



## **Understanding the Annual Core Funding Grant Allocations**

**Programme Year 1: September 2022-August 2023**

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## What is the Core Funding Grant Allocations List?

This is the first of a yearly list of the annual Core Funding Grant allocations, which will be published at the end of each programme year. The list below provides the approved Core Funding allocations for all Partner Services who participated in Core Funding for the first programme year (September 2022-August 2023).

A pre-contract condition of the Core Funding Partner Service Funding Agreement, published on 29th June 2022, specified that Core Funding will only come into effect and is contingent upon Employment Regulation Orders (ERO) being in effect to cover all roles across the sector as defined in the Early Years' Service Joint Labour Committee Establishment Order. As the ERO were not in place until 15th September 2022, Interim Funding was introduced to bridge the gap between 1st September and 15th September 2024. This list below also includes the Interim Funding allocation.

This list includes the names of the services, service address and the county they operate in. This will help identify the different Partner Services.

It also includes their Service Type and maximum capacity as per the Tusla register. These are provided to help demonstrate the overall capacity of the service. The list also contains the number of weeks the service was contracted for Core Funding, as services were only paid out on weeks they were in the scheme. This is important context for understanding the different funding allocations: capacity which has a direct relationship with their allocation, as larger services who open for longer hours and operate for more weeks receive more Core Funding, in proportion to the higher cost of delivering more service.

While the list also includes important contextual information for understanding grant allocations, it is not possible to include every factor that can influence the total annual funding amount allocation in a readable list. Additional detail on this context is provided below.

## What is Core Funding?

In September 2022, Minister O'Gorman launched Together for Better, the new funding model for early learning and childcare. This new funding model supports the delivery of early learning and childcare for the public good, for quality and affordability for children, parents and families as well as stability and sustainability for providers.

Together for Better brings together two previously established programmes; the Early Childhood Care and Education (ECCE) programme, including the Access and Inclusion Model (AIM) and the National Childcare Scheme (NCS), alongside two new programmes; the Core Funding scheme and Equal Start (to roll out from September 2024).

The primary purpose of Core Funding is to improve pay and conditions in the early learning and childcare sector as a whole and improve affordability for parents whilst ensuring a stable income to early learning and childcare providers.

Core Funding during its first programme year (September 2022-August 2023) had a budget of €259 million and 95% of services signed up to the Scheme.

## How was Core Funding distributed?

The majority of Core Funding (i.e. € 212 million of the €259 million) in Programme Year 1 was distributed based on a service's capacity – the opening hours, opening weeks and the age group of children for whom services were provided as well as number of places available.

Distributing Core Funding primarily based on capacity meant that services had a Core Funding grant that did not fluctuate in line with children's attendance (see appendix 1 for further details)

The list contains Core Funding Grant allocations that are based on the information provided by the applicant through the application process.

## Why is the list of Core Funding grant allocations being published?

The move towards high levels of transparency and openness is an integral part of the new funding model. The publication of this list is in line with Expert Group report *Partnership for the Public Good* which recommended greater transparency and accountability for public funds.

The Core Funding grant allocations are in respect of Programme Year 1 of the Scheme, which operates from September 2022 to August 2023. This list, which will be published annually, at the end of each Programme Year. The publication of the list aligns with the wider government strategy on providing data and transparency. As the Open Data Strategy 2023 -2027 states: *“Open data is a powerful instrument to increase transparency in public administration, improving the visibility of previously inaccessible information, informing citizens and business about policies, public spending and outcomes.”*

## Will published Core Funding grant allocations in the list change?

The process for making changes to a Core Funding application from the 2022/2023 programme year has closed. The Core Funding Grant allocations published, however, may change in instances whereby over allocations have been identified that must be recouped.

## Does this list show Partner Services' total income?

No, a Partner Service's total income might comprise funding from:

- Core Funding
- Early Childhood Care Education (ECCE) programme, including the Access and Inclusion Model (AIM)
- National Childcare Scheme (NCS)
- Community Childcare Subvention Plus (CCSP)
- Parental fees
- Other governmental schemes.

This list solely reflects the funding in respect of Core Funding and Interim Funding.

## What details does this list have and why?

The list provides the approved Core Funding Grant allocations for all Partner Services who participated in Core Funding for the first programme year (September 2022-August 2023).

This list includes the names of the Partner Services, their service addresses and the number of weeks each Partner Service was in contract for Core Funding for the Scheme in Year 1 (as Partner Services are paid only for weeks they are contracted for the Scheme).

The list also includes the maximum capacity of the Partner Service and the Service Type as per the August 2023 Tusla register<sup>1</sup> and captured on the Core Funding application. These data fields provide important context for understanding the different Core Funding allocations: capacity has a direct relationship with the Core Funding Grant allocations, as larger services who open for longer hours and operate for more weeks per year received more Core Funding, in proportion to the higher cost of delivering more service.

## Why did some Partner Services get more Core Funding than others?

A Partner Services' Core Funding grant is related to their costs of delivery.

The majority of Core Funding is 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 is based on staffed capacity: it does 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 out in the Regulations. Services with graduate-led provision can also attract a graduate premium. These are the primary drivers of services costs and is therefore the most proportionate and transparent manner to allocate funding.

Core Funding contributes to all Partner Services' sustainability and significantly increases income for the overwhelming majority of services and provides greater funding stability.

By basing this funding scheme on capacity, providers have a stable income source based on the service they deliver, not on the number of children that attend their service.

Higher levels of funding are available for capacity for younger children, to support the higher operating costs for these children arising from the higher staff ratio requirements.

Services opening longer hours, open for more weeks of the year, or offering more places receive a higher value of Core Funding than other services. This is designed as such because operating costs for delivering more service are higher.

Finally, services who have more graduates working in leadership roles in their service also receive more Core Funding.

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<sup>1</sup> Tusla is the independent statutory regulator for early years services, and is wholly responsible for maintaining the register of services under the Child Care Act 1991.

## Why would two similar services have different Core Funding grant allocations?

While the list includes important contextual information for understanding Core Funding grant allocations, it is not possible to include every factor that can influence the total annual Core Funding allocation in a readable list.

There are several other factors that could result in different Core Funding grant allocations being allocated to Partner Services that otherwise look quite similar.

To clarify this the list does not contain:

- The amount of hours worked by graduates in leadership roles in each Partner Service. A substantial amount of Core Funding was allocated to support the employment of graduates in the sector via the Graduate Manager Premium and Graduate Lead Educator Premium. Any difference in the number of graduates employed as managers or lead educators, or the hours they work, would change the amount of funding two otherwise similar services would be awarded.
- The opening hours per week and operating weeks per year of Partner Services. Services that have longer sessions which are open for more weeks per year receive more Core Funding than those with shorter sessions open for fewer weeks per year. The Tusla Service Type is provided to give an indication of the amount of session hours provided by services, but this might not account for important differences in the length and amount of service offering between services.
- The ages of the children in the service. Because operating costs are higher for younger age groups with higher staff to child ratios, Core Funding allocates different amounts for different age ranges. Two services that otherwise appear similar may be catering to different age groups.
- Staffed capacity as declared on the application. The maximum capacity as per the Tusla register is being displayed on this list. Services had approval to offer up to this maximum capacity at any one time, but the number of places they actually offered could have been less than this. Two services with the same maximum Tusla capacity could have different levels of capacity on their Core Funding applications due to different staffing levels in their service.
- Application Changes. The capacity details provided for context are correct as of the time of publication. However, many Partner Services may have made changes to their applications during the programme year as their circumstances changed, and this could result in changes to their Core Funding allocations. Increases in capacity could only attract an increase in Core Funding up until 1 December 2022; so if a service increased its capacity after this date that may not be reflected in their total Core Funding grant value that year (however, it should be noted that these services will have been able to enter into the new programme year (September 2023-August 2024) with their funding calculated on the basis of this higher capacity).

These variables may explain why some Partner Services that otherwise appear very similar from the data provided might have been allocated more or less funding relative to each other.

## What is different in year 2 and year 3 of Core Funding?

The Minister secured additional funding of €28 million (11% increase) in Budget 2023 for Core Funding in year 2 of the scheme (September 2023-August 2024) bringing the total allocation for Core Funding in year 2 to €287 million.

This includes funding for increased capacity and increases to the base rates which increases funding for all services. Additionally, €7.22 million is allocated for new targeted measures which are aimed at improving the sustainability of smaller and sessional Partner Services. This includes a flat rate top-up payment of €4,075 for all services registered with Tusla as sessional only and the introduction of a base rate minimum allocation of €8,150 per service. The minimum base rate will mean that any service on this list, with the exception of Childminders, that received less than €8,150 in year 1 of the scheme will receive at least this amount if they are in Core Funding for the full 2023/2024 programme year. More information on Core Funding in Year 2 can be found [here](#).

The Minister subsequently secured an additional €44 million (15% increase) in Budget 2024 for Core Funding in year 3 of the scheme bringing the total allocation for Core Funding in year 3 to €331 million.

This will support the delivery of a range of enhancements in Year 3 of the scheme to support improved affordability and accessibility for families, improved pay and conditions for the workforce and improved sustainability for providers.

## How can I check if a service is in Core Funding?

There are two ways to check.

A list of Partner Services, updated monthly, is published by the Department at: <https://first5fundingmodel.gov.ie/core-funding/>

Alternatively, a Core Funding 'Partner Service' flag has been added to the NCS Childcare Service Search, located at: <https://www.ncs.gov.ie/en/childcare-search/>

### **Appendix 1: Core Funding allocation model in Year 1 of the Scheme:**

#### **1. Main Base Rate**

Number of child places in an age group multiplied by value based on ratio that applies to age group in table below multiplied by hours of operation per week multiplied by weeks open per year.

#### **2. Graduate Lead Educator Premium**

Number of rooms led by a graduate multiplied by hours per week multiplied by weeks open per year multiplied by Graduate Lead Educator premium rate of €4.44, with a maximum of one Graduate Lead Educator premium per ELC room.

#### **3. Graduate Manager Premium**

Hours of operation per week multiplied by weeks per year the service operates multiplied by Graduate Manager premium rate of €4.44, with a maximum of one Graduate Manager premium per service.

### **Age Group Table**

<b>Age of child</b>	<b>Value of Core Funding per place per</b>
<i>Full-time (5+ hours per day) and Part-time (3.5 hours – 5 hours per day)</i>	
0-1 year of age	€1.66
1-2 years of age	€1.07
2-3 years of age	€0.92
3-6 years of age	€0.68
<i>Sessional (up to 3.5 hours per day)</i>	
0-1 year of age	€1.66
1-2.5 years of age	€1.07
2.5-6 years of age	€0.68
<i>School-age</i>	
4-15 years of age	€0.55
<b>Graduate premium rates per hour</b>	
Graduate Lead Educators in ELC	€4.44
Graduate Managers in ELC or combined ELC and SAC	€4.44