



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

Core Funding

Presentation to Early Learning and Childcare Stakeholder Forum

18th May 2023



- New Funding Model, Together for Better, four parts of the overall package of funding for the sector
- Core Funding operating alongside NCS and ECCE
- Equal Participation Model in development



Core Funding Year 1 Success



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

Core Funding Year 1 - Achievements

Uptake of scheme reached 95% this week.

Affordability: Over 4,200 services subscribed to fee freeze at September 2021 levels. Moreover, the number of services offering the NCS (a condition of Core Funding) has increased by 15% (rising from 3,063 in 2022 to 3,516 in 2023).

Improved quality: More than 70% of staff have seen pay increases as a result of EROs in place since September (Source: AEYSP 20/21).

Supporting graduate-led provision: 2,901 services are receiving Graduate Premiums in relation to their Graduate Managers and Graduate Lead Educators working with children from 0 – 6.

Stability of funding: 99% of Partner Services have received increased funding on last year, where they are providing at least the same level and type of provision. 1% of services (61) have received top-up payments under the Funding Guarantee to match their ECCE Higher Capitation and Programme Support Payments from last year.

Improved access to ELC and SAC: Initial analysis shows increased capacity in high-demand areas relative to supply (i.e. more baby and toddler places as well as school-age places).



Core Funding Year 2 €28m

€28 million, 11% increase, breakdown as follows:

- €8.47m is allocated towards funding the natural growth of the sector.
- €6.11m is allocated for non-staff overheads, to support Partner Services non staff costs while maintaining the fee management system.
- €2.2m is allocated for administrative staff time, in light of the increase in the numbers of children accessing the funding schemes.
- €4m is allocated to remove the year 3 requirement for the Graduates Premiums.
- €7.22m is allocated for new targeted measures which are aimed at improving the sustainability of smaller and sessional Partner Services.

Core Funding Year 2 Allocation



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

Element	Year 1		Year 2
	Allocation at €221m	Allocation at €259m	Allocation at €287m*
Base Rate			
Contribution to staff pay and conditions	€138m	€160m	€165.2m
Contribution to non-staff overheads	€20m	€23m	€29.9m
Contribution to admin staff/time	€25m	€29m	€32.2m
Graduate Premiums			
Graduate premiums	€38m	€47m	€52.5m
Targeted Measures (NEW)			
Flat rate top-up and floor/cap	-	-	€7.2m

*Adjusted for €8.47m growth

Funding Increased Capacity



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

- €8.47m of the €28m is allocated towards funding the natural growth of the sector.
- Year on year trend of 3% growth: more staff working in the sector, more rooms and places, and more graduate lead educators and managers.
- Additional funding for capacity will help Partner Services expand their businesses, which will lead to greater accessibility for parents and greater sustainability for services.
- For the first time since December 2022, Partner Services will be able to increase the level of funding they receive from their Core Funding base rates.

Targeted measures



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

- €7.22m of the €28m is allocated towards new targeted measures
 1. Introduction of a flat rate top-up payment of €4,075 for individual sessional services.
 2. Introduction of Core Funding base rate minimum allocation of €8,150 on Core Funding base rate (and flat rate top-up payment for sessional services) per service.
 3. Introduction of a maximum Core Funding base rate allocation of €600,000.

Flat rate top-up payment



- A flat rate top-up payment of €4,075 for all services registered with Tusla as sessional only. This top-up payment is in addition to the services base rate and graduate premium.
- This measure will benefit approximately 1,700 sessional only Partner Services.
- On average, sessional services will see allocations increase by 36% as a result of the flat rate top-up alone, with a quarter of services seeing allocations increase by more than 50%.

Minimum base rate allocation



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

- The minimum base rate allocation will be set at €8,150.
- This is the minimum amount of funding a Partner Service delivering centre-based provision will receive from base rate and sessional flat-rate.
- Benefits smaller services, part-time, sessional and school-age.
- On average, for those services who will require it, the floor is worth more than €2,000.

Maximum base rate allocation



An Roinn Leanaí, Comhionannais,
Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality,
Disability, Integration and Youth

- The maximum base rate allocation will be set at €600,000.
- All Partner Services are currently below this ceiling, and it will impact only a very small amount of services who already receive the highest amounts.
- This cap does not apply to the graduate premiums, which may still increase a Partner Service's total allocation beyond this maximum base rate allocation.



Core Funding's base rates for year 2 will see in an increase in allocation per child across all age groups.

These new base rates will see an additional €6.11m going towards the contribution to non-staff overheads.

- This enhanced level of funding is aimed at increasing the sustainability of Partner Services, while continuing the fee management process which began in Year 1

The new base rate will also see an additional €2.2m for administrative staff time.

- This will support the increased administration due to to the higher levels of children accessing funding schemes.



Both the Graduate Lead Educator Premium and Graduate Manager Premium rate will remain at €4.44 per hour.

For year 2 of Core Funding there has been additional funding allocated to remove the 3-year experience rule for graduates.

- €4m has been allocated to cover the expected cost of more graduates in leadership roles being eligible to generate a premium.



Overall impact

When all developments are considered:

- Average allocation per Partner Service increased for year 2 by 21% €64,614.30 compared to €60,319 in year 1
- Highest average increase in allocation is in sessional only services (42%), from €17,793.04 to €22,576.56
- Lowest average increase in allocation is full day services with an average increase of 4%, from €128,071.96 to €133,327.61



Next Steps and Timeline

- Allocation of Core Funding Year 2 announced
- AEYSP and wage data updates
- Funding Agreement and details to be published in May
- Final Review and Confirm, application module and signing Funding Agreement in June
- Over course of summer, year 2 appraisal, first Review and Confirm, Parent Statements
- Year 2 commences on 1st September 2023