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Early Learning and Care and School-Age Childcare

Towards a New Funding Model

Overview of Phase 1 of Stakeholder Engagement and Consultation

Early Years Policy and Strategy Unit

Department of Children, Equality, Disability, Integration and Youth

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Table of Contents

Table of Contents.....	2
1. Overview	3
2. Introduction	3
2.1. First 5: A Whole of Government Strategy for Babies, Young Children and their Families	3
2.2. Rationale for a New Funding Model	3
2.3. Appointment of an Expert Group to Develop a New Funding Model	4
2.4. Consultation on a New Funding Model	5
3. Phase 1 Programme of Consultation and Engagement	6
3.1. Objectives.....	6
3.2. Phase 1 Consultation and Engagement Process	6
4. Conclusion.....	9
5. Next Steps	10

1. Overview

This report provides an overview of the consultation and engagement process undertaken so far by the Expert Group to develop a new funding model for Early Learning and Care (ELC) and School-Age Childcare (SAC) in Ireland. A series of engagements were held under Phase 1 of the Consultation and Engagement Plan, further outlined below. Next steps for Phases 2 and 3 of the Consultation and Engagement Plan are provided in this report. Full reports of Phase 1 engagements are published and available [here](#).

2. Introduction

2.1. First 5: A Whole of Government Strategy for Babies, Young Children and their Families

*First 5: A Whole of Government Strategy for Babies, Young Children and their Families 2019-2028*¹, published in November 2018, sets out an ambitious programme of work across Government Departments to improve the experiences and outcomes of children in Ireland from birth to age five across all aspects of their lives in the coming ten years. One of the major objectives is that babies and young children have access to safe, high-quality, developmentally appropriate ELC and SAC which reflects diversity of need. Allied to that objective, *First 5* identifies as a key building block additional public funding, strategically invested, to achieve the best outcomes for babies, young children and their families.

2.2. Rationale for a New Funding Model

First 5 commits to at least doubling investment in ELC and SAC by 2028 and a key vehicle to ensure that such significant additional investment delivers for children, families and the State will be a new funding model. The following actions in *First 5* may relate to the development of the new funding model:

- Develop and introduce a new funding model for ELC and SAC that will support improved quality of provision without compromising sustainability for providers or affordability for parents.
- As part of the reform of the funding model, develop an appropriate mechanism to control fees charged to parents in return for increased State investment in affordability, quality and sustainability.

¹ Government of Ireland (November 2018). *First 5: A Whole of Government Strategy for Babies, Young Children and their Families 2019-2028*. Available at <https://www.gov.ie/en/publication/f7ca04-first-5-a-whole-of-government-strategy-for-babies-young-children-and/> (last accessed 2 March 2021).

- Undertake a review of the types of favourable working conditions that could be supported so that employers can attract and retain staff working in ELC and SAC settings as a key input to the development of a new funding model. As part of this review, the optimal time for observation, reflection, planning, teamwork and cooperation with parents will be explored.
- Develop mechanisms to provide additional supports to ELC settings where there are high proportions of children who are at risk of poverty to mitigate the impacts of early disadvantage. Specifically, informed by the Delivering Equality of Opportunity in Schools (DEIS) model, develop a programme for the delivery of ELC in the context of concentrated disadvantage.

It is envisaged that a new funding model will operate in parallel with existing major funding programmes/ schemes – the National Childcare Scheme (NCS)² and the universal pre-school Early Childhood Care and Education (ECCE) programme.³

2.3. Appointment of an Expert Group to Develop a New Funding Model

On 18 September 2019, Minister Katherine Zappone announced an Expert Group to develop a new funding model for ELC and SAC.⁴

The Expert Group's Terms of Reference⁵ are as follows:

- Agree a set of guiding principles to underpin the new funding model for Early Learning and Care and School Age Childcare.
- Review the existing approach to funding Early Learning and Care and School Age Childcare services by the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) in terms of its alignment with the guiding principles as well as effectiveness in delivering on the policy objectives of quality, affordability, accessibility and contributing to addressing disadvantage.
- Drawing on international evidence, identify and consider options on how additional funding for Early Learning and Care and School Age Childcare could be structured to deliver on the guiding principles and above policy objectives.

² National Childcare Scheme <https://www.ncs.gov.ie/en/> [last accessed 2 March January 2021].

³ Early Childhood Care and Education Programme <https://www.gov.ie/en/publication/2459ee-early-childhood-care-and-education-programme-ecce/> (last accessed 2 March 2021).

⁴ DCYA (18 September 2019). Press Release [Minister Zappone announces Expert Group to develop a new funding model](#) (last accessed 2 March 2021).

⁵ Full Terms of Reference are available on www.first5fundingmodel.gov.ie.

- Agree a final report including a proposed design for a new funding model, with accompanying costings, risk analysis and mitigation and phased implementation plan (with funding likely to become available on an incremental basis) to recommend to the Minister for Children and Youth Affairs and ultimately Government.

In delivering on these Terms, the Expert Group is not asked to propose changes to the current model of delivery (i.e. privately-operated provision) but to seek to further achieve policy objectives of quality, affordability, accessibility and contribute to addressing disadvantage in a privately-operated market through increased public funding and public management.

The Expert Group is independently chaired and includes national and international experts in ELC and SAC systems, funding, quality, economics, and relevant policy experts from the Government Departments who will be involved in implementing the new funding model. The Expert Group is expected to conclude its work in November 2021. The development of the new funding model is supported by a significant programme of research, delivered by Frontier Economics. At the time of writing this report the Expert Group has met fourteen times and meeting documentation is published at www.first5fundingmodel.gov.ie.

2.4. Consultation on a New Funding Model

The new funding model is a major reform project impacting at all levels of the ELC and SAC sector. This sector directly influences the day-to-day lives, and futures, of over 200,000 children and their families and is important strategically and economically. It is a large and diverse sector in terms of the nature of services provided, the range of views on the purpose of those services, and the role of the State and public investment. For the new funding model to be successful in implementation, the development process will have to meaningfully engage the perspectives of various groups that have a role and an interest in the sector and seek, insofar as possible, to build a shared understanding and common purpose.

At the first meeting of the Expert Group in October 2019, special consideration was given to consultation and engagement, with an options paper presented to and discussed by the Expert Group. In the initial meetings and as outlined in the project plan, it was agreed that consultation and engagement would be composed of three phases:

- Phase 1: Identification of key issues
- Phase 2: Development of deeper understanding of key issues
- Phase 3: Test of proposals

This report relates to Phase 1 and the identification of key issues.

3. Phase 1 Programme of Consultation and Engagement

3.1. Objectives

The background thinking behind the development of the new funding model is articulated in *First 5* and the Project Plan for the development of a new funding model and strongly emphasises the need for consultation and engagement with stakeholders throughout the process.

Some key considerations for this programme of consultation were the groups that the new funding model will most affect – children, parents, providers, the workforce – and the most effective mechanisms to access the views and ideas of those groups.

The objectives of Phase 1 Consultation and Engagement were to:

- Seek input to the development of draft principles to underpin the new funding model.
- Identify, from the point of view of various constituent groups, the key issues to be addressed in the development of the new funding model.
- Invite ideas for possible practical solutions to key funding model challenges for consideration by the Expert Group.

The outputs of the consultation will be weighted and balanced by the Expert Group and considered alongside the evidence in order to inform the next stages of development of the new funding model.

3.2. Phase 1 Consultation and Engagement Process

Phase 1 consultation on the new funding model was originally planned to commence in March 2020 with large county level events with providers, practitioners and parents. A joint process of consultation was to take place to cover two important and connected reform projects established under First 5: the Workforce Development Plan and the new funding model. Due to the COVID-19 pandemic, these scheduled events were cancelled.

On 19 August 2020, Minister Roderic O’Gorman announced a new programme of consultation⁶ consisting of:

- A public call for submissions including the draft guiding principles.
- A series of online consultation events taking the form of focused discussion sessions.
- A national survey of households of parents with children aged 0 – 15.

⁶ 19 August 2020, Press Release. [Minister O’Gorman launches programme of consultation on a Workforce Development Plan and a new Funding Model for Early Learning and Care and School-Age Childcare](#) (last accessed 2 March 2021).

An opening and closing information webinar bookended the programme of consultation.

3.2.1. Opening Information Webinar

An opening information webinar was held on 22 September 2020 to outline the consultation and engagement process, to encourage interested parties to respond to the call for submissions and to express an interest in attending the focused discussion sessions. The Minister launched the programme of consultations and officials from the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) presented on the two projects: the Workforce Development Plan and the new funding model. Seven hundred participants attended the information webinar, which can be viewed at <https://first5.gov.ie/information-webinars>

3.2.2. Call for Submissions

Separate calls for submissions on the Workforce Development Plan and the new funding model opened on 19 August 2020, hosted on EU Survey, with a closing date of 2 October 2020.

The call for submissions on the new funding model primarily consisted of open-ended questions asking about strengths, weaknesses and challenges with the current model of funding for the sector. The Expert Group produced six draft guiding principles to underpin a new funding model for the sector⁷ which were put to respondents for comment under the headings of:

- Professional and Valued Workforce
- Child-Centred
- Competent Sector
- Strategic
- Family-Orientated
- Development and Implementation

One hundred and sixty-eight submissions were received in respect of the call for submissions on the new funding model, 166 of which were valid. Responses represented a wide range of stakeholders.

An independent researcher, Sandra Roe, was contracted to analyse the findings of the call for submissions. The full report is published and available here:

- [Report on the findings of a Call for Submissions on the New Funding Model for Early Learning and Care \(ELC\) and School Age Childcare \(SAC\), Sandra Roe.](#)

⁷ Draft Guiding Principles, <https://first5fundingmodel.gov.ie/wp-content/uploads/2021/02/Draft-Guiding-Principles-for-the-new-Funding-Model.pdf> (last accessed 2 March 2021).

3.2.3. Series of Online Focused Discussion Sessions

A series of online focused discussion sessions with providers, practitioners and parents took place from October to December 2020. Those who registered an interest in further engagement through the call for submissions and who attended the opening information webinar were invited to participate in the themed session(s) of their choice. Sessions that were not fully subscribed were also advertised on Eventbrite.

An independent researcher, The Change Exploratory, was contracted to facilitate the online consultation events and compile their findings.

There were nine consultation events in the form of focussed discussion sessions with providers and practitioners. The first seven themed sessions were for a combination of providers and practitioners. There were two additional sessions hosted for practitioners only, given the majority participation of providers in the seven combined events. The nine events were themed as follows:

1. Addressing Affordability
2. Improving Access
3. Raising and Supporting Quality
4. Ensuring availability
5. Sustainability
6. Administration
7. Role of capital funding
8. Insights from practitioners (two sessions)

In addition to these events, a further seven focused discussion sessions with parents took place from 29 October to 2 December, with 57 parents participating in total.

The consultation events were hosted over Zoom, with interactive engagement in breakout and main sessions, and feedback from participants being collected by a combination of 'Mentimeter' (interactive presentation software), the chat function in Zoom, Google Jamboard and verbally.

The full reports by The Change Exploratory are published and available here:

- [Report on New Funding Model Consultation with Providers and Practitioners, The Change Exploratory \(October 2020\).](#)
- [Report on New Funding Model Consultation with Parents, The Change Exploratory \(November/ December 2020\).](#)

3.2.4. National Survey of Households

IPSOS/MRBI were contracted to conduct a national household survey of parents of children aged 0 - 15, which took place from 23 August to 21 September 2020. Five hundred and three telephone interviews were conducted and data on 905 children under the age of 15 was collected. The poll was primarily closed question and included one open-ended question, asking parents what suggestions they have for Government investment in order to ensure that ELC and SAC is affordable, accessible and high quality.

The presentation of findings by IPSOS/MRBI is published and available here:

- [Childcare Survey, IPSOS/ MRBI \(October 2020\).](#)

3.2.5. Closing Webinar

A closing information webinar providing an overview of the programme of consultation took place on 16 December 2020. The Minister spoke at the webinar and thanked all of those who had participated in the programme to inform the two projects. Sandra Roe, The Change Exploratory, and IPSOS/MRBI presented the findings of the strands of consultation. The Chairs of both the Workforce Development Plan Steering Group and the Expert Group on the development of a new funding model shared reflections on the consultation findings and next steps for the projects. Four hundred and twenty-seven participants attended the information webinar, which can be viewed at <https://first5.gov.ie/information-webinars>

4. Conclusion

The programme of consultation has gathered a wealth of valuable information on the strengths and weaknesses of the existing funding streams, as well as providing suggestions and priorities for a new funding model, from the perspectives of the various stakeholders.

Although the strengths of the current funding schemes were acknowledged, the programme of consultation highlighted that a lot more needs to be done to make ELC and SAC affordable, accessible, inclusive and to raise quality. Certain issues were also obviously more prominent and took on different meanings for parents, providers, practitioners or representative groups. However, there was also a large degree of common key issues identified among all groups.

The draft guiding principles were welcomed by the majority of participants, who broadly agreed that all draft guiding principles should be applied to both ELC and SAC.

Greater state involvement and more investment were themes common to all stakeholder groups, with suggestions that the existing schemes such as ECCE, the National Childcare Scheme (NCS) and the

Access and Inclusion Model (AIM) could be expanded and built upon to provide more hours, greater flexibility, stability of funding and wider access. The administration associated with the schemes was also an issue that arose amongst all stakeholder groups.

Pay, working conditions and training/upskilling of staff within the sector also emerged as a key issue throughout the consultation process, and one which needs to be tackled in order to retain experienced staff and provide high-quality services to ensure better outcomes for children.

The full reports of all Phase 1 engagements are published and available [here](#).

5. Next Steps

Phase 1 consultation is now completed and the Expert Group for the development of a new funding model is progressing with Phases 2 and 3 of the Stakeholder Engagement and Consultation Plan.

The objectives of Phase 2 of Stakeholder Engagement and Consultation are to:

- Develop understanding of the detail and specifics of the issues identified at Phase 1.
- Interrogate key interactions, for example between issues of quality, affordability, sustainability and how they can be negotiated.
- Generate proposals for the funding model for consideration by the Expert Group and further analysis if required.

The second and third phase of consultation and engagement will require much more in-depth and strategic exploration of the issues identified during Phase 1 by a stakeholder panel. The aim will be to gain deeper insights into the most significant issues and, most importantly, to generate ideas and options for potential solutions. It will be important to test and challenge the ideas, options and proposals to ensure that they are feasible for implementation in practice and will address the issues identified and achieve the policy objectives of the project.

In order to maintain the project timeline and make up for delays in Phase 1 consultation experienced due to COVID-19, it is proposed that Phases 2 and 3 will be back-to-back. Phases 2 and 3 will involve a series of facilitated events that bring together different perspectives to engage deeply in the conversation about how the various issues of affordability, sustainability, quality and inclusion interact and how the new funding model can best support all of these features.

It is intended that by the middle of 2021, the shape of the recommendations for the new funding model will be beginning to emerge before the final recommendations and report will be submitted to the Minister in November 2021.