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Department of Children, Equality, Disability, Integration and Youth

Budget 2023: Overview and FAQ for Early Learning and Childcare Providers
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Overview

In 2023, the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) allocation for early learning and childcare will be €1.025 billion, a €346m increase on last year's allocation. The funding in 2023 for the early learning and childcare sector provides for:

- A full year allocation for Core Funding.
- The continuation of the ECCE programme that will benefit more than 108,000 children in 2023.
- The continuation of the Access and Inclusion Model (AIM) to ensure more than 5,000 children with a disability can access and meaningfully participate in the ECCE Programme.
- The continuation of the NCS, offering supports to a greatly expanded cohort of children and families.
- The delivery of a range of regulatory and quality supports for the implementation of the National Action Plan for Childminding, Nurturing Skills, the Workforce Plan, and the ongoing development of the registration and inspection system as well as policy development commitments set out in First 5 and the Programme for Government (e.g. the design of a DEIS type model for early learning and childcare).

Budget 2023 also introduces major reforms to the NCS from January 2023 that will substantially improve the affordability of early learning and childcare for families. Additional funding of €121m has been allocated from January 2023 so all families accessing registered early learning and childcare will receive a minimum hourly NCS subsidy of €1.40 off the cost of early learning and childcare. With the current minimum hourly NCS subsidy set at €0.50 per hour, this represents an additional €0.90 per hour off the cost of early learning and childcare. This translates to up to €63off families' weekly bill for early learning and childcare per child using 45 hours of childcare. With up to €22.50 currently available per week, this represents up to an additional €40.50 off weekly costs.

Frequently Asked Questions

National Childcare Scheme (NCS)

1. How is the NCS changing?

From January 2023, any family who is not already at the maximum hourly NCS subsidy will see an increase in their subsidy. All families who would currently receive the minimum (universal) subsidy of 50c per hour will receive €1.40 per hour. For those who receive a subsidy based on an income assessment, the amount of the increase will taper down as they approach the maximum hourly subsidy rate.

2. What will the increase in NCS subsidies mean for me as a provider?

Any family who is not already at the maximum hourly NCS subsidy will see an increase in their subsidy. This will make early learning and childcare more accessible and affordable for families. This will also increase the number of families who may opt to use your service, which will support growth and longer term stability.

Providers will need to update the parent's co-payment. Pobal will provide access to new rates available to existing scheme users on the Early Years Hive in early December to allow you plan for the change.

Parental agreements will need to be reviewed to reflect the change in co-payment by end of February 2023.

3. When will the increase in NCS subsidies be introduced?

The increase to any subsidy not already at the maximum rate will come into effect on 2 January 2023.

4. When will the universal subsidy increases by available on the Early Years Hive?

The aim is for the new subsidies to be visible on the Early Years Hive by 5 December 2022. This will allow providers to be able to view the new upcoming rates for all their submitted claims which will come into effect on 2 January 2023.

Pobal are planning to update the awards engine so the increased subsidy is available to view on awards upon creation. This will mean those awards will not have to be uplifted later.

5. I have not signed up for the NCS – can I join it now?

Any Tulsa registered early learning and childcare provider – centre-based or childminder - can register for the NCS at any time. Full details are available from Pobal on the Provider Portal. Support and advice on registering your service is available from Pobal and your local City/County Childcare Committee (CCC).

6. What should I tell parents who are not in the NCS but want to join?

Parents should go to the dedicated NCS website www.ncs.gov.ie for all information on the NCS, including how to apply. The NCS website is being updated to reflect Budget 2023 changes.

7. What should I tell parents who are already getting NCS subsidies but want to know if their subsidy will increase due to the new NCS measures announced in Budget 2023?

The amount of increase individual families will see in their hourly subsidy will differ widely depending on their current subsidy. As a general rule, anyone currently receiving 50c per hour will receive €1.40 per hour – an increase of 90c per hour. Anyone not already on the maximum subsidy will also receive an increase, but the amount of increase will depend on their current circumstances.

Further information for parents on the change will be made available on www.ncs.gov.ie, which is in the process of being updated.

8. How will parents be informed of these changes to the NCS?

The Department will be promoting the NCS and changes to the Scheme through social media and other means. An FAQ will be available on www.ncs.gov.ie

ECCE Programme

9. How is the ECCE Programme being funded?

Budget 2023 supports the continued implementation of the ECCE programme benefiting up to 108,000 children in 2023.

Payment under the ECCE programme is by way of capitation fees, payable in respect of each eligible child enrolled, which are paid directly to the provider. The weekly ECCE capitation rate is €69.00 per child attending on a full time basis. It is not mandatory that children attend every day but, where they do not, the capitation fee is reduced on a pro-rata basis.

10. Will the ECCE capitation rate be increased?

Core Funding operates in addition to the ECCE Programme and the NCS. With Core Funding, ECCE capitation will effectively increase for the overwhelming majority of services.

Services currently in receipt of ECCE standard capitation will see capitation increase by at least 9.5%. A majority of services currently in receipt of ECCE higher capitation will also see a moderate capitation increase. A very small number of services will see no increase. These are larger ECCE-only services who have particularly benefited from the previous funding model. Analysis of income in these types of services shows that, with staff costs at new ERO rates, there is additional income to cover overheads and surplus/profit and for any service that may choose to pay wages above the minimum ERO rates, or provide for additional non-contact hours for staff.

AIM

11. Will AIM supports continue to be available?

AIM supports will continue to be available. AIM provides a range of both targeted and universal measures, to support children with disabilities meaningfully participate in the ECCE Programme.

12. What do the Budget 2023 measures mean for AIM?

With an increasing proportion of services taking part in AIM, and application volumes for all AIM funding at the highest level by September 2022 than in September of other years since AIM was first

introduced, AIM budget requirement will increase by €10m. This additional funding is allocated also to meet the 14% increase in AIM Level 7 capitation – from €210 per week - €240 per week – announced in 2022.

13. Are there plans to expand AIM outside of the ECCE Programme?

One of the commitments in the First 5 Strategy was to undertake an end-of-year-three evaluation of AIM, which has now been completed. The Report is due to be published in the coming months. Subject to evaluation findings and other relevant developments, First 5 also commits to considering enhancements to, and/or extension of, AIM to, for example, all early learning and care services, all school-age childcare services and/or to children with additional needs other than a disability.

Core Funding

14. What do the Budget 2023 measures for Core Funding mean for early learning and childcare providers?

Budget 2023 allocated an additional €59m to Core Funding, which allows for the continued implementation of the new Core Funding scheme for Partner Services for the first full programme year, September 2022 to August 2023 and to the end of December 2023 which is into the second programme year. It will cover the costs of increased levels of capacity and numbers of graduates in year one of Core Funding.

The 2023 Budget allocation also allows for further developments in year two the scheme to be informed by emerging data from year one.

15. What do the Budget 2023 measures for Core Funding mean for Early Years Educators and School-Age Childcare Practitioners-?

Core Funding will support services to meet the new minimum pay rates set in Employment Regulations Orders (EROs). Pay and conditions are key to improving staff recruitment and retention, which are critical in ensuring the consistency of care that is so important for quality provision of early learning and childcare.

The further development of Core Funding in 2023 will allow for removal of the '3-year-rule' from September 2023 for graduate Lead Educators and Managers (subject to amendment to ERO), which is expected to support staff recruitment and retention, as well as professionalisation.

16. What about providers who have not signed up to Core Funding?

Over 90% of eligible providers have now signed up to Core Funding, with the scheme in since 15 September. This level of uptake gives great confidence that the overwhelming majority of families will benefit from the fee freeze, currently in place. The remaining 10% of providers can choose to come into Core Funding at a later point during the year if they wish to do so.

17. What sustainability supports will be available in 2023?

Sustainability supports will continue to be available in 2023, through City and County Childcare Committees (CCCs) and Pobal, including sustainability funding where that is deemed necessary.

As a first step in obtaining such supports, providers should reach out to their local CCC to begin engaging in case management. The DCEDIY oversees this case management process, through which local CCCs and Pobal work together to assess and provide support to early learning and childcare services experiencing difficulties. Under the direction of the DCEDIY, Pobal co-ordinate the overall case management process with the CCC administering on-the-ground case management assistance. This can include help with completing and interpreting analysis of staff ratios and cash flow, as well as more specialised advice and support appropriate to individual circumstances.

Financial supports, which may also be accessed through the case management process, are already available for community services presenting with sustainability issues following a financial assessment by Pobal. Additional financial supports for community not-for-profit as well as private for-profit services that are signed up to Core Funding will become available through this process in the coming weeks.

Sustainability funding will be available to both private and community services who are Core Funding Partner Services.

18. When will details of the New Sustainability Fund be made available?

The new strand of the Sustainability Fund connected to Core Funding is due to commence in the coming weeks. It will be open to both private and community providers who are in contract for Core Funding who may experience financial difficulties. As with previous strands of the Sustainability Fund, it will focus on operational as well as financial supports to assist services to manage their immediate difficulties and transition to sustainability and will be accessed through the pre-existing Case Management Process which the DCEDIY oversees.

While this particular funding strand is not yet live, all early learning and childcare services can already avail of support through the current Case Management Process. The DCEDIY oversees this Case Management Process, through which local CCCs and Pobal work together to assess and provide support to early and childcare services experiencing difficulties. Under the direction of the DCEDIY, Pobal co-ordinate the overall Case Management Process with the CCC administering on-the-ground case management assistance. This can include help with completing and interpreting analysis of staff ratios and cash flow, as well as more specialised advice and support appropriate to individual circumstances. Financial supports, which may also be accessed through the case management process, are available for community services presenting with sustainability issues following a financial assessment by Pobal.

The CCC should be the first point of contact for any service seeking support. Any early learning and childcare service in difficulty should contact their local CCC as soon as possible if they have not done so already.

19. Will ECCE services continue to have funding guarantee if Core Funding does not increase their income?

The 'funding guarantee' is outlined in the funding agreement for Core Funding partner services. Clause 6.3 stipulates:

> If, for an individual service provider, the combined value of the 2022/23 Core Funding base rate, Graduate Lead Educator Premium and Graduate Manager Premium, and Interim Funding, is lower than the combined value of the difference between ECCE standard capitation and higher capitation plus programme support payments for the 2021/22 programme year, and the provider continues to have at least the same number of Graduate Lead Educators and offer at least the same number of hours and weeks of service, an

additional top up payment will be made to the provider to match the 2021/22 value of the difference between standard capitation and higher capitation and programme support payments. This top up payment may be adjusted periodically throughout the programme year if the number of Graduate Lead Educators or level of service offered reduces.

Childminding

20. I am a childminder – what does Budget 2023 mean for me?

If you are a registered childminder who has a contract for any of the DCEDIY funding schemes, you will benefit in the same way as other providers. If you are a childminder who minds four or more preschool children or seven or more children of any age, you can register with Tusla and benefit from the funding schemes, including core funding.

The extension of funding supports and regulation to childminders who are currently outside the scope of regulation is the focus of the National Action Plan for Childminding 2021-2028. An additional €440k has been allocated for 2023 for childminding initiatives to support actions under the National Action Plan.

21. What childminding initiatives are included in Budget 2023 and how much funding is there for these initiatives?

An additional €440k has been allocated for 2023 for childminding initiatives to support actions under the National Action Plan for Childminding 2021-2028. During 2023 preparations will continue for the phased extension of regulation and supports to all paid, non-relative childminders, including through:

- The development and initial roll-out of Foundation Training for Childminders.
- Engagement and consultation with childminders on the reforms being developed, as well as research to support the Action Plan.
- Increasing the number of regional Childminding Development Officers from 12 to 18, to enable childminders to engage and participate in training and supports at local level.
- Testing the development of staffed local networks to engage childminders in pre-registration training and supports.

The National Action Plan for Childminding commits to opening the NCS to childminders at the earliest possible opportunity, though it will be necessary first to develop and introduce childminder-specific regulations, and to give childminders adequate time and support to meet regulatory requirements.

Other

22. Will the Joint Labour Committee process be resumed in 2023?

In line with the provisions of the Industrial Relations Acts, the Joint Labour Committee is independent in its functions, and neither the Minister nor his officials have a role in its statutory processes. Should the Joint Labour Committee commit to meeting in the future, it is a decision for representative groups partaking in the process to inform the members of any proposed meeting.

23. What Capital Programmes will be available in 2023?

€9m has been set aside in 2023 for Capital Grants for the Early Learning and Childcare Sector. The Building Blocks - Improvement Grant is part of a wider Building Blocks Capital Programme for Early Learning and Childcare under the National Development Plan.

Grants will range from €35,000 to €75,000 across two separate strands: Green Energy and Retrofit.

The Green Energy Strand/Strand A will support the Climate Action Agenda and the Programme for Government, which aim to transition to a carbon neutral economy by the end of 2050 and to reduce greenhouse gas emissions by 51% by 2030. Under the Green Energy strand, grants will be provided for improvements to increase energy efficiency, utilising renewables where feasible, such as the installation of solar panels and heat pumps, insulation and water conservation measures.
The Retrofit Strand/Strand B will provide grants to existing services in need of upgrading. Eligible works include kitchen works and refurbishment, upgrading of sanitary facilities for children and adults, roof repairs/replacement, and upgrading of flooring.

Applications from eligible services will be accepted in Q4 2022 and successful applicants will be notified in early 2023.

24. What will be the impact of spending on regulatory and quality supports in 2023?

The research evidence is clear that the quality of early learning and childcare provision is critical to its positive impact. The DCEDIY provides a range of supports to improve the quality of early learning and childcare services, and provides funding for quality assurance mechanisms through the Tusla and Department of Education inspectorates. Budget 2023 allocates additional funding for the Tusla Early Years Inspectorate to enhance inspection, registration and enforcement resources and to commence preparations for the expansion of regulations and inspection to all paid, non-relative, childminders; and to the Department of Education Inspectorate, which carries out education-focused inspections of early learning and care services in receipt of funding from the Department, to support the extension of education-focused inspections to the full birth-to-6 age-range.

25. When will national roll out of Síolta/Aistear be complete?

A range of training and supports have been place since 2016 through the National Síolta Aistear Initiative, delivered on an inter-agency basis, managed by the Department of Education and supported by Better Start and CCCs. While training was largely paused due to the COVID-19 pandemic in line with public health guidelines, training workshops are resuming in quarter four of 2022 and full roll-out will be under way in 2023.

To facilitate participation, further development of training options will continue in 2023, including re-development of resources into blended and online formats, alongside traditional face-to-face delivery. The development of these new resources will inform the timeline for national roll-out.

In addition, an evaluation of the Better Start Quality Development Service is currently under way and due for completion in 2023.

26. Why doesn't the package provide anything for increased energy costs among services?

Whole-of-economy supports have been announced today to support all types of businesses with increased energy cost. Early learning and childcare services can avail of these supports.

Additionally, Core Funding makes a significant additional contribution to services' income, allowing them to better absorb increased costs including energy costs.