Ms Éilis Fallon,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Kildare Street,
Dublin 2.

13th January 2020

**Ref: PAC32-I-1767**

Dear Ms Fallon,

Following on from recent correspondence, please find attached with this letter additional information and specific details in regards to the issues which Pobal was requested to provide follow up responses on for the consideration of the Public Accounts Committee following the meeting on 12 December.

As you are aware, Pobal works on behalf of Government to support communities and local agencies toward achieving social inclusion and development. Pobal's role is to provide management and support services to circa 25 programmes in the areas of Social Inclusion and Equality, Inclusive Employment and Enterprise, and Early Years and Young People.

The detailed responses provided with this letter relate to our work on behalf of Government and for ease of reference we have formatted our response as per the programmes and services we deliver on behalf of the Department of Children and Youth Affairs, Department of Rural and Community Development, Department of Employment and Social Protection and the Department of Health. In addition, we have separately categorised responses in relation to Pobal's financial accounts and corporate services.

For clarification purposes, I wish to advise that Question 10 *'An up-to-date note on the operation of e-slips for Pobal employees (Transcript Pages 64-65)'* actually refers to e-slips for participants on the Tus scheme and this has been incorporated in our response to Question 9.

If additional information or clarifications in regards to a response is required please do not hesitate to contact me.

Yours sincerely,

Anna Shakespeare

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Anna Shakespeare
Chief Executive

# Pobal Response Document

**PAC32-I-1767**

**10th January 2020**

pobal
government supporting communities

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## Information & Notes: PAC32-I-1767

As requested by members of the Public Accounts Committee (PAC) please see below additional information and details in regards to the programmes and supports which Pobal administers on behalf of the Government of Ireland.

## Queries relating to Early Years & Young People / Department of Children and Youth Affairs Funded Programmes:

1. A note on the higher capitation rates payments based on the qualification of the room leader.
3. A note on the recovery process and repayment plans for outstanding debts.
4. A note on the timeline for the setting up of a formal risk rating model by Pobal as recommended by C&AG.
5. A detailed note on the outstanding debt of €400,000 by West Clare Early Years, to include details of the turnover of the group and the circumstances under which the debt was accrued.
8. A note on the 157 financial verification visits which found instances of noncompliance.
11. A note on the legacy capital programmes, to include details of any contractual and financial commitments in relation to them.
12. A detailed note and breakdown of any childcare committees still in existence.
13. A note on the operation of the ECCE scheme in relation to children experiencing homelessness or living in temporary accommodation.

### Question 1. Please see below a note on the higher capitation rates payments based on the qualification of the room leader:

**Key Context:**

Pobal provides scheme administration services to the Department of Children & Youth Affairs (DCYA) in respect of its early year's programmes. This note refers to the early year's programmes excluding the new National Childcare Scheme, which went live on 20th November 2019 and will eventually supersede a number of the existing schemes.

The schemes involve the administration of individual registrations of children. These registrations are the basis of other associated payments including the Higher Capitation (HC) payments.

During 2019 Pobal, up to the end of November, has managed 255,000 child registrations. This is an increase of 13% on 2018. The key driver to this increase was a doubling of Community Childcare Subvention Plus (CCSP) registrations, which are particularly resource-intensive to deal with.

Pobal's achievement of its performance target of completing this work within 5 days for Early Childhood Care and Education (ECCE) and within 15 days for CCSP has increased from 83% in 2017, to 88% in 2018 to 94% in 2019. It is important to note that a significant proportion of this activity is front loaded into the first three months of the academic year: for example during September 2019 alone 110,000 registrations were received by Pobal; over the period August to October over c. 185,000 registrations were received. Processing almost three quarters of registrations in a ten week window is a significant operational management challenge, particularly in 2019 as it also coincided with readiness, delivery and launch of the new National Childcare Scheme.

Pobal is acutely aware that the early period of the programme call is a busy and sensitive time for parents and guardians requiring childcare subvention, as well as early learning and care (ELC) providers and works as carefully and as quickly as possible to deal with all registrations and related funding.

There was a reduction in the level of preliminary payments available this year. The Community Childcare Subvention (CCS) related preliminary payments were no longer available due to the closure of this programme. In 2018 these had a value of over €1.4m in September and €3.1m in October. This impacted upon a substantial cohort of services (almost 1,000 services who previously had the benefit of up to four months of preliminary payments). Furthermore this period has also coincided with concluding corrections with ELC providers in respect of compliance outcomes and the associated correction / recovery of funding over-claimed in the previous programme year funding cycle.

Nevertheless the approach applied by Pobal successfully ensured that the flow of funding to ELC was maximised. A note on the profile of funding from Pobal to ELC providers over September to November 2019 is provided at the end of this section.

## B. Higher Capitation Processing

### Background to Higher Capitation

Payment for the Early Childhood Care and Education (ECCE) Programme is made by way of a fixed capitation fee to services. When first introduced, the standard capitation was €64.50 and the higher capitation rate (for services with graduate room leaders) was €75. These rates were increased in 2018. The standard capitation rate is now €69, and the higher capitation rate is €80.25, a 7% increase on initial capitation rates. The Higher Capitation rate was designed both as a means of encouraging professionalisation within the sector through the entry of more staff with degree level qualifications and as a method to enable services to improve the working conditions of these degree qualified staff, particularly in terms of pay.

### Improving the Quality of Provision and Qualifications of Staff

- It is well established that pre-school education produces beneficial and lasting effects on children, but only if it is high quality. One measure of quality is the qualification levels of staff.
- Prior to the introduction of the ECCE Programme in 2010, there was no minimum qualification requirement for staff working in the sector. Qualification standards were first introduced under the ECCE Programme.
- Under the ECCE programme, all staff working directly with children are required to hold at least a Level 5 major award on the National Framework of Qualifications in childcare with the ECCE room leaders being required to hold at least a Level 6 qualification on the NFQ in childcare. In addition, services could qualify for a higher capitation rate where all the room leaders, in the ECCE room, held at least a Level 7 qualification, and all the assistants held at least a Level 5 qualification. This represented a major step forward in improving the quality of early learning and care.
- When the Early Years Quality Agenda was introduced in 2013, in order to further improve quality in early learning and care services, one of the items to be progressed was the introduction of a requirement that all staff working with children in these

services should hold a qualification in early childhood care and education at a minimum of Level 5 on the National Qualifications Framework (NQF) or equivalent and that ECCE room leaders would be required to hold a minimum Level 6 qualification, or equivalent. These requirements were introduced in 2016 under the Child Care Act 1991 (Early Years Services) Regulations 2016.

- These initiatives have resulted in significant changes in the qualification profile of staff in ECCE rooms and early learning and care services more broadly. For example, the proportion of services under contract to deliver the ECCE Programme who now meet higher capitation criteria have increased sharply.

**Higher Capitation Processing Registrations and Payments**

The Department of Children and Youth Affairs (DCYA) transferred the administration of the ECCE Higher Capitation Scheme to Pobal in advance of the 2018/2019 programme year. This had the purpose of integrating the administration and payment functions of the scheme to enable the more effective processing of applications.

Pobal applied a carefully considered strategy to deal with an anticipated large number of registrations in a very short time frame at the beginning of the academic year 2019/ 2020. This was considered, in conjunction with DCYA, with the objective of achieving the greatest flow of funding as early as possible to providers, Pobal prioritised processes and activities to deliver payments with this objective in mind. Child registrations were prioritised in the first instance for the first six weeks. Higher Capitation payments are derived from child registrations.

It was agreed between Pobal and DCYA that appraisal of Higher Capitation (HC) applications for 2019/20 would commence in early October - as had happened in 2018. As HC applications would not be approved at the start of the programme year, it was agreed, as had been done in the previous year, to include in the 4-week preliminary payment to all services, a portion for HC.

The application process opened on 19th August allowing service providers ample time to submit. This was six weeks earlier than 2018. It is however, likely that, even though Early Learning and Care (ELC) providers had been notified through the Programmes Implementation Platform (PIP) on 19th August that appraisals would not commence until October, the application form created an expectation from the sector that the applications would be approved more immediately. Appraisals commenced on the 7th October.

This year, service providers had to submit all employee qualifications with the applications for HC regardless of whether they had been approved for Higher Capitation in previous years. This added time to the appraisal process as additional checks were needed to ensure that all qualifications submitted met DCYA eligibility criteria for HC approved courses. This was the first year this requirement was applied by Pobal. As part of the process, some applications were referred back to ELC providers for a number of reasons including confirmation of qualifications from a third party accredited body or institution. Until these applications were resubmitted and validated, they could not be approved and paid. This verification process added more time. As a result of this new verification process introduced in 2019, a high volume were ‘queried’ and referred back to the provider. This resulted in many service providers receiving delayed Higher Capitation-related payments pending the conclusion of outstanding queries / requirements.

The level of queries was high and the resubmitted applications re-joined the queue. Pobal recognised this as an issue and opened up a fast-track processing channel for applications that had been resubmitted so that any delays to payments could be minimised.

New applications for Higher Capitation continue to be received. The up-to-date status at the beginning of January 2020 is that 2,588 applications of 2,589 have been processed; 2,287 which have been concluded, of which 2,271 have been approved. The balance of 301 remain in process and are subject to the ELC provider reverting on outstanding queries and requirements.

Pobal is actively prompting and pursuing outstanding applications. Even with the later start and the new requirement for providers to submit staff qualifications for review, Pobal was processing applications at a rate of 12% higher compared to 2018 which translated into 8% higher approvals delivered at year end compared to the same point last year.

Arising from feedback from service providers, it was agreed with DCYA that additional preliminary payments would be made during October and November for any providers with applications still in process. The requirements for any further preliminary payments are under ongoing review.

**Profile of Funding Delivered Since September 2019**

The overall flow of funding from Pobal to early learning and care (ELC) providers during September 2019 was €33.3m, compared to €33.6m for September 2018.

For October 2019 it was €63.1m compared to €52.9m for October 2018.

For November 2019 it was €53.2m compared to €48.4m in November 2018.

The cumulative payments of funding for the first three months of the academic year September to November for 2019 was €149.6m compared to €134.9m for 2018.

Higher Capitation is a component of Early Childhood Care and Education (ECCE) funding.

In September 2019, €23m was paid in ECCE compared to €22.6m in September 2018; for October 2019 €33.9m ECCE was paid compared to €32.3m in October 2018; for November 2019 €31.3m ECCE was paid compared to €33.7m in November 2018.

The further into the cycle the closer the payments reflect actual registrations and the reconciliation of preliminary payments with actual payments due.

**Question 3. Please see below a note on the recovery process and repayment plans for outstanding debts.**

At 31st December 2018, there were 22 repayment plans in place reflecting a debt balance of €234,289. These beneficiary debts are due under six funding programmes administered on behalf of a number of funding Departments. These are: Community Services Programme (10), Community Childcare Subvention (3), Training & Education Childcare (1), Early Childhood Care & Education (2) Early Years Capital 2014, 2015 & 2017 (3) and National Childcare Investment Programme (3).

**Pobal's Debtor List @ 31st December 2018**

**No. Repayment Plans in Place**

| Programme | URN | Name | Amount owed |
|---|---|---|---|
| CSP | 790209N | Mounttown Community Facility Co | €48,000 |
| CSP | 731343J | Simonstown Gaels | €12,250 |
| CSP | 290667I | Sportlann Naomh Anna Teoranta/Cumann Peile Naomh Anna | €6,538 |
| CSP | 542942F | Coleman Music Centre | €6,870 |
| CSP | 012763V | AbbeyLeix Heritage Company Ltd | €572 |
| CSP | 947007U | Comharchumann Forbatha & Fosaiochta | €14,561 |
| CSP | 047992K | South Meath Social Economy Ltd | €22,486 |
| CSP | 406232J | Mountmellick Community Sports Complex | €1,698 |
| CSP | 595458W | Kilbride Community Centre | €1,995 |
| CSP | 795881B | West Offaly ICT | €4,219 |
| CCS | 522069A | Ballingarry (Thurles) Community Development CLG | €712 |
| CCS | 113365V | County kilkenny Leader Partnership | €31,213 |
| CCS | 844092P | Croí na nOg, Rathkeale Community Childcare Ltd. | €28,197 |
| TEC | 844092P | Croí na nÓg Rathkeale Community Childcare CLG | €3,970 |
| ECCE | 522069A | Ballingarry (Thurles) Community Development CLG | €3,993 |
| ECCE | 844092P | Croí na nÓg Rathkeale Community Childcare CLG | €6,636 |
| EYC14 | 610594K | Rockcorry Community Childcare Services Limited | €9,100 |
| EYC15 | 594946H | Ark Community Playgroup Ltd | €8,451 |
| EYC17 | 699459F | Deirdre Small | €733 |
| NCIP | 087157A | Meghaland | €2,549 |
| NCIP | 006552W | Whitefriar Street Creche & Montessori | €18,246 |
| NCIP | 745332H | Maria Assumpta Preschool | €1,300 |
| | | | **€234,289** |

Pobal operates a debtor management and recovery process for all programmes managed on behalf of all funding departments. This process and its implementation is overseen by the Board of Pobal through its Audit, Finance and Risk Sub-committee (AFR). Beneficiary organisations are grant funded in advance, not in arrears, under their funding contracts. Beneficiary debts may arise for a number of reasons, including:

- A debt following a decommittal of funding
- A debt following a verification / audit visit
- A debt following liquidation
- A debt following contract closure
- A debt following non-compliance with contractual obligations

Grant funding (excluding early years subsidy payments) is committed following a formal application, appraisal and decision making process leading to a contract between Pobal and the beneficiary. A decommittal of grant funding is a formal, permanent reduction in some or all of the grant committed; if grant funding has been paid to the beneficiary and thereafter a decommittal decision is made, it may lead to the requirement for some or all of the grant monies paid to be returned by the beneficiary organisation. This is recorded as a beneficiary debt.

Beneficiary debt can also arise at verification / audit where beneficiaries may be found to have incurred ineligible expenditure thereby requiring the associated funding to be returned, at liquidation of a company where there is no dividend for unsecured creditors, at contract conclusion the beneficiary may not have required the full value of the grant to complete the project with unused funds to be returned and for non-compliance with contractual obligations e.g. DCYA capital programmes, service providers that fail to remain operational for the specified contractual period after receiving payment of the grant.

The debtor management and recovery process covers the recording of debts owed by beneficiaries, recording of receipts against these outstanding debts (lump sums and instalments), recording of outstanding balances, recording of repayment plans agreed and the operation of the recovery process. The recovery process, designed in consultation with Pobal's legal advisors, involves all communications with a beneficiary concerning a debt including attempts to recover these funds, communications with Pobal's AFR sub-committee regarding the outcome of these attempts and communications with funding Departments. Pobal liaise with the relevant funding department regarding next steps where the recovery process has not resulted in the recoupment of funds owed as they are the providers of the programme funds. Actions available to the funder include the instigation of legal proceedings in respect of the monies owed or the write-off of the monies owed as a bad debt.

At 31st December 2018, grants repayable were €6,344,571 (note 16 of the annual financial statements). This figure represents 28 funding rounds/programmes across 4 funding Departments summarised as follows:

| | | |
|---|---|---|
| Department of Children and Youth Affairs | €5,139,045 | 17 programmes |
| Department of Employment Affairs and Social Protection | € 240,107 | 2 programmes |
| Department of Justice and Equality | € 139,921 | 2 programmes |
| Department of Rural and Community Development | € 825,498 | 7 programmes |

At the end of October 2019 the amount of outstanding beneficiary debt due to the Department of Children and Youth Affairs funded programmes had reduced to €4,183,529. The majority of this balance relates to two legacy programmes, the Equal Opportunities Childcare Programme (EOCP) (2000 – 2006) and the National Childcare Investment Programme (NCIP) (2006-2010) which totals €2.974m (71%) of the total debt. The remainder to the debt balance relates to existing beneficiary programmes (€0.835m; 20%) and the ongoing early years and school age capital programmes (€0.374m; 9%).

Pobal and DCYA have been engaged in reviewing the debtor listing where the recovery process has been concluded but the debt remains outstanding with a view to agreeing the next steps to be taken. This review is anticipated to conclude in early 2020.

A characteristic of a number of the early learning and care funding programmes (those based on child registrations and which represent the bulk of the funding) is that potential over claims can be identified through Pobal's compliance process and addressed by Pobal with the early learning and care provider through scheme administration mechanisms. This integrated approach helps contain the potential exposure to both the exchequer and the individual service providers. The level of potential over-claim that translates into an actual overpayment is limited as there is opportunity to revise claims and correct payments within an annual administration cycle. Where an overpayment does materialise it can be offset against subsequent year payments. In cases where the continuity of a service is at stake (and potentially the continued best use of a state funded capital asset) repayment plans may be considered.

**Question 4. Please see below a note on the timeline for the setting up of a formal risk rating model by Pobal as recommended by the C&AG:**

The development of a new framework for financial governance and accountability within the National Childcare Scheme (NCS) will be used as an opportunity to improve how risk is addressed and managed. Pobal, in conjunction with the DCYA, are developing a formal risk assessment mechanism for compliance activity on the Early Years beneficiary programmes. In addition, an NCS Compliance Working Group, which includes representation from both DCYA and Pobal is in place and we expect that they can advance this work in conjunction with other established structures. It is our expectation that risk rating criteria/scoring mechanisms will be developed and agreed over the coming months of 2020.

The risk rating system can be operationalised through the prioritisation of compliance visits and associated work with groups with a high risk rating. It is proposed that a database comprising of all funded groups with each record associated with an individual risk rating will form part of the oversight and risk management process.

Completing the risk rating process for each Service Provider and fully populating this database will take place on an incremental basis and is expected by Pobal to be a medium-term project of three to five years in duration. The risk rating will be based on a number of criteria, including the results of the compliance programmes.

In the meantime, the 2019/2020 compliance service provided by Pobal to DCYA will continue to be delivered with regard to risk, taking into account the nature of the schemes and the areas of high importance e.g. compliance with attendance rules. The compliance programme will also include random sampling of Early Years services to ensure the outcomes are truly representative.

There are other management, control and supports frameworks applied to the constituency of early learning and care providers (e.g. Tusla as the statutory regulator; Department of Education and Skills Inspectorate; Better Start National Quality Development Service; Pobal Integrated Case Management service sustainability and governance supports). The Operations and Systems Alignment Group chaired by the Department of Children and Youth Affairs is in a position to define and direct the agenda for a strategic approach to ensuring an efficient, effective and integrated development of the inspection, compliance and mentoring functions across the early years sector.

**Question 5. Please see below a note on the outstanding debt of €400,000 by West Clare Early Years, to include details of the turnover of the group and the circumstances under which the debt was accrued.**

Pobal provides a range of services to and on behalf of the Department of Children and Youth Affairs (DCYA) in respect of early learning and care (ELC) programmes that benefit more than 200,000 children nationally. Pobal manages processes associated with contracting approved service providers; registration of children; payments; reporting and compliance.
Pobal is responsible for monitoring the funding administered under the programmes it administers on behalf of government and for ensuring that services adhere to key conditions and guidelines. It does this by carrying out regular compliance visits which include comparing child registration levels (on an online system which links payments to registrations) to actual levels of children's attendance recorded on locally maintained attendance records.

In a small number of cases, suspicions of financial irregularity have been reported to An Garda Síochána or other regulatory bodies. These are separate from ongoing regular compliance activity, and much rarer (see separate table on Page 22).

West Clare Early Years Care and Education Services Company Limited by Guarantee, trading as West Clare Early Years (WCEY), was one such case. WCEY, as an umbrella organisation, provided a range of childcare services from seven premises at five towns/villages in West Clare including Kilrush (3), Kilkee, Kildysart, Lissycassey and Kilmilhil.

In mid-December 2014, Pobal received a copy of an undated letter to the DCYA from WCEY, which related to a "formal notification of apparent financial irregularities" arising from the discovery of a 'dummy set of books' (child attendance records and a cash till book). On foot of this notification, the DCYA asked Pobal to investigate the matter on behalf of the Department. In early January 2015, WCEY advised that while the Gardaí had been contacted, they did not intend to conduct an investigation at that juncture. Pobal conducted an audit that reported its draft findings to the Board in mid-June 2015.

In 2016, while follow-on discussions and activities in relation to the audit findings were continuing, the facilities were closed without notice, causing stress and inconvenience to hundreds of families and to staff at the centres.

Immediately following the closures, Pobal and the Department of Children and Youth Affairs actively engaged with the local community to examine what needed to be done to re-establish the services at the earliest possible juncture. Eventually five centres were reopened, meaning that each affected community had full access to childcare again. i.e Kilrush, Kilkee, Kildysart, Lissycassey and Kilmihil.

Following their decision to cease trading, WCEY was placed in liquidation on 25th February 2016. Mazars were appointed to act as liquidator. The audit process had identified estimated over-claims under the CCS programme of €483,429 for recoupment by Pobal in respect of a two year period. In addition there was an amount of €80 owed under TEC and the liquidator triggered contract clauses re capital grants leading to a repayment of €11,476. All these sums were registered with the liquidator by Pobal as a creditor's claim. Programme monies owed are classified as an unsecured creditor.

The Liquidator's Report to the Committee of Inspection dated 16th February 2018 stated the "dividend for all creditors' classes is likely to be zero". This liquidator's report also noted the last set of audited accounts filed with the CRO was for the year ended 31 December 2013. The Liquidator identified the turnover for the 14 month period to February 2016 as €773k, a reduction of 26% on 2014 of €1m which was a decrease of 20% on 2013 of €1.25m. Salaries and wages accounted for 131%, 97% and 78% (restated) of turnover respectively for the periods ending 2015/16, 2014 and 2013. Once the over-claim was discovered, management and directors were unable to stem the costs, particularly payroll costs. These costs continued despite a significant reduction in income which made the operation of the company unsustainable.

The case was forwarded by the Gardaí to the DPP seeking direction, and they have confirmed that there will be no prosecution

**Question 8. Please see below a note on the 157 financial verification visits which found instances of non-compliance:**

The 157 financial verification visits conducted by Pobal in 2018 sought to confirm that both capital and operational grant monies were spent for the purposes intended in line with programme rules/guidelines and contractual conditions. It is important to note that such visits do not follow the same approach as compliance checks, which focus on subsidies paid to childcare services by reviewing child registrations against attendance records. Where possible, multiple strands of funding allocated to specific organisations are reviewed in tandem as part of the financial verification process and therefore the 157 visits conducted in 2018 covered 211 grants across a range of programmes, including the Early Years Capital programme, the School Aged Capital programme, the Community Services Programme and the Dormant Accounts Fund.

Non-compliance with programme rules/guidelines broadly falls into two categories, i.e. governance weaknesses (highlighted to grantee boards for remedial action) and issues directly affecting the grant funding reported to Pobal, including ineligible expenditure and unspent monies. The following points should be noted in connection with the financial issues associated with the grant claims:

- The period reviewed during visits conducted in 2018 ranged from 2015 to mid-2018, as opposed to transactions confined to the calendar year 2018. This is due to financial verification visits having a retrospective focus on cumulative expenditure reported to Pobal, as well as the fact that final grant claims in respect of 2018 were submitted after the year end.
- A total of 47 financial verification visits conducted in 2018 identified circumstances resulting in Pobal seeking repayment of grant funding.
- The repayment amount sought by Pobal on foot of financial verification visits conducted in 2018 totaled €216,307, of which €140,082 has been recouped to date. The debtor recovery process is on-going.

**Question 11. Please see below a note on legacy capital programmes, to include details of any contractual and financial commitments in relation to them:**

Pobal manages the delivery of a number of capital investment programmes into early learning and care facilities, according to the requirements of the Department of Children and Youth Affairs (DCYA). Unlike the majority of the rest of the early years related programmes, where the DCYA holds the contract with the early learning and care provider, Pobal holds and manages the contract with the grantee on behalf of the DCYA.

This contractual management includes a number of historical and current capital programmes.

The DCYA Capital programmes have changed over recent years from European funding to exchequer based funding.

The capital funding is granted to independent early learning and care organisations – they are generally not State facilities. Therefore there are requirements and processes applied by Pobal for the application, appraisal and recommendation of funding awards. Pobal's appraisal of applications incorporates an assessment of the known "capacity" of the applicant organisation (e.g. compliance record; previous performance; sustainability). Once the funding is approved and awarded by DCYA, Pobal enters into contracts with the successful grantees for the delivery of the proposed capital projects and manages the associated grant administration and reporting thereafter. Pobal manages the performance of the contract on behalf of the DCYA for the duration of the contracted commitment. These commitments typically extend for a number of years beyond the initial funding award. This commitment, in the case of more substantial grants, can involve establishing a lien to provide a security interest in the property for a period of years. Pobal has liens that extend up to the year 2032. The lien is maintained to track any changes in ownership etc.

**Early Years Capital Programmes (Annual Programmes for 2012, 2013, 2014, 2015 & 2016)**

Early Years Capital Programmes 2012 -2016 primarily offered small scale capital grants ranging from €3,000 to €50,000. The main focus of the funding was to improve the quality of childcare premises/facilities, to ensure previously funded services remained fit for purpose, and the creation of new ECCE places in order to meet demand.

Large scale capital grants were available in 2015 to support community early year's facilities in undertaking relocation or major refurbishment in order to maintain or improve services. In total 7 services received funding ranging from €83,000 up to €585,000.

| Overview of EYC Programmes 2012-2016 | | |
|---|---|---|
| **Year** | **No. of services funded** | **Total funding paid** |
| 2012 | 284 | €5.9m |
| 2013 | 665 | €2.5m |
| 2014 | 159 | €2.5m |
| 2015 (Small scale) | 2,178 | €2m |
| 2015 (Large Scale) | 7 | €4m |
| 2016 | 983 | €6m |
| **TOTAL** | **4,276** | **€22.9m** |

The grant contract addresses both the time-limited delivery of the capital project and establishes a contractual control period for the subsequent use of the asset (e.g. controls in the event of change of ownership, use etc.). The contractual control period for small scale capital grants ranged from 2 years to 7 years depending on the value of the grant awarded. The contractual control period for large scale capital grants in 2015 was up to 17 years from the date of the last payment. A lien may also be applied in the case of a larger capital grant.

Pobal continues to manage extant contractual commitments under Early Years Capital 2012-2016 as follows;

- **Contract Closure –** Contractual periods in relation to 2015 large scale capital grants and 2016 small scale capital grants have not yet expired. Pobal will continue to manage these contracts until the control period has ended and the contract closure process is complete.
- **Case Management** – There are 2 services who received EYC funding on Pobal's active management list as services of concern due to sustainability issues. Both of these services also received National Childcare Investment Programme funding (see below) in excess of €1m. Pobal is actively supporting these services through the integrated case management process. Some early learning and care providers can be vulnerable to year-on-year shifts in child registrations and require support in navigating the impact on their income and service level. A capital grant application may have been made in the first instance as a means of addressing a sustainability issue for a service (e.g. increasing the number of children; addressing a significant maintenance cost).
- **Capital Liens** – It was a requirement of EYC 2015 Strand 1 funding that all services in receipt of €200,000 and above, placed a Lien on the funded property in favor of DCYA. As of Nov 2019, 4 Liens (for a period of 15 years) remain active and require ongoing management by Pobal.
- **Debtor management and recovery**

  Pobal monitors and checks performance of the grantee against the contract. In some cases a recovery of funding is warranted. The table below reflects the current debtor management listing in relation to EYC 2012-2016.

| Year | No. of services | Balance to recover |
|---|---|---|
| 2012 | 4 | €70,104 |
| 2013 | 5 | €3,517 |
| 2014 | 5 | €18,376 |
| 2015 | 1 | €6,450 |
| 2016 | 34 | €119,186 |
| **TOTAL** | **49 (1%)** | **€217,543 (<1%)** |

Pobal liaises with DCYA on the administration of debtor management and recovery issues.

## A. National Childcare Investment Programme (NCIP) 2006 to 2011

The National Childcare Investment Programme 2006-2010 was a major programme of capital investment by the government in childcare infrastructure. Building on its predecessor (the Equal Opportunities Childcare Programme 2000-2006, see below), the NCIP Capital programme set out to further increase the number of childcare places available in Ireland, with specific emphasis on creating additional pre-school (3-4 years) and school age places. The funding was open to both community-based groups and private childcare providers and was administered by Pobal on behalf of the Department of Children and Youth Affairs.

The maximum funding available per childcare facility for community-based groups was €1.2m; for private providers, the maximum funding available per childcare facility was €100,000, with a ceiling of €500,000 per applicant across multiple facilities. Private providers were required under the programme to contribute at least 25% of the total cost of the capital project.

The total number of childcare facilities funded under the NCIP Capital Programme was 847 (of which 346 were community-based groups and 501 were private providers). A total of €177.8m was awarded under the programme.

| | Community Based | Private | Total |
|---|---|---|---|
| **Number of Childcare Applicants Awarded Funding** | 332 | 486 | 818 |
| **Number of Childcare Facilities Awarded Funding** | 346 | 501 | 847 |
| **Total Capital Funding Awarded** | **€144.75m** | **€33m** | **€177.8m** |

The contractual control period under NCIP was from 3 up to 20 years from the date of the last grant payment depending on the size of the grant awarded. Final payments under NCIP were made up to January 2013.

Pobal continues to manage contractual commitments under NCIP in terms of:

- **Case Management** – There are 17 services who received NCIP funding currently identified as a service of concern with 8 of these services who also received EOCP funding. Regardless of the significant time elapsed since the EOCP and NCIP funding investments Pobal works with services of concern to address risks such as sustainability concerns, financial and governance issues, audit/compliance findings etc. in order to safeguard the continuity and value of the service, particularly if it is a community based service.

- **Capital Liens** – It was a requirement of NCIP funding that all services in receipt of €200,000 and above, placed a Lien on the property in favour of DCYA. As of November 2019, 108 Liens (ranging from 12 up to 20 years remaining) are extant and require ongoing management by Pobal.

- **Debtor management and recovery** - As of November 2019 there is a total of €947,098 (0.5%) recorded on the debtor management listing in relation to 33 NCIP funded services. Pobal continues to liaise with DCYA on the administration of debtor management and recovery issues.

## B. Equal Opportunities Childcare Programme (EOCP) 2000 to 2006

Under EOCP, capital grants were available to support community-based childcare services to establish a new childcare service or upgrade an existing facility or service. Private childcare services were also eligible to apply for smaller scale capital grants to establish or upgrade a childcare facility or service.

A total of €230.8m was awarded in capital funding with €205.5m awarded to community based childcare services and a further €27.3m awarded to private providers.

| **EOCP Overview** | | | | | |
|---|---|---|---|---|---|
| **Type of Service** | **Number Funded** | **New Facility** | **Existing Facility** | **New Places Created** | **Funding Awarded** |
| Community Service | 1,101* | 302 | 799 | 22,292 | €203.5m |
| Private Provider | 858 | 392 | 466 | 17,288 | €27.3m |
| **TOTAL** | **1,959** | **694** | **1,265** | **39,580** | **€230.8m** |

*The number of community services who received capital and/or staffing grants under EOCP.

The contractual control period under EOCP was 7 years from the date of the last grant payment for private providers and 5 years from the last date of grant payment for community services. Final payments under EOCP capital were made up to May 2010, meaning all EOCP contracts have concluded.

Pobal continues to monitor and engage services funded under EOCP in terms of;

- **Case Management** – There are 23 services who received EOCP funding currently identified as a service of concern. Services of concern are identified as a result of sustainability concerns, financial issues, governance issues, audit/compliance findings etc. These services are actively supported by Pobal through the integrated case management process.

- **Debtor management and recovery** - as of November 2019 there is a total of €906,297 (0.4%) recorded on the debtor management listing in relation to 64 EOCP funded services. Pobal continues to liaise with DCYA on the administration of debtor management and recovery issues.

**Question 12. Please see below a note and breakdown of any childcare committees still in existence:**

There are currently 30 City/County Childcare Committees (CCCs) operating across the country on a regional basis.

City/County Childcare Committees remain a central pillar of the delivery of Early Learning and Care and School Age Childcare in Ireland. These organisations act as a local agent of the Department of Children and Youth Affairs in the co-ordination and delivery of the national early education and childcare programmes and the implementation of Government policy at a local level. CCCs work collaboratively to provide support to over 4,400 early education and childcare service providers. Each Committee has a distinct legal identity and board of directors comprising local representatives from the statutory, community and voluntary sectors, childcare providers and parents. 29 of the CCCs are Companies Limited by Guarantee (CLGs) under the Companies Act, and one CCC is a sub-committee of their local authority.

CCCs facilitate and support the development of quality, accessible early learning and care and school age childcare services for the overall benefit of children and their parents. They provide support and guidance to local ELC service providers and parents in relation to the childcare programmes, and support quality in keeping with national frameworks and policy objectives.

The costs for delivery of these actions are funded by the Department of Children and Youth Affairs (DCYA). City/County Childcare Committees (CCCs) are a key stakeholder in supporting the childcare sector to deliver quality, accessible and affordable early learning and care and school age services.

To support CCCs in the delivery of these actions in 2020, other key stakeholders, along with DCYA, such as Pobal, Tusla and Childcare Committees Ireland, co-ordinate and provide support, information and training to ensure the quality, consistency and achievability of the actions.

2020 will see the first full year of the National Childcare Scheme (NCS). Other developments include the implementation of actions arising out of the National Childminding Action Plan, Tusla supports and Continuous Professional Development training. CCCs also have a role in providing supports on the sustainability of community early learning and care services and the compliance of all services.

In 2020, a particular emphasis will be placed on “First 5 - the ten-year whole-of-Government Strategy for babies, young children and their families” published in 2018. This strategy sets out a vision for children under six in Ireland and a range of actions to improve their experiences and outcomes. Implementation of the Strategy has already begun in 2019. As work programmes are developed, City/County Childcare Committees will be requested to support development and rollout. City/County Childcare Committees, through the DCYA agreed selection process (i.e. that specific skill sets, experience etc. can be sought where appropriate from the staff teams of the CCCs) will provide suitable representation on the national working groups associated with First 5.

Pobal, on behalf of the Department of Children and Youth Affairs (DCYA), manages the funding of CCCs, oversees their work and provides development supports. DCYA, Pobal and the CCCs also work collaboratively via the integrated case management process to ensure that any contracted services experiencing challenges are closely supported.

Pobal undertakes audit and verification visits to CCCs to ensure the investment by DCYA is appropriately accounted for. Pobal development Co-ordinators deliver a range of functions on behalf of DCYA annually, including:

- Undertaking the appraisal of Local Implementation Plans and making recommendations to the DCYA in respect to funding allocations.
- Reviewing mid-year and year-end reports and checking progress and
- Identifying trends across the organisations

Organisations are contracted to Pobal annually and funding is released in instalments. Pobal delivers a proactive case management function to individual CCCs, with the intention of helping ensure that childcare services of concern and those requiring specialist attention are given the identified supports and interventions to enable them to meet contractual obligations and to have in place robust financial and governance structures.

CCCs are often the first point of contact for service providers and parents in relation to early childhood care and education initiatives such as the national childcare funding programmes and the national practice frameworks Síolta & Aistear.

The City and County Childcare Committee’s provide the following supports to Parents and Early Learning and Care providers:

- Provision of guidance on the DCYA national childcare funding programmes (e.g. ECCE, CCS/P, TEC and the National Childcare Scheme)
- Providing information and supports on the Access and Inclusion Model (AIM)
- Delivering professional development training, mentoring and information on quality practice and meeting statutory regulations.
- Assistance in accessing Childminder Development Grants, Parent & Toddler Grants and other capital programmes.
- Guidance for families on sourcing quality early learning and care and school age childcare services.

**Question 13. Please see below a note on the operation of the ECCE scheme in relation to children experiencing homelessness or living in temporary accommodation:**

The Early Childhood Care and Education (ECCE) scheme is a universal childcare programme with the objective of providing children with their first formal experience of early learning. The programme is delivered to children of pre-school age (2 years 8 months to 5 years 6 months) prior to commencing primary school. As it is a universal programme, it does not have any specific targeted measures.

Pobal wishes to clarify that the two programmes which address the PAC's question specifically relate to Community Childcare Subvention Resettlement (CCSR) and the Community Childcare Subvention Resettlement (Transitional) (CCSRT). These programmes offer a range of funding facilities to meet various attendance patterns and enhanced service options (e.g. provision of meals). Whilst the standard CCSP offers maximum funding of €145 per week, up to €160 may be available under these programmes.

The Community Childcare Subvention Resettlement / Transition (CCSRT) is a facility under the Community Childcare Subvention Plus which provides for a targeted subvention meeting the cost of childcare as a support to households in integration programmes for refugees and households in homelessness.

As part of the "Rebuilding Ireland – an Action Plan for Housing and Homelessness", the Department of Children and Youth Affairs provides a facility for access to free childcare for children of families experiencing homelessness. The provision provides subvention for all pre-school children aged 0 to 5 inclusive and 6 to 12 year olds during the school holidays only. The scheme is also designed to help those transitioning from homelessness to permanent accommodation. Applications are made to Pobal by early learning and care providers and require a supporting referral from Focus Ireland or the Local Authority, if outside of Dublin.

The Government of Ireland increased Ireland's resettlement quota to cater for up to 4,000 Programme Refugees. To support the Programme Refugees in their resettlement and integration into Irish society, the need to provide dedicated childcare funding was recognised. This facility allows parents/guardians to avail of childcare while they attend language and orientation courses within their reception centres and following their move into their communities. Applications are made to Pobal by early learning and care providers and require a supporting referral from the Department of Justice and Equality.

Over the course of the 2018 / 2019 academic year the total number of children benefitting from this facility was 618, to a value of €2.5m.

These arrangements have now been superseded by the National Childcare Scheme (NCS) that went live in November 2019. NCS includes specific arrangements for vulnerable children and families to be referred to the Scheme by certain statutory bodies. This arrangement (commonly referred to as a 'sponsor referral') enables such children to avail of free or additional childcare under the Scheme. The five statutory bodies specified as sponsors in the Childcare Support Act 2018, and the specific groups of children who may benefit, are:

- Local Authorities – to support homeless persons with children who are homeless or moving out of homelessness to access childcare services.
- Minister for Justice and Equality - to enable parents who are programme refugees to participate in education, integration and other relevant supports; and

- Child and Family Agency (Tusla) - to promote the welfare of children, either where there is a child protection concern, or as a form of early intervention or family support;
- HSE- to support child development for children who are below the age for participation in ECCE and where there is an identified need for childcare as a developmental support for the child, and
- Minister for Education and Skills - for teen parents who are still in education or training.

If a sponsorship referral is made by one of these bodies, the family in question will automatically qualify for a subsidy for the number of hours considered appropriate by the sponsor without having to satisfy the scheme's eligibility, income or enhanced hours requirements. The family will not need to make any co-payment.

## Queries relating to Social Inclusion and Equality / Department of Rural and Community Development Funded Programmes:

### Question 16. Please see below a note on the Seniors Alert Scheme, to include details of the companies involved in its operation, the costs involved, and any guarantees involved.

Pobal administers the Seniors Alert Scheme (SAS) on behalf of the Department of Rural and Community Development. Pobal has administered the scheme since September 2015.

The objective of the Seniors Alert Scheme (SAS) is to encourage community support for vulnerable older people in our communities through the provision of personal monitored alarms to enable older persons, of limited means to continue to live securely in their homes with confidence, independence and peace of mind.

Funding is available under the scheme towards the purchase of equipment by a registered organisation, i.e. personal alarm and pendant. The first year of the cost of monitoring by a registered monitoring provider is also provided under the scheme.

Pobal manages the procurement of the equipment with telecare alarm suppliers. The country is divided into 7 Lots and we have contracts with four suppliers to provide equipment, installation and monitoring services.

| Lot | Counties | Supplier |
|---|---|---|
| 1 | Dublin | TASK Ltd |
| 2 | Cork | Tunstall Emergency Response |
| 3 | Clare, Limerick, Kerry | TASK Ltd |
| 4 | Carlow, Kilkenny, Tipperary, Waterford, Wexford | Tunstall Emergency Response |
| 5 | Kildare, Laois, Meath, Wicklow | Helplink South |
| 6 | Galway, Mayo, Sligo | Care Direct 24/7 |

| | | |
|---|---|---|
| **7** | Donegal, Leitrim, Cavan, Monaghan, Louth, Roscommon, Longford, Westmeath, Offaly | Care Direct 24/7 |

In 2018, Pobal disbursed €241,250 to registered community groups, to cover basic costs of signing up a potential participant. €4,671,300 was paid to the equipment suppliers for the provision of and installation of personal alarms in 2018.

**Pobal's role:**

- Movement of the scheme administration to an online platform.
- Design of the scheme based on findings of the independent review of the scheme undertaken and market research exercise.
- Contract management of equipment suppliers including designing and managing associated procurement processes.
- Administration of the programme including the provision of a client services helpdesk to answer all SAS queries, processing of applications made by registered community groups for eligible older people, supplier payments, registered community group administrative payments etc.
- Provision of capacity building supports for community groups.
- Assist the Department in day to day queries associated with the programme.
- Data management, analysis and preparation of an annual progress report.
- Verification of sample of paper based applications under the scheme.

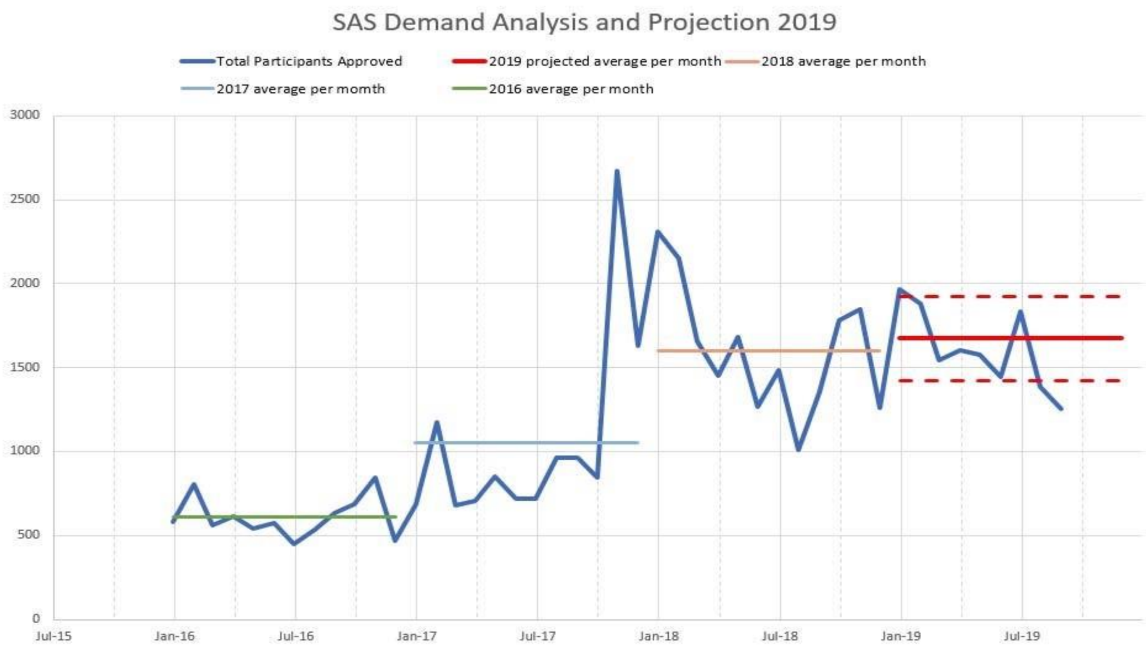
**How it works:**

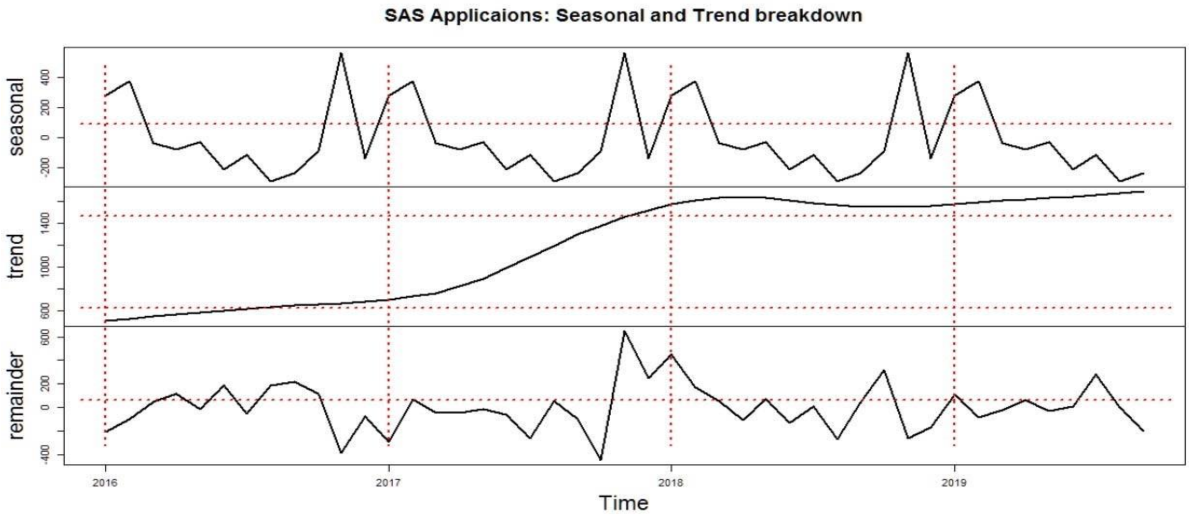
A local community group registers with Pobal to administer the scheme within a catchment area that they define. The local group applies to Pobal on behalf of the older person, once Pobal has approved the application, the community group contacts the designated supplier to arrange installation.

**Snap-shot of the existing scheme take up and processes:**

Take up of the scheme has been very significant. Community groups and individuals welcomed the new online system that streamlined the application process considerably. Applications are approved within 24 - 48 hours and a large percentage are installed within 10 working days. Work in bringing community groups on-board through events, newsletter and ongoing communication via the online portal coupled with quick turnaround times, changes to eligibility within the scheme and an advertising campaign has seen registrations steadily rise.

The charts below demonstrate the increasing upward trend that the Programme is experiencing. 19,228 applications were approved in 2018 and the scheme is on track to deliver similar numbers in 2019.

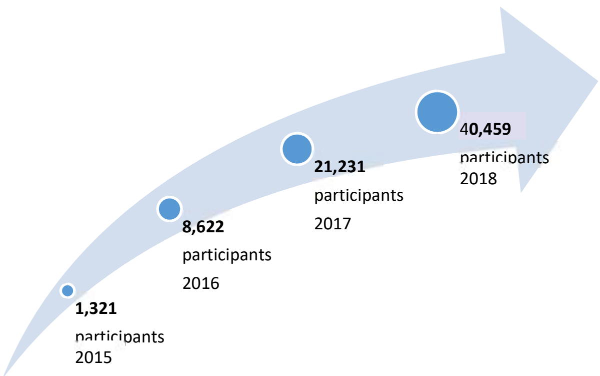

SAS Demand Analysis and Projection 2019
Total Participants Approved
2019 projected average per month
2018 average per month
2017 average per momth
2016 average per month
3000
2500
2000
1500
1000
500
0
Jul-15
Jan-16
Jul-16
Jan-17
Jul-17
Jan-18
Jul-18
Jan-19
Jul-19


SAS Applicaions: Seasonal and Trend breakdown
seasonal
trend
remainder
2016
2017
2018
2019
Time

**SAS Headline Statistics (end of year figures Sept 2015- Dec 2018)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Total Organisations | **341** | **568** | **638** | **704** |
| Organisations approved (active) | 341 | 554 | 601 | 662 |
| Organisations approved (inactive)[1] | 0 | 14 | 37 | 42 |
| Total participants approved | 1,321 | 8,622 | 21,231 | 40,459 |
| Total installations completed | **686** | **7,905** | **18,073** | **38,361** |

**Yearly increases to participant numbers Sept 2015-Dec 2018 (cumulative year-end figures)**




**Equipment provided** (*the base unit connects to the Landline or operates using a SIM Card if there is no landline in the home*)



[1] Both active and inactive organisations are listed here, although inactive organisations have withdrawn from the scheme, they have still have participants registered.

| Supplier Payments | 2018 | 2019* |
|---|---|---|
| Care Direct 24/7 | €1,173,141 | €910,093 |
| Tunstall Emergency Response Ltd | €1,122,828 | €1,03,180 |
| Helplink South Ltd | €587,471 | €580,658 |
| TASK Ltd | €1,787,860 | €1,698,450 |
| Total | **€4,671,300** | **€4,226,381** |

***Payments up to 30th Nov 2019**

## Queries relating to Inclusive Employment and Enterprise / Department of Employment Affairs and Social Protection Funded Programmes:

** Please note as per the transcript form the Public Accounts Committee meeting, pages 64 – 65 relate to the issuing of payslips / e-slips to participants on the Tús scheme. Information has been provide in response to Q9 regarding this. **

## Question 9. Please see below a note on the arrangements in place to facilitate employees on Tús or community employment schemes to access their payroll year-end information:

**Background**

Pobal operates a payroll function in Rural Social Scheme (RSS) and Tús programme on behalf of the Department of Employment Affairs and Social Protection (DEASP) and the service is managed at a local level by implementing bodies (IBs) i.e. the Local Development Companies and Údarás na Gaeltachta in Gaeltacht areas.

While Pobal acts as payroll agent on behalf of the local implementing bodies in RSS & Tús, the implementing bodies are the employers of participants and supervisors with the responsibility on them to ensure that their staff are supported as required.

- RSS commenced in 2005 and currently has 3,169 participants and 140 Supervisors in receipt of payroll.
- Tús commenced in 2010 and currently has 5,482 participants and 305 Supervisors in receipt of payroll.

**Pobal's role in relation to Payroll Process (RSS & Tús)**

Each week the Local Implementing Bodies (IBs) provide Pobal with a list of new entrants, existing participants and leavers. Pobal prepares payroll for each company on the basis of the information provided. This includes:

- Calculating the rate of pay applicable for each employee.
- Determining Tax Certs applicable for each employee.
- Authorising pay amounts for each employee.

- Authorising bank transfer to each employee their net pay amount (in recipients bank account on Thursday of each applicable pay week)
- Making tax declarations to revenue (previously (P30 / P35L/ P60s – now through revenue real time)
- Issuing payslips to each local implementer and electronic slips to each participant (arrangements outlined below).

**PAYE Modernisation 2019 onwards**

In 2018, Pobal began preparation for the PAYE modernisation that was due to come into force on the 1st January 2019. With this in mind, a number of enhancements were made to our existing systems and services to ensure they complied with the new arrangements. This also included issuing in-depth circulars to the Local Implementers to notify them of the new arrangements and how these would impact on the delivery of the programme - in particular changes to the weekly payroll process.

P60s were sent in January 2019 for Tús participants relating to their 2018 final position. All future P60s will be available on Revenue online.

Under the requirement all PAYE employees (this includes Tús and RSS employees) are expected to access Revenue online via the ROS website through MyAccount. Their details will be live and updated to the latest payment date (current pay week). They will also have access to their latest end of year statement (formerly P60) which can be viewed and printed.

While Revenue will issue guidance to all employees on how to access this system, Pobal will also issue an information notice to all employers (for distribution to their employees) on how to access their “statement of liability” and “End of year Statements” through MyAccount in January.

**Issuing of Payslips / E slips - Tús**

Pobal currently issue email pay slips to 79% of supervisors and participants on the Tús scheme. 21% of participants receive a paper pay slip which is sent weekly to the IBs to circulate to relevant participants.

In Tús, 4,672 participants and supervisors have elected to receive their pay slip by email. Of this, 553 participants do not have an email account or may not have access to a computer. In this instance, the participant have nominated an email address to which their pay slip is sent each week – this is usually their supervisor’s email address locally (456) or a generic email address held at their employers which is created for this purpose (97). The e-slip file is PIN protected and this PIN is issued separately by Pobal to each participant. The participant can then go to the offices of their employer and access and print their pay slip securely or will have nominated their team leader to print and deliver to them.

## Queries relating to Pobal Financial Statements 2018 & Corporate Services

**Finance Information:**

6. A note on the cases of financial irregularities referred to An Garda Síochána in 2018, to include the total number of cases referred, the total number of organisations involved, their geographical locations, the age profile of these cases, the total amount involved and the value of the amount outstanding.

14. A detailed note on non-compliance with procurement rules in relation to IT spending.

**Corporate Services:**

2. A note on the number of people who availed of the Bike to Work Scheme in Pobal.
7. A note on the use of recruitment agencies by Pobal to include the number of positions which were filled using agencies and the costs involved in comparison with posts filled through PAS for the year.
15. A note on the operation or timeline for planned operation of an incentive scheme in relation to employment opportunities in Pobal.
17. A note on the incidence of maternity leave among Pobal staff and the proportion of staff available for maternity cover.

**Question 6. Please see below a note on the cases of financial irregularities referred to An Garda Síochána in 2018, to include the total number of cases referred, the total number of organisations involved, their geographical locations, the age profile of these cases, the total amount involved and the value of the amount outstanding.**

Pobal can confirm less than 5 cases were referred to the Gardaí (by Pobal) over the three year period up to and including 2018. A new report was made to An Garda Síochána in 2019.

An Garda Síochána do not always revert to Pobal when a decision to proceed to prosecute or not is made by the Office of the Director of Public Prosecution so Pobal is unable to provide an update on the current status of any on-going investigations.

| Geographical Location | Year Reported to An Garda Síochána | Total Amount Involved | Value of Amount Outstanding | Additional Information |
|---|---|---|---|---|
| Co. Limerick | 2017 | €61,120 | €35,202 | A repayment plan is in place for the amount owed and the outstanding balance is €35,202. |
| Co. Clare | 2017 | €5,982 | None outstanding | |

| | | | | |
|---|---|---|---|---|
| Co. Clare | 2017 | Not Quantified | N/A | Irregularities with the annual audited accounts were reported to An Garda Síochána |
| Co. Offaly | 2017 | €9,000 | None Outstanding | An Garda Síochána investigation is ongoing |
| Dublin 15 | 2019 | €2,436 | €481 | An Garda Síochána investigation is ongoing |

**Question 14. Please see below a note on non-compliance with procurement rules in relation to IT spending:**

**The role of the Procurement Function comprises:**

- In 2018, Pobal began a process to recruit a Procurement Manager to oversee and drive improvement in the existing procurement function within the organisation. The Procurement Manager joined in April 2019.
- The development a Corporate Procurement Plan to move the organisation into full compliance with EU and Public Sector legislative and best practice requirements.
- To advise and lead on the implementation of the Corporate Procurement Plan and Procurement Policy.
- To embed procurement responsibility and clarify accountability across the organisation.
- To ensure that procurement requirements are communicated and implemented by all employees in Pobal.
- To report through the Chief Financial Officer, organisational compliance targets and outcomes to the Chief Executive Officer, the Board and our lead Department.

**The primary objectives of Pobal's procurement policy is to ensure that all transactions:**

1. Give best value for money
2. Are transparent and proportionate
3. Are formally contracted
4. Fully comply with Government Guidelines, Legislation and EU Directives applicable to State Bodies

**2018 - Non Conformance**

Pobal expended €11.5m (including Vat and Professional Services Withholding Tax) in 2018 that fell within the scope of public procurement rules. Of this €1.14m (10%) did not fully meet the required procurement rules.

The non-conformance in 2018 related primarily to ICT projects. Pobal's in house ICT team did not have capacity to undertake these projects so it was necessary to engage third party contractors who had developed in depth knowledge of Pobal's ICT infrastructure and systems to deliver on critical national project objectives. The majority of this expenditure related to ICT and was spread over a number of different contracts with seven suppliers.

A detailed corrective procurement compliance plan has been developed and implemented with an end date of Q2 2020.

Details of the expenditure including the reasons for non-conformance and the corrective action Pobal has taken are set out below.

1. Software Development

€693,020 of this expenditure was for Software Development which was split between four different suppliers.

For three of these suppliers, Pobal originally sought to utilise an existing supplier framework which was established in compliance with public procurement rules. No suitable resources were available on this framework and the developers were directly engaged. The developers gained detailed knowledge of our ICT systems and Pobal renewed the contracts due to the critical stage and delivery importance of the projects. Pobal has advertised a new procurement process to cover the services provided by these three suppliers. These services have now been tendered. The Framework Agreements are due to come into effect on 13th January 2020 thus bringing these services into compliance with procurement rules.

The fourth supplier's services were tendered in March 2018. Contracts, in compliance with public procurement, are now in place.

2. ICT Business Analysis

€350,707 of the overall expenditure was for two suppliers of ICT Business Analysis.

Both of these suppliers were existing suppliers whose contracts were renewed without a public procurement process. Pobal's in house ICT team did not have capacity to undertake a procurement process for these services in 2018. Key projects, i.e. National Childcare Scheme, were at a critical point. The resources had key knowledge and experience and it would have had a significant impact if we did not have continuity during the key phases of the projects. Pobal has advertised a new procurement process to cover the services provided by these two suppliers. These services have now been tendered. The Framework Agreements are due to come into effect on 13th January 2020 thus bringing these services into compliance with procurement rules.

3. Project Management

€105,626 of the overall expenditure was for Project Management. These services were originally procured using an existing framework. On conclusion of this contract Pobal agreed with the resource that we would directly contract with them for a lower rate. It was deemed that changing this supplier at this critical stage would have serious implications and would risk the delivery of this key national project. The current arrangement with this supplier is due to expire in April 2020.

Pobal is committed to providing highly effective services both internally and externally.

As an organisation, Pobal has invested in governance, financial management, programme design, monitoring systems, ICT and audit systems, to provide assurances to Government Departments that Pobal meets high standards of accountability, relating to the expenditure Exchequer funding.

Pobal acknowledges that all relevant procurement regulations must always be applied to ensure that genuine competition is promoted, value for money secured, equal access to publicly funded contracts is afforded to all taxpaying suppliers and openness and transparency are assured. Where relevant, Pobal procurement decisions also take account of prevailing social and environmental ethical standards.

In 2019 Pobal developed a Corporate Procurement Compliance Plan aligned with the Pobal Procurement Policy to ensure that with effect from Quarter 2 2020 the organisation will be in full compliance with public sector procurement legislation and best practice.

**Question 2. Please see below a note on the number of people who availed of the Bike to Work Scheme in Pobal:**

The Cycle to Work Scheme (generally known as the Bike to Work Scheme) is a tax incentive scheme to encourage employees to cycle to work. In 2018, 18 of Pobal's staff availed of the Bike to Work Scheme.

**Question 7. Please see below a note on the use of recruitment agencies by Pobal to include the number of positions which were filled using agencies and the costs involved in comparison with posts filled through PAS for the past year:**

**Context and Background**

Pobal manages its own recruitment. Pobal's Board is however recruited through the Public Appointment Services. Board Candidates who are deemed suitable are then presented to the Minister for Rural and Community Development who makes the final decision to appoint Directors to the Board.

Pobal publicly advertises all employee roles and posts through Irish Jobs, and other publicly available recruitment sites, including the active use of social media to attract individuals with the appropriate skills, competencies and values to work with the organisation.

The majority of organisational growth over the last number of years related to the Better Start; Access and Inclusion Model staff cohort. This category of staff require a very specific skills set, professional background and qualifications, so a targeted recruitment campaign was managed through recruitment agencies. The other cohort of staff where it has been challenging to recruit is in the area of information technology and system development. The labour market in this area is extremely competitive and recruitment agencies have been used to assist in this and other specialist areas of recruitment. All roles are publicly advertised.

**2019**

A total of 190 positions were filled during 2019. This figure includes transfers and promotions. 77 positions were filled using the services of recruitment agencies.

**2018**

A total of 131 positions were filled during 2018. This figure includes transfers and promotions. 65 positions were filled through the use of recruitment agencies.

**Costs:**

- As of November 2019, Pobal spent €255,903 in placement fees to recruitment agencies.
- In 2018, Pobal spent €293,348 in placement fees to recruitment agencies.

Placement fees are expressed as a percentage of the salary.

**Breakdown of new staff hired:**

| **2018** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Breakdown by Grade | G1 | G2 | G3 | G4 | G5 | SLT | **Total** |
| Total per Grade | 35 | 21 | 17 | 4 | 0 | 2 | 79 |

| **2019** | | | | | | | |
|---|---|---|---|---|---|---|---|
| Breakdown by grade | G1 | G2 | G3 | G4 | G5 | CEO | **Total** |
| Total per Grade | 43 | 29 | 24 | 7 | 0 | 1 | 104 |

**Mechanism through which staff came to Pobal**
Pobal uses a number of mechanisms to hire staff. These include:

- Pobal website www.pobal.ie
- Advertisements on Activelink (a specialist website for the community and voluntary sector.)
- Specialist recruitment agencies procured under a competitive tender process
- Word of mouth
- Irishjobs.ie
- Twitter
- Publicjobs.ie (Pobal has started advertising roles on the publicjobs.ie platform in 2019)
- Direct applications to Pobal from members of the public

**Placement rates paid to recruitment agencies:**
Recruitment Services are subject to a competitive tender process every three years to ensure appropriate value for money is being achieved. The rates agreed with recruitment agencies

following the most recent tender exercise are set out below covering the periods 2016 – February 2019 and February 2019 - 2021. The fees are calculated as a percentage of salary.

**AGENCY FRAMEWORK PLACEMENT RATES 2019 - 2021**

| Lot 1 – Administration / Finance (Part of Full Qualified – Over 6 Months) |
|---|
| Collins Mc Nicholas (10% Fee)<br>Grafton Recruitment (9.8% Fee)<br>Orange Recruitment (11% Fee)<br>Sigmar Recruitment (13% Fee)<br>CPL Resources (13% Fee) |
| Lot 2 – ICT Infrastructure Business Systems (Over 6 Months) |
| Grafton Recruitment (10% Fee)<br>Collins Mc Nicholas (12% Fee)<br>Wallace Myers (10% Fee)<br>Sigmar Recruitment (13% Fee)<br>CPL Resources (13% Fee) |
| Lot 3 – Temporary Staff (Under 6 Months) |
| Grafton Recruitment (8% Fee)<br>CPL Resources (13% Fee)<br>FRS Recruitment (11% Fee)<br>Orange Recruitment (11% Fee)<br>Sigmar Recruitment (13% Fee) |
| Lot 4 – Specialist Roles |
| Grafton Recruitment (10% Fee)<br>Orange Recruitment (11% Fee)<br>Wallace Myers (10% Fee)<br>Sigmar Recruitment (13%<br>Fee) FRS Recruitment (15%<br>Fee) |
| Lot 5 – Executive Roles |
| Wallace Myers (10% Fee)<br>Orange Recruitment (11% Fee)<br>Grafton Recruitment (12% Fee)<br>Sigmar Recruitment (14% Fee)<br>Eden Recruitment (11% Fee) |

**AGENCY FRAMEWORK PLACEMENT RATES 2016 – 2019**

| Lot 1 – Administration / Finance (Part of Full Qualified – Over 6 Months) |
|---|
| Collins Mc Nicholas (10% Fee)<br>Orange Recruitment (11% Fee)<br>Sigmar Recruitment (13% Fee)<br>Adecco Resources (12.5% Fee) |
| Lot 2 – ICT Infrastructure Business Systems (Over 6 Months) |
| OSMS (8.5% Fee)<br>Collins Mc Nicholas (10% Fee)<br>Adecco (12.5% Fee)<br>Sigmar Recruitment (13% Fee)<br>CPL Resources (15% Fee) |
| Lot 3 – Specialist Roles |
| Adecco (12% Fee)<br>Collins McNicholas (10% Fee)<br>Orange Recruitment (11% Fee)<br>Sigmar Recruitment (13% Fee) |
| Lot 4 – Temporary Staff (Under 6 Months) |
| Orange Recruitment (11% Fee)<br>Sigmar Recruitment (13% Fee)<br>Adecco (12.5% Fee)<br>Collins McNicholas (10% Fee) |

**Question 15. A note on the operation or timeline for planned operation of an incentive scheme in relation to employment opportunities in Pobal:**

**Context and Background**

A draft employee incentivisation scheme was reviewed internally with Pobal's internal Partnership Committee in November 2019. The draft proposal incentivises current Pobal employees to forward the CV of an individual who is known to them to the Pobal HR department for consideration for a current role or vacancy. Subject to the normal recruitment procedures should that individual be successfully appointed and complete their probationary period, the employee who recommended them would receive a once - off payment subject to normal taxation etc. The rationale is that this represents a more economic approach than the fees that are applied by recruitment agencies in particular when targeted recruitment is required.

The proposal is currently only in draft form and is for discussion with the Office of the Comptroller and Auditor General for their advice on whether Pobal can formally proceed with this proposal. It is anticipated a final decision on whether to proceed will be reached by end Q1 2020.

## Question 17. A note on the incidence of maternity leave among Pobal staff and the proportion of staff available for maternity cover:

Maternity figures:

- 25 staff began maternity leave during 2019
- 16 staff began maternity leave during 2018

The Better Start Directorate has a profile that is 98% female and an average employee age of mid-thirties. In this context it is reasonable to anticipate that this staff cohort will need to access statutory leaves such as maternity leave, parental leave etc. The Director of Better Start has established a workforce profile which includes provision for additional full time equivalent numbers based on the average annual replacement requirements associated with these statutory leaves to ensure service continuity as staff members avail of their leave.

## ENDS

| GLOSSARY OF TERMS | |
|---|---|
| AFR | Audit, Finance and Risk Sub-committee |
| AIM | Access & Inclusion Model |
| C&AG | Comptroller and Auditor General |
| CCCs | City/County Childcare Committees |
| CEO | Chief Executive Officer |
| CRO | Companies Registration Office |
| CCS | Community Childcare Subvention |
| CCSP | Community Childcare Subvention Private |
| CCSRT | Community Childcare Subvention Resettlement / Transition |
| CSP | Community Services Programme |
| DCYA | Department of Children and Youth Affairs |
| DEASP | Department of Employment Affairs and Social Protection |
| DPP | Office of the Director of Public Prosecutions |
| DRCD | Department of Rural and Community Development |
| ECCE | Early Childhood Care & Education |
| ELC | Early Learning and Care |
| EOCP | Equal Opportunities Childcare Programme |
| EU | European Union |
| EYC | Early Years Capital |
| HC | Higher Capitation |
| HSE | Health Service Executive |
| IB's | Implementing Bodies |
| ICT | Information Communication Technology |
| IT | Information Technology |
| NCIP | National Childcare Investment Programme |
| NCS | National Childcare Scheme |
| NFQ | National Framework of Qualifications |

| | |
|---|---|
| NQF | National Qualifications Framework |
| PAC | Programme Appraisal Committee |
| PAS | Public Appointments Service |
| PAYE | Pay As You Earn |
| PIP | Programmes Implementation Platform |
| RSS | Rural Social Scheme |
| SAS | Seniors Alert Scheme |
| SLT | Senior Leadership Team |
| TEC | Training and Employment Childcare programmes |
| URN | Uniform Resource Identifier |
| WCEY | West Clare Early Years |