

Joint Committee on Children, Equality, Disability, Integration and Youth

Issues facing the Early Childhood Sector

14 November 2023

Opening Statement Department of Children, Equality, Disability, Integration and Youth

Chairperson, Committee Members,

Thank you for the invitation to discuss issues facing the early learning and childcare sector. My name is Anne-Marie Brooks and I am Head of the Early Learning and Childcare Division at the Department of Children, Equality, Disability, Integration and Youth. I am joined today by:

- Mark Considine, Head of the Access and Inclusion Unit
- Mark Doheny, Head of the Governance and Systems Development Unit
- Oonagh Fleming, Head of the Sector Development Unit
- Toby Wolfe, Head of the Quality Unit

The Expert Group, in their report “Partnership for the Public Good”, summarised the key issues facing the sector in its publication in December 2021:

- Unaffordable fees, particularly for families who are availing of long hours, have more than one child using services or who use unregistered services.
- Barriers to access for families with very young children and in certain areas as well as for children with a disability or those experiencing socio-economic disadvantage
- Low pay and poor conditions of employment that does not reflect the importance of work in the sector and undermines the quality of children’s experiences
- Stability and sustainability concerns felt among providers

Actions to address these issues are set out in the ten-year whole of government strategy for babies, young children and their families – First 5, which was published in 2018, followed by a detailed implementation plan for the first phase of the strategy in 2019 – covering the period 2019-2022.

Annual Reports over this period set out in detail the substantial progress made on these actions, with key achievements including:

The introduction of Together for Better, the new funding model for early learning and childcare, which was designed in consultation with the key stakeholders in the sector, to address the most challenging issues the sector faces. While only in place since September 2022, we are seeing substantial benefits for children and their families, for the early learning and childcare workforce and for providers

- The National Childcare Scheme – with subsidy increases in 2022 and 2023 – is supporting record numbers of children, with additional funding secured in Budget 2024 that will reduce out of pocket costs of early learning and childcare to families – by up to 50% on average.
- The universal ECCE programme is supporting more than 103,000 children to access pre-school education. An independent evaluation of this Programme is underway as a precursor to putting it on a statutory footing.
- The Access and Inclusion Model is supporting more than 7,000 children with a disability to access the ECCE programme and, with funding secured in Budget 2024, AIM will be extended beyond the ECCE programme for the first time.

- The Core Funding Scheme - with an allocation of €259 million in its first year and €287 million in year 2 has:
 - introduced a fee freeze among 94% of services, which meant that increases to NCS subsidies were fully felt by parents;
 - led to a 15% increase in the number of services offering the NCS;
 - supported the agreement of Employment Regulation Orders (ERO), which resulted in improved pay for an estimated 73% of those working in the sector with an updated ERO currently being considered by the Joint Labour Committee;
 - extended support for graduate-led provision outside the ECCE programme;
 - supported a significant expansion of capacity, with analysis showing the increased capacity is the type of capacity that is in highest demand relative to supply
 - led to greater stability and sustainability in the sector; with a minimum Core Funding floor of €8,150 now in place; and
 - led to greater operational and financial transparency in the use of public funding.

In Year 3 of the Scheme, the Core Funding allocation will increase by 15% or €44m to €331m.

- Finally, the Equal Participation Model will be rolled out from September 2024, providing services with a proportionate mix of universal and targeted supports to support children and families accessing their services who are experiencing disadvantage.

Together, as recommended by the Expert Group that wrote the “Partnership for the Public Good” report, the different strands of the new funding model strengthen the partnership relationship between the State and providers, giving the State a stronger role in shaping the development of the sector, to reflect the public good dimension of early learning and childcare.

In addition to the new funding model and the continuing work to implement the recommendations in “Partnership for the Public Good”, progress has been made on a wider reform agenda, including through:

- Nurturing Skills, the Workforce Plan for the Early Learning and Care and School-Age Childcare Sector (2021-2028), with commitments to develop career pathways, promote careers in the sector and support staff recruitment, complementing recent achievements and future plans to improve pay and conditions of employment in the sector.
- The National Action Plan for Childminding (2021-2028), with a commitment to opening the NCS to childminders from next autumn.
- The Building Blocks Capital Programme (2023-2025) that is designed to meet current and long-term early learning and childcare infrastructure needs.

There is also a focus on strengthened governance at a national and local level including a series of regulatory reforms, preparation for the establishment of a new dedicated state agency for the sector and the development of an Action Plan for Administrative and Regulatory Simplification, as announced recently by the Minister. The latter of which will build on recent measures to ease the administrative workload of providers that includes a single parental contract and a universal fees list and will be informed by a new Stakeholder Advisory Group and a number of regional consultations.

There are positive indications of progress made from a range of sources.

OECD data shows Ireland’s performance in supporting families, and particularly lone parent families, with the cost of early learning and childcare is markedly improving. Over the period 2019-2021, Ireland had the highest decrease in early learning and childcare costs to families across the EU, with net

childcare costs as a share of the household's net income for lone parents on low income in 2021 falling below the EU average for the first time.

Latest data from Tusla's register shows closures of early learning and care services nationally is at a five-year low, and the overall number of early learning and care and standalone school-age childcare services is now increasing.

The most recent First 5 Annual Implementation Report shows that the interim target for a graduate-led workforce - of 30% by 2021 - was exceeded, with 37% holding a degree in 2022. As well as this, the investment target – a doubling of State investment over the period 2019 - 2028 – was also exceeded, five years ahead of schedule. This excludes a support package of more than €1 billion for the sector over the Covid-19 period.

There is also international recognition of this progress.

The 2023 Country Report for Ireland from the European Commission rated Ireland's progress on the County Specific Recommendation to "increase access to affordable and quality childcare" as "substantial" and the OECD in its recent Country Policy Review concluded that "Ireland is currently pursuing a strong policy agenda for Early Childhood Education and Care, with the adoption of a long-term whole-of-government strategy for babies, young children and their families covering the period 2019 to 2028"

Notwithstanding this progress, there is a clear recognition that more needs to be done to address affordability, accessibility and improve quality, in particular to improve pay for those working in the sector.

In this context, there remains an ambitious programme of work for the remainder of First 5 and the related plans that will allow us to build on the very significant reforms to date.

The First 5 implementation plan 2023-2025, that will be published by Minister O'Gorman next week will set out a multi-annual plan of actions that will be prioritised in this next phase of implementation, as well as detailed milestones. This plan will include a new investment target.

We are committed to working with the sector in managing the challenges associated with the pace and scale of change associated with this level of reform and investment.

Thank you for your time and attention. We are happy to answer any questions you have or elaborate further on any of the issues raised.

ENDS