An Roinn Leanaí
agus Gnóthaí Óige
Department of Children
and Youth Affairs

October 2020

Spending Review 2020
Tusla Residential Care Costs

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Irish Government Economic and Evaluation Service

Prepared by the Department of
Children and Youth Affairs
gov.ie/dcya

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List of Acronyms

CIC	Children in Care
CRS	Children's Residential Services
DCYA	Department of Children and Youth Affairs
DML	Dublin/ Mid-Leinster
DNE	Dublin/ North East
DPER	Department of Public Expenditure and Reform
DSGBV	Domestic, Sexual and Gender-Based Violence
ERS	Emergency Respite Services
EWTD	European Working Time Directive
HIQA	Health Information and Quality Authority
HSE	Health Service Executive
IGEES	Irish Government Economic and Evaluation Service
IRPP	Irish Refugee Protection Programme
NPPT	National Private Placement Team
OCO	Ombudsman for Children's Office
SCSA	Separated Children Seeking Asylum
SLA	Service Level Agreements

“I feel safe to talk to staff because there’s no judgment, they are here to listen and give advice”

“I can engage with other children, can build relationships and be friends with them”

“The staff help you if you’re upset and help you find a way to sort it”

Views of children in residential care

HIQA inspection report of CRC 5764; published 25 June 2020

Acknowledgements

The authors would like to thank DCYA policy colleagues, the Tusla Children's Residential Services team and the Irish Government Economic and Evaluation Service for their engagement in this Spending Review process. The authors are particularly grateful to those in Tusla and the DCYA who provided relevant data and documentation that helped build this Review, and to all those who provided comments on earlier drafts.

This report has been accepted for Publication by the Research and Evaluation Unit in DCYA and has been subject to the Irish Government Economic and Evaluation Service (IGEES) quality control process for Spending Reviews, as documented in the box below. This report contains an analysis of the available data and does not purport to be a complete or definitive account of all the relevant issues. The objective of the report is to inform policy development, and the authors are responsible for the content and any views expressed.

Quality Assurance process

To ensure accuracy and methodological rigour, the authors engaged in the following quality assurance process.

Internal/Departmental

- ✓ Line management
- ✓ Spending Review Steering group
- ✓ Other divisions/sections

External

- ✓ Other Government Department
- ✓ Quality Assurance Group (QAG)

Key Findings

Tusla is responsible for the delivery of residential care services for children and young people in the care of the State. The aim of residential care services is:

> *…to provide a physically, emotionally and psychologically safe space in which children and young people can heal, develop and move forward in their lives.*

Residential care is a demand-led service characterised by the complex needs of the vulnerable children (aged 18 or under) it serves. The objective of this Spending Review is to identify the key cost drivers of residential care provision, and thereby help inform future policy relating to this key child welfare and protection service.

Many children in care have a history of physical, sexual, emotional abuse and/or neglect. For many children, the experience of consistent, predictable caregiving is sufficient to ameliorate some of the impact of trauma and allows them to live within a family home setting. For other children, this may not be sufficient. Children placed in residential care require a high level of supervision and professional caregiving. The number of children in a centre (which is a domestic house) is generally between 2 and 6. Staff must work through the night in 'live night' shifts i.e. one staff member is awake at all times to ensure the safety of the children. Residential care may include working with a young person's social worker and other professionals to prepare a young person for a successful return home, transition to an agreed placement of choice or to independent/supported living.

Residential care has been a significant cost pressure for Tusla in recent years. Costs have increased year on year since 2016. In 2019, a Supplementary Estimate of €15 million for Tusla was primarily driven by residential care costs. Tusla have estimated a full year private residential care overspend of €26.1m for 2020. This comprises €17.1m overspend for private care within the Children's Residential Services budget and €9m overspend on private residential care by the Tusla 'Regions'. While Covid-19 costs are included in this projected overspend, Tusla have signalled that the impact of Covid-19 will lead to additional costs over and above this projected overspend.

Annual residential care costs increased by €40.8m (or 27%) between 2016 and 2019. Approximately 87% of this cost increase was associated with private service provision. This compares to a 2% increase associated with Tusla-owned services, and 4% for voluntary services. Over the past number of years, placements within Tusla-operated services have remained relatively stable, with placements decreasing slightly in voluntary services. By contrast, the numbers of private placements have steadily increased.

This Spending Review identifies two overarching trends in the provision of residential care, with costs driven by a combination of:

1. **An increase in the numbers of children and young people in residential care**. Placements rose by 12%, from 470 to 525, between the end of 2017 and end Q1 2020. While there were 55 additional placements overall, decreases in some service types were offset by 70 additional placements in private 'mainstream' residential centres.
2. **An increase in the costs of placements**. In September 2018, private contract rates increased in order to comply with the European Working Time Directive (EWTD), which led to additional staffing requirements.[1] According to Tusla, this increase arose primarily from a requirement to fund additional staffing. The basic private 'mainstream' placement rate increased from €5,000 to €6,000 per week, while the basic 'enhanced' rate (private only) increased from €6,000 to €6,800 per week. Dual Occupancies were set at €8,500 and Single Occupancies at €13,500 per child per week.

Underpinning these two broad trends, a range of factors have driven increasing residential care costs. The Spending Review found that cost increases related to:

- 'Mainstream' residential care (including multi-occupancy, single and dual occupancy, and 'enhanced' services) accounted for approximately 32% of the overall residential care cost increase observed during this period. The numbers of placements within this category increased by approximately 4%. Most of this cost increase occurred in private service provision.
- Specialised services within mainstream residential care accounted for approximately 24% of the overall residential care cost increase between 2016 and 2019. These services include: separated children seeking asylum (SCSA); the Irish Refugee Protection

[1] The EWTD also led to increased staffing requirements in Tusla-owned and voluntary residential care centres

Programme (IRPP); and Emergency Respite Services. The numbers of placements within this care type increased by 35% during this period.

- The annual cost of specialised services outside of 'mainstream'' residential care accounted for about 37% of the overall residential care cost increase during this period. These services include: Special Care and Stepdown Care; residential care services for children and young people with disabilities; 'Out of State' placements; and costs incurred by the Tusla 'Regions'. It should be noted that data in relation to placement numbers under the Tusla 'Regions' was only available for Q1 2020.
- Administration and development costs accounted for 7% of the total cost increase of €40.8m during this period.

In reviewing the relative cost impacts of the different residential care placement types over time, the Spending Review found:

- There was an increase in dual occupancy placements in private services (limited to two children per service) and a large increase in private single occupancy placements (one child per service only) between 2018 and 2019. These care types are more expensive than 'mainstream' multi-occupancy placements.
- Increases in the provision of 'enhanced' services (with additional integrated supports) by private organisations, the costs of which are higher than in 'mainstream' services. The cost of 'enhanced' services doubled between 2016 and 2019, increasing from €6.5m to €12.9m across the period. This increase accounted for 15.7% of the total residential care cost increase (and which was included within private 'mainstream' costs).
- Emergency Respite Services are more expensive than 'mainstream' multi-occupancy care. The numbers of placements in private Emergency Respite Services almost doubled during this period. There was also an increase in the average duration of placements, suggesting that this form of care represented a cost driver for residential care during the 2016 to 2019 period. (Note: accurate cost data was not available for this care type).
- Placements of Irish Refugee Protection Programme (IRPP) and separated children seeking asylum (SCSA) in residential care services remained relatively stable during the 2016-2019 period. There were more placements in private centres than in Tusla-owned or voluntary services. However, the total annual cost increased by €3.3m, or 8% of the total residential care cost increase (€40.8m) during this time.

- Increasing numbers of private residential care placements by the Tusla 'Regions' that fall outside of Tusla's national residential care governance structure. The costs of placements incurred by the 'Regions' increased from €7.4m in 2016 to €21.9m in 2019. €12.6m of the 2019 'Regions' costs related to residential care services for children and young people with disabilities.
- There are a small number of children who are under the age of 13 and young adults over the age of 18 in residential care, which has contributed to the increased numbers of placements. The average length of time in residential care also increased between 2017 and 2020, in particular for those in disability-based residential care.

Overall, while the number of placements has increased in recent years, this Spending Review found that there is a growing reliance on private residential care provision. Tusla have increasingly sourced both 'mainstream' and specialised placements through private services. There has also been a transition toward smaller numbers of children per residential care setting (such as single and dual occupancy services).

The Spending Review concludes with suggestions for future analysis, and the regular reporting of additional data to support the ongoing monitoring and evaluation of residential care expenditure. In order to deepen understanding of costs, the following areas for analysis are suggested:

- The costs, benefits and risks associated with each of the existing delivery mechanisms: Tusla-owned, voluntary and private services.
- The effectiveness of the different delivery mechanisms and service types, in particular those that are key cost drivers.
- The costs and benefits of preventative interventions, such as the Creative Community Alternative initiative, and how these may support children, young people and families within their communities.
- The increasing numbers of young people in residential care placed by the Tusla 'Regions' (including disability-based residential care), and the governance structures underpinning these placements.

- How the implementation of the Joint Protocol between the Health Service Executive (HSE) and Tusla (with regard to the residential care of children and young people with moderate to severe disabilities) will impact on residential care costs.
- The ongoing development of services available to help young adults in residential care to safely transition to appropriate alternatives.

Introduction

The current 2020-2022 Spending Review cycle builds upon the broad range of review papers produced during the previous (2017-2019) cycle. Spending Review papers cover a wide range of policy areas, are typically produced by Irish Government Economic and Evaluation Service (IGEES) staff, and may be conducted either by IGEES staff located in the Department of Public Expenditure and Reform, or by IGEES staff in line Departments. This paper, produced by the Research and Evaluation Unit in the Department of Children and Youth Affairs (DCYA), provides an assessment of Tusla-funded residential care costs. The paper builds upon the 2019 DPER-led Spending Review, *Tusla: Assessment of Performance Measurement* (Kane, 2019).[2]

The Review was conducted as a desk-based exercise between the months of April and August 2020 using the following data sources:

- Tusla open source data: Review of Adequacy reports, Quarterly reports, Data Hub and Financial reports.
- Financial, occupancy and service-related data provided by Tusla for the purposes of this review.
- A review of relevant research literature as identified by colleagues in the Child Care Performance and Social Work Unit of the Department of Children and Youth Affairs.

The assessment provided in this report was time-bound, due to the publication schedule for Spending Reviews. While the data analysis conducted for this Spending Review was inclusive and comprehensive, there were a small number of data limitations, which could not be resolved within the Review timeline. Suggestions for the collection/publication of additional data to assist with the ongoing monitoring and evaluation of residential care expenditure are provided towards the end of the report. While this Spending Review points to cost pressures, cost control is a matter for

[2] http://www.budget.gov.ie/Budgets/2020/Documents/Budget/Tusla%20-%20Assessment%20of%20Performance%20Measurement.pdf

consideration by the relevant policymakers. Considerations in this regard should include how cost controls may impact on service quality, availability, capacity and safety.

Residential care is a demand-led service characterised by the complex needs of some of the most vulnerable children and young people in the State. It is a key social policy intervention underpinned by statutory duties prescribed by the Child Care Act 1991. This Spending Review identifies the key cost drivers of Tusla-funded residential care in recent years, in particular during the 2016 to 2019 period. The Review does not comment on, or make recommendations regarding, decision-making processes relating to the placements of children and young people in residential care.

Residential care has represented a significant cost pressure for Tusla in recent years, with costs increasing year on year since 2016. In 2019, a Supplementary Estimate of €15m was required to ensure that Tusla could meet its financial liabilities, with the main pressure relating to residential care. Tusla have estimated a full year private residential care overspend of €26.1m for 2020. This comprises a €17.1m overspend for private care within the Children's Residential Services budget and €9m overspend on private residential care by the Tusla 'Regions'. While Covid-19 costs are included in this projected overspend, Tusla have signalled that the impact of Covid-19 will lead to additional costs over and above this projected overspend. The effect on financial performance (YTD) of Covid-19 was an increased level of expenditure of €1.9m over the first 15 weeks. Extrapolating this forward and allowing for some additional expenditure, there is a forecast of up to €8m of Covid-19 related expenditure. Given the level of uncertainty that exists in relation to possible spread of the virus and the impact of various restrictions that may arise, the forecasts have been calculated to include pay costs amounting to €1m relating to 25 Graduate Students recruited to backfill vacancies arising due to Covid-19, and costs associated with redeployment of 10 staff to Covid-related roles. Non-pay costs amount to some €7m, and are forecast to address:

- Additional grant funding required by Voluntary Agencies providing Domestic, Sexual and Gender-Based Violence (DSGBV) Services;

- Provision of items such as Personal Protective Equipment (PPE), cleaning, medical costs, including additional expenditure on ensuring Covid appropriate working and service provision environments within the Voluntary Sector.
- Addressing service demand needs of the Voluntary Sector in the second half of 2020 based on pent-up demand created by Covid restrictions.
- Additional costs due to increased private residential placements arising from a slowdown in the number of young persons leaving private residential care due to difficulties in sourcing appropriate alternative care arrangements in the current Covid environment.
- Expenditure on ICT, such as the development of three Covid-related apps for the Health Service Executive. These apps relate to Recruitment, Accommodation and Statistical reporting.

The €8m forecast does not provide for further expenditure on staff to cover Covid vacancies beyond those recruited to date; provision for payments to private providers of services such as residential or foster care that may arise in relation to their response to Covid-19; or ICT-related expenditure for Tusla staff.

The paper develops over three main sections. Section 1 of the paper describes the context and rationale for State provision of residential care services for children and young people, by examining:

- the main reasons why children enter residential care;
- the delivery mechanisms for, and different forms of, residential care;
- a summary of the regulatory framework underpinning residential care provision by the State; and
- an overview of the numbers of children in residential care in recent years, in the context of other forms of 'alternative care' (such as foster care).

Section 2 provides an overview of government-funded residential care costs in recent years. Residential care costs are compared against those observed within broader state-funded 'alternative care' (which includes foster care). Residential care costs will then be disaggregated by delivery mechanism, as described in Section 1:

- Tusla-owned care centres;
- voluntary centres; and
- private sector services.

Costs will be further disaggregated by service type within these delivery mechanisms: ‘mainstream’ provision; more specialised services within ‘mainstream’ provision and, finally; specialised services outside of ‘mainstream’ provision. The total and relative costs of each will be presented for the years 2016 to 2019 in order to identify which delivery mechanisms and service types acted as key drivers of cost increases during this time period. The review will demonstrate that, in recent years, the costs of private residential care have increased more rapidly than the costs of Tusla-owned or voluntary services.

Section 3 presents an analysis of the key cost drivers underpinning residential care costs in recent years. Cost trends will be presented according to the main forms of residential care: mainstream, ‘special’ care; emergency respite services; separated children seeking asylum (and the Irish Refugee Protection Programme); Out of State placements; residential disability services for children and young people. Section 3 presents a different split of residential care service types to that presented in Sections 1 and 2. The Section 3 split is based on the availability, or otherwise, of disaggregated ‘mainstream’ cost data for individual service types. This helps maximise the value of the analysis for a range of audiences interested in residential care cost analysis. The review will show that demand for private services has increased in recent years. Within private provision, ‘mainstream’, ‘enhanced’ and ‘emergency respite’ services have acted as key cost drivers, along with increasing numbers of single and dual occupancies. Costs were driven by a combination of:

- greater numbers of children and young people (including more children under 13 and more young adults over 18 years of age) spending longer periods of time in residential care;
- higher private placement fees. The funding for individual residential care placements increased in September 2018 to comply with the European Work Time Directive (EWTD). This resulted in an increase in the required daily staffing complement for a mainstream residential centre to three staff. The basic private

'mainstream' placement rate increased from €5,000 to €6,000 per week, while the basic enhanced rate (private) went from €6,000 to €6,800 per week. Dual Occupancies were set at €8,500 and Single Occupancies at €13,500 per child per week[3]

- Costs incurred by the Tusla 'Regions', that fall outside of Tusla's national residential care procurement and governance systems, will also be identified as a key cost driver.

The paper concludes with a summary of key findings, along with suggestions for additional data collection, reporting and analysis.

[3] In correspondence provided to the Spending Review authors, Tusla have indicated that the current procurement process for private residential care service provision may further increase costs

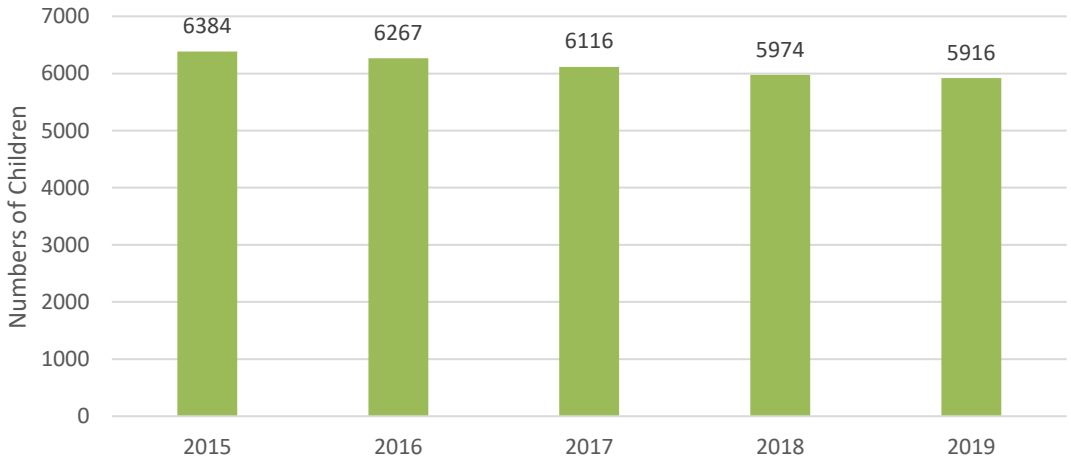
Section 1: Tusla-Funded Residential Care: Context and Rationale

Tusla, the Child and Family Agency has a statutory responsibility to provide 'Alternative Care Services' under the provisions of the Child Care Act, 1991, the Children Act, 2001 and the Child Care (Amendment) Act, 2007. Children who require admission to care are accommodated through placements in foster care, with relatives, or in residential care. Tusla deliver residential care for children and young people within small group home settings, with between one and six children in each house. Section 1 describes the context and rationale for State provision of residential care services for children and young people. It examines the main reasons why children enter residential care and outlines the delivery mechanisms for, and different forms of, residential care. This section also provides a summary of the regulatory framework underpinning residential care provision by the State and gives an overview of the numbers of children in residential care in recent years.

Numbers of Children in Care: An Overview

The data on children in care (CIC) in Ireland includes general foster care, foster placements with relatives, and residential care. Figure 1.1 below presents data on total CIC numbers from 2015 to 2019.

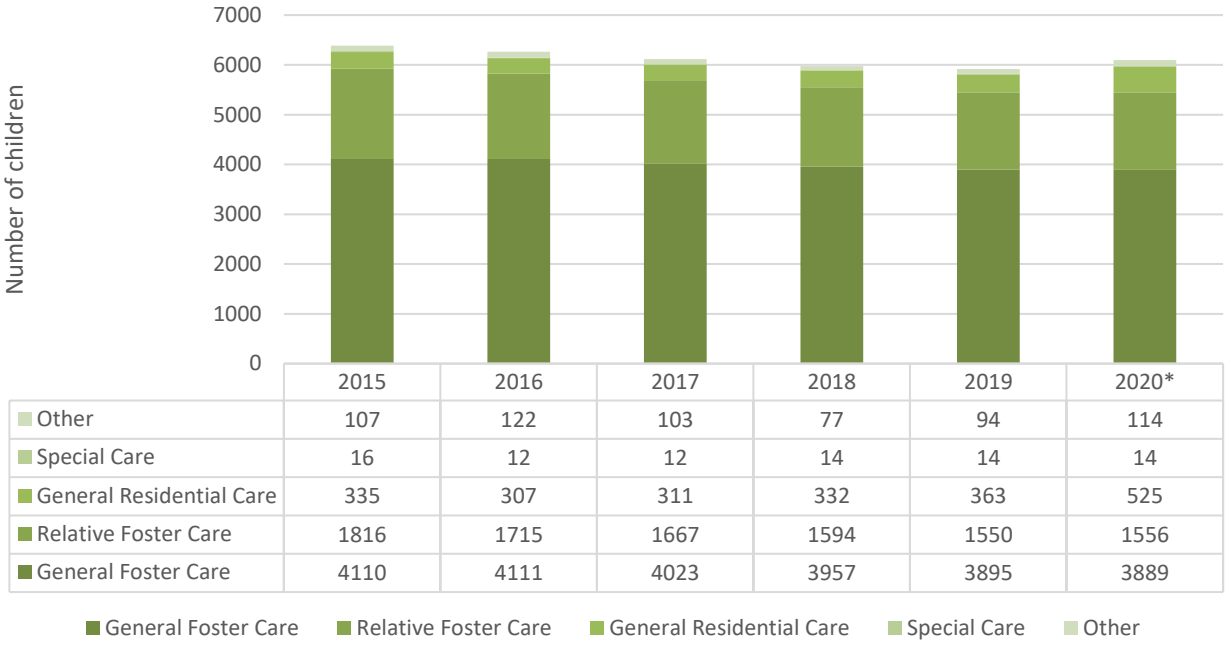
Figure 1.1: Total numbers of Children in Care (CIC) at Year End, 2015-2019*



Source: Tusla Data Hub
*Data refers to children aged 0-17 years only, and children and young people actually present in residential care centres at year end. Data does not include SCSA placements.

As observed in Figure 1.1, CIC numbers reduced year on year between 2015 and 2019, from 6,384 to 5,916 by year-end, 2019. Figure 1.2 presents the numbers of children in care by care type. End of year figures are provided for 2015 to Q1 2020.

Figure 1.2: A Breakdown of Children in Care, 2015-2020 (Q1)

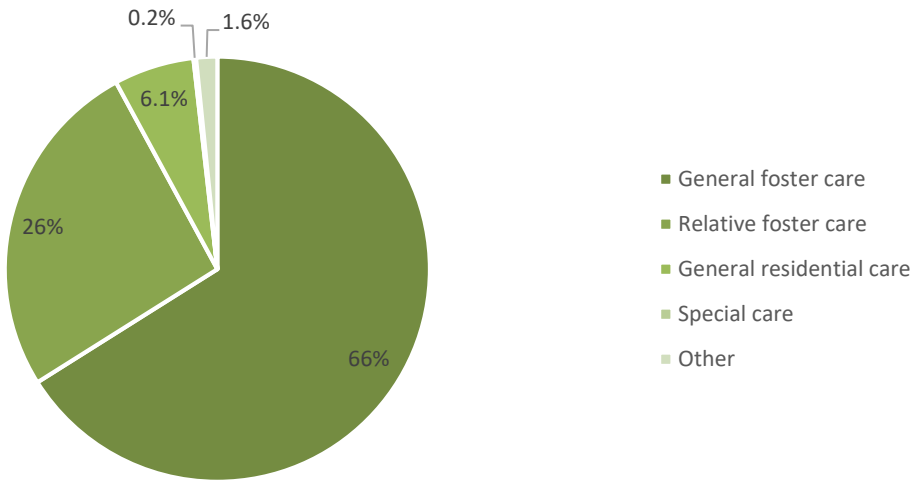


	2015	2016	2017	2018	2019	2020*
Other	107	122	103	77	94	114
Special Care	16	12	12	14	14	14
General Residential Care	335	307	311	332	363	525
Relative Foster Care	1816	1715	1667	1594	1550	1556
General Foster Care	4110	4111	4023	3957	3895	3889

Source: Tusla Data Hub (2020) and residential care data provided by Tusla
Note: Data refers to children aged 0-17 years only, and children and young people actually present in residential care centres at year end. Data does not include SCSA placements.
*data presented for end Q1 2020 only

Figure 1.3 provides a breakdown of children in 'alternative care' by type of care, as of December 2019. As demonstrated, foster care is the most used form of care. Combining general foster care and relative foster care, approximately 92% of all CIC are in a foster care placement. In respect of residential care, there were 363 children in general residential placements at the end of 2019. This represented 6.1% of all CIC, up from 5% during the 2015-17 period.

Figure 1.3: Breakdown of Children in Alternative Care by All Types of Care, December 2019



Source: Tusla Data Hub (https://data.tusla.ie/)
Note: Data refers to children aged 0-17 years only, and children and young people actually present in residential care centres at year end. Data does not include SCSA placements.
Other" includes children in supported lodgings, at home under a care order, in a detention school/centre, other residential centre (e.g. disability unit or drug and alcohol rehabilitation centre).

It is important to note that the data presented in Figures 1.1, 1.2 and 1.3 refer to children aged 0-17 years only, and to children and young people actually present in residential care centres at year end. The data does not include SCSA placements. In order to assess residential care placements and costs more fully, the data presented in the following sub-sections are drawn from the Tusla Children's Residential Services dataset. This includes all children and young people in residential care (including those over 18 years of age), all of those registered in residential care placements (for whom costs are accruing), and SCSA placements.

Numbers of Children in Residential Care

While the total CIC numbers have been decreasing in recent years, the numbers placed within residential care settings have increased, from 470 in 2017, to 525 as of end Q1 2020 (an increase of 12%). This may be compared with broader population changes during this period. Between 2016 and 2019, the numbers of children aged 10-19 in Irish population increased by 6.6%.[4] The proportionate increase in numbers of children in residential care during this period exceeded the overall population increase among these age categories.

[4] https://www.cso.ie/en/statistics/population/

As of end 2019, there were 483 children in residential care across all service types. 56% (or 272) of children and young people in residential care were in private residential care; 27% (or 128) were placed in Tusla-owned residential centres; and 17% (or 83) were placed in voluntary residential care. While numbers increased to a total of 525 by the end of Q1 2020, this data includes 36 placements provided by the Tusla ‘Regions’ (data which was not available for previous years). Table 1.1 provides a full breakdown of residential care placements by service type and delivery mechanism, covering the 2016 to 2020 (Q1) period.

Table 1.1: Residential Care Placements by Service Type and Delivery Mechanism, 2016-2020 Q1

Year	Description	Tusla operated services				Voluntary services				Private services						
		Mainstream	Special care (inc. stepdown)	SCSA/ IRPP	Total	Mainstream	SCSA/ IRPP	Disability	Total	Mainstream	Out of state	Enhanced	Regions	SCSA/ IRPP	Disability	Total
2016	Total number	113	12	*n/a*	**125**	78	6	8	**92**	*n/a*	6	32	*n/a*	14	28	**80**
	% total	38%	4%	0%	**42%**	26%	2%	3%	**31%**	0%	2%	11%	0%	5%	9%	**27%**
2017	Total number	101	14	10	**125**	80	10	8	**98**	169	5	32	*n/a*	15	26	**247**
	% total	21%	3%	2%	**27%**	17%	2%	2%	**21%**	36%	1%	7%	0%	3%	6%	**53%**
2018	Total number	99	14	9	**122**	75	9	7	**91**	181	4	33	*n/a*	17	22	**257**
	% total	21%	3%	2%	**26%**	16%	2%	1%	**19%**	39%	1%	7%	0%	4%	5%	**55%**
2019	Total number	102	16	10	**128**	68	8	7	**83**	194	6	36	*n/a*	16	20	**272**
	% total	21%	3%	2%	**27%**	14%	2%	1%	**17%**	40%	1%	7%	0%	3%	4%	**56%**
2020 (Q1)	Total number	98	17	9	**124**	74	8	7	**89**	239	5	n/a	36	13	19	**312**
	% total	19%	3%	2%	**24%**	14%	2%	1%	**17%**	46%	1%	0%	7%	2%	4%	**59%**

Source: Data provided by Tusla
Note: Private 'mainstream' data for 2016 was not available within the Spending Review timeframe.
'n/a' = not available

As demonstrated in Table 1.1, most placements in each of the delivery mechanisms occurred in ‘mainstream’ residential care. The number of ‘mainstream’ placements increased by 17% during the 2016 to 2019 period, from a combined total of 350 across all mechanisms in 2017, to 411 placements across all mechanisms in 2019. Within these figures, private ‘mainstream’ placements increased by 70 placements (from 169 to 239 placements), while ‘mainstream’ voluntary placements decreased by 6 (80 to 74 placements), and ‘mainstream’ Tusla-owned placements decreased from 101 placements in 2017 to 98 placements in Q1 2020 (a reduction of 3 placements).

During this period, placements in other service types, such as ‘Out of State’, IRPP placements and ‘Enhanced’ care types remained relatively stable by comparison, while Special and Stepdown Care saw a modest increase (from 12 placements in 2016 to 17 placements as of end Q1 2020).

Numbers of Residential Care Services: 2015-2020

As shown in Table 1.2, the number of Tusla-owned residential care centres remained relatively stable between 2015 and Q1 2020, with 39 centres in operation as of Q1 2020 (a reduction of 2 centres on the 2015 total). The number of voluntary centres has also been constant (at 25 centres) since 2015. The number of private residential care centres increased steadily to meet increasing demand, across the 2015-2020 period. In 2015, 58% of 158 residential centres were privately run and at the end of Q1 2020 64% of 180 centres were private residential centres.

Table 1.2: Residential Care Centres by Service Type and Delivery Mechanism, 2015-2020 Q1

Year	Description	Tusla operated services				Voluntary services				Private services						
		Mainstream	Special care (inc. stepdown)	SCSA/ IRPP	Total	Mainstream	SCSA/ IRPP	Disability	Total	Mainstream	Out of state	Enhanced	Regions	SCSA/ IRPP	Disability	Total
2015	Total number	37	4	0	**41**	23	1	1	**25**	73	*n/a*	*n/a*	*n/a*	3	16	**92**
	% by service type	23%	3%	0%	**26%**	15%	1%	1%	**16%**	46%	0%	0%	0%	2%	10%	**58%**
2016	Total number	36	5	0	**41**	23	1	1	**25**	82	5	14	*n/a*	3	16	**120**
	% by service type	19%	3%	0%	**22%**	12%	1%	1%	**13%**	44%	3%	8%	0%	2%	9%	**65%**
2017	Total number	31	4	2	**37**	22	2	1	**25**	83	4	12	*n/a*	3	16	**118**
	% by service type	17%	2%	1%	**21%**	12%	1%	1%	**14%**	46%	2%	7%	0%	2%	9%	**66%**
2018	Total number	32	4	2	**38**	22	2	1	**25**	89	3	13	*n/a*	3	16	**124**
	% by service type	17%	2%	1%	**20%**	12%	1%	1%	**13%**	48%	2%	7%	0%	2%	9%	**66%**
2019	Total number	32	4	2	**38**	23	2	1	**26**	95	5	15	*n/a*	3	16	**134**
	% by service type	16%	2%	1%	**19%**	12%	1%	1%	**13%**	48%	3%	8%	0%	2%	8%	**68%**
2020 (Q1)	Total number	32	5	2	**39**	22	2	1	**25**	97	4	*n/a*	*n/a*	3	16	**120**
	% by service type	17%	3%	1%	**21%**	12%	1%	1%	**14%**	53%	2%	0%	0%	2%	9%	**65%**

Source: Data provided by Tusla
Note: 'n/a' = not available

Table 1.3 presents data on centre closures by delivery mechanism between 2015 and Q1 2020.[5] The majority of centre closures occurred in the private sector. Given the increase in private services overall during this period, this points to higher service turnover among private services. The average capacity of private services that closed during the 2015-2019 period was greater than Tusla-owned or voluntary services. Private service closures led to a greater loss of capacity than was the case with Tusla or voluntary service closures.

Table 1.3: Centre Closures by Delivery Mechanism, 2015-2020

Year	Description	Service type			
		Tusla	Private	Voluntary	***Total***
2015	No. of centres	2	5	0	**7**
	Capacity	*8*	*10*	*0*	***18***
2016	No. of centres	1	9	1	**11**
	Capacity	*4*	*27*	*6*	***37***
2017	No. of centres	5	6	1	**12**
	Capacity	*20*	*12+**	*5*	***37+****
2018	No. of centres	2	5	0	***7***
	Capacity	*7*	*17*	*0*	***24***
2019	No. of centres	1	5	0	***6***
	Capacity	*1*	*13*	*0*	***14***

Source: Data provided by Tusla
*Full data on centre capacity not provided

The majority of new centres opening during this time period were also private, which supports the suggestion that there has been higher turnover among private services. As shown in Table 1.3, the average capacity of the private services that opened during this period far exceeded those opening in Tusla-owned and voluntary services. Two of the three Tusla-owned services that opened in 2017 as well as the voluntary service opened in that year represented the transition of existing centres from ‘mainstream’ to SCSA/IRPP residential care provision.

[5] Note: a centre capacity of 1 is used in the case of single occupancy placements

Table 1.4: Centre Openings by Delivery Mechanism, 2016- 2020 Q1

Year	Description	Service type			
		Tusla	Private	Voluntary	***Total***
2016	No. of centres	2	14	0	**14**
	Capacity	*0*	*35+**	*0*	***35+****
2017	No. of centres	3	6	1	**7**
	Capacity	*n/a*	*21*	*0*	***21***
2018	No. of centres	2	12	0	**14**
	Capacity	*1+**	*37*	*0*	***38+****
2019	No. of centres	2	10	0	**12**
	Capacity	*n/a*	*27*	*0*	***27***

Source: Data provided by Tusla
*Full data on centre capacity not provided

Numbers of Children in Residential Care- International Comparison

As already shown, the vast majority of CIC in Ireland are placed in foster care. According to evidence provided by Furey and Canavan (2019), Ireland has a relatively low proportion of children in residential care when compared to other countries[6]. However these authors point out that differences between national care systems, operational differences and differences in data collection make international comparisons difficult. The legislative context, care processes and procedures determine whether and where a children is placed in care in a given jurisdiction, with differences in definitions of care 'types' between countries (Furey and Canavan, 2019). However, Furey and Canavan reviewed and compared children in care data from Northern Ireland, England, Wales, Scotland, Norway, Australia and America. As can be seen in Table 1.5, Ireland had a low proportion of children placed in 'residential care', as a proportion of all CIC:

[6] Furey, E., and Canavan, J., 2019: *A review on the availability and comparability of statistics on child protection and welfare, including children in care, collated by Tusla: Child and Family Agency with statistics published in other jurisdictions* Available here: https://www.tusla.ie/uploads/content/COMPWELFINALREPORTMARCH29_-_Final.pdf

Table 1.5: Placement Type of Children in Care (%), International Comparison

	Ireland	Northern Ireland	England	Wales	Scotland	Norway	Australia	USA
Foster care	66	43	61	75	35	64	39	45
Relative/ Kinship foster care	27	47	-*	11	53	25	49	30
Residential care	5	5	12**	4	10	5	5	14
Other	2	4	27	9	2	6	7	11

Source Furey and Canavan, 2019 p.17.
Note: Figures for Ireland are based on 2016 data, and refer to children aged 0-17 years only, children and young people actually present in residential care centres at year end, and do not include SCSA placements
*Foster care provided by friends and relatives is included in total foster care placements. Distinctions are made in the tables but are difficult to aggregate.
**Includes children's homes and semi-independent living accommodation and other residential placements.

Stability of Placements

Foster care is the primary long-term care option for children in Ireland. Children in residential care in Ireland have typically experienced previous care placements, usually in foster care.

Children with three or more placements are more likely to have a residential care placement, and this may be their final care placement before leaving care. The proportion of children with three or more placements was 2% of all children in care in 2018 (114 children out of 5,974).

According to correspondence provided to the authors by DCYA policymakers, children in residential care are unlikely to benefit from an increase in available foster placements, unless these relate to more specialist foster care placements that cater to the specific individual needs of a child. As of 2015, 2.1% (or 132) of all CIC were in their third or more placement. As of 2019 this figure increased slightly to 2.3% or 137 children. As a comparison of placement stability in Ireland and countries in the UK, Furey and Canavan (2019) presented data on the proportion of children in care who are on their third or more care placement, in Ireland, England, Scotland and

Wales.[7] Of the four countries, Ireland had the lowest proportion of children on their third or more placement (3%).

Table 1.6: Children in Their Third or More Care Placement (Ireland and UK Countries Comparison)

	Ireland	England	Scotland	Wales
Children in their 3rd or more care placement in a 12 month period	169	7520	833	565
% of total placements	3%	11%	5%	10%

Source: Furey and Canavan, 2019, p.20.
Note: Figures for Ireland are based on 2016 data, and refer to children aged 0-17 years only, children and young people actually present in residential care centres at year end, and do not include SCSA placements.

Length of Time in Care

As observed in the Tusla Review of Adequacy reports (and Tusla data for 2019),[8] 14.6% of all CIC in 2015 spent less than one year in a care placement. This decreased to 11% by 2016 and remained stable up to 2019. Of those in care in 2015, 42.5% had a placement duration of 1-5 years, decreasing to 40% for 2019. Almost 43% of CIC in 2015 spent more than 5 years in care as of 2015. This figure increased steadily to 49%, by end of 2019. According to analysis presented by Furey and Canavan (2019), the length of time children spend in care in Ireland[9] was comparable only with Northern Ireland and Australia. Of the three countries, Ireland had the largest proportion of children in care for more than five years and the smallest proportion in care for less than one year.

7 Figures for Ireland based on 2016 data.
8 Data refers to children aged 0-17 years only, children and young people actually present in residential care centres at year end, and do not include SCSA placements.
9 Figures for Ireland based on 2016 data.

Table 1.7: Length of Time in Care: Country Comparison.

	Ireland	N. Ireland	Australia
Less than 1 year	11%	24%	20%
1 to 5 years	43%	47%	39%
More than 5 years	45%	29%	40%

Source: Furey and Canavan, 2019, p.21.
Note: Data refers to all children in care and is not specific to residential care.

As a snapshot of duration of time spent in residential care, Table 1.8 presents data on the average amount of time spent in care (in years) per residential placement by provision type, as of 31/03/2020.[10] Duration of stay was highest for children and young people in disability-based residential care, both in voluntary and private centres. Young adults (over 18 years of age) in these centres had spent an average of 7 years in residential care. The lowest duration of stay was among SCSA/IRPP placements across each delivery mechanism. In terms of 'mainstream' care, the duration of care was highest in private services, with young adults over 18 spending, on average, the most time in 'mainstream' residential care across the three delivery mechanisms. It is important to note that the data presented in Table 1.8 is based on the Tusla Children's Residential Services dataset, which includes all children and young people in residential care (including those over 18 years of age), all of those registered in residential care placements (for whom costs are accruing), and SCSA placements.

[10] It is important to note that this data is a snapshot as of end Q1 2020 and does not cover total time spent on average in residential care services. Children and young people covered within this dataset may continue to avail of residential care, post-Q1 2010.

Table 1.8: Average Duration of Stay in Years as at 31/03/2020 by Service Type

Provision type		Overall	Under 13	Over 18
Private	Mainstream	1.34	1	2.33
	SCSA/IRPP	0.29	*n/a*	*n/a*
	Disability*	6.04	*n/a*	*n/a*
	OOS	2.35	*n/a*	*n/a*
Vol	Mainstream	1.01	0.81	1.24
	SCSA/IRPP	0.7	*n/a*	1.25
	Disability*	6	*n/a*	*n/a*
Tusla	Mainstream	1.13	0.54	1.7
	SCSA/IRPP	0.75	*n/a*	0.94
	Special care	0.46	0.38	0.75

Source: Data provided by Tusla
*Disability data provided as at 31/07/2020.
Note: data is provided in respect of current placements only and does not illustrate the total time spent in residential care (where there have been two or more placements).
n/a = not applicable

Why Children are Placed in Residential Care

There are a range of options available to the State to protect and care for vulnerable children. There can be a wide range of reasons why residential care might be in the best interests of the child. These include, but are not limited to:

- when a foster care placement breaks down or is no longer suitable;
- as a respite placement or until a more suitable placement is found;
- to provide an opportunity for assessment in order to inform the child's care plan for onward placement;
- diagnosed mental health issues, as well as presentations as yet undiagnosed and requiring further assessment (see Appendix 1);
- if the behaviour of the young person is considered to be too challenging, disruptive or dangerous to be managed in another care setting;
- older children who are clear they do not wish to be placed in a family setting;
- if the child has a complex physical or intellectual disability requiring additional care;
- young people in care who turn 18 who remain in care to complete second level education, or while they wait for a suitable and appropriate after care placement;

- unaccompanied children seeking asylum, and separated refugee children, who are placed in a residential setting for assessment and specialist support purposes.

(For additional context, see also Appendix 2: Contact with the Youth Justice System)

As defined in the National Standards for Children's Residential Centres (HIQA, 2018),[11] a children's residential centre is:

> *a place, run by Tusla (the Child and Family Agency) or a voluntary or private agency that provides a home for children who come into the care of the State, to ensure that the child's needs are met when they cannot live with their own family. For the purposes of these standards this term refers to any person, organisation or part of an organisation providing children's residential services.*

Tusla is responsible for the delivery of residential care services in Ireland. According to Tusla, the overall aim of residential care services is:

> *…to provide a physically, emotionally and psychologically safe space in which children and young people can heal, develop and move forward in their lives.*

Many CIC have a history of physical, sexual, emotional abuse and/or neglect. For many children, the experience of consistent, predictable caregiving and having their needs met is sufficient to ameliorate some of the impact of the trauma and allows them to live within a family home setting. For other children, this may not be sufficient. Children in residential care require a high level of supervision and professional caregiving, often following a specific model of care.[12] In some cases, staff must work through the night in 'live night' shifts i.e. one staff member is awake at all times to ensure the safety of the children in the centre.

Residential care may include working with a young person's social worker and other professionals to prepare a young person for a successful return home, or transition to an agreed placement of choice or to independent/supported living. Most residential centers are indistinguishable from other family homes in the

[11] Available at: https://www.hiqa.ie/sites/default/files/2018-11/national-standards-for-childrens-residential-centres.pdf

[12] For example, Tusla has adopted the 'Welltree' model of care and is in the process of training staff in implementing the model across Tusla-owned children's residential centres. See footnote 23 for more detail.

neighbourhoods in which they are located. The goal is to approximate a family home environment and avoid the large-scale institutional type care that characterised the sector during a large proportion of the 20th century.

Tusla-Owned Residential Care Services

Tusla-owned residential care services are generally long-established services transferred to Tusla from the HSE in 2014. Some of these services were established by the HSE, while others transferred to the HSE from (primarily Catholic-run) religious orders as the religious transitioned away from the provision of childcare. A high proportion of these services were not established by Tusla, who have broken from the historical legacy of large-scale religious institutional care in favour of smaller settings that provide more flexible and holistic care services. As of Quarter 1 2020, there were 39 residential care services owned by Tusla, which represents 22% of all funded residential care services.

Voluntary Residential Care Organisations

Voluntary and not for profit residential care services represent a mix of long-established and newer charitable organisations dedicated to the care of children and adolescents. Tusla funds voluntary residential care services through service level agreements. As of Quarter 1 2020, there were 25 Tusla-funded residential care services provided by voluntary not-for-profit organisations, or 14% of all services. As demonstrated in Tables 1.3 and 1.4, there has been little turnover in the voluntary residential care sector in recent years.

Private Residential Care Organisations

Tusla funds private residential care through contracts and/or service level agreement. In 2014, Tusla established a dedicated National Private Placement Team (NPPT) to commission private residential services in response to demand. According to Tusla, private residential services offer placements to young people whose needs cannot be met within Tusla or voluntary services. Tusla have suggested that private residential services can offer higher staffing levels, lower occupancy, enhanced on-site clinical supports and education and specialised

services designed to meet the needs of children and young people. As of Quarter 1 2020, there were 120 Tusla-funded residential care services provided by private organisations, or 65% of all services.

Box 1 provides detail on funding methods by each delivery mechanism: private, voluntary and Tusla-operated.

Box 1: Funding Methods by Service Type

Tusla- operated services: Tusla-operated residential care services are paid in line with a range of fixed and variable costs (from staff salaries, capital costs to costs directly linked to placements). While increased occupancy will increases annual cost, the largest element of cost will be incurred irrespective of occupancy levels.

Voluntary services: Voluntary residential care services receive grant-aided funding in line with Service Level Agreements. Funding is agreed in January or February of each year; with a grant amount agreed in line with centre capacity. Note: services are paid irrespective of whether they are operating at full occupancy levels. Timing, or the presence of more complex or high risk placements, may lead to a voluntary centre operating below full reported capacity

Private services: Private residential care services are funded on a per-placement basis. Between 2014 and 2016, Tusla paid private services via block booking contracts, with services paid based on capacity. However, these contracts ended in August 2016. It may be noted that in the case of Emergency Respite Services, payments are made according to capacity, to ensure ongoing availability.

Types of Residential Care: 'Mainstream' and 'Specialised' Residential Care

Box 2[13] provides a categorisation of the main types of residential care. This categorisation has been developed ***for the purposes of this report***, in order to develop a framework to describe the key drivers of residential care costs in recent years. Across each care category, qualified teams of staff provide services in shifts that span a 24-hour period.

[13] Note: each category of residential care is explored in greater detail in Sections 2 and 3 of this Spending Review report.

Box 2: Forms of Residential Care

1. Mainstream residential care:

The majority of children in residential care live in mainstream residential services. This type of residential care is 'unlocked' where up to six children and young people live together and where friends and family are free to visit.

2. Specialised services within 'Mainstream' residential care:

A range of specialised services are provided within 'mainstream' residential care, which attract additional costs. These include:

- Separated Children Seeking Asylum (SCSA): Unaccompanied minors who present themselves at ports of entry into the State are taken into the care of Tusla. The service provided to these children is demand-led. Between 2016 and 2018, 274 SCSAs were placed in care. Most children taken into care at points of entry are placed in foster care, however some are placed in residential care. SCSA is provided by private and voluntary services.
- Irish Refugee Protection Programme (IRPP): The IRPP was established in 2015 as part of Ireland's response to the migration crisis in Europe. Tusla set up a dedicated service in 2017 to process unaccompanied minors within the IRPP. At end of 2018, Tusla had received 51 unaccompanied children under IRPP, with Tusla assuming responsibility for their care. This number comprised six from Greece, 41 from Calais and four from Malta. No children were received under IRPP in 2019 and in 2020 eight minors arrived as part of this programme (as of July 2020). The IRPP relocates children from refugee camps who receive specialist supports and who are placed in residential care services upon arrival. IRPP is provided by Tusla-operated centres

  Note: SCSA and IRPP have been combined as a single service type for the purposes of this Spending Review.
- Emergency Respite Services (ERS): Short-term placements (with a guideline of eight days) where there has been: a breakdown in the family home or care placement; Gardai have invoked a Section 12 Care Order; the young person is experiencing homelessness; there has been a place of safety/social hospital admission; when unaccompanied minors first arrive in Ireland. Four voluntary and two private centres provide emergency placements for children aged 12 to 17 years.
- Enhanced Services: four private organisations providing a total of 17 residential care services that offer integrated psychological, therapeutic and educational supports that are included in placement costs.

3. Specialised Residential Care outside of 'mainstream' provision:

- Special care: Special Care Units are secure residential centres. Children are placed in Special Care pursuant to an Order of the High Court. The duration of the placement is set by Order of the Court and in addition to usual monitoring the State must provide regular updates to the Court. There are three Special Care Units in Ireland, which are purpose built and hold approximately 15 children in total (See Appendix 3 for more detail).
- Stepdown Care: a placement that follows a period of time in Special Care- usually a placement in a residential care Unit that has a high ratio of staff to children but is not a locked unit. These placements may be a precursor to returning to family, foster care or transitioning to independent living.
- Out of State Placement: A very small number of children are placed abroad to ensure their specific needs can be met, such as specialist interventions; secure mental health assessments and treatments; or longer periods of care than are currently possible within the Irish system. As of year-end 2019, there were six children placed in the UK.
- Residential Disability Services for Children and Young People: Specialised residential care services for children and young people with disabilities and mental health challenges are delivered through both voluntary and private centres. These often include children whose needs do not sit exclusively in either the disability, mental health or child protection categories, but which require 'bespoke' residential care arrangements. As of Q1 2020, there were 17 such centres in Ireland, accounting for approximately 10% of all centres in 2020. *Note: While the HSE is responsible for disability-related residential care services, some children with disabilities in residential care are funded by Tusla. See Section 3 for more detail.*

- Residential Care in Tusla Regions: The Tusla 'Regions' also procure private residential care outside of the Children's Residential Centres (CRS) governance structures. The majority of these placements relate to children and young people with disabilities. As of end January 2020, 79 residential care placements fell within the 'Regions' budget.

Table 1.9 provides an overview of the types of residential care provided across the three delivery mechanisms in 2019; Tusla-owned; voluntary; and private. While all three mechanisms provided 'mainstream' and IRPP/SCSA placements, only Tusla-owned services offered special care and stepdown places. Private services provided all other specialised types of care.

Table 1.9: Types of Residential Care Provision, by Delivery Mechanism, 2019

Category	Provision Type	Tusla-owned	Voluntary	Private
Mainstream' residential care	Mainstream	✓	✓	✓
	Single and dual occupancy	✓	✗	✓
Specialised Services within 'Mainstream' residential care	SCSA/IRPP	✓	✓	✓
	Enhanced services	✗	✗	✓
	Emergency respite	✗	✓	✓
Specialised residential care outside of 'mainstream' provision	Residential disability services	✗	✓	✓
	Out of State care	✗	✗	✓
	'Regions'	✗	✗	✓
	Special care and stepdown Care	✓	✗	✗

Regulatory Framework

The Child Care Act 1991 (which is currently under review) provides Tusla with powers (as per the Child and Family Agency Act, 2013) to accommodate children in care in a variety of circumstances. Section 36 (1) (b) of the 1991 Act states:

> *Where a child is in the care of a health board, the health board shall provide such care for him, subject to its control and supervision, in such of the following ways as it considers to be in his best interests….by placing him in residential care (whether in a children's residential centre registered under Part VIII, in a residential home maintained by a health board or in a school or other suitable place of residence)…*

Children are placed in the care of Tusla under a number of Care Orders. Box 3 outlines these Care Orders, according to relevant Sections of the 1991 Act, and provides a brief description of each.

Box 3: Child Care Act 1991 - Legal Mechanisms by Which Children are Placed in Residential Care

Type	Description
Section 4	Voluntary Care – this is not court directed, the parents or guardians consent to the young person being placed in care. They can revoke this consent if they wish.
Section 5	Where a young person has no accommodation available to them and are homeless.
Section 12	This allows the Gardaí to take a child to a place of safety, where there is an immediate and serious risk to them.
Section 13	Emergency Care Order - where there is an immediate and serious risk to the health or welfare of the child an Emergency Care Order may be granted for period of up to 8 days
Section 17	Interim Care Order – a Court directed order where it is necessary for the protection of the child to be placed while an application is made for a Full Care Order. This may be extended by court as necessary.
Section 18	Full Care Order – a Court directed order to provide care and protection to a child until they turn 18 (or in some cases for a shorter timeframe).
Special Care Order	By order of the High Court only, due to the restrictions placed on a young person's liberty within a secure Special Care centre.

Regulations and Standards

The Child Care, (Placement of Children in Residential Care) Regulations, 1995, specify the governance and oversight required by the State when a child is placed in a residential centre. The Regulations dictate the minimum physical standards that centres must meet in order to provide placements to children in care, including fire safety and provision of adequate sleeping and eating facilities. The Regulations also specify how each child's placements should be monitored; the information the centre should have about the child prior to and during their placement; and the details of the child's care plan and contact arrangements with significant people in their lives. All centres are also subject to the National Standards for Children's Residential Centres (HIQA, 2018)[14].

It is DCYA policy that HIQA will register all children's residential centres. The Department of Health is preparing to make an amendment to the Health Act 2007, which will facilitate HIQA assuming this role. However, at present, under the provisions of the Health Act 2007, HIQA monitors the standards in Tusla-owned

[14] https://www.hiqa.ie/reports-and-publications/standard/national-standards-childrens-residential-centres

residential centres and reports these findings. Privately-owned residential centres, and those operated by voluntary and non-profit agencies, are registered by the Tusla Alternative Care Inspection and Monitoring service. Special Care Units, which are Tusla-owned, must also be registered in order to function; HIQA registers Special Care Units (under a different section of the Health Act 2007), against Special Care Regulations and HIQA standards.

Registrations and Inspections

At present, HIQA inspects Tusla-owned residential centres against the National Standards for Children's Residential Centres 2018 and reports these findings. They also register and inspect Special Care Units against the National Standards for Special Care Units 2015 and the special care registration and care and welfare regulations made under the Health Act 2007.[15] Privately-owned residential centres, and those operated by voluntary and non-profit agencies are registered and inspected by the Tusla Alternative Care Inspection and Monitoring service. Tusla registers and inspects private and voluntary/not-for-profit centres against the Regulations made under the Child Care Act 1991 and the 2018 National Standards. Work is ongoing to amend the Health Act 2007, which will facilitate HIQA registering and inspecting children's residential centres under all delivery mechanisms.[16]

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15 Note: HIQA inspect and register Special Care centres against standards and regulations made under the Health Act 2007 (S.I. No. 634/2017 Care & Welfare, S.I. No. 635/2017 Registration, and amendment S.I. No. 108 of 2018 and National Standards for Special Care Units 2015). HIQA inspect Tusla-owned centres against the National Standards for Children's Residential Centres 2018 made according to their functions in the Health Act. Tusla inspect and register private and voluntary centres under part VIII of the Child Care Act and the regulations made under that Act (S.I. No. 259 of 1995, S.I. No. 397 of 1996 and amendment S.I. No. 605 of 2015) and HIQA's National Standards for Children's Residential Centres 2018.

One of HIQA's functions under Section 8 of the Health Act 2007 is to set standards in relation to services provided by Tusla (formerly the HSE) under the Child Care Act 1991. The Health Act preceded the establishment of the DCYA and Tusla. Responsibility for HIQA remained with the Minister for Health however the Minister for Health will consult with the Minister for Children and Youth Affairs when establishing standards for children's services.

16 Note: HIQA can register and inspect designated centres, which at present only cover those owned by Tusla, (including Special Care Units as per 2017 Special Care regulations drafted by the DCYA and made under the Health Act by the Minister for Health). It may be noted that the transfer of registration and inspection responsibilities for private and voluntary children's residential centres from Tusla (previously HSE) was a recommendation of the 2009 Ryan Report (Report of the Commission to Inquire into Child Abuse). A Government Decision in 2010 prioritised the inspection of child welfare and protection services, commenced by HIQA in October 2012. This was followed by the commencement of the registration and inspection by HIQA in November 2013 of residential services for children with disabilities. More recently, the commencement of the Special Care regulations referred to above were finalised in January 2018.

Meanwhile, Recommendation 1 of the 2015 Ombudsman for Children's Office 'Own Volition investigation into the HSE's registration, inspection and monitoring service for private and voluntary children's residential centres' recommended that 'the inspection of these centres and their registration should transfer to HIQA without delay'. Recommendation 8 of the 2015 OCO report to the UN Committee on the Rights of the Child also recommended

Where concerns are identified during inspections, or where conditions have been attached to a centre's registration, they are subject to follow up compliance inspections. Where there are significant concerns, a Tusla-owned centre may be temporarily prevented from taking new admissions or closed down. Meanwhile, for private and voluntary services, Tusla may apply to the courts to remove the centre from the register of approved providers or may stop referring children to the centre. Between 2016 and end Q1 2020, a total of four private residential care services closed due to 'registration and inspection restrictions', or to the 'revoking of a contract' by Tusla. In the same period, one Tusla-owned service closed due to 'safety and quality' concerns, with no voluntary services closing for these reasons.

The cost of conducting Tusla and HIQA inspections of residential care centres are not included in residential care costs reported by Tusla, and are therefore not included in this Spending Review.

Age Profiles and Length of Time in Care

Given that residential care is a demand-led service, there is no control over how many children are placed in residential care. However, it is useful to monitor the profiles of children and young people over time, and how these may impact on total residential care costs. This subsection will discuss average ages and length of time in residential care.

Average Ages of Children in Residential Care

As of Q1 2020, the average age, at admission, of a child in residential care was 14.37 years, while the average age of all children in residential care was 16.43 years. The average ages of children at admission differed across delivery mechanisms and service types.

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that "the State should bring the remaining elements of the Health Act 2007 into force without delay so that HIQA can take on the full inspection mandate envisaged by the 2007 Act".

The transfer of the registration and inspection of private and voluntary Children's Residential Services from Tusla to HIQA will be achieved via amendment to the Health Act 2007, as referenced in the text. Updated residential care regulations will be made under the Health Act once private and voluntary residential care centres become designated centres and the current regulations, made under the Child Care Act, will be revoked.

Children in 'mainstream' Tusla-owned residential care services were older, on average, at 14.52 years at admission. Those availing of Special Care and Stepdown Care were on average 15.18 years old when placed and, again, SCSA/IRPP placements were 16.54 years. The average admission age of 'mainstream' voluntary placements was 15.83 years, which was the oldest of the three delivery mechanisms. SCSA/IRPP placements averaged 15.71 years. Disability placements in voluntary services were the youngest of all cohorts, averaging at 9.69 years of age on admission. The average age, at admission, of children and young people in 'mainstream' private residential care was 13.72 years. This was broadly similar to the average ages at admission of those availing of private disability-based care and Out of State placements, at 13.65 and 13.52 years respectively. Private SCSA/IRPP placements were older at admission, averaging 16.25 years,

Residential Care for Children under 13 Years of Age

Placements of children in residential care aged under 13 years are generally not permitted, other than in exceptional circumstances. However, as at end 2019 children aged under 13 years comprised 15% of the overall residential care population. Q1 2020 data suggests that of those under 13 years of age in residential care, the average ages at admission were 9.49, 8.44 and 10.13 years for those placed in 'mainstream' private, voluntary and Tusla-owned services respectively.

Table 1.10 provides details on private residential provision for children under 13. The number of children under 13 years of age in mainstream private residential care increased between 2017 and 2019.

Table 1.10: Breakdown of Children Below the Age of 13 in Private Residential Care, 2017-2019

Year	Number of children	% of total children In private care
2017	27	13%
2018	30	14%
2019	35	15%

Source: Data provided by Tusla

According to correspondence provided by Tusla for this Spending Review, referrals to residential services include those for children as young as four years old for a range of reasons which include lack of foster placements, complex needs and a high level of risk and vulnerability. Residential placements for children and young people in this age bracket are only processed in exceptional circumstances following agreement between the relevant Regional Service Director and national Children Residential Service Director, where it is deemed necessary in the absence of other suitable placement options.

Residential care data provided by Tusla for the purposes of this Spending Review suggest that the average weekly placement cost for children under the age of 13 is higher than the cost of those aged 13 and above. Children under the age of 13 may require additional supports and therapeutic services. Within private provision, these younger children may be referred to 'Enhanced' service providers, which attract a higher cost than 'mainstream' services. Table 1.11 presents data on the numbers of children placed in 'enhanced' services, along with numbers and proportions both over 18 and under 13 years of age. As shown, 28% of those placed in 'enhanced' services in 2019 were under 13 years of age.

Table 1.11: Total Enhanced Service Placements by Age Bracket, 2016-2019

	2016	2017	2018	2019
No. of placements	32	32	33	36
No. over 18	0	0	2	0
% over 18	0%	0%	6%	0%
No. under 13	13	9	9	10
% under 13	41%	28%	27%	28%

Source: Data provided by Tusla

Residential Care for Young People Over 18 Years of Age

Tusla has no legislative remit to provide residential accommodation to young people who have turned 18 and/or are receiving Aftercare. However, Tusla does have a statutory obligation[17] to produce an aftercare plan for those preparing to leave residential care. Based on an assessment of need, the aftercare plan seeks to provide the young person with ongoing support in order to make a successful transition to independent living. Preparatory work takes place prior to the child reaching the age of 18 years. A young person's aftercare plan might include identifying suitable accommodation, however a significant number of young people, who have turned 18 in care and are entitled to receive Aftercare supports have been unable to secure onward accommodation. Other reasons for remaining in a residential placement after turning 18 years of age include: completion of the Leaving Certificate/other educational milestone; awaiting a move to student accommodation; making an application to a local County/City Council for local authority housing; and applying for relevant Social Welfare benefits and Housing Assistance Payment. Young people in these circumstances remain with their existing carer.

Of the young people supported by Aftercare services, almost half have chosen to continue to reside with their carers while a tenth have returned home to their families. Just over a quarter of this cohort are reported as living independently. One element of the aftercare service is to support young people leaving care with their ongoing education / training. The data published by Tusla indicates that almost three-fifths of young adults aged 18-22 years who were in receipt of aftercare services were in full-time education / training. This has had a knock-on effect on the numbers of young adults remaining in residential care after turning 18.

In all cases where a young person over the age of 18 years old remains in a residential placement full oversight, governance and statutory obligations of this placement remain with Tusla. Up to February 2019, funding responsibilities for

[17] The Child Care (Amendment) Act 2015 imposes a statutory duty on Tusla to undertake an assessment of need for an eligible child or eligible young person who is leaving care. Section 5 of the 2015 Act (commenced in September 201725) strengthens the original provision set out in Section 45 of The Child Care Act 1991 by creating an explicit statement of Tusla's duty to satisfy itself as to the child's or young person's need for assistance by preparing a plan that identifies those needs for aftercare supports

private residential care placements over the age of 18 years and 6 months were transferred to the relevant 'Region'. From February 2019, Tusla began transferring funding responsibilities to the relevant 'Region' once the young person reached the age of 18 years and 1 month. However, oversight of all extensions to these placements with private services have remained with Tusla's National Children's Residential Service.

Table 1.12: Overview of Placements Over 18 Years of Age by Service Type, 2019

Service type	Placement type	Total number of children	number of children over 18 as at 31/12/19	% over 18	number of children over 17 as at 31/12/19	% over 17
Tusla operated services	Mainstream	101	8	8%	40	40%
	Special care (inc. Stepdown)	18	1	6%	5	28%
	SCSA/ IRPP	10	2	20%	7	70%
Private	Mainstream	195	13	7%	56	29%
	Out of State	5	0	0%	1	20%
	Enhanced	36	0	0%	6	17%
	Regions	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
	SCSA/ IRPP	16	0	0%	8	50%
Voluntary services	Mainstream	68	18	26%	41	60%
	SCSA/ IRPP	8	2	25%	3	38%
Disability placements		27	14	52%	17	63%

Source: Occupancy data provided by Tusla

Table 1.12 presents the numbers of placements of young people over 18 years of age by service type for 2019. In respect of 'mainstream' provision, there were 39 young people over 18 years of age availing of residential care as of end 2019 (Tusla-owned + Private + voluntary). There was one placement in Special Care,[18] and four SCSA placements (across Tusla-owned and voluntary services). Proportionally, the highest number of placements over 18 were in voluntary care centres. Residential

[18] This young person was placed in Special Care while an application for Wardship was in progress.

care services catering for young people with disabilities had the highest proportion of placements over 18 years of age (52%). As of end 2019, there were 13 young people over the age of 18 in 'mainstream' private residential care, representing 7% of all such placements. The numbers and proportion of over 18s in private mainstream residential care did not change between 2017 and 2019.

Table 1.12 above also presents the proportions of young people in residential care aged over 17 years of age, which were considerably higher than for those aged over 18 years. Notably, 70% of SCSA/IRPP placements in Tusla-owned services were aged over 17 years, and 63% of placements in disability-based residential care services. This may be relevant for 2020 costs, particularly in the context of the Covid-19 pandemic, which may serve to delay transitions out of residential care as young people in care reach 18 years of age.

According to Tusla, in correspondence provided for this Spending Review, referrals to residential care for young people over the age of 17.5 years in private residential care have, since January 2019, been processed in exceptional circumstances only. These placement decisions require agreement with the relevant Regional Service Director and national Children's Residential Service Director.

Children's Residential Care Services: Demand for Placements

According to Tusla data, there is greater demand for private services than Tusla-owned or voluntary services. For example, as of 27th May 2020 there were 47 young people who had been referred for a residential care placement in a private service, who were either not yet admitted, or did not have a placement identified.[19] On the same day, there were 34 cases waiting for placement in Tusla Owned Services.[20] The level of demand for private services may relate to overall levels of supply and/or availability; especially where a placement is required at short notice.

A detailed exploration of the reasons for assigning young people to private or Tusla-owned or voluntary services is beyond the scope of this Spending Review paper.

19 These may be broken down by region: DML 16; DNE 7; South 18; West 6.
20 Two regions (the south and west) had no waiting list in this regard: South – No waiting list; West – No waiting list; DML 17; DNE 17 cases. There was no reported waiting list for voluntary centres.

However, some reasons provided by Tusla for this Spending Review paper include situations such as where a young person is on a waiting list for a Tusla-owned or voluntary service placement, however due to circumstances may require an immediate placement. In this case, the Social Work Team may not be in a position to wait for a placement to become available and will opt for a private placement. Alternatively, a young person could be deemed unsuitable for a placement with Tusla and voluntary services due to presenting needs and risk. Further analysis may help to ascertain the reasons for apparently greater flexibility among private providers in this regard.

As presented in Table 1.13, end of 2019 figures suggest that Tusla-owned services had the highest occupancy rates (84% for mainstream services and 100% for Special Care and Stepdown), private residential services had 77% occupancy, while voluntary services demonstrated the lowest occupancy, at 61%.[21] By year-end 2019, capacity across all service types stood at 556, with an occupancy of 423[22] (76%[23]).

21 Voluntary centres may have reduced their day-today capacity in order to deal with more challenging children, or to meet more rigorous standards, but may not have changed capacity numbers in their service descriptions.
22 Data in this sub-section does not include capacity data for SCSA/IRPP or Residential Care for children and young people with a disability.
23 These figures are presented on a point-in-time basis.

Table 1.13: 'Mainstream' and Special Care Capacity and Occupancy Rates by Service Type, 2016-2019

Year	Description	Service type			
		Private residential care (mainstream)	Tusla owned residential care (mainstream)	Tusla owned special care and stepdown	Voluntary residential care (mainstream)
2016	Occupancy	*n/a*	113	12	78
	Capacity	*n/a*	145	17	112
	% in use	*n/a*	78%	71%	70%
2017	Occupancy	205	101	14	80
	Capacity	265	125	17	100
	% in use	77%	81%	82%	80%
2018	Occupancy	217	99	14	75
	Capacity	276	119	17	108
	% in use	79%	83%	82%	69%
2019	Occupancy	236	101	18	68
	Capacity	307	120	18	111
	% in use	77%	84%	100%	61%

Source: Residential care service data provided by Tusla

Further analysis could explore why these differences exist between the three delivery mechanisms, as well as the decision-making processes involved (such as risk levels and resources required) when assigning children and young people to residential care. According to Tusla in correspondence provided for this Spending Review, it can often be difficult to reach full occupancy in services provided by all three delivery mechanisms services. This is due to the profile and presenting behaviours/vulnerabilities of young people in placement which may include, for example, substance misuse, aggression and sexually problematic behaviours. These types of cases require more resource intensive interventions, including management of risk to both young people and staff. In these cases, services may limit additional admissions.

Section 1 Summary

Tusla provides residential care via three delivery mechanisms: Tusla-owned; private; and voluntary services. Each delivery mechanism offers a range of placement types, including general mainstream services, specialised supports within mainstream services, and separate specialist services. Private services offer the broadest range of specialised residential care services among the three delivery mechanisms.

Of the 483 children in residential care at end 2019, across all service types, 56% (or 272) were in private residential care; 27% (or 128) were in Tusla-owned residential centres; and 17% (or 83) were in voluntary centres. The Q1 2020 figure of 525 placements included 36 placements made within Tusla 'Regions', for which data was not available for previous years.[24] Between 2016 and 2019 private 'mainstream' placements increased by 70 placements (from 169 to 239 placements), and the number of private residential care centres increased steadily.

This section has shown that there are a small number of children who are under the age of 13 and over the age of 18 in residential care, and that the average length of time in residential care increased between 2017 and 2020, particular for those in disability-based residential care. Tusla waiting lists reveal that there are higher levels of demand for private placements, while Tusla-owned services had the highest occupancy rates. However, occupancy rates may not serve as a proxy of capacity, as more complex cases may require a more resource intensive care response that limits the scope for additional placements.

Having established the patterns of occupancy for residential care, Section 2 of this report will focus on the cost of residential care provision, and will address the implications of changing demand for placements, as well as changes in service rates.

[24] Tusla 'Regions' fall outside of Tusla's national residential care procurement and governance systems. Residential care costs incurred by the Tusla 'Regions' refers to private services procured outside of the Children's Residential Centres (CRS) governance structures.

Section 2: Residential Care Costs

Government funding for Tusla has increased year on year since the Agency was established in 2014, from €609 million in 2014 to over €785 million budgeted for 2020. This represents an average annual increase of approximately €35m or 5%. The annual cost of residential care has increased from €152m in 2016 to €193m in 2019, with an average annual increase of 8% during this period.[25] Table 2.1 shows total annual residential care costs between 2016 and 2019, along with the relevant yearly percentage increase. Table 2.1 also includes annual inflation levels, which increased by a total of 2.4% between December 2015 and December 2019.

Table 2.1: Total Cost of Residential Care and Annual Percentage Increase, 2016-2019

Description	Year			
	2016	2017	2018	2019
Cost of residential care (€ total)	145,230,910	148,739,322	162,936,879	183,149,987
Administrative and development costs* (€ total)	6,958,252	9,464,912	8,754,090	9,812,031
Total cost of residential care (€ total)	**152,189,162**	**158,204,234**	**171,690,969**	**192,962,018**
Increase on previous year (€ total)	*n/a*	6,015,072	13,486,734	21,271,050
% increase	*n/a*	4%	9%	12%
Inflation rate**	0%	0.4%	0.7%	1.3%

Source: Tusla, Central Statistics Office
*Administrative and head office costs, training and Welltree model costs.
**Inflation is calculated using the Consumer Price Index. The base period selected in each instance is December of the previous year.

Residential care is a key cost pressure for Tusla. In 2019, a Supplementary Estimate of €15 million was required to ensure that Tusla could meet its financial liabilities, with the main pressure relating to residential care. In previous years, Tusla had managed to contain these pressures by way of redirecting unspent money across other areas of its expenditure. However, in 2019 increased demand-led pressure for

[25] Note: residential Care cost figures weren't available for 2014 or 2015 within the Spending Review timeframe. Future research could include analysis of historical, pre-Tusla (2014), residential care costs

residential care meant that savings elsewhere in Tusla's budget were insufficient to cover residential care overspend.

Tusla have estimated a full year private residential care overspend of €26.1m for 2020. This comprises €17.1m overspend for private care within the Children's Residential Services budget and €9m overspend on private residential care by the Tusla 'Regions'. While Covid-19 costs are included in this projected overspend, Tusla have signalled that the impact of Covid-19 will lead to additional costs over and above this projected overspend. The effect on financial performance (YTD) of Covid-19 saw an increased level of expenditure of €1.9m over approximately 15 weeks. Extrapolating this forward and allowing for some additional expenditure for returning to work means there is approximately €8m of Covid-19 related expenditure contributing to the full year forecast deficit of €26.1m. Given the level of uncertainty that exists in relation to the possible spread of the virus and impact of various restrictions that may arise, the forecasts have been calculated to include pay costs amounting to €1m relating to 25 Graduate Students recruited to backfill vacancies arising due to Covid-19, and costs associated with redeployment of 10 staff to Covid-related roles. Non-pay costs amount to some €7m, and are forecast to address:

- additional grant funding required by Voluntary Agencies providing Domestic, Sexual and Gender-Based Violence (DSGBV) Services;
- provision of items such as Personal Protective Equipment (PPE), cleaning, medical costs, including additional expenditure on ensuring Covid appropriate working and service provision environments within the Voluntary Sector;
- addressing service demand needs of the Voluntary Sector in the second half of 2020 based on pent up demand created by Covid restrictions;
- additional costs due to increased private residential placements arising from a slowdown in the number of young persons leaving private residential care due to difficulties in sourcing appropriate alternative care arrangements in the current Covid environment;
- expenditure on ICT, such as the development of three Covid-related apps for the Health Service Executive. These apps relate to Recruitment, Accommodation and Statistical Reporting.

The €8m forecast does not provide for further expenditure on staff to cover Covid vacancies beyond those recruited to date; provision for payments to private providers of services such as residential or foster care that may arise in relation to their response to Covid-19; or ICT-related expenditure for Tusla staff.

Table 2.2 provides an overview of total 'Alternative Care' costs incurred over the 2016-2019 period across all types of care. Residential care expenditure, as a proportion of overall Alternative Care expenditure, increased from 51% in 2016, to 57% in 2019. This proportionate increase has occurred in the context of increasing costs relating to foster care.

Table 2.2: Overall Alternative Care Costs by Provision Type, 2014-2019

Provision type	Year (€ total)			
	2016	2017	2018	2019
Foster care allowances	98,018,999	95,824,742	93,266,053	90,630,541
After care allowances	16,650,845	17,247,920	20,623,087	21,719,190
Other allowances*	3,186,832	3,425,598	4,362,041	4,945,358
Private foster care provision	19,564,129	21,513,442	21,308,870	22,198,436
Unaccompanied minors total	-6,000	6,749	-	-
Total Foster Care	***137,414,805***	***138,018,451***	***139,560,051***	***139,493,525***
Residential care	145,230,910	148,739,322	162,936,879	183,149,987
Administrative and development costs**	6,958,252	9,464,912	8,754,090	9,812,031
Total cost of residential care	***152,189,162***	***158,204,234***	***171,690,969***	***192,962,018***
Total cost	***282,645,715***	***286,757,773***	***302,496,930***	***322,643,512***
Residential care as a % of Overall alternative care cost	51%	52%	54%	57%

Source: Cost data provided by Tusla
*Includes education and training
**Administrative and head office costs, training and Welltree[26] model costs

[26] See: https://www.welltree.info/ The Welltree model of care is being implemented in Tusla-funded residential care centres, as outlined in the Child and Youth Participation Strategy, 2019-2023: https://www.tusla.ie/uploads/content/tusla_child_and_youth_participation_strategy-2019-2023.pdf
The Welltree model includes a focus on the measurements of outcomes. The Welltree Wellbeing Outcomes Framework has been developed to provide a structure for measuring outcomes for the work of residential staff

The section proceeds by describing residential care costs by delivery mechanism: Tusla-owned; voluntary; and private; before going on to address residential care under the categories of 'mainstream' provision; specialised provision within 'mainstream' services; and specialised provision outside of 'mainstream' provision.

Residential Care Costs by Delivery Mechanism

As illustrated in Tables 2.1 and 2.2, total residential care costs increased by €40.7m or 27% between 2016 and 2019. Costs pertaining to Tusla-owned services increased by just 1% or €709,309, between 2016 and 2019. Costs increased by 8%, or €1.64m across voluntary services during this period. Annual service delivery costs across private services increased by €35.6 million, or 48%, between 2016 and 2019.

Table 2.3: Total Cost and Annual Percentage Change by Service Type, 2016-2019

Year	Description	Tusla-owned	Voluntary	Private
2016	Total cost	50,706,094	20,531,587	73,993,229
	Annual % change	*n/a*	*n/a*	*n/a*
2017	Total cost	49,546,461	20,635,793	78,557,068
	Annual % change	*-2%*	*1%*	*6%*
2018	Total cost	50,244,614	21,945,171	90,747,094
	Annual % change	*1%*	*6%*	*16%*
2019	Total cost	51,415,403	22,174,856	109,559,728
	Annual % change	*2%*	*1%*	*21%*
Total change: 2016-2019				
€ total		**709,309**	**1,643,269**	**35,566,499**
% change		***1%***	***8%***	***48%***

Source: Data provided by Tusla

The increasing demand for private care centre placements during these years, as outlined in Section 1 of this paper, has meant that increasing costs in private residential care have had a disproportionate effect on the more modest cost increases observed in Tusla and voluntary centres. Overall, the increase in private care costs accounted for 87% of the total residential care cost increase during this

with young people. The model is designed to help incorporate a strengths-based approach to case conceptualisations, and to encourage staff to use language that communicates hope and the possibility of change, rather than focusing on behavioural issues.

period, with Tusla-owned services accounting for 2% and voluntary services accounting for 4% of this increase.

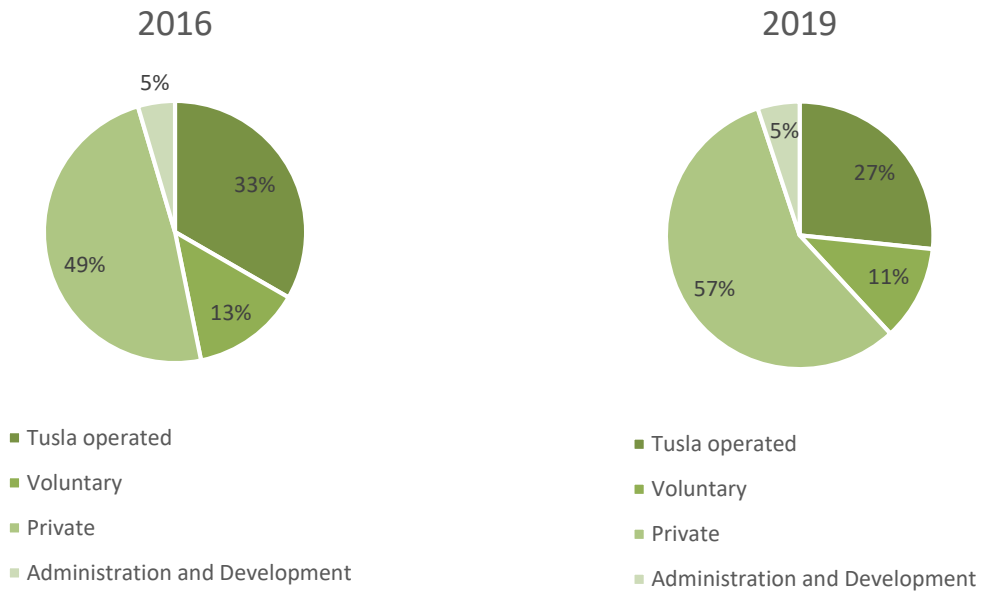
Table 2.4: Residential Care Cost Increase Breakdown by Delivery Mechanism, 2016-2019

Total residential care cost increase 2016-2019		40,772,856
Service type	**Proportion of increase (%)**	**Total increase (€)**
Tusla owned services	2%	709,309
Private services	87%	35,566,499
Voluntary services	4%	1,643,269
Administrative costs	7%	2,853,779
Total	***100%***	***40,772,856***

Source: Cost data provided bv Tusla

The cost increases across the delivery mechanisms, as presented in Table 2.4 led to a reconfiguration of the proportionate spend on each mechanism. As observed in Figure 2.1, private residential care, which had made up 49% of total residential care costs in 2016, increased to 57% of total costs in 2019.

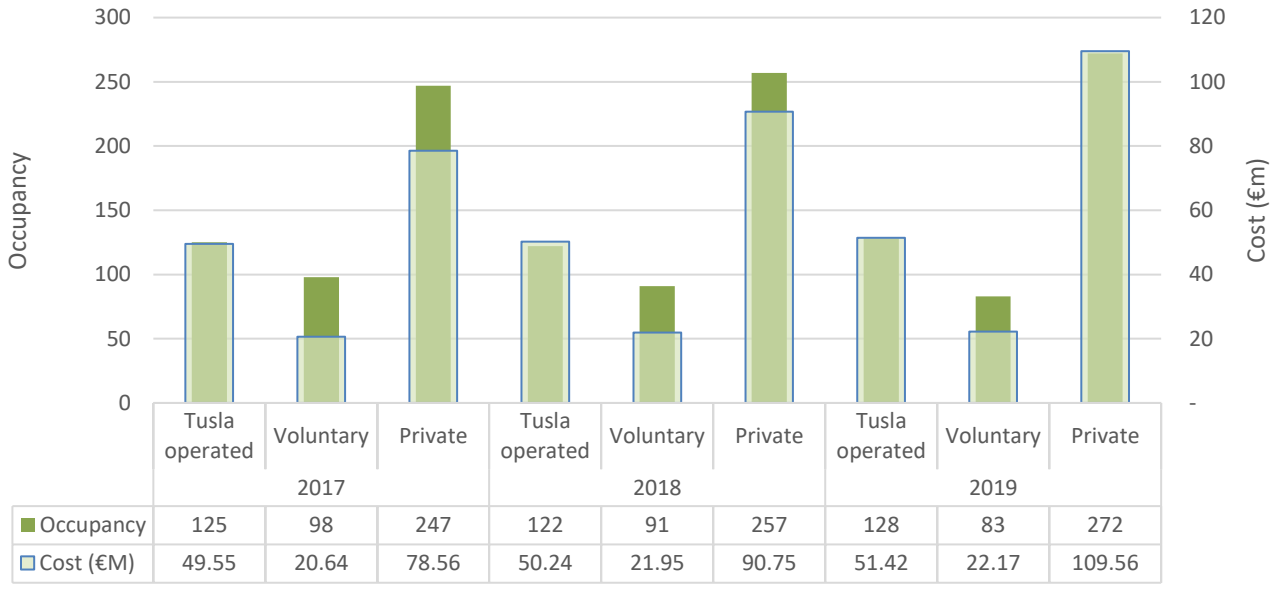
Figure 2.1: Proportionate Residential Care Spend by Delivery Mechanism, 2016 & 2019



Source: Cost Data provided by Tusla

As illustrated in Figure 2.2, overall costs increased in voluntary services between 2017 and 2019 (from €20.6m to €22.2m), in spite of decreasing occupancy rates (from 98 to 83 placements), with a similar dynamic occurring in Tusla-owned services between 2017 and 2018[27]. This points to increasing costs per placement for these delivery mechanisms. The relative cost of private residential care placements also increased during this time, with Figure 2.2 demonstrating how cost increases outpaced the increasing numbers of private placements.

Figure 2.2: Occupancy Rates and Costs by Delivery Mechanism, 2017-2019



	Tusla operated	Voluntary	Private	Tusla operated	Voluntary	Private	Tusla operated	Voluntary	Private
	2017			2018			2019		
Occupancy	125	98	247	122	91	257	128	83	272
Cost (€M)	49.55	20.64	78.56	50.24	21.95	90.75	51.42	22.17	109.56

Source: Cost Data provided by Tusla

'Mainstream' Residential Care Costs, 2016-2019

The bulk of residential care costs occur within 'mainstream' residential care, reflecting the fact that most children and young people in residential care are placed in 'mainstream' settings (see Section 1). Table 2.5 presents data on 'mainstream' residential care costs between 2016 and 2019. It also includes single and dual occupancy and emergency respite service costs, as disaggregated data was not available for these service types within the Spending Review timeframe. The cost of these care types will be explored separately in Section 3. 'Mainstream' residential care costs increased from approximately €105.03 million in 2016 to €118.2 million in

[27] 2017-2019 data only is usd as private occupancy figures were not available for 2016. Also, 2020 data has been omitted from this figure as Q1 cost data was available only

2019 (a 13% increase). Meanwhile, occupancy rates in 'mainstream' care increased by 4% across the 2017-2019 period.[28]

The overall increase is despite a cost *decrease* between 2016 and 2017. This may have been driven by the transfer of a proportion of 'mainstream' placements to SCSA/IRPP provision (see next sub-section). Notably, costs increased by 8.3% or €9.14 million between 2018 and 2019. The overall increase in 'mainstream' care during the 2016-2019 period, €13.1m, accounted for 32% of the overall increase in residential care costs during this period (€40.8m).[29]

Table 2.5: 'Mainstream' Residential Care Costs, 2016-2019

Description	Year			
	2016	2017	2018	2019
Total cost	105,031,071	103,582,376	109,022,198	118,168,356
Increase on previous year (€ total)	n/a	-1,448,695	5,439,823	9,146,158
% increase	n/a	-1.38%	5.25%	8.39%

Source: Cost Data provided by Tusla

Specialised services within 'Mainstream' Residential Care: Costs, 2016-2019

As illustrated in Table 2.6, the cost of specialised services within 'mainstream' care[30] increased from €10.7 million in 2016 to €20.4 million in 2019. This represented an increase of €9.68 million, or 90% during this period. This increase accounted for 24% of the overall increase in residential care costs during this period (€9.68 million out of a total of €40.8 million). Occupancy rates in specialised care within 'mainstream' services increased by 35% during this time.

[28] Private mainstream data was not available for 2016.
[29] Excluding administrative and development costs.
[30] This category includes SCSA/ IRPP placements and 'enhanced' services. The impacts of single and dual occupancies, as well as emergency respite services will be explored as cost drivers under this category in Section 3 of this paper.

Table 2.6: Cost of 'Specialised Services within Mainstream Care', 2016-2019

Description	Year			
	2016	2017	2018	2019
Total cost	10,738,247	14,513,302	17,736,536	20,414,126
Increase on previous year (€ total)	n/a	3,775,056	3,223,233	2,677,590
% increase	n/a	35.16%	22.21%	15.10%

Source: Cost Data Provided by Tusla

As can be seen in Table 2.6 there was a large cost increase of 35% in 2017, which was a year when the overall cost of 'mainstream' provision decreased. This may be attributed to an increase in the numbers of children and young people placed in residential care under SCSA/IRPP (see Table 1.1). 2018 and 2019 also saw cost increases of 22.2% and 15.1% respectively. As will be shown in Section 3, the numbers of placements in 'Enhanced' services increased during 2018 and 2019, while SCSA/IRPP placements remained relatively stable. In addition, and as noted previously, private provision rates increased in 2018, with the basic 'mainstream' placement rate increasing from €5,000 to €6,000 per week (which includes SCSA/IRPP placement costs) and the 'Enhanced' services rate increasing from €6,000 to €6,800 per week.

Specialised Residential Care Outside of 'Mainstream' Provision: Costs, 2016-2019[31]

Table 2.7 presents cost data on specialised residential care outside of 'mainstream' provision.

Table 2.7: Costs of Specialised Residential Care Outside of Mainstream Provision, 2016-2019

Description	Year			
	2016	2017	2018	2019
Total cost	29,461,593	30,643,644	36,178,145	44,567,505
Increase on previous year (€ total)	n/a	1,182,051	5,534,500	8,389,361
% increase	n/a	4.01%	18.06%	23.19%

Source: Cost data provided by Tusla

As illustrated, total annual costs under this category increased from €29m in 2016 to €44.6m in 2019. This represented a €15.1 million (51%) increase over a 3-year period. In terms of relative impact on overall residential care cost, the cost increase under this category accounted for 37% of the total cost increase during this period.

Cost increases under this category may be attributed to: a moderate increase in the numbers of children and young people placed in Special Care and Stepdown Care (see Table 1.2); an increase in private provision rates in 2018 which impacted on disability-based placements in private services; and annual residential care cost increases incurred by the Tusla 'Regions'. The impacts of each of these service types, as drivers of cost, will be explored in more detail in Section 3.

Administrative and Development Costs, 2016-2019

Administration and development costs increased from approximately €6.96 million in 2016, to €9.81 million by 2019. This represents an increase of 41% across the

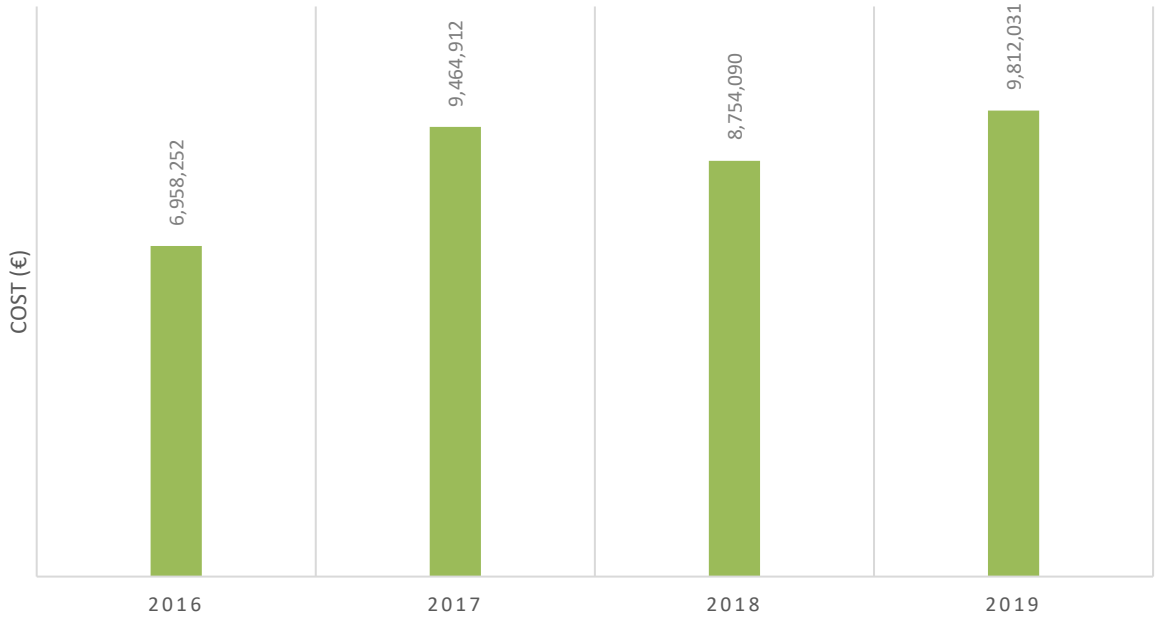
[31] This category includes the costs of Special Care, Out of State placements, residential disability care and residential care services provided by the Tusla 'Areas' and 'Regions'

period. This expenditure included administrative and head office costs, along with training and 'Welltree' model costs:

- support costs for 4 regions - South, West, DML & DNE;
- support costs for Special Care and the National Private Placement Team (NPPT);
- Office of the Service Director;
- 'Welltree' model of care;
- Children's Residential Services training costs;
- Significant Events Notification (S.E.N.) Office;
- staff expenditure relating to staff redeployed temporarily to community-based services.

Data provided by Tusla, shows that in excess of 80% of the €9.81m cost in 2019 was associated with Tusla operated, statutory residential care.

Figure 2.3: Administrative and Development Costs, 2016-2019



Source: Cost data provided by Tusla

In terms of overall residential care spend, the costs presented in Figure 2.3 accounted for approximately 5% of 2019 costs.

Table 2.8: Administration and Development Cost as a % of Total Cost, 2016-2019

Year	2016	2017	2018	2019
Administrative and development costs	6,958,252	9,464,912	8,754,090	9,812,031
Total cost	152,189,162	158,204,234	171,690,969	192,962,018
Administrative and development costs (% total cost)	4.57%	5.98%	5.10%	5.08%

Source: Cost data provided by Tusla

In terms of the overall increase in residential care costs since 2016 (€40.8 million), the increase in administrative and development costs made up 7% of the total change.

Table 2.9 presents a summary of the proportion of 2016-2019 residential care cost increases by category, as discussed in the sub-sections above: 'mainstream' care; specialised services within 'mainstream' care; specialised services outside of 'mainstream'; and administrative and development costs.

Table 2.9: Residential Care Cost Increase Breakdown by Care Category

Care type	Proportion of increase (%)	Total increase (€)
Mainstream' residential care	32%	13,137,286
Specialised services within mainstream	24%	9,675,879
Specialised services outside of mainstream	37%	15,105,912
Administrative costs	7%	2,853,779
Total	***100%***	***40,772,856.16***

Source: Cost data provided by Tusla

Residential Care Costs 2016-2019: Disaggregated by Delivery Mechanism and Type

Total residential care costs across the three key delivery mechanisms are presented in Tables 2.10 to 2.12 for the 2016-2019 period; Tusla-owned (Table 2.10); voluntary (Table 2.11); and private (Table 2.12). Costs under each mechanism are disaggregated into seven provision types:

- ‘mainstream’ provision, including multi-occupancy provision, single and dual occupancies, and Emergency Respite Services[32];
- special care including Stepdown Care (as provided by Tusla);
- SCSA and IRPP;
- ‘enhanced’ services;
- residential provision for children and young people in disability-based services;
- ‘Out of State’ placements;
- residential care costs incurred by the Tusla ‘Regions’.

Table 2.10: Tusla-Owned Care Centres – Cost Trends, 2016-2019

Year	Description	Tusla operated services							
		Mainstream	Special care (inc. stepdown)	SCSA/ IRPP	Enhanced	Disability	Out of State	Regions	Total
2016	Total cost	39,376,414	11,329,680	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	**50,706,094**
	% by service type	78%	22%	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	**100%**
2017	Total cost	37,149,834	10,905,259	1,491,368	*n/a*	*n/a*	*n/a*	*n/a*	**49,546,461**
	% by service type	75%	22%	3%	*n/a*	*n/a*	*n/a*	*n/a*	**100%**
2018	Total cost	35,553,040	12,885,365	1,806,209	*n/a*	*n/a*	*n/a*	*n/a*	**50,244,614**
	% by service type	71%	26%	4%	*n/a*	*n/a*	*n/a*	*n/a*	**100%**
2019	Total cost	36,203,953	13,071,069	2,140,381	*n/a*	*n/a*	*n/a*	*n/a*	**51,415,403**
	% by service type	70%	25%	4%	*n/a*	*n/a*	*n/a*	*n/a*	**100%**

Source: Cost data provided by Tusla
Note: ‘n/a’ = not applicable (where a service type is not provided under a particular delivery mechanism).

‘Mainstream’ provision in Tusla services represented 70% of Tusla-owned service costs in 2019, a reduction of 8% from 2016, with a reduction of €3.17m in costs. Special Care and Stepdown Care costs increased both in nominal terms (€1.74m) and as a proportion of overall Tusla costs (3%) during this period. The decrease in ‘mainstream’ costs in Tusla services may be explained by the transfer of placements to SCSA/IRPP provision during this time. Tusla services did not offer this service type in 2016, however by 2019 it represented 4% of Tusla-owned residential care service placements, and a total cost of €2.1m during 2019.

[32] Disaggregated cost data for single and dual occupancies, Emergency respite Services, were not available within the Spending review timeframe

Table 2.11: Voluntary Care Centres – Cost Trends, 2016-2019

Year	Description	Voluntary services							
		Mainstream	Special care (inc. stepdown)	SCSA/ IRPP	Enhanced	Disability	Out of State	Regions	Total
2016	Total cost	18,173,836	0	865,478	0	1,492,273	*n/a*	*n/a*	**20,531,587**
	% by service type	89%	*n/a*	4%	*n/a*	7%	*n/a*	*n/a*	**100%**
2017	Total cost	17,788,184	0	1,747,071	0	1,100,538	*n/a*	*n/a*	**20,635,793**
	% by service type	86%	*n/a*	8%	*n/a*	5%	*n/a*	*n/a*	**100%**
2018	Total cost	18,721,024	0	1,747,076	0	1,477,071	*n/a*	*n/a*	**21,945,171**
	% by service type	85%	*n/a*	8%	*n/a*	7%	*n/a*	*n/a*	**100%**
2019	Total cost	19,009,780	0	1,749,336	0	1,415,740	*n/a*	*n/a*	**22,174,856**
	% by service type	86%	*n/a*	8%	*n/a*	6%	*n/a*	*n/a*	**100%**

Source: Cost data provided by Tusla
Note: 'n/a' = not applicable (where a service type is not provided under a particular delivery mechanism)

As observed in Table 2.11, 'mainstream' provision in voluntary services represented 86% of total costs in 2019, a reduction of 3% from 2016, but with a cost increase of €836,000. SCSA/IRPP placement costs also increased by €884,000 (102%) during this time. The proportionate cost of SCSA/IRPP in voluntary services also increased during this time, from 4% in 2016 to 8% in 2019. The costs of disability-based services in voluntary centres was relatively stable during this time period, decreasing slightly by €77,000, with a 1% decrease in relative cost within voluntary centres.

Table 2.12: Private Care Centres – Cost Trends, 2016-2019

Year	Description	Private services							
		Mainstream	Special care (inc. stepdown)	SCSA/ IRPP	Enhanced	Disability	Out of State	Regions	Total
2016	Total cost	47,480,821	0	3,350,001	6,522,768	6,889,597	2,328,168	7,421,875	**73,993,229**
	% by service type	64%	*n/a*	5%	9%	9%	3%	10%	**100%**
2017	Total cost	48,644,358	0	3,350,001	7,924,862	6,802,211	1,342,920	10,492,716	**78,557,068**
	% by service type	62%	*n/a*	4%	10%	9%	2%	13%	**100%**
2018	Total cost	54,748,134	*0*	3,600,000	10,583,251	6,615,311	860,031	14,340,367	**90,747,094**
	% by service type	60%	*n/a*	4%	12%	7%	1%	16%	**100%**
2019	Total cost	62,954,623	*0*	3,600,000	12,924,409	6,245,187	1,896,709	21,938,800	**109,559,728**
	% by service type	57%	*n/a*	3%	12%	6%	2%	20%	**100%**

Source: Cost data provided by Tusla
Note: 'n/a' = not applicable (where a service type is not provided under a particular delivery mechanism).

As has already been discussed, the greatest changes in residential care costs in recent years have been observed within privately-owned centres. Since 2016, 'mainstream' costs have increased by almost 15.5m (or 33%). SCSA/IRPP, as well as disability costs have remained relatively stable across the period; however the

cost of ‘enhanced’ placements has effectively doubled (from €6.5m to €12.9m). Spend within the regions has also increased dramatically, from €7.4m in 2016 to €21.94m in 2019. ‘Out of State’ placement costs have not followed a specific pattern in recent years, but costs have reduced by €431,000 since 2016.

Section 2 Summary

The total cost of residential care rose between the years 2016 and 2019, from approximately €152 million in 2016 to almost €193 million by year end 2019. Costs increased by €40.8 million (approx.) or 27% during this time, and 87% this cost increase occurred within private service provision. This compares to just 2% attributable to Tusla-owned services, or 4% and 7% for voluntary and administrative costs respectively.

‘Mainstream’ residential care costs increased by €13.14 million or 13% between 2016 and 2019. This accounted for 32% of the overall residential care cost increase observed during this period. The annual cost of ‘specialised’ services within ‘mainstream’ residential care increased by €9.68 million, or 90%, between 2016 and 2019. This increase accounted for approximately 24% of the overall residential care cost increase observed between 2016 and 2019. The annual cost of ‘specialised’ services outside of ‘mainstream’’ residential care increased by €15.1m or 51% between 2016 and 2019. This accounted for approximately 37% of the overall residential care cost increase observed during this period. The remaining 7% increase across 2016-2019 is attributable to increasing administration and development costs.

In reviewing the three main delivery mechanisms and the diverse range of services they provide, this Spending Review has identified that most of the cost increase, as well as the increase in placements, has occurred in private care provision. In Section 3, this Spending Review will explore in greater depth how increasing reliance on private services for both ‘mainstream’ and some (but not all) of the specialised residential care types, has been a key driver of costs.

Section 3: Cost Driver Analysis

Section 1 of this report showed that the numbers of children and young people in Residential Care increased across each of the delivery mechanisms between 2016 and 2019: Tusla-owned, voluntary and private. However, the numbers increased most prominently in private provision. Section 2 demonstrated the increase in average costs across each delivery mechanism and service type: 'mainstream'; specialised services within 'mainstream' services; and specialised services outside of 'mainstream' care, with most increases occurring in private provision.

The purpose of this section is to explore the relative impacts of cost increases across the service types presented in Sections 1 and 2. However, Section 3 presents a different split of residential care service types to that presented in Sections 1 and 2. The Section 3 split is based on the availability, or otherwise, of disaggregated 'mainstream' cost data for individual service types. This helps maximise the value of the analysis for a range of audiences interested in residential care cost analysis. The Section begins with an overview of residential care costs, detailing the impacts of increased placement rates and basic (per placement) private rates within the 2016 to 2019 period. The section proceeds with a presentation of the relative cost impacts of each service type, broken down by:

- 'mainstream' non-disaggregated costs, which include single and dual occupancy placements[33] and 'Emergency Respite Services';
- 'mainstream' disaggregated costs, which include SCSA and IRPP residential care costs and 'enhanced' service costs;
- specialised residential care provision outside of 'mainstream' services, which include Special Care (including Stepdown Care); residential care services for children and young people with disabilities; residential care costs incurred by the 'Regions'; 'Out of State' placements;
- other demographic cost drivers (age profile and average length of time spent in residential care).

[33] It was outside the scope of this Spending Review to disaggregate the costs of single and dual occupancies and 'Emergency Respite Services', as such an exercise would require data which was not available to the authors. It is recommended that future reporting of residential care costs could include a separation of these costs in order to monitor changes over time.

Overview of Care Costs

Sections 1 and 2 demonstrated that there has been an increasing reliance on private services to cater for both 'mainstream' and more specialised care types, which has acted as a driver of rising residential care costs. As shown in Section 2, private residential care costs accounted for 94% of the overall residential care cost increase observed between 2016 and 2019. A significant proportion, 32%, of the overall increase in residential care costs was attributed to 'mainstream' provision. The cost of 'mainstream' private residential services increased by €15.5m (33%) during this time, which was partially offset by a reduction in costs in Tusla-owned 'mainstream' services. Meanwhile, total occupancy in private 'mainstream' placements increased by 15% (from 205 in 2017 to 236 placements in 2019). This increase was partially offset by a decrease in placements in 'mainstream' Tusla-owned and voluntary services during this time.[34]

The following specialised types of care attracted a higher total cost during the 2016-2019 period: Special Care and Stepdown Care; SCSA/IRPP; 'enhanced' services. As will be shown later in this Section, the costs of single and dual occupancies, and of 'emergency respite services' (included within 'mainstream' costs') also increased during this time. Another key driver of costs, as demonstrated in Section 2, were residential care services incurred by the Tusla 'Regions' which will be explored in this section in more detail.

As highlighted in Section 1, the funding for individual private placements increased in September 2018 to comply with the European Work Time Directive (EWTD). This resulted in an increase in the required daily staffing complement, per shift, for a mainstream residential centre to three staff. The basic private 'mainstream' placement rate increased from €5,000 to €6,000 per week, while the basic 'enhanced' service rate went from €6,000 to €6,800 per week. Dual occupancies were set at €8,500 and single occupancies at €13,500 per child per week. In correspondence provided to the Spending Review authors, Tusla indicated that the current procurement process for private residential care service provision may lead to further cost increases.

[34] As mentioned previously, 'single and dual occupancies' and 'Emergency Respite Services' were included in 'mainstream' costs. These more specialised, and more costly, service types could not be disaggregated from the available data.

Table 3.1 provides a breakdown of year-end occupancy levels per service type, as well as average cost per placement per week by service type, for the 2016 to 2019 period. The average weekly cost per child in 2019 was €7,511 for Tusla-owned centres in 2019[35]. This figure was slightly higher than the average cost within private residential care centres, with an average of €6,510 per child in 2019, and notably higher than the average cost in voluntary services, at approximately €4,599. However, 'mainstream' provision in Tusla centres (€6,388) was marginally less expensive than 'mainstream' care in private centres (€6,737), with average Special Care and Stepdown costs (at €16,260) raising overall costs in Tusla-owned services.

Table 3.2 focuses on the total annual cost by service type, while Table 3.3 focuses on occupancy levels across the 2016-2019 period. Overall, occupancy increased during this time, however total costs rose at a higher rate, particularly in respect of private service provision. Table 3.4 presents a comparison between occupancy and capacity levels according to delivery mechanism and service type for the 2016-2019 period. Occupancy as a percentage of capacity is not an effective measure of efficiency, as a centre may operate under capacity due to the particular needs of children and young people for whom the service is provided. This could include the need for additional staffing per child, or that it is not appropriate that additional children or young people be placed with a particular child. However, Table 3.4 does illustrate how occupancy rates, as a proportion of capacity, have changed year on year during this period.

[35] Tusla-owned services are the only delivery mechanism offering Special Care and Stepdown placements, which drives the overall Tusla average above that observed amongst private or voluntary services.

Table 3.1: Occupancy and Average Cost per Placement per Week by Service Type, 2016-2019

Category		Provision type	Occupancy (as at 31/12)				Average cost per placement per week*			
			2016	2017	2018	2019	2016	2017	2018	2019
Tusla										
Mainstream**			113	101	99	102	6,690	6,465	7,109	6,388
Specialised	within Mainstream	SCSA/IRPP	*n/a*	10	9	10	*n/a*	3,458	4,469	4,962
	outside Mainstream	Special care and Stepdown	12	14	14	16	18,894	18,729	17,547	16,260
		Total	**125**	**125**	**122**	**128**	**7,862**	**7,598**	**8,112**	**7,511**
Private										
Mainstream**			-***	169	181	194	-*	5,712	6,619	6,737
Specialised	within Mainstream	SCSA/IRPP	14	15	17	16	5,351	4,088	4,099	4,137
	outside Mainstream	Out of State	6	5	4	6	6,119	5,541	5,423	7,599
		Disability	28	26	22	20	5,151	5,199	5,363	5,399
		Total	**48**	**215**	**224**	**236**	**5,330**	**5,533**	**6,283**	**6,469**
Voluntary										
Mainstream**			78	80	75	68	4,273	4,459	4,290	4,730
Specialised	within Mainstream	SCSA/IRPP	6	10	9	8	3,062	3,117	3,938	4,163
	outside Mainstream	Disability	8	8	7	7	3,700	3,700	3,828	3,828
		Total	**92**	**98**	**91**	**83**	**4,144**	**4,260**	**4,220**	**4,599**

Source: Cost data provided by Tusla
Note: 'n/a' = not applicable, where a delivery mechanism did/does not provide this type of service.
* Approximated based on Tusla and Spending Review author calculations.
** Mainstream is inclusive of single and dual occupancies, Emergency Respite (private only) and 'Enhanced' services (private only).
-***Data not available for private 'mainstream' costs, 2016.

Table 3.2: Total Annual Cost by Service Type, 2016-2019

Category		Provision type	Total cost						
			2016	2017		2018		2019	
			Total	Total	*% increase*	Total	*% increase*	Total	*% increase*
Tusla									
Mainstream*			39,376,414	37,149,834	*-6%*	35,553,040	*-4%*	36,203,953	*2%*
Specialised	within Mainstream	SCSA/IRPP	*n/a*	1,491,368	*n/a*	1,806,209	*21%*	2,140,381	*19%*
	outside Mainstream	Special care and Stepdown	11,329,680	10,905,259	*-4%*	12,885,365	*18%*	13,071,069	*1%*
		Total	**50,706,094**	**49,546,461**	***-2%***	**50,244,614**	***1%***	**51,415,403**	***2%***
Private									
Mainstream*			47,480,821	48,644,358	*2%*	54,748,134	*13%*	62,954,623	*15%*
Specialised	within Mainstream	SCSA/IRPP	3,350,001	3,350,001	*0%*	3,600,000	*7%*	3,600,000	*0%*
		Enhanced' services**	6,522,768	7,924,862	*21%*	10,583,251	*34%*	12,924,409	*22%*
	outside Mainstream	Out of State	2,328,168	1,342,920	*-42%*	860,031	*-36%*	1,896,709	*121%*
		Disability	6,889,597	6,802,211	*-1%*	6,615,311	*-3%*	6,245,187	*-6%*
		Regions	7,421,875	10,492,716	*41%*	14,340,367	*37%*	21,938,800	*53%*
		Total	**73,993,229**	**78,557,068**	***6%***	**90,747,094**	***16%***	**109,559,728**	***21%***
Voluntary									
Mainstream*			18,173,836	17,788,184	*-2%*	18,721,024	*5%*	19,009,780	*2%*
Specialised	within Mainstream	SCSA/IRPP	865,478	1,747,071	*102%*	1,747,076	*0%*	1,749,336	*0%*
	outside Mainstream	Disability	1,492,273	1,100,538	*-26%*	1,477,071	*34%*	1,415,740	*-4%*
		Total	**20,531,587**	**20,635,793**	***1%***	**21,945,171**	***6%***	**22,174,856**	***1%***

Source: Cost data provided by Tusla
Note: 'n/a' = not applicable, where a delivery mechanism did/does not provide this type of service.
* Mainstream is inclusive of single and dual occupancies and Emergency Respite (private only).
** Total annual costs of 'enhanced' services available, however occupancy and average cost per week data not available.

Table 3.3: Occupancy by Service Type, 2016-2019

Category		Provision type	Occupancy (as at 31/12)						
			2016	2017		2018		2019	
			Total	Total	% increase on previous year	Total	% increase on previous year	Total	% increase on previous year
Tusla									
Mainstream*			113	101	*-11%*	99	*-2%*	102	*3%*
Specialised	within Mainstream	SCSA/IRPP	n/a	10	*n/a*	9	*-10%*	10	*11%*
	outside Mainstream	Special care and Stepdown	12	14	*17%*	14	*0%*	16	*14%*
		Total	**125**	**125**	***0%***	**122**	***-2%***	**128**	***5%***
Private									
Mainstream*			-*	201	-*	214	*6%*	230	*7%*
Specialised	within Mainstream	SCSA/IRPP	14	15	*7%*	17	*13%*	16	*-6%*
	outside Mainstream	Out of State	6	5	*-17%*	4	*-20%*	6	*50%*
		Disability	28	26	*-7%*	22	*-15%*	20	*-9%*
		Total	**48**	**247**	-*	**257**	***4%***	**272**	***6%***
Voluntary									
Mainstream*			78	80	*3%*	75	*-6%*	68	*-9%*
Specialised	within Mainstream	SCSA/IRPP	6	10	*67%*	9	*-10%*	8	*-11%*
	outside Mainstream	Disability	8	8	*0%*	7	*-13%*	7	*0%*
		Total	**92**	**98**	***7%***	**91**	***-7%***	**83**	***-9%***

Source: Cost data provided by Tusla

Note: 'n/a' = not applicable, where a delivery mechanism did/does not provide this type of service.

* Mainstream is inclusive of single and dual occupancies, Emergency Respite (private only) and 'Enhanced' services (private only).

-* Data not available for private 'mainstream' costs, 2016.

Table 3.4: Occupancy and Capacity by Service Type, 2016-2019

Category		Provision type	Occupancy & Capacity (*as at 31/12*)							
			2016		2017		2018		2019	
			Occupancy	Capacity	Occupancy	Capacity	Occupancy	Capacity	Occupancy	Capacity
Tusla										
Mainstream*			113	145	101	125	99	119	102	120
Specialised	within Mainstream	SCSA/IRPP	*n/a*	*n/a*	10	10	9	10	10	10
	outside Mainstream	Special care and Stepdown	12	17	14	17	14	17	16	17
Private										
Mainstream*			*n/a*	*n/a*	201	265	214	276	230	307
Specialised	within Mainstream	SCSA/IRPP	14	*n/a*	15	18	17	18	16	19
	outside Mainstream	Out of State	6	*n/a*	5	*n/a*	4	*n/a*	6	*n/a*
		Disability	28	*n/a*	26	*n/a*	22	*n/a*	20	*n/a*
Voluntary										
Mainstream*			78	112	80	100	75	108	68	111
Specialised	within Mainstream	SCSA/IRPP	6	6	10	12	9	12	8	12
	outside Mainstream	Disability	8	*n/a*	8	*n/a*	7	*n/a*	7	*n/a*

Source: Cost data provided by Tusla
Note: 'n/a' = not applicable, where a delivery mechanism did/does not provide this type of service or where data on capacity was not available.
* Mainstream is inclusive of single and dual occupancies, Emergency Respite (private only) and 'Enhanced' services (private only).

‘Mainstream’ Residential Care Settings (Not Disaggregated by Provision Type)

As demonstrated in Section 2, the increase in ‘mainstream’ residential care costs between 2016 and 2019 (€13.14m) accounted for 32% of the total residential care cost increase during this time (€40.8m). ‘Mainstream’ residential care was therefore a key driver of cost increases. As shown in Table 3.2, the cost of mainstream private residential services increased by €15.4m (33%), which was offset by a reduction in costs in Tusla-owned ‘mainstream’ services. During the same period (see Table 3.3), total occupancy in private ‘mainstream’ placements increased by 13% (from 201 in 2017 to 230 placements in 2019). The increase in ‘mainstream’ private placements was somewhat offset by a decrease in ‘mainstream’ voluntary and Tusla services. The disproportionate increase in costs, when compared with increased placements, was driven by the increase in the basic private placement rate introduced in 2018.

With the data available to this Spending Review costs relating to Emergency Respite Services and single and dual occupancies could not be disaggregated from ‘mainstream’ costs. However, their relative impacts on residential care costs will now be explored.

Emergency Respite Residential Services

Emergency Respite Services (ERS) support a young person in care within a 1:1 staff to young person ratio (which includes night-time staffing). These staffing ratios mean that ERS is more expensive than other types of ‘mainstream’ provision. At the time of writing, there are six services providing ERS care: four voluntary and two private. There are approximately 16 children availing of these placements at any given time. At the end of December 2019 there were 5 children in private centres and 11 children in voluntary centres.

Table 3.5: Private Service ERS Placements and Average Cost per Placement per Week by Year and Centre Type, 2016-2019

Centre type	Year	Placements at year end	Average cost per placement per week
Private	2016	*n/a*	*n/a*
	2017	3	5,667
	2018	5	7,000
	2019	5	7,000

Source: Tusla data

Table 3.5 provides an estimated average cost per week per private ERS placement. The average cost in private ERS increased from €5,667 in 2017 to €7,000 in 2019. Table 3.6 presents the estimated average cost per week per voluntary ERS placement some voluntary centres have short to medium term placements. Private and voluntary data are not directly comparable as the voluntary data refers to organisations that provide both ERS and 'mainstream' services. This may have the effect of reducing the average cost per placement in voluntary ERS figures.

Table 3.6: Voluntary Service ERS Placements and Average Cost per Placement per Week by Year and Centre Type, 2016-2019

Centre type	Year	Placements at year end	Average cost per placement per week
Voluntary	2016	13	3,791
	2017	12	4,043
	2018	13	4,119
	2019	11	3,979

Source: Tusla data

While not directly comparable, average ERS costs across the voluntary providers appear to have remained relatively stable between 2016 and 2019, at just under €4,000, per placement, per week in both years.

The average placement duration per young person in ERS has increased, year on year, from 18 days in 2015 to 26 days in Q1 2020. The number of referrals to ERS has also increased. Table 3.7 below presents data on **private** ERS services from 2015 to Q1 2020. It was not possible to disaggregate voluntary ERS costs from the data available for this Spending Review. However, the number of voluntary services and placement numbers remained relatively stable between 2015 and 2019, while

the numbers of private ERS placements almost doubled. Tusla completed a procurement process for the private ERS service in 2017, which doubled the capacity of private ERS with the addition of three placements (bringing the total to six placements). This, along with increased average duration of placements,[36] suggests that this form of provision represented a key cost driver for Residential Care.

Table 3.7: Private Emergency Respite Services- Referrals, Placements and Duration of Stay, 2015-2020 Q1

Year	No. of Centres	Total capacity	Number of Referrals to ERS	Number of Placements/ Young People Admitted	Average Duration (days- approx)
2015	1	3	*n/a*	36	18
2016	1	3	*n/a*	26	18
2017	1	3	76	40	19
2018	2	6	188	73	22
2019	2	6	157	71	25
2020 Q1	2	6	36	27	26

Source: Centre, capacity, referral, placement and duration data provided by Tusla

Single and Dual Occupancies

Risks associated with children and young people in residential care, such as harm to self or others, may escalate in group living situations, or, a young person may present as too vulnerable for, or unsuited to, multi-occupancy mainstream settings. In these cases, the Social Work Team may indicate that the young person requires a placement in a dual or single occupancy centre, which have higher staffing ratio levels. Single and dual occupancy placements aim to support a young person in stabilising presenting behaviours and reducing risk in order to transition to multi-occupancy care.[37]

Single and dual occupancies are offered by Tusla-owned and private services (see Table 1.1). In private provision, some centres are designated as single or dual occupancy and so capacity does not change over time. However, a voluntary or

[36] The extended duration of placements in ERS services can be influenced by a number of factors, including: where it is necessary to complete the process to seek an appropriate care order, and where the presenting behaviours of the young person present a risk, thereby making it difficult to identify a suitable onward placement.

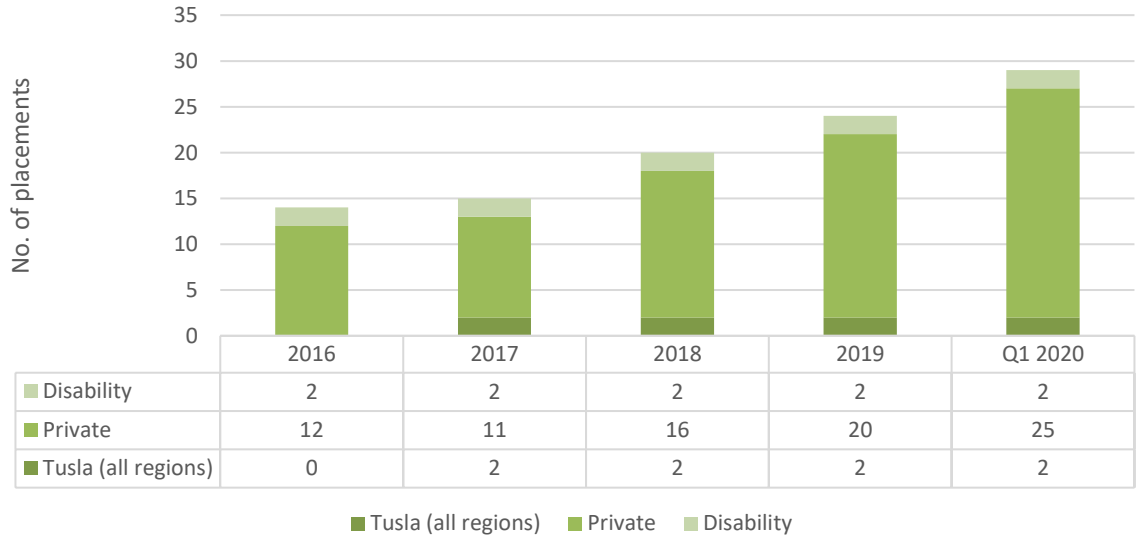
[37] Although a transition to multi-occupancy care would be desirable for most residents, some may require this level of support for the entire period in residential care. Presenting needs and behaviours can include substance misuse, violence and aggression, mental health needs, self-harming, suicide ideation, sexually problematic behaviours, risk of exploitation, criminal activity, anti-social behaviours and property damage.

Tusla-owned centre may temporarily become a single or dual occupancy centre where deemed appropriate. This occurs where a young person (or two young people) with high risk presentations are placed in a centre and additional placements are not advised. These services can revert to multi-occupancy once the risk ends.

Single occupancy placements are delivered according to a staffing ratio of 2:1 (two staff on duty at all times, alongside centre management). A dual occupancy placement includes two young people in a centre with a staffing ratio of 3:2 (three staff for each shift, along with centre management). Providing single or dual occupancy care incurs an additional cost. In 2018, the basic rate for private dual occupancy was set at €8,500 per child per week, while the basic private single occupancy rate was set at €13,500 per child per week.

The number of dual occupancies at year-end in Tusla-owned services remained constant between 2017 and Q1 2020 (i.e. 2 young people).[38] However, dual occupancy placements in private services increased from 12, at end 2016, to 25 at end Q1 2020 - an increase of 108% (see Figure 3.1).

Figure 3.1: Dual Occupancy Placements at Year End: 2016-Q1 2020



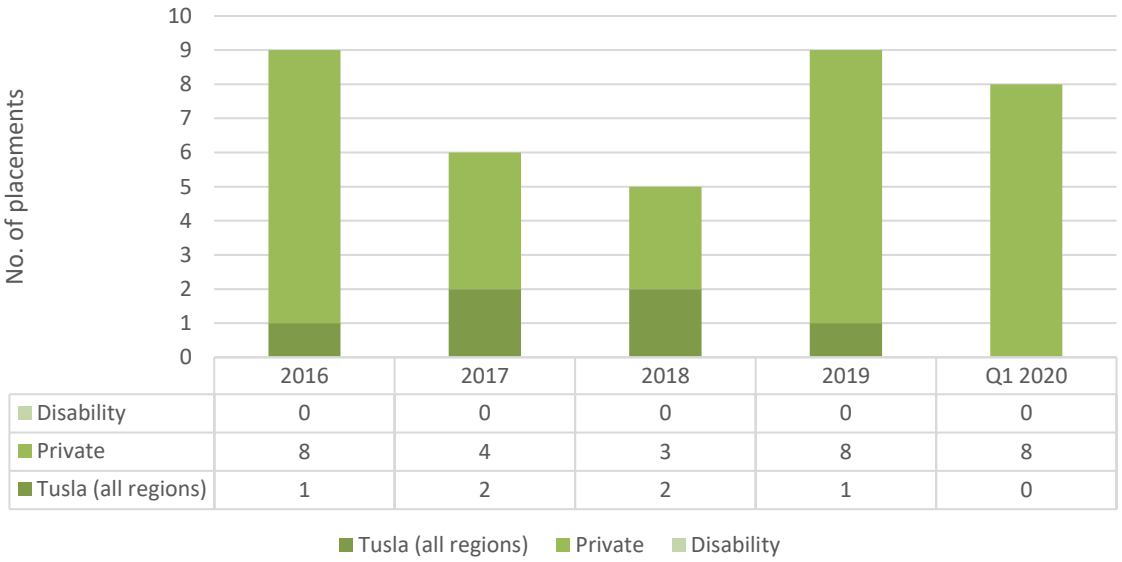
	2016	2017	2018	2019	Q1 2020
Disability	2	2	2	2	2
Private	12	11	16	20	25
Tusla (all regions)	0	2	2	2	2

Source: Occupancy data provided by Tusla

[38] Voluntary services do not provide single or dual occupancy services.

The number of single occupancies at year-end in Tusla-owned services remained relatively stable between 2017 and 2019, with just one or two such placements, and there were no such placements at the end of Q1 2020. Single occupancies in private services at year-end also remained quite stable during this time, with year-end numbers dropping from 8 in 2016, to 4 in 2017, to 3 in 2017 and 2018 respectively. The numbers returned to 8 at end 2019, remaining at this level at end Q1 2020 (see Figure 3.2).

Figure 3.2: Single Occupancy Placements, end 2016- 2020 Q1



	2016	2017	2018	2019	Q1 2020
Disability	0	0	0	0	0
Private	8	4	3	8	8
Tusla (all regions)	1	2	2	1	0

Source: Occupancy data provided by Tusla

Table 3.8 presents data on the average weekly costs of dual and single occupancy placements from 2017-2019. *The data provided covers private placements only, based on available data, and was available for the period 2017-2019.* In 2017, the average cost for dual occupancy placement was €6,657 per week. In 2018, most children in dual occupancies were placed in care at a weekly cost of €8,500; however, in 2019 the cost had increased to €9,009 per dual occupancy.[39] Using the 2019 data available, single occupancy placements cost on average €13,500 per week. Average weekly cost data was not available for 2017 or 2018.

[39] According to Tusla, in correspondence provided for this Spending Review, increased costs for dual occupancy placements can be attributed in part to the provision of 'risk management' payments where such payments have been deemed necessary, to provide higher level of staffing supports such as 2:1 or 3:1.

Table 3.8: Average Placement Costs - Single and Dual Occupancies (Private), 2017-2019

	2017	2018	2019
Weekly average single occupancy placements	*n/a*	*n/a*	13,500
Annual single occupancy placement total (estimate)	n/a	n/a	5,616,000
Weekly average dual occupancy placements	6,657	9,000	9,009
Annual dual occupancy placement total (estimate)	4,153,968	7,488,000	9,369,360

Source: Data provided by Tusla and Spending Review author estimates
n/a = data not available

In order to provide an estimate of the cost of this type of care, the authors suggest that the end of year occupancy rate is assumed to be reflective of the preceding 12-months. If this is a reasonable assumption, then multiplying the weekly rate by occupancy by 52 weeks provides an *estimate* of the annual cost. This approach suggests that in 2019 the annual cost of dual occupancy was €9.4m and the annual cost of single occupancy was €5.6m. While crude, this calculation suggests that dual occupancies, in private services in particular, is a significant driver of residential care costs. This analysis points to a need to separate out single and dual occupancies costs from 'mainstream' provision in order to help monitor changes, over time.

In terms of future potential cost pressures, the tender process for the provision of private residential services (ongoing at the time of writing) includes a requirement for dual and single occupancy centres. Tusla have indicated that demand for dual and single occupancy placements outweighs the availability of this type of placement. By way of illustration, as of 28th May 2020 there were 17 dual occupancy centres (with 34 places) in the private sector with no vacancies available, and 23 referrals with the National Private Placement Team seeking a dual occupancy placement.

According to Tusla, in correspondence provided for this Spending Review, Tusla-owned centres have limited capacity to offer dual/single occupancy placements, which results in referrals to private centres. Private centres have responded by increasing capacity for these service types. However, places are still limited, with a knock-on effect on other service types. For example, where there is no single

occupancy placement available for a young person, but where such a placement has been deemed necessary, the young person may be placed in a dual or multi occupancy centre with increased levels of staffing, incurring an additional cost. Further analysis may help to more fully understand the demand for such service types, limitations in Tusla-owned services in this regard, and how this impact on residential care costs.

‘Mainstream’ Residential Care Settings (Disaggregated by Provision Type)

Cost data relating to the following specialised services, delivered within ‘mainstream’ residential care provision, are disaggregated from the ‘mainstream’ data: ’Enhanced’ services and SCSA/IRPP. Therefore for these services it is possible to analyse the relative impacts of each on increased residential care costs.

‘Enhanced’ Services

There are four private providers, nationally, that provide 17 “enhanced” services, with integrated psychological, therapeutic and educational supports; these services are included in placement cost. Given this integrated service model, the funding for a placement in an enhanced service is higher than in mainstream services. During the 2016 to 2019 period, the capacity of ‘enhanced’ services increased to meet growing demand. In 2019, the total cost of enhanced care was €12.9m. The total enhanced care cost represented 12.32% of all private residential care costs in 2019, or 7.24% of total residential care costs for the year.

Table 3.9: Total Enhanced Service Placements by Age Bracket and Costs, 2016- 2019

	2016	2017	2018	2019
No. of placements	32	32	33	36
No. under 13	13	9	9	10
% under 13	41%	28%	27%	28%
Total 'enhanced' service costs	6,522,768	7,924,862	10,583,251	12,924,409
Increase on previous year (€ total)	n/a	1,402,095	2,658,388	2,341,158
% increase on previous year	n/a	21.5%	33.5%	22.1%
'Enhanced' as a % private residential provision	10%	11%	12%	12%
'Enhanced' as a % total residential care costs	5%	6%	7%	7%

Source: Data provided by Tusla

The cost of enhanced care doubled between 2016 and 2019, increasing from €6.5m to €12.9m across the period (a 98% increase). As observed in Table 3.9 above, 'enhanced' services made up 12% of private provision costs in 2019 (up from 10% in 2016) or 7% of total spend on all residential care services. The increase in 'enhanced' care costs accounted for 15.7% of the total residential care cost increase in the 2016 to 2019 period. Hover during this period, the number of placements increased by 4 children or 12.5%

According to Tusla, in correspondence provided for this Spending Review, there has been increasing demand for this service type in recent years, resulting in increased capacity. As discussed in Section 1 and provided again in Table 3.9, 28% of those placed in 'enhanced' services in 2019 were under 13 years of age. Children under 13 years of age are generally only permitted in residential care in exceptional circumstances. However, as at end 2019 children aged under 13 years comprised 15% of the overall residential care population. It may be noted that the tender process currently underway for private residential services includes an invitation to tender for the provision of enhanced services. Additional analysis of the reasons for the doubling of costs in 'enhanced' care services could help deepen understanding of residential care costs during this time period.

Separated Children Seeking Asylum (SCSA) and Irish Refugee Protection Programme (IRPP)

Tusla has been providing specialist residential/foster care/supported lodgings for SCSA for over a decade. Any young person who arrives in Ireland and claims to be a SCSA is assessed for age and if under 18 they are taken into care and their application for refugee status commences. Those availing of SCSA may also be placed in foster care or supported lodgings, as well as residential care. As with all residential care, this service is therefore demand-led. The government has also committed to taking in minors under the IRPP,[40] who were accepted as refugees prior to their arrival in the State. Unlike with SCSA, the State can control the timing of the arrival of children arriving under the IRPP (within its commitment). Tusla established a dedicated residential care team in 2017 in order to process care placements for both SCSA and those received by the State under the IRPP. Table 3.10 presents data for average occupancy and capacity within SCSA and IRPP services by service type from 2016 to Q1 2020.

Table 3.10: SCSA and IRPP Occupancy and Capacity by Residential Care Delivery Mechanism, 2016-2020 Q1

	Tusla owned		Private		Voluntary	
	Occupancy	Capacity	Occupancy	Capacity	Occupancy	Capacity
2016	*n/a*	*n/a*	12	18	5.42	6
2017	8.34	*n/a*	16.75	18	10.75	12
2018	8.16	*n/a*	16.83	*n/a*	8.5	12
2019	10	10	16.58	*n/a*	8	12
2020 Q1	9	*n/a*	16	*n/a*	7.67	12

Source: Occupancy data provided by Tusla

During Q1 2020, there was an average of 33 children availing of IRPP/SCSA residential care placements across all service types. Just under half (16) were placed in private services. Both the numbers of children and young people availing of these placements and the proportionate split between the three delivery mechanisms remained relatively stable during the 2016 to Q1 2020 period.

40 For more detail on Ireland's IRPP commitment, see: https://jobs.justice.ie/en/JELR/Pages/Irish_Refugee_Protection_Programme_(IRPP)

Table 3.11 presents data based on the average weekly cost per placement across the same period. There was an increase in average weekly placement costs across Tusla-owned and voluntary services, while placement costs in private services decreased from €5,351 per placement in 2016 to €4,327 by Q1 2020. Further analysis, which was beyond the scope of this Spending Review, is required to ascertain the reasons for this decrease.

Table 3.11: SCSA/IRPP- Average Weekly Placement Costs, 2016-2020 Q1

Service Type	Year				
	2016	2017	2018	2019	2020 (Q1)
Tusla owned	*n/a*	3,458	4,469	4,962	4,851
Private	5,351	4,088	4,099	4,137	4,327
Voluntary	3,062	3,117	3,938	4,163	4,392

Source: Cost data provided by Tusla
n/a = not applicable, as Tusla-owned services did not provide this service during 2016.

As Table 3.12 shows, SCSA and IRPP provision costs increased during this time period; from €6.59 million in 2017, to just under €7.5 million in 2019 (Tusla-owned services did not provide SCSA/IRPP in 2016). Overall, costs were highest in private services; which was expected given the higher occupancy levels; however, costs rose more significantly in Tusla-owned and voluntary services.

Table 3.12: Total Cost- IRPP/SCSA by Service Type, 2016-2019

Service Type	Year			
	2016	2017	2018	2019
Tusla owned	*n/a*	1,491,368	1,806,209	2,140,381
Private	3,350,001	3,350,001	3,600,000	3,600,000
Voluntary	865,478	1,747,071	1,747,076	1,749,336
Total	***4,215,479***	***6,588,440***	***7,153,285***	***7,489,717***

Source: Cost data provided by Tusla
n/a = not applicable, as Tusla-owned services did not provide this service during 2016

While occupancy levels remained quite stable, the total annual cost of residential care under SCSA and IRPP increased by approximately €3.3m between 2016 and 2019. This was driven by a €2.1m increase in Tusla-owned services, a €250,000 increase in private services, and €884,000 increase in voluntary service costs. As

noted in Section 2 of this report, Tusla-owned and voluntary services converted existing 'mainstream' services to SCSA/IRPP during this time period, which partially explains increases observed under this service type. Nonetheless, the increase observed in Table 3.12 represented 8% of the total residential care cost increase during the 2016 to 2019 period (€40.8m). While SCSA and IRPP costs, alone, did not represent a major driver of increasing residential Care costs, they did contribute to cumulative cost increases as part of the broader residential care context. These costs could increase in the future as the Government has indicated an intention to accept additional children under the IRPP during 2020.

Specialised Services Outside of 'Mainstream' Residential Care

For the purposes of this Spending Review paper specialised services outside of 'mainstream' residential care include the costs of: Special Care (including Stepdown); 'Out of State' placements; residential care for children and young people with disabilities; and costs associated with the Tusla 'Regions'.

Special Care (including Stepdown)

As of 2019, there were three Tusla-owned Units offering Special Care placements in Ireland, with an additional unit providing Stepdown care (see Box 2 and Appendix 3 for a description of Special Care and Stepdown placements).[41] Table 3.13 shows that both total costs and average occupancy rates increased between 2016 and 2019. Costs increased from €11.3m in 2016 to €13.07m in 2019; representing an increase of 15% across the period. Average occupancy reached 14.08 in 2019, which represented a 22% increase on 2016 levels.

[41] Two of the three Special Care Units provide two separate Special Care services.

Table 3.13: Special Care Provision (Including Stepdown) Costs and Trends, 2016-2019

	2016	2017	2018	2019
Total 'Special Care' provision costs	11,329,680	10,905,259	12,885,365	13,071,069
Average occupancy	11.50	11.17	12.33	14.08
Increase on previous year (€ total)	*n/a*	- 424,421	1,980,106 *	185,704
% increase on previous year	*n/a*	*-3.75%*	*18.16%*	*1.44%*
'Special Care' as a % Tusla owned service costs	22.34%	22.01%	25.65%	25.42%
'Special Care' as a % total residential care costs	8.22%	7.59%	8.11%	7.32%

Source: Cost and occupancy data provided by Tusla
*Tusla opened a new Special Care Unit in 2017, leading to higher occupancy and costs in 2018.

Special Care and Stepdown costs made up 25.4% of the costs of Tusla-owned service provision in 2019, an increase from 22.34% in 2016. Similarly, Special Care and Stepdown care accounted for approximately 7.3% of the total 2019 cost of residential care. The increased costs associated with Special Care and Stepdown Services during the 2016-2019 period (€1.7m) accounted for 4.18% of the total residential care cost increase (€40.8m).

According to information provided by Tusla to the Spending Review authors there is demand for additional Special Care places (up to 30 in total). Additional places will come on stream if increased staff numbers are secured. While a review of cost implications relating to insufficient supply of 'Special Care' places is beyond the scope of this Spending Review, the potential future availability of additional placements will increase the cost of special care provision.

'Out of State' Placements

As of end Q1 2020, there were five young people in 'Out of State' residential placements, all of whom were located in the UK. This number remained relatively stable between 2016 and Q1 2020. [42]

[42] 'Out of State' data presented in this Spending review is based on the Tusla Children Residential Services dataset, which includes all children and young people, including those over 18 years of age, and all of those registered in residential care placements for whom costs are accruing.

There were five UK centres providing 'Out of State' care for Tusla at the end of 2019 and four at the end of Q1 2020.[43] 'Out of State' residential placement costs are categorised as 'private' residential care. The average weekly cost per placement was €7,599 in 2019 and stood at €5,575 at end Q1 2020; however, as shown in Table 3.14, 2019 appears to be an outlier, with higher weekly costs than in previous years, or in Q1 2020.

Table 3.14: Out of State Placements- Costs and Placement Numbers, 2016-2020 Q1

Description	Year				
	2016	2017	2018	2019	2020 (Q1)
Placements					
Total no. of placements	6	5	4	6	5
Average duration of stay (years)	1.96	2.9	3.13	2.71	2.35
Average age of placement (*as at 31/12*)	15.56	15.82	16	15.78	15.87
Average weekly cost per placement	6,119	5,541*	5,423*	7,599	5,575
Centres					
Total no. of centres	5	4	3	5	4
Centre location	UK	UK	UK	UK	UK
Total cost per week	36,714	27,705	21,692	45,594	27,875

Source: Cost, placement and duration data provided by Tusla
*Data not available for all placements. Costs calculated using remaining placement data.

The average ages of young people in 'Out of State' placements, at just under 16 years old at the end of 2019, has also been stable. However, as Table 3.14 shows the average duration of stay, measured in years, has increased from 1.96 (2016) to 2.35 (Q1 2020) years on average (down from a high of 3.13 years in 2018).

'Out of State' provision costs have fluctuated, decreasing from €2.3m in 2016 to €860,000 in 2018. Costs increased again in 2019, to almost €1.9m. According to Tusla, in correspondence provided for this Review, young people in 'Out of State' placements may also at times (as with those in the Republic of Ireland) require additional staffing supports due to an increase in presenting needs and behaviours. This can lead to temporary additional costs.

[43] Note: some of these children are placed in psychiatric-based residential centres on the recommendation of Irish psychiatrists and under the supervision and cost of Tusla.

Table 3.15: Out of State Provision Costs and Trends, 2016-2019

	2016	2017	2018	2019
Total out of state service costs	2,328,168	1,342,920	860,031	1,896,709
Increase on previous year (€ total)	*n/a*	-985,248	-482,890	1,036,679
% increase on previous year	*n/a*	*-42.3%*	*-36.0%*	*120.5%*
Out of state as a % private residential provision	3.50%	1.83%	0.99%	1.81%
Out of state as a % total residential care costs	2%	1%	1%	1%

Source: Cost data provided by Tusla

In respect of overall private residential care provision, 'Out of State' care made up 1.81% of costs in 2019, or 1% of total residential care costs for the year. Therefore 'Out of State' placements were not a key driver of increasing residential care costs between 2016 and 2019, though costs did increase by just over €1m in 2019.

Residential Care Services for Children and Young People with Disabilities

Funding for young people placed in private and voluntary residential disability services was transferred to Tusla in 2014, with the establishment of the National Private Placement Team. The number of these disability-funded placements has decreased since then, as there have been no admissions to disability services through the national residential care structures since 2016. The cases that remain are currently full or part-funded through the Tusla national residential care structures, or jointly with the HSE Disability Service under the auspices of private residential placements.

At the end of 2019, there were 17 centres providing residential care to approximately 27 children and young people who had been assessed as having a moderate or severe disability. The majority (74%) of these placements were in private residential centres, with 26% of placements in voluntary organisations. No placements were

provided in Tusla owned services. Most placements were in multi-occupancy services.

Table 3.16: Overview of Disability Placements- Number of Centres, 2016- 2019

Description		Year			
		2016	2017	2018	2019
No. of Centres *(as at 31/12)*		21	19	18	17
Centre Type	% Voluntary placements	22%	24%	24%	26%
	% Private placements	78%	76%	76%	74%
Placement type	Multiple occupancy	34	32	27	25
	Dual occupancy	2	2	2	2
	Total Occupancy	**36**	**34**	**29**	**27**

Source: Residential care centre and occupancy data provided by Tusla.

Table 3.16 shows that the total number of residential care placements for children and young people with disabilities reduced, year on year, between 2016 and 2019, from 36 to 27. The private-voluntary placement split remained relatively stable during this period, with 78% private placements in 2016 reducing slightly to 74% in 2019.

In 2019, the total expenditure for the 27 children and young people with disabilities in Children's Residential Services was just under €7.7m; €6.25m for privately-owned services and €1.42m for voluntary services. As presented in Table 3.17, total annual spending on disability provision reduced from €8.4m in 2016 to €7.7m in 2019. In 2019, disability provision accounted for roughly 6% of all 2019 private and voluntary provision costs, and 4.29% of total residential care spend (down from 6% in 2016). While total residential care spend increased year on year during the period under examination, spend on residential care in disability-based services reduced.

However, these figures do not include residential care in specialised disability services procured by the Tusla 'Regions'. Although the funding for these placements is being provided by Tusla, the governance and oversight for these cases lies entirely with the relevant local areas ('Regions'), the disability service provider and the HSE. Table 3.17 provides costs for residential disability services incurred by the 'Regions' for 2019, which were €12.6m (data was not provided for previous years).

Including these costs by the 'Regions' increases the costs of residential disability services by 158% for 2019, to a total of €20.2m. Further analysis of residential disability service costs incurred by the 'Regions' is required to understand trends in recent years, including whether these services have been transferring from the national residential care structures to the 'Regions', over time.

Table 3.17: Disability Care Provision Costs and Trends, 2016-2019

Total cost (€ per annum)	Year			
	2016	2017	2018	2019
Private	6,889,597	6,802,211	6,615,311	6,245,187
Voluntary	1,492,273	1,100,538	1,477,071	1,415,740
Total Disability service costs	**8,381,870**	**7,902,749**	**8,092,382**	**7,660,927**
Increase on previous year (€ total)	*n/a*	-479,121	189,633	- 431,455
% increase on previous year	*n/a*	*-5.7%*	*2.4%*	*-5.3%*
Disability as a % private & voluntary provision	9.62%	8.39%	7.45%	6.03%
Disability as a % total residential care costs	5.51%	5.00%	4.71%	3.97%
Regions*	*n/a*	*n/a*	*n/a*	12,584,342
Total	**8,381,870**	**7,902,749**	**8,092,382**	**20,245,269**
As a % total residential care costs	5.51%	5.00%	4.71%	10.49%

Source: Cost data provided by Tusla
*Regions data pertaining to disability care is provided for 2019 only.

As shown in Table 3.18, the overall average cost per placement per week for residential disability care (within the national residential care structures) remained relatively stable during this period, with a slight annual increase from €4,828 per child/young person per week in 2016 to €4,991 in 2019. In 2019, private service placements cost on average €5,399 per week, compared with €3,828 per week for voluntary service placements. A review of potential differences in complexity of services provided by each delivery mechanism, and their relative impact on costs,

was beyond the scope of this Spending Review paper. Nor was it possible to compare the average weekly costs of residential disability services incurred by the 'Regions' with those funded through the national residential care structures. Further analysis is required in this regard.

Table 3.18: Average Weekly Placement Cost (Disability) by Service Type, 2016-2019

Average cost per placement per week (€)	Year			
	2016	2017	2018	2019
Overall	**4,828**	**4,846**	**4,993**	**4,991**
Voluntary	3,700	3,700	3,828	3,828
Private	5,151	5,199	5,363	5,399

Source: Cost data provided by Tusla

Tables 3.17 and 3.18 demonstrate that expenditure on residential care services for children and young people with disabilities, within the national residential care structures, has not been a key driver of increasing residential care costs. However, expenditure on residential disability services funded by the Tusla 'Regions' was a significant cost in 2019, representing an additional €12.6m. Residential care services funded by the Tusla 'regions' will be explored in more detail in the next sub-section of this paper.

Young Adults (Over 18 Years) in Tusla-Funded Residential Disability Services

Costs relating to young adults in residential disability services come under the responsibility of HSE Disability services. Nevertheless, a cohort of young adults in disability-based residential care centres are funded by Tusla. These adults were admitted to disability placements as children, and on turning 18 years old have remained in their existing placements. As of end 2019, 14 adults and 13 children were funded under residential care in voluntary and private disability services (Table 3.19). The proportion of adults funded in these services increased between 2016 and 2019. Adults accounted for 31% of disability-based residential care placements at end 2016, rising to 52% as of end 2019.

Table 3.19: Overview of Disability Placements by Age Category and Service Type, 2016- 2019

Description		Year			
		2016	2017	2018	2019
No. of placements *(as at 31/12)*		36	34	29	27
Age category	% adult	31%	32%	34%	52%
	% child	69%	68%	66%	48%
Service type	% Private placements	78%	76%	76%	74%
	% Voluntary placements	22%	24%	24%	26%

Source: Occupancy data provided by Tusla

The numbers of adults and children in residential disability services funded by the Tusla 'Regions' was available for Q1 2020 only. The combined numbers of disability placements under the national structures and 'Regions' comprised 40 young adults aged 18 and over (55%), and 33 children (45%) (see Table 3.20). Future reporting on residential care should include data on children and young adults in residential disability services funded by the 'Regions'. Additional analysis of trends in this regard in recent years is also suggested.

Table 3.20: Placements in Disability Services (including Regions), 2020

	Number of placements	Total cost (€)
Over 18's	40	9,412,842
Under 18's	33	10,832,427
Total	73	20,245,269

Source: Placement and cost data provided by Tusla

A Joint Protocol for Interagency Collaboration was agreed by the HSE and Tusla in March 2017, which set out that the HSE would take full responsibility for funding residential placements of young adults with a disability who are in the care of the State, from 1 January 2018. The Protocol also changes the funding implications of the care of some children with disabilities under the age of 18 (based on the needs of the child). In January 2019, instruction was received from the Tusla National

Office that from 1st January 2019 all funding for adult disability service residential placements would cease as statutory responsibility for these cases lies with the HSE. These disability cases were to revert to the HSE under the Joint Disability Protocol as the young people reached the age of majority on their 18th birthday, however this proposed change is currently under review. The reverting of these costs to the HSE would help reduce Tusla's residential care costs.

Tusla 'Regions'

Residential care costs incurred by the Tusla 'Regions' refers to private services procured outside of the Children's Residential Centres (CRS) governance structures. According to the National Private Placement Team (NPPT), local areas have approached non-procured private companies to access services outside of NPPT governance and oversight. In some cases, the cost of these placements has been in excess of €18,000 per week. Most of these cases have related to residential services for children and young people with disabilities. As mentioned in the previous sub-section, Tusla's national residential care function has not accepted new disability-based placements since 2016. Aside from disability-based placements, the Tusla 'Regions' have placed young people in emergency cases, when there was no placement available, or when the 'Region' did not accept the proposed NPPT placement.

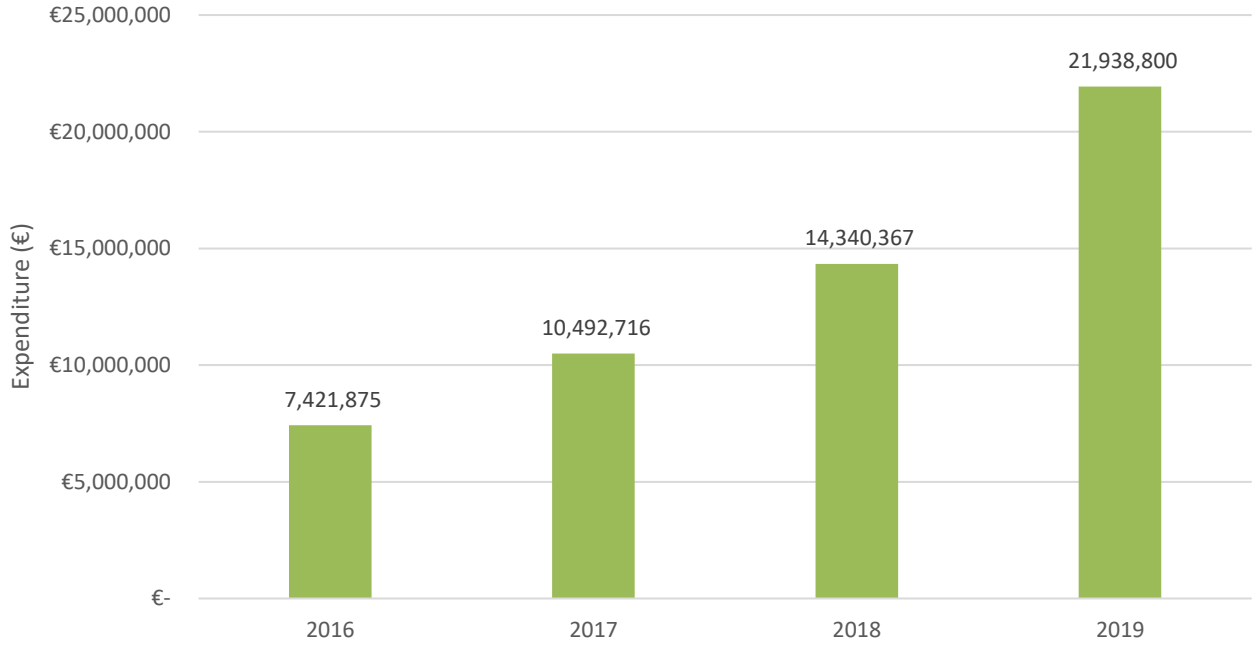
Some of the residential care costs incurred by the Tusla 'Regions' relate to additional specialist services provided to children and young people in 'mainstream' private centres . While psychological, therapeutic and other support services are generally included as part of 'mainstream' residential placement funding, some young people in residential care require services that are not available from their private provider. These services may also include Occupational Therapy, Speech & Language Therapy, Psychiatry, and Forensic Risk Assessment. In these cases, the Social Work Team will source services from within Tusla, the HSE or from external agencies at an additional cost. These additional services are agreed and funded by the Local Area Social Work Department (within the 'Regions').

According to Tusla, in correspondence with the authors of this Spending Review, other than standard Tusla financial regulations there are no formal restrictions on

these costs. The total number of residential placements within the ‘Regions’ at the end of May 2020 was 85, which was an increase of 13 (18.1%) over the 72 at end December 2019. There was an increase of seven (50.0%) in the West, an increase of seven (70%) in the South and DNE increased by one (5.9%), while DML decreased by 2 (-6.5%) from December 2019.The Q1 2020 Tusla Financial report shows that as of March 2020 €5.9m (or 20%) of private residential care expenditure related to expenditure by the ‘Regions.’ In addition, approximately €3.7 million of the Q2 year to date residential care overspend was incurred by the ’Regions’. This is above the 2019 actual expenditure and the budget set for 2020. Extrapolating for total 2020 expenditure, this could result in an estimated overspend of €8.9m.

Figure 3.3 shows that spending within the ‘Regions’ increased from €7.4m in 2016 to almost €22m by the end of 2019. While the 2016 expenditure figure represented approximately 5% of total residential care costs for that year, this proportion rose to 12% by 2019. Meanwhile, the ‘Regions’ cost increase accounted for 36% of the total residential care cost increase observed between 2016 and 2019 (€14.52m).

Figure 3.3: Total Residential Care Costs Incurred by the Tusla 'Regions', 2016-2019

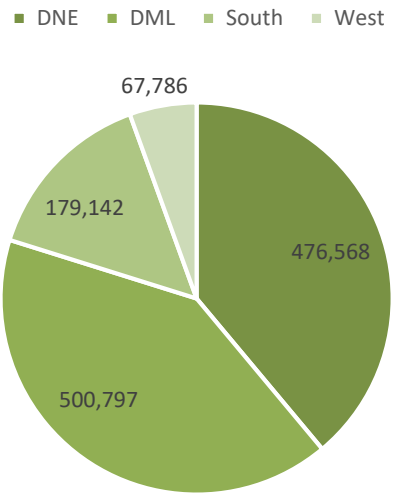


Source: Cost data provided by Tusla

As presented in the previous sub-section, a large proportion of residential care costs incurred by the 'Regions' relate to disability services. For example, as of 31 January 2020 out of the 73 children and young people funded through residential care for residential disability services, 27 were registered in CRS disability services, with 46 registered under the 'Regions'. Therefore, 58% of all children and young people in residential care placements were funded through the 'Regions'. Of the total 2019 'Regions' spend of €22m, €1.23m related to expenditure transferred to regions in respect of placements for young adults aged 18 or over (see Figure 3.4 for regional breakdown of this expenditure transfer). This transfer was introduced for the first time in 2019 and will continue during 2020[44].

[44] Numbers of young people not available

Figure 3.4: Transfer to Regions (18 plus 1 month), 2019



Source: Cost data provided by Tusla

Increasing residential care costs incurred by the 'Regions' acted as a driver of rising Residential Care costs in the years 2017 to 2019. It is recommended that further analysis be conducted in order to deepen understanding of the costs incurrent by the 'Regions', including those relating to residential care services for those with disabilities.

The analysis of key residential care cost drivers will now conclude with a brief consideration of the impacts on costs of the younger (under 13 years of age) and older (over 18 years of age) residential care cohorts, as well as the lengthening of the average time spent by children and young people in residential care in recent years.

Other Demographic Cost Drivers: Age Profiles and Length of Time in Care

The following analysis builds on the discussion of age profiles presented in Section 1. As outlined is it not desirable that children under the age of 13 be placed in residential care, and ideally there would be no children in this age category in residential care. Success in this regard would therefore be a cost saving in terms of residential care. As observed in Table 3.21 the average weekly provision cost in 2019 for children under 13 was 3.4% higher in 'mainstream' private residential care than for children and young people over 13 years of age. As highlighted in Sections

1 and 2, 28% of placements in 'enhanced' residential care services in 2019 were for children aged under 13 years.

Table 3.21: Breakdown of Children Below the Age of 13 in Private Residential Care, 2017-2019

Year	Number of children	% of total children? In private care?	Average weekly cost-children over 13	Average weekly cost-children below 13	% difference	Total (private) placement cost per week (under age 13)
2017	27	13%	5,502	6,460	17.4%	174,416
2018	30	14%	6,577	6,883	4.7%	206,480
2019	35	15%	6,703	6,931	3.4%	242,575

Source: occupancy and cost data provided by Tusla

The average cost per placement per week for children below 13 years of age increased from €6,460 to €6,931 between 2017 and 2019. With increasing numbers of children, this accounted for a full year total of €12.6m in 2019. The equivalent cost in 2017 was €9.06m and €10.7m in 2018. Therefore increasing numbers of children aged under 13 years in residential care helped drive a cost increase of €3.5m between 2017 and 2019. The equivalent cost of placements of children and young people aged 13 years and over would have been approximately €7.7m in 2017 (a difference of €1.35m), €10.26m for 2018 (a difference of €477k) or €12.2m (a difference of €414k). The estimated difference represents the additional full year cost of residential care for children under 13 years of age.[45]

As discussed earlier, there is also a cohort of young people who, for various reasons, remain in residential care after they turn 18. Table 3.22 provides a breakdown of young people over 18 years of age, according to average weekly cost and total cost per year. The data in Table 3.22 relates to private 'mainstream' residential provision only, from 2017 to 2019. Additional analysis of costs in Tusla-owned and voluntary services (as well as those funded through the Tusla 'Regions' budget) would help deepen understanding of costs in this regard.

[45] Note: these figures have been extrapolated upwards to full year provision by the Spending Review authors.

Table 3.22: Breakdown of Children over the Age of 18 in Private Residential Care, 2017-2019

Year	Number of children over 18	% over 18	Average cost-young people over 18	Average cost-children and young people under 18	% difference	Total (private) placement cost per week
2017	15	7%	5,450	5,733	5.2%	64,500
2018	7	3%	6,229	6,632	6.5%	43,600
2019	13	6%	6,192	6,769	9.3%	80,500

Source: Cost data provided by Tusla

As of 2019, there were 13 young people over the age of 18 in 'mainstream' private residential care (6% of all children and young people in private residential care), at an average cost of €6,192 per placement per week. Overall, this equated to approximately €80,500 per week, or €4.2m on a full 52 week basis. This was an increase of €1.9m on 2018 figures, driven both by numbers of young people aged over 18 years and the increased per placement cost of private provision introduced in 2018. The average costs of young people over 18 years of age were consistently lower than among those aged under 18 years.

While the costs per placement are not a significant driver of overall costs, children under 13 children should ideally not be in a residential care placement, and young adults over 18 years of age should ideally not be availing of these residential services. However, because some are they do expand the care population (and therefore overall costs).[46] This expanded care population is further amplified by evidence that there has been an increase in the average length of time children and young people spend in care, as discussed in Section 1. Table 3.23 presents data for the number of admissions, by 'Alternative Care' type (foster care and residential care)[47] between 2016 and 2019. There was a decrease in the numbers of children admitted to care across this period, with admissions to residential care showing a 22% decline.

46 An analysis of operational decision making in respect of placements for under 13's is beyond the scope of this Spending Review

47 Note: figures represent admissions in a given year only, and do not represent total numbers of children in residential care

Table 3.23: Admission by Care Type 2016-2019

	2016	2017	2018	2019
Foster Care General	743	635	638	615
Foster Care Relative	180	166	153	144
Residential	**69**	**47**	**53**	**54**
Other	55	62	34	43
Total Admissions to Care	***1047****	***910***	***878***	***856***

Source: Tusla Review of Adequacy Reports, 2016, 2017 and 2018 (footnote 48). 2019 data provided by Tusla for the purpose of this Spending Review
*Partial figure

However, as demonstrated in Section 1 there was an increase in the numbers of children and young people in residential care during this time. This was due to an increase in the average length of time spent in residential care. It is therefore likely that increased costs are in part explained by longer periods of time spent in residential care.

Section 3 Summary

While increasing 'mainstream' residential care costs accounted for 32% of overall residential cost increases in the 2016 to 2019 period, these included the more specialised ERS and single and dual occupancy service types. Both of these care types experienced cost and occupancy increases during this period, mostly in private service provision. The average weekly cost of private ERS increased while the weekly cost of voluntary ERS remained stable, with the average ERS placement duration also increasing, adding to costs. Meanwhile, the estimated total annual cost of dual occupancy placements increased by €5.2 million between 2017 and 2019, while single occupancy placements remained stable. Tusla have indicated that demand for dual and single occupancy placements outweighs availability.

Data relating to both 'enhanced' and SCSA/IRPP services were disaggregated from overall 'mainstream' totals. The increase in the cost of 17 private 'enhanced' services between 2016 and 2019 accounted for 15.7% of the total residential care cost increase during this period. The cost of SCSA/IRPP placements increased by €3.3m,

[48] https://www.tusla.ie/publications/review-of-adequacy-reports/

accounting for 8% of the total residential care cost increase during the 2016 to 2019 period.

In terms of specialised services outside of ‘mainstream’ care, increased Special Care and Stepdown Care costs accounted for 4.18% of the total residential care cost increase (€40.8m) during this time. The number of ‘Out of State’ placements remained relatively stable between 2016 and 2019. As of 2019, these placements accounted for 1% of total residential care costs, and were not a key cost driver. Occupancy rates and total costs of disability-based residential care reduced between 2016 and 2019, while the average placement cost remained relatively stable. In 2019, disability-based residential care costs accounted for 4.29% of total spend, having decreased from 6% in 2016. A key limitation to this finding was the high proportion of disability-based residential services procured by the Tusla ‘Regions’, which fall outside of the national residential care governance structures. In 2019, residential disability services funded by the ‘Regions’ (€12.6m) cost 158% more than residential disability services funded through the national structures.

As of end January 2020, there were 79 residential placements procured by the Tusla ‘Regions’; 30 of which were in disability-based services. Tusla Financial reporting showed that 20% of private residential care expenditure in Q1 2020 related to expenditure by the ‘Regions’. Annual residential care spending within the ‘Regions’ increased by €14.6m between 2016 and 2019, accounting for 36% of the total residential care cost increase.

Policy Considerations and Suggestions for Additional Analysis

This Spending Review has presented data and analysis relating to the increasing cost of residential care services during the 2016-2019 period. However, without a substantial understanding of the relative efficiency or effectiveness of the individual delivery mechanisms (Tusla-owned, voluntary and private), or service types (e.g. 'enhanced', single and dual occupancies), it is not possible to make informed recommendations regarding cost containment. The State has an obligation to provide the best care that it can to vulnerable children and, while efficiencies might be possible, cost containment cannot come at the price of quality. In addition, given the demand-led nature of residential care, cost containment measures could be frustrated by spikes in demand. Nonetheless, this review has identified a number of cost drivers that require further investigation. It also recommends regular reporting of additional data to support the ongoing monitoring of residential care expenditure to assist in the analysis of cost drivers.

The analysis in this Spending Review suggestions several areas for future analysis:

- the costs, benefits and risks associated with each of the existing delivery mechanisms: Tusla-owned, voluntary and private services;
- the effectiveness of the different delivery mechanisms and service types, in particular those that are key cost drivers;
- the costs and benefits of preventative interventions such as the Creative Community Alternative initiative, and how these may support children, young people and families within their communities;
- the increasing numbers of young people in residential care placed by the Tusla 'Regions' (including disability-based residential care), and the financial, operational and governance structures underpinning these placements;
- how the implementation of the Joint Protocol between the HSE and Tusla (with regard to the residential care of children and young people with moderate to severe disabilities) will impact upon residential care costs;
- the ongoing development of services available to help young adults in residential care to safely transition to appropriate alternatives.

These suggestions will now be discussed in more detail.

Residential Care: Policy Direction

As with all areas of service provision, policy decisions about *how* a service is delivered will drive costs. Tusla was established in 2014 in response to a series of high-profile child abuse cases, following the 2009 Ryan Report. Revelations throughout the 1990s and 2000s relating to widespread abuse in religious and State care services for children during the 20th Century laid bare the government's 'non-interventionist and light regulation approach' (McGregor, 2014). The Ryan Report recommended a single dedicated agency for child welfare and protection, with oversight by a single Department that would facilitate the cross-government engagement required to deliver the appropriate services. A key goal was, and is, to achieve 'better outcomes for children' within a 'children's rights orientation' (Buckley, 2012). Tusla was established in a time of improving national economic circumstances.

In the case of residential care, Tusla was separated from a long-standing health service model that had retained its own residential care services, as well as those from the voluntary/not for profit sector. These Tusla-owned and voluntary services had for the most part transitioned from religious-owned organisations. However, since its establishment, Tusla has also been afforded discretion in relation to contracting for private residential care services. As demonstrated in this Spending Review, there has been a growing reliance on these private residential care services in recent years.

As demonstrated in Section 1, private services offer more specialised service types than Tusla-owned or voluntary services, with greater demand for private residential care placements among Tusla placement teams. Further analysis is suggested to help ascertain how the shift towards private provision may have driven, and/or responded to a demand for, greater flexibility in the types of residential care services on offer.

In addition to the shift towards private provision, there has been a shift in policy toward smaller residential care centres. In a step away from the State's historical residential care legacy (Buckley, 2012) policy has, since the 1990s been shifting towards smaller family/home-type residential care centres. These smaller centres

provide more holistic and resource-intensive care services to fewer children and young people. As demonstrated in this Spending Review, this shift has accelerated in recent years, Section 3 demonstrated the increasing number of children and young people in dual occupancies, 'enhanced' services and other more specialised service types between 2016 and 2019. The increased resource requirements associated with these service types has helped drive increasing overall costs. The majority of these services were provided by private organisations. A key question for future analysis is the extent to which this trend will continue in the coming years and how this could impact on future residential care costs.

Future policy direction and cost containment measures would be supported by a better understanding of the costs and benefits of each of the three delivery mechanisms. This analysis would need to account for both service quality and flexibility in the delivery of more specialised residential care service types. Each of the three existing delivery mechanisms display unique characteristics with regard to staffing costs (pay, pension and professional development costs), staff and service turnover rates, as well as capital investment costs.

Private Residential Care Provision

A key benefit demonstrated by private residential care services has been the adaptability of provision type. Private provision is responsive to demand and can be scaled up or down as needed. Tusla is able to pay for private residential care placements based on placement numbers (by occupancy and not capacity). Future analysis could assess how private services build flexibility into their costings, how staff pay and turnover rates compare against Tusla-owned and voluntary services, as well as quality of private service provision relative to the other delivery mechanisms.

A potential cost drawback on a reliance on private services is that this delivery mechanism operates on a profit-based business model. While this may be beneficial in terms of cost efficiencies, supply issues may arise in response to loss of profitability. An analysis of Irish and international examples of governments that have relied on private organisations to deliver child welfare services could help policymakers better understand the dynamics involved with this delivery mechanism.

Tusla-Owned Residential Care Services

Unlike with privately procured services, there are direct additional cost considerations for Tusla-owned residential care services such as capital costs, and pay and pension responsibilities relating to permanency of staff. Furthermore, residential care costs are based on capacity, as opposed to occupancy, with an investment risk where demand falls short of supply. However, Tusla-owned residential care services can also provide longer-term service stability (see Tables 1.3 and 1.4). Further analysis could assess whether staff permanency helps reduce staff turnover, and whether this has a positive impact on service quality. Further analysis could also ascertain the relative flexibility of Tusla-owned services with regard to placement type, and the quality of Tusla-owned service provision, relative to the other delivery mechanisms.

Voluntary Services

Voluntary centres receive an agreed annual grant for residential care service provision. This is paid in line with service capacity and therefore more closely resembles the funding of Tusla-owned services. Further analysis of voluntary-owned residential care services could focus on the potential reasons for lower provision costs under this delivery mechanism, as demonstrated in Section 2 of this Spending Review. This could include an assessment of staff pay and pensions, as well as staff turnover. Further analysis could also ascertain the relative flexibility of voluntary services and the quality of voluntary-owned service provision, relative to the other delivery mechanisms.

Preventative Interventions

Further analysis of preventative and alternative interventions such as the Prevention, Partnership and Family Support Programme (PPFS), Family Resource Centres, Creative Community Alternatives (CCA) and other community-based interventions could help deepen understanding of how these interventions can help contain residential care costs. Analysis could include an assessment of the extent to which demand for, and supply of, foster care provision impacts on residential care numbers, and the extent to which foster care provision in Ireland may help maintain lower numbers in residential care relative to other countries (Furey and Canavan, 2019 – see Section 1 for discussion). A key part of this analysis would be an

assessment of foster care supply, and how changes in this regard could impact on future demand for residential care.

As an example of a preventative intervention, CCA is aimed at children who are 'either on the edge of alternative care or currently in alternative care due to complex factors that may include neglect, parental separation, attachment issues, alcohol and/or drug misuse, mental health and economic disadvantage'.[49] It is a 'holistic service' that aims to develop the 'problem-solving skills, coping skills, and self-efficacy of the young people and family members'.[50] There is an emphasis on integrating young people into the community and building the family's social support network. An independent process evaluation was conducted in 2017/2018, which found a potential for medium to long-term savings through a reduction in demand for residential care (Kinlen and MacDonald, 2018)[51]. The CCA initiative incurred a cost of €5.767m in 2019. According to Tusla, further independent evaluation research is planned to explore the link between CCA and numbers of children in care, as well as outcomes for children in receipt of the CCA.

Placement Duration and Age Cohorts

While admission rates have been dropping in recent years, the overall numbers in residential care have increased over and above population growth rates. This has been due to increasing duration of stay, on average, in residential care. Furthermore, there have been more children and young people aged under 13 and over 18 in residential care in recent years, which points to a stretching of the age cohorts. While Tusla does not have a statutory obligation to provide for accommodation as part of its aftercare supports, there are a number of young adults availing of residential care services (see Section 3). Policy regarding residential care for young people aged over 18, is to support transitions to more independent living, via aftercare and other adult services. DCYA policymakers and Tusla officials have pointed to difficulties with this transition process due to a lack of suitable and affordable housing and

[49] See: https://www.tusla.ie/national-child-and-family-support-week/parenting-and-family-supports/creative-community-alternatives/
[50] Ibid
[51] Kinlen, L. and MacDonald, E. (2018) Child Emotional Health and Wellbeing in Finglas North A: Report on findings of an action research study and setting a framework for the future, Dublin City North CYPSC

accommodation, the need for stability while a young person completes the Leaving Certificate, as well as disability-related issues. It is suggested that the Department, in collaboration with Tusla, continue to develop options for this cohort to enable positive transitions. Since 2017, 57 residential care leavers have transitioned to Capital Assistance Scheme (CAS) accommodation, funded by the relevant Local Authority and managed by organisations such as Focus Ireland (with Tusla support). Further analysis of initiatives such as CAS is suggested to better understand how they can support aftercare planning for residential care leavers.

Residential Care Costs Incurred by the Tusla 'Regions'

As demonstrated in Section 3, residential care costs incurred by the Tusla 'Regions' has increased considerably in recent years. However, as these placements are provided outside of the national residential care structures, the operational decision-making processes underpinning this spending are unclear. It is also unclear whether the shift to the 'Regions' reflects policy (stated or otherwise), or whether it has been based on operational need and/or ad hoc decision-making.

As part of this cost increase, the costs of residential disability services have been shifting to the 'Regions' in recent years. In 2019, half of residential care costs from the 'Regions' related to residential disability services. Additional analysis of the shift of residential care costs to the 'Regions', including those relating to residential disability services, would help clarify understanding of residential care costs. It is suggested that the DCYA and Tusla assess the financial, operational and governance structures in place both nationally and in the Tusla 'Regions', which will help monitor costs.

Recommendations for Enhanced Data Collection and Monitoring

This Spending Review was able to access a rich array of data from Tulsa. Tusla collects a significant breadth and depth of data on residential care across all three service delivery mechanisms. One challenge that faced this Spending Review was building an integrated assessment of the complex range of data available; hence, the

authors would recommend that Tusla keep under active consideration how it can enhance data integration and consistency.

The DCYA and Tusla could review existing reporting templates in order to include ongoing monitoring of the key data presented in this Spending Review. The Spending Review recommends regular reporting on average placement cost per child per week, with reference to delivery mechanism and care type. In addition to enhancing the potential for data integration and regular reporting on existing residential care data, this Spending Review recommends the collection and monitoring of additional data as follows:

- Additional data on the provision of Emergency Respite Services. The available data did not allow for disaggregation of voluntary ERS costs.
- Additional data on single and dual occupancy services. It would be desirable to split these costs from 'mainstream' provision in order to help monitor changes over time. Demand for, and provision of, single and dual occupancy placements could be monitored in order to assess how these placements impact on residential care costs.
- Additional data on SCSA/IRPP placements and associated costs. This Spending Review recommends further analysis to understand why average weekly placement costs across Tusla-owned and voluntary services has increased, while placement costs in private services decreased (from €5,354 per placement in 2016 to €4,327 by Q1 2020).
- The analysis of unique identifiers (such as PPSNs) could enable better understanding of an individual young person's journey through the residential care system including. Case Studies of experiences in specific residential care types may help deepen understanding of outcomes, as well as costs.
- Additional costs monitoring of types of care that appear to lie outside of the current definition of residential care, such as residential care for young adults aged over 18 years and residential disability services for young adults. The monitoring of this data would help isolate the cost effects of future policy or regulatory change (such as the transfer of residential disability costs to the HSE).

- The cost of administration and development, at €9.8m in 2019, represented an increase of €2.85m on 2016 (41%). It would be useful to monitor administrative and development costs on an ongoing basis.

Report Summary

This Spending Review report was produced by the Research and Evaluation Unit in the Department of Children and Youth Affairs (DCYA) as part of the current 2020-2022 Department of Public Expenditure and Reform-led Spending Review cycle. The report provided an overview of the context and rationale for State provision of residential care services for children and young people. The report then focused on the costs of Tusla-funded residential care, which have been increasing in recent years and which represent a key cost pressure for Tusla. A key aim of the Review was to identify the key cost drivers of residential care in recent years, in particular during the 2016 to 2019 period. The Review did not comment on, or make recommendations regarding decision-making processes relating to the placements of children and young people in residential care.

Residential care is a demand-led service characterised by the complex needs of some of the most vulnerable children and young people in the State. It is a key social policy intervention underpinned by statutory duties prescribed in the Child Care Act 1991. Tusla provides residential care via three delivery mechanisms: Tusla-owned; private; and voluntary services. Each delivery mechanism offers a range of placement types, including general mainstream services, specialised supports within mainstream services, and specialist services outside of mainstream provision. Private services offer the broadest range of specialised residential care services among the three delivery mechanisms.

Of the 483 children in residential care at end 2019, across all service types, 56% (or 272) were in private residential care; 27% (or 128) were in Tusla-owned residential centres; and 17% (or 83) were in voluntary centres. The Q1 2020 figure of 525 placements included 36 placements made within Tusla 'Regions', for which data was not available for previous years. Between 2016 and 2019, private 'mainstream' placements increased by 70 placements (from 169 to 239 placements), and the number of private residential care centres increased steadily.

Section 1 of this Spending Review showed that there are a small number of children who are under the age of 13 and over the age of 18 in residential care, and that the average length of time in residential care increased between 2017 and 2020, particularly for those in disability-based residential care. Tusla waiting lists reveal that there are higher levels of demand for private placements, while Tusla-owned services had the highest occupancy rates.

Having established the patterns of occupancy for residential care, Section 2 focused on the cost of residential care provision, and addressed the implications of increasing demand for placements and increasing service rates. The total cost of residential care rose between the years 2016 and 2019, from approximately €152 million in 2016 to almost €193 million by the end of 2019. Costs increased by €40.8 million or 27% during this time, and 87% this cost increase occurred within private service provision. This compares to just 2% attributable to Tusla-owned services, or 4% and 7% for voluntary and administrative costs respectively.

'Mainstream' residential care costs increased by €13.14 million or 13% between 2016 and 2019. This accounted for 32% of the overall residential care cost increase observed during this period. The annual cost of specialised services within 'mainstream' residential care increased by €9.68 million, or 90%, between 2016 and 2019. This increase accounted for approximately 24% of the overall residential care cost increase observed between 2016 and 2019. The annual cost of specialised services outside of mainstream residential care increased by €15.1m or 51% between 2016 and 2019. This accounted for approximately 37% of the overall residential care cost increase observed during this period. The remaining 7% increase across 2016-2019 was attributable to increasing administration and development costs.

Section 3 explored in more depth how increasing reliance on private services for both 'mainstream' and some (but not all) of the specialised residential care types, was a key driver of costs. 'Mainstream' care costs in this report included the costs of the more specialised 'Emergency Respite Services' and 'single and dual occupancies.' Each of these care types experienced cost and occupancy increases during this time, most of which were in private services. The average weekly cost of

private ERS increased while the weekly cost of voluntary ERS remained stable. The average placement duration per young person in ERS also increased during this time, putting additional pressure on costs.

The number of dual occupancies in Tusla-owned services remained constant during the period, while dual occupancy placements in private services doubled. At the same time, the average weekly cost for a private dual occupancy placement increased. The estimated total annual cost of dual occupancy placements increased from €4.2 million in 2017 to €9.4 million in 2019. The numbers of single occupancy placements remained stable, with a total 2019 cost of €5.6 million (cost data for 2017 and 2018 were not available). In correspondence with the Review authors, Tusla indicated that demand for dual and single occupancy placements outweighs availability.

Data relating to both 'Enhanced' and SCSA/IRPP services were disaggregated from overall 'mainstream' totals. The cost of enhanced care doubled between 2016 and 2019. In 2019, the total cost of the four private services that provide 'enhanced' residential care (€12.9m), which accounted for 12.32% of the total 2019 cost of private residential care. The increase in 'enhanced' care costs during this time accounted for approximately 15.7% of the total residential care cost increase.

The cost of SCSA/IRPP placements increased by approximately €3.3m between 2016 and 2019, accounting for 8% of the total residential care cost increase during the 2016 to 2019 period. This may be explained by an increase in the cost of an average weekly IRPP/SCSA residential care placement in Tusla-owned and voluntary services during this period. Average private SCSA/IRPP placement costs decreased during this period. Both the numbers of children and young people availing of these placements, and the proportionate split between the three delivery mechanisms, remained relatively stable during this period. However, Tusla-owned and voluntary services transferred some of their existing 'mainstream' services to SCSA/IRPP, which may have partially offset decreases observed in 'mainstream' occupancies and costs in these delivery mechanisms during this time.

Section 3 also focused on the costs of specialised services outside of 'mainstream' residential care, including Special Care and Stepdown Care, 'Out of State' placements, residential care for children and young people with disabilities, and costs associated with the Tusla 'Regions.' In 2019, Special Care and Stepdown care (provided by Tusla-owned services only) accounted for approximately 7.3% of the total cost of residential care. The cost of these care types increased by €1.8m across the 2016 to 2019 period. This accounted for 4.18% of the total residential care cost increase (€40.8m) during this time. At the same time, occupancy rates increased by 22%.

The number of 'Out of State' placements remained relatively stable during this period, with six children and young people placed in five separate UK centres at the end of 2019. 'Out of State' provision costs fluctuated between 2016 and 2019, decreasing from €2.3m in 2016 to €860,000 in 2018, before rising again to almost €1.9m in 2019. 'Out of State' residential care accounted for 1% of total 2019 residential care costs, and were not a key driver of increasing residential care costs between 2016 and 2019

Both occupancy rates and total costs relating to disability-based residential care reduced during the 2016 to 2019 period, while the average cost per placement per week for disability-based residential care remained relatively stable. Average weekly placement costs were higher in private disability services. In 2019, disability-based residential care costs (€7.7m) accounted for 4.29% of total residential care spend, having decreased from 6% in 2016. Section 3 highlighted that, although costs relating to residential disability services decreased during this period, a Joint Protocol (due to commence in 2018) to transfer a large proportion of disability-based residential care costs from Tusla to the HSE, has not been implemented. A key limitation to findings relating to disability-based costs was the high proportion of disability-based residential services procured by the Tusla 'Regions', which fall outside of the national residential care governance structures.

As of end January 2020, the total number of residential placements procured by the Tusla 'Regions' was 79, 30 of which were in disability-based services. Tusla Financial reporting showed that €5.9m (or 20%) of private residential care

expenditure in Q1 2020 related to expenditure by the 'Regions.' In addition, €1.54 million of the €5.4m Q1 2020 private residential care overspend (i.e. 28%) related to the Tusla 'Regions'. Annual residential care spend within the 'Regions' increased from €7.4m in 2016 to almost €22m by the end of 2019. While the 2016 expenditure figure represented approximately 5% of total residential care costs for that year, the proportion rose to 12% by 2019. Meanwhile, the 'Regions' cost increase (€14.52m between 2016 and 2019) accounted for 36% of the total residential care cost increase observed during this time (€40.8m).

The Spending Review concludes with suggestions for future analysis. Without a substantial understanding of the relative efficiency or effectiveness of the individual delivery mechanisms (Tusla-owned, voluntary and private), or service types (e.g. 'enhanced', single and dual occupancies), it was not possible to make informed recommendations regarding cost containment. The State has an obligation to provide the best care that it can to vulnerable children and, while efficiencies might be possible, cost containment cannot come at the price of quality. Nonetheless, the Review identified a number of cost drivers which require further investigation. In order to deepen understanding of costs, the following areas for analysis were suggested:

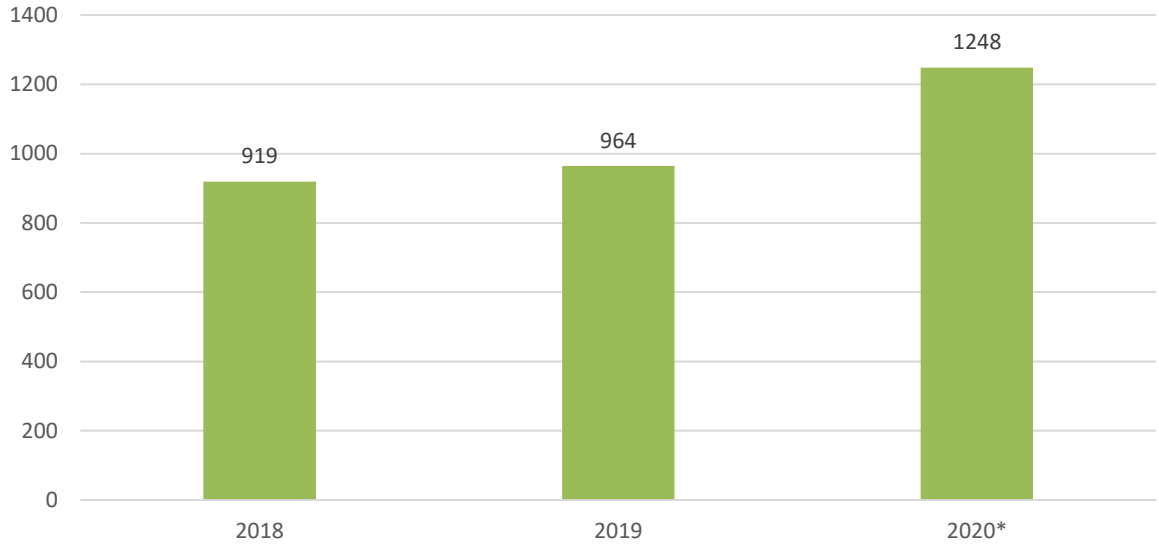
- the costs, benefits and risks associated with each of the existing delivery mechanisms: Tusla-owned, voluntary and private services;
- the effectiveness of the different delivery mechanisms and service types, in particular those that are key cost drivers;
- the costs and benefits of preventative interventions and how these may support children, young people and families within their communities;
- the increasing numbers of young people in residential care placed by the Tusla 'Regions' (including disability-based residential care), and the financial, operational and governance structures underpinning these placements;
- how the implementation of the Joint Protocol between the HSE and Tusla (with regard to the residential care of children and young people with moderate to severe disabilities) will impact on residential care costs;
- the ongoing development of services available to help young adults in residential care to safely transition to appropriate alternatives.

Appendix 1 - Mental Health Needs (Additional Information)

Young people can present with varying levels of diagnosed mental health issues or presentations as yet undiagnosed and requiring further assessment. Young people entering, or already in residential care may be experiencing suicidal ideation or engaging in self-harm, at times with a history of admissions to general hospital and/or inpatient psychiatry services. Where the needs of young people cannot be met at home or in a foster placement a referral may be made for residential services. Due to the often high level of need, there may be instances where 'mainstream' residential care is not appropriate. This can include young people already placed in residential care who require a move to a more appropriate service. This high level of presentation can also impact on the ability of the centre, where a young person is placed, to reach higher or full occupancy as it can prove difficult to complete a risk assessment deeming it appropriate to place another young person in the centre. For these children and young people, the placement provided will often be in a dual occupancy, single occupancy or enhanced service, with additional staffing supports. These types of placement incur higher costs. In some cases, a young person's needs may not be appropriately met by any of the residential care centres.

Significant Event Notifications (SENs) data submitted to the Tusla SEN Team by residential care centres shows the number of incidents of self-harm and suicide ideation over 2018 and 2019 with a projected figure for 2020 based on data confirmed for Q1 & Q2 2020. See Figure A1 below.

Figure A1: Significant Events Notifications that Included Self-Harm/Suicide Attempt: Yearly Totals, 2018- 2020*

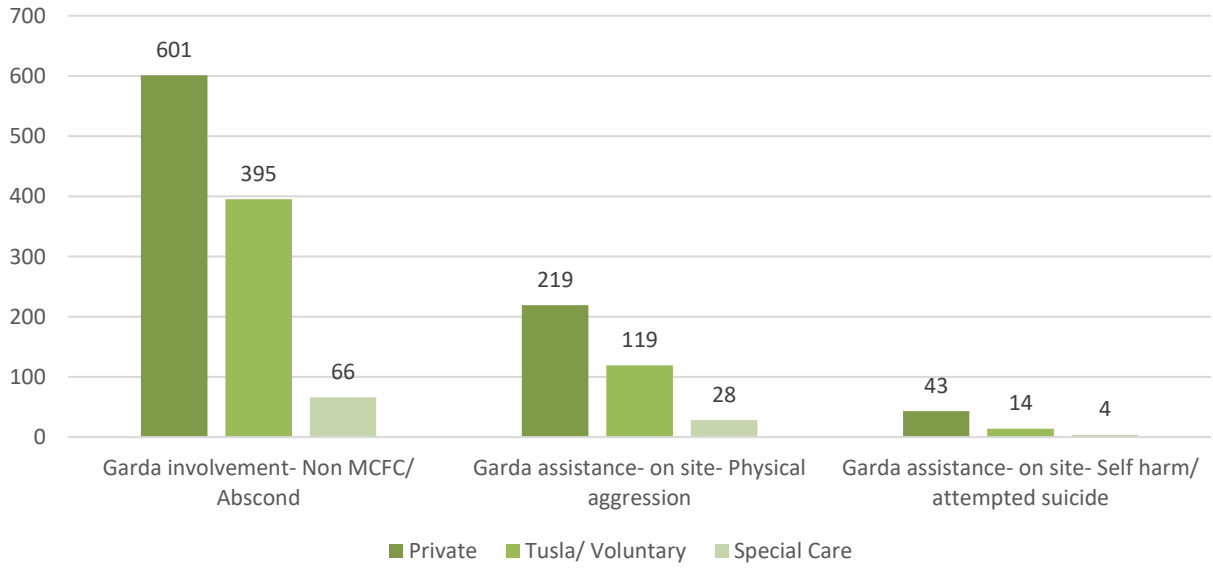


Source: data provided by the Tusla SEN team
*Projected figures for 2020 based on Q1 and Q2 data

Appendix 2 – Contact with the Youth Justice System (Additional Information)

Some young people referred for and currently placed in residential placements through Tusla, voluntary and private provision have been engaged in criminal activity and have engaged with the youth justice system. Criminal activities include breaking and entering of premises, theft/robbery, assault, dealing of substances, property damage, anti-social behaviour, fire setting/arson, possession and use of weapons, involvement in gangland culture and activities, among others. A proportion of young people engaged in this type of activity have been charged with offences by An Garda Síochána and are engaged with the Juvenile Liaison Office (JLO). Where the young person has surpassed the JLO system or the offence(s) exceed the remit of this office they are brought before a Court and may be remanded or receive a sentence usually served in Oberstown Juvenile Detention Centre. Information available from Significant Events Notifications (SENs) submitted to the Tusla SEN team from each delivery mechanism (Tusla-owned, voluntary and private) outlines the level of Garda involvement among young people placed in these centres during 2019:

Figure A2: Children in Residential Care: Contacts with the Youth Justice System, 2019



Source: data provided by the Tusla SEN team

These presenting issues can impact on the ability of the residential care centre to reach higher or full occupancy as it may be difficult to recommend the placement of additional young people in the relevant centre. There may, for example, be a requirement for additional staffing to support the young person and other young people within the centre, which is funded by Tusla as a ‘risk management’ payment.

Appendix 3 – Special Care (Additional Information)

Special Care Units are secure residential centres. Children are placed in Special Care pursuant to an Order of the High Court. The duration of the placement is set by Order of the Court and in addition to usual monitoring the State must provide regular updates to the Court.

Special Care Units offer higher staff ratios, on-site education, as well as specialised input such as clinical/therapeutic services to support the child/young person in returning to a less secure placement. Young people referred for Special Care have very complex profiles, which may include involvement in the youth justice system, mental health needs, substance misuse, intellectual disability, violence and aggression, and disengagement from the education system. Due to risks identified by the social worker in managing such presentations in the community, these young people have been assessed (in line with legislative requirements) as requiring Special Care.

In January 2018, new provisions were inserted into section 23 of the Child Care Act 1991 that place a mandatory obligation on the Child and Family Agency to provide Special Care. When the High Court makes a Special Care Order, it can be granted for up to a period of 3 months, with regular reviews taking place in the weekly High Court Minors List. The legislation contains a provision to extend the Special Care Order for a maximum of two further periods of three months, as sometimes the full nature of the risk presentation is not evident until the child has been detained in Special Care. This may impact on the identification of a Stepdown placement due to the concerns of professionals regarding risk. According to Tusla, in correspondence provided for this Spending Review, the enactment of this legislation in January 2018 has increased referral rates as it has provided clear legislative criteria and timeframes. Generally, the staffing level in Special Care is 1:1 plus 1 (which supports administrative duties). However, the programme of care determines the staff to young person ratio and in some circumstances young people need 2:1 staffing supports.