



RehabGroup

Investing in People, Changing Perspectives

Mr Ted McEnery
Committee of Public Accounts
Leinster House
Dublin 2

PAC-R-1369 Public Funding of Rehab- all responses

Wednesday, 30th April 2014

Dear Mr. McEnery,

I am writing in reply to your letter dated 17th April last.

As you know, in our letter dated 16th April we enclosed detailed information as a follow up to our attendance at the Committee meeting on 10th April and which was intended to deal with outstanding queries that had been raised by the Committee during the hearing. Some additional queries were subsequently raised by the Committee in a letter received by us on 16th April and yesterday (29th April), by separate letter, we sent a comprehensive reply to all the matters raised by the Committee.

I would like to restate Rehab's commitment to providing the Committee with all information in a comprehensive way, within the constraints that it finds itself. Representatives of the Rehab Group have attended the Public Accounts Committee and have sought to provide answers to the Committee's questions. Where information has not been to hand, we have endeavoured to provide it afterwards in writing.

Cognisant of both our duties under data protection legislation and the interest of the Committee we have made significant efforts to seek permission from individuals to waive their rights and permit disclosure of information which would otherwise be prevented under this legislation. We have received this permission in respect of senior management posts within the Rehab Group and this has already been provided to the Committee.

Aside from points I address below, we sincerely hope that we have now dealt with all outstanding matters, and that we can be fairly characterised as having addressed all queries raised by the committee in the comprehensive and open manner expected, and to have fully cooperated with the Committee in relation to the matters within its remit. On behalf of the Board of the Rehab Group, I can confirm that we are in a position to accept a further invitation to attend the Committee and to provide any outstanding information that the Committee requires, in so far as we are permitted to do so under law.

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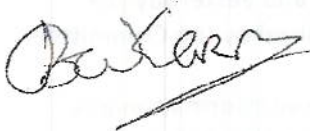
The only outstanding issues, as we understand them, are (a) our ability to disclose to the Committee certain personal information relating to our former chief executives; and (b) any further details relating to complaints that may be under consideration and/or investigation relating to current or former employees. In relation to each of these matters, we regret that we are not in a position to provide any further details or consents to the Committee, as we are constrained by data protection law.

Specifically in relation to (a), in advance of our attendance at the Committee meeting on 10th April we expressly asked our two former Chief Executives to give us an indication of the information that they would give us permission to disclose. Both responded that they would not permit the disclosure of any information in respect of their remuneration or pension provision. As a result we do not have their consent to disclose their information.

Further, in relation to (b), this matter is undergoing due process, and in deference to the privacy rights of the individuals concerned and their rights to fair procedures, it would not be appropriate or correct to disclose any further information to the Committee.

You might please clarify the position to us having considered this letter and our related letter of information dated 29th April. In particular, we wish to understand if we have addressed the matters raised in your letter dated 17th April last.

Yours sincerely,



Brian Kerr
Chairman



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

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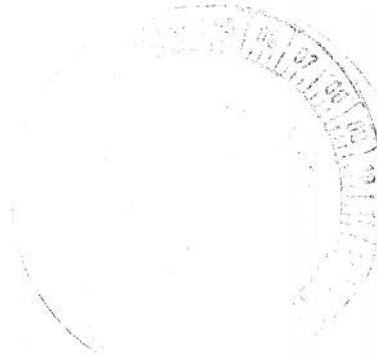
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30th April 2014

Mr. Ted McEnery,
Clerk to the Public Accounts Committee,
Leinster House,
Dublin 2.



Re: Public Funding of Rehab

Dear Mr. McEnery,

I refer to my letter to you of yesterday's date and previous correspondence in connection with the above matter.

I attach herewith a letter which has been sent by the HSE to Rehab Group this afternoon, which speaks for itself.

It appears that the Rehab Group have altered its position this afternoon in respect of some of the information held by the HSE and have now provided their consent for the disclosure by the HSE to the PAC solely of details of the remuneration of senior staff in REHAB Care and NLN. I attach herewith this information.

The HSE will revert to you on foot of any further response it receives from the Rehab Group in relation to these matters.

Yours sincerely,

Ray Mitchell
Assistant National Director
Parliamentary & Regulatory Affairs

Memorandum

Re: Senior Managers' Remuneration- Rehabcare and National Learning Network

The National Business Support Unit has been assisting the Office of the National Director, Social Care in carrying out a validation exercise on the remuneration arrangements for Senior Managers (Grade viii or above) in the large Section 39 Disability agencies. In that context we have reviewed the Schedule 9 templates received from the above mentioned agencies and the following has been established.

Rehabcare

Rehabcare submitted its original template to the HSE area managers in June 2013 and subsequently resubmitted them on 20th January, 2014 with a covering letter which, inter alia, cautioned HSE on the confidential nature of the details contained therein.

Following review of the templates and further discussions with Rehabcare Senior management as part of the wider validation exercise it has been established that under its Service arrangements with Rehabcare the HSE funds some or all of the following senior manager grades;

- **Director of Health and Social Care Services.** The basic salary for this post is €150,000 per annum, which is broadly in line with the salary of a National Director in the HSE (pre 2010 Public Sector salary adjustments). 84% of the National Director's salary (ie. €125,600 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of the Director's time to the services covered by Rehabcare's service arrangements with the HSE.
- **4* General Managers.** One of the four is on an annual salary of €102,000 which is analogous to the mid-point of a HSE Assistant National Director. One of the other Managers is on an annual salary of €90,425 which is analogous to that of a HSE Local Health Office Manager (now Area Manager) and the remaining 2 are in receipt of an annual salary of €85,000 which is also analogous to that of a HSE Local Health Office Manager (now Area Manager).
- **Support Services Manager.** The basic salary for this position is €105,820, which is analogous to the salary of Assistant National Director in the HSE.
- **Other Support Managers (*3)** (Financial Control, HR and Home Based Services Manager). The basic salary for these support managers is as follows;
 - Financial Controller -€77,352,
 - HR Support manager- €68,919
 - Home Based Service Manager- €76,300

The salary for these three positions is analogous to that of HSE General Manager.

- **Principal Clinical Psychologist**, which is paid at the standard basic salary rate for such a position in line with consolidated salary scales.

- **Senior Clinical Psychologist**, which is paid at the standard basic salary rate for such a position in line with consolidated salary scales.
- **Regional Managers (*7)** whose basic salaries are €68,000 per annum which is analogous to that of HSE General Manager.

In addition to the foregoing the Parent Group (Rehabgroup) apply a charge out of €1.7m to Rehabcare for central overhead costs (ICT, Estates management, payroll etc..) and this forms part of the overall funding arrangement between HSE and Rehabcare.

National Learning Network

National Learning Network submitted one national template to the HSE on 13th July, 2013 and on 26th February, 2014 provided further details in respect of that portion of the Parent Group's (i.e. Rehabgroup) senior manager costs which are charged to the HSE under the service arrangements. Following review of the templates as part of the wider validation exercise it has been established that under its Service arrangements with NLN the HSE funds some or all of the following senior manager grades.

- **Director of Training and Employment Services.** The basic salary for this post is €150,000 per annum, which is broadly in line with the salary of a National Director in the HSE (pre 2010 Public Sector salary adjustments). 23% of the National Director's salary (ie. €34,500 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of the Director's time to the services covered by NLN's service arrangements with the HSE.
- **Financial Controller.** The basic salary for this post is €70,303 per annum and is analogous to that of a HSE General Manager. 33% of the post holder's salary (ie. €23,200 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of the Financial Controller's time to the services covered by NLN's service arrangements with the HSE.
- **Human Resource Manager.** The basic salary for this post is €62,000 per annum and is analogous to that of HSE Grade Viii. 33% of the post holder's salary (ie. €20,460 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of the Manager's time to the services covered by NLN's service arrangements with the HSE.
- **Director of Operations.** The basic salary for this post was €104,052 per annum, which is analogous to that of HSE Assistant National Director. However the previous post holder has left the employ of NLN and the new Director of Operations is remunerated at an annual salary of €100,000, which is analogous to the maximum incremental point for a HSE Local Health Office Manager (now Area Manager). 33% of the post holder's salary (ie. €33,000 p.a) is funded under the service arrangements with the HSE. This is based on

the apportionment of the Manager's time to the services covered by NLN's service arrangements with the HSE.

- **Director of Business Development and Strategic Partnerships.** The basic salary for this post is €100,000 per annum and is analogous to that of HSE Assistant National Director. 33% of the post holder's salary (ie. €33,000 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of the Manager's time to the services covered by NLN's service arrangements with the HSE.
- **Regional Directors (*2).** The basic salary for one of the posts is €87,784 per annum and €85,000 for the other position, which in both cases is analogous to that of HSE Local Health Office Manager (now Area Manager). 33% of their salary (ie. €28,969 and €28,050 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of each Manager's time to the services covered by NLN's service arrangements with the HSE.
- **Head of Accreditation, Standards and Supports.** The basic salary for this post is €85,930 per annum which is analogous to that of HSE Local Health Office Manager. 33% of the post holder's salary (ie. €28,357 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of each Manager's time to the services covered by NLN's service arrangements with the HSE.
- **Principal Clinical Psychologist.** The basic salary for this post is €94,367 per annum which is broadly in line with the standard salary rate for such a position in line with consolidated salary scales. 33% of the post holder's salary (ie. €31,141 p.a) is funded under the service arrangements with the HSE. This is based on the apportionment of this post holder's time to the services covered by NLN's service arrangements with the HSE.

In addition to the foregoing the Parent Group (Rehabgroup) apply a standing charge of €1.5m to NLN for central overhead costs (ICT, Estates management, payroll etc.), 33% of which is paid by HSE to NLN on a pro-rata basis under the service arrangements (i.e €0.499m).

It should be noted that for all of the above mentioned senior manager posts in Rehabcare and NLN there is one salary point. Therefore post holders do not enjoy incremental progression. As they are not public sector employees they are not members of a statutory pension scheme. Both companies do have a policy of providing managers with company cars.

Dated: 30th April, 2014



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

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Ms. Laura Keane,
Director of Health and Social Care Services,
Rehab Group,
Roslyn Park,
Sandymount,
Dublin 4.

30th April 2014
Ref: S0046-NCO-14

Re: Disclosure of Information to the Public Accounts Committee

Dear Ms. Keane,

I refer to your letter e-mail of earlier this afternoon, wherein you notify me that you *'have received written consent from the senior staff to release their personal information that was provided by the HSE to the PAC'*. You further state that *'the consent is specifically for this purpose and it only applies to the particular staff that can be identified in the templates that have been given to the PAC'*.

By letter of the 17th April, the HSE was requested by the Clerk of the Public Accounts Committee to provide:

- (1) a schedule outlining the nature of the information held by the HSE in connection with the payment of funds to Rehab, particularly in relation to remuneration and management charges; and
- (2) an opinion as to whether there is any impediment, legal or otherwise, that would prevent the HSE from revealing that information in full to the Committee.

The Clerk to the Committee, is already in possession of some of the information that was requested in the letter of the 17th inst. He has confirmed to the HSE, by way of letter dated 28th February, that this information remains in his possession. This information was provided by the HSE on foot of the unintentional misinformation provided to the HSE on the 26th February, that Section 78 of the Houses of the Oireachtas (Inquiries,

Privileges and Procedures) Act, 2013 applied to the requests for information that had been made by the Committee and that the HSE was therefore compelled to provide this information.

By way of response to the letter from the Clerk of the Committee of the 17th inst., the HSE indicated, with regards to the first matter requested, that Service Level Arrangements, pursuant to section 39 of the Health Act 2004, are in place between RehabCare and the HSE, and the National Learning Network and the HSE. AS you are aware, Part Two of these arrangements contain a series of schedules as follows:

- Schedule 1: Contact Details
- Schedule 2: Quality and Safety
- Schedule 3: Service Delivery Specification
- Schedule 4: Performance Monitoring
- Schedule 5: Information Requirements
- Schedule 6: Funding
- Schedule 7: Insurance
- Schedule 8: Complaints
- Schedule 9: Staffing
- Schedule 10: Change Control

Given the information sought by the Clerk in his first request, it was indicated by the HSE that it was envisaged that the information which the HSE holds that would best meet his request would be that contained in Schedules 6 and 9 referred to above.

The HSE further informed the Clerk that it held two further pieces of information which, it was envisaged, would fall within the parameters of his request. This information was described as:

- (i) an analysis of the shared services charge out from the Rehab Group to RehabCare and the National Learning Network, and
- (ii) an updated memorandum regarding the remuneration of the Senior Managers of RehabCare and the National Learning Network.

The HSE indicated to the Clerk of the Committee, pursuant to his second request, that it was not in a position to provide the information as described above, given that the consent of Rehab Group, RehabCare and the National Learning Network had not been provided for this disclosure.

I would be grateful if you would now clarify to me, at your earliest opportunity, whether Rehab Group, RehabCare and the National Learning Network, and the respective employees consent to the disclosure of the information listed above to the Public Accounts Committee.

For ease of reference I attach copies of this documentation herewith.



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29th April, 2014

Mr. Ted McEnery,
Clerk to the Public Accounts Committee,
Leinster House,
Dublin 2.

Re: Public Funding of Rehab

Dear Mr. McEnery,

I refer to your letter of 17th April, addressed to the Director General, and which has been passed to me for reply. Therein you have requested:-

- (1) a schedule outlining the nature of the information held by the HSE in connection with the payment of funds to Rehab, particularly in relation to remuneration and management charges; and
- (2) an opinion as to whether there is any impediment, legal or otherwise, that would prevent the HSE from revealing that information in full to the Committee.

You will recall, as Clerk to the Committee that you are already in possession of some of the information that is now requested. You have confirmed, in your letter of the 28th February that this information remains in your possession. It was provided by the HSE on foot of the unintentional misinformation provided to the HSE on the 26th February that Section 78 of the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act, 2013 applied to the requests for information that had been made by the Committee and that the HSE was therefore compelled to provide this information.

With regards to the first matter requested, Service Level Arrangements, pursuant to section 39 of the Health Act 2004, are in place between RehabCare and the HSE, and the National Learning Network and the HSE. Part Two of these arrangements contain a series of schedules as follows:

- Schedule 1: Contact Details
- Schedule 2: Quality and Safety
- Schedule 3: Service Delivery Specification
- Schedule 4: Performance Monitoring
- Schedule 5: Information Requirements

- Schedule 6: Funding
- Schedule 7: Insurance
- Schedule 8: Complaints
- Schedule 9: Staffing
- Schedule 10: Change Control

Given the information sought in your first request, it is envisaged that the information which the HSE holds that would best meet your request would be that contained in Schedules 6 and 9 referred to above. Template copies of these schedules are attached herewith.

Two further pieces of information which the HSE has which, it is envisaged, would fall within the parameters of your request are:

- (i) an analysis of the shared services charge out from the Rehab Group to RehabCare and the National Learning Network, and
- (ii) an updated memorandum regarding the remuneration of the Senior Managers of RehabCare and the National Learning Network.

I trust this addresses your first query where you requested schedules outlining the nature of the information held by the HSE.

With regard to the second matter, you have requested the HSE's opinion as to whether there is any impediment that would prevent the HSE from revealing the information contained in the completed Schedules 6 and 9 above to the Committee.

Clause 24 of the Service Level Arrangements referred to above provides for duties of confidentiality. It states, inter alia,

"Each party will ensure that any information acquired in or in connection with the performance of its obligations under this Arrangement concerning the other or the other's business, affairs, staff or procedures or relating to the provisions of this Arrangement will be treated as confidential and will not be disclosed to any person, other than a person expressly authorised by either party.

...

Either party may disclose information which would otherwise be confidential: ...

(e) if and to the extent the other party has given prior written consent to the disclosure, such consent not to be unreasonably withheld or delayed."

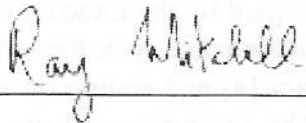
The HSE has been notified, in correspondence from RehabCare and the National Learning Network that they do not consent to the disclosure by the HSE to the Committee of the above information. RehabCare and the National Learning Network have stated that they would regard such disclosure as a breach of contractual and related duties of confidentiality owed by the HSE to them.

Furthermore, both RehabCare and the National Learning Network have asserted to the HSE their privacy rights, pursuant to the Data Protection Act 1988-2003, in respect of private personal information contained in the Schedules relating to their employees and cost base information which it claims to be commercially sensitive. Both entities have informed the HSE that their employees have expressly stated that they do not consent to the disclosure of their personal information to the Committee.

Therefore, although wholly mindful of the obligations contained in Section 21(1) of the Health Act 2004, as amended, the HSE is impeded from providing the Committee with the information you have sought given the refusal of RehabCare and the National Learning Network and their respective employees to consent to such disclosure.

The HSE remains willing to assist the Committee in any way that it can lawfully do so.

Yours sincerely,



Ray Mitchell
Assistant National Director
Parliamentary and Regulatory Affairs

Encl.

Schedule of Payments to Provider Account Number: _____			
Date	Details	Amount	Method

Change of Service Dates	

Patient Transfer Property	

SCHEDULE 6

Funding

Purpose

This Schedule is intended to specify details of funding, payments and financial monitoring for the health and personal social services which will be provided by the Provider. The performance of the financial management will be monitored as set out in Financial Reporting **Schedule 4 Performance Monitoring**.

Total Payments

Subject to Clause 4 of Part 1 of this Arrangement, the Funding to be paid by the Executive to the Provider in consideration for the provision of the Services in accordance with the terms of this Arrangement in the financial year commencing on 1st January [●] and ending on 31st December [●] (the “**Financial Year**”) shall not exceed EUR [●]. The Executive will use its reasonable endeavours to notify the Provider of the level of Funding in advance of the financial year.

The total to be paid should be detailed linking back to **Schedule 3 Service Delivery Specification** where appropriate and/or setting out the various amendments if this is an annual review of an existing service arrangement.

*Fixed Cash profile is outlined below:

Schedule of Payments to Provider Account Number: _____			
Date	Details	Amount	Method

* will be issued in accordance with the rules applicable to the Health Service Executive's Vote (Vote 40) appropriated by the Exchequer each year.

Charging of Service Users

This section should set out the criteria and procedures for charging service users and the rates that will be applied.

Patient Private Property

Where an organisation has charge of client's private property, then an appropriate system of administration and control, needs to be in place to ensure compliance with regulations.

SCHEDULE 9

Staffing

Purpose

The purpose of this schedule is to ensure that there is an effective monitoring process in place to maintain employment numbers within the agreed levels for the delivery of the services specified in **Schedule 3**.

Employee Totals

*This section should detail the employee totals which are associated with the services specified in **Schedule 3**. This should give grade detail.
(Excel template may be utilised)*

Employment Monitoring Return

This section sets out the timetable for return of the employment monitoring report.

Date Due	Date Received	Comment

Senior Staff

Please provide details of all senior staff in your organisation, this is all those paid at grade 8 level consolidated Pay Scales/equivalent, or above.

This can be outlined below or may be requested on the available excel template

Name : First	Name: Second	Position/Title	Grade (equivalent to HSE consolidated Pay scales)	Salary € (annual gross salary for 2013)	Allowances €	Pension € (employers contribution)	Other Benefits Cash equivalent €	Provide details of benefits provided



government supporting communities

Mr. Ted McEnery
Committee of Public Accounts
Leinster House
Dublin 2

30th April 2014

Re: Public Funding of Rehab

Dear Mr. McEnery,

In response to your letter on 17th April 2014, I am writing to explain the level of information that has been collected by Pobal on Rehab in the operation of funding programmes on behalf of a number of Government departments. Since 2006, a number of Rehab related companies have been in receipt of multiple grants from Pobal across a number of funding programmes.

Pobal are currently in contract with the National Learning Network Ltd. (NLN), a wholly owned subsidiary of Rehab Group, under the Disability Activation Project (DACT). There are currently three active grants between Pobal and NLN, which is the Training and Employment division of the Rehab Group. The Disability Activation Projects aim is to increase the capacity and potential of people on disability/illness welfare payments to participate in the labour market, based on a case management approach. This programme runs until December 2015.

Pobal have had a range of contracts with other Rehab companies. While these contracts are all completed, the following represents the set of programmes under which Rehab entities were funded:

1. Community Services Programme (CSP): (Ended 2010 – Salaries and Non-pay)
2. Community and Voluntary Grants (C&V): (Ended 2008 – Capital Grants Only)
3. Dormant Accounts Fund (DAF): (Ended 2011 – Mix of Grants Programme Specific/Equipment)
4. Enhancing Disability Programme (EDS): (Ended 2010 – Salaries, Administration and Programme)
5. Equality for Women (EWM): (2009-2010 – Salaries, Administration and Programme)

See *Appendix A* for details of programmes, companies and amount paid in each of the relevant years.

All programmes are subject to % sample audit/verification as per our service level agreements with Government departments. In relation to the above programmes, Rehab Media Enterprises (CSP Grant) were subject to two audits in October 2007 and in June 2010. No issues were raised. With regard our current contracts with NLN, Pobal will undertake an "On The Spot" or systems review check on each project during its lifetime to verify the regularity and reality of activity, assets and expenditure.

In relation to your direct query regarding remuneration and management charges, the current DACT contracts fund direct costs relating to the project which only allow persons with a key and direct role to the project to be charged. In some of the other non-EU programmes a reasonable apportionment of in-direct salary/administration costs may have been charged to the programme, if allowable.

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The schedule of the types of information that we hold on programme files is outlined below:

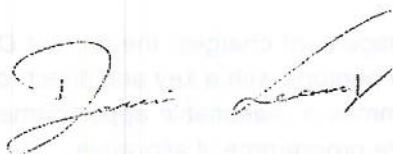
	Type of Documentation
Application Stage	Application form Memorandum and articles of association Tax clearance certificate Organisational/project structure Audited accounts Annual report Audit report (if applicable) Relevant job descriptions
Appraisal Stage	Eligibility checklist CRO status report Full appraisal report
Decision Making Stage	Notification of decision Letter of offer to applicant Pre-contract check completed Form Signed grant agreement – including project budget and details
Financial Requirements	Project budget and details – Breakdown of proposed salary allocation Project bank details Payments journal which includes names/position of employees paid directly, invoices etc. Apportionment of indirect salaries costs/administration, if allowable Signed declaration of expenditure Timesheets/sample employment contracts (as applicable) Tax deduction cards (as applicable) Supplier invoices Expense claims Bank statements

Please note there are differing information requirements dependent on the individual programme guidelines. Within individual sets of financial information collected for programmes, there are (depending on what each grant funds) specific requirements for information on payments for project staffing and overheads.

There is no impediment, legal or otherwise, that prevents us from revealing information in full to the Committee. As is our policy and practice we inform third party groups of the release of information that we hold pertaining to their organisation. Due to the length of time that has elapsed most of our information is in archive, which can take up to three weeks to access. Further DACT information, if required, is however readily available.

I hope this information is of assistance in the first instance, however if you require any further documentation please do not hesitate to contact me directly.

Yours sincerely



Denis Leamy
CEO
Pobal
Encl.

DETAILS OF CONTRACTS WITH POBAL - REHAB GROUP

PROGRAMME	Active	CAD Reference No.	Description	Budget Allocation	Total Payments	2006	2007	2008	2009	2010	2011	2012	2013	2014
DACT (2013-2015)	Yes			€ 462,899.00	18,826.65									18,826.65
		DACT0021 National Learning Network - Linking In	Direct Programme Costs (incl Salaries, Admin)	€ 695,728.00	33,312.30									33,312.30
		DACT0014 National Learning Network - Personal Employment Pathway (PEP)	Direct Programme Costs (incl Salaries, Admin)	€ 758,716.00	36,836.45									36,836.45
		DACT0013 National Learning Network - Transition Action Planning (TAP)	Direct Programme Costs (incl Salaries, Admin)											
					88,975.40	0	0	0	0	0	0	0	0	88,975.40
CSP	No	CS137 Rehab Media Enterprises	Direct Salaries (Approx 84%) and Non-pay costs		863,766.55	229,136.84	179,732.00	195,227.00	171,573.00	88,097.71				
CSP Total					863,766.55	229,136.84	179,732.00	195,227.00	171,573.00	88,097.71				
C&V	No	0125/VG05 National Learning Network Kerry	Capital Refurbishment		29,475.00	5,000.00	24,475.00							
	No	1342/VG05 National Learning Network Portlaoise	Capital Refurbishment		10,454.00	5,000.00	5,454.00							
	No	1331/VG05 National Learning Network Tullamore	Capital Refurbishment		4,792.00	4,792.00								
	No	0298/VG05 National Learning Network Castlereagh	Capital Refurbishment		7,200.00	7,200.00								
	No	1095/VG06 National Learning Network Galway	Capital Refurbishment		4,597.00		4,137.00	460.00						
	No	0333/VG06 National Learning Network Mayo	Capital Equipment		7,133.00		6,420.00	713.00						
	No	0342/VG06 National Learning Network Offaly	Capital Equipment		4,737.00		4,263.00	474.00						
C&V Total					68,388.00	21,992.00	44,749.00	1,647.00	0.00	0.00	0.00	0.00	0.00	0.00
DAF	No	1426/04 RehabCare	Direct Programme Costs (incl Salaries)		41,946.00	15,092.00	25,657.00							
	No	2888/06 National Learning Network	Direct Programme Costs (incl Salaries)		37,620.00		19,105.00	10,100.00	4,653.00	3,762.00				
	No	2961/06 RehabCare	Direct Programme Costs (incl Salaries)		65,270.50		26,156.00	16,233.00	23,347.00	465.50				
	No	3791/06 Quest Brain Injury Services	Capital Equipment		44,699.06			40,323.00		4,376.06				
	No	5721/08 RehabCare	Capital Equipment		35,147.00					17,573.50	17,573.50			
DAF Total					224,682.56	15,092.00	70,918.00	66,656.00	29,197.00	25,246.06	17,573.50	0.00	0.00	0.00
EDS	No	National Learning Network West Cork	Direct Programme Costs (incl Salaries)		378,202.00	56,089.00	289,902.00	32,211.00						
	No	EDS207 National Learning Network Kerry	Direct Programme Costs (incl Salaries)		501,677.00		127,029.00	224,788.00	112,394.00	37,466.00				
EDS Total					879,879.00	56,089.00	416,931.00	256,999.00	112,394.00	37,466.00	0.00	0.00	0.00	0.00
EWM	No	National Learning Network	Direct Programme Costs (incl Salaries) - incl Indirect Salaries c€1,200		21,733.12						-2,266.88			
	No	National Learning Network	Direct Programme Costs (incl Salaries) - incl Indirect Salaries c€1,000		22,756.00						-1,208.00			
EWM Total					44,489.12	0.00	0.00	0.00	24,000.00	23,964.00	-3,474.88	0.00	0.00	0.00
Total					2,170,180.63	322,309.84	712,330.00	520,529.00	337,164.00	174,773.77	14,098.62	0.00	0.00	88,975.40

Table 1: Summary of Project Data									
Item	Description	Unit	Quantity	Unit Price	Total Price	Material	Labour	Overhead	Profit
1	Excavation and foundation work	m ³	100	150	15000	8000	4000	2000	1000
2	Reinforcement concrete slab	m ²	200	75	15000	10000	5000	2000	1000
3	Brickwork for walls	m ²	500	30	15000	8000	4000	2000	1000
4	Roofing with tiles	m ²	300	50	15000	6000	3000	1500	500
5	Plumbing and electrical work	hr	100	100	10000	5000	3000	1500	1000
6	Landscaping and garden	hr	50	80	4000	2000	1000	500	200
7	Painting and finishing	hr	80	60	4800	2400	1200	600	300
8	Final inspection and handover	hr	20	40	800	400	200	100	50
Total									
					84800	42400	21200	10600	4600

Mr Ted McEnery
Clerk to the Committee
Committee of Public Accounts
Leinster House
Dublin 2

30 April 2014

Re: Public Funding of Rehab

Dear Mr McEnery

I refer to your letter to me of 17th April in respect of the above matter.

The former FÁS organisation had circa 30 annual service contracts with the National Learning Network – NLN limited for each of the years 2000 to 2013. These service contracts, entitled 'Agreements to Collaborate', were managed by the relevant local FÁS training centre, supported by FÁS Head Office. Since the dissolution of FÁS last year, records are held by a combination of SOLAS and a number of Education & Training Boards, these records include information in respect of 2014.

These service contracts, together with the documents generated through the associated financial and operational reporting requirements and central policy interactions with NLN Ltd., have resulted in a very large volume of documents. Within the time available to review this material since receipt of your letter, SOLAS believes that the overwhelming majority of these documents would be available to the Public Accounts Committee without legal or other impediment. It should be noted however that some information, such as personal information in respect of individual learners, would need to be redacted or removed.

Specifically, in relation to the detailed requests contained in your letter:

The level of information required to be collected in connection with the payment of funds to NLN Ltd.

The information required to be collected in connection with the payment of funds is driven by the requirements of the 'Agreements to Collaborate'. The principal requirements relate to the need to provide, *inter alia*, evidence of the recruitment and training of learners with disabilities, the quality assurance obligations in respect of this training, the monthly drawdown of the set capitation fee and the associated verification requirements. The schedule of principal documents was provided to the Committee Secretariat in my letter of 5th February 2014. An expanded list of documents is also provided on the attached schedule to this letter.

In addition to these documents, each individual service contract would itself generate general correspondence held locally in the relevant training centre.

Finally FÁS Head Office would have a range of general correspondence over many years with NLN Ltd. dealing with the evolution of policy in respect of Specialist Training Providers (of which NLN Ltd. is the largest). A significant number of FÁS Board papers were also generated over the 14 year period from 2000 to 2013.

Information in respect of remuneration and management charges

Specialist Training Providers receive a set annual capitation fee for each whole time equivalent person that they train in accordance with the terms of the service contracts. This arrangement was inherited by FÁS in 2000 when responsibility for the provision of specialist training transferred from the National Rehabilitation Board (NRB) to FÁS. The initial capitation fee was reviewed and adjusted over the period 2000 to 2013. In each case the capitation fee applied was approved by the parent department of FÁS. A formal external review: *'Study of the Efficiency and Effectiveness of Vocational Training Services and Rehabilitative Training Services for People with Disabilities provided by Specialist Training Providers'* was undertaken by Indecon who issued a report in 2007. It recommended that the capitation fee be maintained at its current level in real terms and be adjusted for cost inflation and incorporate an incentive for efficiency. In 2010 the annual capitation fee payable to all Specialist Training Providers was reduced by €1,300 to €14,956 per annum and has not been increased since.

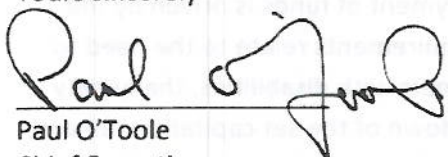
The approved capitation fee encompasses all costs, including remuneration and management charges (but please see next paragraph in this regard). Annual, audited, financial statements were and are available.

In the context of the current review by the Public Accounts Committee, SOLAS received confirmation from NLN Ltd. that no element of the remuneration of the Rehab Group Chief Executive was charged to FÁS / SOLAS nor were any directors fees payable. NLN Ltd. also provided information in respect of remuneration costs of nine senior management posts - both in Rehab Group Ltd. and NLN Ltd. which were charged to NLN Ltd. and thus apportioned to FÁS and others. With the agreement of NLN Ltd., this information is now attached for the information of the Committee.

A schedule providing additional details of documentation held by SOLAS / ETBs is attached as requested.

I will be happy to provide further clarification as required.

Yours sincerely



Paul O'Toole
Chief Executive



National Learning Network

Investing in People, Changing Perspectives

Mr. Martin Lynch
Executive Director
SOLAS,
27 – 33 Upper Baggot Street,
Dublin 4.

Date: 26th February 2014

Re: Information Request of Apportionment of National Learning Network Senior Management Remuneration

Dear Martin,

I am attaching the requested information on apportionment of Senior Management Salaries in National Learning Network. I do so on the understanding that this information is necessary for the verification of salaries in line with the Public Sector Norms. I also understand that the operating guidelines which form part of our Agreement to Collaborate facilitate the provision of this data. I can confirm that the HSE have validated all of these salaries in line with the Public Sector Norms at a recent Meeting with Marie Kelly. They have also confirmed they will not release this data without prior approval from Marie Kelly.

As you can readily appreciate, this information is considered to be sensitive and to be personal data under the Data Protection Legislation. Recognising the importance of transparency with the expenditure of all public monies, NLN wishes to provide the information sought by SOLAS. NLN recognises that this information constitutes personal data of our employees and therefore we entered into consultation with employees. However, certain employees have expressed concern about the proposed disclosure of their salary details to SOLAS. While recognising that this data has been requested by SOLAS for a very particular purpose, which they understand, nevertheless, they are concerned that this data could be made available in a much broader way for e.g. by its onward transmission by SOLAS to PAC who might in turn consider that there is a public interest in the data being made publicly available on its website, as happened recently to a another Group company. There is no permission from staff to facilitate that onward transmission and to do so would breach this right to privacy.

This information is being provided by National Learning Network in the strictest confidence, in line with Data Protection Acts, The Treaty on the Function of the European Union (Lisbon Treaty) and the Charter of Fundamental Freedoms of the EU, which in practical terms means

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E headoffice@nlm.ie W www.nlm.ie

this personal data cannot be disclosed without the express consent of staff to any other individual/company/public body. NLN are making this disclosure only for a specific, explicit and legitimate purpose. As matters stand, the only purpose that could be relied on is to ensure compliance with public sector pay norms. This data cannot be disclosed by SOLAS for any other purpose whatsoever, and once verification has been completed, I would suggest that this data be immediately deleted by SOLAS.

If you have any queries in respect of this information, please do not hesitate to contact Tom Dunne (Divisional Financial Controller – National Learning Network) on (01) 205 7389 or email: tom.dunne@rehab.ie

I trust that the information provided meets your requirements.

Yours sincerely,



Tom Dunne

Financial Controller

National Learning Network

c.c. Marie Kelly, Director of Training and Employment Services

National Learning Network Limited

Number of Staff	Description	Salary €	Pension €	Company Car €	Total Remuneration €	Apportioned to SOLAS
	Director of Education, Training &					
1	Employment Services	150,000	6,420	9,000	165,420	48%
1	Divisional Financial Controller	70,303	4,218	0	74,521	67%
1	Human Resources Manager	62,000	3,720	0	65,720	67%
2	General Management	204,057	12,243	12,377	228,677	67%
3	Regional Management	258,714	15,523	21,249	295,486	67%
1	Principal Psychologist	94,367	5,662	5,754	105,783	67%
Total	9	839,441	47,786	48,380	935,607	

Total cost to SOLAS

€595,427

Note 1

Other than above, there are no additional benefits or allowances provided
All salaries relate to the financial year 2013.

**Schedule of information held by SOLAS/ETBs relating to
NLN LTD.**

Local SOLAS Training Centres/ETBs	Section 1	List of the documents retained on file for each of 30 NLN centres funded by SOLAS to provide specialist vocational training for people with disabilities.
SOLAS Central	Section 2	Types of FÁS/SOLAS Board papers relating to funding and provision of specialist vocational training for people with disabilities.
	Section 3	List of types of policy and other documentation relating to specialist vocational training including provision by NLN

SECTION 1

**List of documents retained on file by SOLAS/ETBs
at local level in respect of each of 30 NLN Specialist
Vocational Training Centres**

Form / Doc Reference	Forms Retained on File
TSS-8b-F14	Annual Training Monitoring Schedule
TSS-8b-F15	Training Monitoring Report
TSS-8b-F17	Trainer Criteria Checklist for External Trainers
TSS-8b-F20	Local Training Specification
TSS-8b-F21	Training Review Report
TSS-8d-F01	Training Specification Checklist & Evaluation Form
TSS-8d-F03	STP Agreement to Collaborate
TSS-8d-F04	STP Agreement to Collaborate Checklist
TSS-8d-F05	Learner Start/Transfer Form
TSS-8d-F07	Revision to Expected Finish Date
TSS-8d-F08	Learner Exit Form
TSS-8d-F09	Learner Late Placement Form
TSS-8d-F10	Visit Report Form
TSS-8d-F11	Monthly Claim Form
TSS-8d-F12	Monthly Claim Summary Form
TSS-8d-F13	Weekly Attendance Sheet
TSS-8d-F14	Payments Checklist

TSS-8d-F24	Business Plan Template STP
TSS-8d-F25	Learner Training Induction Checklist

Form / Doc Reference	Forms / Documents Retained on File
TSS-6c-F03	Learner Request for Assessment Support Approval Form
TSS-6c-F11	Notification of Assessment Event / Assessment Request
-	Accident / Incident Report Form

Letter Reference	Letters Retained On File
TSS-8b-L03	Initial Training Proposal Acknowledgement Letter
TSS-8b-L04	Initial Training Proposal Outcome Letter
TSS-8b-L08	Notification of Training Monitoring Letter
TSS-8b-L09	Training Monitoring Visit Outcome Letter
TSS-8d-L02	TPS & LTS Approval Outcome Letter
TSS-8d-L05	Training Proposal Cover Letter
TSS-8d-L07	Training Proposal Non Approval Letter
TSS-8d-L08	Training Proposal Approval Letter
TSS-8d-L09	Business Plan Template Cover Letter
TSS-8d-L10	Agreement to Collaborate Cover Letter
TSS-8d-L11	Initial Training Proposal Letter

SECTION 2

Types of FÁS/SOLAS Board papers relating to funding and provision of specialist vocational training for people with disabilities

2001-2014

	Types of FÁS/SOLAS Board Papers
1	Funding of annual contracts for specialist training
2	FÁS services for people with disabilities
3	Policy developments/reports/evaluations for people with disabilities
4	New initiative on procurement of specialist training provision

SECTION 3

Types of policy/other documentation relating to specialist training provision by NLN and other

	Types Of Policy/Other Documentation
1	Allocation of Training Places
2	Training Outcomes
3	Contracting/Business Planning
4	Queries from the public/internal correspondence and queries
5	Parliamentary Questions and Representations
6	New Initiatives
7	Computerised Financial Records
8	2007 Indecon Report <i>'Study of the Efficiency and Effectiveness of Vocational Training Services and Rehabilitative Training Services for People with Disabilities provided by Specialist Training Providers'</i>
9	General Correspondence



OIFIG AN ARD-RUNÁI, AN RÍOINN DLI AGUS CIRT AGUS COMHIONANNAIS
OFFICE OF THE SECRETARY GENERAL, DEPARTMENT OF JUSTICE AND EQUALITY

Mr Ted McEnery
Clerk to the Committee of Public Accounts
Leinster House
Dublin 2

Re: Public Funding of Rehab

Dear Mr McEnery,

I refer to your letter of 17th April 2014 relating to the ongoing examination by the Committee of Public Accounts of expenditure by Rehab of public monies.

In this context, you have requested details of the level of information which was required to be collected in connection with the payment of funds to Rehab, particularly in relation to remuneration and management charges.

The following items of information were obtained by the Charities Regulation Unit of the Department of Justice and Equality in 2013 in order to process applications for funding from Rehab under the Charitable Lotteries Fund (CLF);

1. Brief description of the objectives of Rehab,
2. Memorandum and Articles of Association of Rehab,
3. Background information on the lotteries promoted by Rehab,
4. Memorandum and Articles of Association of Rehab Lotteries Ltd,
5. Tax clearance certificates for Rehab Lotteries and Rehab Group,
6. Specimen Lottery Products,
7. List of current permits to conduct lotteries,
8. Activities benefiting from the Charitable Lotteries Fund,
9. Copy of Audited Accounts of the Rehab Group,
10. Auditors Certificates re Gross Sales and Use of Funds,
11. List of Bank Account signatories,
12. Revenue CHY number.

With regard to the above 12 items obtained by this Department in connection with the administration of the CLF, some information relating to remuneration and management charges is contained in the Directors' Report and Consolidated Financial Statements for the Rehab Group for the years 2010, 2011 and 2012 (see item 9 above). These Reports are publicly available from the Companies Registration Office and the Committee would appear to already have this information. However, relevant excerpts from these

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

Consolidated Financial Statements for 2010, 2011 and 2012, obtained in connection with Rehab CLF applications, are attached for information.

Similar to the material already provided to the Committee in January (referred to below), it is my understanding that there is no impediment, legal or otherwise which prevents me from providing any of the information which I have outlined to the Committee.

I should also refer you to my earlier response to your Committee of 29 January 2014, when I enclosed excerpts from Rehab's CLF applications for the years 2011, 2012 and 2013 showing the Rehab use of funding received under the CLF in the previous year i.e. in 2010, 2011 and 2012 (5 documents). A copy of the Report by the Department of Justice and Equality Internal Audit Unit prepared following an audit of funding given to the Rehab Group under the CLF was also forwarded to your Committee on 29 January.

The Probation Service does not provide funding directly to the Rehab group. It does provide annual funding to a community based organisation, Stepping Out Athlone Limited (€200,000 in 2013), for the provision of structured training, education and employment programmes for Probation Service clients in the midlands region as well as prison inreach and outreach services.

Stepping Out is located in the National Learning Network premises in Bellhaven Athlone. The National Learning Network Limited is a wholly owned subsidiary of the Rehab Group. Stepping Out pay an annual fee in the region of €35,000 to the National Learning Network for the provision of administrative, management and professional services.

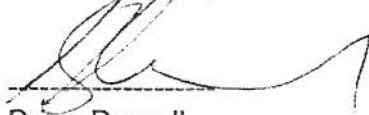
Stepping Out Athlone is required to make monthly client returns and quarterly financial returns through the Probation Service on-line system. These returns are monitored and checked by the Probation Service Community Programmes Unit. Annual grant allocations are paid in quarterly instalments. Failure to provide the necessary financial returns would result in funding being withheld.

Each year a decision on whether to provide funding is made on the basis of an annual business plan and funding application submitted to the Probation Service. The business plan outlines the manner in which the objectives of Stepping Out Athlone are strategically aligned to the work of the Probation Service. It details the expected services and outputs to be provided for the coming year and what was achieved in the previous year.

Stepping Out Athlone also provide a detailed projected income and expenditure account supporting their application for funding. Funding is subject to the provisions of a signed funding agreement which is linked to the achievement of the specific performance targets.

Please let me know if I can assist you further in this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'B. Purcell', written over a horizontal line.

Brian Purcell
Secretary General

28 April 2014

Encl.

Excerpts from Directors' Report & Consolidated Financial Statements for the Rehab Group for the years 2010, 2011 and 2012.

The Rehab Group
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

	31 December 2012	31 December 2011	31 December 2010	31 December 2009	31 December 2008
Experience gains and losses for the year ended 31 December 2012	€'000	€'000	€'000	€'000	€'000
Present value of the defined benefit obligation	(67,270)	(89,514)	(78,778)	(70,133)	(69,535)
Fair value of plan assets	67,270	56,664	55,368	47,352	38,562
Net pension deficit	-	(32,850)	(23,410)	(22,781)	(30,973)
Difference between the expected and actual return on scheme assets	2,929	(6,534)	1,595	2,554	(19,287)
Percentage of scheme assets	4%	(11.53%)	2.88%	5.39%	(50%)
Experience gains and losses on scheme liabilities	(1,751)	2,245	4,605	(1,232)	(5,756)
Percentage of the present value of the scheme liabilities	(3%)	(2.50%)	(5.85%)	1.76%	8.3%
Total recognised in statement of total recognised gains and losses	(26,995)	(11,196)	(436)	8,790	(19,956)
Percentage of the present value of the scheme liabilities	40%	12.51%	0.55%	12.5%	28.7%

(c) Defined Contribution Schemes

For certain Group employees, the pension entitlements are secured by defined contribution schemes. The defined contribution pension charge for the year was €2,326,000 (2011: €2,215,000).

The Rehab Group
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Finance costs	2012	2011
	€'000	€'000
This interest was in respect of:		
Interest receivable	492	537
Interest payable:		
Borrowings wholly repayable within five years	(528)	(617)
Borrowings not wholly repayable within five years	(21)	(24)
	<u>(57)</u>	<u>(104)</u>
Other finance costs re pension scheme:		
Interest on scheme liabilities	(4,795)	(4,541)
Expected return on scheme assets	3,524	3,834
	<u>(1,271)</u>	<u>(707)</u>
Total charge	<u>(1,328)</u>	<u>(811)</u>
6 Taxation	2012	2011
	€'000	€'000
Republic of Ireland		
- Current year	-	-
- Adjustments recognised in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Corporation tax		
- Overseas corporation tax on profit in the current year	(74)	(48)

The Group's operations are substantially not for profit and accordingly avail of the Charities exemption from corporation tax. The remainder of operations which are subject to corporation tax have, where possible, utilised tax losses brought forward to derive a nil charge for tax. The charge above relates to the activities of the Polish branch of Rehab Enterprises Limited.

7 Company surplus for the financial year

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the company is availing of the exemption from presenting its individual revenue account to the Annual General Meeting and from filing it with the Registrar of Companies. The company's deficit for the year before exceptional item is €5,720,000 (2011: surplus of €1,043,000).

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Reconciliation of net cash flow to movement in net debt

	Total cashflow €'000
Decrease in cash during period	(1,218)
Reduction in debt and lease financing	622
Movement in net cash for period	(596)
Net cash at start of year	18,227
Net cash at end of year	17,631

25 Contingent liabilities

Capital grants

The Group receives grants towards capital expenditure. Such grants are treated as deferred credits and are shown in creditors (note 17).

If certain circumstances occur (the most significant of which is that the Group company which received the grants ceases to use the assets to which the grants relate), a certain proportion of these grants could be repayable. The amount repayable should these circumstances have arisen at 31 December 2012 would have been €32.5m (2011: €31m).

26 Directors' remuneration, loans and shareholdings

	2012 €'000	2011 €'000
Directors' remuneration		
The Rehab Group		
Emoluments	-	-
Through subsidiary companies		
Emoluments		
- for services as directors	-	-

During the year services to the value of €1,250 (2011: €29,400) were provided to the Rehab Group and subsidiary companies by Keogh McConnell Spence (KMCS) project managers and chartered quantity surveyors. Barry Keogh is a partner in KMCS. Consultancy services to the value of €66,000 (2011: €11,000) were provided by Laragh Consulting to the Rehab Group and subsidiary companies. Frank Flannery is a director of Laragh Consulting. Also professional services to the value of €12,000 (2011: €5,000) were provided to the Rehab Group by Gene Lambert, a director.

€7,653 (2011: €9,222) has been paid to directors during the year as reimbursement of expenses. No other transactions took place between the directors and the Group. No directors hold shares in any of the Group companies. No loans have been granted by the Group to any of the directors.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Staff costs	2010 €'000	2009 €'000
---------------	---------------	---------------

Surplus for the year has been arrived at after charging:

Staff costs:

- wages and salaries	82,190	88,259
- social welfare costs	8,216	8,471
- defined benefit pension scheme current service cost	3,795	4,335
- other pension costs	2,705	3,267
	<u>96,906</u>	<u>104,332</u>

4 Pensions

The Group operates a number of pension schemes for employees of a number of group companies. The pension schemes include both defined benefit and defined contribution schemes and the assets are all held in separate trustee administered funds. Details of the principal schemes are outlined below.

(a) Defined benefit schemes

The company operates defined benefit pension schemes with assets held in a separately administered fund. Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 January 2008 and is available for inspection by the scheme members but not for public inspection. The schemes are now closed to new entrants.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in pensionable salaries. It was assumed that the investment returns would be 6% per annum and that pensionable salary increases would average 4% per annum over the long term.

That valuation showed that the fund value of the assets of the schemes was €47.9m which represented 77% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contribution rate was increased to 22.6% from 19.4%.

The pension contributions for the year were €4,641,000 (2009: €5,049,000) of which €Nil (2009: €Nil) was payable at the year end. The agreed contribution rate for future years is 22.6%.

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures

The company operates defined benefit schemes. A full actuarial valuation was carried out at 31 December 2010 which formed the basis for the disclosures required under Financial Reporting Standard 17 "Retirement Benefits". The main financial assumptions used in the valuation were:

	31 December 2010	31 December 2009
Rate of increase in salaries	2.00%	2.50%
Rate of increase in pensions in payment	2.00%	1.75%
Discount rate	5.60%	6.00%
Inflation assumption	<u>2.00%</u>	<u>2.00%</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31 December 2010	Market value at 31 December 2010 €'000	Long-term rate of return expected at 31 December 2009	Market value at 31 December 2009 €'000	Long-term rate of return expected at 31 December 2008	Market value at 31 December 2008 €'000
Equities	7.50%	40,285	8.10%	34,330	8.70%	27,402
Bonds	4.40%	13,237	3.20%	11,189	4.30%	9,617
Other assets	5.30%	1,846	5.05%	1,833	5.35%	1,543
		<u>55,368</u>		<u>47,352</u>		<u>38,562</u>

The following amounts at 31 December 2010 and 31 December 2009 were measured in accordance with the requirements of Financial Reporting Standard 17:

	31 December 2010 €'000	31 December 2009 €'000
Total market value of assets	55,368	47,352
Present value of scheme liabilities	(78,778)	(70,133)
Net deficit in the scheme	(23,410)	(22,781)
Related deferred tax liability	-	-
Net pension deficit	<u>(23,410)</u>	<u>(22,781)</u>

The following amounts have been recognised in the performance statements for the year ended 31 December 2010 and 31 December 2009 under the requirements of FRS 17.

	2010 €'000	2009 €'000
Operating surplus		
Current service cost	3,795	4,335
Past service cost	-	-
	<u>3,795</u>	<u>4,335</u>
Other finance (expense)/income		
Expected rate of return on pension scheme assets	3,346	2,843
Interest on pension scheme liabilities	(4,385)	(4,155)
	<u>(1,039)</u>	<u>(1,312)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

	2010 €'000	2009 €'000
Statement of recognised gains and losses		
Actual return less expected return on pension scheme assets	1,595	2,554
Experience gains and losses arising on the scheme liabilities	(2,031)	(1,232)
Changes in assumptions underlying the present value of the scheme liabilities	-	7,468
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	(436)	8,790

The cumulative actuarial loss recognised in the statement of total recognised gains and losses for 6 years up to and including the financial year ended 31 December 2010 is €14.7m.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2010			
At 31 December 2009	47,352	(70,133)	(22,781)
Current service cost	-	(3,795)	(3,795)
Interest on scheme liabilities	-	(4,385)	(4,385)
Expected return on scheme assets	3,346	-	3,346
Actual less expected return on scheme assets	1,595	-	1,595
Experience losses on liabilities	-	(2,031)	(2,031)
Change in actuarial assumptions	-	-	-
Plan participants' contributions	151	(151)	-
Benefit payments	(1,455)	1,455	-
Premiums paid	(262)	262	-
Employer contributions	4,641	-	4,641
At 31 December 2010	55,368	(78,778)	(23,410)

The best estimate of employer contributions expected to be paid to the scheme in the next financial year is €4.92m.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2009			
At 31 December 2008	38,562	(69,535)	(30,973)
Current service cost	-	(4,335)	(4,335)
Interest on scheme liabilities	-	(4,155)	(4,155)
Expected return on scheme assets	2,843	-	2,843
Actual less expected return on scheme assets	2,554	-	2,554
Experience losses on liabilities	-	(1,232)	(1,232)
Change in actuarial assumptions	-	7,468	7,468
Premiums paid	(295)	295	-
Benefit payments	(1,361)	1,361	-
Employer contributions	5,049	-	5,049
At 31 December 2009	47,352	(70,133)	(22,781)

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

Experience gains and losses for the year ended 31 December 2010

	31 December 2010 €'000	31 December 2009 €'000	31 December 2008 €'000	31 December 2007 €'000	31 December 2006 €'000
Present value of the defined benefit obligation	78,778	70,133	69,535	62,343	60,247
Fair value of plan assets	55,368	47,352	38,562	50,080	52,881
Pension (deficit)/surplus	(23,410)	(22,781)	(30,973)	(12,263)	(7,366)
Difference between the expected and actual return on scheme assets	1,595	2,554	(19,287)	(5,830)	2,453
Percentage of scheme assets	2.88%	5.39%	50%	11.6%	4.6%
Experience gains and losses on scheme liabilities	4,605	(1,232)	(5,756)	(3,861)	(778)
Percentage of the present value of the scheme liabilities	(5.85%)	1.76%	8.3%	6.2%	1.3%
Total recognised in statement of total recognised gains and losses	(436)	8,790	(19,956)	(4,727)	7,427
Percentage of the present value of the scheme liabilities	0.55%	12.5%	28.7%	7.6%	12.3%

Assumptions regarding future mortality are based on advice from published statistics and experience.

The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2010	2009
Male - member age 65 (current life expectancy)	22.6	21.6
Male - member age 40 (life expectancy at age 65)	24.9	22.7
Female - member age 65 (current life expectancy)	24.3	24.7
Female - member age 40 (life expectancy at age 65)	26.8	25.8

(c) Defined Contribution Schemes

For certain Group employees, the pension entitlements are secured by defined contribution schemes. The defined contribution pension charge for the year was €1,570,000 (2009: €1,738,000).

NOTES TO THE FINANCIAL STATEMENTS - continued

26 Directors' remuneration, loans and shareholdings	2010 €'000	2009 €'000
Directors' remuneration		
The Rehab Group		
Emoluments	-	-
Through subsidiary companies		
Emoluments		
- for services as directors	-	-

During the year services to the value of €46,101 (2009: €Nil) were provided to the Rehab Group by Keogh McConnell Spence (KMCS) project managers and chartered quantity surveyors. Barry Keogh is a partner in KMCS. Also professional services to the value of €12,000 (2009: €6,000) were provided to the Rehab Group by Mr Gene Lambert, a director.

€3,122 (2009: €7,286) has been paid to directors during the year as reimbursement of travel expenses. No other transactions took place between the directors and the Group. No directors hold shares in any of the Group companies. No loans have been granted by the Group to any of the directors.

27 Guarantees

Group and company

The company has granted irrevocable guarantees to two of the company's Irish subsidiaries; Rehab Foundation Limited and Rehab Lotteries Limited in respect of their liabilities and losses referred to in Section 5 (c) of the Companies Amendment Act, 1996 which may arise or are likely to arise in respect of the financial year of each of the subsidiary companies commencing on 1 January 2010 and ending on 31 December 2010 and to include those liabilities and losses which will only become apparent between the balance sheet date and the date on which the financial statements are signed in pursuance of Section 156 of the Companies Act, 1963.

Rehab Foundation Limited and Rehab Lotteries Limited consolidated in these financial statements availing of the exemptions granted under Section 17 of the Companies (Amendment) Act, 1986.

The Rehab Group, has given a guarantee to Allied Irish Banks plc in respect of a global overdraft facility of €3.0m on behalf of certain Irish subsidiary companies.

The Rehab Group has given guarantees to the Bank Ireland of €0.8m on behalf of its subsidiary company Rehab Enterprises Limited.

The Rehab Group has given guarantees to the Bank of Ireland of €7.8m on behalf of Rehab Glassco Limited. These guarantees cover facilities which have been used to finance the expansion and upgrading of glass recycling facilities in Naas, County Kildare.

The Rehab Group has given a guarantee to The Secretary of State for Work and Pensions in the United Kingdom guaranteeing due performance of a contract engaging its subsidiary TBG Learning Limited as a prime contractor to deliver Communities Task Force Phase 1.

The Rehab Group has given a guarantee to The Secretary of State for Work and Pensions in the United Kingdom guaranteeing due performance of a contract engaging its subsidiary Momentum Scotland.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Staff costs

	2011 €'000	2010 €'000
Surplus for the year has been arrived at after charging:		
Staff costs:		
- wages and salaries	85,465	82,190
- social welfare costs	7,924	8,216
- defined benefit pension scheme current service cost	2,288	3,795
- other pension costs	3,879	2,705
	<u>99,556</u>	<u>96,906</u>

4 Pensions

The Group operates a number of pension schemes for employees of a number of group companies. The pension schemes include both defined benefit and defined contribution schemes and the assets are all held in separate trustee administered funds. Details of the principal schemes are outlined below.

(a) Defined benefit schemes

The company operates defined benefit pension schemes with assets held in a separately administered fund. Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 January 2011 and is available for inspection by the scheme members but not for public inspection. The schemes are now closed to new entrants.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in pensionable salaries. It was assumed that the investment returns would be 6.2% now, reducing to 5.70% by 2023 and that pensionable salary increases would average 2% per annum over the long term.

That valuation showed that the fund value of the assets of the schemes was €53.7m which represented 68% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contribution rate is an annual payment of €3,390,000 per annum, increasing at 3% per annum. In addition, regular employer contributions of 8.9% of pensionable salary roll for contributory members.

Employees accruing future service benefits now contribute 8% of pensionable salary. These payments are in addition to employer contributions outlined above.

The pension contributions for the year were €4,751,000 (2010: €4,641,000) of which €nil (2010: €nil) was payable at the year end.

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures

The company operates defined benefit schemes. A full actuarial valuation was carried out at 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

The amounts recognised in the balance sheet at 31 December 2011 and 31 December 2010 were measured in accordance with the requirements of Financial Reporting Standard 17 and were as follows:

	31 December 2011 €'000	31 December 2010 €'000
Total market value of assets	56,664	55,368
Present value of scheme liabilities	(89,514)	(78,778)
Net deficit in the scheme	(32,850)	(23,410)
Related deferred tax liability	-	-
Net pension deficit	(32,850)	(23,410)

The following amounts have been recognised in the performance statements for the year ended 31 December 2011 and 31 December 2010 under the requirements of FRS 17.

	2011 €'000	2010 €'000
Operating surplus		
Current service cost	2,288	3,795
Past service cost	-	-
	<u>2,288</u>	<u>3,795</u>
Other finance (expense)/income		
Expected rate of return on pension scheme assets	3,834	3,346
Interest on pension scheme liabilities	(4,541)	(4,385)
	<u>(707)</u>	<u>(1,039)</u>
Statement of recognised gains and losses		
Actual return less expected return on pension scheme assets	(6,534)	1,595
Experience gains and losses arising on the scheme liabilities	2,245	4,605
Changes in assumptions underlying the present value of the scheme liabilities	(6,907)	(6,636)
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	<u>(11,196)</u>	<u>(436)</u>

The cumulative actuarial loss recognised in the statement of total recognised gains and losses recorded by the Group up to and including the financial year ended 31 December 2011 is €25.9m.

The actual return on plan assets was:

	2011 €'000	2010 €'000
Actual return on plan assets	<u>(2,700)</u>	<u>4,941</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2011			
At 31 December 2010	55,368	(78,778)	(23,410)
Current service cost	-	(2,288)	(2,288)
Interest on scheme liabilities	-	(4,541)	(4,541)
Expected return on scheme assets	3,834	-	3,834
Actual less expected return on scheme assets	(6,534)	-	(6,534)
Actuarial loss	-	(4,662)	(4,662)
Plan participants' contributions	913	(913)	-
Benefit payments	(1,540)	1,540	-
Premiums paid	(128)	128	-
Employer contributions	4,751	-	4,751
At 31 December 2011	56,664	(89,514)	(32,850)

The best estimate of employer contributions expected to be paid to the scheme in the next financial year is €4.780m.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2010			
At 31 December 2009	47,352	(70,133)	(23,410)
Current service cost	-	(3,795)	(3,795)
Interest on scheme liabilities	-	(4,385)	(4,385)
Expected return on scheme assets	3,346	-	3,346
Actual less expected return on scheme assets	1,595	-	1,595
Actuarial loss	-	(2,031)	(2,031)
Plan participants' contributions	151	(151)	-
Benefit payments	(1,455)	1,455	-
Premiums paid	(262)	262	-
Employer contributions	4,641	-	4,641
At 31 December 2010	55,368	(78,778)	(23,410)

All of the scheme liabilities above arise from schemes that are wholly or partly funded.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

Risks and rewards arising from the assets

At 31 December 2011 the scheme assets were invested in a diversified portfolio that consisted primarily of equities, bonds and properties. The fair value of the scheme assets as a percent of total scheme assets are set out below:

	2011 %	2010 %
(as a percentage of total scheme assets)		
Equities	70.92	72.76
Bonds	26.10	23.91
Property	2.10	2.15
Other	0.88	1.19

Scheme assets do not include any of the Rehab Group's own financial instruments, or any property occupied by The Rehab Group.

Expected rate of return

	2011 %	2010 %
Expected long-term rate of return on assets overall	6.00	6.68
Consists of:		
- Equities	7.50	7.50
- Bonds	4.40	4.40
- Property	6.50	6.50
- Other	3.00	3.00

Basis of expected rate of return on scheme assets

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on least risk investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This rate was then reduced by 0.6% to allow for the impact of the pensions levy in 2012 and this resulted in the selection of the 6.00% assumption for 2012.

The main actuarial assumptions used in the valuation were:

	31 December 2011	31 December 2010
Rate of increase in salaries	2.00%	2.00%
Rate of increase in pensions in payment	2.00%	2.00%
Discount rate	5.20%	5.60%
Inflation assumption	2.00%	2.00%

Assumptions regarding future mortality are based on advice from published statistics and experience.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2011	2010
Male - member age 65 (current life expectancy)	22.6	22.6
Male - member age 40 (life expectancy at age 65)	24.9	24.9
Female - member age 65 (current life expectancy)	24.3	24.3
Female - member age 40 (life expectancy at age 65)	26.8	26.8

Experience gains and losses for the year ended 31 December 2011

	31 December 2011 €'000	31 December 2010 €'000	31 December 2009 €'000	31 December 2008 €'000	31 December 2007 €'000
Present value of the defined benefit obligation	89,514	78,778	70,133	69,535	62,343
Fair value of plan assets	56,664	55,368	47,352	38,562	50,080
Net pension deficit	(32,850)	(23,410)	(22,781)	(30,973)	(12,263)
Difference between the expected and actual return on scheme assets	(6,534)	1,595	2,554	(19,287)	(5,830)
Percentage of scheme assets	(11.53%)	2.88%	5.39%	(50%)	(11.6%)
Experience gains and losses on scheme liabilities	2,245	4,605	(1,232)	(5,756)	(3,861)
Percentage of the present value of the scheme liabilities	(2.50%)	(5.85%)	1.76%	8.3%	6.2%
Total recognised in statement of total recognised gains and losses	(11,196)	(436)	8,790	(19,956)	(4,727)
Percentage of the present value of the scheme liabilities	12.51%	0.55%	12.5%	28.7%	7.6%

(c) Defined Contribution Schemes

For certain Group employees, the pension entitlements are secured by defined contribution schemes. The defined contribution pension charge for the year was €2,215,000 (2010: €1,570,000).

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Reconciliation of net cash flow to movement in net debt

	Total cashflow €'000
Increase in cash during period	263
Reduction in debt and lease financing	813
Movement in net cash for period	1,076
Net cash at start of year	17,151
Net cash at end of year	18,227

25 Contingent liabilities

Capital grants

The Group receives grants towards capital expenditure. Such grants are treated as deferred credits and are shown in creditors (note 17).

If certain circumstances occur (the most significant of which is that the Group company which received the grants ceases to use the assets to which the grants relate), a certain proportion of these grants could be repayable. The amount repayable should these circumstances have arisen at 31 December 2011 would have been €31m (2010: €34m).

26 Directors' remuneration, loans and shareholdings

	2011 €'000	2010 €'000
Directors' remuneration		
The Rehab Group		
Emoluments	-	-
Through subsidiary companies		
Emoluments		
- for services as directors	-	-

During the year services to the value of €29,400 (2010: €46,101) were provided to the Rehab Group and subsidiary companies by Keogh McConnell Spence (KMCS) project managers and chartered quantity surveyors. Barry Keogh is a partner in KMCS. Consultancy services to the value of €11,000 were provided by Laragh Consulting to the Rehab Group and subsidiary companies. Frank Flannery is a director of Laragh Consulting. Also professional services to the value of €5,000 (2010: €12,000) were provided to the Rehab Group by Gene Lambert, a director.

€9,222 (2010: €3,122) has been paid to directors during the year as reimbursement of expenses. No other transactions took place between the directors and the Group. No directors hold shares in any of the Group companies. No loans have been granted by the Group to any of the directors.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Staff costs

The average number of persons employed by the group during the year 2012 was 3,410 (2011: 3,276).

	2012 €'000	2011 €'000
Surplus for the year has been arrived at after charging:		
Staff costs:		
- wages and salaries	84,511	85,465
- social welfare costs	7,868	7,924
- defined benefit pension scheme current service cost	2,640	2,288
- other pension costs	4,658	3,879
	<u>99,677</u>	<u>99,556</u>

4 Pensions

The Group operates a number of pension schemes for employees of a number of group companies. The pension schemes include both defined benefit and defined contribution schemes and the assets are all held in separate trustee administered funds. Details of the principal schemes are outlined below.

(a) Defined benefit schemes

In December 2012 the Rehab Group gave formal notice to the Trustees of their intention to cease its sponsorship of the Defined Benefit Scheme with an effective date of 31 December 2012, in accordance with the scheme rules. Given this decision the Trustees have informed members of their decision to commence wind up of the scheme with effect from 17th March 2013.

The Group's decision has given rise to a curtailment gain which has been offset by the settlement obligation that exists at the year end date. The net gain is calculated as follows:

	€'000
Curtailment gain	58,991
Settlement obligation	<u>(7,082)</u>
	<u>51,909</u>

In 2012, the company operated defined benefit pension schemes with assets held in a separately administered fund. Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 January 2011 and is available for inspection by the scheme members but not for public inspection.

The pension contributions for the year were €4,763,570(2011: €4,751,000) of which €nil (2011: €Nil) was payable at the year end.

Employees accruing service benefits in 2012 contributed 8% of pensionable salary. These payments were in addition to employer contributions outlined above.

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures

A full actuarial valuation was carried out at 31 December 2012.

The effective date of the Rehab Group's cessation of the scheme was 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

The amounts recognised in the balance sheet at 31 December 2012 and 31 December 2011 were measured in accordance with the requirements of Financial Reporting Standard 17 and were as follows:

	31 December 2012 €'000	31 December 2011 €'000
Total market value of assets	67,270	56,664
Present value of scheme liabilities	(67,270)	(89,514)
Net deficit in the scheme	-	(32,850)
Related deferred tax liability	-	-
Net pension deficit	-	(32,850)

The following amounts have been recognised in the performance statements for the year ended 31 December 2012 and 31 December 2011 under the requirements of FRS 17.

	2012 €'000	2011 €'000
Operating surplus		
Current service cost	2,640	2,288
Past service cost	-	-
	2,640	2,288
Other finance expense		
Expected rate of return on pension scheme assets	3,524	3,834
Interest on pension scheme liabilities	(4,795)	(4,541)
	(1,271)	(707)
Curtailment gain	58,991	-
Statement of recognised gains and losses		
Actual return less expected return on pension scheme assets	2,928	(6,534)
Experience gains and losses arising on the scheme liabilities	(1,751)	2,245
Changes in assumptions underlying the present value of the scheme liabilities	(28,172)	(6,907)
Actuarial loss recognised in the statement of total recognised gains and losses	(26,995)	(11,196)

The cumulative actuarial loss recognised in the statement of total recognised gains and losses recorded by the Group up to and including the financial year ended 31 December 2012 is €52.9m.

The actual return on plan assets was:

	2012 €'000	2011 €'000
Actual return on plan assets	6,453	(2,700)

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2012			
At 31 December 2011	56,664	(89,514)	(32,850)
Current service cost	-	(2,640)	(2,640)
Interest on scheme liabilities	-	(4,795)	(4,795)
Expected return on scheme assets	3,524	-	3,524
Actual less expected return on scheme assets	2,929	-	2,929
Actuarial loss	-	(29,923)	(29,923)
Plan participants' contributions	840	(840)	-
Benefit payments	(1,322)	1,322	-
Premiums paid	(129)	129	-
Employer contributions	4,764	-	4,764
Plan curtailments	-	58,991	58,991
At 31 December 2012	67,270	(67,270)	-

The best estimate of employer contributions expected to be paid to the scheme in the next financial year is €1.14m.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities - 2011			
At 31 December 2010	55,368	(78,778)	(23,410)
Current service cost	-	(2,288)	(2,288)
Interest on scheme liabilities	-	(4,541)	(4,541)
Expected return on scheme assets	3,834	-	3,834
Actual less expected return on scheme assets	(6,534)	-	(6,534)
Actuarial loss	-	(4,662)	(4,662)
Plan participants' contributions	913	(913)	-
Benefit payments	(1,540)	1,540	-
Premiums paid	(128)	128	-
Employer contributions	4,751	-	4,751
At 31 December 2011	56,664	(89,514)	(32,850)

All of the scheme liabilities above arise from schemes that are wholly or partly funded.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Pensions - continued

(b) Financial Reporting Standard 17 'Retirement Benefits' disclosures - continued

Risks and rewards arising from the assets

At 31 December 2012 the scheme assets were invested in a diversified portfolio that consisted primarily of cash funds with some equities, bonds and properties. The profile of the assets has changed to more liquid assets in preparation for the wind up of the defined benefit schemes. The fair value of the scheme assets as a percent of total scheme assets are set out below:

	2012 %	2011 %
(as a percentage of total scheme assets)		
Equities	2.69	70.92
Bonds	0.60	26.10
Property	1.84	2.10
Other - mainly consisting of cash	94.87	0.88

Scheme assets do not include any of the Rehab Group's own financial instruments, or any property occupied by The Rehab Group.

Expected rate of return	2012 %	2011 %
Expected long-term rate of return on assets overall	-	6.00
Consists of:		
- Equities	-	7.50
- Bonds	-	4.40
- Property	-	6.50
- Other	-	3.00

The main actuarial assumptions used in the valuation were:

	31 December 2012	31 December 2011
Rate of increase in salaries	2.00%	2.00%
Rate of increase in pensions in payment	2.00%	2.00%
Discount rate	3.90%	5.20%
Inflation assumption	2.00%	2.00%

Assumptions regarding future mortality are based on advice from published statistics and experience.

The assumed life expectations of retirement at age 65

	2012	2011
1 Retiring today (member age 65)	23.30	23.10
2 Retiring in 20 years (member age 45 today)	25.80	25.60



Oifig an Ard-Rúnaí
An Roinn Coimirce Sóisialaí
Áras Mhic Dhiarmada
Sráid Stórais
Baile Átha Cliath 1

Office of the Secretary General
Department of Social Protection
Áras Mhic Dhiarmada
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(01) 7043000

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30th April 2014

Mr. Ted McEnery
Clerk to the Committee
Committee of Public Accounts
Leinster House
Dublin 2

Re: Public Funding of Rehab

Dear Mr. McEnery,

Further to your letter of 17th April 2014, please see attached a schedule as requested showing
(i) the nature of information/type of documents held by the Department in respect of funding provided to the Rehab group of companies
(ii) details of any impediment, legal or otherwise that could prevent the Department revealing the full information to the Committee in relation to the payments.

You will recall I provided the Committee with detailed information in relation to the schemes and categories of payment involved with my letter of 26th March 2014.

As the Department is a Data Controller under the Data Protection Act, information provision to third parties would be subject to that Act.

Please let me know if further information is required.

Yours sincerely

Niamh O'Donoghue
Secretary General

Name of DSP Scheme / payment category	(i) Nature of information / types of documents held by the Department in relation to funding provided to Rehab	(ii) Any impediment, legal or otherwise that could prevent DSP revealing the full information to the Committee of Public Accounts
1. Wage Subsidy Scheme	WSS applications/invoices from employers in respect of individual employees.	Data Protection (Personal information)
2. Community Employment (CE) Direct	CE Agreement Schedule & Agreement Form CE Contract Authorisation Form CE Participant & Supervisor Allowance Claim Form Material Grant Claim Form Training Grant Claim Form End of contract Payment Reconciliation Form Tax Clearance Certificate	None None Data Protection (Personal information) None None None None
Community Employment (CE) Indirect	Rehab avails of CE places from other CE schemes. In this instance Rehab does not receive any direct funding from the Department. All CE participants are paid directly by the Sponsoring organisation and not by Rehab.	Documentation available, as per CE Direct above.
3. LoCall Leaflet Line	Payments in respect of the information leaflet and forms despatch service (LoCall Leaflet line) are made on foot of receipt of monthly invoices from Rehab Enterprises Ltd. Copies of monthly invoices are retained by DSP.	None
4. Disability Activation	Pobal manage this project on behalf of DSP so the	Documentation is held by Pobal.

Project	paperwork/information around the individual projects (including the 3 Rehab-related ones) is held by Pobal.	
<p data-bbox="403 1780 432 2029">5. Other Payments</p> <p data-bbox="544 1742 695 1982">Confidential Waste Processing and general maintenance</p> <p data-bbox="804 1733 919 1982">Disability Activation and Employment Support Grant</p>	<p data-bbox="544 1048 659 1704">Verified invoices from Rehab Enterprises Limited – for payment in respect of confidential waste collection and confidential bin rental for former FAS and CWS offices.</p> <p data-bbox="836 1099 906 1704">Applications/approvals for individual employees or employers are held in the DSP Divisions.</p>	<p data-bbox="549 949 576 1016">None</p> <p data-bbox="823 546 855 1016">Data Protection (personal information).</p>



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government



Oifig an Ard Rúnaí
Office of the Secretary General

30 April 2014.

Mr. Ted McEnery,
Clerk, Committee of Public Accounts,
Leinster House,
Dublin 2.
Dear Mr. McEnery,

I refer to your letter of 17 April 2014 in relation to public funding of Rehab. An examination of records in the Department in the time available indicates that in the period from 1 January 2011:

- The sum of €356.11 was paid to Rehab Recycle for the recycling of ICT equipment and removal of recyclable waste;
- The sum of €17,573.50 was paid under the Rapid Programme to RehabCare in respect of the purchase of a bus to transport service beneficiaries (this was the second and final payment instalment – a payment of €17,573.50 was also made in 2010);
- Capital funding of €4,516,447 was made available to local authorities under the Capital Assistance Scheme (CAS) in respect of 7 housing projects undertaken by Newgrove Housing Association, which is part of the Rehab Group and an approved body under the Housing Acts; details of the projects and funding are attached.

Under the CAS, capital grants are made available to local authorities to enable them to advance loans to approved bodies to provide suitable accommodation that meets specified needs; the loans are non-repayable subject to the accommodation being let to eligible persons and being maintained adequately. The detailed administration of CAS; certification that projects comply with the terms and conditions of the scheme; and processing of applications for funding are the responsibility of the relevant local authority. Projects may be undertaken by way of acquisition or construction. In the case of construction, eligible costs comprise site acquisition, construction works and relevant fees (such as legal and design team costs); final payments are made following assessment and agreement of final accounts by the local authority concerned.

Please contact me if any further information is required.

Yours sincerely,

John McCarthy,

Secretary General



***Payments to Local Authorities under the Capital Assistance Scheme in respect of**

Newgrove Housing Association from 01/01/2011 to date.

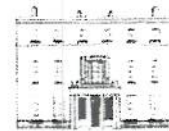
Local Authority Name	Approved Housing Body	Project Address	Number Of Units	Date Of Payment	Value Of Payment
CAVAN COUNTY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	COOTEHILL ROAD DRUMALEE CAVAN	8	21/06/2011	€4,113.00
LEITRIM COUNTY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	15 ROSOG BALLINAMORE LEITRIM	5	27/09/2011	€2,115.00
MONAGHAN COUNTY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	14 WOODLANDS SCOTSTOWN ROAD MONAGHAN	5	29/11/2011	€60,000.00
NORTH TIPPERARY COUNTY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	STRADAVOHER THURLES TIPPERARY	11	28/11/2011 - 30/11/2011	€951,749.00
GALWAY CITY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	24 HEATHERGROVE MERVUE GALWAY	10	05/12/2011	€77,435.00
LIMERICK CITY COUNCIL	NEWGROVE HOUSING ASSOCIATION.	SPECIAL NEEDS HOUSING SEXTON STREET LIMERICK	35	17/11/2011 - 16/12/2011	€3,268,893.00
SLIGO BOROUGH COUNCIL	NEWGROVE HOUSING ASSOCIATION.	LARASSA STRANDHILL ROAD SLIGO	5	10/07/2011 - 31/10/2011	€152,142.00
Total					€4,516,447

*Amounts shown may form only part of the overall amount provided for a particular project.

Local Development Company	Details of LCDP funds to Rehab Companies since 2011
Blanchardstown Area Partnership	In 2011 paid National Learning Network €9,400 (€600 for Literacy and €8,800 for Healthcare Assistant training programme)
	In 2012 paid National Learning Network €14,035 (Healthcare Assistant Training programme)
	In 2013 paid National Learning Network €16,000 (Healthcare Assistant Training Programme and received €16,000 from DSP as match funding for this programme)
	Ran two Healthcare Assistant Training programmes, one over 2011-12 and another over 2012-13. Both of these courses were publicly tendered on the E-tender site as required under the Public Procurement Guidelines.
Avondhu Blackwater Partnership	Nil between 2011-2013. In 2014: An application has been received for Goal 2 Measure 2.4 Health and Education of the LCDP 2014 programme, to part fund the Tunnel Vision project in Mallow. This is a horticultural project for people with disabilities. The Tunnel Vision project is a collaboration between COPE, IWA and NLN. The application is for €2955. This project is eligible under the criteria for LCDP funding allocations, including location priority (RAPID area), target group beneficiary (disability) and enhancing capacity of community organisations (Collaboration).
Waterford Leader Partnership	WLP provided the following funding to the National Learning Network - 2011 National Learning Network (Accredited Learning Programme) Goal 2 €4,200
Rathmines Pembroke Community Partnership Limited	In 2011 RPCP tendered for the delivery of two 12 week programmes in Dublin 6 and Dublin 12 under Goal 2 LCDP. The National Learning Network was awarded the contract and the amount paid was €12,982.66 in total for the two programmes. An additional €100 was paid towards materials.
Wexford Local Development	Sponsored an Award under the Rehab People of the Year Awards in Co. Wexford in 2013 to recognise volunteering under Goal 4. Contribution was €1,500 and was paid to Rehab Care



Oifig an Ard-Rúnaí
An Roinn Oideachais agus Scileanna



AN ROINN DEPARTMENT OF
OIDEACHAIS EDUCATION
AGUS SCILEANNA AND SKILLS

Office of the Secretary General
Department of Education and Skills

Mr. Ted McEnery,
Clerk to the Committee,
Committee of Public Accounts,
Leinster House,
Dublin 2.

30th April 2014.

Our Ref: S1411019

Re. Public Funding of Rehab

Dear Mr. McEnery,

I refer to your correspondence of 17 April regarding payment of funds to Rehab, with particular reference to the payment of funding of €634,000 to the National Learning Network.

I wish to firstly explain that this Department provides funding to the National Learning Network (NLN) for the provision of literacy and numeracy tuition for adults with disabilities attending NLN Centres nationwide.

There are 33 NLN centres nationally catering for adults with various disabilities (such as learning disabilities, physical disabilities, acquired brain injuries for example) which employ approximately 30 tutors/ teachers who provide tuition to approximately 1,300 adults attending the centres.

The Department reimburses the NLN centrally in respect of the provision of tuition by tutors/ teachers on foot of a claim from the NLN each month and confirmation that the tuition being claimed for has taken place, in accordance with the terms of the sanction provided by the Department, a copy of which is enclosed for information.

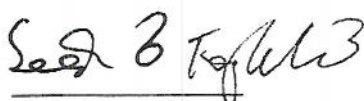
The Department reimburses the NLN based on the prevailing part-time hourly teaching rate and checks are undertaken to ensure tutors/teachers providing tuition in NLN Centres are registered with the Teaching Council of Ireland.

The information held by the Department in this regard is therefore administrative, personal and financial in nature. A schedule of this information is attached. It is considered that personal information such as the names of adults availing of tuition as well as tutor/teacher information is not releasable under the Data Protection Act without those persons' consent.

There is no such impediment preventing the release of administrative or financial information to the Public Accounts Committee.

I trust this clarifies matters raised in your correspondence.

Yours sincerely,



Seán Ó Foghlú,
Secretary General.

Mr. Ted McNulty,
Chair to the Committee,
Committee of Public Accounts,
Leinster House,
Dublin 2.

20th April 2014

Our Ref: SP/11019

Re: Public Funding of NUI

Dear Mr. McNulty,

I refer to your correspondence of 17 April regarding payment of funds to NUI, with particular reference to the payment of funding of €234,000 to the National Learning Network.

I wish to clarify that the Department provides funding to the National Learning Network (NLI) for the provision of literacy and numeracy tuition for adults with disabilities attending NLI centres nationwide.

There are 22 NLI centres nationally catering for adults with various disabilities such as learning disabilities, physical disabilities, acquired brain injuries (for example) which employ approximately 30 tutors/teachers who provide tuition to approximately 1,300 adults attending the centres.

The Department reimburses the NLI centrally in respect of the provision of tuition by tutors/teachers on foot of a claim from the NLI each month and confirmation that the tuition being claimed for has taken place in accordance with the terms of the contract provided by the Department, a copy of which is enclosed for information.

The Department reimburses the NLI based on the prevailing per-hour hourly payment rate and checks are undertaken to ensure tutors/teachers providing tuition in NLI centres are registered with the Teaching Council of Ireland.

The information held by the Department in this regard is therefore administrative in nature and is not subject to the Freedom of Information Act 1997. A schedule of this information is attached. It is requested that personal information such as the names of adults seeking of tuition as well as their contact information is not releasable under the Data Protection Act without those persons' consent.

An Roinn Oideachais agus Scileanna
Corr na Madadh
Baile Átha Luain
Co. na hIarmhí



Department of Education and Skills
Cornamaddy
Athlone
Co. Westmeath

Mr. Paul Coulter,
Head of College,
National Learning Network,
Roslyn Park College,
Beach Road,
Sandymount,
Dublin 4.

23 August 2013.

Re: National Learning Network Centre Funding 2013/14

Dear Mr. Coulter,

I am writing to you in connection with funding arrangements for National Learning Network Centres for the 2013/14 school year. I have previously corresponded with Ms. Carol Daultrey in this regard, who I understand has recently retired.

The Department of Education and Skills wishes to advise the management authorities of the National Learning Network (NLN) Centres of approval to continue with existing funding arrangements for the 2013/14 school year.

The Department is prepared to continue to allocate funding to a maximum number of hours per week in each of the NLN centres, as outlined in the attached appendix, for the 2013/2014 school year, subject to a maximum of 46 weeks.

The applicable rates of payment have recently been sent to Ms. Sineád Barry, Finance Officer, NLN by this Department's Special Needs and Tuition Grants Unit.

I wish to advise you that the qualified rate of grant-aid is payable only in respect of employees who are registered as teachers with the Teaching Council of Ireland and have educational qualifications appropriate to the sector in which they are providing tuition.

Temporary replacement of tutors or new tutors of NLN who have not provided tuition in the 2012/13 school year must have current registration with the Teaching Council before they commence tuition in order to be considered for grant-aid.

The policy of this Department is that, as far as practicable, people appointed to teach are registered teachers with qualifications appropriate to the sector and suitable to the

post for which they are employed, as outlined in Circular Letters 31/2011 and 40/2010, which are available on the Department's website www.education.ie.

I wish to advise you also that, as employer, it is the responsibility of the NLN to arrange for employees' statutory deductions to be made and forwarded to the relevant authorities, in accordance with current legislation.

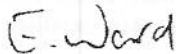
You are requested to confirm, by return, that all employees of your organisation in respect of whom you are claiming grant-aid from the Department have successfully completed a Garda Vetting process. Grant-aid will not be paid in respect of any employee of NLN who has not successfully completed the vetting process.

Employees in respect of whom you are claiming grant-aid who are returning to work after a leave of absence of 2 or more years must also be vetted. Again, you are requested to confirm compliance in this regard by return, please.

Finally, it is requested that claims for refund of grant-aid are submitted by the 10th day of each month to the Special Needs and Tuition Grants Section of this Department on the current claim form which is available on the Department's website, www.education.ie

Please do not hesitate to contact me should you have any query in this regard.

Yours sincerely,



Eamonn Ward,
Special Education Section.

cc: Special Needs and Tuition Grants Section

Appendix

Name of NLN Centre	Maximum number of hours allocated to each centre per week
Arklow NLN	13
Athlone NLN	10
Ballyfermot NLN	15
Bantry NLN	10
Bray NLN	15
Carlow NLN	8
Castlebar NLN	15
Castlerea NLN, Roscommon	8
Cavan NLN	15
Clonmel NLN, Tipperary	10
Cork NLN, Hollyhill	12
Cork - Seward House, Model Farm Road	13
Dundalk, Louth	15
Galway NLN	20
Kildare NLN	7.5
Kilkenny	15
Letterkenny NLN, Donegal	8
Lifford, Donegal	0
Limerick NLN	15
Longford NLN	12
Monaghan NLN	15
Mullingar NLN	30
Navan NLN	15
Phibsboro NLN	8
Portlaoise NLN	10
Roslyn Park NLN, Sandymount, Dublin	42
Sligo NLN	20
Swords, Dublin	15
Tallaght NLN	15
Tralee NLN	10
Tullamore NLN	10
Waterford	10
Wexford	5
Total	441.5

National Learning Network
Schedule of Nature of Information held by Department of Education and Skills

Nature of Information	Document	Description
Administrative	Correspondence	Sanction of tuition in NLN Centres
Administrative/Financial	Correspondence	Notification of hourly teaching rates
Personal	Correspondence	Names of students accessing tuition
Personal	Claim forms	Names of tutors/teachers providing tuition including Teaching Council registration and PPSN details
Administrative	Claim forms	Hours worked by tutors/teachers in each NLN centre
Financial	Claims forms	Amount payable to NLN each month in respect of tuition undertaken
Financial/Administrative	Claim forms	Confirmation of compliancy in matters of employment, tax and Garda Vetting



An Roinn Gnóthaí Eachtracha agus Trádála
Baile Átha Cliath 2

Department of Foreign Affairs and Trade
Dublin 2

29 April 2014

Mr Ted Mc Enery
Clerk to the Committee of Public Accounts
Leinster House
Dublin 2

Dear Mr Mc Enery,

Thank you for your letter of 17 April concerning the ongoing examination by the Public Accounts Committee of expenditure by Rehab.

The Department of Foreign Affairs and Trade provides support under the Emigrant Support Programme (ESP) to Momentum Care Services. Momentum Care Services is a wholly owned subsidiary of Momentum Scotland Ltd, which is in turn a subsidiary of the Rehab Group. In 2013, a grant of Stg£50,000 was made to the Teach Na hÉireann Irish Elders Resource Centre project run by Momentum Care Service. This is a welfare project, aimed at supporting elderly Irish people in Coventry.

The funding is broken down as follows:

Teach Na hÉireann Irish Elders Resource Centre	£50,000
Contribution towards Salaries & NI of Support Worker Staff	£45,000
Contribution towards running costs	£5,000

This project has 8 staff employed - 1 fulltime and 7 part-time workers, with salaries ranging from Stg£4,099 to Stg£26,233. The contribution made under ESP is a contribution to the total costs of running the project which was Stg£216,419 in 2013.

A schedule of documents relating to the 2013 grant paid to Momentum Care Services (Rehab UK) is attached. The Department can of course supply copies of these documents to you should the Committee so require.

Yours sincerely,

David Cooney
Secretary General

Schedule of documents relating to grant of Stg£50,000 paid to Momentum Care Services (Rehab UK) in 2013

Document	Date
Organisational details provided through the Emigrant Support Programme on-line application system	Submitted by the close of 2013 Grant Round (February 2013)
Application for funding for Teach na hEireann Elders Projects - submitted through the Emigrant Support Programme on-line application system	Submitted by the close of 2013 Grant Round (February 2013)
Accounts (year ended 31 December 2011) for Momentum Care Services - submitted through the Emigrant Support Programme on-line application system	Submitted by the close of 2013 Grant Round (February 2013)
Letter of Offer to Momentum Care Services	July 2013
Letter of Acceptance from Momentum Care Services – signed by Chairperson & Treasurer	received 13 August 2013
Progress & Financial Report on 2013 Grant	7 April, 2014