



**Oifig an Stiúirthóir Cúnta Náisiúnta,**  
Foireann Míchumais Náisiúnta,  
An Chéad Urlár - Oifigí 13, 14, 15,  
Áras Phlásóg na Rós, Coimpléasc Gnó na hOllscoile,  
Páirc Náisiúnta Teicneolaíochta,  
Caladh an Treoigh,  
Luimneach.

**Office of the Assistant National Director,**  
National Disability Team,  
First Floor- Offices 13, 14, 15,  
Roselawn House, University Business Complex,  
National Technology Park,  
Castletroy,  
Limerick.

28<sup>th</sup> August 2024

Deputy Patricia Ryan,  
Dail Eireann,  
Leinster House,  
Kildare Street,  
Dublin 2.  
E-mail: [patricia.ryan@oireachtas.ie](mailto:patricia.ryan@oireachtas.ie)

Dear Deputy Ryan,

The Health Service Executive has been requested to reply directly to you in the context of the following parliamentary question, which was submitted to this department for response.

**PQ: 28588/24**

*To ask the Minister for Children; Equality; Disability; Integration and Youth his plans to reform the funding mechanism for an organisation (details supplied), which provides vital services in home and community care for vulnerable people, to enable them to continue to provide these services safely; and if he will make a statement on the matter.*

Details Supplied: Cheshire Ireland

**HSE Response**

The HSE funds and works in partnership with organisations including Section 38, Section 39, Out of State and For Profit Agencies (**Agencies**) to ensure the best level of service possible is provided to people with a disability, and their families, within the available resources.

The majority of specialised disability provision (80%) is delivered through non-statutory sector service providers. The relationship between these providers and the HSE is governed by way of a Service Arrangement (SA) or Grant Aid Agreement (GA) via the nine Community Healthcare Organisations. The HSE currently manages approximately 1,045 SAs or GAs with a total of 419 organisations.

The HSE acknowledges the role and contribution of non-statutory Agencies, including Cheshire Ireland, in the development and provision of health and personal social services and is committed to the development of effective working relationships as enacted by the Health Act 2004.



## The Cheshire Foundation in Ireland

Cheshire Ireland provides services to people with disabilities in centres in Dublin, Cork, Galway, Wicklow, Limerick, Donegal, Kerry, Carlow, Waterford, Sligo and Mayo.

Services provided by Cheshire Ireland include, Community based services, respite services, residential services and supported accommodation services.

The HSE is aware of the challenges faced by Service Providers including Cheshire Ireland. These challenges are attributed to issues including but not limited to; increasing complex needs of service users, recruitment difficulties, particularly for Health and Social Care staff and Nursing staff to meet service users' needs, rising costs and the cost of maintaining onerous and intensive regulatory compliance (including HIQA regulation and standards) regimes, many of which have not been financially/ risk assessed prior to implementation.

In 2024, Cheshire Ireland are in receipt of €30,984,962 in funding from the HSE under Section 39 of the Health Act 2004. The organisation has service arrangements with all the HSE Community Health Care Areas (CHOs). CHO 6 is the biggest funding CHO providing 36% of the overall funding.

Cheshire Ireland remain concerned regarding cashflow and have written to the HSE raising several issues including costs to become compliant with HIQA Regulations.

All funded service providers, including Cheshire Ireland, are required to deliver safe and effective services within a defined budget allocation. The HSE must also ensure that it prioritises available resources based on meeting the health and social needs of people with a disability. Engagement is ongoing between the HSE nationally, the Community Healthcare Organisations (CHO) and the agencies we fund.

Additional funding has been provided by the HSE for Cheshire Ireland to maintain its level of services.

The Frame Work for the provision of funding to all agencies must be in line with The National Financial Regulations (NFRs) and the Governance Framework for Funded Agencies.

### National Financial Regulations

The National Financial Regulations (NFRs) are policy documents that form part of the overall HSE internal control environment by providing a high-level framework within which the internal financial controls operate.

The NFRs are in place to ensure the financial controls are consistent with:

- Irish and EU statutory requirements
- Achievement of best Value for Money (VFM)
- Government policies and guidelines

The National Financial Regulations apply to all staff in all divisions, Community Healthcare Organisations (CHOs) and Hospital Groups where services are provided on behalf of the HSE. This includes permanent, temporary and agency staff. Equivalent controls should also be implemented by Section 38 and Section 39 providers, where services are being provided on behalf of the HSE or where HSE grant aid funding is being received.

Section B6 of the NFRs apply to the HSEs funding structure (Service Arrangement and Grant Aid Agreement) with Section 38 and Section 39 agencies and the respective obligations of both the HSE and the non-statutory agencies. This includes:

- Governance process
- Performance monitoring and management
- Compliance requirements
- Expenditure bands and Approval Limits to sign service arrangements or grant aid agreements.

For further information please see:

<https://www.hse.ie/eng/about/who/finance/nfr/nfr-docs.html>



See B6 Section 38 and 39 Arrangements NFR document (PDF, 1.1MB, 15 pages) and B6 Checklist document (PDF, 207KB, 4 pages)

### **Governance Framework for Funded Agencies (Framework)**

As part of a HSE wide requirement to ensure appropriate governance arrangements that underpin the release of the funding of Agencies, a Governance Framework for Funded Agencies (**Framework**) has been developed which ensures a consistent approach in this regard.

The HSE must have in place appropriate contractual arrangements Service Arrangements (SA) and Grant Aid Agreements (GA) with all Agencies that have funding released to them for the provision of services in accordance with Section 38 and 39 of the Health Act 2004 and NFR B6.

The Framework was introduced to implement the legislative provisions of the Health Act, 2004 and to reflect the requirements for public accountability where the HSE is legally obliged to account for all public expenditure on health and personal social services. In this regard the SA is a key document which comprises the following two Parts:

Part 1 - An SA is generally signed every one to three years by both parties and sets out the legal requirements that the Agency must comply with to receive funding in respect of the provision of services.

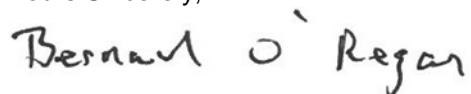
Part 2 –This comprises a set of 10 Schedules which must be completed and signed by the Agency and the HSE, which sets out the detail of the service and the exact funding that the HSE is providing for the delivery of this service. This set of Schedules also identifies the quality standards and best practice guidelines to be adhered to in the provision all services, along with the process for managing complaints in relation to service provision.

The Framework seeks to provide a level of governance which links funding provided to a quantum of service and provides for these services to be linked to quality standards, with continuous monitoring to ensure equity, efficiency and effective use of available resources.

Further information regarding the governance arrangements for the funding of Non-Statutory Agencies can be obtained at:

<https://www.hse.ie/eng/services/publications/non-statutory-sector/>

Yours Sincerely,



**Bernard O'Regan**  
**Assistant National Director**  
**National Disability Team**

