

DFHERIS response to request for information in relation to Value for Money in the context of Dáil Standing Order 218(2)

1. Reach of response

Confirmation received on 7th November 2023 that, in the case of DFHERIS, the request in relation to VFM will refer to “all the ex-post reviews of expenditure, for which you are the Accounting Officer, which started or were completed since the establishment of the Department”.

2. Do you have a systematic/cyclical approach to choosing areas/programmes /expenditure to review? If so, please describe the approach in detail.

In early 2022, the Department established the Evidence for Policy Unit which, among other functions, leads on the management and execution of ex-post and ex-ante evaluation programmes. This work is led by the Economic Analysis and Evaluation section of the unit, which comprises one AP and three AOs from the Irish Government Economic and Evaluation Service (IGEES).

In 2022 and 2023, the evaluation work programme was based on annual calls for business cases from across the Department in order that priority areas and programmes could be identified for review and evidence support. The annual work programme is cleared by the Management Board and delivered under local project management arrangements comprising policy unit, relevant stakeholders and the evidence for policy unit.

This process led to the delivery of a programme of work as follows:

- 2022 Spending Review – [The impact of demographics within the Higher Education budget](#);
- 2023 saw the delivery of ex-ante Value for Money tools, including the creation of a Multi-Criteria Analysis template and guidance document for the tertiary sector to underpin the Department’s capital planning and appraisal programme to ensure compliance with the Public Spending Code;
- Supports to the estimates cycle through reviewing and assisting with the bids submitted by units and agencies for Budget 2023, ensuring that appropriate costing methodologies and forecasting practices were used;
- 2023 Spending Review - An Assessment of the Demand Factors and Costs of National Apprenticeship Schemes (In draft);

- 2023/2024 – Planned programme of work to boost the evidence base for student supports, including (i) Impact analysis of SUSI intervention in the context of overall student support to Increase understanding of existing system performance and (ii) Review of suitability of current SUSI threshold and rates in targeting those who did not, but may otherwise have progressed to tertiary education

In addition to distinct planned asks at business planning the evaluation section provides ad-hoc services to units including, for example, the preliminary evaluation of proposals for expenditure on short-term activation measures for Student Accommodation.

2.1. System/Unit-led evaluation

Policy units in collaboration with relevant sectoral agencies and organisations have planned/delivered a number of external impact evaluations over the period 2021-2023. The Department's agencies also regularly publish student and learner outcomes reports demonstrating the impact of education and training on learners.

Ensuring value for money relates not only to the effectiveness of Government spend, but also to whether it is being targeted appropriately. Policy reviews are also therefore important to supplement programmatic evaluations to ensure that, not only are existing programmes being executed effectively, but that alternative options are considered at appropriate intervals.

The Department's aegis bodies also deliver frequent performance evaluation and reporting through independent reviews of programmes and initiatives. These reviews ensure that system and programme level performance is monitored and returned to the Department as part of system level governance and monitoring.

The Department established a Sectoral Research and Evaluation Group (SREG) in 2022 which brings together the aegis bodies to share and develop the existing evidence base, including research and evaluation activity, across the tertiary sector.

2.2. Review of Capital Programmes

Post Project Reviews (PPR) were a requirement under the previous version of the Public Spending Code (PSC) and it was the responsibility of the Sponsoring Agency (HEA or SOLAS) to complete at the appropriate stage.

Since the introduction of the 2019 PSC the Sponsoring Agency is required to complete a Project Completion Report (PCR) and an Ex-Post Evaluation at the appropriate time in the project lifecycle.

Given the new code was introduced in 2019, which broadly coincides with National Development Plan (2018) and an increase in exchequer capital investment in the Higher Education sector, the first tranche of projects (approved in 2018/2019) are only now entering

the latter stage of the PSC stages i.e. PCR and Ex-Post. There are currently 2 projects where the Project Completion Report is in development by the HEA and will be appropriately evaluated in due course.

The HEA report on PSC progress through a scheduled quarterly engagement with DFHERIS for all projects.

2.3. Building Capacity for Evaluation

In September 2023, the Department organised specialist face to face training on ex-post evaluation methods available to members of all policy and administrative units. The objective of the training, led by the Learning Lab of the European Commission, was to increase awareness of the benefits of evaluating policy and the range of evaluation methods and supports available within the Department. This will allow policy practitioners across all areas to include evaluation in policy development and delivery and to identify programmes and areas of expenditure for review.

2.4. Planning for Evaluation

For 2024, the Department is further developing its evaluation planning model to (i) ensure a spread of evaluation programmes across the Department divisions and (ii) reduce dependence on policy unit availability to initiate project identification.

- An initial review of department performance indicators has been undertaken and work is planned with units to identify key outcome and impact metrics in their areas of influence. This work will ensure that appropriate and effective data collection is available in key policy areas and early deviations from planned outcomes and impacts are identified to trigger a review.
- Key learnings from the budget submissions will be utilised to identify where to clarify economic assumptions and/or areas in which value for money principles require greater examination.
- In common with 2022 and 2023, the programme will be cleared at Management Board level and a Steering Group is established for each review or evaluation project, which sets the terms of reference for the review and ensures that the review is meeting its stated objectives.

3. How and why you choose particular areas/programmes/expenditure to review?

The areas for review and evaluation on which DFHERIS focuses are those which fulfil the criteria of: involving a relatively large quantum of expenditure within the total vote;

experience dynamic and changing budgetary pressures; and require a greater level of granular understanding among D/FHERIS officials and/or D/PENDR officials.

The areas for which a review or detailed evaluation may be required are usually those in which there has been growing expenditure pressures the nature of which must be understood in order to make informed decisions about budget allocations. Furthermore, it is often required that a more detailed understanding of the component elements of the expenditure (such as unit costs, demand pressures, legislative obligations) in order to understand the nature of the expenditure and the source of the pressures so that all stakeholders involved in budgetary decision, including the Minister, the Department, the relevant agencies, DPENDR and the Oireachtas, can make informed decisions and assessments of the spending.

The identification of the need for review of apprenticeship expenditure is a good example of this process in action. This is an area which has seen increased budget submissions year-on-year, and which requires a significant amount of examination in order to understand the nature of these growing expenditure requirements. Following preparations for Budget 2023, it was agreed among all stakeholders that a significant programme of review on apprenticeships would be required, and that the first step of this programme would be a Spending Review. This review, which is in draft, explores the underlying demand pressures, capacity constraints, changes to unit costs and accuracy of historical forecasts in the area and will be an important foundation for further evaluation programmes in this area as set out under the Action Plan for Apprenticeship 2021-2025.

4. Do you have a schedule of planned reviews? If so, covering what period, and at what level is it signed off?

Planning for expenditure and policy review is undertaken in a manner consistent with both the lifecycle of Departmental strategies and within the annual reporting and business planning cycle.

- The Department published [Evidence Base for the Tertiary Sector: 2023-2024 Research Priorities](#) in July 2023. Section 3.6 of this paper included key commitments to reviews as set out in strategies published by the Department between 2024 and 2026.
- As set out under section 2 and 3 of this paper, an annual process of prioritisation of areas for economic review is in place within the Department. The 2023 programme is complete with the 2024 programme in development at the current time. In common with prior years, the annual schedule of work will be brought to management board for signoff alongside planned research and data/reporting activity under the Evidence for Policy unit.
- This is being delivered alongside a capacity development programme to ensure that policy and administrative units are supported to include ex-post and ex-ante evaluation

within their respective strategies, ensuring that new published policy will include planned reviews as part of their implementation and evaluation cycle.

- Required ex-post evaluations of individual capital projects will be progressed as part of the capital programme governance process and will sit outside the main policy evaluation programme.

In common with 2022 and 2023, the annual programme will be cleared at Management Board level and a Steering Group is established for each review or evaluation project.

5. The governance arrangements pertaining to the implementation of the recommendations arising from the reviews.

Currently the implementation of recommendations arising from reviews falls within the policy units.

Broadly, review recommendations are managed through specific policy areas and either actioned under evidence to support policy proposals or as key delivery programmes under an oversight implementation group. Further details on individual reviews are set out in section (6) below.

6. For each of the reviews for the accounting period under examination by the Committee and the preceding two years:

- details of implementation to date,
- timelines for implementation.

| Year | Review | Details and timelines for implementation |
|------|---|---|
| 2018 | DES/Indecon review of the NTF | <p>An implementation plan was published alongside the Review which envisaged implementation over 2018 & 2019. The NTF Advisory Group was established to advise on skills and human capital development priorities for expenditure decisions funded from the NTF, with ongoing monitoring and reporting in place.</p> <p>The 2023 review of the NTF by the C&AG noted that in three of the four key reform areas, there was evidence that the planned reforms had been implemented, with further work to be done on improving monitoring and</p> |

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| | | evaluation of the NTF. Two recommendations in relation to governance and evaluation of the NTF were made, which the Department accepted and are being addressed in Q1 and Q3, 2024. |
| 2020 | DFHERIS/Indecon International Education Strategy Review | The findings of the 2020 Review of <i>Irish Educated Globally Connected 2016-2020</i> informed the delivery of the upcoming international education strategy which was approved by Government in October and is preparing for launch. |
| 2021 | DFHERIS/DG REFORM/AARC Increasing the sustainability of Higher and Further Education provision in Ireland Economic review of funding options | The 2021 DG REFORM/AARC review, alongside the HEA/OECD Policy Brief on resourcing higher education in Ireland informed the delivery of the May 2022 publication Funding the Future . |
| 2022 | DFHERIS/DPENDR Spending Review – The impact of demographics within the Higher Education budget | Implementation complete as tied into understanding of demographic challenges of full-time higher education places |
| 2022 | DFHERIS/Indecon Review of Student Grant Schemes | A number of the recommendations have been actioned including increases to maintenance rates, increases to certain income thresholds, adjustments to the adjacency rule & from September 2024 a new part-time fee support will be in place for the first time. |
| 2022 | HEA/OECD review of technological university academic career structures and contracts | <p>Minister Harris brought the review commissioned by the Higher Education Authority from the OECD of technological university academic career paths, contracts and organisation in Ireland, to Cabinet last December where it was noted and subsequently published.</p> <p>DFHERIS officials are working closely with DPENDPDR, representatives of the TUs and other enterprise and State actors and stakeholders with a focus initially on senior management teams and the development of a new type of academic leadership in the form of TU professorships. This process will require detailed engagement over time with DPENDPDR and subsequently negotiations with TU managements and staff representatives.</p> |

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| | | No funding has been allocated or utilised to date. The parameters of future funding impacts remain to be assessed including with DPENDR |
| 2022 | SFI/Indecon Evaluation of the National Research Infrastructure | This review has added to deliberations on how best to manage research infrastructures needs, and issue which will likely feature in DFHERIS submissions to NDP Review and similar exercises |
| 2022 | SOLAS/Independent Review of the Further Education and Training Funding Model | In November 2022, a steering group, chaired by Andrew Brownlee, CEO, SOLAS, was convened to oversee the implementation of the new funding model. It is expected that the new funding model will be in place from 2025. |
| 2023 | DFHERIS/OECD Review of the National Skills Strategy | DFHERIS is establishing appropriate implementation structures including the High Level Skills Implementation Group. This Group will drive an action plan to respond to the recommendations of the OECD and are due to convene at the end of November 2023 |
| 2023 | HEA/Indecon Human Capital Initiative (HCI) Pillar 3 mid-term Evaluation Report | <p>While there are no specific recommendations arising from this mid-term report, the Department engages with the HEA on an ongoing basis in relation to the Human Capital Initiative (HCI) Pillar 3 projects, with findings informing the HEA's management and DFHERIS oversight of the initiative.</p> <p>The review has provided assurance that the HCI P3 projects are progressing well and that funding is having a positive impact to date and should continue to be prioritised.</p> |
| 2023 | Skillnet Ireland/Indecon Evaluation of Skillnet Ireland Programmes 2019 – 2020 | <p>Skillnet Ireland engages external consultants to evaluate its programmes every two years. This cycle allows for a longitudinal time frame for evaluation and assessment of impact.</p> <p>Overall, the evaluation was very positive, noting that training by Skillnet Ireland is deemed to meet the needs of the network members and business as a whole.</p> |

7. What specific effects have the implementation of the recommendations or conclusions of each review undertaken in the last seven years had in terms of the allocation of funding within the Vote(s)?

The May 22 publication [Funding the Future](#) was informed by the 2021 DG REFORM/AARC review. Clarity in relation to options and costs for funding higher education supported the allocation of additional core funding of €100m to the sector in Budget 2023 (€40m) and Budget 2024 (€60m). This was also supported by the 2022 DFHERIS/DPER spending review on the impact of demographics on the higher education budget.

A number of budgetary changes have been made on foot of the DFHERIS/Indecon Review of Student Grant Schemes. These changes have included:-

| | Budget 2021 | Budget 2022 | Budget 2023 | Budget 2024 |
|-------------------------|-------------|---|--|---|
| maintenance grant rates | | increase to all student grant maintenance payments, including the special rate of grant, of €200 per year | <ul style="list-style-type: none"> • student maintenance grant recipients received an extra payment in December 2022 • maintenance grant holders received an increase in their grant rate of between 10% and 14% with pro rata increase effective from January 2023 | <ul style="list-style-type: none"> • Maintenance for Postgraduate Students is being restored on a similar basis to undergraduate students in September 2024. Students in this academic year will see a pro-rata increase effective from January 2024 |
| income thresholds | | increase of €1,000 to the standard income threshold | <ul style="list-style-type: none"> • threshold for the student contribution 50% grant was increased from €55,240 to €62,000 • Increase in the deduction allowable for student earnings outside of term time from €4,500 to €6,552 • Exclusion of rental income up to €14,000 declared to Revenue under the Government's rent-a-room relief scheme. • increase of the income threshold for the special rate if a family has 4 or more children and/or has two or more students in college | <p>From September 2024</p> <ul style="list-style-type: none"> • threshold to receive Band 4 maintenance is increasing to €50,840 • threshold for the 100% Student Contribution Grant is increasing by 10% to €55,924 |

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| student contribution | | | <ul style="list-style-type: none"> new student contribution grant of €500 for incomes between €62,000 and €100,000. Student Contribution for all free fees eligible undergraduate students reduced by €1,000 | <ul style="list-style-type: none"> once off reduction in the student contribution by €1,000 for all free fees eligible students |
| adjacency rules | | non-adjacent rate of student grant distance reduced from 45km to 30km | | <ul style="list-style-type: none"> From September 2024 all non-adjacent maintenance rates will increase by €615 and all adjacent maintenance grant rates will increase by 10%. |
| Second Chance | | | <ul style="list-style-type: none"> reducing the period for a full break in studies from 5 to 3 years for grant eligibility | |
| postgraduate supports | <ul style="list-style-type: none"> postgraduate fee grant increase from €2,000 to €3,500 income threshold for eligibility increase from €31,500 to €54,240 | | <ul style="list-style-type: none"> Post Graduate fee contribution holders received a once-off increase of €1,000 increasing their support from €3,500 to €4,500 baseline Postgraduate Fee Contribution increased from €3,500 to €4,000 €500 increase to the stipend baseline in 2023 for PhD students who receive an IRC or SFI award | <ul style="list-style-type: none"> once off increase to the Postgraduate Fee Contribution Grant from €4,000 to €5,000 |
| Covid & cost of living measures | <ul style="list-style-type: none"> once off grant of 250 Euro was provided to all grant holders for academic year 2020/2021. | | | |

8. In accordance with [section 19](#) of the Comptroller and Auditor General Act 1993, any other evidence you might wish to provide as to:
- “(b) the economy and efficiency of the Department in the use of its resources,
(c) the systems, procedures and practices employed by the Department for the purpose of evaluating the effectiveness of its operations”.

DFHERIS is currently undertaking an internal review of key indicators with an initial scoping paper complete. This Scoping Paper has undertaken initial reviews of the following Departmental reporting mechanisms:-

- REV Reporting (annual Q3 reporting of activity)
- Public Service Performance Reporting (full year performance reporting in arrears)
- Departmental Commitments under existing strategies (ad hoc reporting under strategies)
- Education indicators for Ireland (annual report in collaboration with Department of Education)

The existing metrics utilised by the Department of Further and Higher Education, Research, Innovation and Science developed incrementally and, in many cases, are based upon cumulative historical needs from the former Departments of Business, Enterprise and Innovation (research metrics) and Education and Skills (education, skills and research metrics).

The objective of this review is to take a holistic approach to reporting by the Department of Further and Higher Education, Research, Innovation and Science to provide system level comparability in the context of the unified tertiary system and to ensure that key indicators and messaging reflect the objectives of the Department as set out in its Statement of Strategy.

9. Any other information that you, in your capacity as Accounting Officer, might wish to add to assist the Committee in forming a view as to whether you can demonstrate VFM in the context of Standing Order 218(2).

Monitoring of system performance towards Departmental goals also provides a key vehicle to ensuring value for money. The Department, through its agencies is working to ensure that the system is appropriately responsive and accountable for delivering on Government policy.

In 2022, SOLAS finalised a series of strategic performance agreements with the 16 ETBs to cover the period 2022-2024. This built on the inaugural FET system strategic performance agreements between SOLAS and the ETBs which covered 2018-2020 and were subsequently extended to cover the COVID-19 period.

The agreements, [which are publicly available](#), set out the future plans for development and innovation across the FET system and include the planned contribution from each ETB to the national system targets as agreed by the Department of Further and Higher Education, Research, Innovation and Science. [Annual reporting](#) and the target performance framework provides SOLAS and the Department with key information in terms of further education and training institutions' progress towards, and contribution to, sectoral and strategic goals.

SOLAS published the report of the independent expert panel on the FET Funding Model Review in July 2022 and established a Steering Group in November 2022, chaired by Andrew Brownlee, to oversee the implementation of the new funding model. It is expected that the new funding model will “go live” from 2025.

The Code of Practice for the Governance of State Bodies (2016) requires that all non-commercial state bodies are subject to Periodic Critical Review (PCR) every five years. . The Department will shortly be undertaking its first PCR of SOLAS since its establishment in 2013. The draft Terms of Reference are currently being finalised.

The HEA also launched the [System Performance Framework 2023-2028](#) and associated [system performance dashboard](#) in September of this year. Designated institutions of higher education set out their contribution to the achievement of institutional and national strategy in performance agreements with the HEA and will take effect from 2024.

This builds on the second System Performance Framework 2018-2020 which provided for system accountability for performance for the delivery of national priorities while enabling HEIs to identify strategic niches and missions. The second framework encompassed evolving policy developments with regard to skills development, research and innovation, access and internationalisation. It also saw the introduction of Performance Funding to support and recognise positive performance in the system. This was introduced in response to recommendations in reports such as the Review of the Allocation Model for Funding Higher Education Institutions. Performance funding awards totalling €5 million were allocated to HEIs in 2019, 2021 and 2022, on the basis of an assessment by an international expert panel of Impact Assessment Case Studies which set out exemplars of a significant contributions made towards national strategic priorities.

The recent C&AG examination of the National Training Fund (NTF) recommended that the Department progress the monitoring and evaluation of the NTF in line with the recommendations in the [2018 Indecon review of the NTF](#). The Department has committed to engaging with the ESRI on the development of a set of metrics that could underpin an evaluation of the NTF as part of its Joint Research Programme with the ESRI for the period 2022- 2024. The Joint Research Programme notes that the establishment of standardised set of metrics is a key step in putting a framework in place for the evaluation of the NTF in line with the Indecon review.

Furthermore, the Department regularly seeks to examine international best practices, system performance and policy approaches from comparator countries across the EU and beyond, in order to ensure that Ireland’s policies and systems remain innovative, while learning from the successes of others. This [research and evidence programme](#) is designed to inform policy design and decision making to ensure that funding is targeted to deliver impact.

ANNEX I – Reviews delivered and currently planned – Oct 2020*-2026

| Year | Status | Review |
|------|-----------------------------|---|
| 2018 | Complete [Policy Review] | DES/Indecon review of the NTF |
| 2019 | Complete [Policy Review] | DES/Indecon Review of Career Guidance |
| 2020 | complete | DFHERIS/Indecon International Education Strategy Review |
| 2021 | complete | DFHERIS/DG REFORM/AARC Increasing the sustainability of Higher and Further Education provision in Ireland Economic review of funding options |
| 2022 | complete | DFHERIS/DPENDR Spending Review – The impact of demographics within the Higher Education budget |
| 2022 | complete | DFHERIS/Indecon Review of Student Grant Schemes |
| 2022 | complete [Policy Review] | HEA/OECD review of technological university academic career structures and contracts |
| 2022 | Complete [Policy Review] | SFI/Indecon Evaluation of the National Research Infrastructure |
| 2022 | complete | SOLAS/Independent Review of the Further Education and Training Funding Model |
| 2023 | complete | DFHERIS/OECD Review of the National Skills Strategy |
| 2023 | complete | HEA/Indecon Human Capital Initiative (HCI) Pillar 3 mid-term Evaluation Report |
| 2023 | complete | Skillnet Ireland/Indecon Evaluation of Skillnet Ireland Programmes 2019 – 2020 |
| 2023 | ongoing | DFHERIS External Review of the Year of Skills Advertising Campaign (in draft) |
| 2023 | ongoing | DFHERIS/DPENDR Spending Review - An Assessment of the Demand Factors and Costs of National Apprenticeship Schemes (in draft) |
| 2024 | ongoing | DFHERIS Internal review of existing tertiary sector reporting and performance indicators |
| 2024 | ongoing | HEA/DFHERIS/Crowe Consulting External Impact Assessment of Programme for Access to Higher Education (PATH) – Estimated delivery date Q2, 2024 |
| 2024 | planned | DFHERIS Impact analysis of SUSI intervention in the context of overall student support to Increase understanding of existing system performance |
| 2024 | planned | DFHERIS Review of suitability of current SUSI threshold and rates in targeting those who did not, but may otherwise have progressed to tertiary education |
| 2024 | planned | Action Plan for Apprenticeship 2021-2025 includes requirement for value for money review of apprenticeship to review the impact of the single apprenticeship system in driving fit for-purpose apprenticeships and to inform the development of a successor action plan |

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| 2026 | planned | Adult Literacy for Life –a ten year adult literacy strategy includes requirement for Independent mid-term review 2026 |
| 2026 | planned | ESD to 2030–The Second national strategy on Education for Sustainable Development includes requirement for mid-term impact review 2026 |

- The transfer of functions from Minister for Education and Skills/Department of Education and Skills to Minister/Department of Further and Higher Education, Research, Innovation and Science took place on 21st October 2020. Reviews which were delivered before this date are included where they are relevant to current activity.

Dáil Standing Order 218(2)

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Template

R2235 (iii) PAC33

Instructions

Please complete this template for each ex-post review of expenditure completed since 2015. Please include hyperlinks to the reviews where possible and otherwise provide the reviews in soft copy.

Review Information- **THIS REVIEW IS NOT A VFM REVIEW**

Indecon Review of NTF - 2018

VFM details

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|------------------------|---|
| Objectives: | <ul style="list-style-type: none">• Examine the effectiveness and efficiency of the fund to date in meeting its objectives;• Assess the targets and performance criteria associated with programmes supported through the Fund;• Examine the adequacy of the evidence base and performance criteria on which expenditure decisions are taken;• Assess the monitoring and evaluation arrangements in place;• Assess the responsiveness of the Fund to the needs of the economy and wider society in terms of the type and method of programme delivery;• Assess, the continued relevance of the core objectives of the fund and the future strategic direction of the fund;• Identify the most appropriate governance and oversight structure of the NTF in optimising employer engagement and input into priorities strategic priorities;• Consider the role of the fund, alongside the Exchequer and student sources, in future funding arrangements of the HE and FET sectors; and• Make recommendations on how to improve the efficiency, effectiveness, relevance and impact of expenditure from the NTF fund and responsiveness of the Fund to the needs of the economy. |
| Recommendations | <p>Reform of the Future Direction of the NTF</p> <p>1. There is a need to set a new direction for the NTF as a strategic national asset, to focus on investment in close-to-labour market skill requirements, and in targeted interventions to support enterprise training and preparing individuals to take up employment opportunities.</p> <p>2. Part of the NTF surplus should be prioritised to support additional HE/FET expenditures and the development of labour market skills, subject to the availability of fiscal space for this purpose.</p> <p>3. There should be an increased focus on supporting in-company training underpinning increased productivity and innovation capacity particularly in</p> |



SMEs, including through introducing a new innovative pilot initiative to reflect refocussed objectives of the NTF.

4. There should be a reallocation of NTF funding of FET for employment programmes below NFQ Level 5 to the Exchequer and substitute these with close-to-labour market programmes.

Utilising NTF to Support Investment in Higher Education

5. Deploy NTF to support close-to-labour-market skills programmes in areas of identified skills needs.

6. In principle, the NTF should fund complete programmes rather than partially funding wider expenditure. In HE, the NTF should fund all of some programmes as was the case for 2018 rather than providing small levels of partial funding for a much wider range of HE programmes. These funded programmes should be clearly identified each year.

7. Fund SME upskilling as a target theme in Higher Education competitive funding programmes.

Enhancing Enterprise Engagement and Input to NTF Priorities

8. While recognising legislative requirements for public expenditure programmes, measures to significantly enhance enterprise input to governance and prioritisation of NTF investments should be implemented.

9. Introduce greater information sharing and coordination across programmes to increase employer buy-in.

10. A structured process should be implemented to facilitate NTF-focussed inputs from employers, employees and representative bodies prior to annual expenditure decisions.

11. Consider establishing an NTF Advisory Group, chaired by an employer representative, to submit recommendations to the National Skills Council on NTF priorities.

Improvements in Monitoring and Evaluation of NTF

12. The Department should organise and publish an NTF evaluation report on an annual basis, to include counterfactual modelling of the programmes' impacts.

13. Expand performance metrics to support enhanced monitoring of outcomes of all NTF-funded programmes. Metrics should include measures which track progression outcomes including:

- Progression to employment; - Educational progression, including certification achieved;
- Employment placement and sustainment following programme participation. - Completion rates

14. Priority should be given to drive continued enhancement of data to inform evaluation of NTF.



Actions taken:

Implementation Plan

Following publication of the 2018 review, an implementation plan was developed and published. The timeline set out in the plan was to address the majority of the recommendations in 2018 and 2019, so that all agreed reforms would be implemented when 2020 expenditure decisions were being made. This aligned with the full implementation of the levy rate increase.

NTF Advisory Group

The NTF Advisory Group was established on foot of the recommendations in the Indecon review to advise on skills and human capital development priorities for expenditure decisions funded from the NTF through structured inputs from employers and enterprise representative bodies.

The views of the NTF Advisory Group were shared as part of the estimates process through an advice note issued to the Department. In 2023, the NTF Advisory Group held a workshop on options for unlocking the NTF surplus to tackle critical challenges, which resulted in a recommendation from the Group and a follow-up briefing session on the plan for submission to Government.

Performance Measurement

Since 2018, the Department has produced an annual report setting out the expenditure allocations, targets and indicators for each programme in receipt of funds from the NTF. The targets and indicators included in the NTF annual reports relate to measuring input and activity levels. The reports include information on actual spend against estimated spend, and actual numbers of scheme places taken/people enrolled against targeted numbers.

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Review Information- **THIS REVIEW IS NOT A VFM REVIEW**

HCI Pillar 3 Mid Term Evaluation Report – Indecon – June 2023

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| Objectives: | <p>The Terms of Reference for the Review were as follow:</p> <p>Review of Implementation: This should include an overview of the project's initial aims and current status, identify project partners; learner places achieved; issues faced; and financial sustainability beyond the lifetime of the HCI funding window.</p> <p>Management: Governance, oversight, and project management structures; extent of collaboration; project strengths and weaknesses; awareness of international best practice; and public dissemination.</p> <p>Impact: Alignment with key objectives of HCI; outcome measurement; areas of academic excellence; scalability; improved equity of access; and impact that HCI funding has provided.</p> <p>Alignment: Identify areas of projects that have meaningfully addressed national government strategies and policies, in skills, higher education, and other policy areas, including the above-mentioned policies.</p> |
| Recommendations | <p>Human Capital Initiative (HCI) aims to increase capacity in higher education to provide skills focused programmes designed to meet priority skills needs. The mid-term review was commissioned by HEA and focuses on inputs and outputs to date, as the projects will not have reached the stage yet of having significant impacts beyond the providing institutions. Aspects included are: Review of implementation; Management; Impact; and Alignment. No clear recommendations in the report.</p> <p>Pillar 3 of the HCI is the focus of this mid-term review, which represents an investment of over €200m.</p> <p>- 24 projects are aimed to be focused on innovation and agility, and to be aligned</p> |

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| | <p>with various national strategic objectives, higher education system objectives and, more broadly, future skills needs for society and the economy.</p> <p>- Aims to deliver innovation on more than 200 new and existing higher education courses, projected to impact over 20,000 students. The key outputs at this mid point exceeded this initial target with close to 1,000 new courses and engagement with over 23,000 learners.</p> |
| <i>Actions taken:</i> | <p>While there are no specific recommendations arising from this mid-term report, the Department engages with the HEA on an ongoing basis in relation to the Human Capital Initiative (HCI) Pillar 3 projects, with findings informing the HEA's management and DFHERIS oversight of the initiative.</p> |

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Review Information- THIS REVIEW IS NOT A VFM REVIEW

Indecon Review of Career Guidance- April 2019

VFM details

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| Objectives: | The objective of this review is to examine aspects of career guidance in the Irish education and training system in order to improve the existing career guidance tools and career information and to enhance enterprise engagement |
| Recommendations | <ul style="list-style-type: none">• Appoint a National Policy Group to develop a coherent, long-term strategy for lifelong career guidance.• Ongoing emphasis on evidence-based policy, including through organisation of a biennial stakeholder forum.• Establish a support organisation to oversee technology-facilitated guidance services, funded in part from the NTF• Department of Education and Skills to set up an Implementation Task Force to drive the proposed reforms.• Integrate a consistent Learner Guidance and Support Service across FET• Provide multi-channel, blended career guidance supports, including online tools with telephone and internet access to experienced guidance practitioners.• Strengthen and promote a user-friendly centralised careers portal.• Allocate specialised guidance practitioners to groups of schools on a regional basis• Invest in providing accessible labour market intelligence.• Implement a programme with the enterprise sector to highlight the benefits to enterprise of participating in career guidance.• Initiate supports for employers to facilitate career guidance inputs and quality work experience.• Introduce measures to increase participation of students, parents and teachers at an expanded number of regional career fairs/workshops• Widen access to work experience programmes and apprenticeships using online matching services• Encourage co-operation among groups of schools for joint enterprise engagements. |

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| | <ul style="list-style-type: none">• Introduce a specific module on career guidance as part of training for teachers in special schools.• Provide access for special education and adult learners to the proposed enhanced central career support services, including information on labour market opportunities.• Provide additional specialised ongoing CPD supports for teachers in special schools.• Prioritise resource allocation, including guidance teachers for learners most in need of assistance. |
| <i>Actions taken:</i> | <p>A number of recommendations within this review, as well as the governance of the work falls under the remit of the Department of Education. This includes the task force to review and implement the findings of the review.</p> <p>Key recommendations relevant to DFHERIS are ongoing in the context of the NTF and Skills Strategy reviews</p> |

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VFM Information

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| Title of ex-post review of expenditure | Demographics in the Higher Education Sector | Type of review: | Spending Review |
| Accounting period(s) to which it relates: | 2022 (Analyses the historic period from 2007-21 and projects forward to 2041) | Authored by: | Ronan Broderick (DFHERIS) Jason Smith (DPENDER) |
| Related review(s) previously undertaken: | Projections of demand for full time Third Level Education 2018 - 2040 | Started: | Feb 2022 |
| Quantum of expenditure covered by review: | Approximately €18m in 2022 on demographic funding | Completed: | Dec 2022 |
| % of total voted expenditure covered by review: | 1% of total voted expenditure €3.346bn | Expenditure type: | Current expenditure - Demographic Funding |
| Programme line(s): | B4- General current grants to universities, institutes of technology and other designated institutions of higher education | Relevant subhead(s): | B4 -Pay and non-pay |
| % of total programme expenditure: | 1.4% of total voted programme expenditure €1.332bn | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

VFM details

Objectives:

To create and evidence base and shared inter-departmental understanding of the projected demand for higher education out to 2040. This was intended to develop a framework for agreeing funding for future student demand in the third level sector and increase the ease in which the estimates process is conducted.

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Findings

The paper and demographic model estimated that number of students in higher education was likely to peak between the 2030/31 and 2031/32 academic years. This meant that demographic funding for the sector would have to increase in order to adequately support these students..

Actions taken:

This paper was published by the spending review committee in December 2022. Since its publication it has been used as the basis for negotiating demographic funding in the sector between DFHERIS and DPENDPR

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VFM Information

| | | | |
|---|---|---|--|
| Title of ex-post review of expenditure | Evaluation of Skillnet Ireland in 2019-2020 | Type of review: | Evaluation |
| Accounting period(s) to which it relates: | 2019 | Authored by: | Indecon |
| Related review(s) previously undertaken: | | Started: | |
| Quantum of expenditure covered by review: | €30m Skillnet budget 2019 | Completed: | 2022 |
| % of total voted expenditure covered by review: | 6% of total €485.6m National Training Fund expenditure 2019 | Expenditure type: | Current |
| Programme line(s): | National Training Fund | Relevant subhead(s): | Training Networks Programme - Skillnet |
| % of total programme expenditure: | 100% | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

VFM details

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| Objectives: | <p>This report provides an independent evaluation of Skillnet Ireland's programmes during 2019-2020. The evaluation analyses Skillnet Ireland's performance across the following thematic areas:</p> <ul style="list-style-type: none">• Impact• Relevance• Coherence• Effectiveness• Sustainability• Efficiency |
|--------------------|---|



Findings

Conclusions

1. **Relevance:** 2019-2020 saw significant growth for Skillnet Ireland, despite coinciding with a period of unprecedented social and economic turmoil caused by COVID-19.
2. **Effectiveness:** Skillnet Ireland met and exceeded key targets set by Government, while also addressing unforeseen circumstances.
3. **Efficiency:** Unit costs of training were little changed in the period up to 2020 though leverage declined, while firms rated the value for money of training highly.
4. **Impact:** Member companies reported strongly positive views on the impact of Skillnet Ireland training, including on productivity, innovation and workforce development.
5. **Coherence:** Provision of training across Skillnet Ireland channels viewed as coherent, though external coherency may become a more significant issue.
6. **Sustainability:** Strong growth in supported businesses in recent years, with continued confidence among network managers of continued growth.

Recommendations

1. Realise potential to scale further, to help drive the workforce development agenda in Ireland.
2. Enhance external coherency of training and education offer, including with a focus on middle/high level skills.
3. Facilitate development of further strategic partnerships, identifying opportunities to build new partnerships domestically and internationally.
4. Support companies to navigate training offered, through expanded advisory and other services available to companies through Skillnet Business Networks or other means.
5. Support development of micro credentials.
6. Seek to scale management and leadership training.
7. Continue to review activation programme investment levels and activities, and the appropriateness of the work placement model. 8 Continue to enhance data on company impact.

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| <i>Actions taken:</i> | Implementation of the recommendations of this regular review is ongoing in the context of continuing development of Skillnet Ireland and the national skills offering. |



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Review Information- **THIS REVIEW IS NOT A VFM REVIEW**

SFI National Research Infrastructure Evaluation – June 2022

VFM details

Objectives:

Indecon, following a competitive tendering process, was appointed by Science Foundation Ireland (SFI) to undertake an independent policy evaluation to:

(a) retrospectively, evaluate the investment programmes implemented by SFI into Research Infrastructure 2015-2021 including an assessment of the programmes' performance and effectiveness with recommendations on potential opportunities for improvement; and

(b) prospectively, give recommendations on national mechanisms involved in research infrastructure ('RI'), to include an overview RI landscape analysis on which to base potential investment scenario recommendations.

Recommendations

Recommendations for Future SFI RI Programmes

1. All future applications for new SFI RI supports to take account of maintenance/upkeep costs.
2. Dedicated funding for upkeep/maintenance of existing and new RI
3. Continue current focus on large-scale investments
4. Access plans should be published online and made publicly available
5. Additional weight to projects which leverage external sources of funding and joint projects

Recommendations re. National Approach to Research Infrastructure

1. Consider the establishment of a national RI oversight group
2. Develop a RI roadmap
3. Track access by TUs to RI in other institutions
4. Develop supports for the sustainable operations and maintenance of RI

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5. Develop and maintain a national centralised database of RI and its utilisation

Actions taken:

This review has added to deliberations on how best to manage research infrastructures needs, and issue which will likely feature in DFHERIS submissions to NDP Review and similar exercises.



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Review Information- **THIS REVIEW IS NOT A VFM REVIEW**

A review of technological university academic career paths, contracts and organisation in Ireland, OECD – December 2022

VFM details

Objectives:

To identify a set of benchmark higher education institutions from other OECD countries that can provide insights for the development of future Irish technological universities through examination of their human resource policies, career paths and organisational structures. Drawing upon this evidence, and analysis of current policies in Ireland's institutes of technology and technological universities, this analysis identifies options for new career and employment contracts and organisation structures

Career Path - Establish a new career structure with five ranks: Assistant Lecturer, Lecturer, Senior Lecturer, Associate Professor, and Full Professor.

Career differentiation - A nationally agreed framework should specify the responsibilities (role descriptions) and performance standards for all ranks within the new contract, and identify the range of pathways for career advancement that TU institutions may establish

Recommendations

Workload allocation - Newly hired staff and current staff who choose to enter a new academic contract would hold an appointment with year round responsibilities, with a specified period of leave consistent with international standards, and an opportunity for sabbatical leave

Instructional model and support - Bring instructional support for academic staff to a similar level as that provided in international peer comparison institutions through a combination of expanded career professional support for instruction, and through well-planned and expanded scope of doctoral student engagement in instructional support.

Academic management and leadership - Reduce the span of departmental control and raise the professional and managerial-level

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support provided to departments, schools/faculties to international standards, permitting Heads of Department to function as strategic leaders at a disciplinary level, and head of faculties/schools to exercise leadership within their portfolio of cognate study fields

Institutional leadership - The TU system is underpinned by a national vision for the sector and associated legislation, making it advisable to develop an associated national vision for an institutional leadership model. The approach could be to establish a national baseline model for leadership, with some institution level variations to take into account specific regional requirements of individual TUs

Review was brought to Cabinet last December where it was noted and subsequently published.

Department officials are working closely with DPENDR, representatives of the TUs and other stakeholders in relation to the entire TU transformation agenda with a focus initially on senior management teams and the development of a new type of academic leadership in the form of TU professorships.

This process will require detailed engagement over time with DPENDPDR and subsequently negotiations with TU managements and staff representatives.

Actions taken:

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Review Information

International Education Strategy Review 2016-2020 – Indecon - 2020

VFM details

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| Objectives: | <p>The objective of this independent review was to guide future policy development in the area of international education. The project included an international comparative review to provide context for consideration of the direction of Ireland's future international engagement. The core analysis includes a detailed examination of the effectiveness in delivery on the targets and actions set. The report also examined the extent of impact in adding value to education policies and programme. An important aspect of the progress was estimation of the gross economic value of International Education to the Irish economy and the completion of a rigorous cost - benefit analysis.</p> |
| Recommendations | <ol style="list-style-type: none">1. Additional resources should be allocated to promoting international research collaborations and securing additional EU research income in Post-Brexit period.2. Significant changes in offering to reflect COVID-19 impacts should be implemented.3. Ways to facilitate increased global participation should be considered.4. Greater clarity is required in definition of some of wider objectives of strategy and how success will be measured.5. Continued focus on non-EU third level students is recommended but wider benefits of attracting other student categories should be taken into account.6. Improvements in data to monitor progress are required.7. Additional pathways to further education and employment for international students should be considered. |

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| | <p>8. Ways to ensure ongoing involvement of key stakeholders in designing and implementing new strategy are recommended.</p> <p>9. Maintaining standards should be a central part of new strategy</p> |
| <i>Actions taken:</i> | <p>The findings and recommendations from the Review have been taken into account in the development of the new International Education Strategy which was cleared by Government and will launch in early 2024.</p> |

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VFM Information

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| Title of ex-post review of expenditure | DGREFORM Increasing the sustainability of Higher and Further Education provision in Ireland- Economic review of funding options | Type of review: | Economic Review and Policy Proposal |
| Accounting period(s) to which it relates: | 2020 | Authored by: | AARC, in association with Indecon and LE Europe |
| Related review(s) previously undertaken: | Investing In National Ambition: A Strategy For Funding Higher Education (2016) | Started: | |
| Quantum of expenditure covered by review: | €1,927,002,000 (2020) | Completed: | May 2021 |
| % of total voted expenditure covered by review: | 76% of total voted expenditure 2020 (€2.527bn) | Expenditure type: | Current |
| Programme line(s): | Higher Education | Relevant subhead(s): | Goal B |
| % of total programme expenditure: | 100% | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

VFM details

Objectives:

This study is aimed at achieving the following three outcomes, to develop:

1. A policy proposal to adapt HE and FET provision to address the current skills disparity between student outputs and qualifications and the perceived skills need of the Irish labour market, and provide the country with the right set of skills to ensure inclusive, smart, and sustainable growth;
2. An analytical model to assess the cost implications (for students/graduates, the Irish Exchequer, Higher Education Institutions (HEIs), and employers), and the macroeconomic impacts of different higher



education funding policy options. Specifically, the analysis assesses the costs and macroeconomic implications associated with the three HE funding policy options for Ireland proposed by the Expert Group on Future Funding for Higher Education (also referred to as the Cassells Review); and

3. A policy proposal for the re-design of the higher education funding system in Ireland that would provide equity in access, efficiency in the investment of public resources and sustainability in the face of strong demographic growth.

Findings:

- Measures should be implemented to reduce underutilisation of human capital while also tackling under-education in certain groups in Irish society.
- The HE and FET systems should be strongly encouraged and supported to continue to respond to the significant shift in future labour market requirements towards high skilled employment and the rapidly changing needs of emerging sectors and technologies
- Resources should be allocated to further strengthen predictions of demand for skills and qualifications on an integrated and cohesive basis.
- Investment and a strong additional emphasis should be given to putting in place seamless pathways between and further and higher education.
- Flexible and responsive education and training measures should be introduced as a priority to reskill those who have lost employment during the COVID-19 pandemic.
- Employers should have an enhanced role in shaping and delivering the education and training system to reflect the prioritisation of human capital development and to secure greater socio economic equality.
- A sustainable model of financing for the HE and FET system should be prioritised to support the future development of the HE and FET systems in meeting the economy's human capital and skills needs.
- The Irish Government should ensure that the appropriate level of HE provision is determined with sustainable and adequate resources available to support high quality higher education in Ireland
- The Government should decide how the funding gap will be addressed.
- The Government should increase and extend maintenance and fee support.
- Consideration should be given to a 'hybrid' model of higher education fees and funding in Ireland
- The application of means-testing for the provision of student support should be improved.
- The student support system should be simplified.

Findings

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- The Government should develop and implement a rigorous long-term data strategy and infrastructure for the collection of higher education data.

In May 2022, the Department of Further and Higher Education, Research, Innovation and Science published its policy on the future of third level education in Ireland.

The Funding our Future policy confirmed the Government's intention to increase the funding given to third level institutions and to reduce the cost of education.

The policy committed to developing an annual options assessment outlining measures to reduce the cost of education. Last year's paper focused in the main on measures around the Student Grant Scheme and student contribution.

It confirmed the identified core funding gap figure of €307m and the intention to prioritise this additional investment over a number of budgets. A multi-funded model was agreed to be adopted as the funding model for higher education. This would comprise a mix of Exchequer investment, employer contributions through the NTF and student contributions. Additional core funding of €100m has been allocated to the sector in Budget 2023 (€40m) and Budget 2024 (€60m).

Actions taken:

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VFM Information

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| Title of ex-post review of expenditure | OECD Skills Strategy Assessment and Recommendations | Type of review: | Strategy Review |
| Accounting period(s) to which it relates: | All | Authored by: | OECD |
| Related review(s) previously undertaken: | | Started: | |
| Quantum of expenditure covered by review: | €695m Vote 45 €681m NTF | Completed: | May 2023 |
| % of total voted expenditure covered by review: | 100% of NTF 2022. 21% of Vote 45 expenditure | Expenditure type: | Current |
| Programme line(s): | Vote 45 Goal A & NTF | Relevant subhead(s): | Vote 45 Goal A & NTF |
| % of total programme expenditure: | 100% | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

VFM details

Objectives:

This OECD Skills Strategy Assessment and Recommendations project reviews how Ireland's existing skills strategy – the National Skills Strategy (NSS) 2025 – might need to be adapted to ensure that it is still fit for purpose. Through desk research and active engagement with government and stakeholder representatives in multiple workshops, group discussions and bilateral meetings, the project identifies priority areas for action and provides tailored recommendations for improving Ireland's skills outcomes.

Findings

Strengthen co-ordination of lifelong guidance to support a strategic approach moving forward
- Continue to actively involve all relevant actors in the development of the coherent, long-term strategic framework for lifelong guidance



- Strengthen national co-ordination of lifelong guidance services, including by establishing clear roles and responsibilities.

Consolidate and improve online information on learning opportunities and careers to improve navigability, accessibility, and relevance

- Develop a centralised online portal for all information on learning opportunities and careers through better coordination and information consolidation
- Ensure that online information is user-friendly and tailored to individual learner's needs by using filters, self-assessment tools, and direct access to advisor
- Improve the dissemination of information on skills shortages and mismatches, learning outcomes, and pathways.

Expand and strengthen guidance services to ensure that everyone can access high quality guidance across the life course

- Strengthen the quality of guidance counselling services in schools by giving guidance counsellors appropriate time and resources and by involving employers further in the provision of guidance services
- Strengthen guidance counselling services in schools by making them more widely available and covering a wide range of possible learning and career pathways
- Improve the availability and accessibility of independent and comprehensive career guidance services beyond initial education by strengthening institutional support for adults.
- Target guidance services for adults to groups most distant from the labour market and at risk of losing jobs

Promote and strengthen pathways from schools into FET and apprenticeships to develop a well-balanced tertiary system and diversified supply of skills

- Change perceptions of FET and apprenticeships through improved career guidance, communication, and rebranding
- Better promote pathways into FET and apprenticeships by strengthening work-based learning in schools and developing an unified application process.
- Increase take-up of apprenticeships by identifying and overcoming financial obstacles for employers.
- Continue to address non-financial obstacles for employers to take on apprentices by providing employers with practical support and information and promoting more flexible forms of apprenticeship

Improve pathways between FET and HE to support the move towards a truly unified tertiary system

- Develop universal and consistent criteria for facilitating transitions between FET and HE and cross-system credit recognition.
- Expand co-development and co-delivery of programmes by FET and HE, by supporting the newly established National Tertiary Office, among other initiatives
- Better promote the development of "place-based" networks (or



partnerships) between FET and HE to strengthen local collaboration on improving pathways.

Ensure that the FET and HE provision is aligned with strategic skills needs and responsive to changes in demand

- Establish a vision for long-term strategic skills needs in Ireland to inform and strengthen FET and HE performance frameworks and funding models
- Better incentivise education institutions to offer permeable learning pathways and flexible learning opportunities that allow individuals to acquire new skills quickly in response to changing skills needs.

Incentivise adults to participate in lifelong learning to improve the prominence of lifelong learning in Ireland's society

- Assess the feasibility of individual learning schemes and paid training leave in Ireland's context
- Evaluate and expand programmes or financial incentives that effectively engage a wide range of individuals in lifelong learning by extending their scope, target audience and/or allocated resources (e.g. Springboard+, eCollege).
- Implement a public awareness campaign to raise awareness about the importance and benefits of lifelong learning for all.

Provide tailored and targeted support to disadvantaged groups to address the specific barriers they face to participating in lifelong learning

- Develop detailed profiles of different types of lifelong learners and potential lifelong learners
- Improve holistic support for parents and carers to participate in lifelong learning through information, additional financial support and on-site services.
- Increase support for vulnerable groups to participate in lifelong learning by providing targeted guidance and financial supplements to address the indirect costs of learning.

Establish a clear and robust lifelong learning guidance and support system for employers to efficiently match them with training that meets their needs

- Formalise a system of lifelong learning guidance for employers by evaluating the strengths and weaknesses, as well as the feasibility, of different models of service integration.
- Design an online portal tailored to employer needs and integrate this portal into a potential broader lifelong learning guidance system for employers
- Strengthen support to employers to map out their employees' skill set and future skills needs (e.g. methodological guides, manuals, tools, etc.).
- Develop a work plan to provide targeted additional guidance to small and medium-sized enterprises, beginning with a pilot programme in sectors of national priority.



Reform the National Training Fund to better foster lifelong learning in workplaces

- Unlock surplus National Training Fund funds to facilitate greater investment in lifelong learning in Ireland.
- Improve structural incentives for employers to take advantage of education and training funded by the National Training Fund.
- Establish a discretionary fund as part of the National Training Fund to be distributed at the regional/local/sectoral level.
- Increase National Training Fund support specifically allocated for upskilling and reskilling for small and medium-sized enterprises.

Promote greater flexibility in the lifelong learning offer to help individuals and employers incorporate ongoing learning into daily life

- Encourage lifelong learning providers to offer more flexible learning opportunities (e.g. online, modular, “bite-size” microcredentials).
- Strengthen the recognition, accreditation and stackability of lifelong learning opportunities in line with the National Framework of Qualifications (e.g. through stackable micro-credentials, digital badges, etc.)
- Strengthen support for online learning instructors and providers to improve the quality of online courses and enable further expansion of remote lifelong learning.

Improve the recognition of non-formal and informal learning for individuals and enterprises to make lifelong learning more accessible to all

- Strengthen the capacity of education and training providers to offer recognition of prior learning, including by establishing national guidelines outlining the procedures and processes of RPL.
- Improve awareness of and access to recognition of prior learning, including tools for individuals to accumulate and display their non-formal and informal learning.
- Implement a mechanism for recognising and rewarding informal, on-the-job learning provided by employers.

Develop skills for innovation across the education system to strengthen Ireland’s adaptive capacity and competitiveness

- Strengthen the strategic positioning of skills for innovation and improve connectivity with wider policy domains.
- Improve the development of transversal skills for innovation across the education system, including lifelong learning
- Strengthen and systematise the process for identifying and responding to emerging technical skills needed for innovation in areas of strategic importance to the economy.

Better activate the skills of research talent to strengthen R&D intensity in the economy and innovation with firms

- Strengthen incentives and resources for R&I institutions and highly-skilled research talent to engage and collaborate with smaller enterprises
- Advance further research to better understand current and future demand for research graduates and the mobility of research talent between



academia, industry, the public and voluntary and community sector.

- Strengthen careers guidance for research graduates and better integrate transversal skills development into research training at all levels.

Extend flexible, subsidised and customisable development opportunities for Ireland's managers to maximise the accessibility, relevance and value of support

- Address gaps in management training for mid-sized, locally traded service companies and community, voluntary and social enterprises.
- Advance new flexible, subsidised and customisable management training and scale-up successful existing programmes

Strengthen incentives for management development to raise the motivation of Ireland's managers to upgrade their skills and participate in lifelong learning

- Strengthen evidence on the business benefits of management development for productivity, innovation and business performance.
- Introduce a new management standard and associated quality marks to professionalise management in Ireland.
- Advance incentives for Irish firms to take-up new management standards and quality marks,

Reinvigorate the strategic focus on workplace innovation in Ireland as a key vehicle to improve the productivity and performance of firms

- Position the modernisation of Irish workplaces as an explicit policy priority in the refreshed National Skills Strategy for Ireland.
- Review Ireland's portfolio of management development opportunities to strengthen focus on workplace transformation and HPWPs.
- Advance awareness campaigns that build understanding of the steps that small firms can take to stimulate better work organisation practices.

Foster peer-to-peer learning and communities of practice to promote the diffusion of leading-edge organisational practices between Ireland's MNEs and SMEs

- Review the potential to embed organisational practices and high performance working more strongly within Ireland's well-established mechanisms for peer learning.
- Develop new programmes that seek to promote innovation diffusion between MNEs and smaller enterprises in their supply chains.
- Strengthen collaborative business learning networks or 'communities of practice' that seek to promote workplace innovation.

Strengthen the commitment to and efficiency of adopting a whole-of-government approach to skills to help achieve a step change in Ireland's skills system

- Adopt processes to support cross-departmental collaboration on addressing skills challenges in areas of strategic importance.
- Reduce duplication and promote synergies by mapping, monitoring and raising awareness of existing processes to support cross-departmental collaboration on addressing skills challenges.



Prepare a follow-up to the National Skills Strategy 2025 to help place skills at the top of Ireland's policy-making agenda, and enable effective implementation

- Apply a whole-of-government approach to the design and implementation of the National Skills Strategy 2025 follow-up.
- Prioritise a smaller number of high-impact priority areas in the National Skills Strategy 2025 follow-up and consider a more flexible structure.
- Establish clear accountability mechanisms to support progress reporting on and evaluating the measures implemented under the National Skills Strategy 2025 follow-up.

Strengthen the National Skills Council and other stakeholder bodies to enable stakeholders to more effectively shape Ireland's skills policy priorities

- Revise the National Skills Council's terms of reference, improve its visibility, and adequately resource its secretariat.
- Ensure that a wider range of relevant non-governmental stakeholders is represented at the National Skills Council, promote gender balance in its membership and foster accountability with regard to its advice.
- Convene more regular National Training Fund Advisory Group meetings and provide adequate opportunity for stakeholder input.

Scale up existing good practices and promote a more inclusive, efficient and co-ordinated approach to stakeholder engagement in the co-design of education and training

- Expand successful skills development programmes and initiatives where collaboration with enterprises is core to the course design and/or where receiving funding is conditional upon collaboration with enterprise – and encourage input from small and medium-sized enterprises
- Consider establishing “curriculum” hubs” in selected education and training boards to better focus their stakeholder engagement efforts in further education and training.
- Ensure adequate co-ordination between actors who engage with stakeholders in course co-design

Improve the range and granularity of information on current skills needs, strengthen information on training outcomes and enhance skills forecasting

- Expand the scope of the National Employer Survey to collect more information on skills needs and skills use and implement the Survey on a regular basis.
- Enable systematic collection of information on employees' skills gaps via the Skills for Growth initiative and strengthen the emphasis on skills in the Recruitment Agency Survey.
- Support systematic collection of information on the outcomes of further education and training graduates.
- Consider reinitiating the development and systematic maintenance of a regular sectoral forecasting model.

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Enable more effective exchange and use of existing skills data and promote systematic skills policy evaluation to support evidence-based skills policy making

- Support the development of digital solutions to facilitate easier exchange of skills data.
- Enable more effective use of data from employer skills audits by promoting co-ordinated reporting and centralising the collected data.
- Support the development and adequate resourcing of dedicated evaluation structures and promote a co-ordinated and collaborative approach to skills policy evaluation.

Actions taken:

At the present DFHERIS is establishing appropriate implementation structures including the High Level Skills Implementation Group. This Group will drive an action plan to respond to the recommendations of the OECD and are due to convene at the end of November 2023

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Template

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Instructions

Please complete this template for each ex-post review of expenditure completed since 2015. Please include hyperlinks to the reviews where possible and otherwise provide the reviews in soft copy.

VFM Information

| | | | |
|---|--|---|---|
| Title of ex-post review of expenditure | Review of the Student Grant Scheme | Type of review: | Independent review, including research work, expenditure review and impact analysis |
| Accounting period(s) to which it relates: | 2013-2020 | Authored by: | INDECON |
| Related review(s) previously undertaken: | NA | Started: | |
| Quantum of expenditure covered by review: | €334m (2020) | Completed: | February 2022 |
| % of total voted expenditure covered by review: | 13% of total vote expenditure €2.5427n for 2020 | Expenditure type: | Current |
| Programme line(s): | Student support and related expenses | Relevant subhead(s): | B11 |
| % of total programme expenditure: | 83% | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

VFM details

| | |
|--------------------|---|
| Objectives: | <ul style="list-style-type: none">To review the eligibility criteria. As part of reviewing the approved course criteria, the review should explore the impact and likely longer-term impact of expanding the current definition of an approved course and the associated costs if the scheme was to include blended/online and part-time provision. 13 A consultation exercise to inform the next National Access Plan was initiated in April 2021 by the HEA. 1 Introduction and Background Indecon Review of the Student Grant Scheme 2To review the current income thresholds. The Student Grant Scheme provides for different levels of income thresholds for grant support including where families have: (i) fewer than four dependent children; |
|--------------------|---|

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| | <p>(ii) between four and seven dependent children; and (iii) eight or more dependent children. The review should investigate the impact of any changes to income thresholds whilst acknowledging the cost implications for the Exchequer.</p> <ul style="list-style-type: none">• To review the current maintenance grant which is a contribution made towards a student's day-to-day living expenses and is paid in nine monthly instalments.• To review the current adjacent/non-adjacent rates of grant and cost implications of making any changes to the present rates.• To identify and reflect on the current support measures in other jurisdictions and benchmark the student grant system in Ireland against other EU states.• To ensure that the aforementioned eligibility criteria are explored in the context of the fact that the Programme for Government also undertakes to provide a long-term sustainable funding model for higher education and research on this topic is already underway.• To consider current supports available to Further Education and Training (FET) learners undertaking traineeships, apprenticeships and Levels 5 and 6 programmes (i.e., courses that are not PLC courses) with a view to exploring whether a common cross-FET student financial support system can be incorporated into the Student Grant Scheme.• To consider current supports for postgraduate students and explore the impact of extending these supports to include maintenance grants at the same level as the current undergraduate supports.• To invite contributions from stakeholders in the student grant system via a formal submission process and consider these submissions in the context of the parameters of the Programme for Government commitments and the Terms of Reference of this review.• To objectively determine the real cost of attending further education and the real cost of attending higher education in the State and determine what proportion of the cost is met by the student grant system in Ireland.• To translate the research findings from the above Terms of Reference into recommendations on future policy initiatives to support access to further and higher education. All recommendations will need to be detailed, well developed, targeted and costed. |
| Findings | <p><u>Findings</u></p> <ul style="list-style-type: none">• Increase student maintenance grant rate levels targeting those most in need• Adjustments should be made to adjacency criteria for student grants• Adjust grant income thresholds to account for inflation• Extend grant supports to more flexible forms of learning including blended/online and part-time• Investigate the potential to streamline the approach to providing financial supports in FET and HE. |

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| | <ul style="list-style-type: none">• Further extend supports to low-income postgraduate students• Develop and implement a comprehensive data plan for further and higher education in Ireland• Targeted communication aimed at NAP groups |
| Actions taken: | <p>A number of the recommendations have been actioned including increases to maintenance rates, increases to certain income thresholds, adjustments to the adjacency rule & from September 2024 a new part-time fee support will be in place for the first time.</p> <p>Targeted communication is ongoing via various funding supporting the National Access Plan, A number of advertising campaigns were ran this year to promote SUSI. Other measures will be actioned during the course of the National Access Plan including a review of the www.studentsupport.ie website hosted by the HEA.</p> |

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Template

R2235 (xiv) PAC33

Instructions

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VFM Information

| | | | |
|---|---|---|--|
| Title of ex-post review of expenditure | Further Education and Training Funding Model Review | Type of review: | Independent Expert Panel Report |
| Accounting period(s) to which it relates: | 2021 | Authored by: | Independent Panel on behalf of SOLAS |
| Related review(s) previously undertaken: | | Started: | Nov 2019 |
| Quantum of expenditure covered by review: | €563,158,000 Vote 45 €594,188,000 NTF €1,157,346,000 Total | Completed: | June 2022 |
| % of total voted expenditure covered by review: | 19% of total Vote 45 2021 expenditure 100% of NTF 2021 expenditure | Expenditure type: | Current |
| Programme line(s): | Programme A Skills Development National Training Fund | Relevant subhead(s): | A3 - Grants to SOLAS in respect of administration and general expenses A5 - Grants to SOLAS in respect of further education and training activities National Training Fund |
| % of total programme expenditure: | 93% of Programme A 100% of NTF | If the review is reflected in a Public Service Performance Report, please provide year and page number: | NA |

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VFM details

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| Objectives: | <p>The overall objective of the review was to devise a FET funding system that is:</p> <ul style="list-style-type: none">• “Future-proofed” and operationally effective for both funders and providers within FET• Transparent and offered value for money for the Irish taxpayer• Able to ensure inclusion and equitable access to FET for everyone |
| Findings | <p>Recommendations:</p> <ol style="list-style-type: none">1. Advance to a streamlined funding structure with ETBs funded through five discrete pots thereby enabling greater autonomy and flexibility2. Shared definitions for use of the funding model with associated targets should be agreed by SOLAS and the FET sector and enshrined in the Strategic Performance Agreements3. Weightings should be used to account for variations in resource intensity, cost, and strategic initiative4. Intelligent, data-driven reporting and monitoring through use of PLSS will be the foundation of the new funding model. Funding will be allocated based on accurate PLSS data input and analysis5. Outcomes-based funding should be applied based on numbers of learner completions in the previous year. FET provision and funding will be driven by learner demand and socio-economic need6. Bespoke funding solutions will be put in place that recognise the unique character of FET, including for apprenticeship and Youthreach provision, with quantitative and qualitative measures in place to ensure focus on outcomes and impact7. Strategic, multi-annual planning will support the new funding approach, agreed and delivered through the SPAs8. Programme harmonisation across all FET provision with a focus on agile course development which can respond to regional needs, alongside more consolidated branding of courses in line with the Future FET strategy. |

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Actions taken:

In November 2022, a steering group, chaired by Andrew Brownlee, CEO, SOLAS, was convened to oversee the implementation of the new funding model. It is expected that the new funding model will be in place from 2025.



An Roinn Breisoideachais agus Ardoideachais,
Taighde, Nuálaíochta agus Eolaíochta
Department of Further and Higher Education,
Research, Innovation and Science

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Department of Further and Higher Education, Research, Innovation and Science

Briefing for the Public Accounts Committee

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General Information on the Department of Further and Higher Education, Research, Innovation and Science

The Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) was established in June 2020. It is responsible for funding, policy development and oversight of the higher and further education system, as well as for research, innovation and science. The Department also oversees the work of the state agencies and public institutions operating in these areas.

The Department's role is to ensure that these sectors support and encourage Ireland's social and economic development. The Department oversees public investment and policy in these areas with the aim of giving opportunities to everyone to meet their full potential, including the most vulnerable in society. As of November 2023, there are a total of 259 members of staff working in the Department, across three locations in Tullamore, Co. Offaly and Marlborough Street and St Stephens Green in Dublin.

1. Corporate Supports and Governance

The Organisation Development and Operation Unit manages the delivery and coordination of the Department's Corporate Governance processes to support the Department's Business Units to operate in accordance with the principles of good governance, risk management and in delivering on the implementation of strategic goals and priorities. The Unit also coordinates closely on the provision of corporate support functions with the Department of Education, including in relation to Strategic HR, Learning and Development supports for staff, ICT etc. Arrangements with regard to delivery of shared services are set out in a number of Memorandums of Understanding (MOUs).

Audit Committee

The Audit Committee provides independent advice to the Accounting Officer (Secretary General) regarding the suitability and robustness of the Department's internal control systems and procedures, the risk management environment, the Department's Internal Audit Unit and the relationship with external audit. The Accounting Officer appoints the members of the Committee, which comprises four members, three external representatives, one of whom is the chairperson, and one internal representative.

The Committee oversees the work of the Internal Audit Unit and also meets with the Chair of the Risk Committee at least annually to discuss the effectiveness of the risk management process, to obtain a briefing on the Department's assessment of the principal risks and related controls and to consider changes to the risk assessment and the implications these have for the internal audit plan for the coming year. The Committee is independent in the performance of its functions.

Internal Audit Unit

The Internal Audit Unit is responsible for providing assurance to the Accounting Officer on the adequacy, efficiency and effectiveness of the Department's risk management, internal control systems and governance processes. It undertakes its work in accordance with an annual work programme, which is approved by the Accounting Officer, and is overseen by the Department's Audit Committee. The Unit reports directly to the Accounting Officer and the Head of the Internal Audit meets with the Accounting Officer regularly to discuss issues of relevance in the area.

Risk Management Framework

A Risk Committee is also in place, and the Department's Risk Management Policy and Appetite Statement sets out how Business Units across the Department should approach the assessment of risk for each strategic objective, priority action, or business tasks.

The policy explains the importance of developing appropriate mitigations to minimise the likelihood or potential impacts of internal or external factors which could prevent the Department from achieving its strategic objectives or political commitments.

The Department endeavors to ensure that risks are appropriately mitigated against, to the greatest extent possible, and are included on each Business Unit's eRisk register. Corporate and whole of Department risks are also recorded and monitored appropriately.

Finance Unit

The role of the Finance Unit is to support the delivery of the Department's strategic objectives by providing a range of budgetary, financial and support services. Finance Unit reports to the Secretary General and Management Board on a monthly basis, setting out spend compared to budget, projections to year end and details of emerging expenditure pressures/savings.

This Department operates a devolved finance function whereby individual business units are responsible for the management of budgets allocated to their respective subhead lines. An internal monthly financial reporting process is in place which enables budget managers to monitor spend versus provision with variances reported to the Finance Unit.

Significant provision and expenditure variances are reported, by the Finance Unit, to Central Section within the Department of Public Expenditure and Reform as well as a range of monthly, quarterly and annual profile monitoring and forecasting obligations.

2. Department Values and Behaviours

The Department seeks to carry out its functions and responsibilities as set out in its Statement of Strategy in accordance with key values and behaviours including:

Respect - We will work to promote an atmosphere of mutual respect and trust both among ourselves and with our partners and stakeholders, and endeavour to act at all times in a fair, impartial and honest manner in line with the strongest traditions of the civil service.

Innovation - We will seek to promote a culture where a passion for curiosity, questioning and discovery are encouraged and recognised.

Inclusivity - We will endeavour to progress in a rounded way that embraces diversity and difference.

Sustainability - We will ensure that our work, our ways of working and our use of resources contributes to a sustainable future for all.

Excellence - We will uphold high professional standards in our approach to the work of the Department and make every effort to deliver what is requested of us by Government, our customers and stakeholders.

Mission and Goals

The Department is currently finalising a new Statement of Strategy. The Strategy in operation in 2022 identified the Department's mission as *to develop Ireland's tertiary education, training and research to support people to reach their full potential and create a prosperous, sustainable and vibrant society, ready to meet the challenges of a changing world.*

The strategic goals of the Department are:

Talent – develop talent and skill

Collaborate with educational institutions, employers and others to identify the talents and skills required, and provide education and training, growing potential and helping people engage in and contribute to our economy and society.

Innovation – promote research, knowledge, and innovation

Lead a whole-of-Government approach to agree the strategy, institutional framework, and investment needed to advance basic and applied research and innovation, grounded in collaboration between enterprise, educational institutions, and wider society, in Ireland and beyond.

Inclusion – support learning for all

Provide supports and opportunities for learning to all, recognising the needs of vulnerable learners and the most marginalised, and assist people in access to and progression through higher and further education and training, so as to grow prosperity across communities and build social cohesion.

International – succeed on world stage

Position Ireland globally as a leading knowledge economy with a skills and innovation focus and as a leader in higher education and research, deepening collaboration on an all-island and East-West basis, within the EU and beyond, attracting talent from around the world to Ireland's international education system and equipping Ireland to compete on the world stage.

Governance – good governance to enhance quality

Promote the modernisation of the sector, implementing a sustainable funding model and enhancing governance, in order to drive quality and secure excellence in performance.

Capacity – Department “fit-for-purpose”

Ensure critical Departmental resources and expertise needed to enable delivery of our Mission and Goals are in place, supporting our staff to further enhance individual and collective capacity and underpinning excellence in performance.

3. Bodies under the aegis of the Department

An tSeirbhís Oideachais Leanúnaigh agus Scileanna (SOLAS) was established in 2013 under the Further Education and Training Act. Working closely with Regional Skills managers and partners in Education and Training Boards nationally, SOLAS manages a range of Further Education and Training programmes, which enable learners to succeed in the labour market and thrive in society.

Grangegorman Development Agency (GDA) is a statutory agency established in 2006 under the Grangegorman Development Agency Act 2005 to redevelop the 30-hectare (73 acre) former St. Brendan's Hospital grounds in Dublin's North Inner City. The GDA's mission is to transform Grangegorman into a vibrant community that encompasses a world class, integrated and inclusive education, health, and community campus.

Higher Education Authority (HEA) leads the strategic development of the Irish higher education and research system. The HEA has a statutory responsibility, at central government level, for the effective governance and regulation of higher education institutions and the higher education system.

Irish Research Council (IRC) operates within the policy framework of the Department and the Higher Education Authority, but is independent in its funding decisions. The IRC partners nationally and internationally with the research community, government departments and agencies, enterprise and civic society. It ensures high standards in its practices and policies through periodic review and evaluation.

Léargas manages international and national exchange programmes in education, youth, community work, and vocational education and training. It is the National Agency for Erasmus+ in Adult Education, School Education, Vocational Education and Training, Youth and Sport. Léargas is a company limited by guarantee and a registered charity.

Quality and Qualifications Ireland (QQI) is responsible for the external quality assurance of further and higher education and training in Ireland. QQI validate programmes, make awards and is responsible for the promotion, maintenance, development and review of the National Framework of Qualifications (NFQ). It also informs the public about the quality of education and training programmes and qualifications, and advises the Government on national policy regarding quality assurance and enhancement in education and training.

Science Foundation Ireland provides awards to support scientists and engineers working in the fields of science and engineering that underpin biotechnology, information and communications technology and sustainable energy and energy-efficient technologies. In July 2003, SFI was established on a statutory basis under the Industrial Development (Science Foundation Ireland) Act, 2003.

Skillnet Ireland is a business support agency, responsible for advancing the competitiveness, productivity and innovation of businesses operating in Ireland through enterprise-led workforce development.

Summary of 2022 Appropriation Accounts

The Appropriation Account of Vote 45 was prepared in the form prescribed by the Minister for Public Expenditure, National Delivery Plan Delivery and Reform (Circular 22/2022) and in the opinion of the Comptroller and Auditor General properly presents the receipts and expenditure for 2022.

This excludes the National Training Fund, which is dealt with separately.

2022 Provision

The gross Voted provision for this Department in 2022 was €3.012 billion, comprising €2.460 billion current and €552 million capital. Two further allocations, a capital carry-over of €37.2 million from 2021 and a supplementary estimate in 2022 of €296.8 million, brought the total gross provision to €3.346 billion. This reflects a 10% increase on 2021 allocation of €3.054 billion. When €81 million appropriations in aid are taken into account, it leaves a net provision of €3.265 billion.

47% of the Department's Gross provision was allocated to pay and pensions and provided funding for circa. 38,000 public servants and pensioners.

Some 98% of the Department's provision is paid by way of grants to seven aegis bodies and other directly funded Higher Education Institutions (e.g. Royal Irish Academy & Dublin Institute for Advanced Studies).

2022 Outturn

Gross Voted expenditure was €3.284 billion reflecting an increase of €276 million (9%) on gross expenditure in 2021. Appropriations in aid were €92.361 million resulting in net expenditure of €3.191 billion and a surplus to surrender of €18.9 million.

The surplus to surrender of €18.9 million is represented by:

- savings of €62.5 million on expenditure compared to estimate

- plus additional receipts of €11.6 million,
- less deferred surrender due to a capital carry-over of €55.2 million.

Table below summarises the provision (including supplementary & capital carryover) vs outturn by programme in 2022

| Programme | Programme Description | Provision €000 | Outturn €000 | Difference €000 | Difference % |
|-------------|----------------------------------|-------------------|------------------|--------------------|-----------------|
| Programme A | Skills Development | 701,964 | 695,003 | (6,961) | - 0.99% |
| Programme B | Higher Education | 2,387,566 | 2,334,060 | (53,506) | - 2.24% |
| Programme C | Research Innovation & Science | 256,653 | 254,566 | (2,087) | - 0.81% |
| Programme D | Appropriations in Aid | (80,804) | (92,361) | 11,557 | 14.3% |
| | Total | 3,265,379 | 3,191,268 | (74,111) | |
| | 2022 Deferred Surrender | | | 55,169 | |
| | Surplus to be Surrendered | | | 18,942 | |

National Training Fund (NTF)

As prescribed under the National Training Fund Act 2000, this Department manages and controls the current account of the National Training Fund, i.e. manages the income and expenditure of the Fund. The NTF does not form part of Vote 45, however, the allocation for each scheme is determined as part of the annual Estimates process and is included as an annex to the published Revised Estimates. The NTF financial statements are prepared on a cash basis.

Income

The NTF is primarily funded via a levy on employers PRSI (currently 1%) which is collected by the Department of Social Protection and distributed to the NTF on a monthly basis in arrears. Other income includes European Social Funding and deposit interest. In 2022, total income of €950.8 million was realised, 11.3% above forecast and 8.1% higher than that realised in 2021 (€879.3 million).

Expenditure

€765 million was provided to the NTF to support programmes, which deliver training to those in employment and those seeking employment. €681.3 million was paid out during the year. While this is 11% (€83.7 million) below provision, the overall expenditure increased by 14.7% when compared to 2021.

Surplus

The surplus income over expenditure, €269.5 million brought the balance on the Investment Account to €1.37 billion.

Overview of Chapter 19 - National Training Fund

4. Background to the National Training Fund

The National Training Fund (NTF) established by the National Training Fund Act, 2000, is a dedicated fund to support the training of those in employment, and those seeking employment. The Act also provides for the funding of research to provide information on existing and likely future skills requirements of the economy.

Funding from the NTF is allocated by the Minister for Further and Higher Education, Research, Innovation and Science with the consent of the Minister for Public Expenditure and Reform, in accordance with the provisions of the National Training Fund Act, 2000.

The Act provides for the imposition of the NTF Levy on employers in respect of certain employees. The Levy on employers is currently 1.0% of reckonable earnings in respect of employees in Class A and Class H employments, which represents approximately 75% of all insured employees. The rate was increased from 0.7% to 1.0% over the three-year period 2018-20.

The NTF Levy is collected by the Revenue Commissioners as part of the PRSI collection system. The funds collected are included in the transfer of gross PRSI from the Revenue Commissioners to the Social Insurance Fund of the Department of Social Protection (DSP). Each year DSP undertakes an apportionment exercise to analyse PRSI collection data and to apportion funds to the Social Insurance Fund; the Health Levy and the NTF.

The NTF also receives income from the European Social Fund (ESF) in respect of ESF co-financed activities that have been pre-financed from the NTF. The level of ESF receipts to the NTF in any year depends on the amounts certified to, and reimbursed by the Commission in that year in respect of NTF funded activities

The allocation for each scheme is generally determined as part of the annual Estimates process. The NTF does not form part of the Vote of the D/FHERIS; however, it is included as an annex to the published Estimates of the Department.

5. National Training Fund Surplus

The NTF surplus stood at €1.37bn at end 2022 and as noted above, the surplus is forecast to increase to some €1.5bn by end 2023. This surplus is driven by a number of factors including income being higher than forecast and savings arising on NTF related expenditure due to the Covid-19 pandemic in 2021. The operation of the EU Fiscal Rules and the inclusion of the NTF in the Department's overall annual expenditure ceiling has meant that, in the absence of an increased rate of contribution or the availability of additional fiscal space, additional expenditure cannot be sourced from the NTF without a corresponding drop in Exchequer expenditure. This means while the surplus has built up over the last number of years due to the improved economic and labour market situation, it has not been possible to increase expenditure beyond that generated by the increase in the Levy.

In the context of the current non-application of the EU Fiscal Rules, the constraints on expenditure from the NTF are a national budgetary matter.

6. National Training Fund – Governance

The overall monitoring framework for the NTF includes individual Service-Level Agreements and Performance Delivery Agreements, which include key high-level Key Performance Indicators. The outturn against targets is reported in end-of-year reports. Targets are adjusted on an annual basis to reflect the level of funding and the previous year's performance.

Mid-year reports are completed by grantees.

The purpose of the mid-year report is to provide an update on expenditure to date versus the profile and any under/over spend that may be anticipated at year-end. The report also provides an up-to-date position on targets and if they will be achieved by year end.

End-of-year reviews are completed by the grantees on a standardised form. These reviews include information on the purpose of the funded initiatives, a summary of planned and actual expenditure and a declaration that the NTF grantee has

- complied with the conditions assigned to the allocation of funding from the NTF and
- used the funds in accordance with the provisions of the Act.

Performance Measurement

Since 2018, the Department has produced an annual report setting out the expenditure allocations, targets and indicators for each programme in receipt of funds from the NTF. The targets and indicators included in the NTF annual reports relate to measuring input and activity levels. The reports include information on actual spend against estimated spend, and actual numbers of scheme places taken/people enrolled against targeted numbers. The 2018 independent Indecon review stated that performance measures were required in order to provide an evidence base to inform prioritisation of NTF expenditures. The review also recommended that performance measures should focus not just on activity levels, but also on outcomes and impacts.

Comptroller & Auditor General Review in 2023

The Comptroller & Auditor General examination found that in three of the four key reform areas there was evidence that the planned reforms have been implemented. These recommendations focused on the future direction of the NTF and using the Fund to support investment in higher education. The examination found that these recommendations had been, and continue to be, addressed through the annual estimates process and the allocation of expenditure from the NTF.

Improvements have also been made to enhance enterprise engagement and input into NTF priorities through the establishment of the NTF Advisory Group.

Recommendations focused on the final key reform — improving monitoring and evaluation of the NTF — were found not to have progressed in line with the timelines set out in the implementation plan.

The Department has agreed to review the performance delivery agreements in place with aegis bodies — SOLAS, Skillnet Ireland and the service level agreements with the remaining NTF grantees by Q1 2024.

Chapter 19 of the Comptroller & Auditor General's ***Report on the Accounts of the Public Services 2022*** addresses the factors giving rise to the accumulated surplus and the progress made in the implementation of recommendations to reform the NTF.