.9 billion, a €1.6 billion increase on 2024.

How much larger is it going to get as the population grows and ages?

Last January, Cawley offered 14 ideas to save cash, but by April he complained to Gloster that there seemed to be “no urgency” in efforts to cut spending.

Cawley said he appreciated the health service had made efforts to contain costs but added that “much more remains to be done”.

His list of recommendations for suggested savings included technology solutions for home care, reducing the amount of spending some management could authorise, and reducing high IT maintenance charges, although the latter might require considerable investment in up-to-date technologies.

He also raised the issues of over-prescribing and excess supply of certain medications. Cawley said eight of his 14 suggestions had not been addressed and asked for closer monitoring of savings on travel, subsistence, postage costs and training.

“If this attitude and approach don’t change, I propose that we inform the department that we are abandoning this objective as it makes no sense to continue with the pretence that we are serious about it,” he wrote.

Gloster replied that his record of acting to address cost issues stood up well against any of his predecessors’, but that he had “concerns” in relation to some of the suggestions with regard to “achievability”.

Cawley said that a shift in “commitment, energy and imagination” was needed from key members of the HSE’s senior leadership team, and expressed the belief that the measures initiated up to that point “will fall significantly short of the target set and what I believe is achievable”.

He advocated an “immediate prohibition” on any new management consultancy contracts for the HSE.

Cawley said €70 million had been spent on these contracts last year, and a “detailed report on the benefits, if any” of that spending should be provided. He said that all letter correspondence should be eliminated and that patients, suppliers and others should be contacted via e-mail or text.

Better services

He said cutting costs would take people “out of their comfort zone”, but that savings could be made while delivering better services to patients. No item of expenditure should be considered too small and all staff should be motivated to look at where savings could be made.

“The reallocation of resources needs to become an everyday, core activity of the HSE. This can only happen if there is full... commitment from management,” he wrote.

“It is important that we are prepared to accept the risk of making mistakes. I have found that efficiencies arise in the most unexpected areas, while often where we planned and anticipated savings none emerged. Therefore, we must attack all costs and, most importantly, not be discouraged by failure to convert.”

There is no suggestion in this that Gloster’s surprise decision to retire before the end of his term was in any way prompted by the regular correspondence from Cawley and the demands contained within. It should be assumed, however, that Cawley made Donnelly aware of the approach he would take before he accepted the appointment as a non-executive director.

Equally, it would be surprising if Donnelly’s replacement, Jennifer Carroll McNeill, and Robert Watt, the secretary general of the Department of Health, had any objection to an approach that would lead to significant savings in what is being spent already, especially knowing that some other costs will rise inevitably.



Presidential candidate Jim Gavin. Picture: Collins

Jim Gavin's antisocial media gamble

Last Monday, Jim Gavin tried to limit the damage from a deliberate effort to undermine his presidential candidacy by acknowledging publicly the existence of such an operation.

It was a high risk, potentially make or break move in an electoral campaign that has been sluggish so far. By acknowledging the existence of the rumour-mongering, he was alerting many people who had not been aware of it, potentially leading them to ask about the substance of the rumours.

We won't know until October 25 if this gamble has worked or not, although clearly his performance in the remaining weeks of the canvass will play a major part in the eventual outcome, as well as his way of dealing with this particular issue.

In the statement he released on Monday, Gavin said: "I refuse to accept that the price of participating in public life should involve having to put your family and friends through waves of online abuse and malicious smears.

“This is not the cost of service – it is a failure of our digital culture. I will continue to take whatever action is necessary to confront this appalling feature of social media. We all need to call it out for what it is: totally unacceptable. Social media companies must do far more to protect people from such nasty and destructive behaviour online.”

Gavin said he would make the lack of online regulation part of his electoral platform, as he believed it was “one of the forces driving the growing division and conflict in many societies”.

He said every person in Ireland “knows the real and growing threat posed by online hate and disinformation... It is the cause of mental health issues amongst our young people due to online bullying and harassment”.

Gavin said parents felt the same worry when trying to ensure their children were safe online.

Fianna Fáil, meanwhile, said the “various invented and utterly false stories” had been published in an “attempt to damage Jim Gavin”. Which is true.

There is a long history of rumour-mongering in politics, from well before social media became a thing. The most infamous incident, although really only known to political nerds and history buffs, was when Patrick Hillery, in October 1979, brought journalists to Áras an Uachtaráin to deny “rumours” that his marriage was in trouble and that he might have to quit his position. The rumours, as I discovered when recording a forthcoming edition of a new podcast series, Think you Know... The Presidents, were quite florid and remarkable, and quite untrue.

By making a public denial, Hillery brought some of the rumours to the attention of people who had never heard of them. Fortunately, he managed to nip the campaign against him in the bud, but unfortunately his dealing with them remains one of the things most noted about his presidency.

All of what Gavin said about the scurrilous abuse of free speech online is true, although somewhat surprisingly one of the people pushing the rumours is easily identifiable: a man called Kieran Kelly, originally from Waterford, but who lives in Indonesia, and a Donald Trump supporter who has been active in propagandising on X with highly contentious material.

Not surprisingly, when contacted by newspapers he was not able to provide any evidence about the gossip he was spreading.

This newspaper and others, as well as broadcasters, will not detail the rumours about Gavin and are only reporting on this because Gavin himself issued a statement.

Those who most loudly proclaim the “mainstream media” as purveyors of fake news are often those who use social media as a propaganda tool to spread lies and attack reputations. They do so while laughably declaring their belief in “free speech”.

What happened to Gavin should not have surprised him, however. At the time of his resignation as Dublin football manager in 2019, after winning an unprecedented five All-Ireland senior titles in a row, there was speculation in GAA circles as to the “real reason” for his departure, after he was subjected to a whispering campaign.

It was why I asked recently if Fianna Fáil had done a full due diligence before approaching Gavin to be its candidate. It must have been satisfied that there was no truth to the rumours, but equally it should have been better prepared for their possible resurfacing.

The writing of letters to the social media companies – “strongly worded” or otherwise - demanding that they take down the offending posts seems like a limp response. Only Meta acted, something that Gavin applauded, but at the time of writing, other social media companies had not even bothered to respond.

It therefore looks odd that Gavin, though rightly offended, is going to make this a campaign issue. The party he is representing has been in government since 2020 has had ample opportunity to make legal provisions against the social media giants that act as the gatekeepers to information, but which misuse their power.

If he becomes president, Gavin would have no power to deal with this issue personally. And he might be waiting a while to sign into law any meaningful action to deal with them.