



**EARLY
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A PUBLIC GOOD APPROACH: LEARNING FROM IRELAND'S EARLY EDUCATION AND CHILDCARE REFORM



Acknowledgements

Eva Lloyd was a member of the 2019–2021 Expert Group which produced recommendations for a new funding model for the Irish early childhood education and care (ECEC) and school-age childcare system. This brief is informed by the Expert Group's report with proposals for a new ECEC funding model¹ and by other data in the public domain, including information about the initial stages of the funding model's phased implementation process. It is impossible to do justice in this brief to the rich material on the Expert Group's deliberations and conclusions contained in *Partnership for the Public Good*. Eva Lloyd remains responsible for any errors of fact or interpretation. She is grateful to Irish early childhood education and care practitioners, providers, parents, researchers and stakeholder organisations whose views and experience informed the Expert Group's report. And to her colleagues on the Expert Group, and members of the Secretariat at the Irish Department of Children, Equality, Disability, Integration and Youth for the enjoyable and instructive collaboration on the Expert Group's report.

About the Author

Eva Lloyd OBE is emeritus professor of Early Childhood in the School of Education and Communities at the University of East London and Visiting Professor at University College London's Institute of Education. In 2007 she co-founded, with Professor Helen Penn, UEL's International Centre for the Study of the Mixed Economy of Childcare – ICMEC. She has published widely on marketised early childhood education and care (ECEC) systems, particularly as they affect children growing up with poverty. Eva has worked extensively with national and international policymakers. Her research continues to explore pathways towards the creation of sustainable early childhood ECEC systems that promote children's development, health and learning, their wellbeing and that of their families, and that reflect the value of the ECEC workforce and help them flourish. Eva Lloyd is chair of Acorn Early Years, a charitable social enterprise delivering early childhood education and care, out-of-school and Forest School provision in Buckinghamshire, Bedfordshire and Northamptonshire.

¹ First5 (November 2021) *Partnership for the public good. A new funding model for early learning and care and school-age childcare*. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare: 2021 (<https://bit.ly/44ete24>)

LEARNING FROM IRELAND'S EARLY EDUCATION AND CHILDCARE REFORM

by Emeritus Professor Eva Lloyd OBE

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GLOSSARY

AIM	Access and Inclusion Model
DCEDIY	Department of Children, Equality, Disability, Integration and Youth
ECEC	Early Childhood Education and Care
ECCE	Early Childhood Care and Education
ELC	Early Learning and Care
ERO	Employment Regulation Order
First5	Whole-of-government Strategy for babies, young children and their families
IBEC	Irish Business and Employers Confederation
JLC	Joint Labour Committee
NCS	National Childcare Scheme
POBAL	Administers and manages government funding
SAC	School-Age Childcare
SIPTU	Services Industrial Professional and Technical Union
TUSLA	Child and Family Agency, Statutory Regulator of ECEC and school-age childcare

SUMMARY

In the last ten years the Irish government, in close collaboration with a range of ECEC stakeholders, has been engaged in an exciting and ambitious change programme to create a universal ECEC system characterised by high quality, availability, accessibility, and sustainability. To further this agenda, the government is taking a more prominent public management and public funding role, forging a transformed partnership with ECEC providers.

Change accelerated from 2019 onwards after the publication of a whole-of-government strategy, First5. This strategy reflected a commitment across government, with the Department of Children, Equality, Disability, Integration and Youth taking a leading role. Areas of reform related to ECEC include:

- Reform of the ECEC funding model
- A comprehensive ECEC workforce plan with corresponding funding commitments
- Addressing governance of the sector
- A commitment to doubling Ireland's levels of investment in ECEC

This brief's focus is on the development and implementation of the new funding model the Expert Group was convened to design. It also describes how successive governments in Ireland worked with external partners, including academic's, sector experts, unions, parent groups and voluntary sector associations to develop and implement these fundamental reforms.

The work on the development of the comprehensive ECEC workforce plan was undertaken in parallel with the work on the new funding model but falls outside the subject matter of this brief. The workforce plan was eventually launched on the same date as the new Funding Model.²

While the planned reforms are still in the early stages, assessments of 2022, the first year of operation of the funding reforms' key element 'core funding', have shown benefits to stakeholders including:

- In the first year of the new funding model's operation, the number of net nursery closures dropped considerably compared to the previous year (58 compared to 76)
- The number of stand-alone out-of-school providers seeking re-registration for an expanded service increased by 261%
- Increases in capacity were most marked in baby and toddler rooms and in full-time provision
- The number of services offering hours subsidised under the National Childcare Scheme (NCS) increased by 15%
- A 50% increase in parents accessing the NCS childcare subsidy for their children
- 73% of members of the ECEC workforce had received improved pay

² Department of Children, Equality, Disability, Integration and Youth (2021) Minister O'Gorman launches Nurturing Skills: The Workforce Plan for Early Learning and Care and School-Age Childcare (<https://bit.ly/45u8ODq>)

- The number of settings offering graduate led provision increased
- A fee freeze for parents meant fees did not increase between September 2021 and August 2023 and is set to remain in place ³
- The First5 target of doubling ECEC funding by 2028 was reached five years early.

Reform in Ireland has happened at a considerable speed and scale. Although there is not a direct read across the two countries, there are themes that are common to the English system. There are challenges still to be addressed, not least ensuring meaningful support for the childminding sector.

This paper aims to offer opportunities for learning and to enrich discussions about routes to reform in England. Each section contains a short summary of headline learning on each element of reform, before sharing more detailed analysis of the work that has taken place.

³ Department of Children, Equality, Disability, Integration and Youth (2023) Minister O’Gorman publishes progress reports for First 5, the government strategy for babies, young children and their families (<https://bit.ly/3OFxpOR>)

BACKGROUND

Key Points

- Ireland's ECEC is a relatively young system with no history of public sector provision
- Up to the 2022 introduction of the new funding model, the newest element of this system was the 2019 introduction of a parental childcare subsidy, the National Childcare Scheme (NCS)
- Coalition governments over multiple political cycles have retained a commitment to early years
- There has been a combination of internal and external actors, including coalitions, unions and direct involvement of the general public who have driven demands and vision of change

Young children form a sizeable proportion of the Irish population. The delivery of appropriate services to them, and their families is a key issue for the nation and its government. The total population size in Ireland is comparable to that of the Nordic countries, and at 5.1 million in 2021⁴, it is much lower than that of England.

In 2021, there were 367,369 children aged under six, around a third of the total population of children aged under 18. In the same year, Ireland had the highest estimated proportion of children in the European Union, at 24% of its entire population.⁵ In 2019, 26% of children under 16 years old, 190,000 children in all, were living in households experiencing poverty.⁶ Estimates of the total number of children with SEND range from 5% in the (2016) Census to 9% in the Growing up in Ireland study.⁷

Just as in other early childhood education and care (ECEC) systems around the world, Ireland's marketised Early Learning and Care (ELC) and School-Age Childcare (SAC) system evolved organically in response to growing demand for services to promote young children's learning and development alongside maternal labour market participation. Private-for-profit and not-for-profit (community) providers had begun to operate centre-based services well before universal state support became a possibility with the publication of Ireland's First National Childcare Strategy in 1999.⁸ There is not a history of public sector provision of services.

The compulsory school starting age is six. Most children start attending primary school infant classes when aged four or five.⁹ In a 2022 representative parent survey, 27% of respondents used private centre-based provision.¹⁰ Centre-based provision is made up of approximately 74% for-profit and 26% not-for-profit community settings.¹¹ Almost half of centre-based providers are sole

4 Central Statistics Office (April 2021) Population and Migration Estimates (<https://bit.ly/3qIryjL>)

5 Department of Children, Equality, Disability, Integration and Youth (2022) Sociodemographics 1. State of the nation's children (<https://bit.ly/3sfy2XY>)

6 Early Childhood Ireland (2021) Social justice Ireland: Poverty focus 2021 (<https://bit.ly/3qteTRV>)

7 Whelan, A. et al. (2021) Measuring childhood disability and AIM programme provision in Ireland. (<https://bit.ly/ws/UxF5>)

8 Abbott, P. et al. (1999) Ireland case study: Promoting integrated delivery of early childhood education and care services, Training and Research Support Centre (<https://bit.ly/3OwEI0I>)

9 European Commission (2019) Key data on early childhood education and care in Europe (<https://bit.ly/3YFShtY>)

10 IPSOS (2022) DCEDIY survey of parents (<https://rb.gy/fvv1e>)

11 POBAL (June 2021) Annual early years sector profile report 2019/2020 (<https://rb.gy/1jhvu>)

traders. Informal care by childminders has remained a popular option (16%) according to the 2022 survey, while almost half of under-fives were still cared for at home by their parents (45%).

ECEC policy development

Initially ECEC policy development fell to the Department for Justice, Equality and Law reform. This department's aim to work towards an integrated, national policy and support ECEC infrastructure for children under six, was primarily driven by the European Union equality policy and the availability of EU funding under the European Structural and Social Funds Programme.¹² In 2008, policy responsibility for ECEC was handed over to the Office for the Minister for Health and Children within the Department of Health. The establishment of a separate Ministry of Children and Youth affairs in 2011, renamed the Ministry of Children, Equality, Disability, Integration and Youth in 2020, has contributed to the increasing visibility of ECEC policy issues.

During the 21st century's first two decades, ECEC service uptake, availability, accessibility, quality, and level of public funding, continued to lag behind those in other OECD member states.¹³ So did maternal labour market participation levels. In 2002, Ireland's were the lowest among 23 OECD member states with only 23% of women with two children in the labour market.¹⁴ Parental childcare fees were among the highest.¹⁵

Yet positive ECEC policy development continued, including the introduction of several funding schemes targeted at children growing up with disadvantage, capital funding initiatives, the initiation of mandatory minimum qualification requirements for practitioners and managers, and the linking of public funding to staff qualifications.¹⁶

Major ECEC policy change accelerated from 2015 after the publication of an Interdepartmental Working Group's report commissioned by the Irish Government.¹⁷ And again, in 2018, with the publication of *First5, a whole-of-government strategy for babies, young children and their families 2019–2028*.¹⁸ First5 has four separate goals:

- Goal A: Strong and supportive families and communities
- Goal B: Optimum physical and mental health
- Goal C: Positive play-based early learning
- Goal D: An effective early childhood system

First5 unequivocally supports the development of policies to help create, through transformative change, a universal, high-quality, accessible, affordable and sustainable ECEC system, including out-of-school services for all children, with extra support for those children who need it most.

12 Abbott, P. et al. (1999) Ireland case study: Promoting integrated delivery of early childhood education and care services, Training and Research Support Centre (<https://bit.ly/3OwEl0l>)

13 OECD (2006) Starting Strong II: Early childhood education and care (<https://rb.gy/rq9ep>)

14 OECD (2007) Social indicators at a glance (<https://rb.gy/k2afg>) p. 57

15 OECD (2020) Is childcare affordable (<https://rb.gy/ljtv2>)

16 First5 (2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>)

17 Interdepartmental Working Group (July 2015) Future investment in childcare in Ireland (<https://shorturl.at/eruv3>)

18 Government of Ireland (2018) First5, a whole-of-government strategy for babies, young children and their families 2019–2028 (<http://bitly.ws/SfAM>)

Components of this strategy included significant policy commitments:

- The development of a new ECEC funding model
- The development of a comprehensive ECEC workforce plan¹⁹ with corresponding funding commitments
- Doubling the ECEC investment by 2028, resulting in a budget allocation of at least €970 million.

In 2019, the Irish government initiated the change programme envisaged under this strategy. In the same year, they invited OECD to undertake a review of ECEC sector quality with a view to the ECEC change programme, initiated with First5, benefitting from OECD inputs.²⁰ The OECD offered a range of recommendations around enrolment, funding and provision, workforce development, and as regards quality improvement.²¹

Other policy actors

Since the nineties, Irish ECEC policy developments have been impacted both by the EU as a supranational organisation and by the OECD. Concerted advocacy and campaigning by Irish organisations have also strongly influenced ECEC policy development. A range of grassroots organisations and NGOs, including The National Women's Council of Ireland, Early Childhood Ireland²² (established in 2012) and two major coalitions, the Children's Rights Alliance (established in 1992), and the Start Strong Coalition (2004 – 2016),²³ kept ECEC high on the political agenda, and produced pertinent research reports.

Their efforts were amplified by those of the Irish trade union SIPTU, Ireland's largest union for the public and private sectors. SIPTU took up the case of early childhood workforce qualifications and poor pay and conditions. Through influential annual childcare workforce surveys, part of its Big Start campaign coalition, SIPTU has been able to highlight how qualifications among this workforce increased without a commensurate improvement in pay and employment conditions, or the establishment of a professional career structure.²⁴

19 Government of Ireland (2021) Nurturing skills: The workforce plan for early learning and care and school-age childcare 2022-2028 (<http://bitly.ws/SfBb>)

20 OECD (December 2021) Strengthening early childhood education and care in Ireland. A review of quality (<http://bitly.ws/SfBs>)

21 OECD (December 2021) Executive summary. Strengthening early childhood education and care in Ireland. A review of quality (<http://bitly.ws/SfBE>)

22 Early Childhood Ireland (September 2016) Doing the sums: The real cost of providing childcare (<http://bitly.ws/SfBV>)

23 Start Strong (2014) Childcare: Business or profession? (<http://bitly.ws/SfCi>)

24 Greer-Murphy (2021) SIPTU Big Start Campaign Early Years Professionals Survey 2020 (<http://bitly.ws/SfCx>)

SECTION 1: THE IRISH ECEC SYSTEM AND COMPARABILITY WITH ENGLAND

Key points

- There has been an important role for independent external reviews to enable reflection, give guidance and support plans for change
- The system is complex with multiple agencies and actors at multiple levels across different parts of the country – there needs to be an approach that allows for locally-led change within the wider context of national reform
- The system does not include public provision
- There has been a need for multiple change programmes to work alongside and in relation to one another and at sufficient timescales to ensure improvements occur without destabilising the sector

In 2019 when an independent Expert Group²⁵ was convened to develop recommendations for a new funding model for Irish ECEC, the service system consisted of the universal ECCE early education and care programme, alongside registered school-age-childcare provision and informal childminding. This system was supported by the National Childcare Scheme, aimed at reducing family childcare costs and enhancing labour market access, alongside poverty reduction and improved child outcomes. By and large, this complex service system continues to look as described below.²⁶ In contrast, the current ECEC governance arrangements described here are due to be modified substantially in the next few years; a change anticipated as part of the 2018 First5 strategy.

Early education

The universal Early Childhood Care and Education (ECCE) programme started in 2010. Initially it offered one-year part-time pre-school education during term-time for children aged four. This was extended in 2016 to enable participation by children from the age of about three onwards for fifteen hours per week during 38 weeks of the year. In 2018 the ECCE entitlement was extended to two years before starting school at age 4 to 5. Delivery partners, still mostly part-time providers, are paid a per capita, supply-side, subsidy²⁷ to deliver ECCE. One third of settings only deliver ECCE, not yet additional childcare hours. This is an aspect of provision that the new funding arrangements aim to change in the interest of greater service integration.

25 Department of Children and Youth Affairs (2019) Minister Zappone announces expert group to develop a new funding model for early learning and care and school-age childcare (<http://bit.ly/ws/SfCE>)

26 First5 (2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) p. 31

27 Supply-side ECEC subsidies are paid direct to providers for each child they offer a publicly funded entitlement to provision, whereas demand-side subsidies are aimed at parents to help pay the costs of additional childcare hours over and above any directly funded provision. Both types of subsidy are designed to encourage ECEC uptake.

Childcare

In 2019, the comprehensive National Childcare Scheme (NCS) was introduced, replacing several legacy demand-side subsidy schemes offering parents help with childcare costs. Its two components consist of:

- 1) a universal, non-means tested, subsidy for parents of children aged between 24 weeks and 36 months using childcare delivered by a registered provider
- 2) an income-related subsidy for parents of children aged 24 weeks to 15 years, who are employed or studying, and who use childcare or out-of-school care from a registered provider. Multiple child discounts apply, and the subsidy is based on parents' net income.

This subsidy is offset against provider fees. Dual earner families with only one parent employed only qualify for up to 20 hours, whereas employed single parent and dual-earner families can claim for up to 45 hours. Hours children spend in ECCE or in school were initially deducted from the total subsidy, but this has now been stopped. An independent review of the scheme's first year of operation found positive impact on parental finances.²⁸

There are various sponsorship arrangements applying to families' special circumstances, such as on child protection or child welfare grounds.

Out-of-School care

A diverse range of childcare services for children aged 0 to 14 operating before and after school and in the holidays are known as School-Age Childcare (SAC). This form of provision has only been regulated since 2019. Since 2019, parents using out-of-school care for their children qualify for support under the National Childcare Scheme (NCS).

Childminding

Parents using childminders for their children can only access NCS subsidies if their children's childminder is formally registered. Childminding services fall outside the scope of regulation if they care for fewer than six children, provided no more than three are of pre-school age or all belong to the same family. The National Action Plan for Childminding 2021-2028²⁹ was proposed in the First5 strategy. The Action Plan aims to promote greater recognition of childminding, and persuade childminders of the benefits of registration and facilitate training and support. At the time of its publication in 2020, the Plan estimated that there were around 15,000 childminders caring for children in their own homes. In 2021, though, the Statutory Regulator TUSLA had only 75 childminders on its register.

²⁸ Department of Children, Equality, Disability, Integration and Youth (2021) Minister O'Gorman publishes findings of a 12-month review of the National Childcare Scheme (NCS) (<http://bitly.ws/SfCN>)

²⁹ Department of Children, Equality, Disability, Integration and Youth (2020) National Action Plan for Childminding <http://bitly.ws/SfDk>

Support for children with additional needs

Since 2016, the Access and Inclusion Model (AIM) offers universal supports for staff, such as training, or targeted supports for individual children. The overall aim is to create a more inclusive culture in settings. Originally aimed only at settings delivering the ECCE programme, the Expert Group's recommendation to extend the programme to settings offering all forms of ECEC and out-of-school provision to children up to 15 years of age is being implemented at the time of writing.

Other pertinent programmes

The selection provided here, although not comprehensive, reflects the variety of other sources of funding available to support the delivery of early education and childcare provision. Some of the new funding model proposals will lead to a review of their format. These other programmes include:

- The Learner Fund: supporting quality enhancement and training for practitioners and childminders. Certain aspects will be redeveloped as part of the new workforce developed under the First5 strategy³⁰
- Programme Support Payments: help providers cover the costs of the administrative work associated with ECCE and NCS payments; this has now been subsumed under the new Core Funding stream
- Sustainability Funding: initially made available for not-for-profit providers experiencing financial difficulties, was extended in 2022 to all providers meeting certain criteria
- Capital funding programme: originally established with EU co-funding, continues to provide annual support via a competitive process. Each year the budget allocation is dedicated to a different area, such as expanding places for three-year-olds or fire safety works³¹

Governance

One government department, two independent state organisations and thirty regional committees share the Irish ECEC system's governance and form its operating model.³²

The Department of Children, Equality, Disability, Integration and Youth (DCEDIY) is responsible for ECEC funding, policy creation, governance and oversight. In the absence of a role for Ireland's local government³³ in relation to ECEC, it falls to the Department to conduct a sizeable share of practical tasks in these areas. Within this Department, the Early Learning and Care and School-Age Childcare Division is responsible for ensuring access to high quality and affordable ELC and SAC. This includes the development of policy and legislation; the administration of a range of schemes and the associated budgetary, governance and compliance functions; regulation of the ELC/SAC sector; and a number of initiatives to develop the workforce and improve the quality of services. This Division also oversees and reports on the implementation of First5, A Whole-of-Government Strategy for Babies, Young Children and their Families (2019–2028).

30 Government of Ireland (2021) Nurturing skills: The workforce plan for early learning and care and school-age childcare 2022–2028 (<http://bitly.ws/SfBb>)

31 POBAL (2022) Annual Early Years Sector Profile Report 2020/2021 (<http://bitly.ws/SfDP>)

32 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) pp. 41–42

33 Citizens Information (2022) Local Government (<http://bitly.ws/SfEe>)

POBAL, a not-for-profit company, administers funding for ECEC schemes and a range of related programmes on behalf of DCEDIY. Up to 70% of its work is in this area, although it also administers schemes on behalf of other government departments.

There are thirty City/County Childcare Committees, operating as separate companies, but acting on behalf of the Department. Their role is to function as the Department's local agents, providing training to ECEC practitioners and information to parents. An overarching body, Childcare Committees Ireland, communicates with these independent entities on behalf of the Department. Alongside a small staff team and a management board, each City/ County Childcare Committee involves a partnership with all local ECEC stakeholders, including parents.

Curriculum-focussed inspections of ECEC are undertaken by the Department for Education. The National Council for Curriculum and Assessment (NCCA), a statutory body of the Department of Education, is responsible for ECCE curriculum development. TUSLA, the Child and Family Agency, is the Statutory Regulator for ECEC, and out-of-school provision. Alongside initially registering provision, TUSLA re-registers providers every three years and conducts occasional inspections.

Finally, the DCEDIY funds seven NGOs, including Early Childhood Ireland, to undertake a range of support and training functions within the sector.

First5 and ECEC operating model reform

The First5 strategy committed to a review of the ECEC and out-of-school care operating model. This process was initiated in early 2023, following recommendations of a 2021 independent external review.³⁴ The timescale associated with this extensive change project is at least three years³⁵ since it involves POBAL's ECEC remit, that of the 30 City/County Childcare Committees and several Departmental functions being integrated into the work programme of a new dedicated state agency. Eva Lloyd has accepted a DCEDIY invitation to become a member of the Programme Board overseeing the implementation of this initiative.

Comparability with English ECEC

While at first sight Ireland and England would appear to have a fair amount in common as regards their ECEC systems and ECEC policies, these also feature profound differences. Whereas there has been a certain amount of policy compatibility up to now, recent developments in Ireland appear to diverge more from the current English ECEC policy trajectory.

What stands out about the ECEC change process described here is that it has been and continues to be a genuine deliberative and forward-looking process, involving in-depth discussions and consultations with a wide range of stakeholders.

34 INDECON (December 2021) Review of early learning and care ('ELC') and school-age childcare ('SAC') operating model in Ireland (<http://bitly.ws/SfEm>)

35 Department of Children, Equality, Disability, Integration and Youth (2023) Minister O'Gorman appoints programme board to oversee planning for a dedicated state agency for early learning and care and school-age childcare (<http://bitly.ws/SfEU>)

At least seven key characteristics of the design and roll-out of the new ECEC funding model distinguish them from the latest policy developments in England. Many are grounded in First5 strategic commitments:

- a) The view held across successive coalition governments of ECEC as a major contributor to the public good and consequently its key role within Irish society and the economy
- b) The equal emphasis on the realisation of policies reflecting the (child-focused) social mobility and (parent/mother focussed) family economic wellbeing rationales underpinning First5 and the new funding model
- c) The increased policy attention afforded to inclusion, with special reference to child and family poverty
- d) The recognition of the crucial role of ECEC practitioners in ensuring service quality and hence the achievement of intended outcomes for children, families, society and the economy, followed by concerted action in partnership with the Department of Enterprise, Trade and Employment to provide a legal underpinning for improvements in their terms and conditions
- e) The commitment to double the public funding for the ECEC system between 2019 and 2028 to enable the implementation of the proposed developments³⁶
- f) The recognition of the importance of supply-side funding separate from per-capita financing in maintaining service sustainability
- g) The acknowledgement that both parents and providers would benefit from the parental childcare subsidy (NCS) being paid direct to providers

These elements may be seen as key enablers of the Irish reforms.

36 Government of Ireland (2018) First5, a whole-of-government strategy for babies, young children and their families 2019–2028 (<http://bitly.ws/SfAM>)

SECTION 2: THE EXPERT GROUP AND THEIR RECOMMENDATIONS

Key points

- The Expert Group expressed a firm view that ECEC provision must be capable of both promoting child well-being and development and parental (primarily maternal) employment
- The public and Expert Group were aligned in understanding the importance of improving the status of the ECEC workforce so that ECEC initiatives could deliver the intended outcomes
- A 'public good' approach delivered a partnership between the State and providers, which is underpinned by a values-based approach to delivering early education and childcare for the public good
- The concept of proportionate universalism – ensuring an accessible universal offer for everyone with additional support for those that need it – is a clearly stated intention
- A new legally binding status for improved ECEC workforce terms and conditions, and a career framework, were necessary conditions for the implementation of the core funding recommendation
- Targeted funding has helped to increase the number of graduate staff

The 'Expert Group to develop a new funding model for early learning and care and school-age childcare (2019 – 2021)' was made up of ten national members, four of them civil servants representing three different government departments, and three international members; one an early years system expert from Norway and the others UK early years quality and funding experts. All were invited by the Minister for Children and Youth Affairs. The group was independently chaired and met 21 times between October 2019 and November 2021; all but three times this was online.³⁷

Remit and process

The group's Terms of Reference ³⁸ encompassed four principal areas:

- a) Agree guiding principles
- b) Review existing approach to funding
- c) Consider options for how existing funding could be structured, drawing on international evidence
- d) Produce a final report to be presented to Parliament proposing design for new funding model with accompanying costings, risk model and mitigations

³⁷ First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) pp. 148-151

³⁸ First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) pp. 152-156

The Expert Group was asked only to consider the extent to which a new funding model for early education and childcare could be applied to childminders, but not to explore its practicalities.

The format of current provision within the Irish marketised ECEC system was not within its remit. Instead, the group should “...seek to achieve policy objectives of quality, affordability, accessibility and contributing to addressing disadvantage in a privately-operated market through increased public funding and public management.”³⁹

The group’s work was supported and informed by two major programmes of activities, organised to run in parallel with its operation.

- One was an extensive public consultation and engagement programme, involving parents, ECEC practitioners and providers, employers, unions, employer representative organisations and other stakeholders via surveys, and a series of online meetings. The proceedings were all written up and published⁴⁰
- The second assistance programme involved the engagement of a research partner for the group. Frontier Economics produced eight research reports commissioned by the group, which presented international evidence relating to the group’s remit.⁴¹ Countries/regions selected for international comparisons featured marketised ECEC systems

The Expert Group was also briefed extensively on other ongoing projects, including a briefing on the review of the NCS which was taking place at the time. The group also commissioned a review from the Economic and Social Research Institute and POBAL on parental ECEC costs.

Guiding principles

The development of six guiding principles to underpin the new funding model proved pivotal to the group’s deliberations throughout. A draft set was published in phase one of the public consultation process described below. There was a high level of agreement with the draft guiding principles among those who responded to the consultation.

The six principles were: **strategic, child-centred, family orientated, professional and valued workforce, competent sector and (evidence-based) development and implementation.**

A ‘Professional and Valued Workforce’ (97%) came out on top in the public consultation.⁴²

The Expert Group’s recommendations reflected that it shared this public concern with the primacy of the ECEC workforce as the crucial element in ensuring a high-quality service system and good outcomes for children and their families, for society and for the economy.

Enhancing social inclusion and equality through the proposed methods was at the forefront of the Expert Group’s thinking about the optimal format for the new funding model. Their firm

39 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) p. 153

40 First5 (April 2021) Expert Group report. Stakeholder engagement and consultation (<http://bitly.ws/SfFA>)

41 First5 (November 2020) Expert Group report. Frontier Economics Research papers (<http://bitly.ws/SfFR>)

42 First5 (2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) p. 27

view was that such ECEC provision must be capable of both promoting child well-being and development and parental (primarily maternal) employment while strengthening the delivery of high-quality, affordable, accessible and sustainable ECEC provision for the public good.

Although the Expert Group's remit excluded a consideration of the ECEC system's marketised format, the guiding principles were informed by the Expert Group's view that the state has a right and a duty to ensure that the market serves the public good. The group's report also drew attention to the fact that the design of its core funding recommendation was meant to underpin "...a shift away from the current "marketised" approach to service provision."⁴³ In its final recommendation, number 25, the group, having taken account of feedback from the public consultations, also suggested that the Minister might ask his department to consider whether an element of public provision should be introduced alongside private services.⁴⁴

The joint labour committee and the early years employment regulation orders

As in England, Ireland had been experiencing an early years workforce recruitment and retention crisis for some time before the present reforms were being proposed and implemented. Alongside the development of ECEC funding reform and ECEC workforce development and professionalisation proposals, a third important process relating to ECEC workforce careers structure, pay and employment conditions, was initiated in early 2021.⁴⁵ At this point, after extensive initial consultation and negotiation, and on the back of an independent report commissioned by the Minister for Children, a recommendation was made to the Minister of State for Business, Employment and Retail, for the establishment of a Joint Labour Committee (JLC). In July 2021, this Minister signed an Establishment Order of a JLC for early years services, in accordance with the procedures set out in the Irish Industrial Relations Acts. This development drew attention once again to the prevailing view that there was a need to improve the status of the ECEC workforce if other new ECEC initiatives were to deliver the intended outcomes.

Despite Ireland having had a legally enforceable minimum wage since 2000 ⁴⁶, there remain low-paid sectors in the labour market which can benefit from a legal process underpinned by employment legislation to determine improved employment terms and conditions. To this end, a Joint Labour Committee is established by the Labour Court, after receiving approval by the pertinent minister, with representation from employees and employers.⁴⁷

The Joint Labour Committee for Early Years Services proposed the establishment of two Employment Regulation Orders (ERO), which were given effect by the Minister of State on 15 September 2022.⁴⁸ The two EROs set out the minimum remuneration which would be applicable to Educators, practitioners and managers in the ECEC sector, with different minimum rates for

43 First5 (2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) p. 122

44 First5 (2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<https://shorturl.at/yLP48>) p. 20

45 Department of Children, Equality, Disability, Integration and Youth (2021) Minister O'Gorman recommends establishment of Joint Labour Committee for early learning and care (ELC) and school-age childcare (SAC) (<http://bitly.ws/SfGW>)

46 Department of Enterprise, Trade and Employment (2020) The history of the minimum wage in Ireland (<http://bitly.ws/SfHf>)

47 Citizens Information (2023) Joint Labour Committees (<http://bitly.ws/SfHu>)

48 Workplace Relations Committee (2022) Early learning and childcare sector (<http://bitly.ws/SfHA>)

different roles and qualification levels. This reinforced the career framework set out in Nurturing Skills, the ECEC and school-age childcare care workforce plan 2022-2028.

This new legally binding status for improved ECEC workforce terms and conditions, and a career framework, were expected to provide an urgently needed staff recruitment and retention boost. It was supported by the €269 Core Funding scheme. Its introduction was contingent on the ERO being in place. Up to that point, this had lacked a necessary foundation in law compelling providers to put such terms and conditions in place and lacked the requirement that state funding was contingent on minimum rates of pay.

Given that Core Funding was contingent on the new ERO being in place, the new funding model, now called *Together for Better*, was re-launched on 15 September 2022⁴⁹, on the same date that the two Employment Regulation Orders commenced.⁵⁰

Recommendations

By September 2021, the group had finalised formulating its recommendations and was well on the way towards compiling its final report, supported by the Department's secretariat. In October 2021, the Government published 2022 budget proposals which included ECEC funding measures reflecting the Expert Group's emerging, but not yet published, recommendations. In this way the government was preparing the way for a steady implementation of any funding recommendations once the group's published report was accepted by Parliament.

The final Expert Group report contained 25 recommendations towards achieving a new funding model. It was presented to the Minister of Children, Equality, Disability, Integration and Youth in late November 2021 at the group's last meeting. All its recommendations were accepted by the Irish Parliament in December 2021.⁵¹ Their implementation started immediately as part of a phased action programme.

The Expert Group's recommendations for a new funding model consisted of four principal elements:

- 1) core funding
- 2) tackling disadvantage
- 3) amendments to the early education (ECCE) programme
- 4) revisions to the National Childcare scheme (NCS)

These elements were discussed in the report under five different headings: a) core funding; b) tackling disadvantage; c) affordability measures; d) fee management, and e) the role of the state.

Two of the four elements, 1 and 2, were newly introduced, while the other two consisted of proposals for amendments to the early education (ECCE) programme and the NCS to better meet the needs of children and families.

49 Department of Children, Equality, Disability, Integration and Youth (2022) Minister O'Gorman launches 'Together for Better' new funding model for early learning and school-age childcare as core funding contracts begin for 4000 providers (<http://bitly.ws/SfHG>)

50 Department of Enterprise, Trade and Employment (2022) 'Historic' new pay agreement to provide pay increases and wage structure for early learning and childcare workers – Ministers O'Gorman and English (<http://bitly.ws/SfHW>)

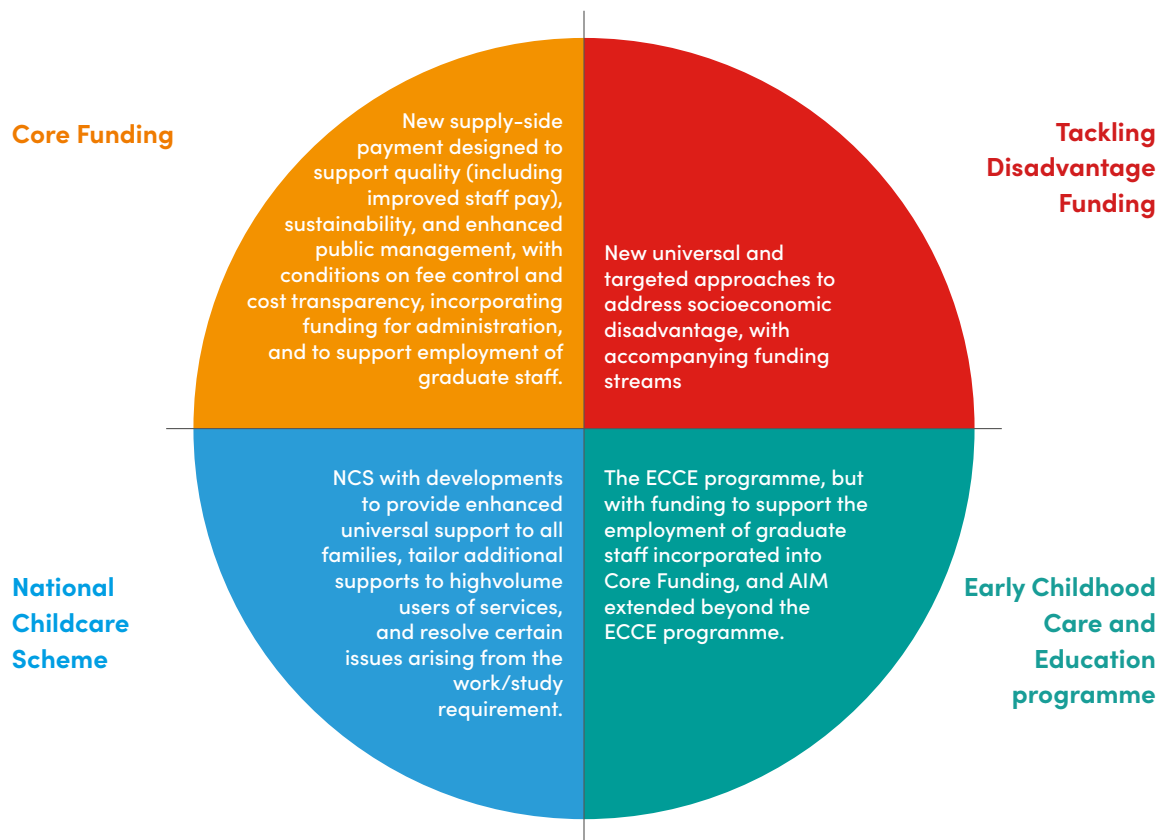
51 Department of Children, Equality, Disability, Integration and Youth (2021) Minister O'Gorman launches major reform of early learning and childcare following report of Expert Group (<http://bitly.ws/SfI6>)

The order in which the report presents the Expert Group’s recommendations did not reflect a prioritisation among the issues it addressed. They formed part of an interrelated and interdependent model of funding, designed to ensure progress with each ECEC policy goal.

1. “Core Funding, a new supply-side payment for providers designed to support quality (including improved staff pay), sustainability, and enhanced public management, with associated conditions in relation to fee control and cost transparency, incorporating funding for administration and to support the employment of graduate staff.
2. Funding for new universal and targeted measures to address socioeconomic disadvantage.
3. The ECCE programme, but with funding to support the employment of graduate staff incorporated into Core Funding, and AIM extended beyond the ECCE programme.
4. An amended NCS to provide enhanced universal support to all families, tailor additional supports to high-volume users of services, and resolve certain issues arising from work/ study or wraparound policy.”⁵²

The innovative and amended elements of the new funding model are represented in figure 1 below, where the top half of the circle represents the new aspects.⁵³

Figure 1 The New Funding Model



52 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 12

53 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 120

Core funding then is a supply-side subsidy which is separate from any additional per capita early education provider and parental subsidies. The issue of fee management, including fee freezes, and improved staff pay is closely related to core funding.

Providers wishing to enter into a partnership with the DCEDIY to deliver core funding would negotiate an individual and bespoke agreement to this end.

The Expert Group also recommended that the government consider how it could move towards parental fees being determined on the basis of household income.

Finally, the group considered that the new funding model proposals they put forward would allow for the gradual integration of childminders into the regulated system.

Tackling disadvantage

The Expert Group recommended a range of targeted and universal financial strategies aimed at tackling disadvantage affecting three broad categories of children, to substantially increase the number of children and their families being able to benefit from high-quality ECEC provision.⁵⁴ These categories were:

- Children with additional learning needs
- Children whose first language is not English or Irish
- Children experiencing socio-economic disadvantage, including Traveller and Roma children

Conditions for providers, including the need to submit a plan for how this funding would be used and an annual evaluation of its impact, would be attached to targeted funding for individual children, just like they would be for core funding. The introduction of core funding would support this change programme.

Early Education: Early Childhood Care and Education – ECCE

The recommendation to extend the AIM programme to all settings offering early education and childcare was intended to render the ECEC system more socially inclusive. This was part of First5's principal aim to get the system to reflect proportionate universalism, that is universal provision accessible to all families with extra help for those children needing it most.⁵⁵ This system would be underpinned by a values-based approach to delivering ECEC for the public good.

The government's acceptance of this recommendation was a major step towards a realisation of this vision.

54 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>)

55 The principle of proportionate universalism was introduced in the 2010 Fair Society Healthy Lives report on health inequalities also known as the Marmot Review, to indicate that actions aimed at eliminating inequalities should be universal but scaled up and intensified in relation to the level of disadvantage addressed.

Childcare: National Childcare Scheme - NCS

Increasing the rate of the existing NCS subsidy and extending the universal element to all children aged from 24 weeks using the scheme, were two recommendations forming part of a set of affordability measures proposed regarding this part of the ECEC system. These proposals were aimed at increasing affordability and accessibility for children and parents.

The role of the state

The final area on which the Expert Group commented was the role of the state in relation to achieving its policy objectives for ECEC. In the group's considered view, the new funding model proposals "...provide for a step-change in public management, and support, at both national and local level. Ideally, they should be delivered by way of a partnership between the State and providers, which is underpinned by a values-based approach to delivering ELC and SAC for the public good."⁵⁶

Increased public investment should be accompanied by enhanced public management and enhanced accountability. However, the group acknowledged that these functions should be implemented "...in a way which does not risk exacerbating existing levels of mistrust or creating substantial additional administrative burdens for providers, the Department or the operating model."⁵⁷

It was noted that in respect of delivering early education, Irish ECEC providers were already accustomed to a good deal of accountability regarding conditions attached to receipt of the ECCE supply-side subsidy.

Core funding, were it to be implemented, was an area singled out in the group's report as requiring greater public management. Increased conditionality should be attached to this additional form of supply side funding for providers. This was because it would involve new minimum requirements concerning workforce terms and pay rates and other measures aimed at quality improvements.⁵⁸

In its discussion of the role of the state in relation to ECEC governance, the Expert Group's report noted a shared view as to the importance of local structures providing system support. While recognising that the group's remit did not include commenting on any aspects of the current operating model, it nevertheless considered that as part of any operating system, a local structure would be required to deliver planning and support functions envisaged by the new funding model.⁵⁹

56 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 6

57 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 109

58 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 107

59 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 116

SECTION 3: FURTHER INFORMATION ON THE CORE FUNDING MODEL

Key points

- Core funding approach has led to increased pay and a greater number of graduates working in the sector
- Fee caps have been introduced along with greater understanding and transparency about costs of delivering places
- The number of places available for ECEC has increased
- The number of parents accessing the national childcare scheme has increased
- Additional financial support has been secured for providers who have been disproportionately impacted by change

The new core funding scheme introduced under the *Together for Better programme*⁶⁰ was worth €259 million in its full first year of operation, September 2022 to August 2023. Additionally, well over €300 million was being spent on both the early education (ECCE) programme per capita subsidy and the National Childcare Scheme (NCS) subsidizing parental childcare costs. The funding breakdown provided by DCEDIY also included €85 million to support progress with rolling out the National Action Plan for Childminding, the Workforce Plan, the ongoing development of the registration and inspection system and other First5 policy commitments.⁶¹

The four main aims of core funding are:

- Improved affordability to parents with arrangements to prevent fee increases
- Improved service quality through, among other things, better workforce terms and conditions, and support for the early years Employment Regulation Orders
- Supporting the employment of graduate staff, a part of the implementation of the Workforce Plan
- Improved sustainability and stability for service providers

Given the high fees prevalent in the Irish ECEC market, The Expert Group considered fee management a crucial element in the success of core funding in terms of service affordability. They therefore also recommended, among other things, that providers be obliged to supply cost data according to an existing ECEC costing model developed as part of a 2020 independent review,⁶² and that providers implement the fee freeze from their September 2021 baseline level. The Irish government saw this fee freeze as a first step in the fee management process to be developed further based on a thorough analysis of sector income and costs.

60 Department of Children, Equality, Disability, Integration and Youth (2022) Minister O’Gorman launches ‘Together for Better’ new funding model for early learning and school-age childcare as core funding contracts begin for 4000 providers (<http://bitly.ws/SfHG>)

61 DCEDIY (2022) Minister O’Gorman secures €1 billion investment in early learning and childcare (<http://bitly.ws/SfMN>)

62 Crowe (March 2020) Review of the cost of providing quality childcare services in Ireland. Final report to the Department of Children, Equality, Disability, Integration and Youth (<http://bitly.ws/SfKH>)

While providers would retain some flexibility in relation to how core funding, based on a service's capacity, was to be used, DCEDIY was clear about its intended allocation. This should contribute to a) improvements of staff pay and conditions; b) administrative staff/time; c) non-staff overhead costs; d) support for graduates as Lead Educators across early education and care and support for graduates as managers in ECEC and out-of-school provision. Other employer costs such as non-contact time, holiday and sick pay, were to be factored into the staff costs allocation for core funding. Details would be determined as part of the partnership agreement reached with each provider opting into core funding. Conditions attached to the receipt of core funding suggested by the Expert Group were:

- a) Follow the fee management system
- b) Implement the quality improvement measures under the Workforce Development Plan
- c) Implement the relevant practice frameworks, Aistear and Siolta⁶³
- d) Develop, implement, and report on an annual quality development plan
- e) Provide transparent financial reports and participate as required in cost surveys and other necessary data-collection exercises
- f) Offer the NCS and ECCE programme to all eligible children/parents, including children accessing the NCS through sponsorship arrangements."⁶⁴

As part of the core funding scheme's implementation, the following conditions were added:

- g) Develop, implement and report on a quality action plan
- h) Issue a Parent Statement to all parents using the service outlining what they can expect

Each core funding agreement was bespoke between the provider and government based on the costs of that particular setting. The implementation process required a great deal of administrative effort from providers, DCEDIY and other state agencies alike.

Implementation

The extensive ECEC sector participation in year one of the core funding scheme was achieved by a process of negotiation with providers and provider representative organisations preceding the scheme's actual implementation.⁶⁵ Key in these arrangements was the requirement that providers committed to not raising their fees for September 2022 to August 2023 above the baseline level set for September 2021. This fee freeze remains in place for the second year of core funding implementation due to start in September 2023. In return for agreeing to this fee freeze, providers were offered access to a Transition Fund to support sustainability, as the impact was greater for smaller providers.⁶⁶

63 Aistear Siolta (2020) Aistear Siolta Practice Guide (<http://bitly.ws/SfL9>)

64 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 14

65 DCEDIY (June 2022) Core funding partner service funding agreement FAQ (<http://bitly.ws/SfLw>)

66 Oireachtas (2022) Departmental funding. Irish Parliament debate (<http://bitly.ws/SfLj>)

Impact

Participation in the core funding scheme has remained optional to date. By August 2023 around 4,200 services had signed up, representing 95% of the total number of Irish group-based providers.⁶⁷

During the first year of the core funding scheme's operation:

- The number of net nursery closures dropped considerably compared to the previous year, 58 compared to 76.
- The number of stand-alone out-of-school providers seeking re-registration for an expanded service increased by 261%
- Increases in capacity were most marked in baby and toddler rooms and in full-time provision
- The number of services offering hours subsidised under the National Childcare Scheme (NCS) increased by 15%
- A 50% increase occurred in parents accessing the NCS childcare subsidy for their children
- 73% of members of the ECEC workforce had received improved pay, according to DCEDIY estimates
- The number of settings offering graduate led provision increased
- A fee freeze for parents meant fees did not increase between September 2021 and August 2023 and is set to remain in place ⁶⁸
- Provider funding stability was increased with virtually all providers receiving increased funding compared to the previous year⁶⁹
- The First5 target of doubling ECEC funding by 2028 was exceeded five years ahead of time⁷⁰

In 2019 OECD figures indicated that maternal employment levels for Irish women with at least two children aged 0 to 14 were by now approaching both the OECD and the EU averages. Under core funding this may increase further.⁷¹ Future evaluations of the impact of FIRST5 policy commitments should also evidence increased ECEC access for children with SEND and children experiencing socio-economic disadvantage.

Compared to the investment of €259 million in year 1 of the core funding scheme, the budget for programme year two, 2023 – 2024, was 11% more, at €287 million. Within the integrated funding model additional funding was also proposed in the 2023 Irish Budget for both ECCE, School-age Childcare and the NCS.⁷² But these developments must also be seen within the context of the cost-of-living crisis which affected Ireland during this period and continues to do so.

67 Government of Ireland (2023) First5 Annual implementation report 2021/22 (<http://bitly.ws/SfM4>)

68 Department of Children, Equality, Disability, Integration and Youth (2023) Minister O’Gorman publishes progress reports for First 5, the government strategy for babies, young children and their families (<https://bit.ly/3OFxpOR>)

69 Together for Better (2023) Core funding (<http://bitly.ws/SfMI>)

70 DCEDIY (2022) Minister O’Gorman secures €1 billion investment in early learning and childcare (<http://bitly.ws/SfMN>)

71 OECD (2020) Family Database chart LMF 1.2D (<http://bitly.ws/SfMZ>)

72 DCEDIY (2022) Minister O’Gorman secures €1 billion investment in early learning and childcare (<http://bitly.ws/SfMN>)

SECTION 4: STAKEHOLDERS' PERSPECTIVES AND NEXT STEPS FOR IMPLEMENTATION

Key points

- In December 2021, the new funding model was well received by the ECEC sector
- 95% of group-based providers have to date signed individual Core Funding Partnership Agreements with DCEDIY
- Administrative burdens for providers are recognised financially in the new funding model
- The cost-of-living crisis coincided with growing sector concern about the adequacy of funding levels, particularly for settings offering only ECCE
- The parental fee freeze continues in year two of core funding, 2023/24

The Expert Group was clear about the challenges it faced developing proposals for a new funding model, given the diversity of strongly held and sometimes incompatible views among stakeholders.⁷³

The complete set of recommendations for a new ECEC funding model was nevertheless generally well received by the sector when first announced in December 2021.⁷⁴

This funding announcement followed more than 18 months of measures to combat the impact of the pandemic, including a couple of lockdowns. The impact of the first lockdown,⁷⁵ one of the longest in Europe, severely affected Irish ECEC providers and families with young children, since all ECEC provision was closed. This coincided with the Irish government making financial arrangements to keep the sector viable during this period.⁷⁶

During the nine months following the new funding model announcement in December 2021, parents and the sector had a chance to familiarise themselves with the proposals for core funding, as further details became available.⁷⁷

During this period critical voices from within the private ECEC sector made themselves heard, including from relatively new trade associations like Childhood Services Ireland,⁷⁸ a group formed under the umbrella of the Irish Business and Employers Confederation (IBEC)⁷⁹ and the

73 First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sfif>) p. 26

74 Employers for Childcare (2022) Irish government launches major reform of funding for early learning and childcare sector (<http://bitly.ws/SfNb>)
Early Childhood Ireland (2021) Early Childhood Ireland welcomes government's ambition for quality childcare (<http://bitly.ws/SfNj>)
The Irish Times (10 May 2022) What are providers saying about the new early-childhood funding scheme? (<http://bitly.ws/SfNx>)
Children's Rights Alliance (2022) Report card 2022 (<http://bitly.ws/SfP2>)

75 The Irish Mail (21 June 2020) 'We can't open if we can't meet costs' (<http://bitly.ws/SfQ6>)

76 SIPTU (2020) SIPTU welcomes Covid-19 childcare support scheme (<http://bitly.ws/SfQk>)

77 DCEDIY (2022) Minister O' Gorman publishes funding agreement for new €221 million Core Funding scheme (<http://bitly.ws/SfQy>)

78 IBEC (2023) Childhood Services Ireland (<http://bitly.ws/SfQU>)

79 IBEC (2023) Ireland (<http://bitly.ws/SfR5>)

Federation of Early Childhood Providers Ireland,⁸⁰ established in 2019.⁸¹ At times protests took the form of public demonstrations and ECEC service shutdowns.⁸²

Part-time providers of early childhood education (ECCE) only, were particularly vocal, because to qualify for the same level of core funding as other providers, they would need to increase their hours of operation to include the additional childcare offer funded under the parental childcare subsidy (NCS) scheme.⁸³

Protests have since focused on the continuation of the fee freeze as a condition for receipt of core funding in its second year of operation.⁸⁴ Transformative change via the new funding model is now firmly aimed at improving parents' position, with the government wanting to reduce parental fees by 25% as part of provisions in the 2024 budget.⁸⁵

Evidence is emerging that the cost-of-living crisis virtually eliminated the intended financial benefits of the two Employment Regulation Orders. Moreover, poverty levels in Ireland are rising.

The issue of ECEC workforce pay and conditions in the run up to the second year of the core funding programme has been the subject of pay talks at the Early Years Joint Labour Committee, where union SIPTU represents ECEC educators and managers, and the employers are represented by Childhood Services Ireland (IBEC group) and the Federation of Early Childhood Providers.⁸⁶ After protracted Early Years Joint Labour Committee negotiations regarding a pay deal for 2023/24, the case was referred to the Labour Court in late August 2023. The Court will now issue a pay rate recommendation.

Implementation challenges

Here only a few other challenges are mentioned which face the implementation of ECEC reform proposals in Ireland.

The universal aspect of the existing Irish ECEC system is quite young, compared to ECEC systems in other OECD and EU nations. The ECCE programme was established in 2010. The National Childcare Scheme (NCS), on the other hand, was only introduced in 2019. It was just going live when the Expert Group started its work in October 2019.

Whereas on the one hand pertinent services and institutions may therefore have been less susceptible to the impact of 'path dependence,' on the other hand, this has resulted in a period of more or less continuous change since the inception of publicly funded ECEC. Particularly as far as childcare policy implementation is concerned. This not only risks creating confusion for providers, parents and practitioners alike, but also risks adding to providers' administrative burdens.

80 Leahy, C. (2022) Childcare in Ireland – Reaction to core funding, Irish Farmers Journal: <http://bitly.ws/SfRw>

81 Federation of Early Childhood Providers Ireland (2023) About us (<http://bitly.ws/SfRj>)

82 Irish Times (17 August 2022) New funding model for childcare operators 'unsustainable,' providers say (<http://bitly.ws/SfRZ>)

Irish Times (11 November 2022) Childcare providers say there are 'serious concerns' about viability of businesses (<http://bitly.ws/SfSh>)

83 Irish Mirror (13 July 2022) Childcare providers threatened closures about 'unsustainable' funding plan (<http://bitly.ws/SfSG>)

Irish Examiner (21 July 2022) Childcare providers close their doors to protest over funding shortfall (<http://bitly.ws/SfSZ>)

84 Business Plus (21 July 2023) Childcare providers warn of 'nonsense' plan to regulate fees (<http://bitly.ws/SfTf>)

85 Irish Examiner (4 July 2023) Budget to favour public services with €4 bn extra for core services (<http://bitly.ws/SfTD>)

86 RTE (2023) No agreement at talks on pay deal for childcare workers (<http://bitly.ws/SfUd>)

A well-functioning ICT system is essential to rolling out a complex change programme like this. The planned change to the operating system will also require further change in this area.

Although the direction of travel for Irish ECEC policy developments since around 2014 has been consistent, the speed of change has been considerable. The pandemic occurred in the middle of the policy change programme. There is evidence that this has impacted negatively on providers and practitioners.

The Irish ECEC system's format and financing streams remain quite complex, with childminding for now largely outside regulation. Governance is one of the system's most complex aspects, involving a dual inspection regime, for instance. The fairly long timescale anticipated for the replacement of the present operating model with a new streamlined one embodied by a single state agency may perpetuate the administrative burdens across the sector's providers, across the agencies involved in the current operating system, and across the DCEDIY.

Administrative burdens for providers are recognised financially in the new funding model. Hopefully, the support to which the model is committed, will sufficiently offset the additional demands of the new supply-side funding stream.⁸⁷

The cost-of-living crisis, including rising inflation and interest rates, have caused by far the greatest upset to the planned implementation of the new funding model. However, the original allocation in year 1 of Core Funding did increase in light of this. The year 2 Core Funding allocation also included additional funding to offset increases in non-staff overheads.

It is to be hoped that the present pay negotiations will lead to a satisfactory outcome for all parties involved, lending further evidence to the effectiveness of core funding and its new public management underpinnings.

While international policy transfer is never straightforward, or indeed desirable, the Irish experience with a major ECEC change process ought to contain valuable lessons and inspiration for current and future English ECEC policy development.

⁸⁷ First5 (November 2021) Partnership for the public good. A new funding model for early learning and care and school-age childcare. Report of the Expert Group to develop a new funding model for early learning and care and school-age childcare (<http://bitly.ws/Sf1f>) p. 114



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