



Federation of Early
Childhood Providers

FEDERATION OF EARLY CHILDHOOD PROVIDERS

VOICES FROM THE FRONTLINES: SERVICE
PROVIDERS IDENTIFY KEY CHALLENGES AND
OPPORTUNITIES FOR IRELAND'S ELC AND SAC
SECTOR

Prepared by



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EXECUTIVE SUMMARY

This report, developed by the Federation of Early Childhood Providers and based on first-hand information from the Early Years Learning (ELC) and School Age Childcare (SAC) services in Ireland, presents a comprehensive overview of the challenges and concerns facing these service providers. The report is divided into several sections, each exploring a different aspect of the sector.

It is important to note that various issues recur throughout the document and are dealt with in more than one section, indicative of the complex nature of the ELC and SAC sector in Ireland.

FUTURE OF EARLY YEARS SECTOR: INTENTIONS TO CLOSE IN JUNE 2023

A recent survey reveals that 7% of Early Learning and Care (ELC) and School Age Childcare (SAC) providers in Ireland plan to close in June 2023, with 68% unsure of their businesses' future. Key reasons include financial viability, staffing challenges, administrative burden, mental health and well-being, and lack of respect and appreciation. Immediate government intervention is required to address these challenges and ensure the sustainability of this vital sector.

CHALLENGES AND CONCERNS IN THE ELC AND SAC SECTOR IN IRELAND

Drawing directly from ELC and SAC services' experiences, this section highlights the main issues contributing to service closure threats, financial struggles, staffing difficulties, and overall dissatisfaction with the current state of the sector. Key findings include the staffing crisis, with 73% of respondents stating that it is impacting their services, and a significant disconnect between providers and the Department, with 98% of respondents feeling they are not engaged as partners.

CHALLENGES FACED BY SESSIONAL ELC AND SAC SERVICE PROVIDERS IN IRELAND

This section examines the feedback from sessional ELC and SAC service providers, who feel undervalued, overworked, and underpaid. It also discusses the impact of regulations on their ability to provide quality care, with insights gathered directly from the providers themselves.

FACTORS ENCOURAGING ELC AND SAC SERVICES IN IRELAND TO SIGN UP FOR CORE FUNDING

Informed by the concerns and suggestions of ELC and SAC providers, this section presents the factors affecting their decision, and intention, to sign up for Core Funding in the early years sector, covering aspects such as financial reasons, core funding, administrative burden, and control over businesses.

SUPPORTING CHILDREN WITH ADDITIONAL NEEDS IN ELC AND SAC SERVICES IN IRELAND

This section evaluates the implementation of the Access and Inclusion Model (AIM) within ELC and SAC services, based on their first-hand experiences. Key findings include 95% of services noting an increase in the number of children requiring support over the past three years and the need to potentially revise support systems in place for the ELC and SAC providers in Ireland.

THE FUTURE OF EARLY YEARS SECTOR IN IRELAND: ELC AND SAC PROVIDERS' INTENTIONS TO CLOSE IN JUNE 2023

INTRODUCTION

A recent survey of Early Learning and Care (ELC) and School Age Childcare (SAC) providers in Ireland has revealed a concerning trend regarding the future of these services. With 7% of providers intending to close in June 2023 and a further 68% unsure of their businesses' future, the impact on families and communities could be significant. This report investigates the key reasons behind these decisions through direct quotes from providers and highlights the need for immediate government intervention to ensure the sustainability of this vital sector.

MAIN FINDINGS

FINANCIAL VIABILITY

Many providers expressed financial concerns, with one stating that their service is "not economically viable." Another provider said, "ECCE only scheme capitation is not nearly sufficient to stay in operation," while another commented that they "had to borrow €7,000 to cover staff wages & holidays."

STAFFING CHALLENGES

Providers reported difficulties in hiring and retaining qualified staff, with one saying they "can't cope with no staff." Another provider lamented the "increasingly difficult[to] hire staff" and the hoops they need to jump through to hire short-term workers. A provider said they were "burnt out with the stress of staff out sick, on holiday - no cover."

ADMINISTRATIVE BURDEN

The excessive paperwork and administrative pressures have caused frustration among providers. One provider stated, "it's not about the kids when I'm there nowadays, it's about paperwork and red-tape." Many providers believe that the inspection process and paperwork requirements should be streamlined to ease the burden on their businesses.

MENTAL HEALTH AND WELL-BEING

The constant scrutiny, financial uncertainty, and administrative workload have taken a toll on providers' mental health and well-being. One provider said they were "overwhelmed with stress and financially struggling," while another mentioned they were "burnt out" and felt "no money, lots of bills."

LACK OF RESPECT AND APPRECIATION

A common theme among providers is a sense of being undervalued and underappreciated, with providers expressing feelings over being "undervalued" and stating that there is a "lack of full understanding of what we do for children."

RECOMMENDATIONS

REVIEW AND INCREASE CAPITATION LEVELS

The government should review and increase capitation levels to ensure the financial viability of ELC and SAC services. This would enable providers to cover their operational costs, pay staff competitive wages, and continue to offer quality care for children.

ADDRESS STAFFING CHALLENGES

The government should address the staffing challenges faced by providers, such as providing funding for relief staff and streamlining the process of hiring qualified professionals for short-term positions.

SIMPLIFY ADMINISTRATIVE PROCESSES

Efforts should be made to simplify and streamline administrative processes, including inspection and paperwork requirements. This would allow providers to focus on their core responsibility of caring for and educating children.

FOSTER RESPECT AND APPRECIATION

Greater efforts should be made to foster a culture of respect and appreciation for ELC and SAC providers, acknowledging their critical role in the development and well-being of Ireland's children.

CONCLUSION

The future of the early years sector in Ireland depends on the sustainability of ELC and SAC services. Immediate action is required from the government to address the financial, staffing, administrative, and mental health challenges faced by providers. Without such support, the consequences of service closures on families, communities, and the future of Ireland's children could be dire. By incorporating the voices of providers and addressing their concerns, the government can take the necessary steps to create a more sustainable and supportive environment for the early years sector.

CHALLENGES AND CONCERNS IN THE ELC AND SAC SECTOR IN IRELAND

INTRODUCTION

This section aims to provide a comprehensive overview of the challenges and concerns facing service providers in the early years learning and school age childcare sector in Ireland. Based on survey responses from service providers, this report identifies and analyses the main issues that contribute to service closure threats, financial struggles, staffing difficulties, and overall dissatisfaction with the current state of the sector.

The findings of the survey highlight a number of pressing issues facing the sector. While 86% of respondents have signed up for CORE funding, only 75% intend to do so in September 2023. This could potentially impact the accessibility and affordability of childcare services for many families. Additionally, with 49% of respondents prioritising full-time places this year and 40% discontinuing part-time places in September 2023, the availability of flexible childcare options is also diminishing.

One of the most concerning findings is the staffing crisis within the sector, with 73% of respondents stating that it is impacting their services.

It is apparent that there is a significant disconnect between ELC and SAC providers and the decision-making process for ELC and SAC, as 98% of respondents feel they are not engaged as partners in the sector. Moreover, the administrative burden on providers has increased considerably over the past five years, with 99% experiencing an increase and 94% indicating that the increase has been substantial. The resulting stress has negatively impacted the mental health of 92% of respondents.

MAIN ISSUES RAISED

STRESS AND BURNOUT

Many providers report experiencing high levels of stress and burnout due to the administrative burden, constant inspections, and the pressure of maintaining ratios. This has led to negative impacts on their mental health and family life, with some even experiencing physical health issues. Participants described the sector as "very stressful," "soul-destroying," and "at crisis point." Another respondent stated that the pressure of financial worries, staff shortages, and excessive paperwork has negatively affected their mental health.

LACK OF RECOGNITION AND RESPECT

The feedback from the service providers reveals a significant level of frustration with the government and the Department of Children and Youth Affairs. Providers feel undervalued and that their work is not respected. They feel that the government is focused on paperwork over children's needs and that this has led to a reduction in the quality of care. Self-employed wages are also reducing, making it difficult for providers to keep their businesses afloat. Staff absenteeism is a constant issue, and providers find it very challenging to manage. The feedback also indicates that there is discouragement from entering the sector due to these issues.

Providers feel undervalued and disrespected by the government, with many feeling that those working in the sector are being driven out. They express a desire for more recognition, better pay, and improved pension and holiday benefits, similar to those in the teaching profession. One respondent reported a lack of trust and respect towards them as educators and business owners, feeling that they are treated like children, especially when non-compliant with Tusla, Ireland's Child and Family Agency.

STAFFING CRISIS

A significant issue raised is the difficulty in attracting and retaining staff, with many leaving for better-paying roles in schools or other sectors. The lack of incentives and job security is a major concern for providers, who fear losing even more qualified staff to Special Needs Assistant (SNA) posts.

LOSING TRAINED STAFF TO OTHER SECTORS AND EMPLOYERS

Despite significant training costs being incurred by numerous services, there is widespread reports of losing staff to other sectors and employers, including Tusla, Better Start, Dept of Education, SNA positions, Training Colleges, etc. One service stated that "my own Preschool has lost two staff to both Dept of Ed and a training college over the past few weeks."

TRAINING AND PROFESSIONAL DEVELOPMENT

There is a perception that the sector is in need of professionalisation, with many providers feeling that their qualifications and training are not being recognised or respected. Additionally, the cost of obtaining a degree is often viewed as too high for the potential financial reward.

It should also be noted that, when asked to, the sector carried out a comprehensive and very significant upskilling initiative, generating a highly experienced, innovative and skilled workforce, including both business owners and those employed. When professional development within the sector is supported, there is, as has been demonstrated in the past, a clear progression route from room leader to business owner.

APPRENTICESHIP MODEL

In a recent separate survey, related to the above issues, 84% of services (434) stated that they would support an Apprenticeship model if it was introduced to the sector. This offers a potential option in terms of addressing the current staffing crisis.

QUALITY OF CARE FOR CHILDREN

The feedback from the service providers highlights significant concerns about the quality of care for children. The Aistear Framework Curriculum and Siolta cannot be delivered under current ratios, and children will lose out for the next 5 years or more. Providers feel that they are overregulated and answerable to too many agencies. Staff shortages and constant admin and paperwork are making it challenging to maintain the quality of care. Providers believe that the core funding model has kicked quality into the background, leading to a change in mood due to ERO and core funding. Providers are at breaking point financially, and quality is being forced to cut corners to keep businesses afloat.

FUNDING AND FINANCIAL VIABILITY

Providers report insufficient funding for the sector, particularly for AIM and ECCE. Core funding is not fit for purpose, and the lack of investment is making it difficult for services to remain viable. This has given rise to the likelihood of potential closures, due to the failure of the funding model and the fact that "one size does not fit all" when developing a funding model for the sector.

Providers also express concerns about the rising costs of running their businesses and paying staff. One participant claimed that "small services will disappear over the next decade" due to the financial struggles faced by small businesses in the sector.

OVERREGULATION AND ADMINISTRATIVE BURDEN

Providers feel overwhelmed by the amount of paperwork, inspections, and regulatory requirements placed on them. This has led to a shift in focus away from the children and their experiences, as providers are

increasingly consumed by administrative tasks. One respondent mentioned that the increased administrative burden has led to a lack of quality interactions with children and an overall decline in the quality of early years services. For example, the sector is subject to inspections from a wide number of different agencies, departments and organisations, giving rise to duplication, repetition and lack of clarity for the sector, e.g. Tusla, Pobal, Department of Education, HSE Environmental Officer, etc.

IMPACT ON SMALL SERVICES

It is evident that small services are struggling more than larger corporate providers. Many small providers feel that the government is favouring larger corporate services, forcing smaller businesses to close due to lack of funding and support. For example, "recent media coverage indicates some examples of services expanding, however these are all chains, an example of the funding model more suited to this business model."

TERMINOLOGY

Many within the sector believe that the terminology used by the Department has failed to acknowledge the role and professionalism of the sector. For example, in a separate study focusing on the use of the term 'education', 91% of respondents (667) stated that the term was extremely important, with 96% stating that Early Childhood Education and Care is a more appropriate title for their role than Early Learning and Care.

SUPPORT FOR CHILDREN WITH ADDITIONAL NEEDS

Providers report a growing number of children with additional needs requiring extra support. However, they feel that the current support systems, such as Better Start and AIM, are insufficient, and resources are not available to adequately support these children.

CONCLUSION

The ELC and SAC sector in Ireland is facing a multitude of challenges that impact the overall quality and sustainability of services. Key issues identified include stress and burnout, lack of recognition and respect, staffing crisis, funding and financial viability, overregulation and administrative burden, the impact on small services, training and professional development, support for children with additional needs, and pressure from parents and changing demands. Service providers express a strong desire for more recognition, respect, and support from the government and the wider society. To address these concerns and improve the overall quality of the sector, it is essential for policymakers and stakeholders to engage in open dialogue with service providers and take concrete steps towards addressing these challenges.

Recommendations for addressing these challenges include:

- Increasing funding and financial support for providers, particularly for small services and those catering to children with additional needs.
- Streamlining regulations and reducing the administrative burden on providers to allow them to focus on the quality of care and education for children.
- Implementing measures to attract and retain qualified staff, such as competitive wages, career incentives, and professional development opportunities.
- Recognising and respecting the qualifications, training, and expertise of ELC and SAC professionals.
- Strengthening support systems and resources for children with additional needs.

CHALLENGES FACED BY SESSIONAL ELC AND SAC SERVICE PROVIDERS IN IRELAND (SESSIONAL ONLY)

INTRODUCTION

Sessional services play a critical role in early childhood education and care in Ireland. However, recent feedback from service providers in this sector indicates a significant level of concern and frustration. The providers feel undervalued, overworked, and underpaid. They also express concerns about the quality of care for children and the impact of regulations on their ability to provide quality care. This report will examine the feedback received and identify the main issues highlighted by the service providers.

MAIN FINDINGS

FUNDING AND FINANCIAL CHALLENGES

One of the most significant issues facing ELC and SAC providers is the lack of funding and financial support. Providers report struggling to pay staff and themselves adequately, with one stating, "I pay my staff more than myself. I only can afford a wage once a month of €300." The lack of funding has forced some providers to consider downsizing or closing their services, as one provider said, "I am struggling and NOT viable or sustainable with the core funding. It can't be one for all. I am going to stay open one more year out of loyalty to my parents and in the hope the department will see how wrong they have got the new funding model for ECCE only services. I don't want to close."

STAFFING ISSUES

The ELC and SAC sector is experiencing a significant shortage of qualified staff, leading to difficulties in maintaining appropriate staffing ratios and providing adequate support for children with additional needs. Providers report a lack of applicants for open positions, with one provider stating, "We have advertised, but there is no one applying." The staffing crisis is also causing staff burnout, with one provider sharing a story of experienced staff members leaving after a "chaotic" session.

The sector is experiencing difficulties in attracting and retaining qualified staff. For example, providers have mentioned having only one applicant for a position, which they had to offer immediately due to desperation. This staffing shortage may result in the closure of ELC and SAC services in the coming years, as one provider admitted, "Lack of staff will, more than likely, see our service close in the next few years."

ADMINISTRATION WORKLOAD

Providers report feeling overwhelmed by the administrative workload required in the sector, with one provider stating, "Administration workload is immense." The excessive paperwork and documentation demands have led to some providers "drowning in paperwork," affecting their ability to focus on the quality of care and education for the children. This is exacerbated by the use of a 'portal' that is deemed "not fit for purpose" by many.

The administrative burden often leaves providers feeling overwhelmed and stressed, with little time for actual childcare and education.

INCLUSION AND SUPPORT FOR CHILDREN WITH ADDITIONAL NEEDS

Many providers welcome children with additional needs into their services but face challenges in providing adequate support. One provider shared their experience: "Needs are incredibly high and complex, and most are not assessed yet, so we are stabbing in the dark to provide the best care for their needs."

The lack of support from Better Start and long waiting lists for occupational therapy (OT) and speech and language therapy (SLT) exacerbate the situation. One provider expressed, "I feel as a provider I am now left trying to meet the needs of children when I do not have the skill base to do it."

RELIANCE ON GOVERNMENT FUNDING

The sessional model is the only model that is fully dependent on government funding, with no option to access parental fees or donations.

RESPECT AND RECOGNITION

A common theme among the providers is the lack of respect and recognition for their work as professionals. Many providers feel a lack of respect and recognition for their work, with one stating, "We are treated with what feels like contempt." Providers are seeking better communication, respect, and acknowledgment for their role in the lives of children and families.

RECOMMENDATIONS

Based on the findings, the following recommendations are proposed to address the concerns of service providers in the early years learning and school age childcare sector in Ireland:

- Increase funding and capitation rates to improve the financial sustainability of services and allow for higher staff wages.
- Implement targeted strategies to attract and retain qualified staff, such as providing better wages, working conditions, and professional development opportunities.
- Improve ELC's and SAC's access to support services, facilitating other professionals (e.g., Occupational Therapists, Speech and Language, Child Psychologists, etc.) coming into services for early intervention and support services, and re-evaluating the AIM support model.
- Streamline administrative processes and reduce paperwork requirements to alleviate the burden on service providers and allow them to focus on delivering quality care and education.
- Enhance communication and collaboration between the government and service providers, ensuring that policies and support mechanisms align with the realities and needs of the sector.
- Foster a culture of respect and recognition for service providers as professionals in the early years learning and childcare sector, addressing issues related to pay, working conditions, and overall acknowledgment of their contributions.

CONCLUSION

In conclusion, the concerns raised in the survey responses paint a picture of a sector under significant strain, with service providers facing financial, staffing, and administrative challenges that threaten the sustainability of their businesses. Without adequate support and policy changes, the possibility of services closing remains a genuine threat for the early years learning and school age childcare sector in Ireland.

FACTORS ENCOURAGING ELC AND SAC SERVICES IN IRELAND TO SIGN UP TO CORE FUNDING

INTRODUCTION

This section presents the concerns and suggestions of early learning centres and school-age childcare services in Ireland about signing up to Core Funding in the early years sector.

POTENTIAL CLOSURES

17% of respondents stated that they are seriously considering looking at closing their business in June. In terms of the survey itself, this represents 114 services, which is not only significant, but potentially detrimental when applied to the wider sector as a whole.

FINANCIAL REASONS

Many respondents mentioned that they had no choice but to sign up for Core Funding due to financial reasons. They expressed concerns about increased wages, inflation, and the inability to increase monthly fees without losing clients. Some respondents also reported having no money in their accounts, struggling to pay their staff, and facing Revenue bills they could not afford.

CORE FUNDING

Several respondents requested a substantial increase in ECCE funding or double the core funding to encourage them to sign up for Core Funding. Some respondents believed that fair funding should be provided for all sectors of childcare, and others mentioned the need for recognition of experience rather than just degree-led qualifications.

ADMINISTRATIVE BURDEN

Many respondents were concerned about the paperwork and scrutiny involved in signing up for Core Funding. They requested less arduous reporting, a reduction in the amount of paperwork, and a more streamlined application process. They also suggested having combining inspections, to avoid duplication, and improving the NCS system.

CONTROL OVER BUSINESSES

A common concern among respondents was the perceived loss of control over their businesses due to government involvement. They did not want the government to dictate their operations and preferred to maintain control over their private businesses. Some respondents mentioned that they were not interested in running the NCS and believed it should be managed by the government itself.

CONCLUSION

This section highlights the main concerns and suggestions of early learning centres and school-age childcare services in Ireland regarding signing up for Core Funding. Key issues include financial reasons, core funding, administrative burden, and control over private businesses. Addressing these concerns and providing a more supportive environment for these services could encourage them to sign up for Core Funding and improve the overall quality of early years provision in Ireland.

SUPPORTING CHILDREN WITH ADDITIONAL NEEDS IN ELC AND SAC SERVICES IN IRELAND: KEY CONCERNS AND CHALLENGES

INTRODUCTION

The Early Learning Centre (ELC) and School Age Childcare (SAC) sectors in Ireland have recently been surveyed to evaluate the implementation of the Access and Inclusion Model (AIM) within their services. The survey, which garnered responses from 326 ELC and SAC providers, revealed insights into the types of support being applied for and the efficacy of the support being provided.

Among the providers surveyed, 27% offered full-day care, 57% sessional, and 15% part-time and SAC services. It was found that 83.5% of them employed AIM staff, and 94% had applied for AIM for a child in their service. A significant majority, 97%, applied for Level 7 support, while 27% applied for Level 1-4 support, and the rest for Level 5 (7.5%) and Level 6 (3%). (86% of the applications were in line with the level of allocation provided.)

It should be noted that, even when successful in accessing AIM, the support is limited to 3 hours, impacting the provision of support in a full day care setting, regardless of the fact that the needs of the child are not limited to hours or type of service being used.

Upon receiving Level 7 support, 78% of the providers successfully employed a new staff member, but 22% faced challenges in doing so. The survey also highlighted that 77% of respondents believed that the child being supported benefited from the lower staff ratio, while 24% did not observe such benefits. Despite the level of support provided, 64% of the services claimed that the assistance from Better Start and the lower ratio was insufficient to support the child.

In a separate finding, an alarming 95% of services noted an increase in the number of children requiring support over the past three years. This data emphasises the need to evaluate and potentially revise the support systems in place for the ELC and SAC sectors in Ireland.

Among the service providers, 84% completed the LINC course, with 34% finding the skills learned very or extremely useful and 48% stating they were somewhat useful. The LINC course's effectiveness highlights the importance of ongoing professional development and training for those working in the ELC and SAC sectors.

SUMMARY OF FINDINGS

FUNDING AND RESOURCE ALLOCATION

One of the main concerns reported by service providers is the inadequacy of funding for children with additional needs. Providers feel that funding should be allocated per child, rather than being shared among several children.

"I feel if a child is granted level 7, it should be for that child only and not shared...with their own funding we would be in a position to employ another teacher."

STAFF TRAINING AND SKILLS

Service providers reported that staff often lack the necessary training and skills to support children with additional needs effectively. As a result, some providers believe that the Access and Inclusion Model (AIM) is not fulfilling its potential.

"My concern is that staff are not equipped or trained for the specific skills they need to support the children and therefore AIM is a waste as honestly children are just existing in the service for the 3 hours and gaining no benefit."

INCLUSION AND IMPACT ON OTHER CHILDREN

While providers strive to create an inclusive environment for all children, they also express concerns about the impact on other children in the group when resources and attention are diverted to support children with additional needs.

"Not all children with an AN can be part of an ECCE integrated program. The needs of ALL children in the group must be addressed."

COMPLEXITY OF NEEDS AND ASSESSMENT

Service providers face challenges in addressing the diverse and complex needs of children with additional needs. Delays in assessment and lack of access to professionals such as psychologists further exacerbate the situation.

"Needs are incredibly high and complex, and most are not assessed yet, so we are stabbing in the dark to provide the best care for their needs."

STAFFING RATIOS AND ONE-TO-ONE SUPPORT

Service providers stressed the importance of having lower staffing ratios and providing one-to-one support for children with additional needs. They also noted that AIM staff should be paid for longer hours to ensure the same level of care throughout the day.

"The ratio certainly needs to be lower where there is a child or children requiring extra support in the class and should be able to stay later in the day with the same level of care. So AIM staff need to be paid for longer hours."

ACCESS TO SERVICES AND EARLY INTERVENTION

Providers reported long waiting times for early intervention services and difficulties in accessing necessary supports, such as speech therapists, occupational therapists, and psychologists. One educator expressed the need for "direct access to professionals in the classroom," demonstrating the importance of a strong support network for early years settings.

"Children at the moment are not receiving early intervention or diagnosis, long waiting lists and not getting regular visits from early intervention teams, you can see the huge difference compared to years ago."

RESOURCES AND EQUIPMENT

Service providers highlighted the lack of funding for essential resources and equipment, such as sensory rooms and specialised materials, which are needed to support children with additional needs effectively. Funding for equipment can be applied for under AIM, however it has to be returned when the child for whom it was allocated goes to school.

"I am concerned by the increase of children year on year requiring support. My room does not always meet needs, there is no funding for extra equipment, sensorial/weighted material."

STAFF RECRUITMENT AND RETENTION

Service providers face challenges in recruiting and retaining AIM staff, which can negatively impact the support available for children with additional needs.

"I know from colleagues that it's almost impossible to recruit Aim staff."

IMPACT ON SERVICE PROVIDERS

Providers expressed concerns about the financial implications of supporting children with additional needs, as well as the potential for staff burnout due to increased workload and pressure.

"I purposefully don't apply for AIM support because it costs me too much to have them in place... And if I did this for 5 children, I'd be out of business!"

COLLABORATION AND DECISION-MAKING:

Providers reported that collaboration among stakeholders and timely decision-making by AIM specialists are often lacking, which further hinders the provision of adequate support for children with additional needs.

"Decisions taking too long to be made by AIM specialists."

CONCLUSION

This section highlights the concerns and challenges faced by ELC and SAC service providers in Ireland in supporting children with additional needs. The findings underscore the need for improvements in funding, staff training, resources, and access to services, as well as better collaboration among stakeholders.

IMPACT OF INSURANCE ON ELC AND SAC SERVICES

INTRODUCTION

We conducted an extensive survey within the Early Learning and Care (ELC) and School Age Childcare (SAC) sector in Ireland to investigate insurance costs. We collected responses from 430 providers, of which 60% offered sessional services, and 28% provided full-day care. The findings indicate that 74% of respondents experienced increased insurance costs since the previous year. Among these, 61% reported a 10-20% increase, 27% saw a 30-40% rise, and 22% faced a substantial surge of over 50%.

The primary concerns emphasised in the responses include elevated insurance premiums, pressure to join another organisation to obtain insurance discounts, limited insurance options, and inconsistent pricing. Through this report, we aim to shed light on these concerns, offering a detailed account of the issues faced by providers in the childcare sector and the impact it has on their operations.

MAJOR CONCERNS

INCREASED INSURANCE PREMIUMS

Many respondents have expressed their dissatisfaction with the rising insurance premiums. Some providers experienced increases as high as 80.75%, which significantly affected their business operations. Providers believe that these increased costs are unjustified, given that their services have not changed and they have not made any claims in the past.

One participant shared, "We are absolutely deflated with this hike 80.75% increase!! We need more insurers. We need help!" These increases have led to concerns regarding the sustainability of childcare services and the potential need to pass on costs to parents.

PRESSURE TO JOIN ANOTHER ORGANISATION FOR INSURANCE DISCOUNTS

Respondents have voiced their frustration with the pressure to join another organisation in order to avail of significant insurance discounts. Many feel that they are being forced to join the organisation solely for this purpose, as they do not see any additional benefits in becoming a member. Providers feel that this requirement is unfair and coercive, as they have no other option but to join to access affordable insurance rates.

LACK OF INSURANCE OPTIONS

The survey responses indicate that there is a widespread dissatisfaction with the lack of insurance options available for childcare providers. Providers believe that having only one insurance company for childcare insurance is unfair, leading to a monopoly that allows the company to dictate prices and conditions without competition. The respondents have called for the introduction of more insurance providers to increase competition and improve the affordability of insurance in the sector.

One respondent said, "We need another insurance company. We are held to ransom. Not fair." Some participants also highlighted the challenges they face when seeking insurance for both their childcare service and their dwelling.

INCONSISTENCIES IN PRICING

Respondents have also highlighted inconsistencies in insurance pricing for similar services. Providers have reported significant differences in quotes for services with similar characteristics, such as the number of children and the type of service provided. This lack of transparency in pricing has led to confusion and frustration among providers who believe that there should be more consistency and fairness in how insurance costs are determined.

One participant mentioned, "I think that the Insurance company is basing their pricing by geographical location, seems to me that providers in Dublin/Cork (cities) are paying much more." These discrepancies in pricing have led providers to feel that insurance companies are "guessing" what to charge, resulting in a lack of transparency and fairness in the sector.

ROLE OF GOVERNMENT

Several respondents called for government intervention to address the issues surrounding insurance in the ELC and SAC sector. Some providers suggested that discounts should be government-based rather than tied to membership of another organisation. Others urged the government to take action to halt price increases, especially for services with no claims history.

CONCLUSION

In conclusion, this section highlights the major concerns faced by childcare providers, including increased insurance premiums, pressure to join another organisation for insurance discounts, the lack of insurance options, and inconsistencies in pricing.

TAILORING SOLUTIONS: STRATEGIC RECOMMENDATIONS FROM FECP

With recent developments in the early years sector, including the implementation of the EROs, the simplification of the NCS, as well as the option of core funding, there has been a positive move towards attempting to establish a fair and equitable business environment for all early years services. However, while a number of these developments have been beneficial, one overall impact of their implementation has been to highlight the major discrepancies that exist between certain types of service models within the sector; directly impacting upon the viability and sustainability of a large number of early years providers.

DISCREPANCY BETWEEN EARLY YEARS SERVICES

The most glaring example of this is evident when analysing many mid-sized services that are owned and managed by a single owner/ manager; which is one of the most popular models of early years services throughout Ireland. In many of these cases, the apparent viability of the services is being achieved artificially, with the owner/ managers reducing their salaries where necessary to support increases in operational costs. As a result, while the term 'profitability' is often described to refer to the 'bottom line' in annual finances, the 'profit' being generated within many of these owner/ manager mid-sized facilities actually excludes the salary of the owner/ manager themselves. As a result, while the financial accounts of the service may indicate that the service is viable based upon annual accounts and returns, the model is completely unsustainable and, in reality, is financially unviable.

This would be of major concern if it were a recent issue, arising out of latest changes in the provision of early years services. However, the consequences are more imminent, due to the fact that this situation has been the case for years, clearly highlighted by various reports within the sector that date back to 2015; and are now exacerbated by recent developments in sectoral policy.

ADDRESSING THE ISSUE

In other social and business sectors, this issue would not be the concern of the state. Understandably, it would be regarded a matter of concern for the owner/ managers themselves, requiring changes to the business in terms of its operational income (fees and number of clients) and costs (primarily wages) to address viability.

However, this is not possible within the early years sector. In terms of operational income, the early years providers have little to no room to manoeuvre, with fees having been regulated by core funding (a prerequisite for the receipt of core funding), and the number of clients (children) limited to the ratios stated by the Childcare Act and Regulation. On the other hand, staff wages, which represent on average between 75%-90% of total operational costs, are controlled by the recent ERO. As a result, the usual release mechanisms used by businesses to adapt their operations to achieve viability have been removed, and the early years sectors are now dependant entirely upon the ability of the Core Funding, or similar programs, to provide a solution; which the FECP believe it cannot currently do without being adapted to better reflect the commercial realities facing early years providers.

SUBMISSION BY FECP

FECF accept the need for regulation, and this submission by FECF should never be regarded as an attempt to promote deregulation or any reduction of quality in the services being provided. Nevertheless, it is unrealistic to approach the early years sector in a similar manner to other social or business sectors. On the one hand the sector is heavily regulated, with controls that impact both income and costs, while, on the other, privately-owned services are expected to be able to adjust their business model to achieve viability and sustainability. These two positions are not compatible.

FECF are aware that the Core Funding initiative was introduced to address this market inefficiency, providing funding, subject to EU guidelines, to support the early years services and reflect the need for significant regulation within the sector. However, FECF are stating that not only does the Core Funding initiative fail to

adequately represent the diverse business models in the early years sector, this failure is likely to result in the closure of many mid-sized privately-run owner/manager services throughout Ireland.

To address this issue, it must be acknowledged that privately-owned services cannot be regarded as a single homogenous type of early years service. In reality, there are a number of different types of general models operating within the sector, that require different approaches regarding funding and pricing.

OWNER/ MANAGERS SALARY TO BE REFLECTED IN CORE FUNDING

Core Funding is based upon assumptions regarding the profitability of early years services, and the financial supports required to sustain viability. However, FECP are stating that the profitability assumptions never took into consideration the fact that owner/ managers of many small and mid-sized services have maintained the viability and sustainability of the business through the use of their own salaries and through the provision of out-of-hours support and non-contact unpaid hours to parents, families and children.

In many cases, as has been clearly demonstrated in previous Irish reports into the sector, owner/ managers have either not taken any salary, or reduced their salary significantly to achieve breakeven or a small profit. In truth, this historic practice, which has, and is, widespread, across the sector has sustained an 'artificial' breakeven point that, with increased standardisation and regulation regarding fees, ratios, qualifications and wages, cannot now be addressed within the business by the owner/ manager themselves.

As their options for adjusting the level of income and costs become even narrower, a relatively large number have now come to the conclusion that to continue operating in this manner would be detrimental to their own personal circumstances. As a result, many of the owner/ manager services operating this model will be closing over the next 1-2 years.

FRANCHISES VS OWNER/ MANAGER SERVICES

While FECP accept that it is not possible to adapt the Regulations, Core Funding, or other funding programmes, to meet the needs of all various models, one immediate consequence of the concerns raised above is now becoming evident in the provision of early years childcare services among privately-owned facilities.

As mentioned above, to date, many owner/managers of services have managed to keep their businesses operating by creating an artificial breakeven point; put simply they have either not taken any salary or have reduced their salaries significantly to keep the business afloat.

Which begs the question – what happens when the option of reducing or eliminating the owner/ manager's salary is not available? In that case, what options are available to the service to maintain financial viability and meet structured payments by the early years service?

An example of such a business model in the early years sector is the large franchise, whereby the service is provided on a private basis, but not with direct involvement by an owner/ manager. The 'artificial' release mechanism provided by the salary of the owner/ manager (regardless of it being detrimental to the viability of the business) is no longer available in this case and, with major overhead costs such as leasing, etc. being fixed and non-negotiable, the only other major option available is likely to involve staff costs, i.e. wages.

SUMMARY

In summary, while there have been significant benefits arising from recent developments within the early years sector, there are a number of legacy issues that have been neglected by the Core Funding program, with direct impacts upon the real viability of early years services. The immediate impact is certainly going to result in the closure of many owner/ manager services within the next 18 months, and the likely adoption of practices by other business models that are contrary to the provisions of the Childcare Act and regulations.

CONCLUSIONS

FUTURE OF EARLY YEARS SECTOR: INTENTIONS TO CLOSE IN JUNE 2023

The future of the early years sector in Ireland depends on the sustainability of ELC and SAC services. Immediate action is required from the government to address the financial, staffing, administrative, and mental health challenges faced by providers. Without such support, the consequences of service closures on families, communities, and the future of Ireland's children could be dire.

CHALLENGES AND CONCERNS IN THE ELC AND SAC SECTOR IN IRELAND

The ELC and SAC sector in Ireland is facing a multitude of challenges that impact the overall quality and sustainability of services. Key issues identified include stress and burnout, lack of recognition and respect, staffing crisis, funding and financial viability, overregulation and administrative burden, the impact on small services, training and professional development, support for children with additional needs, and pressure from parents and changing demands.

CHALLENGES FACED BY SESSIONAL ELC AND SAC SERVICE PROVIDERS IN IRELAND

The concerns raised in the survey responses paint a picture of a sector under significant strain, with service providers facing financial, staffing, and administrative challenges that threaten the sustainability of their businesses. Without adequate support and policy changes, the possibility of services closing remains a genuine threat for the early years learning and school age childcare sector in Ireland. Addressing these concerns is crucial for the continued sustainability and success of the sector.

FACTORS ENCOURAGING ELC AND SAC SERVICES IN IRELAND TO SIGN UP FOR CORE FUNDING

This section highlighted the main concerns and suggestions of early learning centres and school-age childcare services in Ireland regarding signing up for Core Funding. Key issues include financial reasons, core funding, administrative burden, and control over businesses. Addressing these concerns and providing a more supportive environment for these services could encourage them to sign up for the Core Funding and improve the overall quality of early years provision in Ireland.

SUPPORTING CHILDREN WITH ADDITIONAL NEEDS IN ELC AND SAC SERVICES IN IRELAND

The findings underscore the need for improvements in funding, staff training, resources, the expansion of AIM, and access to services, as well as better collaboration among stakeholders. Addressing these issues is essential for ensuring that all children, including those with additional needs, receive the support and care they require for their development and well-being.

IMPACT OF INSURANCE ON ELC AND SAC SERVICES

This section highlighted the major concerns faced by childcare providers, including increased insurance premiums, pressure to join another organisation for insurance discounts, the lack of insurance options, and inconsistencies in pricing.

TAILORING SOLUTIONS: STRATEGIC RECOMMENDATIONS FROM FECP

In summary, while there have been significant benefits arising from recent developments within the early years sector, there are a number of legacy issues that have been neglected by the Core Funding program, with direct impacts upon the real viability of early years services. The immediate impact is certainly going to result in the closure of many owner/ manager services within the next 18 months, and the likely adoption of practices by other business models that are contrary to the provisions of the Childcare Act and regulations.

SOLUTIONS

Based on the extensive research conducted by FETC, which involved reviewing more than 3,300 responses from various surveys, we present a concise summary of the immediate solutions being suggested.

€100 ECCE CAPITATION

To address the financial difficulties encountered by Early Learning and Childcare (ELC) and School Age Childcare (SAC) providers, we propose increasing the capitation for the Early Childhood Care and Education (ECCE) program to €100. This enhancement will ensure improved financial stability for providers, enabling them to concentrate on providing high-quality care and education while reducing the financial and personal strain that is very evident within the sector and threatens the future of a significant number of services.

FEE FREEZE LIFTED TO SUPPORT ERO

Lift the fee freeze within the sector, to support the ERO, enabling providers to revise their fees to accurately reflect the costs associated with operating their businesses; avoiding a 'one-size-fits-all' model and adjusting to the different types of services. This will help alleviate financial pressures and ensure that providers can continue to offer high-quality care.

APPRENTICESHIP MODEL INTRODUCED IMMEDIATELY TO MITIGATE STAFF CRISIS

Introduce an apprenticeship program to tackle the staffing crisis in the Early Learning and Childcare (ELC) and School-Age Childcare (SAC) sectors. This will provide a pipeline of skilled professionals entering the field, and reduce the strain on existing staff, ultimately improving the quality of care and education provided.

EXTENSION OF AIM ALLOCATION TO FULL DAY CARE HOURS

Expand the AIM allocation to cover full day care hours for children with additional needs, ensuring that these children receive the support they require for their development and well-being. Additionally, this approach lessens the pressure on childcare providers to accommodate the unique requirements of children needing extra support.

OPTIONAL EXTRAS TO BE REINSTATED

Reinstate optional extras for providers, allowing them to offer additional services and resources to families; enabling them to customise their offerings based on the specific needs of their communities. This approach ensures that all children receive care that can be tailored to their requirements.

INCREASE RATIO TO 3:22 AND FUND ACCORDINGLY

Change the legislation to increase the staff-to-child ratio from 2:22 to at least 3:22, and provide funding to support this change. This will help address staffing concerns and ensure that children receive more individualised attention, ultimately improving the quality of services provided by ELCs and SACs.