



**An Roinn Leanaí
agus Gnóthaí Óige**
Department of Children
and Youth Affairs

Public Consultation on Future Funding of Early Learning and Care and School-Age Childcare in Ireland

Fields marked with * are mandatory.

Public Consultation on Future Funding of Early Learning and Care and School-Age Childcare in Ireland

As set out in First 5, the whole-of-Government strategy for babies, young children and their families, the Minister for Children and Youth Affairs established an Expert Group to develop a new funding model for early learning and care and school-age childcare in Ireland.

The Expert Group is tasked with examining the current model of funding, its effectiveness in delivering quality, affordable, sustainable and inclusive services and considering how additional resourcing can be delivered for the sector to achieve these objectives, drawing on international practice in this area.

The development of a new funding model offers the opportunity to more precisely allocate public funding to deliver the types of services that align with national policy objectives for high quality, affordable and accessible early learning and care and school-age childcare.

Early learning and care refers to ‘any regulated arrangement that provides education and care from birth to compulsory school age – regardless of the setting, funding, opening hours or programme content – and includes centre and family day-care; privately and publicly funded provision; pre-school and pre-primary provision’.

School-age childcare refers to ‘childcare which encompasses a wide range of non-scholastic, safe, structured programme offerings for school-going children aged 4–12 years, whether provided by

childminders or in formal settings. The service operates outside of normal school hours, i.e. before school, after school and during school holidays, excluding the weekends. The same children attend the service on a regular basis and access to the service is clearly defined by agreement with parents and guardians. The main purpose of the service is to promote children’s holistic development and to care for children where their parents are unavailable’.

Submissions in relation to the development of the new funding model are now invited from interested parties. There are a numbers of open questions below in this regard.

Respondent Profile

* Are you a (tick all that apply):

- Parent
- Practitioner
- Community not-for-profit provider
- Private for-profit provider
- Childminder
- Nanny / Au Pair
- Childcare Committee Representative
- Employer Representative
- Employee Representative
- Advocacy Organisation Representative
- Government Department or Agency Representative
- Academic/ Academic Institution Representative
- Student
- Other

Please state your name and the name of the organisation you represent (if any) in making this submission:

Name:

David Joyce

Organisation (if any):

Irish Congress of Trade Unions

Guiding Principles to Drive Allocation of State Funding

The Expert Group has developed a set of principles to guide them in their work. The draft guiding principles and a description of each principle are set out here.

Strategic: The funding model should be based on an acceptance that ELC/SAC is a public good, which embodies both an essential investment in child wellbeing and development, and an important support for economic growth and social equity. It should seek to support the delivery of this public value through the

provision of high quality, affordable, accessible, and sustainable ELC and SAC services. Within that framework, it should seek to address the real issues facing children, parents, providers, workers, and the State.

Child-Centred: Funding should be allocated in the best interest of children.

Family-Orientated: Funding of ELC and SAC should support parents participating in employment, education or training and should, in so far as possible, be cognisant of the reasonable needs and choices of parents.

Professional and Valued Workforce: Funding should recognise that the quality of ELC and SAC is centrally reliant on the quality of the workforce delivering those services. Accordingly, it should seek to promote the recruitment and retention of staff with the necessary qualifications; ongoing staff training and development; fair pay and working conditions; and a workforce which feels valued and is motivated to deliver the best possible service to children.

Competent Sector: Funding should incentivise continuous quality improvement, innovation, and inter-agency working. The funding model should be evolutionary: it should minimise short-term disruption but also allow for/support desired long-term changes. For example, while respecting the existing diversity of scale and service offering, it should allow for longer-term changes required to support a sustainable sector.

Development and Implementation: The funding model should be developed with input from parents, children, providers, the workforce, and other stakeholders. The funding model should be evidence-based, informed by existing data, research and literature, as well as international models of best practice. It should also incorporate mechanisms for future data collection, evaluation and review. The funding model should be realistic and capable of practical application. The funding model should be as transparent as possible, incorporating variables that are objective and measurable on a consistent basis across the system.

Please indicate if you agree or disagree with each of the guiding principles.

	Agree	Disagree
Strategic	<input checked="" type="radio"/>	<input type="radio"/>
Child-Centred	<input checked="" type="radio"/>	<input type="radio"/>
Family-Orientated	<input checked="" type="radio"/>	<input type="radio"/>
Professional and Valued Workforce	<input checked="" type="radio"/>	<input type="radio"/>
Competent Sector	<input checked="" type="radio"/>	<input type="radio"/>
Development and Implementation	<input checked="" type="radio"/>	<input type="radio"/>

Please provide reasons for your answers.

1500 character(s) maximum

The set of principles outlined are a good basis for a new funding model.

Please indicate if you think the principles should apply to early learning and care, school age childcare, both, or neither.

	Early Learning and Care	School-Age Childcare	Both	Neither
Strategic	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Child-Centred	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Family-Orientated	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Professional and Valued Workforce	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Competent Sector	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Development and Implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Please provide reasons for your answers.

1500 character(s) maximum

Do you have any additional comments to make on the draft guiding principles, including any suggested changes?

1500 character(s) maximum

Current Approach to State Funding of Early Learning and Care and School-Age Childcare

Thinking about the State’s current approach to funding early learning and care and school- age childcare and its policy objectives of quality, affordability, accessibility...

What are the strengths of the current approach to funding early learning and care and school-age childcare by the State or of individual funding programmes?

1500 character(s) maximum

The strength of the early education sector is its universality and accessibility. This is manifested by the high attendance rate of children. This could only be achieved by free provision of early education through comprehensive state provision. In effect, unlike the childcare sector, early education does not operate on market principles whereby fees are levied and collected in order to fund the cost of provision. Rather, it is provided, through private contractors, as a public service. Public service provision means that no household is financially penalised by availing of the service, nor are there any financial obstacles to access this service. The return to the individual child, the household, the state and society is considerable and long-lasting as the child brings these benefits into their adulthood.

The introduction of the Wage Subsidy Scheme that was established in response to COVID19 is welcome as it supported many childcare facilities to remain open. This could be the first step in moving towards a proper public system of childcare for children and families as part of the new social contract.

What are the weaknesses of the current approach to funding early learning and care and school-age childcare by the State or of individual funding programmes?

1500 character(s) maximum

Childcare fees are the highest in Europe. Within the Irish economy, wages are some of the lowest with poor working conditions (e.g. lack of in-work benefits such as sick pay, lack of permanent full-time contracts). This has led to a high turnover rate – 40 percent in the full-time childcare sector – with providers finding it difficult to recruit and retain staff.

The Irish childcare sector is in the grips of a three-fold crisis: lack of affordability (households), lack of a professional wage structure (employees) and lack of sustainability (providers). This is the product of a market model whereby childcare is treated as a service to be bought.

These crises arise out of (a) a chronic under-investment in the sector, (b) lack of mechanisms that can ensure that even the low levels of current spending and programmes have their intended effect, and (c) a failure to treat childcare as a non-market service.

This is compounded by an aspirational approach to much of the resources that have become available to the sector. For instance, while the Universal Child subsidy paid directly to the provider was intended help reduce fees, it had no impact at all as there were no conditions and no monitoring of compliance. This should have not been surprising given the market nature of childcare services.

What are the key challenges faced by children and families? If the challenges you identify differ across early learning and care and school-age childcare, please highlight these differences.

1500 character(s) maximum

Two key challenges regarding the funding early years' service are first, ensuring over time that sufficient resources are made available. The First 5 strategy accepted that spending on early years' services is low by OECD standards. They showed that investment would have to increase by €890 million in 2016 to reach the OECD average (actually our expenditure levels would have to rise further given our high youth demographic relative to other counties).

Secondly, mechanisms will have to be put in place to ensure new and enhanced investment streams are being used for the purpose intended – whether that be to reduce fees, introduce professional wages scales, and improve quality throughout all the early years' services.

What are the key challenges faced by providers and staff? If the challenges you identify differ across early learning and care and school-age childcare, please highlight these differences.

1500 character(s) maximum

Staff turnover and recruitment and retention due to low wages and short term contracts- Despite increased public investment in capitation grants, the average hourly wage of staff working in the early childhood sector is €12.55 and the hourly rate for ECCE assistants, who constitute 49 per cent of all staff working with children, is €11.46, significantly below the Living Wage of €12.30 per hour in 2020. These low pay levels have resulted in high staff turnover rates of on average 40 per cent for full day care services and overall staff turnover rate of 23 per cent. 51 per cent of Early Years professionals are actively looking for another job. Research has highlighted that a high staff turnover undermines the delivery of high-quality services.

Priorities for Additional Investment

What should be done to improve affordability, quality and/or accessibility of early learning and care?

1500 character(s) maximum

The key to overcoming the three-fold crisis in the childcare sector and poor working conditions throughout early years' services lies in funding employees' wages directly by the state. Only the state has the resources to professionalise the sector (households cannot be expected to pay even higher fees to achieve this objective). Were the state to do this, a substantial amount of the expenditure that providers must charge households would disappear (approximately 70 percent of total expenditure on childcare services). This would facilitate a substantial reduction in fees as households would need only finance non-labour costs. Maximum fees thresholds, as referred to in the Government's First 5 strategy, could be established to ensure affordability. It would also help resolve the sustainability of services as the professionalisation of wages and working conditions will make it easier to recruit and retain skilled workers. While this is not to suggest that the state directly employs workers in the early years' service, it does mean that responsibility for the payment of wages and in-work benefits lies with the state.

What should be done to improve affordability, quality and/or accessibility of school-age childcare?

1500 character(s) maximum

The same principle outlined above should apply to care for school-age children.

Role of the State and Providers

What role should the State play in ensuring early learning and care and school-age childcare is affordable, accessible, and of high quality? Please explain your answer, highlighting, where, if at all, the role of the State should differ across early learning and care and school-age childcare.

1500 character(s) maximum

The state must, first, accept that the current market-model of financing childcare is flawed and, second, recognise that only a state-led public service model can overcome the three-fold crisis that Irish childcare is trapped in. This requires a substantial increase in resources and a new mechanism through which subsidies are channeled to ensure that households have access to affordable fees, employees can access professionalised wages and working conditions, and providers can benefit from a sustainable service. The broad approach which Congress proposes was outlined in the previous questions; namely, that the State should assume responsibility for the compensation of employees and introduce a maximum fees threshold. This approach should be applied across the range of early years' services.

What role should the providers play in ensuring early learning and care and school-age childcare is affordable, accessible, and of high quality? Please explain your answer, highlighting where, if at all, the role of providers should differ across early learning and care and school-age childcare.

1500 character(s) maximum

Providers have a key role in a public service model of childcare as they are the agents for the delivery of that service. Our proposal envisages that this model would be based on a voluntary opt-in enhanced contract. In accepting that contract, providers would benefit from the state's assumption of employee compensation. In return, they would be subject to a maximum fees threshold. However, this would still be high enough to ensure that households would finance non-labour costs and an agreed return on investment for providers. We can reasonably assume this would grow the participation of children in formal childcare services as they would now become affordable.

The State currently provides approximately €640 million annually to early learning and care and school-age childcare. First 5 commits to, at least, double investment in early learning and care and school-age childcare between 2019 and 2028. What do you think the State should expect in return for this investment? Please explain your answer highlighting differences across early learning and care and school-age childcare, if any.

1500 character(s) maximum

First, there must be a realistic projection of the investment needed over the next decade. If early years' expenditure is to rise to the OECD average it will require substantially more resources than a mere doubling over the next decade. Investment would have to rise from €640 million to nearly €2 billion by 2028. Second, it is not a matter of what the state 'should expect in return for this investment'. It is a matter of how the state will introduce a public service model, something which providers are not capable of doing within the current market model. Therefore, the question properly framed would ask what households, children, providers and workers expect the state to do with an increase in investment. On behalf of educators and care workers, our expectations have been outlined above.

Further Comments

Do you have any further comments to make on the future funding of early learning and care and school-age childcare?

1500 character(s) maximum

The publication of the long awaited Independent Review of the Cost of Providing Quality Childcare Services in Ireland would be a very useful addition to the discussion towards a new funding model.

Submission

Please indicate whether you would like to be kept informed of future consultation events on this topic.

at most 1 choice(s)

- Yes
 No

If yes, please provide your email address. Your contact information will only be used for the specified purpose, in line with all relevant data protection legislation.

Please indicate which of the following topics you would be interested in engaging with:

- Ensuring availability of ELC and SAC places
 Addressing affordability of ELC and SAC
 Improving access to ELC and SAC for children (and families) with particular needs and contributing to tackling disadvantage
 Raising and supporting quality of ELC and SAC
 Role of capital funding in ELC and SAC
 Sustainability of ELC and SAC services
 Administration of State funding for ELC and SAC

Submissions are subject to Freedom of Information legislation, and may be released in response to Freedom of Information requests. DCYA may seek to engage with people or organisations on the basis of their submission for further discussion. By making a submission you agree to DCYA reserving the right to publish your submission in part or in full. This website does not collect any personal data, apart from information that you volunteer, when submitting your form.

Any information you provide in this way is used only for its specified purpose.

Thank you for your input!

Contact

<https://first5fundingmodel.gov.ie/>

