

**An Roinn Oideachais  
agus Scileanna**  
Department of  
Education and Skills



**Review of Eligibility of Persons to access the  
Residential Institutions Statutory Fund (“Caranua”)**

**May 2018**

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## **1. Residential institutional abuse**

- 1.1 The legacy of sexual abuse against children and young people, whether in residential institutions, in day schools, or in any other setting, is appalling. Children in industrial schools and similar residential institutions suffered terrible abuse and this was an unspoken reality of life in Ireland over decades.
- 1.2 In bringing proposals to Government in the late 1990s, the Minister for Education and Science at the time, Micheál Martin T.D., noted that Irish society was confronted with the reality that many people were subject to serious abuse as children. This had occurred in homes and other private places and in institutions charged with the care and protection of children – many of which were orphanages, industrial schools and reformatories which were owned/managed by religious orders, were subject to inspection and regulation by the State and which were funded, in whole or in part, from State funds.
- 1.3 This view was informed by a range of sources, primarily media accounts of abuse, the 1970 Report of the Kennedy Committee which detailed considerable deficiencies in the industrial and reformatory school system, and significant and growing litigation.
- 1.4 The Minister had also, in 1999, commissioned a review of the Department's files by a social historian attached to Trinity College, Dr Gerry Cronin. Although the first of his reports was not made to the Minister until July 1999, there was already evidence from him and others that the files disclosed situations of widespread serious neglect and physical ill-treatment of children. Programmes such as "States of Fear" for which Mary Raftery was given access to Department records, and publications such as "Dear Daughter" were instrumental in informing public opinion on past abuse.
- 1.5 While the extent of the abuse of children was not known, it appeared that it occurred in a large number of different circumstances and institutions. The Minister was of the view that the State had, until then, failed to adopt a constructive or proactive approach to the ongoing revelations and this was neither tenable nor justifiable as an ongoing policy.
- 1.6 Outlining an alternative policy approach, the then Minister stated that while the State could adopt a reactive approach to the situation caused by childhood abuse, by regarding its duty as confined merely to its legal obligations and by reacting to litigation, he was of the view that the State should engage with the problems in a more proactive way.
- 1.7 The institutions of the State, on grounds of morality and the common good, ought not to leave the issues and the helping of victims exclusively to the courts as there were issues of justice and humanity which transcended legal rights and obligations. There were also issues of self-interest as far as society was concerned.
- 1.8 The Cabinet Sub-Committee on Sexual Abuse, appointed by the Cabinet in December 1998 with a remit to bring forward proposals for addressing issues relating to sexual

abuse as a whole, strongly recommended that the State adopt a proactive approach by putting in place measures which would encourage victims to seek help where they needed it and by providing that help in an effective and co-ordinated manner. Any initiatives, it was felt, should be capable of winning the confidence of victims and delivering a high quality and effective means of helping those who need help to deal with the trauma and related problems of their abuse.

## **2. The State's response**

2.1 On 11 May 1999, the then Taoiseach, Bertie Ahern, TD apologised on behalf of the State and all the citizens of the State to the victims of childhood abuse. He said *"The time has long since arrived when we must take up the challenge put to us all by the victims of childhood abuse. The starting point for this is simple, but fundamental. We must start by apologising. On behalf of the State and of all citizens of the State, the Government wishes to make a sincere and long overdue apology to the victims of childhood abuse for our collective failure to intervene, to detect their pain, to come to their rescue."*

2.2 The State sought to respond to child abuse through a number of different elements. Following the then Taoiseach's apology on behalf of the State to survivors of abuse in May 1999, a number of initiatives were taken as part of a comprehensive response:

- The Commission to Inquire into Child Abuse was established in 2000. The Commission had extensive powers to investigate allegations of abuse brought before it. It published its final report (the "Ryan Report") in May 2009
- The Residential Institutions Redress Act 2002 was enacted and provided for the establishment of a statutory redress scheme for survivors of residential institutional abuse which would provide fair and reasonable awards to those who, as children, suffered abuse in residential institutions under the supervision or regulatory authority of the State. This scheme was operated by the Residential Institutions Redress Board
- The putting in place of a nationwide programme of counselling, operated under the auspices of the Health Service Executive, providing a free counselling service to all victims of institutional abuse (the National Counselling Service)
- The establishment of the Education and Finance Board (EFB) to administer an education grants scheme to assist former residents and their families in pursuing educational courses, with funding of €12.7m being provided by the religious congregations pursuant to the 2002 Indemnity Agreement. (Under the 2002 Indemnity Agreement with the State, the 18 religious congregations agreed to contribute €128 million in cash, property and counselling services. In exchange, the State agreed to indemnify the congregations against any legal actions which former residents might bring against them during the lifetime of the Residential Institutions Redress Board. The EFB was dissolved in 2013 having expended the funding available to it

- The establishment of the Residential Institutions Statutory Fund (Caranua) which provides support to former residents in a range of areas including health, housing and education and which is funded from additional contributions of €107 million offered by congregations in the aftermath of the publication of the Commission to Inquire into Child Abuse Report (the “Ryan Report”) in 2009
- A family tracing service to assist former residents trace their families of origin, which is known as the Origins service, operated by Barnardos and funded by the Department of Education and Skills
- Support for survivor groups and outreach services in the UK to provide an information and referral service for survivors of residential abuse (in the context of the work of the Commission and the Redress Board).

### **3. The Ryan Report**

3.1 The Commission to Inquire into Child Abuse Report (the “Ryan Report”), chaired by High Court judge Mr Justice Ryan and published in 2009, revealed the horrors suffered by thousands of children in residential institutions managed by religious congregations and funded and supervised by the State. Horrendous abuse was suffered by those children who were among the most vulnerable people in Irish society at that time, whom both the State and the religious congregations were meant to be protecting and cherishing.

3.2 The report makes a number of findings against the Department of Education and Skills, including the following:

- The deferential and submissive attitude of the Department of Education towards the Congregations compromised its ability to carry out its statutory duty of inspection and monitoring of the schools. The Reformatory and Industrial Schools Section of the Department was accorded a low status within the Department and generally saw itself as facilitating the Congregations and the Resident Managers
- The system of inspection by the Department of Education was fundamentally flawed and incapable of being effective
- The Rules and Regulations governing the use of corporal punishment were disregarded with the knowledge of the Department of Education
- Complaints by parents and others made to the Department were not properly investigated
- The Department of Education dealt inadequately with complaints about sexual abuse. These complaints were generally dismissed or ignored. A full investigation of the extent of the abuse should have been carried out in all cases

- 3.3 A statement by the then Minister for Education and Science, Batt O’Keeffe T.D., on 20 May 2009, on the publication of the Ryan Report, apologised on behalf of the Government. He said that *“I wish to extend my sincere and profound sympathy to those who were subjected to abuse while resident in industrial schools or other places where, as children, they should have felt safe and protected”*.
- 3.4 Following publication of the Ryan Report, the then Government and subsequently Dáil Éireann called on the 18 congregations (i.e., those religious congregations that had managed some 100 of the 139 residential institutions listed in the schedule to the Residential Institutions Redress Act 2002 and who collectively contributed under the 2002 Indemnity Agreement) to commit to making further substantial contributions towards the cost of abuse.
- 3.5 In response to the Government’s call, the congregations offered additional contributions, which they valued at the time (late 2009) at €352.6m. These offers comprised €107m cash to be provided within 5 years; €4m for counselling; €2m by way of a waiver of rent and €237m in proposed property transfers to various State bodies and voluntary organisations. While an overall offer of a contribution on behalf of the congregations collectively was sought, the congregations’ responses was on an individual basis and a full set of responses was received from all 18 congregations though not all offered to contribute.

#### **4. Background to the Residential Institutions Statutory Fund**

- 4.1 The proposal to establish a Statutory Fund was first mooted in the Motion adopted by Dáil Éireann on 28 May, 2009 when the congregations were called upon to commit to making further substantial contributions by way of reparation, in the context of discussions with the State, including a trust to be set up and managed by the State for the support of victims and for other education and welfare purposes. The Government’s Press Statement of 15 April 2010 noted the proposal to utilise the cash element of the congregations’ offers of contributions, amounting to a maximum of €110m, to establish a Statutory Fund and that the Government would be consulting with the former residents as to the exact nature of the fund, how it would operate and the uses to which it would be put.
- 4.2 The Department of Education and Skills discussed the proposal to establish a Statutory Fund at individual meetings with the eighteen religious congregations and in meetings with representatives of the former residents and survivor groups. The Department undertook a public consultation process by placing press advertisements in late July 2010 seeking views on the needs of survivors and how the Fund could operate to assist in meeting those needs. The advertisement stated that the Fund would not provide cash compensation for survivors and that it would be separate and distinct from the compensation scheme operated by the independent Residential Institutions Redress Board. Views could be conveyed by post, email or via a freefone service operated by Barnardos, on behalf of the Department. Some 260 responses were received. The UK-

based Irish Outreach Centres and survivor support services acting on their own initiative issued a standard questionnaire to clients to gauge views in relation to the Statutory Fund, which received some 309 responses.

- 4.3 Many survivor groups and many individual contributors argued against the proposed Statutory Fund, suggesting that the money should be disbursed directly to survivors. Others advocated holding a ballot of all survivors on the Fund. Some responses argued that the congregations were giving the money to survivors and that they could determine their own needs without the Government's involvement. Others contended that survivors have not received appropriate compensation for their abuse, with further payments warranted while others advocated the payment of pensions to survivors.
- 4.4 The Government, at the time, gave very careful consideration to the most appropriate approach. On the basis of a potential pool of 14,000 survivors (i.e., an estimate of the likely total number of surviving award recipients from the Residential Institutions Redress Board and court awards), the Statutory Fund of up to €110m would give a *per capita* award of some €7,800, if the money were simply divided equally among the survivors who received awards.
- 4.5 While such an approach would eliminate the administrative burden of operating a needs-based Fund from within the maximum of €110m, it would not address the identified needs of individual survivors. Indeed, those survivor groups and others who advocated for support for particular services to address particular needs were in favour of the needs-based Fund and did not favour a simple *per capita* distribution of the money.
- 4.6 The congregations' offers of €107m to the Fund were also made in the context of a proposal to establish a trust for the support of victims and the congregations were generally supportive of the proposed Statutory Fund.
- 4.7 In terms of eligibility to apply to the Fund, there was a divergence of views, with some advocating that priority be given to survivors/former residents while others advocated the inclusion of family members and the need to address the transgenerational effects of abuse. The need to include survivors/former residents living outside of Ireland within the Fund's remit was also highlighted.
- 4.8 On the question of which needs of survivors/former residents could be addressed by the Fund, there was a recurring theme that the Fund should not be used in substitution for existing statutory entitlements, while noting that many survivors have difficulties in accessing existing services. The following needs were identified:
  - Counselling, Psychiatric and Psychological Services (including Group therapy)
  - Family Tracing Services
  - Medical Care/Healthcare welfare services (including addiction services)
  - Services for those with a physical disability
  - Home Services to avoid institutional care
  - Education services

- Employment advocacy supports
- Housing and support services for homeless and home improvement services
- Repatriation of survivors to Ireland and repatriation of remains for burial

4.9 Some also advocated for addressing the position of former residents of the Magdalen Laundries and late applications to the Residential Institutions Redress Board. In this context, the revised draft proposal of 27 March 2011 from the Justice for Magdalenes Group considered that neither the Residential Institutions Redress Scheme nor the trust fund are viable alternatives to the reparations scheme being sought, given the age and fragility of the population of Magdalen survivors.

4.10 The Ryan Report recommended that counselling and educational services should be available noting that *“counselling and mental health services have a significant role in alleviating the effects of childhood abuse and its legacy on following generations. These services should continue to be provided to ex-residents and their families. Educational services to help alleviate the disadvantages experienced by children in care are also essential.”* It also recommended that family tracing services to assist those who were deprived of their family identities in the process of being placed in care should be continued. In this regard, the Department continues to fund Barnardos to operate its Origins Family Tracing Service and the National Counselling Service, operated through the Health Service Executive, provides counselling for adults who have experienced trauma and abuse in childhood, with priority given to survivors of institutional abuse.

4.11 Responses emphasised that the Fund’s administration should be simple, accessible, inclusive, equitable and transparent with costs minimised. It was also suggested that the details previously provided by applicants to the Residential Institutions Redress Board should be used by the Fund when determining eligibility.

4.12 On 21 June 2011, the Government noted the outcome of the public consultation process on the establishment of the proposed Statutory Fund and approved the drafting of a Bill to provide the necessary legal measures to establish the Fund to support the needs of former residents of residential institutions.

## **5. Establishment of the Residential Institutions Statutory Fund**

5.1 The Residential Institutions Statutory Fund Act 2012 provides for the establishment of the Residential Institutions Statutory Fund (now known as “Caranua”).

5.2 Under Section 7 of the 2012 Act the functions of Caranua are to–

- utilise the resources that are available to it in the investment account to–
  - make arrangements with persons, whether or not they are resident in the State, for the provision of approved services to support the needs of former residents



- pay grants to former residents in order that they may avail of approved services
- determine–
  - whether a service is an approved service
  - criteria by reference to which Caranua shall make a decision on an application to it for an arrangement or a grant

and

- promote understanding, among persons involved in the provision of approved services and publicly available services to former residents, of the effects of abuse on former residents.

5.3 Caranua’s role is to use contributions from religious congregations of up to €110m to fund approved services to support survivors' needs. These services can include health and personal social services, educational services and housing services and should complement survivors' statutory entitlements. To date, Caranua has received €102.97m.

## **6. Caranua**

6.1 Caranua was established in March 2013 and commenced accepting applications from survivors in January 2014.

6.2 Under section 11 of its governing legislation, the Board of Caranua consists of a Chairperson and 8 ordinary members, 4 of whom are former residents of residential institutions.

6.3 Section 13 of the Act provides that there shall be a chief executive of Caranua. Day-to-day management is the responsibility of the chief executive subject to the policies determined by the Board. The chief executive is accountable to the Board for the efficient and effective management of the Board and for the due performance of his or her functions. The chief executive is accountable to the Public Accounts Committee of Dáil Éireann and to other committees of the Oireachtas.

6.4 Under section 20(7) of the 2012 Act, a decision of the Board in relation to an application to it by a former resident is made by the Chief Executive or a member of staff to whom the function is delegated, and accordingly the Board has no role in that decision-making process.

6.5 Following the establishment of the Board the ongoing statutory role of the Minister for Education and Skills in relation to Caranua includes:

- the approval of contracts and consultancies (section 7(7))
- approving additional classes of services (section 8)

- the appointment of Board members (section 11)
- approving the appointment of a Chief Executive (section 13)
- approving the number of staff, their terms and conditions and remuneration, etc. (all with the consent of the Minister for Public Expenditure and Reform) (section 17)
- the receipt of annual reports (section 19)
- certain matters relating to appeals (sections 21 & 22), and
- the receipt of annual accounts (section 31)

6.6 There is a Performance Delivery Agreement (PDA) in place between Caranua and the Department of Education and Skills. This sets out the respective roles and responsibilities of Caranua and the Department, performance targets, monitoring and reporting arrangements and key control and governance requirements. Regular meetings are held with Caranua under the PDA framework.

6.7 In response to a Motion of Dáil Éireann debated on 24 May 2017, Caranua was requested to consider a number of specific issues set out in the motion. Those issues and progress made are set out below:

- To review its customer charter in consultation with stakeholders
  - Caranua has identified three areas for review internally under its Customer Charter. These relate to waiting times for first time applicants, its Prioritisation Policy, and its Usage of Nominated Person and Permission to Share Policy
  - Caranua publish statistics on the feedback they receive from survivors and, for 2017, there was a 90% satisfaction rate
- To work to increase the level of face-to-face engagement with applicants
  - Caranua regularly holds outreach events in Ireland with survivors through survivor support groups. This includes the holding of one-to-one meetings between survivors and Caranua application advisors. In addition, it continues to have engagement with survivor support groups in the UK. These outreach events include private informal “meet and greet” areas available throughout the day providing a safe space where survivors can meet each other, as well as separate meeting rooms to facilitate confidential one-to-one sessions with application advisors
  - It also has a regular engagement with members of the Oireachtas who make representations on behalf of applicants
  - The targeted outreach programme carried out by Caranua aims to ensure people from harder to reach groups are supported to make applications to Caranua. The aims of the programme include:
    - ensuring as many people as possible in the target group are aware of Caranua;

- building up knowledge within relevant external agencies of Caranua's processes;
  - building up knowledge within the Caranua staff team of what support organisations are available in the given area, and what process and policies are relevant;
  - the examination of innovative ways of supporting the target group.
- The six areas within the Programme are:
    - Prisoners and ex-prisoners
    - People with an intellectual disability
    - People with a physical and/or sensory disability
    - People using homeless services
    - People with a mental health issue
    - People using other types of residential services (including nursing homes)
  - There has been ongoing work within the programme areas and the programme is continuing in 2018, with a focus on those target groups which have seen lesser engagement
  - Caranua had to move to alternative office accommodation in September 2017 following the expiration of a lease on their former premises and this will facilitate a greater level of face-to-face engagement with applicants
  - To work to enhance the level of statistics it provides
    - Caranua provides key information on applications to the Department on a periodic basis and publishes online information regarding applications regularly. It is also working to improve its internal systems to better support its ability to provide statistical information

## **7. Provision and extension of services by Caranua**

7.1 Section 8(1) of the 2012 Act sets out the four classes of services from which Caranua can determine the approved services to be provided. Those classes of services comprise:

- mental health, counselling and psychological support services
- health and personal social services
- educational services, and
- housing support services

7.2 In accordance with section 8(3) of the 2012 Act, the Minister can make regulations prescribing additional classes of services from which Caranua can determine approved services. Any such draft regulations require a positive Motion of each House of the

Oireachtas prior to being made. To date, no regulations have been made under section 8(3).

7.3 In response to calls from survivors to widen the services available, Caranua determined that a number of additional services could be provided under the existing classes of services set down in the 2012 Act and in June 2016 it extended its approved services accordingly.

7.4 The additional approved services now include—

- Support towards the cost of household goods such as cookers, fridges, floors and home decoration as a housing support
- The provision of a contribution towards funeral costs, and
- A contribution to the cost of reconnecting with family members and home place

7.5 It is understood that applicants under the June 2016 guidelines have, in the main, sought services in respect of household goods and home improvements.

7.6 Section 9 of the 2012 Act provides that Caranua determines its own criteria by reference to which decisions are made on individual applications. As part of its review of services, in 2016, Caranua introduced a financial limit of €15,000 per applicant to ensure the fund's sustainability for new applicants. There had previously been no limit, though provision for setting limits was included in section 9 of the Act. The limit was introduced by the Board as a way to protect resources for anticipated needs, thereby ensuring that the Fund would be equitably distributed and that the greatest possible number of former residents would benefit to the greatest possible extent. It also sought to address a situation where there had been high levels of expenditure on a relatively small number of applicants, with 6.7% of applicants receiving services in excess of €30,000 in value. 37 applicants received over €50,000 in services totaling €2.23m. The fund would have been depleted very rapidly on a small number of applicants had a change not been made. Therefore, while there has been criticism of the imposition of the cap, it was considered necessary to manage the fund to benefit survivors to the greatest possible extent.

7.7 In addition, regard must be had to Caranua's ability to provide for exceptional needs. This operates on a case-by-case basis, usually in respect of health services. For similar reasons, in processing applications Caranua also seek to prioritise new applicants and those who are aged 70 years and over.

7.8 By the end of December 2017, Caranua had received 6,109 applications and had spent approximately €72.5m in supports to, or on behalf, of some 4,914 applicants. This was composed of the following services:

- Health €19.7m (27%)
- Housing €51.3m (71%)
- Education €1.3m (1.8%)
- Exceptional needs €0.17m (0.2%)

7.9 Administrative costs for Caranua to the end of December 2017 were €7.45m meaning that total expenditure had reached €80 million with some €30 million potentially available at that point.

## **8. Basis for review of eligibility of persons to access the Caranua Fund**

8.1 Under section 3 of the 2012 Act, eligibility for assistance from the Fund is confined to those former residents who received awards from the Residential Institutions Redress Board or similar awards or settlements in court proceedings and who would otherwise have received an award from the Redress Board.

8.2 However, in response to calls made during the passage of the legislation through the Houses of the Oireachtas for the eligibility for access to the fund to be widened, the then Minister for Education and Skills, Ruairí Quinn T.D., said that *“the issue of who was eligible to apply for assistance could be reviewed following the establishment of the statutory fund in the event of the applications to the fund not resulting in a significant expenditure of it”*. An undertaking was given at the time to review the question of eligibility for access to the Fund two years after its establishment having regard to the level of uptake of the funding available.

## **9. Terms of reference for review of eligibility**

9.1 The commitment given by Minister Quinn was to review who was eligible to apply to the fund in the event that applications were not resulting in significant expenditure. The review of eligibility to apply to Caranua is, therefore, confined to the issue of eligibility of persons who may access the fund.

9.2 The draft terms of reference were published on the website of the Department of Education and Skills on 13 February 2017 and submissions were invited with a closing date of 8 March 2017.

9.3 The draft terms of reference were:

- (a) Review of Caranua’s overall expenditure to date;
- (b) Estimate likely further expenditure taking into account the applications on hand and anticipated further applications;
- (c) Quantification of any likely underspend;
- (d) If an underspend is indicated,

- consult with stakeholders about an expansion of the eligibility criteria, including identification of the groups that could be considered for inclusion in any expansion,
- identify possible arrangements for verifying eligibility, resource implications and related issues.

9.4 Survivors, survivor support groups and other interested parties were invited to make their views known and to do so by writing to Caranua Eligibility Review, Department of Education and Skills, Marlborough St., Dublin 1 or by e-mailing [caranuaeligibilityreview@education.gov.ie](mailto:caranuaeligibilityreview@education.gov.ie).

9.5 All responses were acknowledged and divided into different groups as originating from a survivor, a survivor advocate or support group or from a public representative. The responses were categorized by submission type.

9.6 There were 25 submissions received from the following with most submissions commenting on more than one issue:

Survivors of abuse (#)	Advocates (groups or individual)/support groups	Public representatives
16	6	3

(#) Not all survivors who responded meet the definition of ‘former resident’ as set out in the Residential Institutions Statutory Fund Act 2012.

9.7 The responses from survivors fell into the following categories:

9.7 Response	Number
Expand the eligibility criteria to include survivors of abuse who are not currently eligible for funding from Caranua	6
Remove the limit of €15,000	4
Complaint about not getting help with accommodation needs	2
Caranua funds to go to charitable housing agencies for them to purchase suitable properties for survivors	1
Identify the highest amount paid out and bring other survivors allocations up to that amount	1
Appointment of liaison officers between survivors and the Caranua Board	1
Funeral expenses for relatives of survivors	1
Only consider extending eligibility to others when all existing applications have been processed by Caranua	3

9.8 The responses from advocates or support groups fell into the following categories:

<b>Submission</b>	<b>Number</b>
Expand the eligibility criteria to include survivors of other institutions, e.g., <ul style="list-style-type: none"> <li>• The Bethany Home</li> <li>• Mother and Baby Homes</li> <li>• Applicants who failed through the courts/still waiting for hearings or whose applications were rejected (other than for criminal reasons)</li> <li>• Magdalene Laundries.</li> </ul> <p><i>Note that not all of the listed institutions were mentioned in all of the submissions.</i></p>	4 N.B. One of the support groups qualified this with the need to quantify the underspend before expanding the eligibility criteria
Ring-fence €5m of the Fund for survivors of abuse in other institutions	1
Remove the limit of €15,000/query whether there was a right to introduce a cap on services	3
Use part of the Fund for pro-active outreach services	1
Formalise links between Caranua, DES and a relevant Oireachtas committee for the remainder of the term of the fund	1
With any underspend, establish a benevolent fund for families of former residents	1
Address legacy issues through, e.g., a monument in every place that an industrial school existed, widespread dissemination of the Ryan Report and other reports on abuse.	1
Make provision for those who live in rented accommodation	1
Consult with survivors on any changes to prioritisation policy or to administration policy	1
Drop current prioritisation policy	1

9.9 The responses from public representatives fall into the following categories

<b>Response</b>	<b>Number</b>
Expand the eligibility criteria to include survivors of other institutions, e.g., <ul style="list-style-type: none"> <li>• The Bethany Home</li> <li>• Mother and Baby Homes</li> <li>• Applicants who failed through the courts/still waiting for hearings or whose applications were rejected (other than for criminal reasons)</li> <li>• Magdalene Laundries</li> </ul> <p><i>Note that not all of the listed institutions were mentioned in all of the submissions.</i></p>	1

Remove the €15000 limit or query what the impact would be on any underspend	3
Include funeral costs for relatives of survivors in cases where it would cause undue financial hardship	2
Enhanced medical services	1
Education courses for children of survivors	1
Inclusion of housing costs	1
Drop current prioritisation policy	1

9.10 A number of the responses commented on Caranua's administration, on the administrative costs of the scheme and its impact on the fund. These responses were mainly from advocates and public representatives.

<b>Response</b>	<b>Number</b>
More transparency on Caranua's administrative costs and their overall administration including publication of internal guidelines.	3
Cost of administering the scheme should be reimbursed to survivors	1
Delays in processing applications or in issuing decisions	4

9.11 Having regard to the submissions received regarding issues of eligibility for access to the Caranua fund, the terms of reference for the review were expanded. The finalised terms of reference provide as follows:

- (a) Review of Caranua's overall expenditure to date;
- (b) Estimate likely further expenditure taking into account the applications on hand and anticipated further applications;
- (c) Quantification of any likely underspend;
- (d) If an underspend is indicated, estimate likely further expenditure if
  - (i) the current cap of €15,000 is retained
  - (ii) the current cap of €15,000 is removed
  - (iii) Funeral expenses are extended to relatives of survivors
  - (iv) Payment of a lump sum or a biannual payment to residents as defined in the Residential Institutions Statutory Fund Act 2012 is agreed. (It should be noted that under section 9 of the Residential Institutions Statutory Fund, it is the responsibility of the Board of Caranua to determine criteria by



reference to which the Board shall make a decision in respect of an application)

- (v) If the eligibility criteria is extended to include survivors of other institutions as set out in the responses to the draft terms of reference. This would mean identifying possible arrangements for verifying eligibility, the resource implications for so doing and related issues.

## **10. Review of Caranua's expenditure to date**

10.1 The review of Caranua's expenditure is conducted based on figures at end December 2017. The review of Caranua's expenditure and estimation of future possible expenditure was supported by an economist in the Irish Government Economic and Evaluation Service seconded to the Department of Education and Skills. This analysis is based on figures supplied by Caranua at that time. As Caranua are open to accepting applications on a daily basis, the number of applications and commitments from the fund vary continuously. The analysis was chiefly carried out towards the end of 2017, with the analysis being based on the end of December 2017 data.

10.2 At that time, Caranua had expended €72.5 million on the following services:

- Health €19.7m (27%)
- Housing €51.3m (71%)
- Education €1.3m (1.8%)
- Exceptional needs €0.17m (0.2%)

10.3 Administrative costs for the same period were €7.45 million. It should be noted that Section 30(2) of the Residential Institutions Statutory Fund Act provides for Caranua's administration costs to be met from the Fund.

10.4 For the same period, the fund had benefitted 4,914 people.

10.5 The remaining available expenditure was calculated by subtracting the expenditure expended on completed applications and on administration costs from the maximum total anticipated fund. From there, expenditure on applications still being processed in the system and projected administration costs have been subtracted to determine the remaining funds when the system has processed all applications on hand.

10.6 At the end of December 2017, the maximum remaining available fund was €30.096m. Table 1 in the Appendix to this report sets this out in more detail.

10.7 The results of the analysis undertaken are framed in such a way as to set out possible scenarios and ranges (bands), as future expenditure figures are difficult to predict. The numbers calculated should, therefore, act as a guide to the level of expenditure Caranua might experience in the future. Due to the unique position of Caranua, no previous

literature or international evidence could be sourced as valid comparators to anticipate possible future monthly application rates or level of services required by survivors, etc.

- 10.8 Because of the likely age profile of survivors, Caranua commissioned a study in 2016 to estimate the current likely size of the population of those who would still be able to avail of assistance from the study. The study was conducted by the Centre for Support and Training in Analysis and Research (CSTAR) and can be accessed on the Caranua website – [www.caranua.ie](http://www.caranua.ie). Through application of statistical models using the Irish Life Tables, the study estimated that 12,124 former residents would be living at the end of December 2015 (See Table 2 in Appendix). Having regard to this work, the Board of Caranua set a target to reach 6,100 applicants, approximately 50% of this number.
- 10.9 At the end of December 2017 Caranua were working with 2,190 survivors on their open applications with a potential value € 13,586,400. In addition, 261 survivors were waiting to be assigned to an application advisor with a potential value of €3.9m. The future projected administration costs which includes accommodation, staffing, external contractors for auditing purposes, IT support, cost of Appeals Officers etc is €3.8m. When these costs are taken into account, the remaining available fund is estimated to be €8.7m (approximately 8% of the fund) (See Table 3 in Appendix). This figure is used in the models which follow.

## **11. Assumptions on which models of likely future expenditure are based**

- 11.1 Due to a range of uncertainties involved in projecting likely future expenditure, two scenarios have been created to estimate the impact on the fund of survivors receiving two different levels of services. These scenarios are based on survivors receiving services at:
- The current upper threshold (€15,000)
  - A lower average amount of €7,500
- 11.3 These scenarios exclude any complex aspects of expenditure from the fund such as repeat applications and possible spikes to monthly applications. The second model introduces different scenarios reflecting the complexities inherent in the current situation whereby survivors can reapply if previous claims were received before 1 June 2016 guidelines and/or have fallen below the €15,000 threshold. The same starting baseline is used to determine the funds available.

## **12. Model 1**

12.1 Model 1 examines 2 different scenarios based on new applicants receiving different levels of payment in respect of services sought. These are survivors who have not yet applied to Caranua for services. This model does not factor in any repeat applications from existing applicants and how this may impact on the remaining fund available. However, the figures used as the basis for each of the scenarios is a prediction of the value of services a new applicant would receive, whether through one or multiple applications.

### Scenario 1 - Application of €15,000 ceiling

12.2 Caranua introduced the ceiling of €15,000 to ensure that the fund would be more equitably distributed and that the greatest possible number of former residents would benefit. It would also address a situation where there had been high levels of expenditure on a relatively small number of applicants. This variance can be seen at Table 4 in the Appendix. Caranua also introduced additional services (See paragraph 7) in response to feedback from survivors following a consultation process.

12.3 Scenario 1 is a projection of how the fund could accommodate the number of survivors who have still to apply for services. It reflects the funds still available having taken account of the expenditure incurred and applications on hand at the end of December 2017, as well as €3.8m in anticipated future administrative costs.

12.4 The calculations in this scenario are done on the basis that the remaining survivors receive a maximum amount of €15,000 each, including those whose applications are waiting to be dealt with. It should be recognised that many survivors have received services considerably less than €15,000 in value. Under this scenario the fund, along with its existing commitments, can provide funding of €15,000 to an additional 580 survivors. Further detail on this is provided in Table 5 in the Appendix. Fewer survivors than this would be able to avail of the fund if the projected demand on the fund from repeat applications is realised. This is explored in the Model 2 scenarios below.

### Scenario 2 - Application of average fund payment to Survivor of €7,500

12.7 This scenario looks at the position as to how many survivors could benefit if the average payment was set at 50% of the existing ceiling of €15,000, i.e., €7,500 per applicant.

12.8 Under this scenario the fund, along with its existing commitments, can provide funding of €7,500 to a further 1,422 survivors.

## **13. Model 2 – repeat applications**

13.1 Model 2 attempts to incorporate the situation in which survivors can reapply if they have previously received services, the total value of which fall below the €15,000 threshold.

13.2 The percentage proportion of individuals who might reapply is adjusted to account for various scenarios based on high and low rates of repeat applications. The rest of this analysis follows the same calculations mentioned previously such as expenditure expended to date, future expenditure incurred, as well as current and unavoidable future administrative costs.

13.3 From figures supplied by Caranua, as at the end of December 2017 there are 1,613 people who could potentially reapply for services.

#### Scenario 1 – 30% repeat applications

13.4 This scenario considers the possible number of repeat applications based on a modest percentage (30%) of applicants reapplying. It estimates an additional demand on the fund of €3.5m (See Table 7 in Appendix).

#### Scenario 2 – 70% repeat applications

13.5 This scenario sets out the possible number of repeat applications based on a high percentage (70%) of applicants reapplying. It estimates an additional demand on the fund of €8.1m (See Table 8 in Appendix).

#### Likely impact of repeat applications on the available fund

13.6 The cost of applications in progress and awaiting assignment and the existing and projected administration costs for Caranua at end of December 2017 were €21.3m. Given that it is understood from Caranua's experience that there is a well-established pattern of repeat applications, it is considered prudent to work on the basis of a high percentage of applicants reapplying for further services. Therefore, the assumptions under this model for a high level of repeat applications are used to project future costs in respect of this model. The cost of applications to be processed (i.e., new applications rather than repeat applications) is based on Scenario 1 i.e. each applicant receiving the maximum value of €15,000 of services.

13.7 On these assumptions, the remaining fund of €8.7m would be reduced to €631k. This is shown in Table 10 in the Appendix. If that were the case and this is based on the assumption that there will be a high level of repeat applications, only 42 applicants could receive a maximum of €15,000 in services if the present conditions were to apply.

### **14. Rate of applications**

14.1 A monthly profile on the number of applications to Caranua is contained in Table 9 in the Appendix.

14.2 The average number of monthly applications in 2017 has been below the trend of previous years at an average of 41 applications per month. However, the fund is a finite

one and it can be anticipated that, as information on the extent of expenditure from the fund becomes more widespread, there is likely to be a spike in applications.

- 14.3 Excluding repeat applications and this may have to be taken into account in ensuring an equitable distribution of the Fund, an additional 580 people can avail of services to the value of €15,000. Consideration has been given as to what impact a sudden increase in applications could have on the number of applications per month. Assuming that the threshold of €15,000 per individual applicant applies and allowing for a high percentage of repeat applications, the number of applicants who could expect to receive services is approximately 947.
- 14.4 However, the experience of the Residential Institutions Redress Board was that the number of applications increased very substantially as a closing date was reached. While this is not an exact comparator for the application process for services in which Caranua is involved, that experience would suggest that careful consideration is given as to how best to manage a similar development.

## **15. Findings**

- 15.1 The review was intended to quantify any likely underspend and, in the event of an underspend, to look at the implications of extending the eligibility criteria to include survivors of other institutions and to identifying possible arrangements for verifying eligibility, the resource implications for so doing and related issues.
- 15.2 Based on the analysis which drew on the figures provided by Caranua and which were checked and verified by on-site visits with Caranua, the remaining available fund was estimated to be €8.7m at end December 2017 (approximately 8% of the maximum value of the fund).
- 15.3 There is no indication whatsoever that there is going to be an underspend of the fund by the people currently eligible to apply to that fund. It is very clear that the fund is not going to be undersubscribed. Therefore, there is no basis for taking a different approach and to do so could only happen at the expense of survivors for whose benefit the fund was established. Until the fund is exhausted, it ought to continue to be used for the benefit of those survivors who meet the criteria originally devised.
- 15.4 Given the number of applications on hand, the likelihood of a relatively high level of repeat applications and the prospect of a significant spike in numbers as the extent to which the fund has been spent becomes more widely known, there is a significant challenge in continuing to ensure that services are granted as fairly as possible to survivors from what remains of the fund.
- 15.5 It is, therefore, essential that Caranua continues to manage the fund appropriately for the client group they serve. While Caranua prioritises new applicants and those who are aged 70 years and over, given that the fund is a finite fund and that there are survivors who have not applied for services available through Caranua, consideration

needs to be given as to what, if any, further steps could be taken to ensure that those who have not benefitted from services to date can do so.

## **16. Options for next steps**

16.1 Having regard to the findings in section 15 of this report, a number of possible options exist in moving forward. In setting out the options below, it is recognised that it is a function of Caranua to utilise the fund for the benefit of survivors and it is a matter for it to manage the fund in an effective manner.

16.2 One option is for Caranua to continue with its current approach in managing the fund within the €15,000 cap, subject to exceptional needs, and having regard to survivors' needs. Caranua already seeks to manage the fund as fairly as possible and to respond to the needs of survivors. Introduction of the €15,000 limit on services and the broadening of services into other areas sought by survivors is evidence of this. This work in appropriately managing the fund has been very important in maximising the benefit to be derived from the statutory fund and will become more vital as the organisation moves into the next stage of its operations.

16.3 A second option is to move to a more intensive level of planning having regard to the amount remaining in the fund. It is understood that Caranua is engaging in a planning process which will have regard to the outcome of this review.

16.4 It is suggested that, as part of this planning process, Caranua could consider the following matters:

- What additional practical steps, over and above what has been undertaken to date, could be taken to ensure that the services made available to survivors on a needs basis ensure equity and fairness to the greatest extent possible
- How should Caranua's current advocacy work in linking survivors in with public services continue? Through their application advisors, Caranua have, for example, helped survivors to access information under housing in relation to council grants, transfer of property, debt resolution and referrals to mortgage arrears services, etc.
- Further analysis work which could be undertaken on contingency planning within the confines of the finite fund allowing for repeat applications, exceptional needs and additional or other methods of prioritisation beyond those already applied

16.6 Given the completion of some elements of the State's response and the work completed so far by Caranua, it is important that consideration is given to how existing mainstream State services can best meet the needs of survivors into the future. Survivors must continue to be supported and services must have proper regard to their needs in the development and operation of schemes, particularly in areas such as social protection, health services and housing. The Department of Education and Skills will examine how best to progress this on a cross-governmental approach.

## Appendix – Tables

**Table 1- Expenditure as at end of December 2017 (pool of 14,840 people)**

Current Status (December 2017)			
Eligible Survivors	14840		
Accepted Applications	5539(#)	<i>Percentage of all Survivors</i>	37%
Completed Applications	3074	<i>Percentage of Applications Completed</i>	21%
Total Fund	€110,000,000		
Current Total Expenditure	€72,510,469	<i>Percentage of Fund Spent</i>	66%
Administration Cost	€7,451,847	<i>Percentage Used to Admin. Expenditure</i>	6.8%
Total Cost	€79,962,316		
<b>Current Balance</b>	<b>€30,037,684</b>	<i>Percentage of Fund Remaining</i>	27%

(#) Not all of these applications will continue to be processed.

**Table 2 - Number of number of eligible survivors likely to be still alive at the end of December 2015 (\*).**

Estimated number of survivors as of December 2015			
Place of Residence	Males	Females	Total
Ireland	4,967	2,854	7,821
UK	1,852	1,842	3,694
Rest of the World	273	336	609
<b>Total</b>	<b>7,092</b>	<b>5,032</b>	<b>12,124</b>

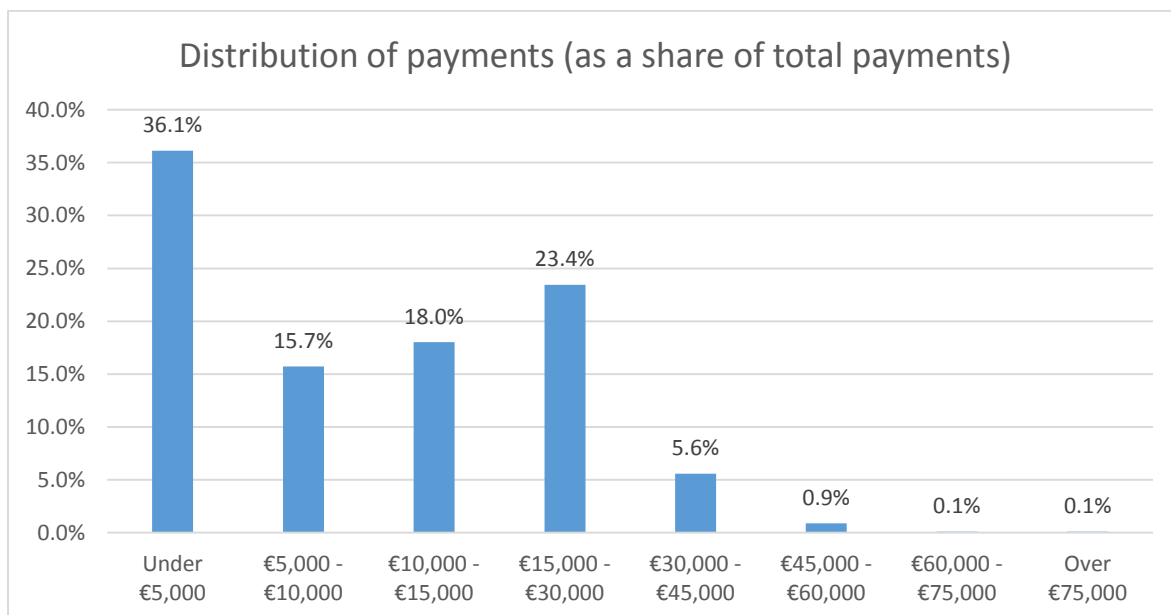
(\*) Data reproduced from Tables 4 and 5 of UCD – CSTAR study at

[http://www.caranua.ie/attachments/CSTAR\\_Caranua\\_Report\\_Feb\\_2016\\_Fully\\_Integrated\\_Report-with-numbers.pdf](http://www.caranua.ie/attachments/CSTAR_Caranua_Report_Feb_2016_Fully_Integrated_Report-with-numbers.pdf)

**Table 3 -- Existing commitments including projected administration costs**

Future Payments: Applications to be processed	
Value of Service	€15,000
Applications to be assigned	261
Applications in Progress	2190
Current Balance	€30,037,684
<i>Projected value of applications to be processed</i>	€3,915,000
<i>Projected value of applications in progress</i>	€ 13,586,400
<i>Projected future administration costs</i>	€3,825,000
Total Cost	€21,326,400
<b>Remaining Funds</b>	<b>€ 8,711,284</b>

**Table 4 - Distribution of payments for all cases (based on end September 2017 figures)**





**Table 5 - Projection of the number of survivors that will be able to avail of €15,000 funding for services**

Future payments: Number of Survivors who can avail of €15,000			
Funding limit applied to applications in the system		€15,000	
Applications to be assigned (waiting list)		261	
Applications in Progress	2190		
Current balance		€30,037,684	
<i>Projected value of application to be processed</i>		€3,915,000	
<i>Projected value of applications in progress</i>		€ 13,586,400	
<i>Projected future administration costs</i>		€3,825,000	
Total cost		€21,326,400	
<b>Remaining funds</b>		<b>€8,711,284</b>	
Number of survivors who can avail of €15,000		580	
<b>Balance in Fund</b>		€ -	<i>Percentage of fund remaining</i> 0%

**Table 6 - Number of remaining survivors who would be able to avail of an average fund payment of €7,500, i.e., 50% of the current ceiling of €15,000**

Future payments: Number of Survivors who can avail of €7,500			
Funding limit applied to applications in the system		€ 7,500	
Applications to be assigned (waiting list)		261	
Applications in Progress	2190		
Current balance		€30,037,684	
<i>Projected cost of applications on hand</i>		€1,957,500	
<i>Projected value of applications in progress</i>		€ 13,586,400	
<i>Projected future administration costs</i>		€3,825,000	
Total cost		€19,368,900	
<b>Remaining funds</b>		<b>€10,668,784</b>	
Number of survivors who can avail of €7,500		1,422	
<b>Balance in Fund</b>		€ -	<i>Percentage of fund remaining</i> 0%

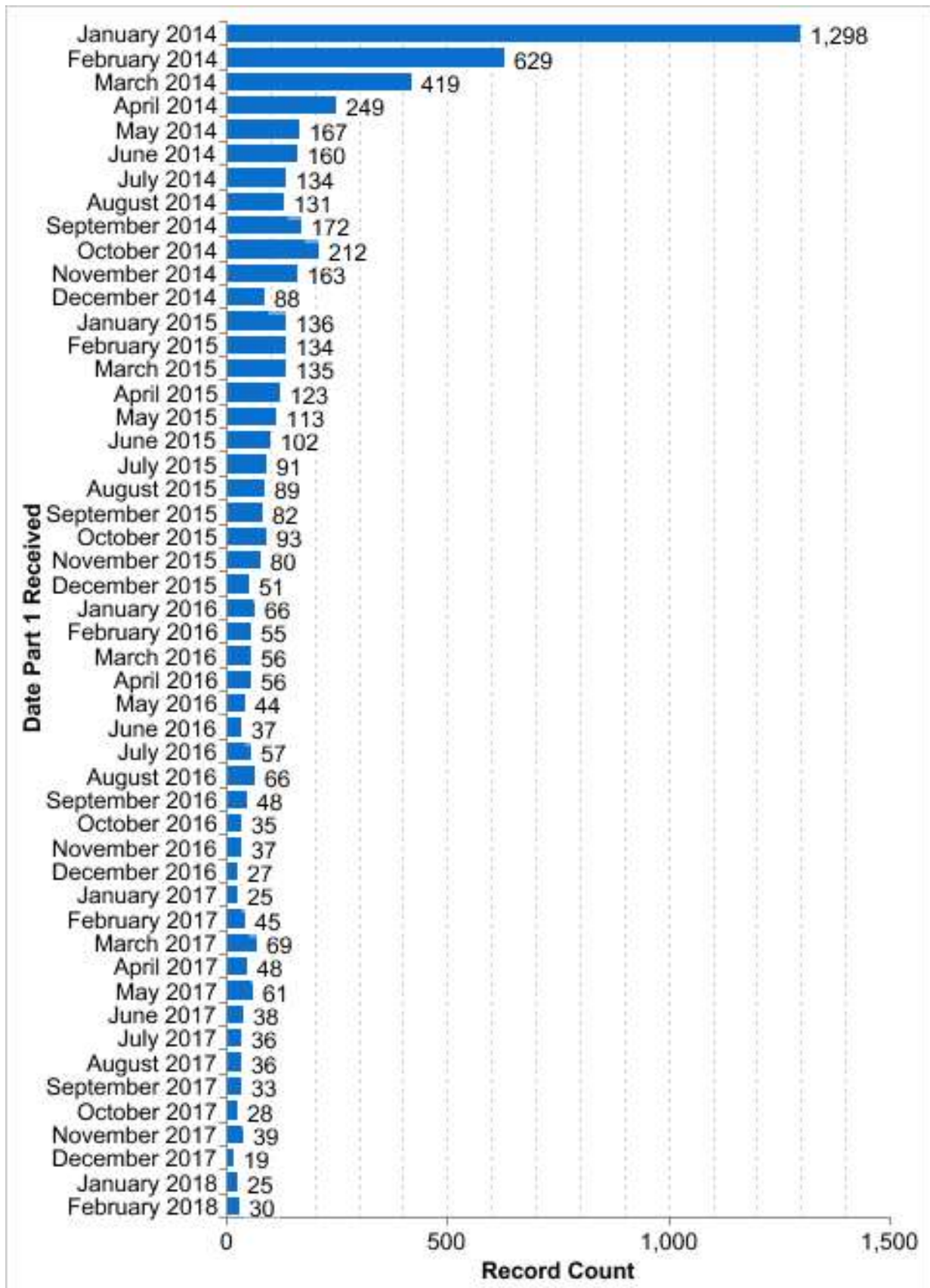
**Table 7 - Possible number of repeat applications based on a low percentage of eligible applicants re-applying**

<b>Repeat applications - 1613 eligible - 30% re-applying</b>				
<b>Amount previously claimed</b>	<b>Amount available to claim</b>	<b>No of potential applicants</b>	<b>% of applicants who reapply</b>	<b>Cost of repeat applications</b>
<€5,000	€12,500	536	30%	€2,012,500
€5,000-€10,000	€7,500	430	30%	€967,500
€10,000-€15,000	€2,500	647	30%	€485,000
<b>Total cost of repeat applications</b>				<b>€3,465,000</b>

**Table 8 - Possible number of repeat applications based on a high percentage of eligible applicants re-applying**

<b>Repeat applications - 1613 eligible - 70% re-applying</b>				
<b>Amount previously claimed</b>	<b>Amount available to claim</b>	<b>No of potential applicants</b>	<b>% of applicants who reapply</b>	<b>Cost of repeat applications</b>
<€5,000	€12,500	536	70%	€4,690,000
€5,000-€10,000	€7,500	430	70%	€2,257,500
€10,000-€15,000	€2,500	647	70%	€1,132,250
<b>Total cost of repeat applications</b>				<b>€8,079,750</b>

**Table 9 – Number of applicants by month**



**Table 10 - Existing commitments to the fund and likely impact of repeat applications.**

Current State of the Fund	
Total Fund	€110,000,000
<i>Current Total Expenditure</i>	€72,510,469
<i>Administration Cost</i>	€7,451,847
Total Cost	€79,962,316
<b>Current Balance</b>	<b>€30,037,684</b>
<b><i>Applications on hand:</i></b>	
Rate of Payment	€15,000
Applications to be assigned	261
Applications in progress	2190
Current Balance	€30,037,684
<i>Cost of applications on hand</i>	€3,915,000
<i>Applications in progress</i>	€ 13,586,400
<i>Projected Future Administration Costs</i>	€3,825,000
Total Cost	€21,326,400
<b>Remaining Funds</b>	<b>€8,711,284</b>
<b>Repeat Applications</b>	
Available Fund	€8,711,284
Total Cost of Repeat Applications	€8,079,750
<b>Remaining Fund</b>	<b>€631,534</b>