



Interim Funding Partner Service Funding Agreement FAQ

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1. What is Interim Funding?

The Department of Children, Equality, Disability, Integration and Youth (DCEDIY) has developed an Interim Funding Agreement that will be implemented in the event that Employment Regulation Orders (EROs) are not in place on 1 September 2022 and Core Funding therefore cannot proceed.

Interim Funding will distribute a smaller budget to the sector than Core Funding without the majority of the staff pay allocation. It is intended to bridge an initial gap between the end of the Transition Fund and 30 September 2022, unless EROs take effect sooner and Core Funding can begin.

It is hoped that this Interim Funding, if required, will be necessary for a short period only.

2. Why is Interim Funding required?

Of the €221 million Core Funding budget, the large majority is intended to contribute to improved pay rates across different categories of staff. A significant proportion of the budget therefore cannot be made available without assurances that this funding will be channelled towards achieving this intended objective. In the event that there are no EROs or an ERO covering only one role in the sector in place on 1 September, Core Funding cannot proceed.

The Early Years' Service Joint Labour Committee (JLC) has adopted draft proposals to cover all roles in the sector as set out in the Establishment Order. However, given the remaining stages in this independent statutory process, there is no certainty that EROs will be in place before 1 September 2022.

3. What are the next steps with the Employment Regulation Orders (EROs)?

The process to develop Employment Regulation Orders (EROs) is an independent process that is set out in the Industrial Relations Act 1946 as amended by the Industrial Relations (Amendment) Act 2012.

The Minister of State for Business, Employment and Retail established a Joint Labour Committee (JLC) for Early Years Services in 2021, and the JLC has been meeting since December 2021. The sector is represented on the JLC by employer representatives from Childhood Services Ireland (CSI) and Federation of Early Childhood Providers (FECP), and worker representatives from SIPTU.

The JLC carried out a public consultation on two draft EROs. The first proposed ERO would set a minimum hourly rate of €13 for Early Years Educators and School Age Childcare (SAC) Practitioners. The second proposed ERO would set a number of minimum hourly rates for a range of roles from Lead Educators (Room Leaders) / SAC Coordinators to Centre Managers including where those operating in those roles hold a recognised Level 7 or 8 qualification.

Even after adoption of proposed EROs by the JLC, however, the legislation sets out a number of further steps that would need to be completed before proposed EROs could come into force:

- The Labour Court must consider the proposals received from the JLC and examine a range of matters set out in the legislation. There is no time limit to this part of the process, and it is open to the Court to submit amended proposals back to the JLC for further consideration. If the Court wishes to adopt the JLC's proposals, it shall forward a copy of the proposals to the Minister of State for Business, Employment and Retail.
- If the Labour Court submits proposals to the Minister of State for Business, Employment and Retail, the Minister shall review them as soon as is practicable, giving consideration to a range of factors set out in the legislation, and then make a determination on whether it is appropriate or not to give effect to the proposed EROs. There is no time limit to this part of the process either.
- If the EROs are approved and given effect, they are then laid before each House of the Oireachtas.

Given the various stages in this independent process, and while Minister O'Gorman has acknowledged the hard work of the members of the JLC to negotiate pay and conditions for employees in the sector, there is no certainty that EROs will be in place before 1 September 2022.

4. What are the objectives of the Interim Funding?

The main objectives of the Interim Funding are to:

- Sustain services in the period between the end of the Transition Fund and the beginning of Core Funding, through funding for capacity.
- Support graduate employment and administrative time.

- Ensure that parents' fees do not increase from September 2021 rates.
- Create a smooth lead in to Core Funding once the EROs come into effect, with as limited additional administration for services as possible.

5. What are the main differences between Core Funding and Interim Funding Agreements?

The two Funding Agreements are similar with some revised conditionality under the Interim Funding. The main differences between the two are:

- Calculation of the grant, as outlined in other FAQs.
- Duration of the Agreement, to a maximum of 30 September 2022 if EROs are not in effect sooner.
- Timing related clauses, including the removal of conditions around Quality Action Plan and certain elements of Financial Reporting for Interim Funding, due to the duration of the agreement.
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6. What is the calculation for the Interim Funding?

There are three elements to the calculation for Interim Funding per service. The calculation will be based on a weekly allocation for capacity, plus, where applicable, weekly allocations for administration and graduate employment in ELC, all based on information which is already available.

Capacity: The weekly allocation for capacity for a Partner Service will be based on the weekly allocation of the Transition Fund for that service. Where a Partner Service did not avail of the Transition Fund, a weekly allocation for capacity will be derived for them on the basis of their capacity on the Tusla Register in January 2022, or the closest date available thereafter, and the calculation methodology used for the Transition Fund.

Graduate employment in ELC: The weekly allocation for graduate employment in ELC will apply where a Partner Service received an ECCE Higher Capitation payment during a snapshot period at the highest week of uptake across the sector in May, 2022. The allocation to support graduate employment in ELC will be calculated as the weekly value for ECCE Higher Capitation received by the Partner Service in the snapshot period. Where applicable this may include an allocation related to CCSP Higher Capitation.

Administration: The weekly allocation for administration will apply where a Partner Service received a Programme Support Payment (PSP) in programme year 2021/2022. This allocation to support administration will be calculated as the annual value of ECCE PSP in 2021/22 divided by 38, and the annual value of NCS and CCSP PSP in 2021/22 divided by 52.

7. What are the fee management conditions associated with Interim Funding?

The fee management conditions associated with the Interim Funding Scheme are the same as those required under Core Funding. These are outlined in detail in the Interim Funding Agreement and essentially require no increase in fees charged from September 2021 rates. There is further guidance available on fee management in the Core Funding FAQ and services are encouraged to seek support and guidance from their local CCC if they have any questions on fee management.

8. Why were the conditions around Quality Action Plans and Financial Planning removed from the Interim Funding?

The requirements to develop, implement and report on a quality action plan, and to report on validated financial returns will come later in the year with Core Funding. The Interim Funding is anticipated to be a short-term measure, ending when EROs are in effect or on 30 September 2022, whichever is sooner. Therefore, these reports are not appropriate for the duration of the scheme.

9. How can I sign-up for Interim Funding?

Service providers sign-up for Interim Funding and Core Funding at the same time, following completion of the Core Funding application process.

Payments will be made in respect of 1 to 30 September 2022 under either Interim Funding or Core Funding, depending on whether or not the EROs are in effect.

Only service providers who complete the Core Funding application process and sign-up to be Core Funding Partner Services can then contract for Interim Funding. This will ensure that service providers who sign-up for both schemes will receive a payment under one or other of the schemes for the period from September 1 2022.

10. When can I sign the Interim Funding Partner Service Funding Agreement?

The Interim Funding Partner Service Funding Agreement and the Core Funding Partner Service Funding Agreement will both be available to accept electronically on the Early Years Hive during next week.

11. How long will the Interim Funding last?

The Interim Funding Agreement will come into effect if the Employment Regulation Orders to cover all roles across the sector as defined in the Early Years' Service Joint Labour Committee Establishment Order are not in effect by the 1 September 2022. The Funding Agreement will continue to provide interim funding until such time as the EROs comes into effect or until the 30 September 2022, whichever is the sooner.

12. What happens if EROs come into effect in between Interim Funding payments?

Partner Services will not receive payment under the Interim Funding Agreement and Core Funding Partner Service Funding Agreement for the same period. Core Funding comes into effect when the EROs come into effect. Any payments to Partner Services under the Interim Funding Agreement after Core Funding comes into effect will be offset against payments under Core Funding.

13. Will the Interim Funding be extended if EROs are delayed beyond 30 September?

If the EROs are delayed beyond 30 September 2022, the DCEDIY will review the situation and consider appropriate measures.

14. How does Interim Funding connect to the Transition Fund?

The Transition Fund ends on 31 August 2022.

The capacity element of the weekly allocation to a Partner Service under Interim Funding will be based on the weekly allocation of the Transition Fund for that service.

The following methodology was used to calculate the weekly allocations for services under the Transition Fund from May – August 2022:

- Maximum number of children the service can accommodate (on the January 2022 Tusla register)
- x 83% (to reflect the average normal occupancy level, which considers both vacancies and the extent to which a place is only used part of the week, e.g., 4 days per week)
- x the average overall fee rate (by session type, by county), or the average fee rate within community or private services (by session type, by county), whichever is the higher.
- x 7%

In some cases, where there was not a directly comparable fee rate for the service type, the following approach was used:

- For Childminders in contract for NCS/ECCE/CCSP – calculation used fees as private full day services in their local authority area.
- Combined SAC and EY services – calculation used fees for full day services in their local authority area, private or community depending on the EY/SAC service type.
- Standalone SAC services – for term time weeks, the calculation used relevant part time fees for private or community services in their local authority area; for non-term time weeks, the calculation used average weekly non term time SAC rates by local authority area using Sector Profile data, average applied across all weeks. The weekly allocation for capacity for a Partner Service under the Interim Funding will be based, in part, on the weekly allocation of the Transition Fund for that service.
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15. I didn't avail of the Transition Fund, how will my Interim Funding be calculated?

If a service provider did not avail of the Transition Fund, for whatever reason, a weekly allocation for capacity can be derived for them on the basis of their capacity on the January 2022 Tusla Register or the closest date available thereafter, and the calculation methodology used for the Transition Fund.

All services participating in Interim Funding must follow the fee management conditions associated with the scheme.

16. Can Interim Funding be updated to account for a service's current circumstances?

The Interim Funding calculations are based on information available from the 2021/2022 programme year, and it is necessary to use this to ensure Interim Funding can flow to the sector quickly and straightforwardly in September if needed. There is no scope to change the Interim Funding calculation for the duration of this short-term scheme.

Core Funding captures more of the intricacies and realities of capacity, graduate employment, and administration within the sector, and the allocation a service receives under Core Funding will reflect this.

17. How often will payments be made?

Payments under the Interim Funding Agreement will be made weekly.

18. What is the deadline for signing the Interim Funding Agreement and Core Funding Partner Service Funding Agreement?

The Interim Funding Agreement will be available for signing from the week of 15 August 2022, along with the Core Funding Partner Service Funding Agreement.

Services that accept the funding agreements by 22 August 2022 will be assured of an advance payment before 1 September 2022. Services that accept the funding agreements on or before 31 August 2022 will receive payments for the entire duration of the scheme/s.

Services can sign up for Interim Funding or Core Funding at any stage throughout the duration of the scheme. However, where a service accepts the Interim Funding Agreement or the Core Funding Partner Service Funding Agreement after 31 August 2022, payments under both schemes will not be backdated.

19. What supports are available?

Pobal has completed a series of training webinars on the Core Funding application process. Detailed information is included in the Application Guidelines, Technical Guide and FAQ published on the Early Years Hive. A helpful 'Checklist' is also available and this should be referred to before you commence an application.

Additional supports:

- If your service requires support in completing your application, please contact your Local City and County Childcare Committee (CCC). Individual support sessions can be organised and CCCs are available to guide services through the Core Funding application process.
- If you are experiencing a technical difficulty, you can raise a ticket with Pobal's Early Years Provider Centre. For queries relating to technical support, accessing and using the Early Years Hive and / or questions regarding Sector/Service Profile or Core Funding Application Module queries please raise a 'Service Request' on the Early Years Hive, email eypc@pobal.ie or call 01 5117222. The Early Years Provider Centre is open Monday to Friday, 9.00am – 5.00pm.
- Please also consult the Core Funding Technical Guidelines and Applicant Guidelines – available [here](#).
- Please also consult the Departments FAQs – available [here](#).
- Core Funding application Checklist – available [here](#).
- How to Videos are also available here – available [here](#).