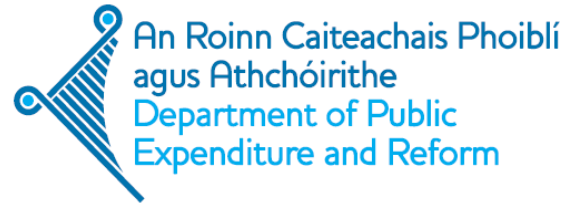




Irish Government Economic & Evaluation Service



Spending Review 2017

Disability and Special Education Related Expenditure

June, 2017

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**Education and Skills, Health and Social Protection Votes
Department of Public Expenditure and Reform**

This paper has been prepared by staff in the Department of Public Expenditure & Reform in the context of the Spending Review 2017. The views presented in this paper do not represent the official views of the Minister for Public Expenditure and Reform, the Department of Education and Skills, the Department of Employment Affairs and Social Protection, or the Department of Health.



Summary

A total of €7,195m will be invested in disability and special education supports across Social Protection, Health, and Education in 2017, representing 13.4% of Government expenditure. During the period 2011 to 2017; total expenditure increased by €1,032m or 16.7% and is currently providing a range of supports to large number of recipients across all three areas. Given the significant expenditure associated with disability, illness and special education supports, the aim of this paper is to provide comprehensive overview of this investment across the three sectors.

Social Protection

- In 2017 the Department of Employment Affairs & Social Protection allocation will provide support to an estimated 333,393 beneficiaries across the range of Disability, Illness and Carer's schemes with associated expenditure of €3,823m.
- Over the period 2011 to 2017 expenditure increased by €372m or 10.8% accompanied by growth of 23,028 or 8.1% in the number of beneficiaries.
- Prior to this, expenditure was growing at an average of €295m per year over the period 2005 to 2009 driven by both rising payment rates and an increase in the number of scheme beneficiaries. In contrast, payment rates have remained static since 2011, while continued expenditure growth has occurred mainly as a result of an upward trend in recipient numbers across some of the schemes.
- The largest scheme in terms of recipient numbers and expenditure is Disability Allowance, which accounted for €1,358m or 37% of the Disability, Illness and Carer's expenditure in 2016.
- Expenditure on Disability Allowance also grew the most of any scheme in this area over the 2011 to 2016 period – increasing by €220m or 6.3%.
- Further analysis is required to establish the underlying drivers of increases, beyond demographic change, in recipient numbers on Disability, Illness & Carer's supports, and in particular to analyse the growth in Disability Allowance beneficiaries since 2012.

Health

- The HSE allocation for disability services is €1,689m in 2017. This marks an increase of €253m since 2014.
- Around two-thirds of expenditure relates to residential services for approximately 8,500 people, with another 20% of funding going towards providing day services for approximately 25,000 individuals.
- Historically, the majority of services have been provided by Section 38 and 39 bodies rather than by the HSE directly.

- The 2012 value-for-money review of disability services highlighted concerns regarding this arrangement, particularly in relation to resource allocation and the link between inputs and outputs.
- While progress has been made in addressing these issues, it is important that reform in the sector continues in order to ensure that HSE disability spending is optimised and delivers the maximum benefit for individuals.

Education and Skills

- Special educational needs expenditure increased by €464m (38%) between 2011 and 2017 to €1,683m, 18.9% of the Department of Education and Skill's gross current allocation.
- The majority (€1,487m, an estimated 88%) of special education expenditure relates to pay, with additional teacher pay of €1,022m (61% of total) and special needs assistants' pay of €464m (27% of total). A significant proportion of this is attributable to the nature of resource teacher provision and special needs assistants, and the increases in special classes established.
- There have been various drivers of the increase in expenditure on special education including the underlying change in the school age population, the increasing proportion of children who are qualifying for special needs assistance and special educational needs supports, and, in particular, the increasing number of pupils presenting with an autism diagnosis.
- During the period 2011-16, the number of pupils with an Autism Spectrum Disorder (ASD) diagnosis increased by 83%. The current comprehensive review of the SNA scheme provides the opportunity to identify the most appropriate form of support options to provide better outcomes for pupils with special educational needs having regard to the significant amount of Exchequer investment in this area.
- It is of the utmost importance that all special education schemes are monitored, regularly reviewed and revised as necessary, and the outcomes for pupils are captured in a meaningful way to ensure the most appropriate form of support is being provided.

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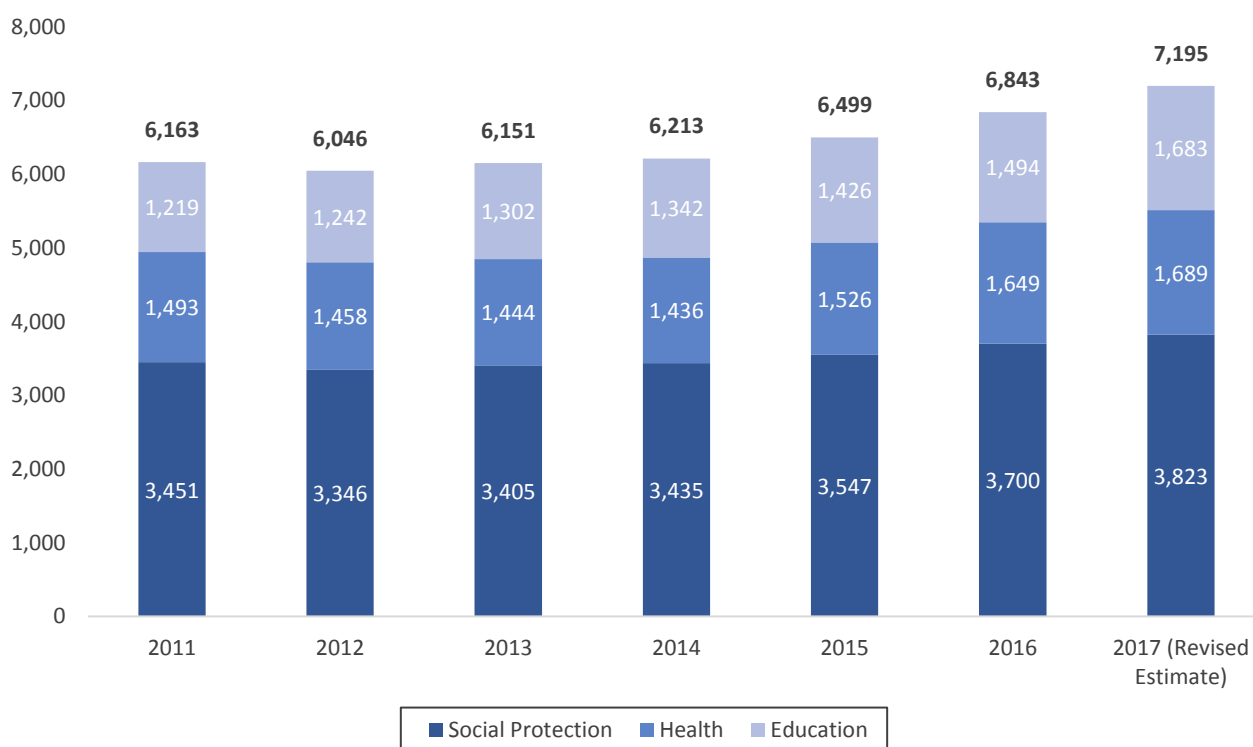
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1. Introduction

According to Census 2016 643,000 people (13.5% of the population) identify as having some form of disability.¹ This marks an increase of 48,000 people since Census 2011, with disability rates increasing among the cohorts aged 35 or under and decreasing for all older age groups.

A proportion of these individuals avail of a range of services provided across a number of different government Departments, including the three largest sectors of Employment Affairs & Social Protection, Health, and Education and Skills. In 2016 308,119 persons were in receipt of a disability-related Social Protection payment, and an estimated 40,000 individuals received some form of health support. In education, approximately 47,000 pupils are accessing resource teaching hours and approximately 32,500 are accessing SNA support.

Figure 1.1: Aggregated disability and special needs expenditure across Social Protection, Health and Education, 2011 to 2017



Source: DPER Statbank

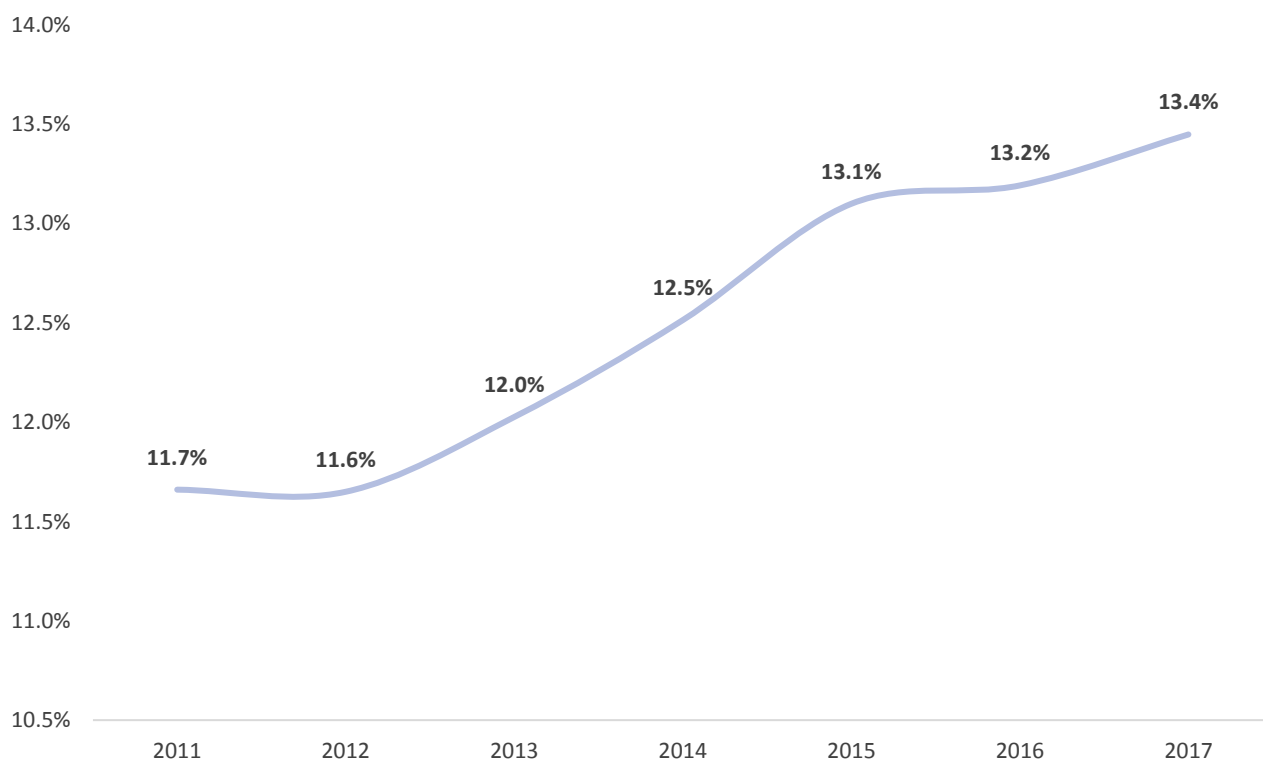
¹ <http://nda.ie/Disability-overview/Disability-Statistics/> The number of people recorded as having a disability is sensitive to what definition is used, and how it is measured. Unlike age or gender, 'disability' is not sharply defined. People's perception of what constitutes a threshold of disability can also vary over time.

In terms of resources, a total of €7,195m will be invested across the breadth of disability and special education supports in 2017², as set out in Figure 1.1. This expenditure includes:

- €3,823m outlined in the Revised Estimates for Public Services 2017 for the range of Social Protection disability related payment supports;
- €1,689m as part of the HSE's National Service Plan 2017 for residential care, day services and other disability supports; and,
- €1,683m for the Department of Education and Skills for the education of pupils with special educational needs.

Disability and special education expenditure has been increasing over the period 2011 to 2017 both in nominal terms, as shown in Figure 1.1, and as a percentage of total Government expenditure, as shown in Figure 1.2. Expenditure grew by €1,032m or 16.7% over that period, increasing from 11.7% to 13.4% of total government expenditure.

Figure 1.2: Disability and special educational needs related expenditure as a percentage of total government gross-current allocation, 2011 to 2017



Source: DPER Statbank

² In addition to these three sectors, expenditure on disability services constitutes a small amount of the total allocation for the Department of Transport, Tourism and Sport and the Department of Housing, Planning, Community and Local Government. However, given the relatively small sums involved, those spends are not considered in this paper.

This has been accompanied by changes in the number of people in receipt of these services and supports. In the period from 2012 to 2016:

- The number of people accessing Social Protection supports increased from 269,027 to 308,119, an increase of 39,092 or 14.5%;
- The number of people accessing HSE-funded residential and day services slightly declined, from 9,038 to 8,371 and from 26,738 to 23,875 respectively; and
- The number of pupils accessing resource teaching hours increased from 3.7% (32,000 pupils) of the school population to 5.2% (47,000 pupils), and the number of pupils accessing SNA supports increased from 2.7% (24,000 pupils) of the school population to 3.6% (32,500 pupils)

Given the significant expenditure associated with disability, illness and special needs supports and the large number of people who access such schemes and services, the objective of this paper is to provide a comprehensive overview of spending in this area in order to inform future policy making and responsible exchequer spending.

- Section 2 examines trends in expenditure on disability and illness-related schemes in Social Protection, covering a range of income supports including Disability Allowance, Carer's Allowance, Illness Benefit and the Invalidity Pension;
- Section 3 explores recent disability expenditure in health, the services funded by this expenditure and a profile of the users of said services;
- Section 4 provides an overview of special education provision, sets out the trends in expenditure over the period 2011 to 2017, identifies the drivers of the main components of this expenditure and outlines recent reforms to the system; and
- Section 5 concludes with a summary of the key findings.

2. Social Protection

€3,823m was allocated to a range of Illness, Disability & Carer's schemes in 2017. This represents 53% of total government spending on disability and special education supports. This section outlines trends across the main disability-related schemes under the aegis of the Department of Employment Affairs & Social Protection. The key objectives of this section are to:

- Trace trends in overall disability-related expenditure over the period 2005 to 2016;
- Disaggregate the changes in expenditure into changes to payment rates and recipient numbers;
- Profile recipients in each of the four largest disability-related schemes, and;
- Draw conclusions regarding future research to be undertaken,

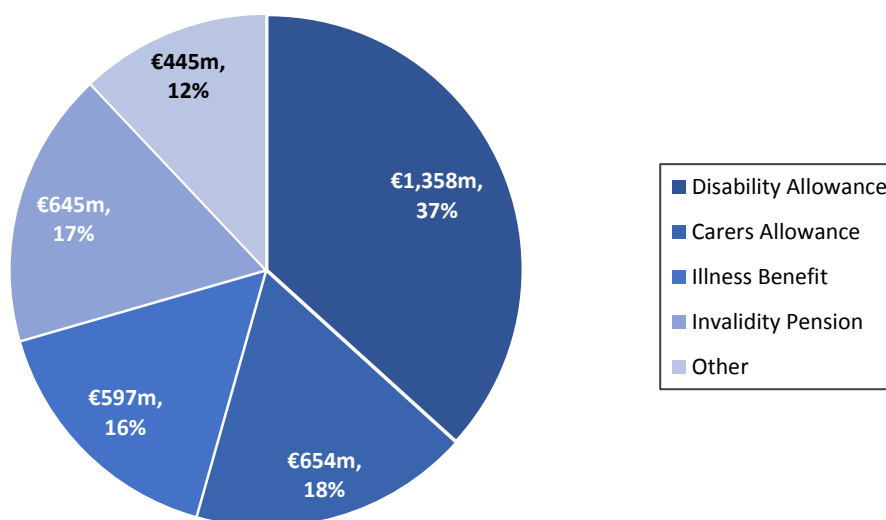
Data Sources

This section of the paper draws on administrative data from the Department of Employment Affairs & Social Protection for the period from 2005 to 2016. These figures outline a number of aspects of Illness, Disability and Carer's schemes over that period, including their expenditure, recipient numbers, weekly payment rates and recipient indicators such as age, gender, and claim duration. Additionally, the section draws on existing wider analysis of the area, including the DSP Value for Money Review of Disability Allowance (2010), and the Second Report of the Advisory Group on Tax and Social Welfare (2012).

Overview of Disability Expenditure

Social Protection expenditure on Disability, Illness and Carers' amounted to €3,700m in 2016. The main four schemes, Disability Allowance, Carers Allowance, Illness Benefit, and the Invalidity Pension accounted for €3,254m (88%) of overall DEASP disability-related expenditure in 2016. Figure 2.1 disaggregates the overall spend on disability and illness supports in 2016 by scheme.

Figure 2.1: Breakdown of DEASP disability expenditure by scheme, 2016



Source: DPER Statbank

Of the four main schemes, expenditure on Disability Allowance was the greatest at €1,358m, or 37% of the total, followed by Carer’s Allowance at 18%, Invalidity Pension at 17%, and Illness Benefit at 16%. ‘Other’ expenditure accounted for 12% of the total and was comprised of a number of smaller schemes, such as the Carer’s Support Grant³, Domiciliary Care Allowance (DCA) and Carer’s Benefit. ‘Other’ expenditure is broken down in Table 2.1 below.

Table 2.1: Expenditure on 'other' disability and illness schemes, 2016

	Expenditure	Share of DSP Disability Expenditure
Carer’s Support Grant	€172m	4.7%
Domiciliary Care Allowance	€133m	3.0%
Disablement Benefit	€75m	2.0%
Carer’s Benefit	€33m	0.9%
Injuries Benefit	€19m	0.5%
Blind Pension	€14m	0.4%

Source: DPER StatBank

Illness, Disability & Carer’s expenditure is drawn from two sources, voted expenditure provided by the exchequer, and the Social Insurance Fund (SIF) which is managed through PRSI contributions. All allowance schemes such as Disability and Carer’s allowance are means tested and provided through voted expenditure. All benefit and pension schemes such as Illness Benefit and the Invalidity Pension are provided through the SIF and are subject to a minimum rate of PRSI contributions before an individual is able to access these benefits. SIF Expenditure Schemes in 2017 are estimated to account for 36% of spending on illness, disability & carer’s while voted expenditure schemes account for the remaining 64%. The majority of this 64% is made up of Disability Allowance which alone accounts for 36% of total spend.

Over the period 2005 to 2016, disability expenditure increased by €1,608m or 77%, this growth is illustrated below.

³ Carer’s Support Grant was previously known as the Respite Care Grant until 2016.

Table 2.2: Expenditure on disability-related supports, 2005 to 2016.

	2005	2006	2007	2008	2009	2010
Disability, Illness and Carer's Expenditure	2,092	2,433	2,854	3,301	3,534	3,565
Annual Change		341	421	447	233	31
Annual change (%)		16.3%	17.3%	15.7%	7.1%	0.9%

	2011	2012	2013	2014	2015	2016
Disability, Illness and Carer's Expenditure	3,451	3,346	3,405	3,435	3,547	3,700
Annual Change		-105	59	30	112	153
Annual change (%)	-3.2%	-3.0%	1.8%	0.9%	3.3%	4.3%

Source: DPER StatBank

Total expenditure on disability and illness related schemes rose from €2,092m in 2005 to €3,700m in 2016. The bulk of this increase occurred between 2005 and 2010, during which time expenditure grew by an annual average of approximately €295m. Expenditure peaked at €3,565m in 2010, decreased in the following two years and then returned to growth from 2013 onwards, with this growth accelerating each year to an average of €133m in 2015 and 2016. Some of this increase can be attributed to the paying of a 75% and 85% Christmas Bonus in 2015 and 2016 respectively.

Disability Allowance experienced the most significant increases in expenditure over the period 2005 to 2016.

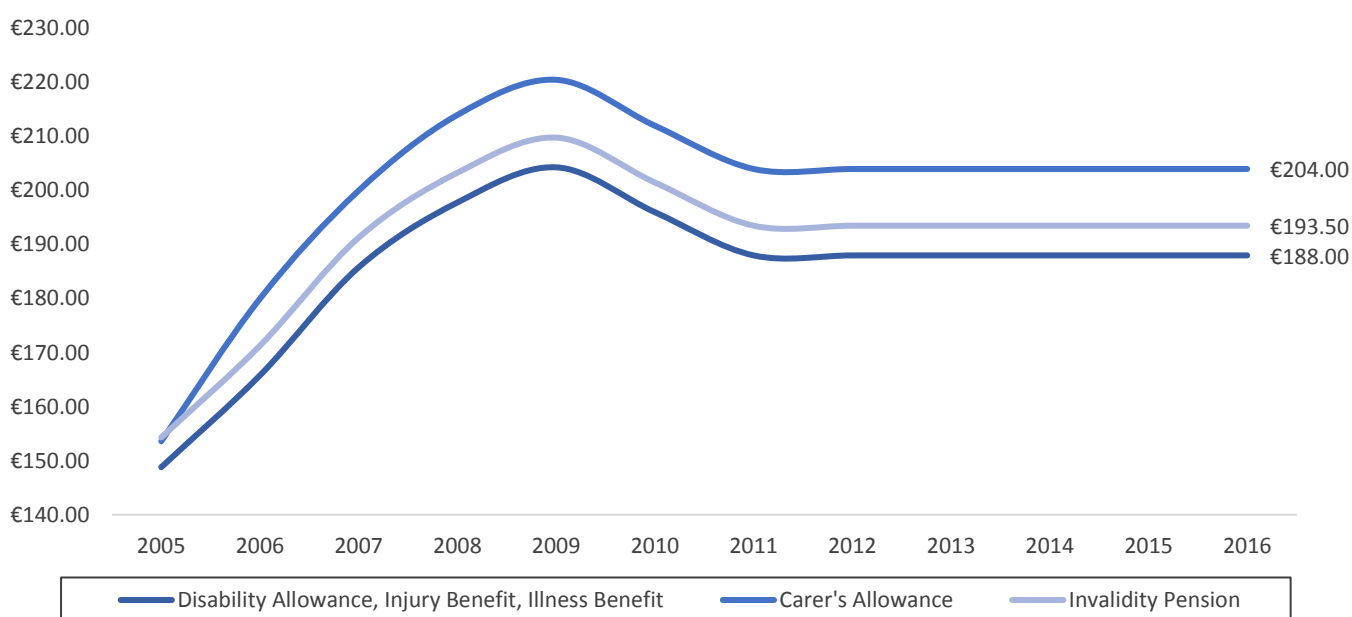
Expenditure on Disability Allowance, Carer's Allowance and Invalidity Pension increased more rapidly than any other disability or illness scheme over the 2005 to 2016 period, at €728m, €431m, and €97m respectively.

Disability and illness scheme expenditure can be broken down into two components: the value of benefits received and the number of benefit recipients. The evolution of disability expenditure can be traced through an analysis of these two components.

Benefit Rates: Prior to the economic downturn, a number of disability support rates increased significantly, as demonstrated by Figure 2.2 below. The weekly rate of payment for Disability Allowance, Injury Benefit and Illness Benefit rose by over €50 between 2005 and 2009, with Carer's Allowance and Invalidity Pension also seeing a similar level of increase. Rates across these schemes fell between 2009 and 2011. Rates for all Disability, Illness and Carer's schemes remained stable from 2012-2016,⁴ but were subject to the €5 rate increases announced in Budget 2017.

⁴The rate for recipients of Carer's allowance aged over 66 increased by €3 a week in Budget 2016 in line with increases to the State Pension.

Figure 2.2 Rate of Disability Weekly Payments



Source: DPER Statbank

Table 2.3 demonstrates that average payment rates across Disability, Illness and Carer’s schemes have increased more than the cost of living as measured by the Consumer Price Index (CPI) over the 2006 to 2016 period.

Table 2.3: Annual percentage change in payment rates and CPI at December, 2006 to 2016

	2006	2007	2008	2009	2010	2011
CPI	4.9%	4.7%	1.2%	-5.0%	1.3%	2.5%
Payment Rates	11.4%	10.2%	6.4%	3.1%	-3.9%	-3.9%

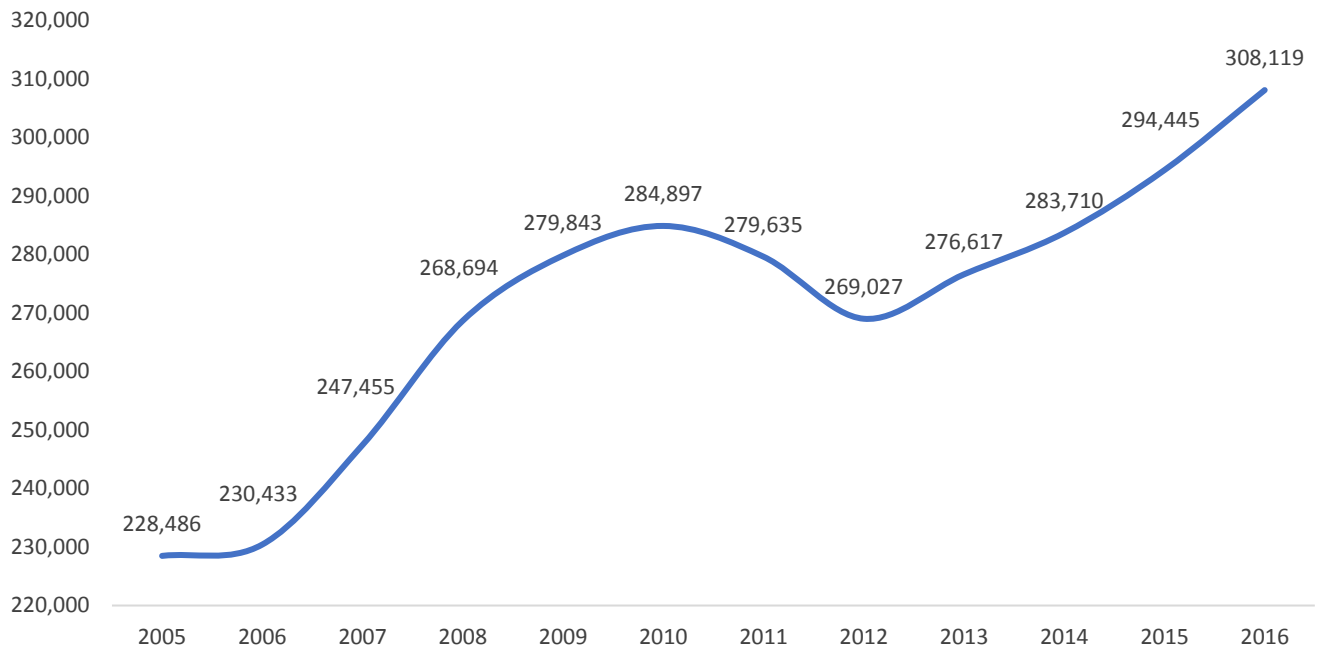
	2012	2013	2014	2015	2016	Aggregate
CPI	1.2%	0.2%	-0.3%	0.1%	0.0%	10.8%
Payment Rates	0.0%	0.0%	0.0%	0.0%	0.0%	23.3%

Source: CSO & DEASP Data

The aggregate change in payment rates over the period was 23.3%, compared to a 10.8% increase in the CPI. This disparity arose between 2006 and 2009, during which time the value of benefits received was increased over successive budgets by a cumulative total of 31%. The cost of living rose by only 5.8% over these years. Additionally, average labour market earnings remained stable over the 2006 to 2015 period⁵.

⁵ Earnings Hours and Employment Costs Survey, CSO.

Figure 2.3: Disability, Illness and Carer's recipients, 2005 to 2016



Source: DEASP Data

Beneficiaries: Figure 2.3 shows that the recipients of disability and illness supports increased by almost 80,000 from 2005 to 2016. Recipient numbers increased significantly between 2006 and 2009, at an average annual rate of 16,400 and then remained relatively stable at approximately 282,000 between 2009 and 2011. Recipient numbers have again been on an upward trend since 2012 with an average annual increase of 9,800.

Disability Allowance

Scheme Overview

Disability Allowance (DA) is a weekly support payable to people with a disability aged 16 years and above. In order to qualify for the scheme, an individual must have an injury, disease, or physical or mental disability that has continued or may be expected to continue for at least one year and as a result of this disability be *substantially restricted* in undertaking work that would otherwise be suitable for a person of that age, experience and qualifications.

Trends

Disability Allowance expenditure doubled between 2005 and 2016, increasing from €631m to €1,358m.

Scheme spend increased by an average of €61m or 7% annually over this period, though this masks considerable variation as can be seen from Table 2.4.

Table 2.4: Disability Allowance expenditure, 2005 to 2016

	2005	2006	2007	2008	2009	2010
Expenditure (€m)	631	738	901	1,053	1,143	1,110
Annual change (€m)		107	163	152	90	-33
Annual change (%)		17%	22%	17%	9%	-3%

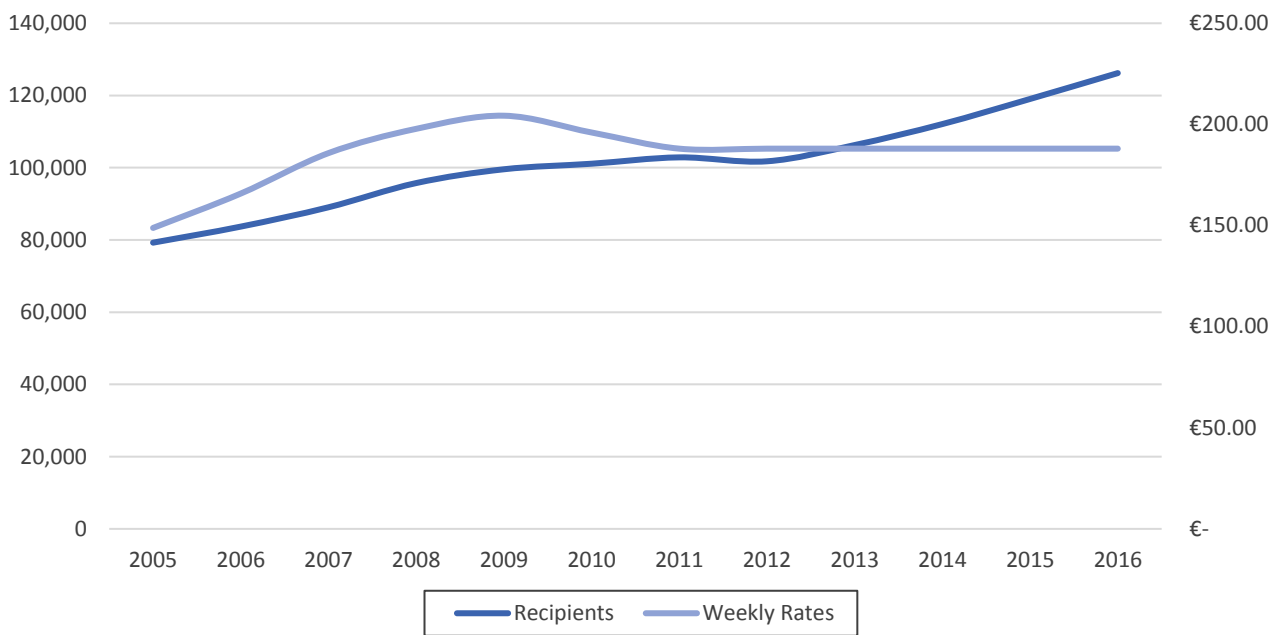
	2011	2012	2013	2014	2015	2016
Spend (€m)	1,089	1,087	1,142	1,238	1,268	1,358
Annual change (€m)	-21	-2	55	96	30	90
Annual change (%)	-2%	0%	5%	8%	2%	7%

Source: DPER Statbank

In terms of expenditure, the period can be broken into three phases:

- **2005 to 2009**, when expenditure increased at an average of €128m annually due to increases in both rates (8% annual average) and recipient numbers (6% annual average).
- **2009 to 2012**, when expenditure fell due to an aggregate 8% reduction in payment rates in Budgets 2010 and 2011. This was partially mitigated by continued increases to scheme recipient numbers, which occurred at a slower rate than the previous four years (1% annual average).
- **2013 to 2016**, when expenditure increased by an average of €72m annually. With payment rates flat, this growth was driven wholly by increased recipient numbers (5.7% annual average).

Figure 2.4: Disability Allowance weekly rate and recipient numbers, 2005 to 2016

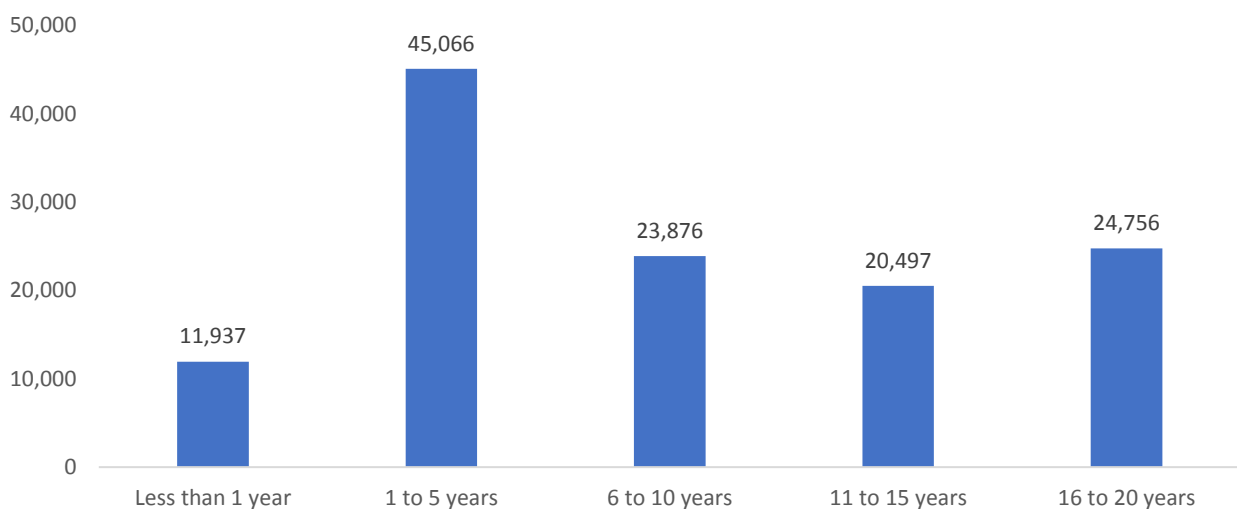


Source: DEASP Data

Recipients

The duration of time spent on Disability Allowance is considerable. Figure 2.5 demonstrates that 54% of the 2016 recipient cohort had been in receipt of the payment for more than five years.

Figure 2.5: Duration of time spent on Disability Allowance, 2016



Source: DEASP Data

Further Research

Recent work, such as the Value for Money (VfM) Review of the Disability Allowance scheme (2010, DSP) and the Disability Allowance Survey (2015, DSP), has expanded the breadth of information and data available. For example, the 2015 Survey assessed the ability and desire to work of a sample of 12,000 recipients, and offered a profile of scheme recipients, including age, gender, regional distribution, type of disability, and engagement with the labour market. The survey found that 50% of scheme recipients reported a disability pertaining to mental health, which is a significant increase on the 30% reported within the 2010 VfM and should therefore be investigated further.

Other reports, including the second report to the Advisory Group on Tax and Social Welfare, have highlighted a number of potential drivers of Disability Allowance.

These included:

- Population changes, including increases, decreases, and ageing trends;
- Changes to the prevalence of disability, or different types of disability, within the population;
- Changes to standard medical definition and diagnosis practices;
- Changes to 'gatekeeping' practices, including means testing, medical assessment, and other qualification criteria;
- Economic factors, including labour market fluctuations and the availability and attractiveness of work; and,
- Movement from other social welfare schemes.

A separate paper analysing the quantitative impact of each of these drivers has been published.

Carer's Allowance

Scheme Overview

Carer's Allowance (CA) is a means-tested payment to individuals looking after someone who requires full-time support due to age, disability or illness.

Trends

Annual expenditure on Carer's Allowance increased by over 190% between 2005 and 2016, from €223m to €654m. On average expenditure increased by 11% annually over the period. The year-on-year variance in expenditure is outlined in Table 2.6 below.

Table 2.5: Carer's Allowance expenditure, 2005 to 2016

	2005	2006	2007	2008	2009	2010
Expenditure (€m)	223	285	361	450	502	502
Annual change (€m)		62	77	89	52	-1
Annual change (%)		28%	27%	25%	12%	0%

	2011	2012	2013	2014	2015	2016
Expenditure (€m)	507	510	555	559	612	654
Annual change (€m)	5	2	45	4	52	42
Annual change (%)	1%	0%	9%	1%	9%	7%

Source: DPER Statbank

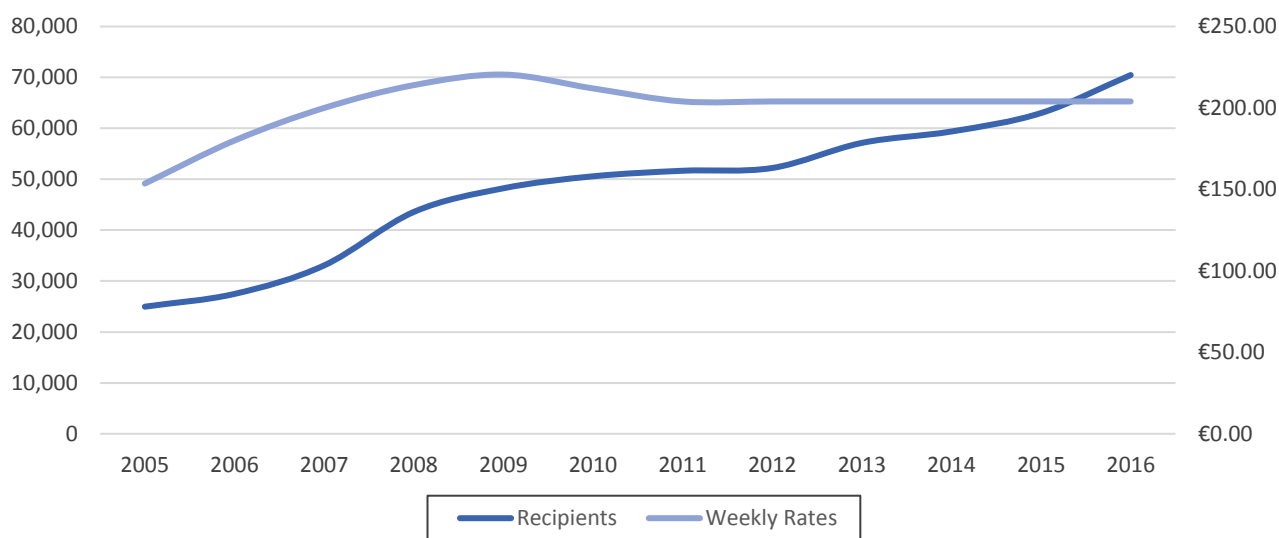
Over the ten-year period there were a number of fluctuations in the level of expenditure growth as depicted in Figure 2.6:

- **2005 to 2009**, scheme expenditure rose from €223m to €502m due to increasing rates (9.5% annual average) and recipients (18% annual average). The significant expenditure increases in 2007 and 2008 in particular may reflect the introduction of the half-rate Carer's Allowance.⁶
- **2009 to 2012**, expenditure remained relatively stable at just over €500m during these years despite a reduction in payment rates between 2009 and 2011 (1% annual average). The negative expenditure impact of lower payment rates was offset by continued increases to recipient numbers (5% annually).

⁶ Half-rate Carer's allowance is payable to recipients who are entitled to another social welfare payment and qualify as carers. This is processed as a top-up of their existing payment.

- **2012 to 2016**, expenditure increased from €510m in 2012 to €654m in 2016. Payment rates remained stable at €204 per week over the period, and the growth in spend was driven by a 35% increase in the number of recipients.

Figure 2.6: Carer’s Allowance weekly rate and recipient numbers, 2005 to 2016

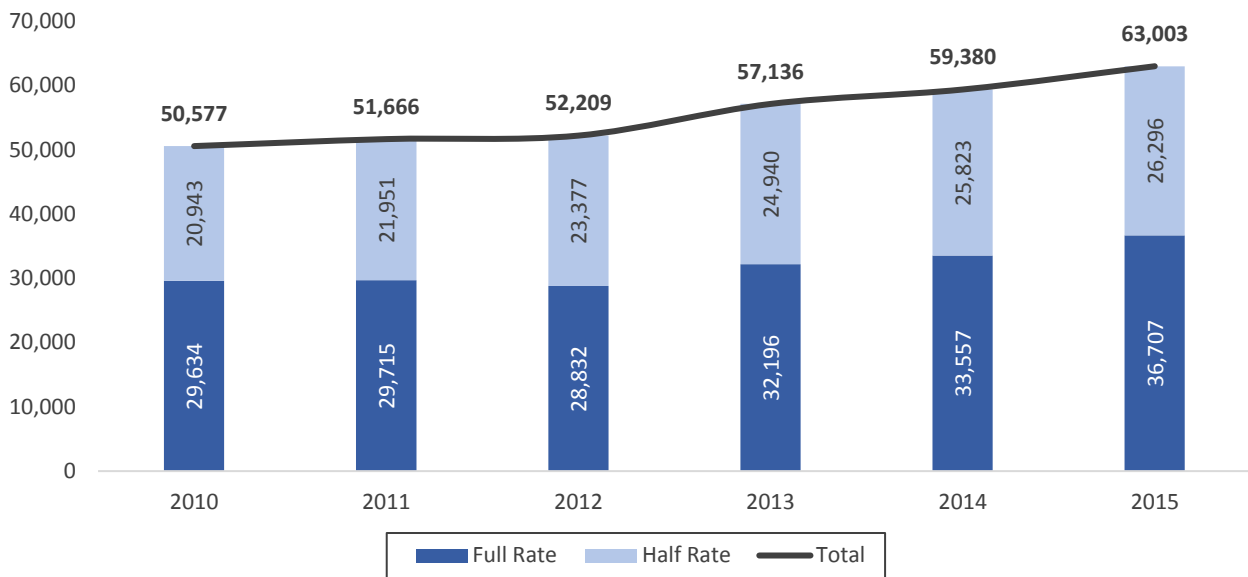


Source: DEASP Data

A half-rate Carer’s Allowance was introduced in 2007. This payment allows recipients to claim half the weekly CA payment in addition to a number of secondary benefits.

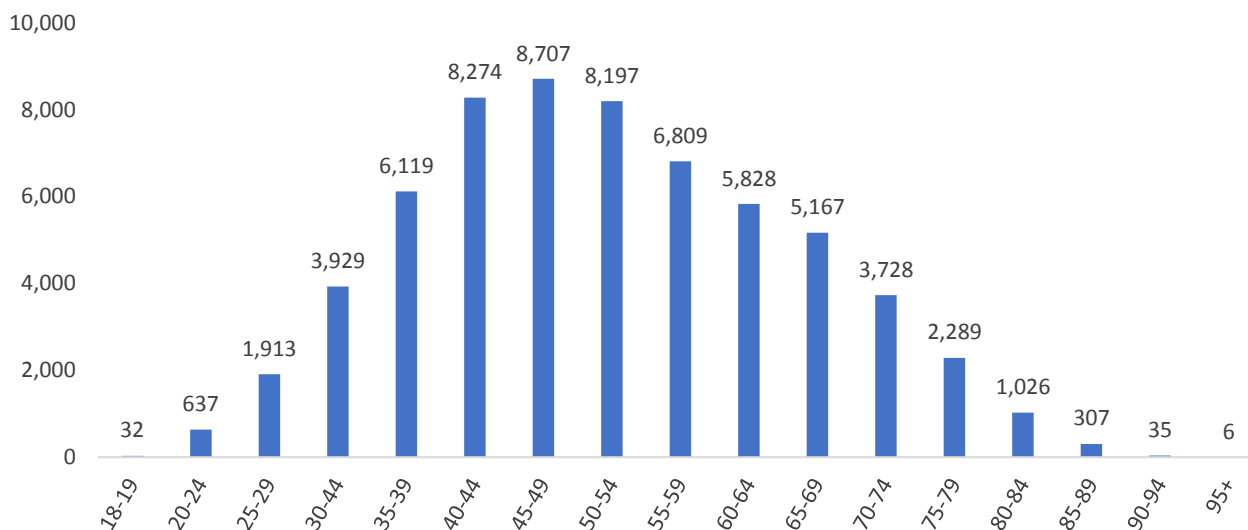
As Figure 2.7 indicates below, the number of recipients of the half-rate Carer’s Allowance has been increasing at approximately the same rate as full-rate Carer’s Allowance since 2010. The number of recipients on both payments increased by 25% between 2010 and 2015. While the rate of increase for both payments has stayed constant to the other, half-rate Carer’s Allowance is payable along with the full rate of another social welfare payment.

Figure 2.7: Full-rate and half-rate Carer's Allowance recipients, 2010 to 2015⁷



Source: DEASP Data

Figure 2.8: Age distribution of Carer's Allowance recipients, 2015



Source: DEASP Data

Recipients

As Figure 2.8 shows, the largest recipient age groups in 2015 were 45-54 years, with a combined total of 16,904 or 26% of the total cohort. Overall recipient numbers increased by 25% between 2010 and 2015, but some age groups grew at different rates over this period. The 50-54 and 75-79 age categories grew fastest at

⁷ Latest available recipient data is 2015.

35% and 32% respectively, whereas the 60-64 and 35-39 groups grew at a slower rate, at 15% and 16% respectively.

Illness Benefit

Scheme Overview

Illness Benefit is a short-term payment for those aged under 66 with a short-term incapacity. It is paid for a maximum of one or two years depending on the number of social insurance contributions made.

Trends

Table 2.6 shows that Illness Benefit expenditure grew by €57m in the period from 2005 to 2016, from €540m to €597m. Expenditure increased dramatically between 2005 and 2010, peaking at €943m in 2010 before falling back closer to 2005 levels in 2015.

Table 2.6: Illness Benefit expenditure, 2005 to 2016

	2005	2006	2007	2008	2009	2010
Expenditure (€m)	540	628	755	852	920	943
Annual change (€m)		88	127	97	68	23
Annual change (%)		16%	20%	13%	8%	3%

	2011	2012	2013	2014	2015	2016
Expenditure (€m)	876	774	649	626	620	597
Annual change (€m)	-67	-102	-125	-23	-6	-23
Annual change (%)	-7%	-12%	-16%	-4%	-0.9%	-3.7%

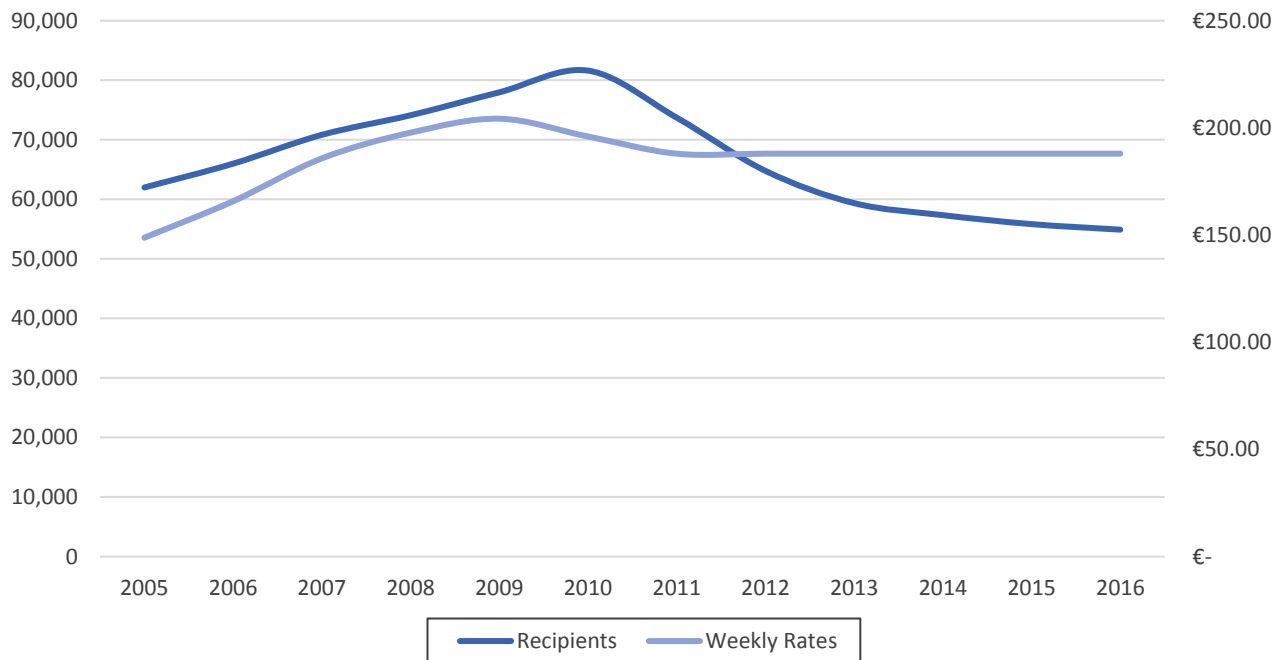
Source: DPER Statbank

Again, the period can be subdivided into three distinct phases:

- **2005 to 2010**, when expenditure increased by an average of €81m annually. As Figure 2.9 demonstrates, this was driven by increases to payment rates (6% per year on average) and recipient numbers (5.5% per year on average).
- **2011 to 2013**, when spending on the scheme reduced significantly, averaging €57m per year. This was mainly due to reductions in scheme recipient numbers, which fell by an annual average of 7,300 (10%) due to reforms in 2009 which limited maximum scheme duration to 2 years for new claimants.

- **2014 to 2016**, with the reduction in scheme expenditure first slowing between 2014 and 2015 and continuing in 2016. Expenditure reduction has slowed as the reduction effect of the two year limit meant that the scheme has reached a natural plateau based on illness prevalence and take up rates.

Figure 2.9: Illness Benefit weekly rate and recipient numbers, 2005 to 2016

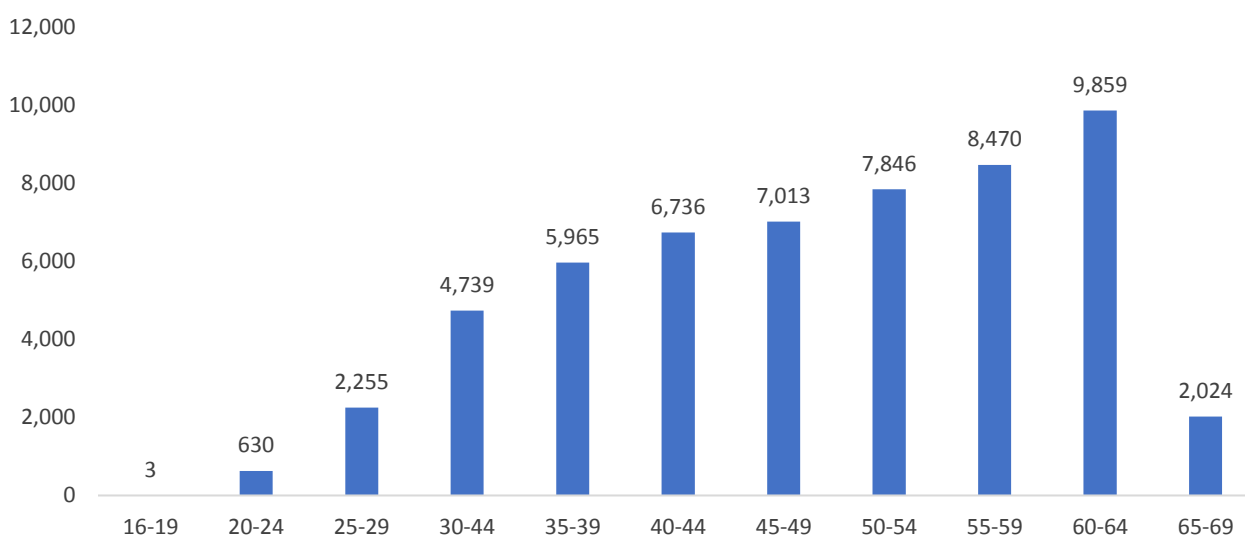


Source: DEASP Data

Recipients

There are very few recipients in the younger age cohorts, with 95% of all recipients aged between 30 and 69. The small numbers of younger recipients is likely due to the scheme eligibility criteria, which require a minimum of 104 weeks of PRSI contributions before the one year payment can be claimed. Correspondingly, the largest age group in 2015 was the 60-64 year olds, of which there were 9,859 (18%).

Figure 2.10: Age profile of Illness Benefit recipients, 2015



Source: DEASP Data

Females accounted for 65% of the 2015 recipient cohort. Table 2.7 demonstrates that females aged 60-64 are the largest group with 5,721 recipients in this category, equating to 10.3% of the total number of people on the scheme. The largest male group are the 60-64 year olds, which make up 7.5% of the total.

Table 2.7: Age and gender profile of Illness Benefit recipients 2015.

Age	Male	% of Total	Female	% of Total
16-19	2	0.0%	1	0.0%
20-24	241	0.4%	389	0.7%
25-29	669	1.2%	1,586	2.9%
30-44	1,398	2.5%	3,341	6.0%
35-39	1,867	3.4%	4,098	7.4%
40-44	2,104	3.8%	4,632	8.3%
45-49	2,220	4.0%	4,793	8.6%
50-54	2,661	4.8%	5,185	9.3%
55-59	3,145	5.7%	5,325	9.6%
60-64	4,138	7.5%	5,721	10.3%
65-69	968	1.7%	1,056	1.9%
Total	19,413	35.0%	36,127	65.0%

Source: DEASP Data

Invalidity Pension

Scheme Overview

Invalidity Pension is a long-term weekly payment to people who cannot work because of a long-term illness or disability, and who have previously made the required number of social insurance contributions. To qualify, a person must have been incapable of work for at least 12 months and likely to be incapable of work either permanently or for another 12 months.

Trends

Expenditure on Invalidity Pension increased by €97m (18%) over the 2005 to 2016 period. As Table 2.8 shows however, there was fluctuation in spend over these years.

- **2005 to 2008**, when expenditure increased by an annual average of €46m (8%). This was predominantly driven by a rise in weekly payment rates from €154.40 in 2005 to €203.30 in 2008.
- **2009 to 2012**, when expenditure fell by an annual average of €21m (4%). This was caused by reductions in recipient numbers (2% annually) and payment rates (1% annually).
- **2013**, when scheme expenditure rose by €104m (17%). One element of this growth was an increase of 3,000 (6%) in recipient numbers. A possible explanation for this increase may be movement into the scheme following policy changes to the Illness Benefit scheme which capped that benefit at a two year duration.
- **2014 to 2016**, when expenditure fell by €64m between 2013 and 2015, despite stable levels of rates at €193.50 and an average annual increase in recipient numbers of 2%. In 2016 expenditure increased by €1m, as compared to the downward trend of the previous two years. The alignment of the personal weekly rate of the scheme with other Social Welfare Payments in Budget 2014 reduced scheme costs in subsequent years.

Table 2.8: Invalidity Pension expenditure, 2005 to 2016

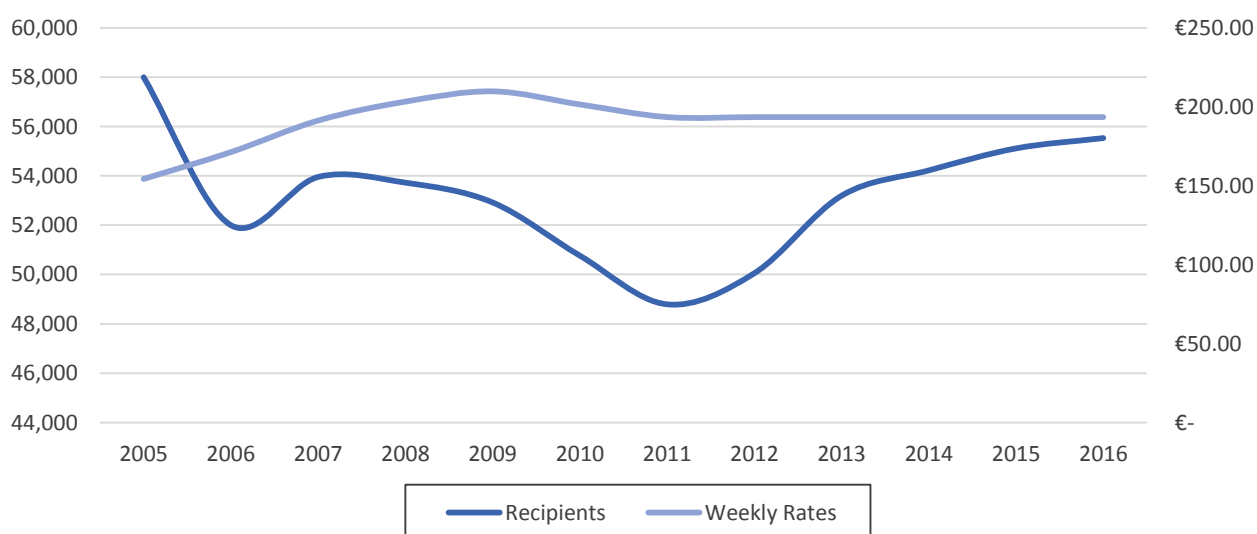
	2005	2006	2007	2008	2009	2010
Expenditure (€m)	548	602	618	686	682	640
Annual change (€m)		54	16	68	-4	-42
Annual change (%)		10%	3%	11%	-1%	-6%

	2011	2012	2013	2014	2015	2016
Expenditure (€m)	607	604	708	651	644	645
Annual change (€m)	-33	-3	104	-57	-7	+1
Annual change (%)	-5%	0%	17%	-8%	-1%	0%

Source: DPER Statbank

Figure 2.11 demonstrates that the numbers of recipients fell between 2007 and 2011, then increased from 2012 to 2016. As already mentioned, this may be related to the two year limit for new entrants which was introduced on the Illness Benefit scheme in 2009.

Figure 2.11: Invalidity Pension weekly rate and recipient numbers, 2005 to 2016.



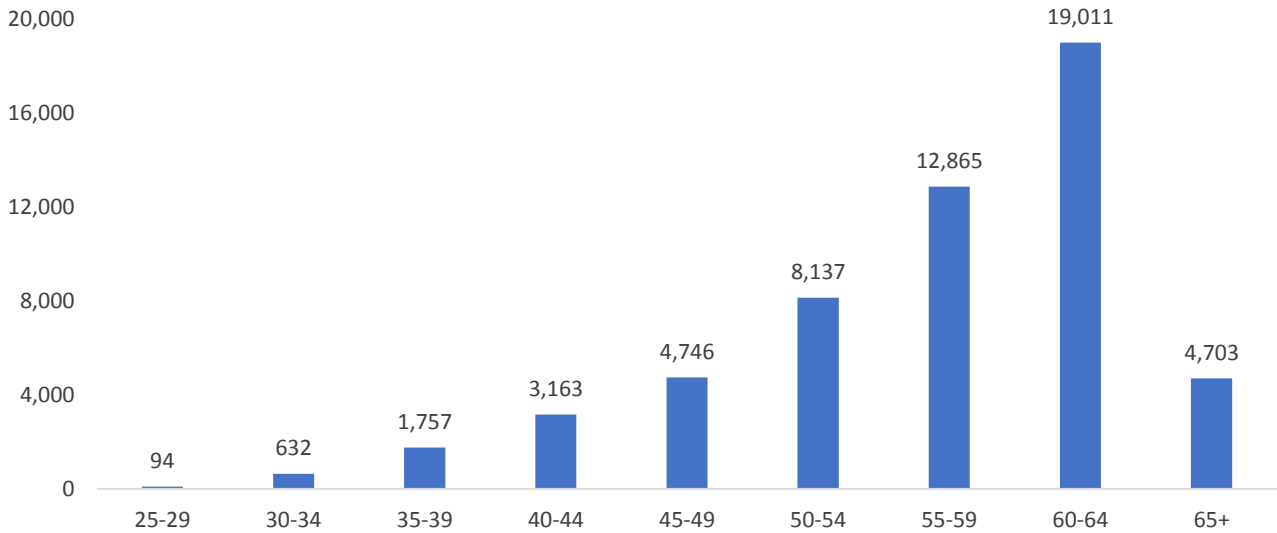
Source: DEASP Data

Recipients

As shown in Figure 2.12 the number of recipients increases with age, with 81% (44,716) over the age of 50. As with Illness Benefit, the small number of young recipients is a function of the scheme eligibility criteria, which require a minimum number of PRSI contributions before the payment can be claimed. Total recipient

numbers increased by 2% between 2014 and 2015, from 54,222 to 55,109. The biggest single category of recipients are those aged between 60 and 64.

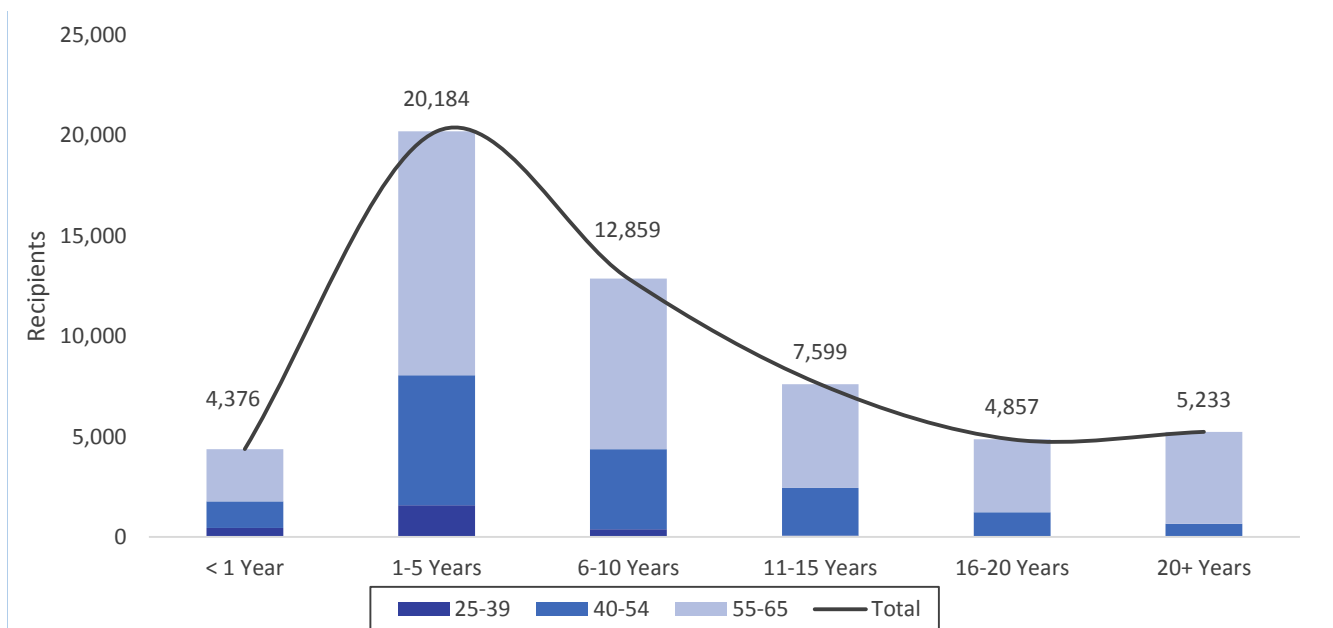
Figure 2.12: Age profile of Invalidity Pension recipients, 2015



Source: DEASP Data

60% of scheme recipients have been claiming the payment for between one and ten years, indicating that time spent on the scheme may be considerable. Figure 2.13 demonstrates that the largest recipient group in terms of duration is 5-10 years at 37% of the total recipient cohort (20,184). The smallest group in terms of claim duration is the less than 1 year category, which represents only 8% of the total. Recipients aged 55-65 comprise the largest proportion of every duration group.

Figure 2.13: Invalidity Pension recipients by duration of claim and age group 2015



Source: DPER Statbank & DEASP Data

Concluding remarks

While this paper has concentrated on passive income supports, DEASP have broadened their active integration policies to support the labour market participation ambitions of people with disabilities. This is reflected in the publication of the Comprehensive Employment Strategy for People with Disabilities and targets set out in the Pathways to Work Strategy regarding activation measures for people with a disability.

Overall, DEASP's Illness, Disability & Carer's related expenditure has increased considerably over the period 2005 to 2016. Over the first part of this period (2005 to 2009), expenditure rose from €2.1bn to €3.5bn, driven by increases to the weekly rates and beneficiary numbers of Disability Allowance, Carer's Allowance and Illness Benefit. Expenditure remained comparatively stable between 2009 and 2012, due to across the board reductions in rates and a fall in the number of Illness Benefit and Invalidity Pension recipients. Finally, expenditure returned to an upward trend between 2012 and 2016, primarily as a result of a substantial increase in the volume of Disability Allowance and Carer's Allowance beneficiaries.

The drivers of volume effects – factors driving the evolution of scheme recipient numbers – are complex. The second report of the Advisory Group on Tax and Social Welfare (2012) identified a number of factors potentially driving increases to Disability, Illness and Carer's expenditure, particularly in relation to rising recipient numbers on the Disability Allowance and Domiciliary Care Allowance schemes.

A separate paper has analysed the drivers behind the increase in the number of recipients of Disability Allowance.

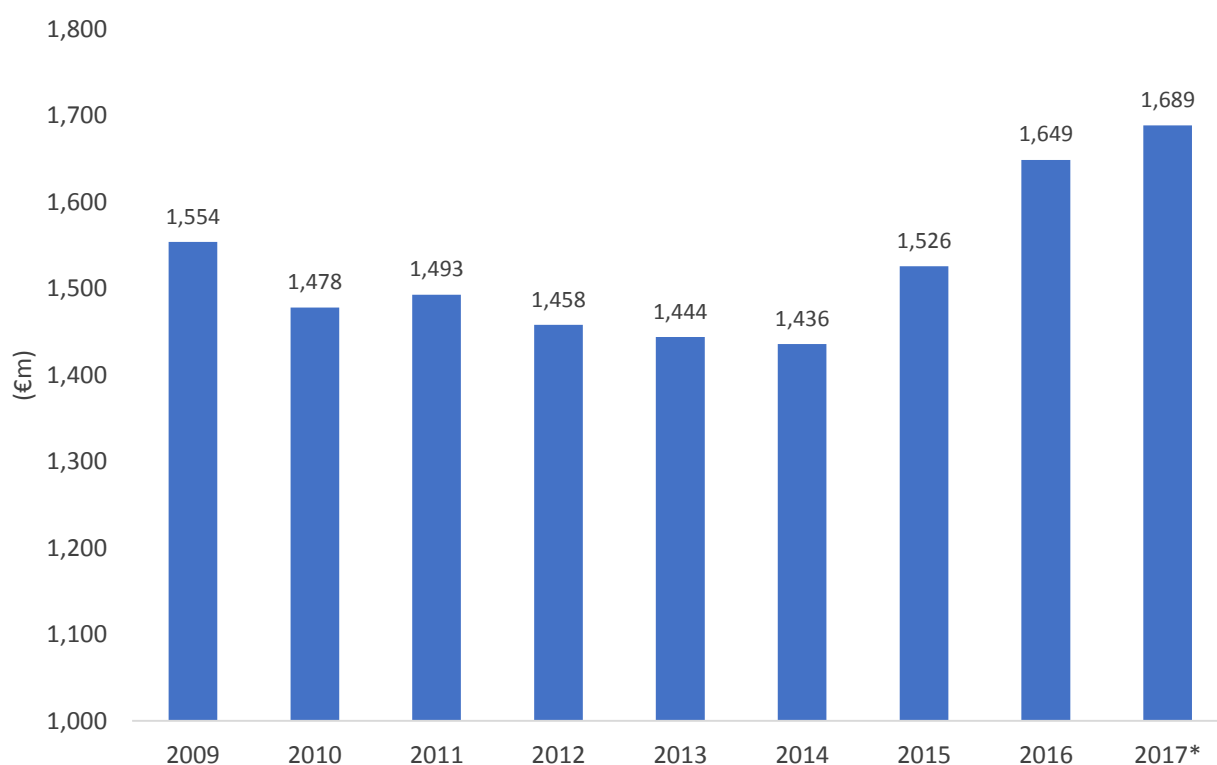
3. Health

The aim of this section is to provide an overview of HSE disability services and summarise recent developments in the space. Resourcing, services provided and the population of service users will first be outlined before some consideration is given to how the sector operates, with voluntary agencies responsible for delivering the majority of services. This will be followed by some discussion of the main findings and recommendations of the *Value for Money and Policy Review of Disability Services in Ireland* (VFM) and an assessment of progress made since its 2012 publication.

Disability spending

With an average annual spend of approximately €1.5 billion over the past eight years, disability expenditure makes up the third largest share of HSE expenditure after acute hospitals and the Primary Care Reimbursement Service. In the years following the financial crisis disability spending was relatively steady and in 2016 available funding exceeded 2009 levels. Figure 3.1 below shows this progression.

Figure 3.1: Net disability spending in health, 2009 to 2017



*Budgeted spend

Source: HSE, Monthly Management Data Reports (2009 to 2016) and National Service Plan 2017

The expenditure reductions that occurred after 2009 are largely explainable by central pay agreements rather than cuts to services. According to the VFM report, the disability pay bill was €662 million in 2009 and €616 million in 2011. Across the same period overall spending fell by €61 million, implying that about 75%

reductions at the time were attributable to reductions in pay. Indeed, the pay bill for 2016 was still below 2009 levels at €637 million, which implies that expenditure on non-pay elements has grown by around €120 million in the last eight years.

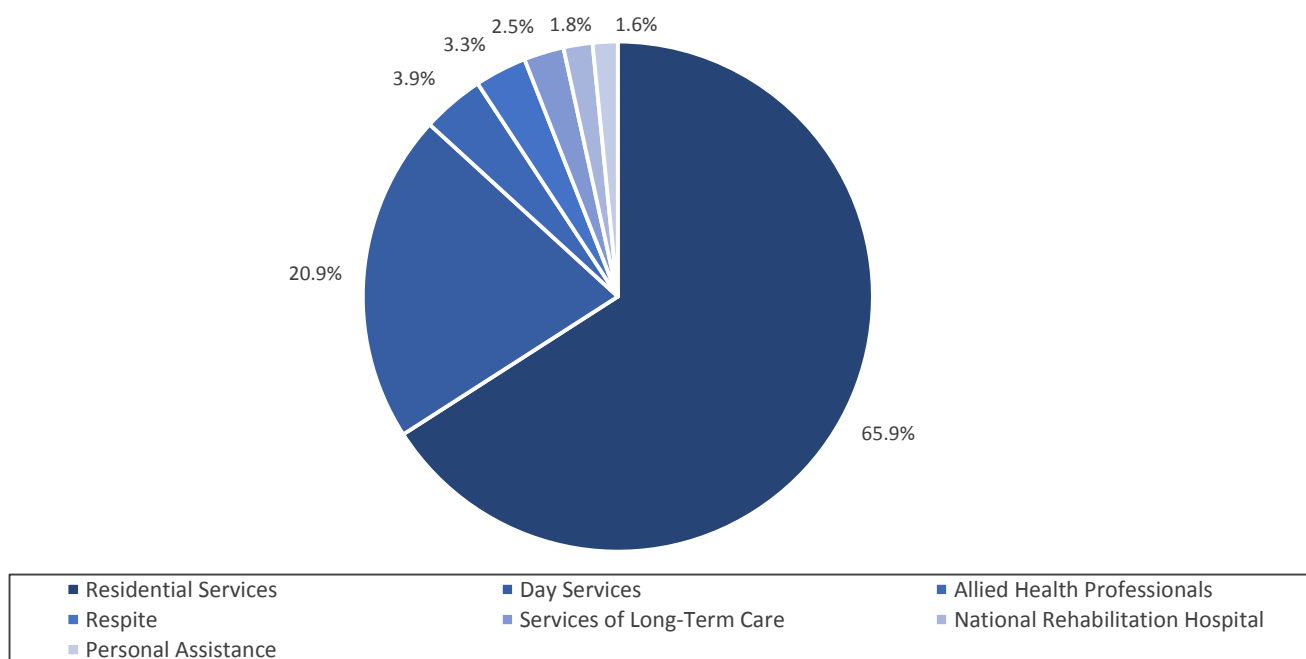
Disability services

The vision for disability services set out in *National Service Plan 2016* is to enable people with disabilities to achieve their potential, living as independently as possible and having full involvement in planning the services to meet their needs.

About two-thirds of funding – €1 billion – goes towards residential care. In 2013 there were 8,800 people with a disability in receipt of some form of residential service, implying an average spend per person of almost €115,000 per year. This average masks a considerable range of underlying costs, however, with a 5-day service for someone with minimum support costing as little as €2,600 a year and a 7-day service for someone with high support as much as €175,000 according to the 2012 VFM. However it should be noted that these outlier costs at either end of the spectrum apply to a very small number of service users and very particular sets of circumstances.

Of the 8,800 people in residential care in 2013, 3,200 were identified as requiring transition to a decongregated setting. As these individuals leave congregated settings where economies of scale may be achievable, it is likely there will be upward pressure on the average cost per person in the future.

Figure 3.2: Summary of disability service provision by share of expenditure, 2013



Source: HSE

The next most significant area of spend is day services, consuming about 20% of the overall budget. In 2013 just over 22,000 people received some sort of day service at a total cost of €330 million, implying an average cost of around €15,000 per person per year. Again, a wide range of costs make up this average with activation and day support services for adults requiring minimum support costing as little as €5,500 and day services for children requiring intensive support costing in excess of €90,000.

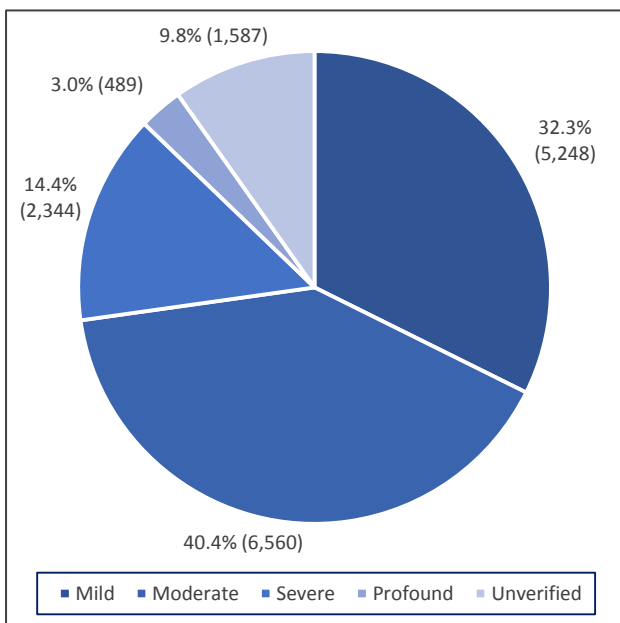
The remaining €200 million is spent on, in decreasing order, allied health professionals, respite care, services of long-term care, the National Rehabilitation Hospital and personal assistance. In 2013, 240,000 bed nights of respite care were provided at an average cost of €214, 2.4 million hours of home support were provided at an average cost of €17, and 1.3 million hours of personal assistance were provided at an average cost of €21. Distinguishing between these latter two items, services of long-term care provide help with the activities of daily living while personal assistance, though typically including these services, is directed by the service user.

The share of the disability budget spent in each service area is summarised in Figure 3.2 above.

Users of disability services

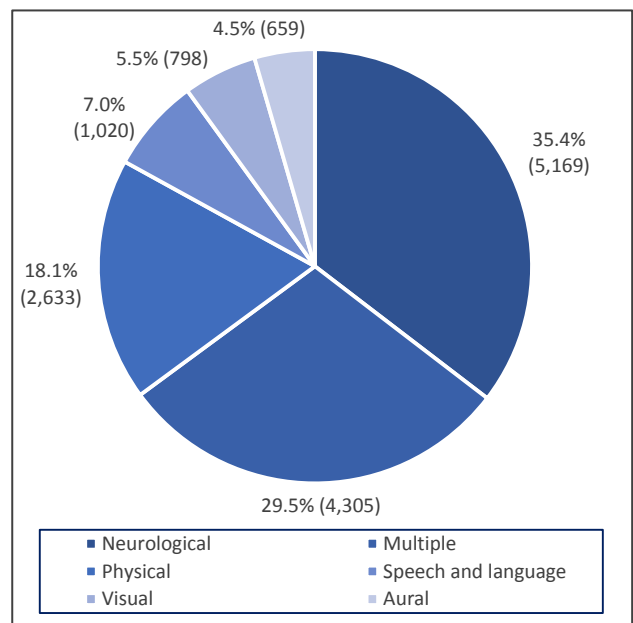
Though not exhaustive, the Health Research Board maintain two disability databases, one for intellectual disabilities and another for physical and sensory disabilities. In conjunction, these registries give some indication of the types of people in receipt of HSE disability services.

Figure 3.3: National Intellectual Disability Database breakdown by severity of intellectual disability, 2014



Source: Health Research Board

Figure 3.4: National Physical and Sensory Disability Database breakdown by disability type, 2014



Source: Health Research Board

In 2014, 27,887 people were registered on the National Intellectual Disability Database (NIDD) and a further 22,908 were registered on the National Physical and Sensory Disability Database (NPSDD). Almost three-quarters of those registered on the NIDD were classified as having a mild or moderate intellectual disability while two-thirds of those on the NPSDD had neurological or multiple disabilities. Figures 3.3 and 3.4 above provide a breakdown registrations on the two databases.

In terms of where resources are spent, 75% of HSE disability spending goes toward individuals with an intellectual disability. 10% is spent on individuals with a physical or sensory disability and the remaining 15% is spent on individuals who have some form of mixed disability.

Service provision

Publicly-funded disability services are characterised by the use of non-statutory service providers. The statutory basis for the HSE funding these providers receive is found in Sections 38 and 39 of the Health Act 2004, and agencies in receipt of funding are usually described as either Section 38 or Section 39 bodies.

Section 38 bodies provide services on behalf of the HSE, with the HSE determining the amount of funding and level of expected services to be provided each year. The relationship between each of the Section 38 bodies and the HSE is set out in a service arrangement. Most Section 38 employees are bound by Department of Health salary scales, included in the HSE's employment framework and are members of public sector pension schemes. As Section 38 bodies provide services on behalf of the HSE, the HSE must include details of their services in its annual report.

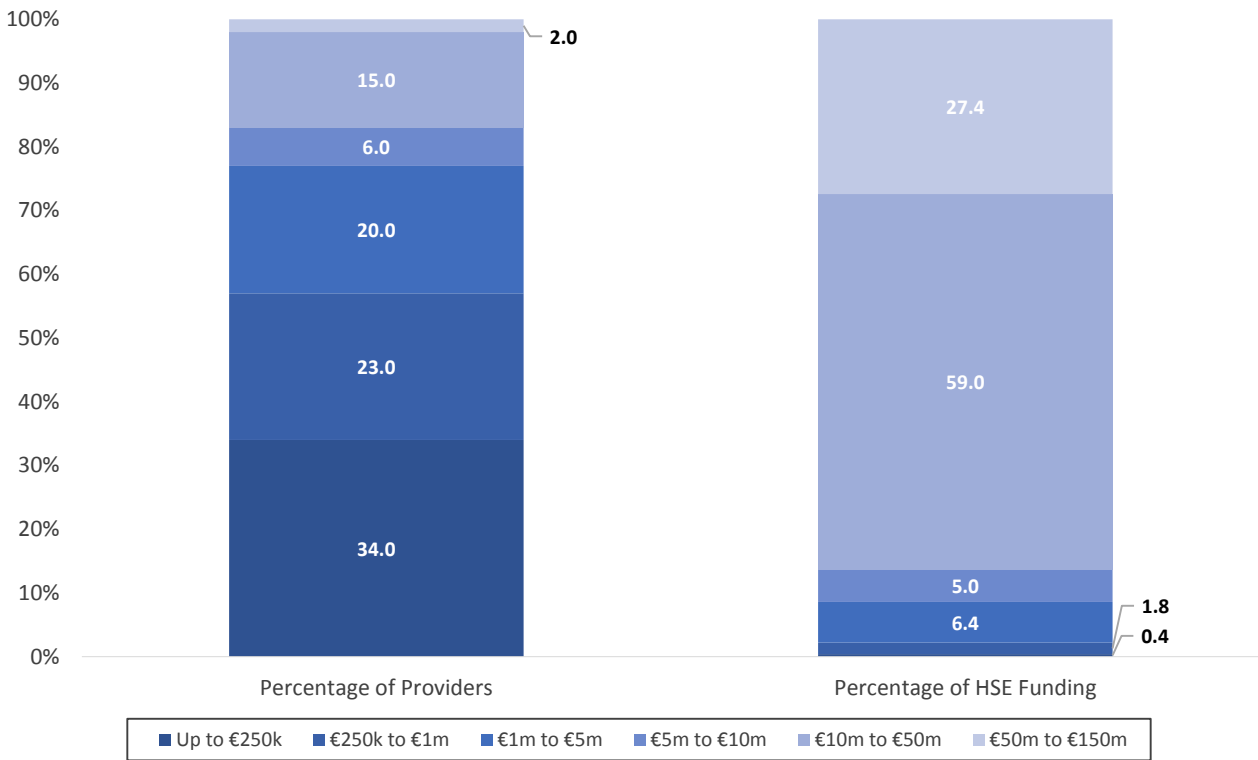
Whereas Section 38 bodies provide services on behalf of the HSE, Section 39 bodies provide services that are "similar or ancillary to [those] that the Executive may provide." The HSE can impose whatever terms and conditions it sees fit on support provided to Section 39 agencies. Section 39 employees are not bound by Department of Health salary scales, excluded from the HSE's employment framework and are not members of a public sector salary scheme. The updated principles of grant funding, as set out in Circular 13/2014, require bodies to provide information on salaries in excess of €60,000 in their annual report, even where an employee's salary is not funded by the Exchequer. Section 39 service arrangements cover the 366 voluntary and community agencies not covered by Section 38 of the Act that receive more than €250,000 in funding, while Section 39 grant aid arrangements cover the 1,959 bodies that receive under €250,000.

Finally, in addition to the approximately 2,400 Section 38 and Section 39 agencies providing services either on behalf of or ancillary to the HSE, there are 252 agencies in the commercial sector whose relationship with the HSE is governed by for-profit service arrangements.

Concentration of funding

While there are many agencies in the sector receiving widely varying levels of public funding, the vast majority of spending is concentrated to a relatively small number of providers. For example, over one third of providers in the sector received less than €250,000 in 2009 but collectively accounted for just 0.4% of total expenditure. At the other end of the spectrum, just 2% of agencies received more than €50 million but accounted for 27.4% of expenditure. Taken as a whole, the 17% of providers who received more than €10 million were responsible for 86.4% of spending, and the largest 35 providers alone received about €1.2 billion. Figure 3.5 makes clear the concentrated nature of disability expenditure.

Figure 3.5: Distribution of HSE funding, 2009



Source: Department of Health

A specific example of how activity is concentrated to a few providers at the top and fragmented among a multitude at the bottom can be found in residential services. In 2014 there were 125 agencies providing residential services to 2,259 people with a severe intellectual disability on the NIDD, as shown in Table 3.1. However, only 11 provided support to more than 50 individuals, with the remaining 114 supporting anywhere between a single individual and 48 people. And, while the largest five bodies provided residential services to just under half of individuals with a severe disability, agencies supporting less than 50 people accounted for

close to 40% of service provision. Clearly, small agencies play a significant role in the provision of disability services.

Table 3.1: 5-to-7 day residential service provision for those with severe disablement, 2014

Provider	Number supported	Percentage supported
Brothers of Charity	347	15.4%
Daughters of Charity	225	10.0%
St. John of God	220	9.7%
COPE Foundation	132	5.8%
St. Michael's House	117	5.2%
Sisters of Charity of Jesus and Mary	76	3.4%
Sisters of La Sagesse	75	3.3%
Stewart's Hospital	65	2.9%
St. Mary's of the Angels	57	2.5%
Camphill	52	2.3%
St. Raphael's Hospital	51	2.3%
Other (114)	842	37.3%
Total	2,259	100.0%

Source: Health Research Board

Value-for-money review, 2012

Looking at activity in the disability sector in 2009, the Department of Health's VFM published in July 2012 is the most comprehensive piece of work carried out in the sector, collating and presenting certain data on inputs and outputs for the first time. It recommended a migration from an approach to disability "predominately centred on group-based service delivery towards a model of person-centred and individually chosen supports"; this is now Government policy.

In order to implement such a client-based model of care, a core principle of the review was "that agencies which receive funding from the State for the delivery of services and supports to people with disabilities are accountable for that funding". To facilitate this, standardised and transparent systems of needs assessment and resource allocation have to be introduced, funding should be linked to outcomes in order to marry cost-effectiveness and efficiency, national best practice guidelines should be introduced for staffing, and the HSE should, through service-level agreements with individual agencies, work to reduce unit costs to identified standard bands.

Collectively, these actions represent a significant departure from the past approach to allocating disability funding, with the budget incrementally increasing each year to account for demographic pressures and so on, towards a bottom-up approach where the costs of a unit of each service are known and agencies are remunerated based on the bundle of services they provide.

A key finding of the VFM was the wide range of costs between service providers. For example, the average annual cost of a day service for a child with an intellectual disability requiring intensive support ranged from €9,800 in agencies with an allocation of less than €5 million to €93,400 in agencies with an allocation of €100 million or greater, an order of magnitude of a difference.

It is also notable that average costs actually appear to increase with allocation size. In isolation, this diseconomy of scale might be the consequence of a small number of observations in one of the groups, but the findings are repeated across all the day services examined in the VFM. In eight out of fifteen categories, agencies with an allocation of less than €5 million reported the lowest average cost.

On the other hand, residential services agencies with an allocation of less than €5 million reported the lowest average cost in just one of nine categories, and agencies with an allocation of €100 million or greater in reported the lowest average costs in three categories. However, diseconomies of scale do appear to still be at work for residential services with agencies receiving between €5 million and €10 million reporting the lowest average cost in the remaining five categories, including all categories of 7-day residential service.

In short, the VFM found that unit costs vary widely depending on the type of service being provided, the level of support required by the individual and the size of the agency. Such variance makes it difficult to recommend any one service arrangement above the others in all areas. However, the data does make clear that any putative reductions in unit cost based on economies of scale are not immediately evident and consideration must be given to other cost drivers such as staffing levels, skills mix, and so on. In order to harmonise unit costs, the various factors which contribute to cost have to be understood and disaggregated.

Indeed, the relatively high cost of services provided by larger agencies may not imply that they are operating relatively inefficiently. The VFM found that the system had been operating “massive cross-subsidisation of places and services”. Illustrating this, in 2009 the HSE paid an average of €70,000 for a residential place. As the annual cost of providing a residential service to someone in the high support category could be double this amount, it may be the case that surplus funding agencies receive for individuals requiring minimum support is being used to informally subsidise more resource-intensive places.

Based on the above, the VFM concluded that the notional cost of a place bore little resemblance to the actual cost of delivering services. As a consequence of this system of allocating resources, activity levels and demand are rendered almost useless for the purposes of planning future funding – there is no means of determining what an appropriate allocation looks like. Indeed, the current model of resourcing is so limited and inadequate that the VFM concluded it “cannot reasonably be described as a ‘resource allocation model’” at all.

Developments since 2012

At a high level, the recommendations of the VFM can be condensed to two strands: to migrate towards a model of person-centred delivery, and to implement a more efficient and effective system of allocating resources and monitoring their use in order to facilitate this migration.

In terms of the first goal, good progress appears to have been made. In 2009 there were 4,200 people residing in a congregated setting, today there are approximately 2,900 – a reduction of over 30% – and this has been achieved without the provision of significant additional resourcing. A six-step plan is in place to safeguard and increase standards in residential care, incorporating a national taskforce, the development of national guidelines and procedures, an assurance review and a series of national summits. The budget for personal assistance is now €30 million – funding approximately 1.4 million service hours for over 2000 individuals – giving individuals more autonomy to direct their own care.

As for the latter goal, some efficiencies have been achieved through a small number of agency mergers, such as Fingal-Midway, and rationalisations, such as replacing the six regional structures of the Brothers of Charity with a national entity. Alongside this, service agreements between the HSE and agencies providing disability services should now set out, among other things, governance arrangements, specification of services to be delivered and monitoring and information requirements. However, these revised agreements do not yet appear to have informed a picture of how inputs and outputs are linked. The HSE has established a service improvement team to help expedite the process. A review of the largest five organisations, which will provide a basis for comparing unit costs, is nearing completion.

Concluding remarks

For the most part, disability services within the health sector are not delivered directly by the State. Instead, the State is reliant on a disparate mix of voluntary non-statutory bodies and, to a lesser degree, commercial agencies to provide services on its behalf. Some of the providers in the sector are large but to a significant extent services are delivered by hundreds of agencies operating on a small-scale, local basis.

The fragmented nature of the sector and system of grant funding that supports it have meant that it has often been difficult to discern the link between funding and activity in the past. In line with a broader push within the health service to make explicit the relationship between inputs and outputs, the 2012 VFM published by the Department of Health made a number of recommendations around monitoring, data collection and resource allocation.

Going forward, there needs to be a renewed push for reform of resource allocation within the disability sector to ensure that resources are optimised and bring expenditure in line with the recently updated principles of grant funding. The latter process is ongoing but, given the size and complexity of the health system, will take time to fully realise.

4. Education and Skills

This section provides a general overview of the framework relating to special education provision in the Education sector. The key objectives are to:

- Set out the trends in special education expenditure over the period 2011 to 2017;
- Identify the drivers of the main components of this expenditure; and,
- Outline the reforms to the system in recent years and the key findings based on research in the area.

This section will focus on the three largest components of special education expenditure, namely, additional teaching supports, Special Needs Assistants (SNAs) and school transport. Further detail in relation to all special educational needs provision is set out in Spending Review paper “Special Educational Needs provision – Spending Review 2017”.⁸

Data Sources

This section of the paper draws on desk-based quantitative analysis of a range of newly compiled and existing data from the Department of Education and Skills (DES) for the period 2011 to 2017. Prior to this period, data is fragmented and comparisons are not possible. Additionally, the section draws on existing wider analysis of the area, including the Value for Money Review of the SNA Scheme (2011) and the Focused Policy Assessment on Data on Special Needs Assistants (2016), in addition to the NCSE Working Group Report “Delivery for Students with Special Educational Needs: A better and more equitable way”, the NCSE report “Supporting Students with Special Educational Needs in Schools” and other publications.

Special Education System in Ireland

Special education has become a major component of the Irish education system and has undergone dramatic changes in recent years. The Education for Persons with Special Education Needs Act, 2004, (EPSEN) emphasised the concept of inclusion where all persons, including those with special educational needs, have the same rights as their peers to participate in and benefit from education. Since then, there have been significant reforms to the educational system to support the increasing number of pupils with special educational needs and to ensure that the education needs of such children continue to be met in an inclusive environment alongside their peers at primary and post-primary level, where appropriate.

Education may be provided in mainstream class settings, in special classes within mainstream schools and in special school settings. Provision is made for the varied support structures necessary to support individual needs, which can include resource teacher provision and special needs assistants.

⁸ <http://www.per.gov.ie/en/spending-review/>

Special needs can be categorised as high-incidence or low-incidence. High-incidence, or less severe, more commonly occurring special needs, means pupils with mild general disabilities, mild general learning disabilities and/or specific learning disabilities.

Low-incidence are generally those which occur less frequently. These include pupils with a significant physical or sensory impairment, moderate severe or profound general learning disabilities, severe emotional disturbance and/or behavioural problems, specific speech and language disorders, assessed syndrome, multiple disabilities.

Overview of Special Education Expenditure

Expenditure relating to special educational needs provision amounts to €1.68bn in 2017, 18.9% of the Department of Education and Skill’s gross current allocation. This represents an increase of approximately 38% since 2011.

Figure 4.1: Breakdown of DES special education expenditure

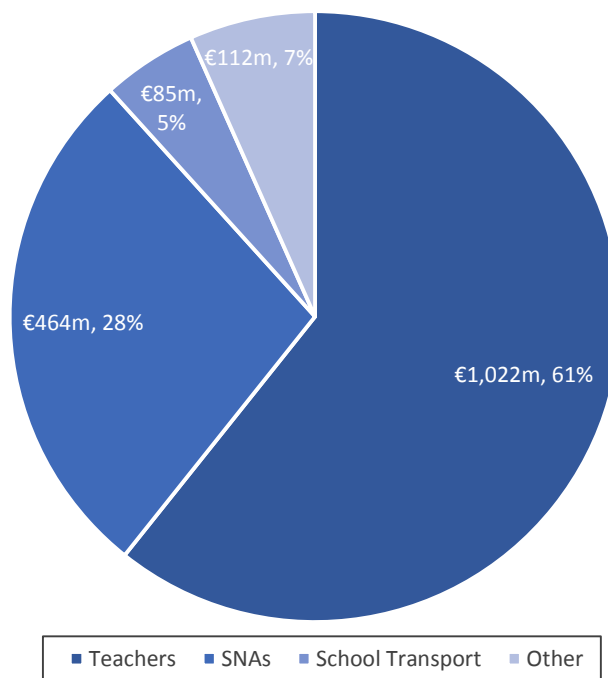


Table 4.1: Breakdown of expenditure on ‘Other’ special education areas

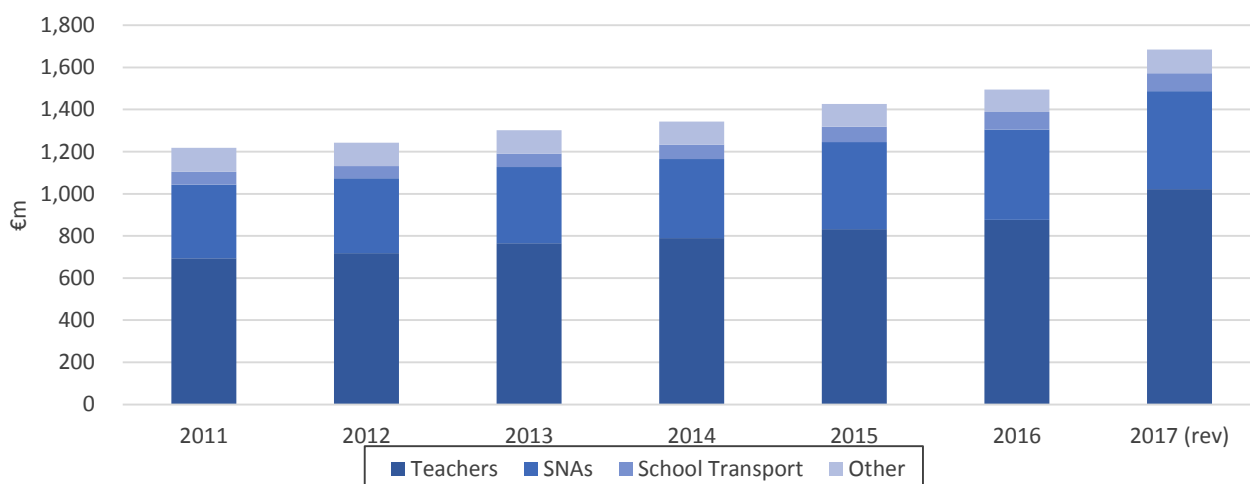
Provision	Expenditure	
Further Education (Specialist Training Providers etc.)	€49.5m	3%
National Educational Psychological Service	€16.8m	1%
National Council for Special Education (NCSE)	€8.8m	0.5%
Student Support – Third Level Disabilities Fund	€8m	0.5%
Capitation (Enhanced Element Only)	€7.6m	0.5%
Miscellaneous Grants (Exams, ICDU, Equipment etc.)	€19.9m	1.2%

The majority of expenditure (88%) relates to the pay bill for special needs related teachers⁹ (€1,022m) and for special needs assistants (€464m).

Due to the nature of resource teacher provision and the SNA scheme, demand has been unpredictable and difficult to manage in the context of limited resources and the aim of ensuring that the educational needs of children with special educational needs continues to be met alongside their peers at primary and post-primary level, where appropriate and possible.

Over the period 2011 to 2017, special education expenditure increased by €465m or 38%. Expenditure on additional support teachers increased by €328m or 47%, special needs assistants by €114m or 33% and school transport by €25m or 41%.

Figure 4.2: Breakdown of Expenditure on Special Education Needs, 2011 -2017



⁹ Teachers pay includes provision for resource teachers, teachers in special classes and special schools and teachers allocated under the general allocation model.

Table 4.2: Summary of expenditure changes between 2011 and 2017

Expenditure provision	2011 (€m)	2017 (€m)	Increase € (%)
Special education total	1,219	1,684	465 (38%)
Teachers	694	1,022	328 (47%)
SNAs	350	464	114 (33%)
School Transport	60	85	25 (41%)
Other	115	113	-2 (-2%)
Gross Current Education Expenditure (incl NTF)	8,606	8,893	287 (3%)
Gross Voted Government Current Expenditure	51,800	53,500	1,700 (3%)

Additional teaching support for pupils with special educational needs up to 2016/17¹⁰

Up to 2016/17, additional teaching support was provided for pupils with special educational needs through the allocation of resource teacher support by the NCSE and through the General Allocation Model.

The Department of Education and Skills provided for some 12,500 resource and learning support teachers which are allocated annually to mainstream schools to support pupils with special educational needs. An estimated 7,500 resource teacher posts were allocated by the National Council for Special Education (NCSE) in response to applications from schools in respect of children with diagnosed conditions. Resource teachers provide additional teaching capacity and were allocated on a teaching hours basis to schools on behalf of individual pupils with low-incidence special needs.

Table 4.3 below sets out the various categories of low-incidence disabilities and the recommended level of resource teaching support in respect of each category. These allocations were guided by the Report of the Special Education Review Committee (SERC Report) 1993.

¹⁰ A new support teacher model was implemented from September 2017.

Table 4.3: Categories of low-incidence disabilities and the recommended level of resource teaching support in respect of each category

Low-incidence disabilities	Hours of resource teacher support per week
Physical disability	3
Hearing impairment	4
Visual impairment	3.5
Emotional disturbance	3.5
Severe emotional disturbance	5
Moderate General learning disability	3.5
Severe/profound general learning disability	5
Autism/autistic spectrum disorders	5
Specific Speech and language disorder	4
Assessed syndrome in conjunction with one of the above low-incidence disabilities	3-5 taking into account the pupil's special educational needs including level of general learning disability
Multiple disabilities	5

Table 4.4: Annual growth in resource teacher demand and provision, 2011/12 to 2016/17

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Resource teachers posts (cap)	5,265	5,265	5,745	6,225	6,852	7,452
Annual change		0%	9%	8%	10%	9%
Pupil numbers	29,426	32,480	35,763	38,414	43,600	47,066
Annual change		10.6%	9.56%	9%	11%	8%
Cost €	316m	316m	343m	372m	409m	447m
Annual change		0%	8%	9%	10%	9%

The number of pupils being assessed as qualifying for low-incidence support has grown considerably in recent years, by some 10% annually, whereas the overall school population has increased by less than 2%.

Table 4.5: Number of Pupils accessing resource teacher provision, 2011/12 to 2016/17

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Primary	20,138	22,271	24,104	25,647	29,200	31,536
Post-Primary	9,288	10,209	11,659	12,767	14,400	15,530
Total pupils accessing resource teaching hours	29,426	32,480	35,763	38,414	43,600	47,066
Total pupil population	838,977	853,745	869,492	883,903	898,930	910,904
% of pupils accessing resource teaching hours	3.5	3.80	4.11	4.35	4.85	5.17

The remaining 5,050 posts were allocated to schools by the Department under the primary General Allocation Model (GAM), for children with milder levels of need, and under the post-primary learning support scheme. The GAM provided additional teaching resources to assist schools in appropriate provision for pupils with learning difficulties and special educational needs from high-incidence disabilities. Since 2012/13, it also included provision for schools to provide additional teaching support for literacy arising from English language needs.

There was considerable growth in the provision of teacher support for pupils with special educational needs in the period 2011 to 2017. During that time frame, the number of resource teachers has increased some 41%, while the number of GAM posts increased by 13%. At the same time, the number of pupils accessing resource teaching hours has increased by 60%.

Table 4.6 illustrates the ratio of learning support teachers and resource teachers to the general mainstream school pupil population. From September 2017, 900 additional posts are being allocated to support the implementation of the new special education teaching allocation model, an estimated 38% growth in the allocation from 2011/12 to 2017/18.

Table 4.6: Ratio of learning support teachers and resource teachers to the mainstream school pupil population, 2011/12 to 2017/18

School Year	GAM posts	Resource teacher posts related to diagnosis	Total	School population	Ratio
2011/12	4,475	5,265	9,740	838,997	86:01
2012/13	4,863	5,265	10,128	853,745	84:01
2013/14	4,882	5,721	10,603	869,492	82:01
2014/15	4,954	6,203	11,157	883,903	79:01
2015/16	5,015	6,821	11,836	898,930	76:01
2016/17	5,072	7,429	12,501	910,904	73:01
2017/18	n/a	n/a	13,400	923,657*	69:01

*Estimated

New Special Education teaching model

The NCSE reported in 2013¹¹ that the allocation model in place at the time was not the best way to allocate resources to schools as the learning needs of pupils within particular categories can vary greatly. It also found that the GAM used to allocate learning support teachers was inequitable as it took little account of the differing needs of different primary schools as allocations were made on the basis of the number of mainstream teachers in each school. The NCSE indicated that there was a real risk of children being diagnosed as having a special educational need for resource allocation purposes rather than such a diagnosis being required for medical reasons. The NCSE recommended that schools should be given discretion to allocate resources based on the pupils individual learning needs as opposed to by category of disability. The new model addressed these concerns.

The new model which commenced roll out in September 2017 provides a single unified allocation, providing for a more equitable distribution of supports. The composition of the new model involves:

- A baseline component to every mainstream school to support inclusion, prevention of learning difficulties and early intervention; and,
- A school educational profile component comprising elements of complex needs, standardised test scores, and social context and gender.

¹¹ http://ncse.ie/wp-content/uploads/2014/09/Supporting_14_05_13_web.pdf

Budget 2017 provided for an additional 900 additional teaching posts to support the implementation of the new support teaching model from September 2017. This ensures that up to 1,000 schools receive additional allocations, where the new model indicates additional need, and that no school will receive an allocation of resources less than the combined allocation the school received under the GAM/EAL and NCSE allocation in the 2016/17 school year.

Special Needs Assistants

Scheme Overview

The Special Needs Assistants (SNA) scheme is designed to provide schools with additional adult support staff to assist children with special educational needs who also have additional and significant care needs. The support can be provided in primary, post-primary and special schools settings. The SNA support is provided in order to facilitate the attendance of those pupils at school and also to minimise disruption to class or teaching time for the pupils concerned, or for their peers, and with a view to developing their independent living skills.

SNAs are allocated by the NCSE to schools annually on the basis of the assessed care needs of the children concerned rather than solely by reference to a disability categorisation.¹² The provision of such a quantum of support provides schools with the autonomy and flexibility to manage their SNA allocation to target support to the best possible effect.

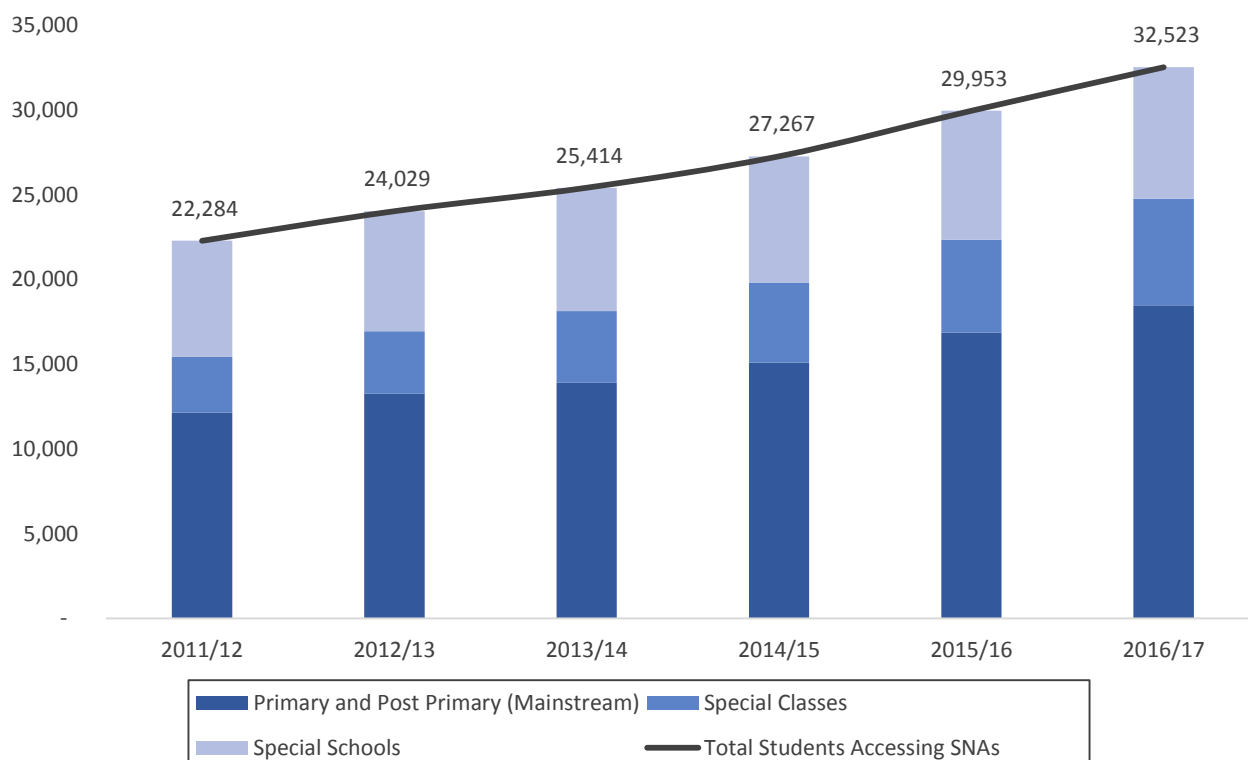
Growth in SNA provision

SNA provision has increased in line with demand from schools for pupils with significant care needs.

Between 2011/12 and 2016/17, the total number of pupils accessing SNAs has increased 46%, from 22,284 in 2011/12 (2.7% of overall school population) to 32,523 in 2016/17 (3.6% of overall school population).

¹² Application forms relating to SNA application provision are available at: <http://ncse.ie/for-schools>

Figure 4.3: Number of pupils accessing SNAs



The majority of SNA support is allocated to primary schools. Overall, the cost of the scheme has increased from €350m in 2011 to €464m in 2017, an increase of €114m (33%).

Table 4.7: Number of pupils accessing SNAs

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
SNAs (cap)	10,575	10,575	10,745	11,330	12,040	13,015	13,990
Annual Change		0%	1.6%	5.4%	6.3%	8.1%	7.5%
Number of pupils	22,284	24,029	25,414	27,267	29,953	32,523	
Annual Change		7.8%	5.8%	7.3%	9.9%	8.6%	

Reviews of SNA provision

1. Value for Money Review 2011

A Value for Money Review of the SNA scheme¹³ was conducted in 2011 which found that while the scheme was supporting schools in meeting the needs of pupils with disabilities who have significant care needs, the aim of the scheme and the allocation process was not fully understood. The Review found that the deployment of SNAs in schools had in practice moved away from the original objectives of the scheme which

¹³ https://www.education.ie/en/Publications/Value-For-Money-Reviews/pub_sna_vfm_june_2011.pdf

was to provide for children's care needs and had moved toward SNA involvement in behavioural, therapeutic, pedagogical, teaching and administrative duties. It recommended that the criteria for allocation of support should be restated and clarified for both parents and schools.

The Department of Education and Skills issued Circular 0030/2014 which restated and clarified the criteria for allocation of SNA provision and clarified the role of an SNA and the circumstances under which support will be provided.

2. Focused Policy Assessment

The "Focused Policy Assessment on Data on Special Needs Assistants" published in 2016¹⁴, identified a comprehensive range of data sources to support the drivers behind the continued growth in demand for SNAs, including:

- **The underlying change in the school-age population.** A baby boom which peaked in 2009 is causing a wave of growth in the underlying school-age population, increasing by 7% between 2011 and 2015. This population is estimated to increase by a further 3% between 2016 and 2019.
- **The increasing proportion of children who are qualifying for SNA and SEN support.** The percentage of pupils accessing SNA support in primary and post-primary has increased from 2.7% in 2011/12 to 3.3% in 2015/16. Those accessing special educational needs supports have increased from 17% of the total primary and post-primary population in 2011 to 20% in 2015.
- **The increased number of pupils with an autism diagnosis.** The principal reason behind the growth in the proportion of pupils qualifying for SNA support is the increasing proportion of children presenting with a diagnosis of ASD. During the period 2011/12 to 2015/16, the number of pupils with an Autism Spectrum Disorder (ASD) diagnosis increased by 83%. This is driving almost all of the increase in the number of pupils in special classes, in specials schools and 50% of the increase in mainstream classes.
- **Another factor has been the increasing number of children with ASD starting school earlier**, including a growing number in the early intervention classes (from the age of 3 years of age). The number of children attending these classes increased from under 200 in 2011 to over 600 in 2015 (200% increase) while during the same period, special classes increased from 34 to 127, an increase of around 273%.

Table 4.8 indicates the number of pupils in mainstream education accessing SNA support broken down by special educational needs category. While the numbers specifically relate to the level of access to SNA support, the disability/care need categorisation can be illustrative of the distribution of disability types across mainstream education.

¹⁴ <https://www.education.ie/en/Publications/Value-For-Money-Reviews/Focused-Policy-Assessment-of-Data-on-Special-Needs-Assistants.pdf>

Table 4.8: Primary and post-primary pupils in mainstream education accessing SNA support by special educational needs category, 2011/12 to 2015/16

	11/12	12/13	13/14	14/15	15/16	Cumulative Change	
Autism/Autism Spectrum Disorders	2,742	3,178	3,574	4,429	5,041	2,299	84%
Multiple Disabilities	1,033	1,192	1,276	1,884	2,067	1,034	100%
No Disability¹⁵	683	879	1,063	1,097	1,409	726	106%
Physical Disability	1,912	2,084	2,123	2,063	2,222	310	16%
Moderate GLD	430	458	466	547	613	183	43%
Emotional/ Behavioural Disturbance	2,762	2,838	2,807	2,686	2,942	180	7%
Hearing Impairment	280	301	329	359	401	121	43%
Assessed Syndrome	377	431	468	396	452	75	20%
Visual Impairment	289	304	313	342	360	71	25%
Specific Speech and Language Disorder	320	347	347	296	374	54	17%
Severe Emotional/ Behavioural Disturbance	666	713	699	712	708	42	6%
Severe/Profound GLD	21	25	22	26	31	10	48%
Specific Learning Disability	31	19	10	10	11	-20	-65%
Borderline and Mild GLD	604	499	410	254	243	-361	-60%
Total	12,150	13,268	13,907	15,101	16,874	4,724	39%

The FPA identified a potential additional cost of between €47m and €183m arising in the period 2016-2019 and considered it timely that a review be undertaken to identify the most appropriate form of support options to provide better outcomes for pupils with special education needs having regard to the significant amount of expenditure in this area.

¹⁵ Where the category of pupils supported by SNA support is indicated as 'no disability' this means that the pupil may have a special educational need or condition which does not fall into one of the categories of disability as set out in DES Circular 02/05, but the pupils may be suffering from a medical condition, the extent of which requires the pupil to be supported by SNA support in school in accordance with the Circular. The disability may also be sometimes caused by a medical condition which may be temporary, such as arising from an accident, as opposed to an enduring condition which is categorised by a defined disability.

The FPA also recommended that the NCSE develop its data capturing capacity to record data on the outcomes of the SENO reviews at a school level and on the intensity of the pupils care needs requiring access to SNA support.

3. Comprehensive review of the Special Needs Assistants scheme

The SNA FPA recommended that a comprehensive review of the SNA scheme should be carried out to seek to identify the most appropriate form of support options to provide better outcomes for students with special educational needs, having regard to the significant amount of State investment in this area.

The comprehensive review of the SNA scheme is being led by the NCSE, in consultation with other relevant Departments and State Agencies, including the National Disability Authority (NDA). It is anticipated that the report will assist in informing the allocations process for 2018/19.

The terms of reference require the review to:

- Identify and recommend how in the future the additional care needs of pupils over and above those needs that could reasonably be expected to be managed by teaching staff should be met; and,
- Recommend the most appropriate form of support options to provide better outcomes for pupils with Special Educational Needs who have additional care needs, having regard to the significant amount of State investment in this area.

It is expected that the review will, *inter alia*, examine whether the SNA scheme in its current form continues to meet its purpose, evaluate the role of professional reports in providing a robust basis for the allocation of additional care supports under the scheme, conduct a detailed analysis of the current allocation and distribution of SNAs focusing on what support is being given, to whom and why, and define and examine outcomes of pupils under current arrangements.

Special Schools and Special Classes

The policy of the Department of Education and Skills is that children with special education needs should be included, where possible and appropriate, in mainstream placements with additional supports provided. In circumstances where children with special needs require more specialised interventions, it may be in the best interest of the child to receive his or her education in a special class in mainstream schools or in a special school.

Individual assessments for children will identify the appropriate placement options based on the child’s level of needs. Special classes and special schools have smaller class sizes than standard mainstream classes and may also be given a baseline of SNA support.

There was significant growth in the establishment of special classes between 2011 and 2017. The number of teachers in special classes in primary schools has increased by 91% from 2011 to 2017, while the number of pupils attending special classes grew by 75% in the same period. There was also significant growth in special classes in the post-primary sector in the same period. The number of teachers in special classes increased by almost 190% while the number of pupils increased by 200%. Overall, the number of special classes increased from 548 to 1,152, an increase of 110%. The increase in autism prevalence is the main driver of growth in special class numbers.

The number of special schools has remained static at 125 with a decrease of one in 2016 when two schools for the deaf amalgamated.

School Transport

Scheme Overview

The objective of the school transport scheme is to provide transport to primary and second level schools for children who reside a significant distance¹⁶ from their school and for children with special education needs arising from a diagnosed disability. Eligibility is determined following consultation with the NCSE through its network of Special Education Needs Organisers (SENO).

School transport for special education needs purposes currently costs about €85m, an estimated 47% of the total cost of school transport, while pupils with special educational needs account for about 9% of the overall numbers participating in the scheme.

Table 4.9: Special educational needs related school transport demand and provision, 2011 to 2016

	2011	2012	2013	2014	2015	2016	Cumulative Change
Cost	€60.3m	€57.7m	€64.0m	€68.6m	€73.0m	€83.4m	€23.1m
Annual change		-4%	11%	7%	6%	14%	38%
Eligible pupil numbers	8,287	8,317	9,239	9,791	8,883	10,625	2,338
Annual change		0.4%	11.1%	5.6%	-9.3%	19.6%	28%

¹⁶ 3.2km for primary and 4.8km post-primary

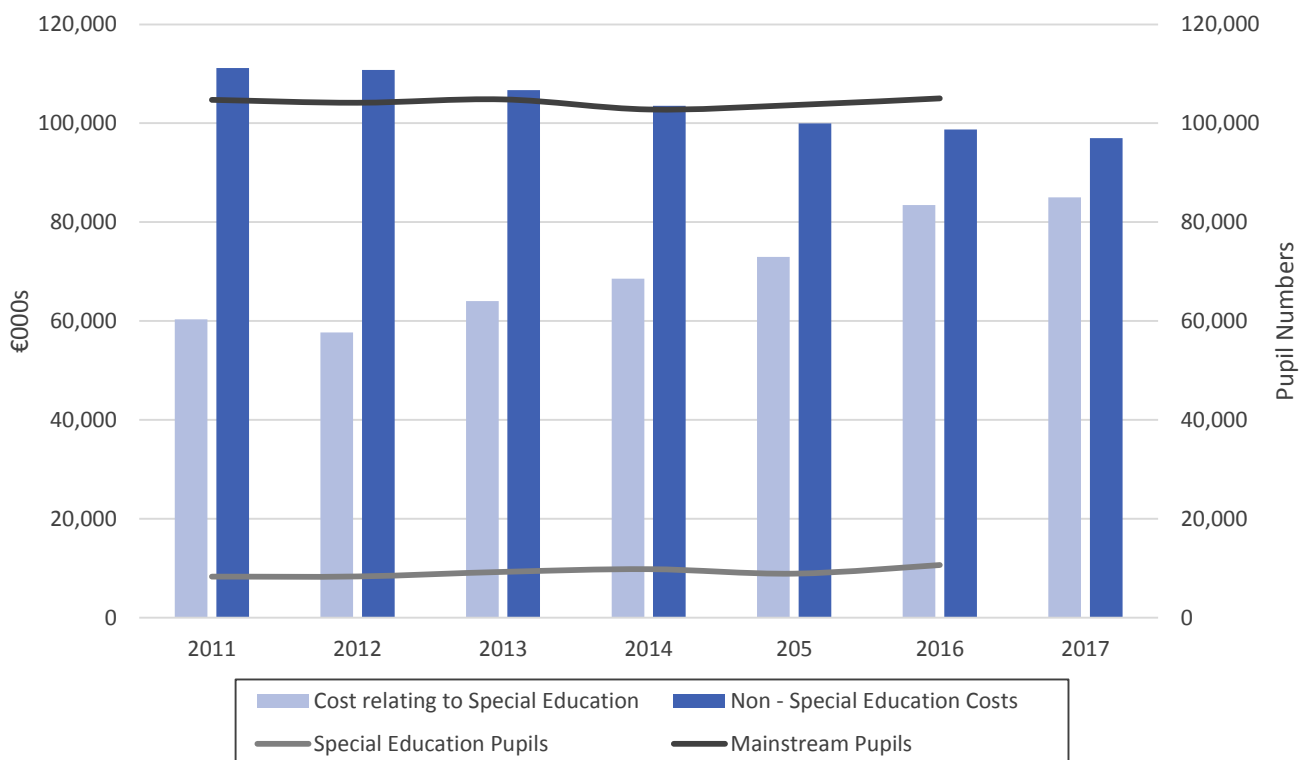
The overall number of pupils availing of the school transport scheme has increased from 113,015 in 2011 to 115,653 in 2016, an increase of 2.3%. The number of pupils with special educational needs availing of school transport increased from 8,287 to 10,625 in the same timeframe, an increase of 28%.

The main drivers of the increases in expenditure relating to the special education needs element of school transport are:

- An increase in the number of escorts required to accompany children with special educational needs whose care needs and safety are such as to require the support of an escort; and,
- An increase in the number of children requiring an individual service, i.e., taxis.

The Value for Money Review of the School Transport Scheme, published in 2011, found that the unit cost of transporting mainstream pupils was in the region of €1,020 (primary) and €958 (post primary) while the unit cost of pupils with special educational needs was estimated at €7,034 excluding escorts or €9,087 including escorts.

Figure 4.4: Overview of all allocations under the school transport scheme, 2011 to 2017



Concluding remarks

Special educational needs expenditure will be an estimated €1.68 billion in 2017, 18.9% of the Department of Education and Skills' gross current allocation; an increase of €464m (38%) since 2011. In the thirteen year period since 2004, expenditure on special expenditure has increased by almost 260%, from a total cost of €468m in 2004. The level of special education expenditure is now in excess of what is allocated to the entire Higher Education sector (€1.58 billion).

Most of special education expenditure relates to pay (€1,487m, an estimated 88%), with special needs related teacher pay estimated at €1,022m, (61% of total) and special needs assistants at €464m (27% of total). A significant proportion of the increases can be attributable to the nature of resource teacher provision (41% increase) and special needs assistants (22% increase), and the increases in special classes established (110% increase). At the same time, there has been little change in the number of special schools.

Such demand has been unpredictable and difficult to manage in the context of limited resources and the aim of ensuring that the educational requirements of children with special educational needs continue to be met alongside their peers at primary and post-primary level, where appropriate and possible.

Recent significant reforms to special education provision, including the development of new special education teaching model, from September 2017, will provide a better, fairer and more equitable means of allocating the very considerable resources which are provided to schools to support pupils with special educational needs. It will also provide a more sustainable basis for planning and management of resources.

It is important that the operation of the new model be reviewed on an ongoing basis and revised as appropriate to ensure it is effectively meeting its aims.

In relation to SNA provision, the scheme was borne of "care needs" in the first instance. The *"Focused Policy Assessment on Data related to Special Needs Assistants"* (2016) identified the primary drivers behind the increases in demand for SNA provision as including the underlying change in the school age population, the increasing proportion of children who are qualifying for SNA and special educational needs supports and, in particular, the increasing number of pupils presenting with an autism diagnosis. During the period 2011/12 to 2015/16, the number of pupils with an Autism Spectrum Disorder (ASD) diagnosis increased by 83%.

The prevalence of an ASD diagnosis as the primary growth driver supports the case for a full review of the scheme in order to determine the best approach given that the profile of pupils requiring assistance seems to be changing. The current comprehensive review of the SNA scheme provides the opportunity to identify the

most appropriate form of support options to provide better outcomes for pupils with special educational needs having regard to the significant amount of Exchequer investment in this area.

While these factors were identified in the context of SNA provision, the same factors can be illustrative of the distribution of, and increases in, special education generally.

The SNA FPA recommends that the NCSE enhances and develops the range and level of data captured, this will be crucial in informing the appropriate care needs supports for pupils with special educational needs. There may be also be a case for the Department of Education and Skills' Inspectorate to have a clearer, more defined role in monitoring and evaluating special education expenditure.

The upcoming three-year full reassessment of allocations provides the opportunity to ensure that the most appropriate form and level of support to provide better outcomes for pupils with special educational needs is being identified and provided.

5. Conclusion

The Government spends considerable resources on disability and special education related services each year. Evidencing this, between them in 2017 Social Protection, Health, and Education and Skills will spend a total €7,195m on disability programmes. €3,823m of this total is planned to be spent in Social Protection with both Health and Education and Skills spending a further approximate €1,700m each. Altogether, this represents 13.5% of total gross voted current government expenditure for the year.

Spending in Social Protection rose steadily over the period 2005 to 2010, increasing by 70% from €2,092m in 2005 to €3,565m in 2010. This increase is attributable to increasing weekly rates during the period and large increases in the number of recipients. Between 2010 and 2012, spending in the area remained relatively stable, reducing by 6%. Since 2012 spending on disability has increased and in 2017 the allocation surpasses its 2010 level by over €250m.

Similarly for Health, disability spending fell by just under 4% between 2009 and 2011, three-quarters of which can be explained by pay bill reductions, and was relatively steady thereafter. As the fiscal position improved, there has been year-on-year increases in spending in 2015, 2016 and 2017, with the 2017 allocation exceeding the 2010 peak by €200m.

Special educational needs expenditure has increased considerably in recent years, from €1,219m in 2011 to €1,683m in 2017, equating to 18.9% of the Department of Education and Skill's gross current allocation in 2017. While there has been significant increases in the number of pupils identified as requiring additional supports, it is clear that there has also been a considerable shift in the profile of these pupils.

The current reforms and initiatives underway, including the new special education teaching model introduced in September 2017, the upcoming three year full-assessment of SNA allocations, implementation of the recommendations of the SNA FPA in relation to the range and level of data captured, and the forthcoming findings of the Comprehensive Review of SNA provision, will be crucial in informing the appropriate care needs supports for pupils with special educational needs, having regard to the significant amount of Exchequer investment in this area.