

Mr Brendan Howlin TD,  
Minister for Public Expenditure and Reform,  
Merrion Street,  
Dublin 2.

**9<sup>th</sup> July 2013**

Dear Minister Howlin,

I write on behalf of Nursing Homes Ireland, the representative body for private and voluntary nursing homes, requesting an early meeting with you to discuss a stimulus programme for our sector that would create significant construction jobs in the short term and up to 10,000 long term sustainable jobs.

NHI members employ 22,000 people in communities throughout the country and have invested up to €2 billion developing high quality specialist healthcare facilities that meet vigorous regulatory requirements. The private and voluntary sector grew rapidly between 2003 and 2009. In that time period, supply rose from 14,946 beds (2003) to 20,590 (2009). Since then growth has slowed and the current number of beds in the private and voluntary sector stands at 21,607. From 2003 through to 2009, the sector experienced an increase in supply of in excess of 1,000 beds annually. This was a requirement to meet the significant growth in demand for the specialist care nursing homes provide. Since the last national nursing home survey in 2010 to date (a three year period) the total increase in beds has been 1,017. Based upon a number of different independent studies surrounding the assessment of future requirements, including ESRI and CARDI studies, the level of growth in supply in the last 3 years will result in a significant shortfall to meet future demand.

Due to the recession, the banking crisis, the significant pressures being brought to bear upon health spend and the absence of a clear national strategy on future requirements for long term care, financing for further investment is almost nonexistent.

The ESRI forecasts the need for an additional 13,000 plus residential long term care places to meet demand up to 2021.<sup>1</sup> As you will see in the attached HSE presentation given in May, the HSE outline a capital investment required of €1.7 billion. This figure is on the basis of maintaining the public sector provision at current level and significantly this will not meet the considerable growth in demand. This is also not factoring in the significant higher operating costs for public provision.

Even if the €1.7 billion was invested, and in our view that would not be the best use of scarce State resources, there would still be a shortfall of 11,000 long term care places. We request the opportunity to engage with you to discuss the potential for a public private partnership to resolve this public policy issue, while also creating significant jobs in construction and creating long term sustainable jobs.

We had hoped and intended that such a stimulus programme could have been discussed in a 'Forum on Long Term Care' which we had proposed. It is also worth noting that National Economic &

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<sup>1</sup> *The impact of Demographic Change on the demand for and Delivery of Healthcare in Ireland to 2021 (2009)*

Social Council echoed NHI call in a recommendation in its report *Quality and Standards in Human Services in Ireland: Residential Care for Older People*, published in September 2012.

However, despite our campaign for a Department of Health led 'Forum on Long Term Care' to bring the relevant stakeholders around the table to discuss these very important issues, we have been told there are already enough outlets for discussion.

We do not believe that there are adequate fora and the sector is treated vastly different to, for example, another job intensive sector, the IFSC, which has its own forum at the Department of An Taoiseach.

I look forward to hearing from your office soon.

Yours sincerely



**Tadhg Daly**  
**Chief Executive**

Cc. Minister James Reilly TD, Minister for Health,

Cc. Minister Kathleen Lynch, Minister of State for Disability, Equality and Mental Health,

Cc. Dr Ambrose McLoughlin, Secretary General of the Department of Health