

**Vote 40 Department of Children, Equality, Disability, Integration and Youth
(DCEDIY)**

and

Vote 25 Irish Human Rights and Equality Commission (IHREC)

**Select Committee
Supplementary Estimate 2024**

16th October 2024

**Opening Remarks
Minister for Children, Equality, Disability, Integration and Youth**

Chairman,

I want to thank the Committee for making time available today to consider this Supplementary Estimate for the Children, Equality, Disability, Integration and Youth Vote Group.

The need for a supplementary at this point occurs principally due to the expectation that the Vote will breach its total allocation before the end of November 2024.

The Supplementary Estimate is being sought principally due to cost pressures associated with the growing demand for services being provided by Tusla, the Early Learning and Care, and School-age Childcare sector, and the HSE, as well as the continuing demands associated with significant International Protection arrival numbers. The areas of Administration Non-Pay, Youth Services and Organisations, and the Asylum Migration and Integration fund add to this requirement to a lesser degree.

In summary, cost overruns of €958.8 Million are forecast for this year (including €2.6 Million in relation to the double payment on Foster Care, the Blind Welfare allowance and the Monthly Mobility Allowance Payment respectively).

Savings of €398.8 Million are also forecast across various subheads (principally in costs associated with the Department's response to the Ukraine humanitarian crisis, and in the Mother and Baby Institutions Payment Scheme).

The overall value of the Supplementary Estimate is, therefore, set at €560 Million.

I will now turn to the various components of the supplementary.

In respect of Tusla there is a forecast supplementary requirement of €52 Million.

Tusla is dealing with very significant and increasing service demands in 2024. The key drivers of the overspend are higher costs associated with residential care placements, including emergency placements, as well as greater demand for Guardian Ad Litem (GAL) services and related legal costs.

In addition to the service demands, the supplementary requirement of €52 Million includes

- €2.2 million relating to the Foster Care double payment in 2024.
- €3.7 million relating to pension costs.
- €5.5 million on private foster care.

With regard to the Early Years programmes, this is an area that continues to see considerable growth. The demand for both places and hours witnessed in 2024 has been in excess of the initial forecasts. The growth in the National Childcare Scheme, which required additional funding of €56.5 Million, comes on the back of the further positive changes to rates and conditions introduced over the last number of years.

Increased expenditure of €12 Million is also occurring in relation to ECCE as the number of children registered is higher than that initially estimated, particularly in regard to the split between amounts allocated to B3 (excluding BOTPs) and E5 (BOTP provision).

These overspends are somewhat defrayed by underspends on subhead B05, principally in relation to capital projects where demand was below that anticipated, and

savings of €17.5 Million are now expected, as well as a modest saving of €1.4 Million on the legacy CCS scheme.

The combined effect of this is that the requested additional funding on the Early Learning and Care, and School-age Childcare sector equates to €49.6 Million.

Specialist Community Based Disability Services, which are delivered directly by the HSE, or through service level arrangements with Section 38, Section 39, and for-profit providers, are also experiencing pressure at this time.

My Department is forecasting a supplementary requirement in this area of €162.4 Million. This is made up of a service delivery requirement of €162 Million, and a further €0.4 Million in respect of the double payments for the Blind Welfare allowance and the Monthly Mobility Allowance Payment respectively.

The main drivers of the service delivery requirement are in the areas of Residential Placements, Pay Cost Pressures, Home Support and Respite, as well impacts in relation to transport, inflation and changing needs.

Cost pressures are also being felt in respect of IPAS, with an additional requirement of €674 Million. Increased numbers continue to be the principal driver. In addition, the Asylum Migration and Integration Fund, which continues to advance a new round of funding whilst closing out the previous round, is experiencing cost pressures.

In contrast, there are savings across a number of areas of my Department, principally in respect of the Ukraine Division where new policy measures in 2024, and reductions in the number of arrivals has resulted in a reduction in costs leading to anticipated savings of €218.8 Million, and secondly in expenditure realised in relation to the Mother and Baby Institutions Payment Scheme where applications have been slower than anticipated at the time the budget was set, leading to anticipated savings of €158.6 Million. It is important to note that the Scheme will remain open for 5 years and all applications currently on hand, as well as those received in future years, will be processed and paid as quickly as possible. In 2025, funding of the order of €100m has been allocated for the Scheme.

In addition, I am also presenting a request for a Supplementary Estimate for €0.304 million on Vote 25 in relation to the Irish Human Rights and Equality Commission (IHREC). Of this total amount, €0.137m relates to the decision to take an Own Name Proceedings case in 2024 and to meet a shortfall in relation to Contract Legal Expertise costs. A further €0.167m relates to a shortfall in meeting the Public Service Pay Agreement pay needs, and the filling of 3 critical posts in early 2024. There is also an additional Non-Pay A-in-A of €100k in relation to the recovery of legal costs.

I would note to the Committee that officials from my Department and DPENDR have been monitoring and continue to monitor the expenditure and allocation to the Department by way of regular meetings since the start of the year and I bring a Memorandum to Government on a quarterly basis, in respect of my Department's expenditure position.

In conclusion, I recommend these supplementary estimates for the Children, Equality, Disability, Integration and Youth Vote and the Irish Human Rights and Equality Commission Vote to the Committee, and I am happy to address any questions you may have.