

### Budget 2024: Overview and FAQ for Early Learning and Childcare Providers October 2023

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#### **Overview**

In 2024, the allocation for early learning and childcare will be €1.109 billion, a €83 million (8%) increase on last year's allocation. The funding in 2024 for the early learning and childcare sector provides for:

- The continuation of the ECCE programme that will benefit more than 103,000 children in 2024.
- The continuation of the Access and Inclusion Model (AIM) to ensure children with a disability can access and meaningfully participate in the ECCE Programme. Funding will provide for an increasing cohort of children with a disability availing of targeted AIM supports approximately 7,000 as well as the expansion of these supports beyond time spent in the ECCE programme, in term and out of term.
- The continuation of the NCS, and the introduction of enhancements to the Scheme with more than 150,000 unique children to benefit from changes to the minimum subsidy rate and the sponsorship rate.
- The continuation of Core Funding, with enhancements to the Scheme in year 3.
- The introduction of the Equal Participation Model (EPM), whereby services will be provided with a proportionate mix of universal and targeted supports to support children and families accessing their services who are experiencing disadvantage.
- The delivery of a range of regulatory and quality supports for the implementation of the National Action Plan for Childminding; Nurturing Skills, the Workforce Plan, and the ongoing development of the registration and inspection system as well as policy development commitments set out in First 5 and the Programme for Government.

#### **Frequently Asked Questions**

#### **National Childcare Scheme (NCS)**

#### 1. How is the NCS changing?

From September 2024, any family who is not already at the maximum hourly NCS subsidy will see an increase in their subsidy. All families who would currently receive the minimum (universal) subsidy of €1.40 per hour will receive €2.14 per hour - an additional €0.74 per hour off the cost of early learning and childcare. This translates to up to €96.30 off families' weekly bill for early learning and childcare per child using 45 hours of early learning and childcare. With up to €63 currently available per week, this represents up to an additional €33.30 off weekly costs.

From September 2024, the rates under NCS sponsor referral programme- will also be changing as per the below table.

Age of child	Original Maximum Rate	Updated Maximum Rate
24-52 weeks	€5.87	€5.87
1-2 years	€5.00	€5.30
3+ years	€4.54	€5.30
School Age	€4.31	€5.30

#### 2. What will the increase in NCS subsidies mean for me as a provider?

Any family who is not already at the maximum hourly NCS subsidy will see an increase in their subsidy. This will make early learning and childcare more accessible and affordable for families. This will also increase the number of families who may opt to use your service, which will support growth and longer term stability.

Providers will need to update the parent's co-payment, and let parents know what their new co-payment amount will be. Pobal will provide access to new rates available to existing scheme users on the Early Years Hive prior to the September introduction to allow you plan for the change.

#### 3. When will the increase in NCS subsidies be introduced?

The increase to any subsidy not already at the maximum rate will come into effect in September 2024.

#### 4. When will the universal subsidy increases be available on the Early Years Hive?

The aim is for the new subsidies to be visible on the Early Years Hive in mid-2024. This will allow providers to be able to view the new upcoming rates for all their submitted claims, which will come into effect in September 2024.

Pobal are planning to update the awards engine in the near future. Awards created after this change will have the September 2024 increase built in and won't require an uplift. Active awards created before this change will be uplifted. In both cases, no action will be required from parents or providers to change the award, though co-payments will need to be recalculated and communicated to parents.

#### 5. I have not signed up for the NCS – can I join it now?

Any Tulsa registered early learning and childcare provider – centre-based or childminder - can register for the NCS at any time. Full details are available from Pobal on the Provider Portal. Support and advice on registering your service is available from Pobal and your local City/County Childcare Committee (CCC).

#### 6. What should I tell parents who are not in the NCS but want to join?

Parents should go to the dedicated NCS website <u>www.ncs.gov.ie</u> for all information on the NCS, including how to apply. The NCS website will be updated to reflect Budget 2024 changes.

# 7. What should I tell parents who are already getting NCS subsidies but want to know if their subsidy will increase due to the new NCS measures announced in Budget 2024?

The amount of increase individual families will see in their hourly subsidy will differ depending on their current subsidy. As a general rule, anyone currently receiving €1.40 per hour will receive €2.14 per hour – an increase of 74c per hour. Anyone not already on the maximum subsidy will also receive an increase, but the amount of increase will depend on their current circumstances. Parents with applications that expire before September 2024 will not be impacted; the new rates will be applied when they make renewal applications.

Further information for parents on the change will be made available on <a href="www.ncs.gov.ie">www.ncs.gov.ie</a>, which is in the process of being updated.

#### 8. What is being done to the NCS Sponsor Referral?

As part of Budget 2024, hourly rates for the NCS sponsor referral programme have been increased as per the below table.

	Original Referral Rate	Updated Referral Rate
24-52 weeks	€5.87	€5.87
1-2 years	€5.00	€5.30
3+ years	€4.54	€5.30
School Age	€4.31	€5.30

Providers do not need to take any action, they will receive the increased rate from September 2024.

#### 9. How will parents be informed of these changes to the NCS?

The Department will be promoting the NCS and changes to the Scheme through <a href="www.ncs.gov.ie">www.ncs.gov.ie</a>, social media and other means.

#### **ECCE Programme**

#### 10. How is the ECCE Programme being funded?

Budget 2024 supports the continued implementation of the ECCE programme benefiting over 103,000 children in 2024.

Payment under the ECCE programme is by way of capitation fees, payable in respect of each eligible child enrolled, which are paid directly to the provider. The weekly ECCE capitation rate is €69.00 per

child attending on a full time basis. It is not mandatory that children attend every day but, where they do not, the capitation fee is reduced on a pro-rata basis.

#### 11. Will the ECCE capitation rate be increased?

Core Funding operates in addition to the ECCE Programme and the NCS. Between ECCE capitation and Core Funding, there is currently a minimum of €79.20 per child per week, before additional graduate premium of €4.44 per hour and the flat rate of €4,075 per year for sessional services are added, as applicable. The developments in 2024 will see this minimum income increase further.

#### **AIM**

#### 12. Will AIM supports continue to be available?

AIM supports will continue to be available. AIM provides a range of both targeted and universal measures, to support children with disabilities access and meaningfully participate in the ECCE Programme.

#### 13. What do the Budget 2024 measures mean for AIM?

With an increasing proportion of services taking part in AIM, and application volumes for all AIM funding at the highest level by September 2023 than in September of previous years, AIM budget requirement will increase by €14m.

#### 14. Are there plans to expand AIM outside of the ECCE Programme?

First 5 committed to extending AIM. This extension was to be informed by an end-of-year-3 evaluation, due to be published later this year. Participants in that evaluation - parents, educators and providers – unanimously supported an extension of targeted AIM supports to hours outside the ECCE programme.

As a first step, from September 2024, there will be expansion of targeted AIM supports to ECCE children beyond time spent in the ECCE programme, in term and out of term from next September.

The specific rules and approaches to this extension are currently being developed. Further details on how AIM will work outside of the ECCE programme will be made available as the detailed design advances.

#### **Core Funding**

# 15. What do the Budget 2024 measures for Core Funding mean for early learning and childcare providers?

Budget 2024 allocated an additional €37.4m to Core Funding. This increase on the 2023 allocation will support continued implementation of the scheme for the second programme year (September 2023 to August 2024) and into the third programme year from September 2024.

With additional funding of €14.65m being made available from September 2024, this translates into a full year allocation of €331m for year 3 of Core Funding, an increase of €44m, or 15%, on the current allocation of €287m.

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.

- €9.27m will support a 3% increase in capacity in the sector in year three of the scheme, driven both by new services joining the sector and existing services offering more places and/or longer hours to families;
- The allocation for administration will increase by €3.21m; and
- The allocation for non-staff overheads will increase by €10.07m to ensure the Scheme continues to keep pace with cost pressures facing services.
- The remaining €21.49m will be used for other developments, to be informed by the emerging data from Year 2 of the scheme as well as the Financial Returns.

## 16. What do the Budget 2024 measures for Core Funding mean for Early Years Educators and School-Age Childcare Practitioners-?

Together for Better supports better pay for staff, its launch was aligned with the commencement of the first ever Employment Regulation Orders (EROs) for the sector. The Orders are being supported by Core Funding – which has an allocation of €287 million in its second year – to support amongst other things, improvements in staff wages, alongside a commitment to freeze parental fees and support for sustainability of services.

Underpinned by investment through Core Funding, which contributes significantly to the cost of staff pay, the EROs in September 2022 meant improved pay for over 70% of workers in the sector, with specific recognition for different roles and qualifications, establishing a wage structure for staff. The JLC for Early Years Services is continuing to meet in relation to possible further increases in minimum rates of pay and additional funding will be made available from September 2024, which will support any further negotiated improvements in pay through the JLC process.

#### 17. What is the package for small-medium services?

A number of targeted supports for small and sessional services were introduced in Year 2 of the scheme in order to improve sustainability of these services, specifically a flat rate top up of  $\le$ 4,075 for sessional-only services and a minimum base rate allocation of  $\le$ 8,150. These measures saw the average allocation under Core Funding for sessional-only service increase by 32% this year.

In a continued commitment to supporting these services, these targeted measures will continue to apply in the 2024/2025 programme year.

In addition, €21.49m will be used for developments to Core Funding in year 3 of the Scheme, to be informed by the emerging data from Year 2 of the scheme as well as the Financial Returns.

#### 18. What administrative supports are available to providers?

Core Funding incorporates funding for providers for administrative requirements, and in September 2024, an additional €3.21m is being made available to support services with their administrative requirements in light of the increasing uptake of the NCS. In addition, the staffing allocation in Core Funding takes account of both contact time and non-contact time (based on previous survey data).

The Department acknowledges the increase in administration for providers with the introduction of new schemes such as the NCS and Core Funding. In addition to providing €32.13 million for administration under Core Funding in year two, and €35.34m for the third year of the scheme, a number of steps are being taken to reduce the administrative workload. This year a Universal Fee Table was introduced, which enables services to upload one single fee table that covers all schemes. The Parent Statement was also been refined so that one agreement now covers all schemes and this only has to be signed once between the provider and parent irrespective of fee changes. An Action Plan for Administrative and Regulatory Simplification is under development.

#### 19. What about providers who have not signed up to Core Funding?

More than 92% of eligible providers have now signed up to Core Funding, with the second year of the scheme in operation for just over one month. This uptake rate is at a similar level to the same period last year. The remaining providers can choose to come into Core Funding at a later point during the year if they wish to do so, and services continue to join the scheme daily.

#### 20. What sustainability supports will be available in 2024?

Sustainability supports will continue to be available in 2024, and can be accessed through local City and County Childcare Committees (CCC).

Once a service engages with their local CCC they will be able to avail of supports through the case management process. Through this process, local CCC and Pobal work together to assess and provide support to ELC and SAC services experiencing difficulties. This support can take the form of general operational supports as well as more specialised advice and support appropriate to the individual circumstances of a service. In some instances, financial supports may be deemed appropriate in tandem with the case management process.

Financial supports, which may also be accessed through the case management process, are available to all Core Funding Partner Services, both community and private, who are experiencing financial difficulty, following a financial assessment by Pobal.

If any service would like to avail of advice or supports on a concern regarding their sustainability, they are encouraged to reach out to their local CCC. Contact details for their local CCC can be found at <a href="https://www.myccc.ie">www.myccc.ie</a>

#### **Equal Participation Model (EPM)**

#### 21. What is the Equal Participation Model (EPM)?

The Equal Participation Model (EPM) is designed to help children and their families who may be experiencing disadvantage to access and fully participate in early learning and childcare settings, through a range of supports. A combination of universal and targeted supports will be made available.

The response will be multifaceted reflecting the complexity of need and will be rolled out in stages as funding becomes available as design of certain elements is progressed. EPM will start from September 2024 with phase one, with phases two and three following in subsequent years.

#### 22. Who will benefit from EPM?

EPM is designed to help children and their families who may be experiencing disadvantage to access early learning and childcare settings, through a range of supports. A combination of universal and targeted supports will be made available.

To support the reduction of administration for services, target services will be identified using existing data including, but not exclusively, the Pobal HP deprivation index within an evidence based identification process. There will be no application process.

Services will be informed of their status under EPM in mid-2024 prior to scheme launch.

#### 23. What will be included in EPM?

The design of EPM is being finalised based on extensive feedback and consultations with parents, educators, providers and representative organisations. The detail will be published in early 2024. It will seek to reflect the concerns around the additional complexity and staffing requirements of supporting the inclusion of children who may be experiencing disadvantage.

Further details will be published in early 2024 in the context of an overall strategy.

#### Childminding

#### 24. I am a childminder - what does Budget 2024 mean for me?

If you are a childminder who minds four or more children or seven or more children of any age, you can already register with Tusla and benefit from DCEDIY funding schemes.

The extension of funding supports and regulation to childminders who are currently outside the scope of regulation is the focus of the National Action Plan for Childminding 2021-2028. An additional €280k has been allocated for 2024 for childminding initiatives to support actions under the National Action Plan, including completion of the extension of the support network of Childminding Development Officers to every CCC in 2024.

Legislation is currently being drafted to remove the legal exemption of childminders from regulation, and draft childminder-specific regulations will shortly be published for the purpose of public consultation. Subject to legislative and regulatory changes, it is expected that childminders will be able to start registering with Tusla and taking part in the NCS from autumn 2024.

### 25. What childminding initiatives are included in Budget 2024 and how much funding is there for these initiatives?

As well as extra funding for the NCS, €3m has been allocated to Tusla for the development of dedicated registration and inspections teams for childminders and an extension of Garda vetting supports to include childminders and their families, while an additional €280k has been allocated for 2024 for childminding initiatives to support actions under the National Action Plan for Childminding 2021-2028. During 2024, preparations will continue for the phased extension of regulation and supports to all paid, non-relative childminders, including through:

- The development and initial roll-out of pre-registration training for Childminders.
- Engagement and consultation with childminders on the draft regulations, as well as research to support the Action Plan.
- Increasing the number of regional Childminding Development Officers from 22 to 30, to enable childminders to engage and participate in training and supports at local level, with a Childminding Development Officer to be in place in every county from 2024.
- Testing the staffed local networks model to engage childminders in pre-registration training and supports.

The National Action Plan for Childminding commits to opening the NCS to childminders at the earliest possible opportunity, following the introduction of new childminder-specific regulations and the opening of registration to childminders from autumn 2024.

#### **Capital**

#### 26. What Capital Programmes will be available in 2024?

Some €20m in capital funding has been set aside in 2024 for the early learning and childcare sector.

The Building Blocks Capacity Grant, which will be announced in the coming weeks, is part of a wider Building Blocks Capital Programme for the sector under the revised National Development Plan. Under the Capacity Grant, funding will be provided for the expansion of existing services to increase capacity in areas of undersupply, with priority given to full-time places within the 1-3 age group.

The allocation of grants under the scheme will be predicated on the results of a detailed needs analysis, which is currently under development. The proposed scheme will help to address supply issues in urban, commuter, and rural communities, which by design will include areas of socioeconomic disadvantage. The implementation of capital funding on this basis will deliver immediate supply in areas of proven need.