



Deputy Ken O'Flynn
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11th March 2026

Dear Deputy O'Flynn,

I refer to your Parliamentary Question 71970/25 of 16 December 2025:

"To ask the Minister for Children; Disability and Equality the evidence base used by her Department to support the Budget 2026 allocation for private residential placements, including whether any assessment of governance, cost exposure or compliance risk was undertaken."

The Department of Children, Disability and Equality, in conjunction with Tusla and the HSE, funds the provision of private residential placements relating to children in care and disability services. The details for each of these are set out below.

Children's residential care placements

Children's residential care placements are a demand-led service. As part of the Budget 2026 process Tusla submitted business cases to the Department seeking additional funding to increase overall bed capacity through a mix of residential centres owned and operated by Tusla, as well as centres operated by NGOs and providers in the private sector.

The Department worked in conjunction with Tusla to model the forecast demand and capacity for residential children's placements in 2026 based on placement data from the 2025 year to date and the overall trend of rising demand.

Tusla plans to invest €286m in expanding residential care in 2026, increasing the number of placements for children in need to over 800 next year.

Regarding the provision of placements by external providers, Tusla procures these services in compliance with relevant legislation, procurement rules, and Government Circulars in relation to grant funding. The Department works closely with Tusla to improve oversight of activity in this space.

Tusla has procedures in place for the monitoring of service provision. Tusla's Practice Assurance and Service Monitoring (PASM) team undertakes reviews of Tusla funded services. It conducts practice audits focussing on governance, risk management, and internal control systems. The Alternative Care Inspection and Monitoring Service (ACIMS) is one of the regulatory services within Children's Service Regulation which is part of the Quality and Regulatory Directorate within Tusla. ACIMs carry out the registration and inspection of non-statutory Children's Residential Services and the monitoring of non-statutory Foster Care agencies. Where issues or concerns arise, Tusla takes action to minimise risk to children and young people and raises concerns with the Department as appropriate.



While residential care centres provided by the private sector is a necessary component of alternative care, this Department has secured significant additional investment (current and capital), in recent budgets, for Tusla to increase the number of Tusla owned-and-operated residential care centres.

Matters relating to the oversight of costs and risk are, in the first instance, a matter for Tusla, its Board and its Audit and Risk Committee. The Department maintains regular engagement with Tusla at all levels to oversee and address issues related to the provision of services.

Disability residential services

Residential services make up the largest part of the Disability funding disbursed by the HSE – almost 60% of the total budget – and approximately 90 service providers provide residential services to over 8,800 individuals throughout the country.

It should be noted that the Health Service Executive (HSE), alongside contracted section 38, section 39 and private providers provide services to people with disabilities on behalf of the Department of Children, Disability and Equality.

During each budgetary cycle, it is important to note that while the Department of Children, Disability and Equality works to secure funding for the HSE to commission new residential placements, the Department does not have a role in determining the case-specific spend, which is done at a local level by the HSE.

These residential placements are allocated on an individual basis across section 38, section 39 and private, for-profit providers, based on the availability and suitability of vacant and or available placements.

When the HSE seeks a residential placement for an individual, their unique and often complex needs, both in terms of housing and staffing supports are considered. When an appropriate residential placement is found, whether available in a voluntary or for-profit provider setting, HSE and said service provider sign a service level agreement, under which funding is provided in order to provide care and supports for the resident.

The majority of disability service provision in Ireland has historically and continues to be provided by voluntary agencies, which are funded under section 38 and section 39 of the Health Act 2004. Approximately 15% of Residential Places are provided by Private-for-Profit agencies.

The demand for full-time residential placements within designated centres is extremely high and there has been significant funding provided for the provision of residential services in recent years. The procurement of appropriate housing in a buoyant housing market and the undertaking of necessary works to ensure regulatory compliance present challenges for the HSE.

Consequently, in some instances HSE and Voluntary organisations have not been able to access housing and as a result, the proportion of residential placements for people with disabilities provided by for-profit providers has increased in recent years in response to demand.

In Budget 2026, €3.8 billion was secured for the delivery of disability services in partnership with the HSE. Over 9,000 people will receive the residential care they need, including new planned residential placements.



€40m has been allocated for new residential placements in 2026. This amount will provide for approximately 200 new residential placements, including planned placements with non-profit providers and additional urgent responses, which will continue to be commissioned with both non-profit and for-profit service providers.

The HSE has initiated planning with non-profit providers to build capacity to deliver planned new residential placements with secured funding for 2026. Details of anticipated service delivery will be outlined in the HSE's National Service Plan for 2026 which is close to finalisation.

I hope that you find this information helpful.

Regards,

Norma Foley TD
Minister for Children, Disability and Equality