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Indicative Cost Estimates for the Reform of the Guardian Ad Litem Service

A Point-in-Time Report

Prepared by the Department of
Children and Youth Affairs
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IGEES
Irish Government Economic and Evaluation Service


DCYA Evaluation

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List of Acronyms

C & AG	Office of the Comptroller and Auditor General
Tusla	Child and Family Agency
CSO	Central Statistics Office
DCYA	Department of Children and Youth Affairs
ECB	European Central Bank
EU	European Union
GAL	Guardian Ad Litem
HICP	Harmonised Index of Consumer Prices
HSE	Health Service Executive
IGEES	Irish Government Economic and Evaluation Service
NI	Northern Ireland
NIGALA	Northern Ireland Guardian Ad Litem Agency
OGP	Office of Government Procurement
OPW	Office of Public Works
PRSI	Pay-Related Social Insurance
REU	Research and Evaluation Unit
RIA	Regulatory Impact Assessment
ROI	Republic of Ireland
SGEI	Services of General Economic Interest
SW	Social Worker
TIGALA	The Independent Guardian Ad Litem Agency

Introduction

This report presents **point-in-time** indicative costings based on 5 hypothetical models for the reform of Ireland's Guardian Ad Litem (GAL) service. The report was developed by the Research and Evaluation Unit (REU) in the Department of Children and Youth Affairs (DCYA).

The 5 models presented in the report were identified by the relevant DCYA policy Unit as part of a request for REU assistance in March 2017, with supplementary requests added by the Unit during summer 2017. A complete report was submitted to the Unit in February 2018. At the time of submission, the report highlighted a range of potential cost implications for each hypothetical model.

The estimates presented in the report were based on a set of static models underpinned by assumptions deemed appropriate by the Research and Evaluation Unit, with the agreement of the policy Unit. The report was prepared during the early stages of policy development, to inform the policy-making process, and did not recommend a specific course of action.

Cost estimates provided in the report are point-in-time only. Cost drivers likely to have changed since submission include: legal fees; salary scales; demographics; rent costs, and reasonable profit rates.

What is a Guardian Ad Litem?

As per Section 26 of the 1991 Child Care Act, there is provision for the appointment of a Guardian Ad Litem (GAL) in respect of care proceedings where a child is not a party to those proceedings¹, and where the court is "satisfied that it is necessary in the best interests of the child and in the interests of justice"² to have a GAL appointed. A GAL is appointed by the Courts to establish the wishes and preferences of a child in respect of care proceedings relating to that child, and to provide an independent assessment of the best interest of the child.

Following from 2015 public consultations, the Government committed to reform of the GAL service. On 17th January 2017, the Government gave its approval for the publication of a General Scheme of the Child Care (Amendment) Bill, with the primary

¹ See: https://www.dcy.gov.ie/docs/Reform_of_Guardian_ad_litem_arrangements_in_child_care_pro/3969.htm

² <http://www.irishstatutebook.ie/eli/1991/act/17/section/26/enacted/en/html#sec26>

goal being to replace the existing provision in Section 26 of the 1991 Child Care Act. As noted by the DCYA (2019):³

The overall objective is to ensure that the Guardian ad litem service can be provided to benefit the greatest number of children and young people, so that their voices can be heard in child care proceedings and that this service will be of high quality and sustainable into the future.

In 2009, the Children's Act Advisory Board⁴ advised that to be considered for the role of Guardian Ad Litem an individual must:

- be vetted by the Garda Síochána
- have a third level qualification in social work, psychology or another third level qualification relevant to the role
- have at least six years' postgraduate experience of working directly in the child welfare or protection system
- have an understanding of child care and family law, and knowledge and experience of the courts system
- have a skill set which includes analytical capability, well-developed interpersonal skills, report writing skills, communication skills, and an ability to assess and understand complex family relationships
- be independent of all other professionals and agency staff involved with the child and family.

Existing GAL Service Model (2017/18)

The "Indicative Cost Estimates Report Detailing Potential Reforms to the Guardian Ad Litem Service" was based on the GAL administration model in operation at the time of writing. According to 2015 end of year figures, the GAL service was administered as follows:

- The service was delivered as a mix of private agency GALs and private independent GALs.
- There were 65 GALs working in Ireland, who charged fees of €8.2 million.
- GALs were paid at a rate of €125 per hour. This money was paid directly by Tusla to the private agency or independent GAL. Any further costs (e.g. administration, training) were met by the GAL/agency from this hourly rate.
- GALs were involved in approximately 53% of child care cases.

³ See: <https://www.dcy.gov.ie/cat/EN/Guardian-Ad-Litem/34.htm>

⁴ <http://www.caab.ie/getdoc/b11c63aa-361a-41d3-96eb-43c98db51a4a/Giving-a-voice-to-children-s.aspx>

- GALs engaged legal representation for themselves when they felt it was required, which was paid for by the State.
- The final report of the Child Care Law Reporting Project (November 2015) stated that solicitors were present in 82% of cases with GALs, while counsel was present in 7% of cases.
- Legal costs totalled approximately €6 million in 2015 and €7.07m in 2016. In total the Guardian Ad Litem service was run at a cost of €14.1 million in 2015 and €15.2m in 2016.⁵

GAL Reform Update- August 2019

The Child Care Amendment Bill 2019 is due to be published shortly. The Bill will provide statutory underpinning for policy decisions relating to the reformed GAL service model. The DCYA has already published a Regulatory Impact Assessment (RIA), in advance of Bill publication. The RIA concluded that the preferred option for the reformed service model was to establish a GAL Executive Office via legislative changes to section 26 of the Child Care Act, 1991. The RIA acknowledges the work of the REU in the development of the cost estimates presented in this report.

Although the cost estimates presented in this report reflect a point-in-time analysis, they have informed policy decision-making, particularly in the early stages of Bill drafting. The RIA presents cost projections for the proposed Executive Office model that share similarities with the proposed Model 3 estimates presented in this report.

It is expected that the proposed Executive Office will be established within the DCYA by January 2021, and will organise, manage and deliver the service on a national basis. However, this will be contingent on successful passage and commencement of the Child Care (Amendment) Bill 2019. Additional cost considerations to be factored into the implementation of the proposed GAL Executive Office not accounted for in this report, include: overtime payments, flexible working arrangements and subsistence payments. In addition, salary scales for employees within the reformed GAL service have not been agreed. An additional factor that was not considered in this report are cascade effects resulting from the location of the GAL service as an Executive Office within the DCYA. This may include additional DCYA HR, Finance, IT and Support Services staffing requirements resulting from the increased number of

⁵ It may be noted that 2018 expenditure on GALs and attendant arrangements, was €14.65 million

staff. The cost implications of each will need to be calculated as part of the implementation process.

Report Structure

The report presents the rationale and assumptions underpinning the cost estimates developed by the DCYA's Research and Evaluation Unit between March 2017 and February 2018.

The approach adopted by the authors in developing this report may be of use to colleagues undertaking similar cost estimate processes.

The cost estimates presented in the published report are as submitted to the DCYA policy Unit in February 2018. The report now refers to source documents and assumptions in the past tense (amended from present tense).

The report is broken into two Sections:

- Section 1 presents the key assumptions underpinning the five reform models. Data is provided on staffing, i.e. GAL staff, legal staff and auxiliary staff numbers, and corresponding staff salary costs. This section also outlines the key cost drivers associated with the GAL service; namely legal fees, leasing and overhead costs. In all cases, the most recent data available at the time of writing have been used.
- Section 2 presents each of the five models that were considered in the reform of the GAL service. As previously noted, the relevant policy Unit had requested that the REU develop cost estimates under these key scenarios (with a range of model extensions) to help inform decisions around the future of the GAL service in Ireland.

The five hypothetical service models identified by the relevant DCYA policy Unit were:

Model 1: Cost of the existing ad hoc service model where the number of GAL appointments has doubled.

Model 2: Cost of a single provider model if the number of GAL appointments has doubled:

- and the provider operates the service in line with existing arrangements (i.e. no change to the way legal representation was accessed - **Model 2(a)**)

- and the provider operated the service with changes made to the way legal representation was accessed - **Model 2 (b)**

Model 3: Cost of providing service within a State Body or Executive Office of a Government Department with employed/salaried GALs.

Model 4: Cost of providing the service through a private body with employed GALs, or a combination of both, i.e. salaried GALs and contracted GALs for rural locations (where the need may be lower).

Model 5: Cost of providing the service via a single, private GAL service provider following public procurement process.

In addition to the above, **Appendix A** provides further cost estimates for models 2(b), 3 and 4 as outlined above using alternative legal cost data as provided by the Child and Family Agency (Tusla) and Office of Government Procurement (OGP).

Specifically, the data differs from that presented in the main report in respect of both solicitor and counsel fees. Cost estimates are provided for 82% and 100% solicitor involvement in cases. **Appendix B** provides detailed breakdowns of the Model 5 cost estimates. Upper and lower estimates are presented for the 82% and 100% solicitor involvement scenarios. Furthermore, comparisons between the 5 and 10-year swap rates and mean 5-year swap rate are presented, with the corresponding effects on total funding cost.

Section 1:

Calculation of Staff Numbers, Legal Fees and Overheads

The following section outlines the rationale and assumptions underpinning the estimates provided in Section Two. This will help clarify the methods used for calculating cost estimates under each of the proposed models. This section focuses on the following key cost drivers:

- Staff numbers (GAL, Administrative and Legal staff);
- Salaries (GAL, Administrative and Legal staff salaries);
- Legal fees (Solicitor and counsel fees);
- Overheads;
- Leasing costs.

The cost estimates for the proposed GAL Models will then be presented in Section Two.

1. Staff Numbers

There now follows an outline of the rationale for estimates regarding staffing numbers. This includes:

- GAL staff
- Administrative staff
- Legal staff
- Total staff numbers (GAL + Admin + Legal Staff)

1.1 GAL Staff Numbers

Two methods were used to calculate the numbers of GAL staff required for the reformed service, as per Models 3 to 5 (see also appendix A). As each of the methods may be relevant, both were used and presented as lower and higher GAL staff estimates. These will be referred to throughout the report as the 'lower estimate' and 'upper estimate' respectively. Both methods of calculation will now be discussed.

1.1.1 GAL Staff Numbers - Lower Estimate

Table 1. Required Number of GALs, Lower Estimate

GAL Fees 2015	€8,189,175
Number of Hours Worked	65,513
New Service Hours Required	123,610
Hours Per Week Required	2,377
Required Number of Full Time GALS	63

In 2015, GALs claimed €8.2 million worth of fees, at a rate of €125 per hour. Assuming that GALs charged for every hour worked implied that they worked 65,513 hours, in total, over the course of the year. This also implied that, on average, GALs in Ireland charged for 19 hours of work per week. The Child Care Law Reporting Project,⁶ which attended 1,149 District Court cases over the period December 2012 – June 2015, found that GALs were appointed in 53% of cases. Using this proportion, if GALs were to instead be represented in 100% of cases, then it could be estimated that the new service would require 123,610 work hours. Dividing this number by the number of working weeks per year, and by the net number of 37.5 working hours per week, provides an estimate of 63 full-time employed GALS required in the new GAL service. These figures assumed that hourly productivity remained the same for GALs who moved to 37.5 hours a week, compared to when they worked an average of 19 hours. The figures also assumed that GALs had charged for every hour worked, and that the additional 47% of cases that the reformed service would take on, were of similar complexity to the existing 53% of cases.

1.1.2 GAL Staff Numbers - Upper Estimate

The Upper Estimate was generated from findings from the Comptroller and Auditor General Report on the Accounts of the Public Sector. Chapter 11 of the Report examined expenditure on GALs⁷. The report found that GALs in Ireland had an average caseload of 10, while GALs in Northern Ireland had an average caseload of 13. However, an expected caseload of 13 was suggested, based on an assumption that the proposed full-time GAL service in the Republic of Ireland could be achievable

⁶ https://www.childlawproject.ie/wp-content/uploads/2015/11/CCLRP-Full-final-report_FINAL2.pdf

⁷ http://www.audgen.gov.ie/viewdoc.asp/documents/annualreports/2015/Report/En/Report_Index_2015.htm

with the same average caseload as in Northern Ireland. In effect, this would suggest that an average GAL under the new system in the ROI would have a 30% larger caseload when working 37.5 hours a week, compared to the average of 19 working hours per week as per 2015 data⁸.

As in the lower estimate, available data suggested that GALS were allocated to 53% of child care cases. If GALs were to be represented in 100% of cases in the reformed service (with the same productivity as in the existing model), then it could be estimated that 123 GALs would be required. **However, with the 30% caseload increases discussed above, the service could potentially meet the required demand with 94 GALs.**

Workings are presented below.

Table 2. Required Number of GALs, Upper Estimate

Number of GALs Estimate – Upper	
Number of Irish GALs	65
Percentage of Cases with GAL	53%
Average Caseload ROI GAL	10
Average Caseload NI GAL	13
Required number of GALs (If average caseload remained at 10 per GAL)	123
Required number of GALs (where average caseload per GAL matched that of NI GALs, i.e. 13)	94

1.2 Administrative Staff Numbers

Estimates for the numbers of administrative staff required by the proposed new GAL agency were developed according to evidence from the Northern Ireland Guardian Ad Litem Agency (NIGALA) annual report 2015-2016 and website.⁹ The NIGALA report stated that they employed 67 permanent staff in total, with 40 employed in the social services function and 27 as administrative staff. This suggested that approximately 40% of staff were employed in the administrative function.

⁸ This assumes that Irish GALs are more productive per hour while working 19 hours a week, than Northern Irish GALs who work 37.5 hours a week. However, this is also based on the assumption that the overall systems are comparable.

⁹ Website available at: <https://nigala.hscni.net/>. Annual reports available at: <https://nigala.hscni.net/publications/>

However, 47 GALs were listed as staff members on the NIGALA website, compared with the reported number of 40 from the Annual Report. A suggested reason for this was that the Annual Report allocated a number of senior GALs to the administrative function. Using the 47 GALs reported on the website together with the total reported staff number of 67, gave a proportion of 30% of staff within the administrative function.

Table 3. NIGALA Staff Numbers

	Staff as per NIGALA report	Staff as per NIGALA website	NIGALA Report Proportions	NIGALA Website Proportions
Admin Staff	27	20	0.40	0.30
Social Service Staff	40	47	0.59	0.70
Staff Numbers	67	67	1	1

The proportions presented on the NIGALA Website (30% staff with administrative function) were used in this report to calculate the total number of administrative staff required by the proposed new GAL Agency. Using the lower and upper estimate GAL staff numbers gave a figure of 27 administrative staff required in the lower estimate, and 40 administrative staff required in the upper estimate.

1.3 Legal Staff Numbers

Under the reformed GAL service, it was proposed by the relevant policy Unit that there could potentially be a number of in-house solicitors, who would provide in-house legal advice to support GALs in their work. This could reduce the instances of GALs seeking legal support in court proceedings. For simplicity, it was assumed that 5 in-house solicitors would be used in both the lower and upper estimates. The total of 5 in-house solicitors was used for simplicity throughout the report, to help show the effect of a small number of in-house solicitors on overall estimated costs. It was not suggested that the number of required in-house solicitors would be limited to 5.¹⁰

¹⁰ Although a 1-to-1 replacement rate has been used for in-house versus panel legal support, it is worth noting that in-house legal support may be more efficient as expertise would be expected to develop over time. A 1-to-1 replacement rate has been used in this report for simplicity, and to avoid making inferences around increased efficiency levels of a hypothetical in-house legal team. The latter would require more detailed analysis.

1.4 Total Staff Numbers

Total staff numbers (GAL + Administrative + Legal Staff numbers) are presented in table 4 below for both the **lower and upper** estimates:

Table 4. Estimated Number of Staff

	Lower Estimate	Upper Estimate
Number of GALs	63	94
Number of Admin Staff	27	40
Number of Legal Staff	5	5
Total Staff	95	139

2. Staff Salary Costs

The mid-points of public salary scales were used to calculate the total cost of staff for the proposed reformed service under Models 3 to 5 (see also appendix A), as per Public Spending Code guidelines. There now follows an outline of the rationale for staff salary costs, presented as follows:

- GAL Salary Costs
- Administrative Salary Costs
- Legal Salary Costs

2.1 GAL Salary Costs

It was understood from discussions with the DCYA policy Unit that the majority of GALs in Ireland had previously worked as social workers. For this reason, HSE Social Worker salary scales were used to estimate a proposed GAL salary structure under the reformed system. For the purposes of this report, two alternative indicative cost scenarios were suggested:

(i) GALs placed on an equivalent salary scale to the HSE salary scale **Social Worker Team Leader salary** scale, the mid-point of which was €60,648.¹¹ This gave a total

¹¹ <http://www.hse.ie/eng/staff/benefitservices/pay/>

Evidence from NIGALA regarding their salary structure was also considered as further context in proposing salary scales under the reformed GAL service. 71% of staff in the employ of NIGALA in Northern Ireland were paid at the National Health Service Band 8a pay rate. This salary scale has a mid-point of £44,704 (Source: <https://www.rcn.org.uk/employment-and-pay/nhs-pay-scales-2017-18>) This equates to approximately €53,216 euro (10 May 2017)

GAL salary cost of €3,820,824 in the lower estimate of 63 GALs, and a total GAL salary cost of €5,700,912 in the upper estimate of 94 GALs.

For indicative purposes, the above were used as the primary template for calculating GAL salaries. The report also provides an alternative GAL salary. In this case, an indicative team structure was suggested, consisting of 4 Senior Social Workers to 1 Team Leader (for every 5 GALs employed). Cost estimates for this team structure were outlined as follows:

(ii) a team of 5 GALs, 4 of whom would be employed under the Senior Social Worker scale (midpoint of €56,869), led by a team leader employed at the Social Worker Team Leader scale mid-point. Taking these salaries together would mean an average GAL salary of €57,625. This would suggest overall GAL salary costs of €3,630,356 for the lower (63 GALs) and €5,416,722 for the upper (94 GALs) estimates respectively. This suggested a costing that was €200-€300 thousand less in total, compared with all GALs paid at the Social Worker Team Leader salary, (i.e. 'i' above).

2.2 Administrative Salary Costs

The HSE Grade V pay scale was used to calculate administrative staff costs. This was the only administrative salary scale used, in order to simplify the analysis, while also reflecting both the junior and senior roles existing within the administrative structure. The midpoint of this salary scale was €44,146.¹² This gave a total annual administrative salary cost of €1,191,952 in the lower estimate scenario, where 27 administrative staff would be required, and an estimate of €1,778,468 in the upper estimate, where 40 administrative staff would be required.

2.3 Legal Salary Costs

For the purposes of this report, it was envisaged that the reformed service, as per Models 3 to 5 (see also appendix A), would employ in-house legal staff. This would help reduce the need for GALs to seek the aid of solicitors in court proceedings, while maintaining a high-quality service. Based on the assumption that this in-house Legal Unit would be made up of a total of 5 staff, the proposed Unit was structured as

¹² The Grade V Salary Scale is: 40,209; 41,522; 42,834; 44,146; 45,458; 46,980; 48,496. Note: €44,146 was taken as the midpoint of the scale.

follows: 1 X Head of Legal Office, 1 X Senior Solicitor, 1 X Associate Solicitor and 2 X Solicitors.

Taking salary scales previously used in a 2015 internal report on the development of Tusla's Legal Services (provided to the REU by the DCYA policy Unit), it was suggested that the 5-person Legal Unit would have total salary costs of €438,791, with an average salary of €87,758.20. See Table 5 for details. As the number of in-house solicitors in this report were held constant in both the upper and lower estimates, the figure is the same for both.

Table 5. In-House Legal Unit Salary Costs

In House Legal Costs	
1 Head of Legal Office	€149,499
1 Senior Solicitor	€94,552
1 Associate Solicitor	€88,298
2 Solicitors	€106,442
Total In-House Legal Costs	€438,791
Average Legal Salary	€87,758.20

3. Legal Fees

In 2015, annual legal fees amounted to €5.96 million, comprising €5 million in solicitor fees and €0.96 million in counsel fees. Legal fees represented a significant proportion (42% approx.) of the overall GAL spend. It was assumed that this cost would increase following the proposed GAL service reform (which would broaden access to GAL services), unless the method of procuring solicitors was also reformed. As per figures available, GALs engaged a solicitor in 82% of cases, while counsel was required in 7% of cases.¹³

Under the reformed GAL service, it was suggested that there may be a number of in-house solicitors, who would provide in-house legal advice to support GALs in their

¹³ See the Child Care Law Reporting Project 2015 report, available at: https://www.childlawproject.ie/wp-content/uploads/2015/11/CCLRP-Full-final-report_FINAL2.pdf

work (see 2.3 above). This was factored into models 2, 3, 4, 5 (& appendix A) where a panel solicitor would be replaced by an in-house State Solicitor at a rate of 1 for 1.¹⁴

It was also suggested that where there may be a need for a solicitor in court, the solicitor could be drafted from a panel specifically created for the GAL service, in a model similar to that of the Legal Aid Board.¹⁵ This could potentially deliver better value for money for the GAL service. Similarly, the data suggested that where there would be need for counsel, that this could also be sourced in a more cost-efficient manner through a dedicated panel.

Note: The cost of meeting the legal demands of the expanded service was also estimated using alternative legal cost data provided by the Office of Government Procurement (OGP) and Child and Family Agency (Tusla). Separate cost estimates were provided for each of Models 2, 3 and 4 - See Appendix B.

3.1 Solicitor Fees

As illustrated below, overall 2015 solicitor fees were approximately €5 million. If GALs were to attend 100%, of child care cases (instead of the existing 53%) and the existing procurement methods for solicitors remained the same, solicitor fees could grow to €9.4 million per annum. This is demonstrated in Table 6.¹⁶

Table 6. Solicitor Fees, Administration Model unchanged

2015 Solicitor Fees – GALs attending 53% of cases	€5,001,344
2015 GAL Involvement - % of Cases with GAL	53%
Proportionate Solicitors Fees – GALs attending 100% of cases (with Solicitors attending 82%)	€9,436,498

Table 7, however suggests that introducing a panel system for solicitors could potentially yield significant lower costs. Data submitted to the DCYA policy Unit by Tusla showed that in 2016 there were 1,238 'open matters' relating to child care and that these matters had 4,819 associated care orders. The figures assume that an

¹⁴ It is worth noting the assumption that a hypothetical panel would be able to meet the needs of the service at all times.

¹⁵ The Legal Aid Board is an independent, publicly funded organisation providing civil legal aid, advice and family mediation services. It was established by the Oireachtas under the Civil Legal Aid Act 1995 to provide civil legal aid and advice to persons unable to afford a solicitor.

¹⁶ These figures are based on the 2015 rate of solicitor involvement in 82% of GAL cases.

'order' represents a court visit. Combining these figures with information from the Child Care Law Reporting Project Final Report, (which noted that 96% of child care cases are less than one day in length), provided an approximate estimate of 4,819 days in court per annum for all child care 'open matters.' This was deemed appropriate given the assumption that children would receive GAL representation in all cases under the expanded service.

The Child Care Law Reporting Project found that solicitors attended 82% of cases where a GAL was present. Applying this figure of 82% to the estimated number of child care court cases involving GALs per year (4,819) gave a figure of 3,952 cases per year which would require both a GAL and advising solicitor.

The Legal Aid Board established a Pilot Private Practitioner Panel in Dublin and a number of other counties in 2018, to deal specifically with child care proceedings. The fees schedule for this pilot panel was used as a basis for the estimated solicitors' fees. Under this schedule, solicitors were paid a case fee of €750 to cover all case work, including consultations, preparatory work, settlement negotiations and court appearances incidental to the full hearing. The solicitor also charged a fee of €400 in respect of the first application for an interim care order. Each subsequent application for an interim care order was paid at a rate of €150. In the case where a barrister was briefed, a solicitor was to be paid a fee of €100. A fee of €400 was also paid in respect of subsequent days of a hearing or where there was a review of a care order. Taking these costs into account provides solicitor fee estimates as follows (Table 7).

Table 7. Solicitor Fees for attending Cases with GALs (Legal Aid Board fees)

Solicitor Fees	
Initial Case Fees	€928,500
Care Order Costs	€993,700
Subsequent Hearing Fees	€1,357,100
Total	€3,279,300

Initial case fees were calculated at the case fee rate of €750 for 1,238 open matters charged, which came to €928,500. Added to this were care order costs of €993,700, made up of 1,151 interim care order applications, charged at a rate of €400. Another

3,330 subsequent care orders (applied for by the solicitor) were added at a rate of €150. Care order application costs where counsel had been briefed were also taken into account. There were 87 initial cases, and 251 subsequent cases which fell into this category. These were charged at a rate of €100 each. This gave total care order costs of €993,700.

A cost of €1,357,100 was attributed to solicitors' costs for subsequent days of hearings. This consisted of 3,330 days in court charged at €400 each, and 251 days in court where counsel had been briefed, charged at €100 each. Based on the assumptions already outlined and summing the above produced a total solicitor fee of €3,279,300, with solicitors attending 100% of cases (the highest observed legal costs based on data provided in this report).

Note: When solicitors attend 82% of cases the fees were reduced proportionately and a cost of €2,689,026 for solicitors was estimated.

Dividing the total number of care orders (4,819) by the number of working days in the year (249) gave an estimated requirement of 19 solicitors per day in the case of 100% attendance, and 16 per day in the case of 82% attendance. Under Models 3 and 4, where there are in-house solicitors it was assumed, for the purposes of this report, that there is a one for one replacement rate, where 5 in-house solicitors implied a need for $16 - 5 = 11$ solicitors per day from a panel, 4 in-house solicitors implied a need for $16 - 4 = 12$ solicitors, etc. A reduction of 5 external solicitors represented an estimated reduction of €847,215 in solicitor fee expenditure. However, based on assumptions outlined throughout Section 1, the net reduction could be estimated at €194,513, when increased in-house legal salary costs, PRSI, pensions and overheads are taken into account.¹⁷

¹⁷ It was acknowledged that a one for one replacement rate may not be practicable based on the suggested office set up with a 'Head of Legal Office'. This replacement rate was maintained for the purposes of this report. However, cost estimates with no substitution of panel solicitors by in-house solicitors were also provided in the calculations spreadsheets submitted with this report.

3.2 Counsel Fees

At the time of writing, counsel was required by a GAL in 7% of all cases in Ireland,¹⁸ at a total cost of €958,246 (2015).

It was estimated that in the proposed Agency/State Body/Executive Office-led GAL service, counsel would participate (in support of a GAL) in an estimated 337 court days per annum. This was based on an assumption that each care order represented a court appearance. The Legal Aid Board Junior Counsel fees of €339 per day (up to one full day) were applied. It was noted that, according to the Schedule of Fees, 'no additional sums shall be payable either in relation to interim applications or in relation to second or subsequent days of hearing'. This echoed information from the Child Care Law Reporting project, which showed that 96% of GAL cases lasted a day or less. An approximate fee estimate of €339 per case was therefore applied, giving a total annual cost estimate of €114,355. These figures are presented in Table 8 below.

Table 8. Counsel Panel costs

Total Number of Orders 2016	4819
Percentage of Cases with Counsel	7%
Number of Cases involving GAL and Counsel	337
Cost per Case	€339
Annual Counsel Fee	€114,355

4. Leasing Costs

It was estimated that the reformed GAL service, as per Models 3 to 5 (see also appendix A) would require between 95 and 139 staff (as outlined in Table 4). It was assumed that a new office lease may be required to house these staff, regardless of whether under a private agency, State Body or Executive Office. Rental costs were estimated according to Section E of the Public Spending Code.¹⁹

Data on the cost and size in square meters of each lease held by the Office of Public Works was obtained for 2016. The OPW stated in their Annual Report 2015 that there was a net area of 13.8 square meters per workstation in its St. Stephen's Green

¹⁸ The Child Care Law Reporting Project: https://www.childlawproject.ie/wp-content/uploads/2015/11/CCLRP-Full-final-report_FINAL2.pdf

¹⁹ See: <http://publicspendingcode.per.gov.ie/e-01-calculation-of-staff-costs/>

office.²⁰ Further evidence from an OPW relocation project in 2018 set office space at 12.7 square meters per person. The costings in this report used a more conservative estimate of 15 square meters per work station, so as not to underestimate potential leasing costs, given the Dublin property climate at time of writing.

The annual average cost of office leases in Dublin held by the OPW in 2016 was €315 per square meter. Using this figure gave an estimated lease cost for lower and upper estimate office requirements. The lower estimate for an office housing 95 staff was €449,094 per annum, while the upper estimate to house 139 staff was €657,096. Calculations are presented below.

Table 9. Lease Costs

Lease Costs- Lower Estimate		Lease Costs - Upper Estimate	
Space Requirement (sq.m)	15	Space Requirement (sq.m)	15
Number of Staff	95	Number of Staff	139
Total Space (sq.m)	1425	Total Space (sq.m)	2085
Average Cost per sq.m	€315	Average Cost per sq.m	€315
Cost per Annum	€449,094	Cost per Annum	€657,096

5. Overhead Costs

As per section E of the Public Spending Code, Staff costs were calculated as follows.

Table 10. Total Staff Costs Method

A	Pay	Mid-point of salary scale
B	Direct Salary Cost	Pay + Employers PRSI ²¹
C	Total Salary Cost	B + Imputed pensions cost (typically 13% of A)
D	Total Staff Cost	C + 25% of A in respect of 'overheads'

The above formula was used to calculate all elements of staff-related costs, including employers' PRSI, pensions and overheads.

²⁰ <http://www.opw.ie/en/media/annual-report-2015-bilingual.pdf>

²¹ PRSI rate of 10.75% used (as per 2016 Class A threshold).

Section 2:

Proposed Models (1-5) for Reformed GAL Service

As previously noted, the models presented in this section were intended to highlight the potential cost implications of a range of different administrative options. The costs presented in this report were indicative cost estimates only, based on a set of static models underpinned by a number of assumptions deemed appropriate by the Research and Evaluation Unit, in agreement with the relevant DCYA policy Unit. The report does not suggest a specific course of action.

Model 1

Cost of the existing ad hoc service model if the number of Guardian ad litem appointments doubles.

Under this scenario the existing service model is maintained, i.e. a mix of private agency and private independent GALs. A basic estimate was to simply double the 2015 costs of the existing system, with GAL pay maintained at €125 per hour and a doubling of the number of appointments (and assuming, on average, similar case complexity). This should lead to the doubling of GAL, solicitor and legal counsel expenditure. There is no explicit administration, overhead or rental costs, as any further costs must be met by the GAL/Agency from the hourly rate of €125. These results are presented below.

Table 11. Existing Service Model, Double GAL Appointments

Guardian Ad Litem Fees	€16,378,349
GAL Solicitor Fees	€10,002,688
GAL Counsel Fees	€1,916,493
Total	€28,297,530

By doubling the number of GAL appointments, while maintaining the existing administration model it was estimated that the reformed GAL service would cost approximately €28.3 million per annum. The overall costs under this scenario would be made up of €16.4 million in fees to GALs, €10 million in solicitor fees and €1.9 million in counsel fees. These estimates are based on 2015 full year expenditure.

Note: GAL solicitor fees of €10m as presented above held the level and model of solicitor engagement constant, at 82% of cases. If solicitors were to be used in 100% of cases, fees would increase to almost €12.2 million, bringing the overall cost of provision to almost €30.5 million.

Model 2 (a)

Cost of a single service provider model if the number of Guardian ad litem appointments doubles and the provider runs the service in line with existing arrangements (i.e. no change to the way legal representation was accessed at time of writing)

Model 2(a) presented the cost of doubling the number of GAL appointments in a scenario where all GAL staff would work for an external agency. All other elements of the existing administration model were preserved. The difference in costs between Model 2(a) and Model 1 was driven by the fact that, in this model, all GALs are agency GALs being paid at €125 per hour. Model 1 had assumed that agency GALs continued to be utilized in tandem with more costly private independent GALs.

Table 12. Single Service Provider, Double GAL Appointments

Average cost per 'Agency' GAL	€123,323
Number of Proposed GALS	130
Cost of Guardians Ad Litem	€16,031,935
GAL Solicitor Fees	€10,002,688
GAL Counsel Fees	€1,916,493
Total Service Cost	€27,951,116

The cost of this service was estimated at €27.95 million, which was broadly similar to the estimate presented in Model 1. This similarity was based on the fact that the majority of GALs in the existing administration model already came from either one of two agencies, and all were paid at the agreed rate of €125 per hour. Although the majority of GALs were sourced from one of two agencies, the services of private independent GALs were also utilised.

While GAL fees of €16.38m presented in Model 1 included the use of both agency and private GALs, the cost estimate of €16.03m in this model resulted solely from the use of agency GALs. The estimated cost difference was €346,414.

Both Models 1 and 2(a) assumed a requirement of 130 GALs. Under Model 2(a), an agency GAL would cost on average €8,247 less per annum compared with a private independent GAL. Solicitor and counsel fees were simply doubled to reflect the doubling of GAL appointments. Again, there was no explicit administration, overhead or rental costs as any further costs would be met by the Agency from the €125 hourly GAL rate.

Model 2 (b) (legal representation accessed via Legal Panel)

Cost of a single service provider model if the number of Guardian ad litem appointments doubles and the provider runs the service with changes made to the way legal representation is accessed i.e. from a legal panel.

Model 2(b) presented estimates for a single service Agency with solicitors and counsel sourced exclusively from a panel. This model variation demonstrates potential savings to be made by changing the way legal representation is accessed.

Table 13. Single Service Provider, Legal Panel

Average cost per 'Agency' GAL	€123,323
Number of Proposed GALS	130
Cost of Guardian Ad Litem	€16,031,935
Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Percentage of Cases with Solicitor	82%
Proportionate Solicitor Fees	€2,689,026
Counsel Fees	€114,355
Total Legal Costs	€2,803,381
Total Service Cost	€18,835,316

This model estimated a cost of €18.8 million to the Department of doubling the number of GALs, with the service being run by a single agency. Significant savings may be made by implementing a panel for solicitors and legal counsel. The GAL service could potentially be provided for an estimated €9 million less than if legal representation remained unchanged (i.e. Model 2(a)).

Model 3

Cost of providing service within a State Body or Executive Office of a Government Department with employed/salaried Guardians ad litem.

Model 3 focused on the cost of providing the GAL service within a State Body or Executive Office. In this model, legal representation would be sourced from a panel created for the GAL service. This would be used in combination with an in-house legal function (comprising 5 staff, as outlined in Section 1) which, it was suggested, could reduce demand for panel solicitors. Note: In estimating Model 3 costs, the potential reduction in demand for solicitors from the panel was accounted for by reducing the average number of solicitors required from the panel, from 16 to 11 per day, with a one-for-one replacement used.

As outlined in Section 1, a lower and upper estimate was provided for the numbers of GALs required (and associated costs).

Lower Estimate

The lower estimate presented in Table 14 had a staff requirement of 63 GALs, 27 administrative staff and 5 legal staff. GALs were assumed to be at the 'Social Worker Team Leader' salary scale. This suggested a total salary cost of €6,746,314 once PRSI and pensions were taken into account. Assuming that solicitors attended 82% of cases, 11 solicitors were drawn from a dedicated panel on each working day, to provide legal services in court to GALs, at a total annual cost of €1,841,811. Similarly, counsel fees were estimated to be €114,355.

Leasing costs were calculated as per Section 1, coming to €449,094 per annum, while other overhead costs were calculated as 25% of direct salary costs. These were estimated to be €1.36 million.

The total lower estimate of providing the service within a State Body or Executive Office of a Government Department with employed/salaried Guardians ad litem was estimated to be €10.5 million per annum. See Table 14.

Table 14. State-run GAL service, Lower Estimate

Staff Numbers	
GAL Staff	63
Admin Staff	27
Legal Staff	5

Staff Costs	
GAL Salary	€3,820,824
Admin Salary	€1,191,952
Legal Salary (in-house legal facility)	€438,791

Direct Salary Costs (Pay+PRSI)	€6,037,610
Total Salary Costs (Salary + Pensions)	€6,746,314

Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Percentage of Cases with Solicitor	82%
Proportionate Solicitor Fees	€2,689,026
Savings from In-House Solicitors	-€847,215
Final Solicitor Fee	€1,841,811
Counsel Fees	€114,355
Total Legal Costs	€1,956,166

Overhead (25% of Salary Costs)	€1,362,892
Rent	€449,094

Total Costs (Solicitor 82% of cases)	€10,514,466
Total Costs (Solicitor 100% of cases)	€11,104,740

Upper Estimate

The upper estimate assumed a requirement of 94 full time equivalent GALs with 40 administrative staff and 5 legal staff. Total staff salary costs were €9,798,736. Legal costs were the same as in the lower estimate, totalling €1,956,166. As the organisation had more staff, there was a higher rental charge and overheads cost

than in the lower estimate. Rent came to €657,096 per annum, while overhead costs were €1,979,543.

As can be seen in Table 15 below, the upper estimate cost of providing the service within a State Body or Executive Office of a Government Department, with employed/salaried GALs, was €14.4 million per annum.

Table 15. State-run GAL service, Upper Estimate

Staff Numbers	
GAL Staff	94
Admin Staff	40
Legal Staff	5
Staff Costs	
GAL Salary	€5,700,912
Admin Salary	€1,778,468
Legal Salary	€438,791
Direct Salary Costs (Pay+PRSI)	€8,769,374.25
Total Salary Costs (Salary + Pensions)	€9,798,736
Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Percentage of Cases with Solicitor	82%
Proportionate Solicitor Fees	€2,689,026
Savings from In-House Solicitors	-€847,215
Final Solicitor Fee	€1,841,811
Counsel Fees	€114,355
Total Legal Costs	€1,956,166
Overhead (25% of Salary Costs)	€1,979,543
Rent	€657,096
Total Costs (Solicitor 82% of cases)	€14,391,541
Total Costs (Solicitor 100% of cases)	€14,981,815

By providing the GAL service through a State Body, potential savings could be made over and above the existing model. In 2016, GALs were used in an estimated 53% of cases, at a total cost of €14.15 million per annum. The above estimates suggested that under a State Body with full-time employed GALs it would be possible for GALs

to be involved in 100% of child-care cases at an equivalent cost to the exchequer. This would be true both in the lower and upper estimate models. These savings were driven by two considerations. Firstly, GAL salaries aligned with HSE Social Worker Team Leaders would result in a significant cost saving. Secondly, in line with the existing process in Northern Ireland, legal services under Model 3 would be primarily sought from a panel at agreed/fixed rates. This would enable legal aid to be sought at a better price to the State.

Model 3 Alternative GAL Salary Scale, Lower and Upper Estimates

Alternative GAL salary scales were also considered. In a scenario where the proportion of all GALs consisted of a ratio of 4 Senior Social Workers (mid-point salary scale) to 1 Team Leader (mid-point salary scale), it was calculated that for the lower estimate, the cost would be €10,231,145 (with solicitors assigned to 82% of cases). This is €283,321 less than the €10,514,466 presented in Table 14. Table 14 assumed that all GALs would receive a 'Team Leader' salary. In the upper estimate, with solicitors assigned to 82% of cases, the estimated cost would be €13,968,808. This is €422, 733 less than the total of €14,391,541 presented in Table 15. Again, the figures in Table 15 assumed that all GALs would be placed on a 'Team Leader' salary scale. Assumptions around the cost of hiring State Body employees such as pensions, PRSI and overheads were accounted for in these calculations.

Model 3 No Legal Substitution, Lower and Upper Estimates

When the assumption of a one-for-one replacement rate between in-house solicitors and solicitors from a legal panel was removed, there was an estimated additional cost of €847,215. This meant a total estimated cost of €11,361,681 in the lower estimate and €15,238,756 in the upper estimate (assuming 82% solicitor attendance at court cases with GALs).

Year 1 Set-Up Costs

According to the Public Spending Code there may be additional set-up costs in the initial year following transition to a State Body/Executive Office, that go above and beyond the expense of any other year.²² However, throughout this report, the annual

²² <http://publicspendingcode.per.gov.ie/e-01-calculation-of-staff-costs/>

cost estimates had purposefully included additional leasing costs over and above the 25% of staff salary overheads, as outlined in the Public Spending Code (See Section 1 'Leasing Costs' and 'Overhead Costs'). These were typically included within the 25% overhead cost. Including an additional calculation for leasing costs helped to demonstrate that estimates throughout the report provide adequate scope to account for a 'high cost' scenario; i.e. should the upper estimate scenario materialise. For the purposes of Model 3, it was therefore envisaged that there would be room left in the 25% overhead cost estimate to factor in any remaining set-up cost purchases, as well as any typical annual expenditure items such as travel, energy and stationery costs. Set-up costs would include purchases such as desks, computers, phones and storage cabinets.²³ For example, giving an allowance of €1,000 per employee to provide for a desk, cabinet, computer and phone, with 100 employees would amount to €100,000. This was significantly lower than the overhead of €1.4-1.9 million currently allowed for in Tables 16 and 17, which presented the lower and upper Model 4 estimates.²⁴

A more detailed breakdown of the calculations for these figures is available in the calculations spreadsheet accompanying this report.

Model 4

Cost of providing the GAL service by a private body with employed GALs, or a combination of both, i.e. salaried GALs and a panel of contracted GALs for rural locations.

Model 4 examined the cost to the State of a mix between a State Body/Executive Office using some salaried GALs, with additional privately contracted GALs drawn upon where/when needed. The costs were presented across a spectrum ranging from

²³ Additional potential set-up costs such as electrical works, additional fixtures/fittings, plumbing, minor building works, were not considered in these costings.

²⁴ The overhead costs of €1.4m and €1.9m for the lower and upper estimate scenarios respectively refer to a situation where 0% of GALs are contracted; i.e. all are employed directly by the State Body.

100% State Body to 100% privately contracted GALs²⁵. Again, there was an upper and lower staff estimate.

Lower Estimate

The lower estimate is examined first, based on 63 GALs, 27 administrative staff and 5 in-house legal staff. Table 16 below presents the various combinations of service costs through relative levels of salaried public employee and privately contracted GALs. The column furthest to the left column presents the costs under full public provision. **Note:** this is similar to Model 3 costs, which was based on 100% salaried GALs. Moving to the right of the table illustrates the change in costs as privately contracted GALs increase from 10%, up to 100% of the GAL service. **Note:** the costs in the 100% privately contracted column on the right are similar to those presented in Model 2 (b).²⁶

GAL Pay Costs

Table 16 presents the costs of various mixes of salaried GALs and contracted providers. It was assumed that in the privately contracted scenario GALs would continue to be paid at the existing rate of €125 per hour. For the State Body it was assumed that GAL salaries would be paid in line with Model 3, i.e. at the mid-point of the HSE Social Worker Team Leader pay scale.

Under 100% salaried provision, 63 GALs would be employed, along with 27 administrative staff and 5 in-house legal advisors (as per Model 3). There were PRSI and pension costs associated with this option. Total salary costs were estimated at €7 million. Moving to the right of the table:

- The cost of publicly-employed GALs fell, as did administrative staff and legal staff costs. These were reduced by 10% each in every subsequent column.
- Contracted GAL pay costs rise. The contracted GALs would be paid at a rate of €125 an hour. In the 100% private GALs scenario 'salary' costs rose to €15.45 million.

²⁵ A range of cost estimates has been provided, covering scenarios from 100% State Body to 100% privately contracted GALs. This approach has been used for illustrative purposes only and does not suggest an 'optimal' mix.

²⁶ Slight difference due to different methods of cost calculation; Model 2 used an 'average cost of agency GAL' while Model 4 used number of hours required at a rate of €125 per hour.

Legal Costs

The costs of the legal panel increased as the service moved towards 100% private contracted provision. While there was a reduction in the number of in-house legal staff providing legal advice to the GALs within the State Body, demand from the panel of solicitors increased from 11 solicitors per working day in 100% public provision to 16 per day in the case of 100% private provision. As per Table 16, the increased cost of the latter outweighed savings from the employment of fewer in-house solicitors. Counsel fees remained constant throughout. In the main estimates presented here it was assumed that solicitors would attend 82% of GAL cases. The estimated costs of the 100% solicitor attendance scenario are presented further below in Table 24. The case where there is no substitution between in-house and legal panel solicitors was also considered. In this case there was a constant demand for 19 panel solicitors in the 100% attendance case, and 16 panel solicitors in the 82% case. More detailed cost estimates on the case of no-substitution are included in the calculations spreadsheets submitted with this report.

Overheads and Rent

Overhead and rent costs decreased as the service moved towards 100% private provision. As the size of the State Body falls, so did office space, computer requirements, electricity and internet costs. Overheads and rent fell from €1.9 million (approx.) in 100% public provision, to a situation where these items were covered in full as part of the overall hourly fee under 100% private provision.

Estimated Cost of GAL Service

The relative impact of increased private GAL salaries and legal costs suggested that in general, the more privately contracted GALs there were in the mix, the more expensive the GAL service would become to the exchequer. This is in spite of decreased costs of in-house solicitors, overheads and rent associated with proportionately higher private GAL provision. As observed in Table 16, cost estimates have been provided at each decile, representing a move from 0% contracted GALs to 100%. Accordingly, it was estimated that the service would cost €10.8 million in the 100% public case and €18.3 million in the 100% privately contracted case. Note: this did not take possible changes in oversight costs into account.

Table 16. Mix of State Body and Privately Contracted GALs, Lower Estimate

% Contracted	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Employed GAL Salary	€4,014,303	€3,612,873	€3,211,442	€2,810,012	€2,408,582	€2,007,151	€1,605,721	€1,204,291	€802,861	€401,430	€0
Contract GAL Costs	€0	€1,545,127	€3,090,255	€4,635,382	€6,180,509	€7,725,637	€9,270,764	€10,815,891	€12,361,018	€13,906,146	€15,451,273
Total GAL Pay Costs	€4,014,303	€5,158,000	€6,301,697	€7,445,394	€8,589,091	€9,732,788	€10,876,485	€12,020,182	€13,163,879	€14,307,576	€15,451,273
Admin Pay Costs	€1,199,328	€1,079,395	€959,462	€839,529	€719,597	€599,664	€479,731	€359,798	€239,866	€119,933	€0
Legal Pay Costs	€438,791	€394,912	€351,033	€307,154	€263,275	€219,396	€175,516	€131,637	€438,791	€43,879	€0
Direct Salary Costs(Pay+PRSI)	€6,260,057	€7,179,178	€8,098,300	€9,017,422	€9,936,543	€10,855,665	€11,774,786	€12,693,908	€14,001,799	€14,532,151	€15,451,273
Total Salary Costs(Above plus Pensions)	€6,937,829	€7,789,173	€8,640,517	€9,491,862	€10,343,206	€11,194,551	€12,045,895	€12,897,240	€14,137,353	€14,599,929	€15,451,273
Legal Costs											
Number of Solicitors on Panel	11	12	12	13	13	14	14	15	15	16	16
Cost of Full Time Solicitors from Panel	€1,841,811	€1,926,533	€2,011,254	€2,095,976	€2,180,697	€2,265,419	€2,350,140	€2,434,862	€2,519,583	€2,604,305	€2,689,026
Counsel Fees	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355
Total Legal Costs	€1,956,166	€2,040,887	€2,125,609	€2,210,330	€2,295,052	€2,379,773	€2,464,495	€2,549,216	€2,633,938	€2,718,659	€2,803,381
Overhead Cost	€1,413,105	€1,271,795	€1,130,484	€989,174	€847,863	€706,553	€565,242	€423,932	€370,379	€141,311	€0
Rent	€449,094	€404,185	€359,275	€314,366	€269,456	€224,547	€179,638	€134,728	€89,819	€44,909	€0
Total Cost of Service	€10,756,194	€11,506,040	€12,255,886	€13,005,732	€13,755,578	€14,505,424	€15,255,270	€16,005,116	€17,231,489	€17,504,808	€18,254,654

Upper Estimate

The upper estimate was calculated in a similar way to the lower estimate. However, in this case there were 94 GAL staff, 40 administrative staff and 5 in-house legal advisors. The cost difference between the lower and upper estimates was driven by differences in the estimated staffing requirements. (See Section 1, 'GAL Staff-Lower Estimate' and 'GAL Staff-Upper Estimate').

The estimated costs of privately contracted GALs were the same (both per GAL and in total) in the lower and upper estimates. This was due to the required number of privately hired GALs being linked to average working hours (19 hours per week). In 2016, it was estimated that GALs worked in total 65,513 hours per year and were present in 53% of cases. If GALs were used in 100% of cases this implied that they would work 123,610 hours. At €125 per hour, GAL fees would be €15,451,273 in the case of 100% private provision in both the upper and lower estimates.

GAL Productivity

The difference in the number of GALs employed in the State Body between the upper and lower estimates arose from different assumptions regarding the work of existing GALs, and how this might transfer to a State Body. The lower estimate assumed that if the 65 GALs in 2015 charged for every hour of work completed on a case then this would imply that twice this workload could be completed by 63 publicly employed full time GALs.

However, the C&AG pointed to average caseloads of 13 per GAL in Northern Ireland, while Irish GALs had an average caseload of 10. By linking Irish GALs' productivity, as full-time employees, to that of Northern Irish GALs, (i.e. Irish GALs moving from a 19-hour working week to a 37.5 hour working week), it was assumed that GAL caseloads would increase by 30%. Therefore, a reformed service dealing with nearly twice the number of cases would not require twice the number of GALs (See Section 1: 'GAL Staff Numbers'). Moving GALs to full-time employment with a 30% caseload increase and dealing with 100% of cases, gave an Upper Estimate of 94 publicly employed GALs. Instead of needing an additional 100% of the existing GAL workforce to deal with the new service demands, an additional 45% would be required. These dynamics

related to estimates for State-employed GALs only, whose conditions of employment would differ to GALs hired privately.

Legal Costs

Legal costs were identical in the upper and lower estimates, given the equivalent caseloads across each. Moving to the right of Tables 17, solicitor fees increased due to more solicitors being hired off the panel, and fewer in-house legal staff being employed.

Overheads and Rent

Overhead and rent costs were higher in the upper estimate than in the lower estimate, due to the greater office space required. See Table 17 for a detailed breakdown.

Estimated Cost of Service

It was estimated that in a scenario where publicly employed GALs made up 100% of the GAL workforce, the service could be provided at a cost of €14.4 million (upper estimate). This cost increased as more privately contracted GALs were drawn upon to meet demand, reaching €18.3 million in the case of 100% privately contracted GALs. Both the upper and lower estimates for total annual costs in the 100% privately provided service were identical.

Public-Private Mix Vs Private Agency-Private Contracted

As previously outlined, a public-private mix was presented under Model 4. It was estimated that a private body-private contract mix would be very similar in cost to the 100% privately provided service presented in both the upper and lower estimates in Tables 16 and 17. It was expected that the costs of providing the service exclusively through a private body or exclusively through privately contracted GALs would be very similar given the existing fee model. Some differences would arise if these models were reformed. However, as long as privately contracted GALs continued to be paid at €125 per hour (the rate agreed by Tusla), there would be little difference between the two.

Table 17. Mix of State Body and Privately Contracted GALs, Upper Estimate

% Contracted	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Employed GAL Salary	€5,721,509	€5,149,358	€4,577,208	€4,005,057	€3,432,906	€2,860,755	€2,288,604	€1,716,453	€1,144,302	€572,151	€0
Contract GAL Costs	€0	€1,545,127	€3,090,255	€4,635,382	€6,180,509	€7,725,637	€9,270,764	€10,815,891	€12,361,018	€13,906,146	€15,451,273
Total GAL Pay Costs	€5,721,509	€6,694,486	€7,667,462	€8,640,439	€9,613,415	€10,586,391	€11,559,368	€12,532,344	€13,505,320	€14,478,297	€15,451,273
Admin Pay Costs	€1,784,893	€1,606,404	€1,427,915	€1,249,425	€1,070,936	€892,447	€713,957	€535,468	€356,979	€178,489	€0
Legal Pay Costs	€438,791	€394,912	€351,033	€307,154	€263,275	€219,396	€175,516	€131,637	€87,758	€43,879	€0
Direct Salary Costs(Pay+PRSI)	€8,799,302	€9,464,499	€10,129,696	€10,794,894	€11,460,091	€12,125,288	€12,790,485	€13,455,682	€14,120,879	€14,786,076	€15,451,273
Total Salary Costs(Above plus Pensions)	€9,775,135	€10,342,748	€10,910,362	€11,477,976	€12,045,590	€12,613,204	€13,180,818	€13,748,432	€14,316,045	€14,883,659	€15,451,273
Legal Costs											
Number of Solicitors on Panel	11	12	12	13	13	14	14	15	15	16	16
Cost of Full Time Solicitors from Panel	€1,841,811	€1,926,533	€2,011,254	€2,095,976	€2,180,697	€2,265,419	€2,350,140	€2,434,862	€2,519,583	€2,604,305	€2,689,026
Counsel Fees	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355	€114,355
Total Legal Costs	€1,956,166	€2,040,887	€2,125,609	€2,210,330	€2,295,052	€2,379,773	€2,464,495	€2,549,216	€2,633,938	€2,718,659	€2,803,381
Overhead Cost	€1,986,298	€1,787,669	€1,589,039	€1,390,409	€1,191,779	€993,149	€794,519	€595,890	€397,260	€198,630	€0
Rent	€657,096	€591,386	€525,677	€459,967	€394,257	€328,548	€262,838	€197,129	€131,419	€65,710	€0
Total Cost of Service	€14,374,695	€14,762,691	€15,150,687	€15,538,683	€15,926,678	€16,314,674	€16,702,670	€17,090,666	€17,478,662	€17,866,658	€18,254,654

Model 5

Cost of providing the service via a single, private service provider following a public procurement process.

The 5th GAL service reform Model was based on provision by a single private provider. The estimates produced under this Model accounted for the following: potential pension structures of staff employed within such a service; fulfilling the Altmark Judgement criteria in order to avoid designation of the service as State Aid; 'reasonable profit' levels (including calculation of 'swap rates').²⁷

As per legal advices provided to the DCYA policy Unit in 2016, the delivery of the GAL service by a single private provider should satisfy the criteria of the Altmark Judgement in order to avoid designation as State Aid. The estimates provided are based on an assumption that all four of the Altmark Judgement criteria have been satisfied. There will be a brief discussion of these criteria below, to help frame the assumptions underpinning these estimates.

This will be followed by a brief discussion of 'reasonable profit', as per European Commission guidelines, i.e. the maximum amount of profit that a potential single provider might be permitted to earn when operating a social service such as the GAL service. A calculation of reasonable profit levels will then be provided, with a description of 'swap rates', both current and over time. This will be followed by an outline of pension rates used for the Model 5 estimates. These were based on average figures for employer contributions to Defined Contribution Pension schemes, as per figures published by the Association of Pension Funds in 2015.²⁸

Estimates for the total annual cost of a private GAL service are then presented for both upper and lower estimates, in line with assumptions underpinning the costings already presented under Models 3 and 4 regarding:

- staff numbers and costs
- legal costs
- rents

²⁷ http://ec.europa.eu/competition/state_aid/overview/public_services_en.html

²⁸ <https://www.iapf.ie/News/PressReleases/default.aspx?id=6>

- overheads.

To conclude, there will be a brief consideration of the differences between the cost estimates under Model 3 (State Body or Executive Office) and Model 5.

State Aid

It was established in legal advices provided to the relevant DCYA policy Unit in 2016 that if the State were to directly award an exclusive contract to deliver GAL services to a single private organisation without a public procurement process, then the funding would likely be designated as State Aid. The Treaty on the Functioning of the European Union contains a general prohibition on State Aid,²⁹ to avoid situations where companies operating in the Internal Market might receive selective advantages, which would distort competition. Adopting a service as State Aid generally requires prior approval from the Commission, and can only be justified by reasons of general economic development. Attention was given in this paper to the factors that require consideration in order to help avoid falling within this definition. Avoiding designation of the GAL service as State Aid means meeting the four Criteria outlined in the Altmark Judgement.

These criteria are as follows:

1. *The recipient undertaking must actually have public service obligations to discharge, and the obligations must be clearly defined.*
2. *The parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner.*
3. *The compensation cannot exceed what is necessary to cover all or part of the costs incurred in discharging the public service obligations, taking into account the relevant receipts and a reasonable profit.*
4. *Where the undertaking which is to discharge public service obligations, in a specific case, is not chosen pursuant to a public procurement procedure which would allow for the selection of the bidder capable of providing those services at the least cost to the community, the level of compensation needed must be determined on the*

²⁹ http://ec.europa.eu/competition/state_aid/overview/state_aid_procedures_en.html

basis of an analysis of the costs which a typical undertaking, if well run and adequately equipped, would have incurred.

As per the legal advices provided to the requesting Unit, it has been suggested that by providing the GAL service through a competitive public procurement process, criterion four of the Altmark Judgement would be satisfied.³⁰ However, these criteria are cumulative and so each of the criteria would need to be fulfilled in order to avoid State Aid status. For the purposes of this paper, it is assumed that the requesting Unit will have satisfied criteria one through three. In terms of criterion one above, the establishment of the GAL service as a 'public service obligation', with those obligations 'clearly defined', may at least be partially satisfied via legislation. For criterion two, the requesting Unit may need to consider options around establishing compensation levels for the operation of the GAL service and provide these to potential bidders in an objective and transparent manner. Under criterion three, the key issue is establishing what is meant by 'reasonable profit' and how it may be calculated for the potential single GAL service provider. This will now be discussed in more detail.

Reasonable Profit

The issue of 'reasonable profit' required consideration in this paper, as it forms a key part of the calculations underpinning the cost estimates under Model 5. Firstly, it was important to define what is meant by 'reasonable'. It was also necessary to discuss risk levels and the actual method by which profit might be calculated.

The European Commission has provided guidance on what constitutes a 'reasonable profit'³¹. It has stated that a reasonable profit could be taken to mean:

the rate of return on capital that would be required by a typical undertaking considering whether or not to provide the service of general economic interest for the whole period of entrustment, taking into account the level of risk.

³⁰ For the purposes of this report, Departmental adherence to all European Union/Commission rules on procurement is assumed.

³¹ http://ec.europa.eu/competition/state_aid/overview/new_guide_eu_rules_procurement_en.pdf

In other words, what may be deemed reasonable is associated with the level of risk borne by the service provider. An endeavour of relatively high risk would likely be associated with a higher level of profit for the provider and an endeavour of relatively low risk associated with a lower level of profit.

The European Commission procurement guidelines define risk as “a factor which could reduce the expected profit (by reducing expected revenue and/or increasing expected costs)”. It further states that “the level of risk depends on the sector concerned, the type of service and the characteristics of the compensation”. The characteristics of compensation are a crucial element in determining the actual risk level. In situations where a provider is compensated ex-post and in full, the level of associated risk is likely to be low (and reasonable profit quite limited). Conversely, when a ‘lump sum’ is paid ex ante, there is a higher risk to the provider. To illustrate, consider a situation whereby a service provider is compensated after a service has been delivered (ex post). In this instance, it is likely that the provider is compensated for all costs incurred; there is no risk that the provider will be susceptible to any changes in market costs. Alternatively, if the provider agrees to deliver a service following receipt of the agreed fee (ex- ante payment), there is an inherent risk that costs for the provider may increase, and therefore profit margins may shrink. For the purposes of this paper it was assumed that the State would compensate the provider ex-post, based on vouched expenditure.

The European Commission has also mentioned the importance of sectoral activity in determining risk level. In competitive sectors, where demand (or prices) may be volatile, it is assumed that risk is higher and profit margins are greater than may otherwise be observed. Conversely, in sectors where demand (or prices) may be more fixed, it is assumed that risk and profit margins would be lower.

Low Risk to GAL Service Tenderer

For the purpose of this report, it was assumed that there would be little risk to the successful tenderer of single private GAL service provision.³² It would be likely, for example, that in tendering for a contract to become the sole provider of GAL services

³² Note: if the GAL service were to be classified as a medium or high risk endeavour, the level of reasonable profit would be greater than discussed above.

in Ireland, a tenderer would have examined staff salaries and fees set by the Department, expected levels of activity (numbers of GAL cases per annum) and closely tracked the potential costs of service provision. Their estimates should therefore be reasonably accurate. Should national demand rise, a contract may allow the successful tenderer to apply for increased funding, in line with caseload expectations and vouched expenditure. Were demand for the GAL service to drop, vouched expenditure in relation to core provision would still be covered, with likely reductions to e.g. GAL staffing requirements agreed with the Contracting Authority.

Calculating Reasonable Profit- Swap Rates

EU law³³ has provided guidance on the appropriate 'reasonable profit' levels for low risk endeavours. It is noted that a rate of return on capital that does not exceed the relevant swap rate, plus a premium of 100 basis points (1%) is to be considered reasonable in any event. To reiterate, this was the upper limit for reasonable profit in instances where a service does not encounter substantial risk.

The swap rate itself is a benchmark published on a six-monthly basis by the European Commission that can be used within financial markets to establish funding levels. Swap rates are typically a way of indicating what markets consider to be a risk-free yield on an investment; in other words, the expected return generated through investing in a 'risk-free' bond. With regards to the procurement process within 'low risk' industries, the swap rate is an important indicator of reasonable profit. Practically speaking, if the reasonable profit premium (including the 100 basis points) is significantly below the swap rate, a firm might be better off simply investing in a low risk, low yield bond rather than tendering for the provision of services.

³³ Article 5(7) of the Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State Aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012D0021&from=EN>

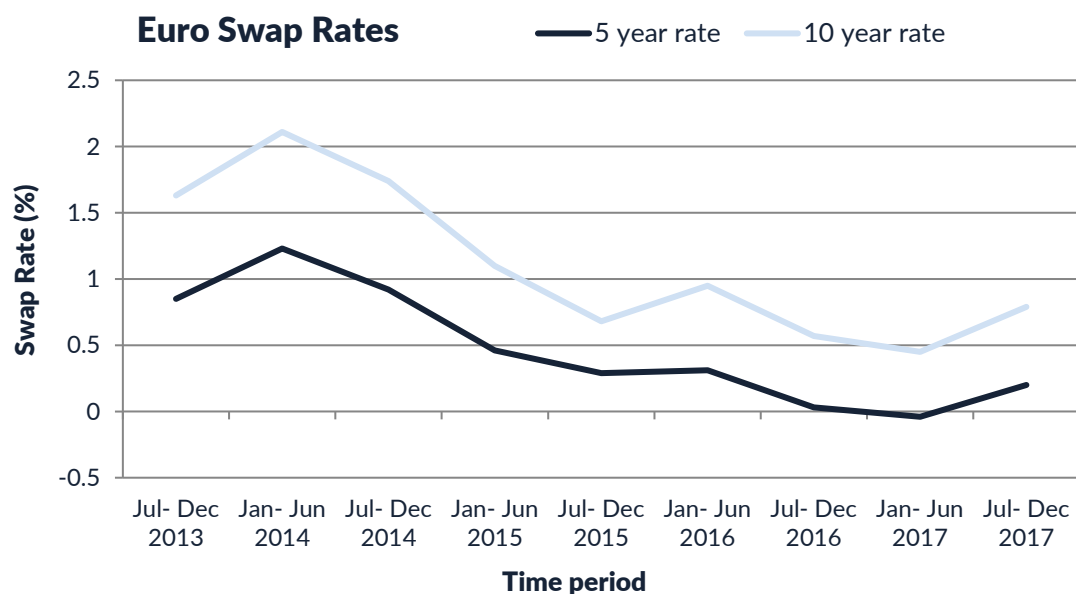


Figure 1. 5 and 10-year Euro swap rates (2013-2017)

The above graph illustrates both the 5 and 10-year Euro swap rates published by the European Commission between July 2013 and December 2017³⁴. In each case it was evident that the prevailing swap rate had changed over time; for example, the 5-year swap rate had risen from 0.85% in July 2013 to a high of 1.23% in January 2014. The rate at the time of submitting this report was observed at 0.2%. Following a similar trend, the 10-year rate had risen from 1.63% in 2013 to a high of 2.11% in January 2014. In 2018, the 10-year swap rate, as noted by the European Commission, was 0.79%.³⁵

Table 18. Mean & median Euro swap rates

	1 year rate (%)	5 year rate (%)	10 year rate (%)
Mean	0.09	0.47	1.11
Median	0.08	0.31	0.95

For context, the average 5 and 10-year swap rates for the above period were 0.47% and 1.11% respectively. In estimating the cost of a single service provider for this model, the existing (0.2%) 5-year swap rate was used. However, Appendix B provides additional cost estimates, should either average 5-year (0.47%) or existing 10-year swap rates (0.79%) prove preferable.

³⁴ Pre 2013 data was not available at this time.

³⁵ The European Commission notes a 10-year Euro swap rate of 0.51% (valid from 01/07/2019 until 31/12/2019)

Using the most recently available swap rates (at time of report submission) published by the European Commission,³⁶ denominated in Euro and assuming a 5-year contract, gave a relevant swap rate of 0.2%. Adding 100 basis points (1%) gave a total reasonable profit level equal to 1.2% of invested capital. As the invested capital in this instance would be the annual cost of running the GAL service, the reasonable profit level would be 1.2% of the cost of providing the GAL service. Similarly, taking the average 5-year swap rate of 0.47% and adding 100 basis points (1%) gave a total reasonable profit level equal to 1.47% of invested capital.

It should be noted that as the swap rates used by the European Commission are updated every 6 months they can change significantly over time, depending on the monetary policy of the ECB. At the time of report submission, interest rates were low, but it was acknowledged that they may increase in future years, which would in turn increase permissible reasonable profit levels. For example, a report released in August 2017 by Danske Bank's Fixed Income Research division³⁷ forecasted a 5-year swap rate of 0.3% by February 2018, with an expected rate of 0.4% by August 2018. Similarly, the 10-year swap rate was expected to reach 1.05% by February 2018 and 1.2% by August 2018. This suggested an upward movement in swap rates in the 12 months following report submission. Important to note is that these were estimates only.³⁸ It was beyond the scope of this paper to speculate on expected future movements in Euro swap rates and this discussion was added to highlight the relative uncertainty involved.

Pensions

The successful tenderer would be required to contract new GALs, as well as administrative staff, which would incur pension scheme contribution costs. It was acknowledged that private companies tend to use Defined Contribution pension schemes rather than Defined Benefit pension schemes. The model therefore assumed that the successful tenderer would participate in a Defined Contribution Pension Scheme. These schemes are typically less costly for an employer, who can choose to

³⁶ http://ec.europa.eu/competition/state_aid/legislation/swap_rates_en.html

³⁷ Danske Bank Fixed Income Research- Yield Outlook- Released 15th August 2017. Available at: [http://danskeresearch.danskebank.com/Link/YieldForecastUpdate/\\$file/YieldForecastUpdate.pdf](http://danskeresearch.danskebank.com/Link/YieldForecastUpdate/$file/YieldForecastUpdate.pdf)

³⁸ In actuality, the 10-year swap rate was 0.85% for the period between January and June 2018. The 10-year rate increased to 1% for the period covering July to December 2018

define their contribution level, with the employee making up the difference. 2015 data from the Irish Association of Pension Funds which surveyed 6,430 Defined Contribution Pension schemes found an average employer pension contribution of 5.7% of salaries³⁹. This rate was used in Model 5 calculations. A point to note is that this would represent a saving compared to the 13% Public Sector Defined Benefit schemes.

Estimated Costs of a Single Service Provider

Under this Model, the Contracting Authority is expected to be in a position to stipulate salaries and fees paid to GALs and other staff. Therefore the two key differences identified in the cost estimates between a GAL service operating within the Public Sector and a privately procured service operating under a public service obligation would be:

1. Pension costs
2. 'Reasonable profit' levels

This allowed for a Model 5 estimate to be reached by varying these factors against 'Model 3' estimates.⁴⁰ The Model 5 estimates were therefore calculated by taking the Model 3 estimates and applying alternative pension costs and an allowance for reasonable profit levels.

Lower Estimate

The first cost estimate took the lower estimate of 63 GALs, along with 27 administrative staff and 5 in-house legal staff. GALs were placed on the HSE Upper Team Leader Social Worker salary scale.

Staff Pay & Pensions

Administrative staff were placed on the HSE Grade 5 salary scale. In-house legal staff pay rates were based on accounts submitted by Tusla and calculated as per previous models outlined in this report. This gave an overall direct salary cost of €6.04 million.

³⁹ <https://www.iapf.ie/News/PressReleases/default.aspx?id=6>

⁴⁰ Model 3: State Body or Executive Office of a Government Department with employed/salaried Guardians Ad Litem

Pension rates at 5.7% amounted to an estimated €310,739, giving a total combined salary and pensions cost estimate of €6.35 million per annum (see Table 19 below). Important to note is that this figure was €397,965 less than the estimated cost under State Body/Executive Office provision (i.e. Model 3), due to savings made in the pension calculation (i.e. Defined Contribution in the private sector versus Defined Benefits in the public sector).⁴¹

Legal Fees

Legal fees were calculated as per previous models. Based on 2017 data provided by Tusla, it was estimated that 4,819 care orders would be made on an annual basis. This implied a requirement for 19 solicitors per day from a legal panel, amounting to an estimated annual cost of €3.28 million. This was partly offset by a total of 5 in-house solicitors, employed within the private GAL service, thereby reducing the need for panel solicitors on a one-for-one replacement basis. Assuming that solicitors attend 82% of GAL cases would provide a total annual solicitors fee of €1.8 million (See Table 19 below).

Reasonable Profit

Using the existing swap rates outlined by the European Commission, 'reasonable profit' was calculated at 1.2% of the total cost of service provision. The figure of 1.2% was calculated as the existing 5-year swap rate of 0.2% plus 100 basis points (1%). As noted in Table 19 below, it was estimated that the service would cost approximately €10.12 million per annum to provide the GAL service. This would allow for a reasonable profit of €121,398. The overall 'Funding Cost' to the State (i.e. overall cost to the exchequer) was estimated to be €10.24 million. Alternatively, should the mean swap rate have been used, using data from 2013- 2017, i.e. 0.47%, then reasonable profit would have been an estimated €148,713 (or a total funding cost of €10.27m). Furthermore, the existing 10-year swap rate of 0.79% would have yielded a maximum reasonable profit figure of €181,085; or a total funding cost of €10.297m.

⁴¹ Note: these estimates were dependent on the Contracting Authority being in a position to set fixed salary rates at the outset.

Table 19. Private Service, Public Procurement Process- Lower Estimate

Staff Numbers	
GAL Staff	63
Admin Staff	27
Legal Staff	5

Staff Costs	
GAL Salary	€3,820,824
Admin Salary	€1,191,952
Legal Salary	€438,791

Direct Salary Costs (Pay+PRSI)	€6,037,610
Total Salary Costs (Salary + Pensions [5.7%])	€6,348,349

Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Percentage of Cases with Solicitor	82%
Proportionate Solicitor Fees	€2,689,026
Savings from using In-House Solicitors	-€847,215
Final Solicitor Fee	€1,841,811
Counsel Fees	€114,355
Total Legal Costs	€1,956,166

Overhead (25% of Salary Costs)	€1,362,892
Rent	€449,094

Total Costs	€10,116,501
Reasonable profit	€121,398
Funding Cost	€10,237,899

As outlined above, the total annual cost to the exchequer of funding a publicly procured private GAL service was estimated to be €10.24 million at a swap rate of 0.2%. This assumed a one-to-one substitution of work from the contracted solicitors to in-house solicitors, with solicitors required in 82% of cases. By removing these assumptions, (no substitution and solicitors attending 100% of cases), it was

estimated that solicitors' fees would total €3.28 million, and that legal costs (including counsel fees) would come to €3.39 million. This represented an additional €1.4 million over and above the legal costs outlined in Table 19 above (i.e. €1.956m compared to €3.393m).

Taking into account an extra 1.2% for 'reasonable profit' (for private service provider coordinating assignment of contracted to GALs) gave a total service cost to the state of €11.7 million. This was €1.45 million higher than in Table 19 above. Calculations are presented in Table 20 below. Alternatively, when the 2013-2017 average 5-year swap rate was used, total service costs would have amounted to €11.74 million.

Table 20. Private Service, Public Procurement Process, no In-House Legal Substitution, 100% Solicitor Attendance- Lower Estimate

Staff Numbers	
GAL Staff	63
Admin Staff	27
Legal Staff	5

Staff Costs	
GAL Salary	€3,820,824
Admin Salary	€1,191,952
Legal Salary	€438,791

Direct Salary Costs (Pay+PRSI)	€6,037,610
Total Salary Costs (Salary + Pensions (5.7%))	€6,348,349

Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Counsel Fees	€114,355
Total Legal Costs	€3,393,655

Overhead (25% of Salary Costs)	€1,362,892
Rent	€449,094

Total Costs	€11,553,990
Reasonable profit	€138,648
Funding Cost	€11,692,638

Upper Estimate

The upper estimate assumed a requirement of 94 GALs, along with 40 administrative staff and 5 in-house legal staff. As seen with the lower estimate, GALs were placed on the HSE Upper Team Leader Social Worker Salary Scale.

Staff Pay & Pensions

Administrative staff were placed on the HSE Grade 5 salary scale and in-house legal staff pay rates were calculated as in previous scenarios outlined in this paper. This gave an overall direct salary cost of €8.8 million.

Pension rates (5.7%) amounted to an estimated €451,335, giving a total combined salary and pension costs of €9.22 million per annum (see Table 21 below). This figure was €578,026 less than the estimated cost under State Body/Executive Office provision (see Model 3).

Legal Fees

Legal fees for the upper estimate scenario were also calculated as in previous models. For further detail, please refer to the lower estimate outlined above.

Reasonable profit

The level of 'reasonable profit' was calculated at 1.2% of the total provision cost (as per the lower estimate above). As can be seen in Table 21 ('Total Costs'), it was estimated that the service would cost approximately €13.81 million per annum to provide the GAL service. This would allow for a reasonable profit of €165,762. The overall 'Funding Cost' to the State (i.e. overall cost to exchequer) was estimated to be €13.98 million. Should the mean swap rate have been used, based on data from 2013- 2017, i.e. 0.47%, reasonable profit would have been higher, i.e. €203,058, giving a total funding cost of €14.016m. Furthermore, the existing 10-year swap rate of 0.79% would have yielded a maximum reasonable profit figure of €247,262, with a total funding cost of €14.061m.

Table 21. Private Service, Public Procurement Process – Upper Estimate

Staff Numbers	
GAL Staff	94
Admin Staff	40
Legal Staff	5

Staff Costs	
GAL Salary	€5,700,912
Admin Salary	€1,778,468
Legal Salary	€438,791

Direct Salary Costs (Pay+PRSI)	€8,769,374.25
Total Salary Costs (Salary + Pensions (5.7%))	€9,220,710

Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Percentage of Cases with Solicitor	82%
Proportionate Solicitor Fees	€2,689,026
Savings from In-House Solicitors	-€847,215
Final Solicitor Fee	€1,841,811
Counsel Fees	€114,355
Total Legal Costs	€1,956,166

Overhead (25% of Salary Costs)	€1,979,543
Rent	€657,096

Total Costs	€13,813,514
Profit (1.2%)	€165,762
Funding Cost	€13,979,277

As outlined in Table 21, the total annual cost to the exchequer of funding a publicly procured private GAL service was estimated to be €13.98 million at the existing swap rate of 0.2%. Should solicitors have been required in 100% of GAL cases (and assuming no solicitor substitution), solicitors' fees would total €3.28 million, and overall legal costs (including counsel fees) would come to €3.39 million. This would

represent an additional €1.4 million over and above the legal costs outlined in Table 21 above (i.e. €1.956m compared to €3.393m).

Taking into account an extra 1.2% for 'reasonable profit' gave a total service cost of €15.43 million. This was €1.45 million higher than the scenario presented in Table 21 above. Additional calculations are presented in Table 22 below. Alternatively, when the 2013- 2017 average 5-year swap rate was used, total service costs amounted to €15.48 million.

Table 22. Private Service, Public Procurement Process, no In-House Legal Substitution, 100% Solicitor Attendance- Upper Estimate

Staff Numbers	
GAL Staff	94
Admin Staff	40
Legal Staff	5

Staff Costs	
GAL Salary	€5,700,912
Admin Salary	€1,778,468
Legal Salary	€438,791

Direct Salary Costs (Pay+PRSI)	€8,769,374.25
Total Salary Costs (Salary + Pensions (5.7%))	€9,220,710

Legal Costs	
Solicitor Costs (100% of Cases)	€3,279,300
Counsel Fees	€114,355
Total Legal Costs	€3,393,655

Overhead (25% of Salary Costs)	€1,979,543
Rent	€657,096

Total Costs	€15,251,003
Profit	€183,012
Funding Cost	€15,434,015

Model 5 Summary

In summary, it was estimated that a private GAL provider could have delivered the GAL service at a lower cost than if provided directly by the State. This was due to the reduced pension contributions costs outweighing the 'reasonable profit' costs. In the case of the upper estimate, the privately procured service could have been provided for €412,264 less than the State-run service with the same numbers of staff.

Similarly, the lower estimate suggested that a privately procured service could have been delivered for €276,567 less than an equivalent State-run service.

Table 23. Summary of Model 5 cost estimates

	Summary- Total Model 5 Funding Costs			
	Lower Estimate		Upper Estimate	
	Existing 5-year swap rate	Existing 10-year swap rate	Existing 5-year swap rate	Existing 10-year swap rate
Solicitors used in 82% of cases	€10,237,899	€10,297,587	€13,979,277	€14,060,776
Solicitors used in 100% of cases	€11,692,638	€11,760,807	€15,434,015	€15,523,996

Table 23 provides a summary of the scenarios presented under Model 5. There were cost differences in the percentage of solicitors used and also in the lower and upper estimates. Less of a variance emerged when considering the effect of the 5 and 10-year swap rates. It should be noted, however, that the measure of reasonable profit factored into the calculations above was based on low interest rates, which prevailed at the time of writing. It should also be noted that these were the maximum levels of reasonable profit as outlined by the European Commission and so it may be possible for the service under this Model to have been provided at a lower cost, (where a provider accepts lower profit levels or provides the service on a not-for-profit basis).

Note: Based on the main cost calculations above, a hypothetical future swap rate of 1.98%, leading to a reasonable profit rate of 2.98% (yielding a profit of up to €412,264) would have removed any cost differences between provision by a State Body/Executive Office (as per Model 3), and a publicly procured private provider.

Report Summary

This report has presented indicative cost estimates for five possible administrative models for the proposed reform of the Guardian Ad Litem service. The report does not make judgements on the feasibility of any individual model. The estimates contained within this report are indicative only and due attention should be paid to the underlying assumptions and parameters set out in the Introduction and Section 1 of this report.

Notwithstanding the above, the cost estimates suggested there may be potential to minimise expenditure increases following the reform of the GAL service, by addressing the following key factors:

- Reforming the compensation rates of GALs, either by imposing fixed remuneration rates on GALs working within a single private provider, or by bringing GALs into the public service via a State Body/Executive Office.
- and**
- The engagement of legal services via dedicated legal panels paid at standardised fee rates (such as those used by the Legal Aid Board), in conjunction with a small in-house legal team.

The actual magnitude of any potential saving (if any) which may be yielded from the above reforms to the GAL service would depend on a complex range of factors, some of which have been captured in this report. It was not envisaged that the cost estimates would act as the primary basis for policy decision-making. With this in mind, the table below presents a high-level overview of the cost estimates observed across Models 1 to 5.

- As observed in table 24 below, when the existing ad hoc service model is maintained but the number of GAL appointments doubles (**Model 1**), the estimated cost of service provision was €28.3m approx. (assuming that solicitors are used in 82% of cases).
- When the number of appointments doubles, it was estimated that the service would cost €27.95m in a single service provider scenario (**Model 2a**). In this instance it was assumed that there had been no change to the method of accessing legal representation.
- The costings established that if the State doubled the number of GAL appointments, while also reforming the legal procurement process (**Model 2b**), the service could be provided at an estimated cost of €18.8 million. This was

only €3.5 million more than the 2015 service cost (based on GAL participation in 53% of cases).

- Alternatively, establishing the GAL service within a State Body or Executive Office of a Government Department with employed/salaried GALs (**Model 3**) would yield cost estimates of €10.51m and €14.39m for the lower and upper scenarios respectively.⁴²
- **Model 4** addressed a scenario whereby the service would be provided by a private body with employed GALs or a combination of both employed and contracted GALs. For illustrative purposes it was estimated that 50% of GALs were contracted; providing cost estimates of €14.51m and €16.31m for the lower and upper estimates respectively.
- Rather than bringing the GAL service under a State Body or Executive Office, Model 5 considered establishing it via a single private service provider following a public procurement process. This could have seen potential savings over the existing model (as of 2015), with cost estimates ranging from €10.2 million to €14 million observed for the lower and upper estimates respectively (assuming GALs involved in 100% of cases and legal representation in 82% of cases).

Overall, at the time of writing, there were potential savings to be made through the reform of the GAL service by bringing it under a State Body or Executive Office.

These savings would be such that it may have been possible for GALs to participate in 100% of child care cases at a potentially lower cost than was observed in 2015 (where GALs attended 53% of cases only).

The report found that it may have been possible to achieve savings by reforming the legal procurement arrangement, adopting a dedicated panel similar to the Legal Aid Board, and/or by establishing an in-house legal function. This could have led to a potential €10.7 million reduction⁴³ in legal costs for the expanded GAL service versus maintaining the existing legal services model, (i.e. a shift from the scenario outlined in Model 2(a) to that of Model 2(b)). However, the potential savings would be reliant on a number of assumptions that would require further analysis.

Ruadhán Branigan, Rory Mulholland and Ciarán Madden

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⁴² Assumes solicitors are used in 82% of cases. Estimates calculated using Legal Aid Board Data. For further costings utilising OGP/Tusla data for Models 2-4, see Appendix B.

⁴³ €10.7 million reduction assumes that solicitors are used in 100% of cases. Should they have instead been utilised in 82% of cases, an estimated reduction of €9.1 million would be observed

Table 24. Summary of Main Model Costs- Models 1-5

Model Variant	Estimate Details	Further Details	Description	Total Cost (100%)	Total Costs (82%)
Model 1			Cost of the current ad hoc service model if the number of Guardian Ad Litem appointments doubles	€30,493,242	€28,297,530
Model 2		(a)	Cost of a single service provider model if the number of Guardian ad litem appointments doubles and the provider runs the service in line with current arrangements (i.e. no change to the way legal representation was accessed at time of writing)	€30,146,828	€27,951,116
		(b) Legal Panel	Cost of a single service provider model if the number of Guardian Ad Litem appointments doubles and the provider runs the service in line with current arrangements	€19,425,590	€18,835,316
Model 3	Lower	Substitution	Public Provider, Double Caseload, Lower Staff Estimate, Assumes In-House Legal Staff Substitution	€11,104,740	€10,514,466
		No Substitution	Public Provider, Double Caseload, Lower Staff Estimate, No In-House Legal Staff Substitution	€11,951,955	€11,361,681
	Upper	Substitution	Public Provider, Double Caseload, Upper Staff Estimate, Assumes In-House Legal Staff Substitution	€14,981,815	€14,391,541
		No Substitution	Public Provider, Double Caseload, Upper Staff Estimate, No In-House Legal Staff Substitution	€15,829,030	€15,238,756
	Lower	50% Privately Contracted GALs	Mixture between privately contracted and employed GALs- midpoint of current HSE Social Worker Team Leader payscale	€15,095,698	€14,505,424
		100% Privately Contracted GALs	Mixture between privately contracted and employed GALs- midpoint of current HSE Social Worker Team Leader payscale	€18,844,928	€18,254,654
Model 4	Upper	50% Privately Contracted GALs	Mixture between privately contracted and employed GALs- midpoint of current HSE Social Worker Team Leader payscale	€17,070,534	€16,314,674
		100% Privately Contracted GALs	Mixture between privately contracted and employed GALs- midpoint of current HSE Social Worker Team Leader payscale	€19,010,513	€18,254,654
Model 5	Lower	Current 5 year swap rate + 100 basis points (1.2%)	Cost of providing the service via a single, private service provider following a public procurement process.	€11,692,638	€10,237,899
		Current 10 year swap rate + 100 basis points (1.79%)	Cost of providing the service via a single, private service provider following a public procurement process.	€11,760,807	€10,297,587
	Upper	Current 5 year swap rate + 100 basis points (1.2%)	Cost of providing the service via a single, private service provider following a public procurement process.	€15,434,015	€13,979,277
		Current 10 year swap rate + 100 basis points (1.79%)	Cost of providing the service via a single, private service provider following a public procurement process.	€15,523,996	€14,060,776

Appendix A: Alternative Cost Estimates - Tusla and OGP Data

Cost estimates are now provided for models 2(b), 3 and 4, based on alternative legal fees data provided to the DCYA policy Unit by the Child and Family Agency (Tusla) and Office of Government Procurement (OGP). Some background information will be provided by way of notes on solicitor and counsel fees, followed by a presentation of the alternative estimates.

Solicitor Fees – Tusla and OGP Data

The Tusla and OGP data differs from that presented in the main report in respect of both solicitor and counsel fees. The cost of meeting the legal demands of the expanded service was estimated using alternative legal cost data provided by the Office of Government Procurement (OGP) and Child and Family Agency (Tusla).

Alternative solicitor fee data provided by Tusla gave an estimated hourly rate of €209, while the data provided by the Office of Government Procurement gave an estimated hourly rate of €197. Again, using the estimate of solicitor involvement in 3,952 court days per annum (that is 82% of the total GAL cases) would give total per annum solicitor costs of €5,781,162 using the Tusla data and €5,435,398 using the OGP data.

Where solicitors attend 100% of GAL cases, total per annum solicitor costs were estimated as €7,050,197 using the alternative Tusla data and €6,628,535 using the OGP data. Calculations are provided in Table 25 below.

Table 25. Solicitor Costs using Tusla and OGP Data

	Tusla		OGP	
Total Number of Orders 2016	4819			
Percentage of Cases with Solicitor	82%	100%	82%	100%
Number of Cases with GAL+Solicitor	3952	4819	3952	4819
Working Hours per day (Court)	7			
Rate per hour	€209 (Tusla)	€209 (Tusla)	€197 (OGP)	€197 (OGP)
Total Solicitor Costs	€5,781,162	€7,050,197	€5,435,398	€6,628,535

Counsel Fees

Alternative cost estimates for annual counsel fees were also used i.e. the solicitor cost data provided by Tusla and the OGP. This gave an estimated annual cost for counsel fees for the expanded service as €493,514 using the alternative Tusla solicitor cost data, and €463,997 using OGP solicitor cost data, assuming that legal counsel was required in 7% of cases.

Note: this was the same cost for both 100% and 82% solicitor attendance, as it was assumed that counsel would be required in 7% of all cases, regardless of changes in solicitor attendance. Furthermore, counsel and solicitor rates were assumed to be equal.

Table 26. Cost of Counsel (Barrister), Using Tusla and OGP Data

	Tusla	OGP
Total Number of Orders 2016	4819	4819
Number of Cases with GAL+Solicitor	3952	3952
Working Hours per day in Court	7	7
Rate per hour	209	196.5
Total Solicitor Costs (100% of cases)	€7,050,197	€6,628,535
Total Counsel Costs (7% of cases)	€493,514	€463,997

Model 2 (b) – Tusla and OGP data

The total potential cost of providing the GAL Service while using private legal services was estimated as €22,306,611 using alternative Tusla solicitor cost data and €21,931,331 using OGP solicitor cost data.

A more detailed breakdown of these costs was provided in the calculations spreadsheets submitted with this report. Summary cost totals and differences are presented in the table below.

Table 27. Summary cost totals and differences under Model 2, Solicitor attending 82% of Cases

	Cost	Additional cost vs Legal Aid Board Estimates
Total GAL Service Cost (Legal Aid Board)	€18,835,316	N/A
Total GAL Service Cost (Tusla Legal Data)	€22,306,611	€4,820,735
Total GAL Service Cost (OGP Legal Data)	€21,931,331	€4,445,455

Solicitors attending 100% of Cases

The estimated costs of solicitor involvement in 100% of GAL cases under Tusla and OGP data are presented in Table 28. A more detailed breakdown of these costs is available in the calculations spreadsheets submitted with this report.

Table 28. Summary cost totals and differences under Model 2, Solicitor at 100% of Cases

	Cost	Additional cost vs Legal Aid Board Estimates
Total GAL Service Cost (Legal Aid Board)	€19,425,590	N/A
Total GAL Service Cost (Tusla Legal Data)	€23,575,646	€5,795,715
Total GAL Service Cost (OGP Legal Data)	€23,124,467	€5,344,536

Model 3 – Tusla and OGP Data

Lower Estimate

It was estimated that the total cost of providing the GAL Service in a State Body (lower estimate), while continuing to use private legal services, would give a total annual service cost of €13,058,971 using Tusla data (€209 hourly rate) and €12,789,792 using OGP data (€197 hourly rate). These figures assumed an 82% solicitor involvement rate. A more detailed breakdown of these costs was provided in the calculations spreadsheets accompanying this report. Summary cost totals and differences are presented in Table 29.

Table 29. Summary cost totals under Model 3 Lower Estimate

	Solicitor: 82% of Cases	Solicitor: 100% of Cases
Total GAL Service Cost (Tusla Legal Data)	€13,058,971	€14,151,832
Total GAL Service Cost (OGP Legal Data)	€12,789,792	€13,817,290

Upper Estimate

The total estimated cost of providing the GAL Service in a State Body (upper estimate) while continuing to use private legal services would cost €16,936,046 using alternative Tusla solicitor cost data and €16,666,867 using OGP data. A more detailed breakdown of these costs was provided in the calculations spreadsheets accompanying this report. Summary cost totals and differences are presented in Table 30 below.

Table 30. Summary cost totals under Model 3 Upper Estimate

	Solicitor: 82% of Cases	Solicitor: 100% of Cases
Total GAL Service Cost (Tusla Legal Data)	€16,936,046	€18,028,907
Total GAL Service Cost (OGP Legal Data)	€16,666,867	€17,694,365

Model 4 – Tusla and OGP Data

Table 31 below presents the total cost associated with changing GAL salaries from a scenario whereby GALs would be paid at the mid-point of the HSE Team Leader salary scale, to a scenario with a ratio of 4 GALs on HSE Senior Social Worker Salary Scale per 1 team leader on the HSE Team Leader salary scale. This was calculated in combination with the alternative legal fees provided by Tusla (€209 per hour) and the OGP (€196.5 per hour). It was also calculated based on 100% solicitor involvement. Moving to the right of the table, the proportion of privately contracted workers increases from 0% to 100%.

Note: A detailed breakdown of each of the calculations in Table 31 was made available in the calculations spreadsheets accompanying this report.

Key Terms in Table 31:

- 'Lower' and 'Upper' refer to 'Lower Estimate' and 'Upper Estimate' respectively;
- 'Senior SW' refers to 4 GALs on HSE Senior Social Worker Salary to every 1 Team Leader
- 'Team Leader' refers to a scenario whereby all GALs are paid at mid-point of Team Leader salary scale
- '82%' refers to scenario with 82% solicitor involvement

'100%' refers to scenario where solicitors are involved in **all** GAL cases.

Table 31. Summary Table of Model 4 Costs by Staff Number, GAL Salary, and Solicitor Uptake

% Contracted		0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Legal Aid Rates	Lower, Senior SW, 82%	10.48	11.26	12.04	12.82	13.60	14.38	15.16	15.94	17.19	17.50	18.28
	Lower, Senior SW, 100%	11.07	11.85	12.63	13.41	14.19	14.97	15.75	16.53	17.79	18.09	18.87
	Lower, Team Leader, 82%	10.78	11.53	12.28	13.03	13.78	14.53	15.28	16.03	17.25	17.53	18.28
	Lower , Team Leader 100%	11.37	12.12	12.87	13.62	14.37	15.12	15.87	16.62	17.85	18.12	18.87
	Upper, Senior SW, 82%	13.97	14.40	14.83	15.26	15.69	16.12	16.55	16.98	17.41	17.84	18.28
	Upper, Senior SW, 100%	14.57	15.00	15.43	15.86	16.29	16.72	17.15	17.58	18.01	18.44	18.87
	Upper , Team Leader, 82%	14.40	14.78	15.17	15.56	15.95	16.34	16.72	17.11	17.50	17.89	18.28
	Upper, Team Leader, 100%	14.72	15.16	15.61	16.06	16.51	16.96	17.40	17.85	18.30	18.75	19.19
Tusla	Lower, Senior SW, 82%	13.00	13.88	14.76	15.63	16.51	17.39	18.27	19.14	20.50	20.90	21.77
	Lower, Senior SW, 100%	14.10	14.97	15.85	16.73	17.60	18.48	19.36	20.24	21.59	21.99	22.87
	Lower, Team Leader, 82%	13.30	14.15	15.00	15.84	16.69	17.54	18.38	19.23	20.56	20.93	21.77
	Lower , Team Leader 100%	14.39	15.24	16.09	16.94	17.78	18.63	19.48	20.32	21.65	22.02	22.87
	Upper, Senior SW, 82%	16.49	17.02	17.55	18.08	18.61	19.13	19.66	20.19	20.72	21.25	21.77
	Upper, Senior SW, 100%	17.59	18.12	18.64	19.17	19.70	20.23	20.75	21.28	21.81	22.34	22.87
	Upper , Team Leader, 82%	16.92	17.40	17.89	18.38	18.86	19.35	19.83	20.32	20.80	21.29	21.77
	Upper, Team Leader, 100%	18.01	18.50	18.98	19.47	19.95	20.44	20.92	21.41	21.90	22.38	22.87
OGP	Lower, Senior SW, 82%	12.73	13.60	14.47	15.33	16.20	17.06	17.93	18.80	20.14	20.53	21.40
	Lower, Senior SW, 100%	13.76	14.63	15.49	16.36	17.23	18.09	18.96	19.82	21.17	21.56	22.42
	Lower, Team Leader, 82%	13.03	13.87	14.70	15.54	16.38	17.21	18.05	18.89	20.20	20.56	21.40
	Lower , Team Leader 100%	14.06	14.90	15.73	16.57	17.40	18.24	19.08	19.91	21.23	21.59	22.42
	Upper, Senior SW, 82%	16.23	16.74	17.26	17.78	18.29	18.81	19.33	19.84	20.36	20.88	21.40
	Upper, Senior SW, 100%	17.25	17.77	18.29	18.80	19.32	19.84	20.35	20.87	21.39	21.91	22.42
	Upper , Team Leader, 82%	16.65	17.12	17.60	18.07	18.55	19.02	19.50	19.97	20.45	20.92	21.40
	Upper, Team Leader, 100%	17.68	18.15	18.63	19.10	19.58	20.05	20.52	21.00	21.47	21.95	22.42

Overall Summary Table: Tusla and OGP Data

Table 32. Summary of Main Models, and variants, incorporating legal costs

		€m	
		Solicitors: 82%	Solicitors: 100%
Tusla	Model 2(b)	22.31	23.58
	Model 3, Lower	13.06	14.15
	Model 3, Upper	16.94	18.03
	Model 4, Lower	13.3	14.39
	Model 4, Upper	16.92	18.01
OGP	Model 2(b)	21.93	23.12
	Model 3, Lower	12.79	13.82
	Model 3, Upper	16.67	17.69
	Model 4, Lower	13.03	14.06
	Model 4, Upper	16.65	17.68

Appendix B: Complete Model 5 Costings

Appendix B contains detailed breakdowns of the Model 5 cost estimates. The tables below consider both lower and upper estimates for each solicitor scenario (82% and 100% of cases). Furthermore, comparisons may be observed between the existing 5 and 10-year swap rates and mean 5-year swap rate, with corresponding effects on total funding costs.

Lower Estimates

Table 33. Model 5- Solicitors involved in 82% of cases (lower estimate)

	Existing 5-year swap rate + 100 basis points (1.2%)	Existing 10-year swap rate + 100 basis points (1.79%)	Existing 5-year swap rate + 100 basis points (1.47%)
Staff Numbers			
GAL Staff	63	63	63
Admin Staff	27	27	27
Legal Staff	5	5	5
Staff Costs			
GAL Salary	€3,820,824	€3,820,824	€3,820,824
Admin Salary	€1,191,952	€1,191,952	€1,191,952
Legal Salary	€438,791	€438,791	€438,791
Direct Salary Costs (Pay+PRSI)	€6,037,610	€6,037,610	€6,037,610
Total Salary Costs (Salary + Pensions (5.7%))	€6,348,349	€6,348,349	€6,348,349
Legal Costs			
Solicitor Costs (100% of Cases)	€3,279,300	€3,279,300	€3,279,300
Percentage of Cases with Solicitor	82%	82%	82%
Proportionate Solicitor Fees	€2,689,026	€2,689,026	€2,689,026
Savings from In-House Solicitors	-€847,215	-€847,215	-€847,215
Final Solicitor Fee	€1,841,811	€1,841,811	€1,841,811
Counsel Fees	€114,355	€114,355	€114,355
Total Legal Costs	€1,956,166	€1,956,166	€1,956,166
Overhead (25% of Salary Costs)	€1,362,892	€1,362,892	€1,362,892
Rent	€449,094	€449,094	€449,094
Total Costs	€10,116,501	€10,116,501	€10,116,501
Reasonable profit	€121,398	€181,085	€148,713
Funding Cost	€10,237,899	€10,297,587	€10,265,214
Cost Savings Vs Model 3	€276,567	€216,879	€249,252

Table 34. Model 5- Solicitors involved in 100% of cases (lower estimate)

	Existing 5-year swap rate + 100 basis points (1.2%)	Existing 10-year swap rate + 100 basis points (1.79%)	Mean 5-year swap rate + 100 basis points (1.47%)
Staff Numbers			
GAL Staff	63	63	63
Admin Staff	27	27	27
Legal Staff	5	5	5
Staff Costs			
GAL Salary	€3,820,824	€3,820,824	€3,820,824
Admin Salary	€1,191,952	€1,191,952	€1,191,952
Legal Salary	€438,791	€438,791	€438,791
Direct Salary Costs (Pay+PRSI)	€6,037,610	€6,037,610	€6,037,610
Total Salary Costs (Salary + Pensions (5.7%))	€6,348,349	€6,348,349	€6,348,349
Legal Costs			
Solicitor Costs (100% of Cases)	€3,279,300	€3,279,300	€3,279,300
Counsel Fees	€114,355	€114,355	€114,355
Total Legal Costs	€3,393,655	€3,393,655	€3,393,655
Overhead (25% of Salary Costs)	€1,362,892	€1,362,892	€1,362,892
Rent	€449,094	€449,094	€449,094
Total Costs	€11,553,990	€11,553,990	€11,553,990
Reasonable profit	€138,648	€206,816	€169,844
Funding Cost	€11,692,638	€11,760,807	€11,723,834

Upper Estimates

Table 35. Model 5- Solicitors involved in 82% of cases (upper estimate)

	Existing 5-year swap rate + 100 basis points (1.2%)	Existing 10-year swap rate + 100 basis points (1.79%)	Mean 5-year swap rate + 100 basis points (1.47%)
Staff Numbers			
GAL Staff	94	94	94
Admin Staff	40	40	40
Legal Staff	5	5	5
Staff Costs			
GAL Salary	€5,700,912	€5,700,912	€5,700,912
Admin Salary	€1,778,468	€1,778,468	€1,778,468
Legal Salary	€438,791	€438,791	€438,791
Direct Salary Costs (Pay+PRSI)	€8,769,374.25	€8,769,374.25	€8,769,374.25
Total Salary Costs (Salary + Pensions (5.7%))	€9,220,710	€9,220,710	€9,220,710
Legal Costs			
Solicitor Costs (100% of Cases)	€3,279,300	€3,279,300	€3,279,300
Percentage of Cases with Solicitor	82%	82%	82%
Proportionate Solicitor Fees	€2,689,026	€2,689,026	€2,689,026
Savings from In-House Solicitors	-€847,215	-€847,215	-€847,215
Final Solicitor Fee	€1,841,811	€1,841,811	€1,841,811
Counsel Fees	€114,355	€114,355	€114,355
Total Legal Costs	€1,956,166	€1,956,166	€1,956,166
Overhead (25% of Salary Costs)	€1,979,543	€1,979,543	€1,979,543
Rent	€657,096	€657,096	€657,096
Total Costs	€13,813,514	€13,813,514	€13,813,514
Reasonable profit	€165,762	€247,262	€203,059
Funding Cost	€13,979,277	€14,060,776	€14,016,573
Cost Savings Vs Model 3	€412,264	€330,765	€374,968

Table 36. Model 5- Solicitors involved in 100% of cases (upper estimate)

	Existing 5-year swap rate + 100 basis points (1.2%)	Existing 10-year swap rate + 100 basis points (1.79%)	Mean 5-year swap rate + 100 basis points (1.47%)
Staff Numbers			
GAL Staff	94	94	94
Admin Staff	40	40	40
Legal Staff	5	5	5
Staff Costs			
GAL Salary	€5,700,912	€5,700,912	€5,700,912
Admin Salary	€1,778,468	€1,778,468	€1,778,468
Legal Salary	€438,791	€438,791	€438,791
Direct Salary Costs (Pay+PRSI)	€8,769,374.25	€8,769,374.25	€8,769,374.25
Total Salary Costs (Salary + Pensions (5.7%))	€9,220,710	€9,220,710	€9,220,710
Legal Costs			
Solicitor Costs (100% of Cases)	€3,279,300	€3,279,300	€3,279,300
Counsel Fees	€114,355	€114,355	€114,355
Total Legal Costs	€3,393,655	€3,393,655	€3,393,655
Overhead (25% of Salary Costs)	€1,979,543	€1,979,543	€1,979,543
Rent	€657,096	€657,096	€657,096
Total Costs	€15,251,003	€15,251,003	€15,251,003
Reasonable profit	€183,012	€272,993	€224,190
Funding Cost	€15,434,015	€15,523,996	€15,475,193



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