Ref: PAC32-I-667

29 November 2019

Éilis Fallon
Committee Secretariat
Public Accounts Committee
Leinster House
Dublin 2

Dear Ms Fallon

Further to your request of 14 November 2019, please find below an update as to the two queries raised within the letter:

- An update regarding the implementation of the Eversheds Sutherland review on the use of freelancers/contractors.
- A note clarifying arrangements as regards the use of contracted individuals as a company contract.

The Implementation of the Eversheds Sutherland Review

The report followed a voluntary commitment made by RTÉ to examine freelance/contractor contractual engagements. RTÉ shared the outcome of this independent report with senior officials within the TUG and with key stakeholders such as the Department of Communications and Climate Action; a redacted version of the report was also shared with staff.
By way of update, whilst the matter proved to be complex and involved a number of parties, I can confirm that substantial progress has been made and we look forward to the process concluding by early 2020 at latest.

As previously confirmed, the report found that the majority of those reviewed (i.e. a list of 433 freelance / contractors providing services across the organisation) were appropriately engaged as contractors. It also found that some contractors appeared to have some “attributes akin to employment” and highlighted 157 individuals as being in need of further review. Also inconsistencies were identified in certain roles which required a more detailed review of this section of the contractor population as prioritised.

This review entailed Eversheds Sutherlands conducting face to face meetings with the business line managers to gather further information of the facts and circumstances pertaining to each contractor. This data required subsequent additional validation in terms of records and documentation, and inputs from the contractors affected.

It was only at this point that RTÉ was in a position to engage with each individual contractor as pertained to their own unique circumstances. These meetings were conducted with various different contractor groups since early Summer; and on the basis of the respective offers, each individual was given a month’s period of reflection to decide to accept, or reject, the offer of employment as appropriate. An appeals process was also established, in consultation with the unions.

To date, RTÉ has issued 81 contracts of employment, 58 of which have been formally accepted by the parties involved and 2 not accepted. A further 21 employment responses are due on dates between 14th and 27th December.

RTÉ has also worked closely with tax advisors KPMG regarding the tax position for all contractor groups, and we have maintained close co-operation with both the Revenue Commissioners and the Department of Employment Affairs and Social Protection throughout.

Finally, in accordance with the Eversheds Sutherlands review recommendations, we have also updated the relevant RTÉ policies; and implemented the corresponding training and awareness regarding same, for all managers within the organisation.
Contractual on air-presenters

As outlined in our Revised Strategy 2024, RTÉ remains committed to achieving greater cost efficiencies where possible in all areas of the business. Within that context, it should be noted that RTÉ has proposed reducing the fees paid to our top contracted on-air presenters by 15%. (This is in addition to the 30% cuts agreed in previous years). Negotiations on these reductions are ongoing. The total sum paid to the top ten earning presenters, represents less than 1% of the overall operating costs, and less than 2% of the overall personnel related operating costs for the organisation.

In relation to these individuals, contractual arrangements are in place by mutual agreement between RTÉ and the presenter. Such contracts are entirely legitimate and provide appropriate flexibility for the presenter to provide their services to other organisations and earn other sources of income from newspapers, writing, event hosting etc.

The responsibility for paying all appropriate taxes to Revenue Commissioners (including VAT and income tax) is the responsibility of the contractor. However when engaging with contractors, RTÉ seeks a valid and up to date VAT registration, tax clearance information, and in addition seeks evidence of self assessment.

I trust that this information meets the needs of the Committee.

Yours sincerely

Dee Forbes
Director-General, RTÉ