

Funding of Early Learning and Care and School Age Childcare Services in Ireland: Background and Current Arrangements

Briefing Paper for Expert Group on New Funding Model

1. Introduction and Overview

Early Learning and Care and School Age Childcare settings in Ireland are provided by independent operators. There are approximately 4,500 registered providers¹, 74% of which are private for-profit providers and 26% of which are 'community', not-for-profit providers². The average number of children per service is 44.

Settings provide a range of services for children of different ages including full- and part-time day care, pre-school provision, breakfast clubs and after-school provision and different combinations of the same³. An estimated 34% provide full day care services, 89% of service offer 'sessional' services (less than 3.5 hours per day, usually pre-school) and 41% offer school age childcare services. The nature and scale of provision varies considerably in terms of the number and age range of children provided for and the service offer available to families (i.e. opening hours, weeks per year).

It is estimated that 29,555 staff are employed in the sector, 25,893 of whom work directly with children. The average number of staff per service is 6.4, of which 5.6 work directly with children. Community not-for-profit services have on average more staff and children than private, for-profit services, as do urban services compared to rural services.

All services for pre-school children are required to register with Tusla, the statutory regulatory body⁴, and are subject to the Early Years (Pre-School) Regulations, 2016⁵ in respect of registration, management and staff, information and records, care of children in pre-school services, safety and premises and space requirements. Providers are required to register in advance of opening, re-register every three years and are inspected periodically. Regulations of School Age Childcare were introduced from 2019⁶. Once the requirements of the regulations are met, services are eligible to open and to receive public funding; there is no separate licensing system.

Premises are all owned privately⁷. Many community facilities, and some private facilities, were built using public investment through the major capital investment programmes, Equal Opportunities

¹The main focus of this paper is centre-based, Tusla Registered services and figures herein do not account for the childminders. As of September 2019, the number of childminders registered with Tusla was 81, all registered in relation to their care of pre-school children. The number registered with Tusla is expected to rise somewhat over the course of 2019 as a result of the changes introduced in the Childcare Support Act and the introduction of regulations for school-age childcare. The Minister launched a draft childminding action plan in August 2019 for the purposes of public consultation including research on establishing the actual number of childminders operating in the country.

²Information is taken from the Pobal Early Years Sector Profile 2017/2018.

<https://www.pobal.ie/app/uploads/2018/11/Early-Years-Sector-Profile-Report-2017-2018.pdf>

³For reasons related to legacy funding schemes, Full-time provision is categorised as anything more than five hours per day; Part-time provision is categorised as between three and a half and five hours per day; Sessional provision is categorised as up to three and a half hours per day.

⁴<https://www.tusla.ie/services/family-community-support/pre-school-services/>

⁵<https://www.tusla.ie/uploads/content/20160510ChildCareActEarlyYrsRegs2016SI221of2016.pdf>

https://www.tusla.ie/uploads/content/Stamped_copy_of_amended_Regs.pdf

⁶<http://www.irishstatutebook.ie/eli/2018/si/575/made/en/pdf>

<http://www.irishstatutebook.ie/eli/2018/si/575/made/en/print>

⁷With the exception of 'Early Start' provision in a small number of primary schools in disadvantaged areas funded by the Department of Education and Skills.

Childcare Programme⁸ (2000-2006) and the National Childcare Investment Programme (2006-2011)⁹. Since then, small scale annual capital programmes have provided investment for establishment of new provision, expansion of services, quality improvements and maintenance and upgrades to existing facilities in both the private and community sector.

Policy responsibility for Early Learning and Care and School-Age Childcare has evolved over the past two decades - originating in the Department of Justice, Equality and Law Reform, before transferring to the Office for the Minister for Children and Youth Affairs under the Department of Health and Children in 2008 and onto the Department of Children and Youth Affairs when it was established in 2011.

The change in policy holder and in the evolution of funding mechanisms is reflective of a shift in policy objectives since the early stages of State support for Early Learning and Care and School-Age Childcare. The EOCP and NCIP, which were operational 2002-2010, prioritised supporting disadvantaged families and supporting parental access to employment and training, in particular women. More recently, policies have placed importance on the benefits Early Learning and Care and School-Age Childcare affords to all children, in particular children from disadvantaged backgrounds. This is reflected in the creation of universal schemes (such as ECCE and CCSU) aimed at children from all backgrounds and moves towards promoting the employment of qualified pre-school instructors (under the Higher Capitation scheme in the ECCE Programme). Changes in policy objectives have been coupled with increased investment in Early Learning and Care and School-Age Childcare. Since 2015, investment has increased by 117% - rising from €260 million to €574 million in 2019. Despite these increases, Ireland still trails international investment norms. The breakdown of the Department of Children and Youth Affairs Early Years budget for 2019/2020 is provided at Appendix 2. A more detailed breakdown of funding provided in current programmes is provided below.

2. Funding: Public Funding Schemes

Funding for Early Learning and Care and School Age Childcare comes from a combination of private and public sources, i.e. parental fees and Department of Children and Youth Affairs funding schemes. Some providers have additional income from other sources e.g. other streams of public funding or charitable donations but this more common in the non-for-profit sector.

The main State funding schemes are as follows:

2.1 Universal Pre-School Early Childhood Care and Education (ECCE) Programme¹⁰

The ECCE Programme provides fully funded Early Learning and Care for all children in the relevant age category (from a minimum entry age of 2 years 8 months) to avail of 15 hours per week over 38 weeks of the year for two programme years (September-June) for the two years prior to starting primary school¹¹. 96% of providers participate in the ECCE programme and it is estimated that up to 95% of children in the eligible age range take up their ECCE place.

⁸<https://health.gov.ie/wp-content/uploads/2014/03/Developing-Childcare-in-Ireland-A-Review-of-Progress-on-the-Implementation-of-the-Equal-Opportunities-Childcare-Programme-2000-2006.pdf>

⁹ Under the Equal Opportunities Childcare Programme (2002-2006) and National Childcare Investment Programme (2006-2010), community services could apply for staffing grants covering a 3-year period. The key defining features of these programmes included a focus on supporting disadvantaged families and aiding access to employment, training and education opportunities. <https://www.gov.ie/en/publication/881d0f-value-for-money-review-of-the-equal-opportunities-childcare-programm/>

¹⁰ <https://www.gov.ie/en/publication/2459ee-early-childhood-care-and-education-programme-ecce/>

¹¹ Children are required to start compulsory education by the age of six and many children start school at four. School starting age has increased since the introduction of the universal pre-school programme in 2010. In September 2009 40% of children starting school were aged four and in September 2017 23% of children starting school were aged four.

Early Learning and Care providers are paid a capitation rate of €69 per week per child registered for ECCE, equivalent to €4.60 per hour per child. The contract for providing this Programme requires that **no additional fees** are charged by Early Learning and Care providers to parents for the service provided during the programme hours. The maximum staff: child ratio for ECCE is 1:11. A service operating maximum ratio pre-school room will receive a weekly income of €759 for that room, during the 38-week programme year. Many large services operate multiple ECCE rooms.

ECCE room leaders are required to have a minimum of a Level 6 qualification which exceeds the regulatory minimum requirement of Level 5. Providers with room leaders that hold a **degree qualification** (Level 7 or above) in Early Childhood Care and Education receive a **higher capitation** rate of €80.25. An estimated 53.5% of ECCE providers are in receipt of the higher capitation rate. A service operating maximum ratio pre-school rooms and in receipt of higher capitation will receive a weekly income of €882.75 per room during the 38-week programme year.

The total 2019 budget allocation for ECCE, both standard and higher capitation, is **€298.1 million**.

Additional capitation of €2 per ECCE child is also paid to providers in which a staff member has participated in the Leadership for Inclusion (LINC) programme, a Level 6 Special Purpose Award (Higher Education), to enable early years educators to perform the role of Inclusion Coordinator. In 2019 1,339 ECCE services (32%) were availing of this additional capitation. The total budget allocation this year is €3.8 million.

2.2 Community Childcare Subvention Plus (CCSP) programme

The CCSP provides funding to Early Learning and Care and School Age Childcare providers to offset the costs of service for parents in a range of categories. Originally the Community Childcare Subvention programme was only open to community providers. The targeted programmes (CCS/P and TEC) have their origins in early efforts to support low-income parents facing high costs for Early Learning and Care and School-Age Childcare. The focus was initially on grants to community providers for overall costs, including staffing. The intention was to reduce costs and facilitate parents' return to work, education or training. The Scheme evolved to a subsidy, with the subsidy determined on the enrolment of children and parental profiles. In 2016, the CCS programme was extended to both private and community providers at the same rates of subsidy (CCSP). The funding was also increasingly linked to child attendance rather than enrolment or operating costs. 39% of providers participate in the CCSP programme.

All parents of children between 6 months and entry to the ECCE Programme can avail of a **universal subsidy** through the Community Childcare Subvention Universal (CCSU) programme. The amount of subsidy depends on the number of hours of childcare being availed of and ranges from €3.50-€20 per week.

Parents of children up to the age of 15 who are in receipt of a range of social welfare entitlements, including Working Family Payment (for working families on low income), can access a payment to their provider for full-day (over 5 hours), part-time (3½ -5 hours), sessional (2¼ - 3½ hours) or half sessional (1-2¼ hours) Early Learning and Care and School Age Childcare. Subvention rates vary in accordance with hours of provision and families' circumstances (eligibility bands).

	Band A	Band AJ	Band B	Band D
Full time (5+ hours)	€145.00	€80.00	€70.00	€50.00
Part time (3½-5 hours)	€80.00	€80.00	€35.00	€25.00
Sessional (2¼-3½ hours)	€45.00	€45.00	€25.00	€17.00
Half sessional (1¼-2¼ hours)	€22.50	€22.50	€12.50	€8.50

Payments are made for a 52 week programme year (September-August). The parent (or referral agency) pays the remainder of the cost. Providers participating in the CCSP programme may have some families who are availing of the scheme and others who are not. An important principle is that the fee rates for CCSP parents and non-CCSP parents should be the same prior to the subsidy being applied so that a non-CCSP parent should not be undercharged and a CCSP parent should not be overcharged.

There are variants of the CCSP programme targeted at children in specific categories e.g. refugee children (CCSR) and homelessness children (CCSRT¹²).

- CCSR covers up to 5 hours of Early Learning and Care or School Age Childcare per day for 4 days per week for 60 weeks. Providers are paid €72.50 per child per week for those attending between 2¼ and 3½ hours per day and €145 for children attending between 3½ and 5 hours per day. **Fees cannot be charged** for children participating in CCSR.
- CCSRT covers Early Learning and Care or School Age Childcare on a sessional (2¼-3 ½ hours per day) or part time (3½-5 hours per day) basis for 5 days per week and provides a daily meal for children for a 52 week programme year. A flat rate of €87.50 is paid for sessional places and €160 per week for part time places. **Fees cannot be charged** for children participating in CCSRT.

▪ Training and Education Childcare (TEC) programme

The TEC programme provides funding for Early Learning and Care or School Age Childcare to support parents on eligible training courses and certain categories of parents returning to work. Subsidy rates vary in line with how many hours of Early Learning and Care or School Age Childcare the parent is availing of and the particular strand of the programme that they are participating in. **Maximum parental contributions** are set for each of the strands of the programme. 36% providers participate in the TEC programme, mainly community providers.

Strand of TEC programme Hours of ELC /SAC per week	Childcare Education and Training Support (CETS)	After-School Childcare (ASCC)	Community Employment Childcare Pre-school (CEC PS)	Community Employment Childcare After School Childcare
Full-Day (5-10 hours/day)	€145pw	N/A	N/A	N/A
Part-time (3 ½-5 hours/day)	€80pw + 14wk top-up at €65 extra p/w	N/A	€80pw	N/A
After-School (up to 3½ hours/day)	€45pw + 14wk top-up @ €100 extra p/w	€45pw + 10 wk top-up @ €100 extra p/w	N/A	€45pw + 10wk top up to part-time @ €35 extra p/w
After-School + Transport	€80pw + 14wk top-up @ €65 extra p/w	€80pw + 10 wk top-up @ €65 extra p/w	N/A	N/A
Maximum Parental Contribution *Subvention + parental contribution combined cannot exceed the cost of the place for non-subsidised places	Full-Day: €25pw Part-time: €15pw After-School: €5pw After-School + Transport: €15pw	€15pw	€15pw	€15pw

¹² <https://www.gov.ie/en/publication/2459ee-early-childhood-care-and-education-programme-ecce/>

▪ National Childcare Scheme (NCS)

The Childcare Support Act¹³ was passed into law in 2018. This legislation provides for the introduction of the National Childcare Scheme¹⁴ which, from November 2019, will begin to replace existing targeted programmes (CCSP and TEC). The CCS and TEC programmes will continue to run in parallel with the National Childcare Scheme for at least the 2019/20 programme year for existing beneficiaries of those schemes to smooth the transition.

The National Childcare Scheme when in full operation will be single, streamlined scheme providing both universal and targeted subsidies for families in line with net household income less allowable deductions, parents' engagement in employment or training and the age of the child for which the subsidy is being paid, with higher subsidies paid for younger children (due to the higher cost of provision for children under 3 given different staff: child ratio requirements). An income assessed subsidy will be available to families with children aged between 24 weeks and 15 years. The subsidy will be paid to the provider on behalf of the parent to offset the cost of a registered childcare place. Where parents are working, studying or training the subsidy will be available for up to a maximum of 40 hours per week. Where parents are not working, studying or training, the subsidy will be paid for up to a maximum of 15 hours per week.¹⁵ Where a child is participating in the ECCE programme or attending school, these hours will be deducted from the number of hours of provision that are subsidised. The full details of the subsidy structure are available [here](#).

Special arrangements to access the scheme outside of the normal eligibility criteria will be available for certain categories of children through referral and sponsorship arrangements. These include children about whom there are child welfare or child development concerns, homeless children and refugee children. In these instances a higher subsidy rate will be payable, the upper threshold of hours will be waived and attendance rules will not be applied.

Reckonable Income	Subsidy rate per hour if the child is:			
	0-1 years old	1-3 years old	3+ but not in school	School Age
€26,000	€5.10	€4.35	€3.95	€3.75
€27,500	€4.90	€4.18	€3.78	€3.58
€32,500	€4.22	€3.61	€3.19	€3.03
€37,500	€3.54	€3.05	€2.61	€2.48
€42,500	€2.87	€2.48	€2.03	€1.93
€47,500	€2.19	€1.92	€1.45	€1.38
€52,500	€1.51	€1.35	€0.87	€0.83
€57,500	€0.84	€0.78	€0.29	€0.28

By means of example, a family in the lowest income band (less than €26,000 net) with a child under one availing of 40 hours of Early Learning and Care will be entitled to a weekly subsidy of €204. In the case of a family earning €47,500 net, with a 3 year old participating in ECCE for 15 hours and availing of an additional 25 hours 'wraparound' Early Learning and Care, their subsidy rate will be €36.25 per week.

¹³ <http://www.irishstatutebook.ie/eli/2018/act/11/enacted/en/html>

¹⁴ <https://ncs.gov.ie/>

¹⁵ Budget 2020 announced enhancements to the National Childcare Scheme to increase the number of hours available to families from September 2020: From 40 hours to 45 hours for an enhanced award, and from 15 hours to 20 hours for a standard award. These measures are targeted at supporting children whose parents are not in work or study, and also working families needing school age childcare. They also respond to concerns expressed by one parent groups.

Under NCS a universal subsidy will be available for children before they begin the ECCE programme of up to 40 hours per week at a rate of 50c per hour.

The Scheme is designed to be flexible to be able to act as a framework for future investment and offers scope to vary subsidies as more investment becomes available or as further information becomes available about differential costs of provision, for example by geographic location.

▪ **Other funding**

In addition to full or partial subsidies for fees, a range of other public funding is channelled towards Early Learning and Care and School Age Childcare provision.

- Programme Support Payments recognise the additional time required of Early Learning and Care and School Age Childcare providers to complete the administrative work associated with the DCYA schemes and the time required to perform activities outside of contact time with children, such as preparing materials and assisting parents in understanding how they might benefit from the various childcare schemes supported by the State. Programme Support Payments are paid at the rate of €96.60 per year for each ECCE-registered child and 2.8 times the weekly registration rate for each CCS- and TEC-registered child. The total 2019 Budget allocation for these payments is **€19 million**.
- An annual programme of Capital Funding allows services to apply for funding under specific strands as part of a competitive process. For example, in 2019, a budget allocation of **€6.25 million** funded 87 Early Learning and Care services to access a grant of up to €50,000 to create new places for 0-3 year olds, 33 community services up to €15,000 to undertake fire safety works, and 118 services to create new places for School Age Childcare with grants of up to €20,000.
- The Access and Inclusion Model¹⁶, in addition to providing additional capitation where services have an Inclusion Co-ordinator who has completed the Linc programme, can resource additional staff members in a setting in order to support the greater integration and inclusion of children with additional needs if required.
- Sustainability Funding can be made available for community not-for-profit services which are having financial difficulty in certain circumstances. Short-term resourcing and supports can be accessed through an application process for issues such as emergency relocation, rural and isolated services who are experiencing reduced enrolments and a transitional support manager to provide governance and management support. Preventative supports can also be provided by City and County Childcare Committees where difficulties can be foreseen but may not be at crisis point. **€1.75 million** has been allocated for Sustainability Funding in Budget 2019.
- A range of quality supports are resourced by DCYA to support practice development within settings. These include the Better Start Quality Development service¹⁷, 30 City and County Childcare Committees¹⁸, and seven Voluntary Childcare Organisations¹⁹.
- The DCYA Learner Fund is available to provide prospective support or retrospective recognition for participation in training and further study. In 2019, staff working in services who had achieved a qualification at level 7, 8 or 9 between 2013 and 2019 could

¹⁶ <https://aim.gov.ie/>

¹⁷ <https://betterstart.pobal.ie/Pages/Home.aspx>

¹⁸ <https://myccc.ie/>

¹⁹ <https://www.pobal.ie/programmes/voluntary-childcare-organisations-vcos/>

apply for the Learner Fund Graduate Bursary. Childminders who achieved a qualification at level 5 or 6 during the same timeframe were also entitled to apply for a bursary. A new approach to resourcing specific Continuous Professional Development courses was also recently piloted.

3. Funding: Parental Fees

Parents who are currently not eligible for targeted childcare subsidies and those for whom Early Learning and Care and School Age Childcare subsidies do not cover the full cost of provision pay the balance of fees charged by the provider. There are currently limited restrictions on the fees that providers can charge.

There has been a 117% increase in investment by DCYA between 2015 and 2019 and the current annual budget is €574.4 million²⁰. This has considerably increased the numbers of families benefiting from public subsidisation by extending the ECCE programme to two years, increasing the value of targeted subsidies considerably and making a universal payment available to the parents of children prior to ECCE eligibility. However, the cost to families of Early Learning and Care and School Age Childcare remains higher in Ireland than in many other OECD countries, with wide variation in fees across the country.

Data shows considerable range and variance in the costs being charged to parents based on where in the country they live, the amount of childcare they avail of and the age of their child (see Appendix 1)²¹. The national average fee for full-time provision in May 2019 was €184 per week (up 3.6% on 2018) and €110 per week for part-time provision (up 8% on 2018). Full-time fees for 2-3 year olds ranged from a low of €148 in Carlow to a high of €251 per week in Dun Laoghaire Rathdown. The Eurydice Report 2019 *Key Data on Early Childhood Education and Care in Europe*²² identifies Ireland, along with Switzerland, the UK and the Netherlands, as the four countries with the highest average monthly fees for children under three and links high costs with these countries' reliance on market-driven mechanisms to supply ELC.

Ireland is an outlier in a European context in not generally having regulation of fees. However, there are versions of fee controls linked to specific funding schemes. For example, the fully-funded ECCE programme prohibits the charging of any fees to parents for the hours of provision of the scheme. The Training and Employment Childcare (TEC) scheme is another example of capped fees (€25 per week for a full-time childcare place) with the remaining cost (€145) funded by DCYA. The cost of provision and lack of restriction on fees is increasingly an issue in the media and political debate.

²⁰ Adequacy of public investment in Early Learning and Care and School-Age Childcare is traditionally assessed using GDP comparators. In their latest calculation of Ireland's expenditure on ELC, the OECD includes an estimate of the cost of primary school for children under 6: this is to account for the fact that many children in Ireland start primary school at an earlier age than in some other countries. Based on Ireland's estimated GDP for 2016 (€253.983 billion) and ELC expenditure estimates from that year, 0.5% of GDP was spent on ELC, including four- and five-year old children in primary school. If the cost of primary school for children under six is excluded, Ireland's spend on ELC is estimated to be 0.2% of GDP. This investment compares poorly to an OECD average of 0.8%. The UNICEF-recommended investment level is 1% of GDP. Every 0.1% of GDP increase is estimated to cost approximately €300 million. Although investment remains low, it is also fair to say that GDP can be considered an inappropriate benchmark in the Irish context and a potentially inaccurate indicator of the country's economic health, given the inclusion of profits of multinational firms. The OECD emphasises that, in the Irish context, "one should rely on other indicators". A new measure of GNI* has been developed to identify a more accurate measure of Ireland's economic growth.

²¹ <https://www.gov.ie/en/news/675a67-minister-zappone-publishes-new-data-on-the-cost-of-early-learning-an/>

²² European Commission, June 2019. *Key Data on Early Childhood and Care in Europe 2019 Edition*. Available at https://eacea.ec.europa.eu/national-policies/eurydice/content/key-data-early-childhood-education-and-care-europe-%E2%80%93-2019-edition_en

The European Commission has recommended that Ireland improves the affordability of childcare in successive Country Specific Reports.

4. Some key issues that arise from the current/emerging funding system

Affordability

- Parent fees for early childhood care and education, particularly for lone parents, are high in Ireland compared to other countries. Average total cost for full time early childhood care and education is €184 per week but can be considerably higher in urban areas and in private services. The National Childcare Scheme will allow for tailored subsidies for the cost of Early Learning and Care and School Age Childcare, and change the traditional static approach to State funding. The impact that this will have on fees remains to be seen.
- Following a period of low or negative change, since 2017 average fees have risen significantly in excess of inflation.

	Average Full-time Fees	Year on Year % Change	Average Part-time Fees	Year on Year % Change	Annual Inflation
2013	169.32		95.78		1.70%
2014	167.37	-1.15%	94.88	-0.94%	0.50%
2015	168.70	0.79%	95.36	0.51%	0.20%
2016	167.03	-0.99%	99.18	4.01%	-0.30%
2017	174.16	4.27%	98.58	-0.60%	0.00%
2018	177.92	2.16%	101.82	3.29%	0.40%
2019	184.36	3.60%	109.98	8.01%	0.50%

- It is hoped that the National Childcare Scheme will substantially address questions of affordability for low income families, and in particular for lone parents, but the complex and challenging question of limiting the fees charged by services has not yet been determined.

Quality

- Ensuring high quality Early Learning and Care and School Age Childcare is a fundamental policy objective for DCYA. Evidence is clear that Early Learning and Care and School Age Childcare can make a positive contribution to child development, particularly for disadvantaged children, but this is only the case if the provision is of high quality. Poor quality provision may have negative impacts on children. While there are a range of initiatives to support quality provision in services (e.g. regulations, inspections, quality development services), for the most part these are not linked to funding. Where there is specific resourcing for discrete quality measures such as higher capitation payments to providers for having graduate staff in ECCE, it is unclear how effective these are.
- More widely there is a question about the extent to which the funding package can best be designed to support both structural and process features of quality²³. The European Commission's

²³ Structural factors include staff: child ratios, group size staff, qualification requirements and in-service training, working conditions, organisational climate and quality monitoring and improvement systems. Process quality factors focus on the nature of interactions that children in early childhood care and education services have with staff and other children. Process quality is a powerful predictor of children's early learning, both cognitive and social, and is closely linked to structural quality indicators; for example, lower staff: child ratios are associated with more positive interactions between staff and children.

Quality Framework²⁴ outlines five aspects of early childhood care and education that have been shown to lead to improvements in the quality of provision:

- Accessibility – available and affordable provision; social inclusion focus
 - Workforce – qualifications and professional development; good working conditions
 - Curriculum – holistic pedagogy; collaborative approach between children, staff and parents
 - Monitoring – to support on-going improvement; in the best interests of the child
 - Governance – shared understanding of roles and responsibilities; legislation, regulation and funding which enables publicly subsidised or funded provision for all
- Some key issues related to quality of provision in Ireland where good data exist include:
 - Staff qualifications: 22% of the workforce is qualified to Level 7 (ordinary degree) or above.
 - Pay and conditions of staff: overall average hourly rates of pay are €12.55. Average rates for early years assistants (48% of all staff) are € 11.44 per hour. Half of staff work part time and 39% are on seasonal contracts. Recruitment and retention, particularly of degree-qualified staff, are reported by providers as significant challenges, with knock-on consequences for children’s experiences and service quality if there is poor continuity of staff.
 - Scale/scope of provision: an estimated 25% of services are run by solo operators in single-room settings. Research and evidence emphasises the importance of team working and collectively reflecting on practice to facilitate quality provision.

Sustainability

- The imminent move from the legacy targeted funding programmes (CCSP and TEC) to the National Childcare Scheme has generated concern about sustainability for some providers, particularly community provider which have a large proportion children attending whose parents are in receipt of social welfare payments but who are not participating in any work, education or training that would qualify them for the subsidy for enhanced hours under the new scheme. Other types of services which may face sustainability challenges include stand-alone after school services or those heavily dependent on that part of its income; services located in rural areas, catering to a niche client base or is otherwise inaccessible and would have difficulty in increasing or changing its client base; and services that are already experiencing other sustainability challenges, making it more vulnerable to smaller changes in income.
- The precise implications of the new National Childcare Scheme will depend on any changes to the subsidy structure of the scheme once in operation, particularly in respect of the standard and enhanced hours element of model as well as income thresholds and subsidy rates. Providers’ capacity to adapt and respond to revised the model will also feed into their ongoing viability.²⁵

Inclusion and accessibility

- DCYA does not have any influence on what kind of Early Learning and Care and School Age Childcare services are provided or where. Providers can enter the market if they can demonstrate that they fulfil the regulatory minimum requirements and register with Tusla. This results in variability of provision across the country with oversupply in some areas and undersupply in other areas, or for children of particular ages.
- Allowing the evolution of the type and nature of provision offered has been driven both by parent demand and by the conditions of State funding schemes without restriction has created some

²⁴ [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0605\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019H0605(01)&from=EN)

²⁵ Budget 2020 extended the “saver” arrangements until August 2021 to ensure that no one loses out in the initial transition for existing targeted programmes to the National Childcare Scheme.

challenges. For example, 25% of early childhood care and education providers deliver the ECCE Programme only. While there is high uptake of this programme by parents, the fact that it offers just 3 hours per day, 38 weeks per year does little to facilitate workforce participation by parents and often creates poor working conditions for staff. For example, 39% of staff in the sector are on seasonal contracts.

- The higher qualifications requirements for the ECCE Programme, and particularly the higher capitation rate where graduate workers are employed, means that better qualified staff are more likely to be placed with preschool age children and that 0-3 year olds are less likely to have services led by a graduate.
- In terms of the age range of children catered for by Early Learning and Care provision, there is evidence to indicate that there is an undersupply of places for 0-3 year olds, likely at least in part because there is a significant universal entitlement for children aged over three that is not available to under threes and because the cost of provision for children under 3 is higher given different staff: child ratio requirements. The introduction of the National Childcare Scheme, with differential subsidies paid by the age of the child may influence this.
- There are also clear indications of undersupply of early childhood care and education in some areas of the country, particularly areas of disadvantage and rural areas.

Conclusion There has been significant growth and change in the ELC/SAC sector over the last decade with the introduction, development and expansion of ELC/SAC programmes and other funded initiatives mentioned above. First 5 commits to doubling investment in ELC/SAC over the next decade and as the investment continues to grow, it is timely that the Expert Group has been established to review the effectiveness of the current programmes and make recommendations for change.

As articulated in First 5, the current funding model for ELC (and school-age childcare) largely relies on a market model to deliver affordability for parents, quality for children and sustainability for providers. Research finds that strong public investment, robust regulation and inspection systems, and a defined professionalised workforce are required.

The introduction of the National Childcare Scheme (NCS) will be a major step forward in the funding infrastructure for ELC (and school-age childcare). The NCS platform will allow for variable subsidies, for example to reflect cost of provision for younger children, and also for additional quality levers to be introduced.

The development and implementation of a new Funding Model aims to bring together DCYA funded ELC and SAC programmes in a whole package to realise the policy objectives contained within First 5.

Appendix 1: Early Years Sector Profile Fees Data 2018/2019

Average weekly fees by age range and county

County	Up to 1 year		
	Full day care	Part-time care	Sessional
Carlow	€158.69	€90.60	€89.57
Cavan	€163.24	€96.84	€67.29
Clare	€167.79	€98.72	€77.47
Cork City	€212.92	€123.22	€86.25
Cork County	€210.29	€141.57	€84.11
Donegal	€169.58	€101.25	€72.63
Dublin - Dublin City	€220.79	€135.30	€83.37
Dublin - Dún Laoghaire-Rathdown	€265.16	€188.32	€119.30
Dublin - Fingal	€235.62	€147.26	€102.19
Dublin - South Dublin	€230.40	€154.53	€109.26
Galway	€170.36	€116.47	€78.10
Kerry	€175.74	€97.07	€70.05
Kildare	€220.63	€168.69	€90.90
Kilkenny	€161.00	€115.36	€66.90
Laois	€174.73	€122.00	€83.18
Leitrim	€156.00	€109.00	€82.50
Limerick	€172.93	€116.87	€86.23
Longford	€160.00	€99.44	€67.19
Louth	€189.96	€119.73	€76.94
Mayo	€166.67	€109.57	€79.88
Meath	€196.18	€122.80	€78.00
Monaghan	€155.38	€87.88	€65.50
Offaly	€188.69	€137.50	€83.13
Roscommon	€165.68	€107.25	€85.61
Sligo	€174.00	€112.78	€82.00
Tipperary	€166.23	€100.24	€76.81
Waterford	€170.42	€100.17	€78.14
Westmeath	€181.68	€127.81	€88.61
Wexford	€170.63	€99.58	€77.45
Wicklow	€213.44	€139.73	€66.25
National average fee for age range	€195.51	€122.33	€81.20

County	1 year+ to 2 years		
	Full day care	Part-time care	Sessional
Carlow	€155.32	€91.64	€80.00
Cavan	€163.95	€98.26	€68.00
Clare	€166.43	€97.60	€77.60
Cork City	€201.63	€114.14	€81.93
Cork County	€204.72	€134.43	€84.02
Donegal	€168.27	€99.69	€70.28
Dublin - Dublin City	€215.50	€133.10	€88.17
Dublin - Dún Laoghaire-Rathdown	€258.40	€172.83	€100.65
Dublin - Fingal	€223.76	€140.94	€87.94
Dublin - South Dublin	€220.15	€143.76	€104.25
Galway	€166.33	€108.51	€74.67
Kerry	€178.54	€99.34	€66.59
Kildare	€207.03	€135.03	€88.56
Kilkenny	€167.45	€105.23	€69.08
Laois	€167.74	€113.13	€79.88
Leitrim	€152.86	€94.17	€72.90
Limerick	€168.26	€110.62	€80.53
Longford	€156.36	€97.50	€62.50
Louth	€177.83	€112.47	€77.89
Mayo	€161.05	€100.54	€78.00
Meath	€192.34	€118.11	€75.11
Monaghan	€155.79	€87.08	€63.90
Offaly	€168.95	€113.25	€77.78
Roscommon	€162.34	€100.83	€79.27
Sligo	€156.85	€100.24	€70.61
Tipperary	€160.54	€99.97	€70.33
Waterford	€168.33	€99.97	€74.70
Westmeath	€175.57	€115.01	€79.37
Wexford	€170.34	€101.84	€73.82
Wicklow	€204.64	€124.00	€84.76
National average fee for age range	€189.68	€116.83	€79.16

County	2 years+ to 3 years		
	Full day care	Part-time care	Sessional
Carlow	€148.56	€92.36	€71.95
Cavan	€163.10	€96.96	€68.96
Clare	€166.46	€96.75	€72.27
Cork City	€199.36	€112.49	€80.50
Cork County	€200.18	€126.36	€77.08
Donegal	€168.60	€100.09	€61.96
Dublin - Dublin City	€209.87	€131.37	€80.85
Dublin - Dún Laoghaire-Rathdown	€251.31	€144.32	€89.20
Dublin - Fingal	€216.03	€129.40	€77.45
Dublin - South Dublin	€215.93	€132.77	€88.43
Galway	€165.04	€107.34	€72.44
Kerry	€173.36	€95.77	€64.59
Kildare	€200.99	€121.99	€79.90
Kilkenny	€170.84	€103.25	€70.54
Laois	€163.38	€105.79	€72.87
Leitrim	€153.75	€90.63	€69.95
Limerick	€164.85	€102.70	€72.77
Longford	€155.00	€95.00	€63.65
Louth	€174.13	€110.96	€73.47
Mayo	€161.05	€98.56	€66.30
Meath	€188.67	€113.65	€76.19
Monaghan	€153.54	€84.35	€63.98
Offaly	€165.63	€107.38	€71.59
Roscommon	€157.44	€94.19	€70.25
Sligo	€155.35	€98.70	€71.85
Tipperary	€157.99	€97.42	€68.99
Waterford	€164.41	€99.29	€70.55
Westmeath	€171.77	€102.71	€74.43
Wexford	€166.90	€101.15	€73.09
Wicklow	€202.28	€126.96	€79.56
National average fee for age range	€186.01	€112.96	€74.92

County	3 years+ to 4 years		
	Full day care	Part-time care	Sessional
Carlow	€148.56	€91.20	€73.14
Cavan	€162.40	€95.76	€68.36
Clare	€167.09	€95.46	€69.62
Cork City	€197.65	€111.81	€78.30
Cork County	€198.06	€121.05	€75.31
Donegal	€168.27	€98.31	€64.72
Dublin - Dublin City	€207.90	€127.92	€79.06
Dublin - Dún Laoghaire-Rathdown	€247.68	€131.81	€86.43
Dublin - Fingal	€213.45	€123.13	€75.18
Dublin - South Dublin	€213.96	€130.14	€79.95
Galway	€162.95	€105.56	€70.78
Kerry	€173.53	€99.44	€64.95
Kildare	€199.82	€119.68	€75.26
Kilkenny	€167.92	€98.48	€69.58
Laois	€163.23	€106.50	€72.53
Leitrim	€152.50	€90.63	€66.82
Limerick	€161.25	€100.57	€71.07
Longford	€155.00	€91.00	€65.94
Louth	€172.51	€108.26	€70.68
Mayo	€156.20	€95.82	€67.37
Meath	€183.62	€112.44	€73.11
Monaghan	€153.25	€83.91	€64.76
Offaly	€164.35	€104.44	€70.07
Roscommon	€155.47	€95.28	€68.99
Sligo	€156.98	€98.00	€72.15
Tipperary	€155.95	€95.49	€68.31
Waterford	€161.69	€102.39	€69.99
Westmeath	€170.39	€98.23	€72.91
Wexford	€165.83	€102.00	€72.54
Wicklow	€196.91	€118.91	€78.90
National average fee for age range	€184.39	€110.48	€73.14

County	4 years+ to 5 years		
	Full day care	Part-time care	Sessional
Carlow	€148.56	€91.20	€73.08
Cavan	€162.40	€92.37	€68.09
Clare	€167.50	€95.32	€69.73
Cork City	€198.97	€113.31	€76.44
Cork County	€196.72	€120.90	€75.44
Donegal	€168.27	€99.58	€65.26
Dublin - Dublin City	€207.39	€126.99	€78.18
Dublin - Dún Laoghaire-Rathdown	€242.16	€127.67	€83.78
Dublin - Fingal	€212.21	€125.23	€76.44
Dublin - South Dublin	€213.39	€131.37	€80.29
Galway	€161.96	€104.86	€70.62
Kerry	€173.53	€98.04	€65.09
Kildare	€196.73	€117.98	€76.04
Kilkenny	€165.48	€96.83	€69.08
Laois	€163.23	€108.95	€71.14
Leitrim	€152.50	€91.88	€67.38
Limerick	€158.38	€101.90	€71.27
Longford	€153.33	€89.83	€66.45
Louth	€171.03	€108.09	€72.44
Mayo	€156.33	€102.68	€67.36
Meath	€183.51	€111.48	€73.47
Monaghan	€152.48	€82.88	€63.41
Offaly	€164.26	€106.14	€68.61
Roscommon	€152.01	€89.77	€68.99
Sligo	€157.30	€95.65	€72.00
Tipperary	€155.82	€94.80	€68.35
Waterford	€161.42	€99.36	€70.03
Westmeath	€171.58	€96.57	€71.62
Wexford	€166.30	€101.67	€72.51
Wicklow	€208.09	€120.60	€79.62
National average fee for age range	€183.43	€109.73	€73.03

County	5 years+ to 6 years		
	Full day care	Part-time care	Sessional
Carlow	€143.75	€87.15	€68.50
Cavan	€158.37	€89.09	€67.51
Clare	€157.57	€92.44	€68.67
Cork City	€193.73	€117.71	€72.48
Cork County	€187.82	€117.50	€76.14
Donegal	€162.50	€97.60	€64.42
Dublin - Dublin City	€195.31	€128.65	€78.69
Dublin - Dún Laoghaire-Rathdown	€205.18	€131.18	€90.37
Dublin - Fingal	€184.11	€118.76	€83.90
Dublin - South Dublin	€193.59	€125.04	€84.94
Galway	€156.28	€100.31	€71.37
Kerry	€170.29	€92.25	€63.44
Kildare	€181.48	€117.43	€78.71
Kilkenny	€161.00	€99.62	€68.51
Laois	€159.95	€107.37	€76.06
Leitrim	€135.71	€80.83	€69.71
Limerick	€150.48	€97.88	€72.59
Longford	€147.00	€85.18	€64.59
Louth	€165.68	€105.03	€75.53
Mayo	€154.41	€98.50	€65.44
Meath	€166.76	€106.81	€75.02
Monaghan	€145.87	€78.43	€60.17
Offaly	€153.60	€102.05	€68.29
Roscommon	€147.55	€87.16	€66.59
Sligo	€148.00	€90.27	€69.38
Tipperary	€152.49	€90.39	€69.62
Waterford	€156.09	€95.67	€69.55
Westmeath	€164.14	€97.68	€69.85
Wexford	€170.13	€100.08	€73.27
Wicklow	€183.72	€117.44	€81.27
National average fee for age range	€169.64	€105.50	€73.49

Appendix 2: Department of Children and Youth Affairs, Early Years Division, Budget 2019 and Budget 2020

Description	2019 REV Allocation €m	2020 REV Allocation €m
ECCE - Programme Funding	298.1	297.00
ECCE AIM - Programme Funding	21.38	31.38
ECCE Programme Support Payments (PSP)	10.20	10.20
NCS and Legacy- Programme Funding	157.15	207.15
CCS & TEC Programme Support Payments (PSP)	9.20	9.20
Capital	9.61	8.81
General Childcare Supports	68.81	74.21
Total	574.45	637.95