



Core Funding Partner Service Funding Agreement FAQ

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1. Background

1.1. What is Core Funding?

Core Funding is a grant to Early Learning and Care (ELC) and/or School Age Childcare (SAC) providers to support them in meeting increased operating costs. It is designed to deliver:

- affordability for parents through ensuring no increases in fees and offering NCS and ECCE to all eligible children;
- quality in services, including through better terms and conditions for staff and supporting graduate leadership in services; and
- sustainability for providers through substantially increased funding to the sector, paid on a consistent and equitable basis.

Core Funding is a key pillar of the new funding model recommended by an Expert Group in their report, *Partnership for the Public Good: a New Funding Model for Early Learning and Care and School-Age Childcare*, published in December 2021. It is designed to enable a new type of partnership between the State and ELC and SAC providers to deliver the public good.

Core Funding will operate alongside NCS, ECCE (at standard capitation rates), AIM and the CCSP Saver Programme and be in addition to income from these funding streams and any income received in parental fees.

Importantly, Core Funding will only come into effect and is contingent upon Employment Regulation Orders being in effect to cover all roles across the sector as defined in the Early Years' Service Joint Labour Committee Establishment Order.

1.2. How will Core Funding be allocated to services?

The majority of Core Funding will be allocated to Partner Services based on their capacity: the number of child places available, the age group/s of children for whom those places are available and the number of hours of provision. Importantly, Core Funding will be based on staffed capacity: it will not matter whether the places offered are subsequently occupied or vacant, but there must be enough staff in place to satisfy the minimum staff to child ratios as set in the Regulations.

Services with graduate-led provision will also be able to attract a graduate premium.

The details of the exact formula and values for the allocation of Core Funding are set out in the funding agreement.

The amount payable under Core Funding will be determined based on the information provided through the application process and will be paid to partner services in monthly instalments in advance over the Core Funding programme year (1st September 2022 to 31st August 2023).

1.3. Where can I see examples of sample services?

Examples of how Core Funding will operate for a wide variety of services are available [here](#).

2. Timeline and sequence

2.1. What is the timeline for the Core Funding application process?

- Stage 1: Pre Application Survey
Completion of the Annual Early Years Sector Profile (AEYSP) survey is a pre-requisite for application to Core Funding. The initial data collection window for the AEYSP opened in April and closed in May. For services who could not complete the survey during this period and who still wish to do so, the AEYSP reopened on 13 June 2022. This ensures that any service that wishes to complete an application for Core Funding can submit an AEYSP to allow them to do so.
- Stage 2: Complete application process

This stage will open in late July. Applicants will define their service's profile and their capacity in detail on an online system. Immediately on completion of the application, the service's specific Core Funding value will be calculated and communicated to applicants, subject to final verifications and confirmations.

- Stage 3: Contracting and payments
This will take place in August. Core Funding Partner Service Funding Agreements will be made available for electronic signature on the Hive.

2.2. Does a service need to complete the AEYSP to apply for Core Funding?

Yes, completing the AEYSP is a necessary requirement in order to access the Core Funding application form.

The AEYSP will capture essential information to provide a baseline to assess the impact of Core Funding at a sector-wide level. As in previous years, the data collected in the AEYSP provides vital insight to track and monitor trends and identify key issues in the sector.

City and County Childcare Committees are available to assist with completing the AEYSP if necessary.

2.3. Does the AEYSP affect a service's Core Funding allocation?

The information provided in the AEYSP will not be used in assessing eligibility for Core Funding.

The purpose of the AEYSP is to create an aggregated picture of the sector as a whole. This is especially important this year, in order to set a baseline against which the impact of Core Funding can be measured in subsequent years.

3. Contract/Funding Agreement

3.1. What are the conditions of the Core Funding Partner Service Funding Agreement?

The full detail of the conditions are set out in the published Funding Agreement.

Some of the key conditions include:

- Participating in the AEYSP.
- Operating a fee management system, which requires no increase to fees in 2022/23 above September 2021 rates.
- Implementing practice frameworks
- Developing, implementing and reporting on a quality action plan.
- Providing transparent and validated financial reports.
- Issuing a Parent Statement to all parents using the service outlining what they can expect.
- Offering the NCS and the ECCE programme to all eligible children.

3.2. What is the Core Funding programme year?

The programme year for Core Funding 2022/23 starts on 1st September 2022 and ends on 31st August 2023.

Where the Core Funding Partner Service Funding Agreement has been signed on or before 1st September 2022, Partner Services will be eligible for funding from 1st September 2022.

Applications can be submitted following the start of the programme year but payments will not be backdated.

3.3. How will Core Funding be paid?

Core Funding will be paid in advance, in monthly instalments spread across the entire programme year. Core Funding will be paid into the bank account listed for each service on the Hive, through the same processes as other Funding Agreements. It is important to ensure that all bank account details are up-to-date.

3.4. How do I sign the Core Funding Partner Service Funding Agreement?

Following the submission of a Core Funding application, a contract will be made available to Partner Services for electronic signature on the Hive.

3.5. What is the funding guarantee?

The change in approach to funding may mean that a very small number of applicants (estimated to be approximately 40 services in total, less than 1%) may receive somewhat less in Core Funding to what they had previously received in Higher Capitation and PSP combined. This affects a small number of Partner Services who have particularly benefited from the previous approach to Higher Capitation by having large ECCE groups with high occupancy levels.

For this small number of applicants, the Department is issuing a funding guarantee whereby, under Core Funding, applicants will receive the same level of funding as they received from Higher Capitation and PSP, assuming the numbers of graduate staff and the type of service offered remains the same in the 2022/23 programme year as in 2021/22. The funding guarantee will apply even if the number of children participating in the service have reduced.

Services for whom the funding guarantee applies will be paid at a number of points throughout the programme year, with the payment adjusted periodically if their Core Funding value changes.

3.6. Can new services join Core Funding?

Yes, new services are eligible to apply for and to receive Core Funding. For new services, the existing service provider on-boarding process will be used.

If you are a new service and have any questions about your application or eligibility for Core Funding, you can contact your local City/County Childcare Committee (CCC) for support and at the Early Years Provider Centre (EYPC). The contact details for the CCCs are available here: [City and County Childcare Committees](#)

4. Application

4.1. When will the application form be available?

The application process will open in late July.

4.2. What information is required for the application form to calculate Core Funding?

The Core Funding application is used to capture the details required to calculate Core Funding: information related to a service's opening times, rooms, care types and staff. Where services have graduate Lead Educators or graduate Managers, the details of the qualifications of these staff will also be required in order to pay the graduate premium part of Core Funding.

Core Funding is based on staffed capacity. For this reason, the application form will require details on the staff to be allocated to each room during the course of the operating hours of the service. The application form will have in-built validations in relation to the staffing requirements by age range, session type and space.

If the application form passes all the relevant pre-requisites and validations, a service's Core Funding value will be calculated at room level based on the formula set out in the Funding Agreement.

The system will calculate a Core Funding Capacity Value and Graduate Premium at room level and repeat the calculation for all rooms in the service. The final calculation will incorporate the Graduate Manager Premium if applicable and present the total Core Funding value at service level.

4.3. How does the application differ from the Ready Reckoner

A Ready Reckoner was launched in March in order to give prospective Core Funding applicants an idea of what their Core Funding amount may be so that they know what approximate figure to expect. The Core Funding Ready Reckoner gives an approximate indication of your potential value for Core Funding based on the information that you provide in response to the questions asked but is not an exact calculation. The Ready Reckoner also does not assess eligibility for Core Funding.

The full application will gather information on eligibility and capacity, as well as the staffing available to manage the stated capacity. The application will therefore verify actual capacity levels, whereas the Ready Reckoner accepted all information at face value. There will be a further process to validate qualifications of staff who are eligible to attract graduate premiums.

The [Core Funding Ready Reckoner](#) remains available, along with the [Ready Reckoner FAQ](#).