

Date xxx

To whom it may concern

We would like the Oireachtas Childrens Committee to carry out a full in-depth investigation into the National Childcare Scheme (NCS), subsidy as delivered by the Department of Children, Disability, Equality, and Inclusion and administered by Pobal.

Whilst it is widely recognised and accepted that the scheme has proven very popular with, and beneficial to, families throughout all corners of our country, as it most definitely helps to drive down the costs relating to childcare for the parent, it must also be accepted that dissatisfaction with the system have been expressed loudly by both parents and service providers/managers. Most recently the subject of the NCS came in for scathing reviews aired on our national airwaves (RTE radio 1) on both February 22nd and 23rd. While it may be easier for the Department to deny the accounts of both parent and providers experience with the NCS, I would suggest that listening to the legitimate issues raised and responding accordingly is a far more worthwhile exercise long term.

The latest figure released indicate that in excess of 200000 children are now accessing this subsidy, from the universal rate of €1.40 per hour, up to the higher rates on offer through the targeted version of the scheme. There is no doubting this was a much-needed scheme for parents throughout Ireland who were experiencing some of the highest childcare costs in Europe. These high costs being directly related to the historic underfunding of early years for many decades. The Department are hailing this scheme as a great success, which it is, but the question must be asked at what cost to the Service Provider/Manager and the children?

NCS The beginning

The NCS was first launched in November 2019

Before it was ever brought in to being there was a stakeholder engagement process. It was at this stage that the hourly rate was first mooted. To put this in context. Childcare in Ireland is legislated to provide for three types of provision, measured in terms of time sessional (up to 3 hours thirty minutes), part time (from 3 hours 31 minute to 5 hours) and full time (from 5 hours 1 minute plus

All childcare facilities in Ireland operate to these three types of provisions in line with regulations. At the point of introducing hourly rating the provider representatives on the stakeholder's forum strenuously objected to this, stating clearly and often that hourly rates would not work. Despite the 'true experts', who actually operate childcare on a daily basis, strong objections, the NCS was brought in to being with hourly rates at the heart of the subsidy system.

The providers/ managers were provided with training on this all new system prior to it going live. The new NCS system was lauded as being easy to navigate and simple to use during the training sessions. Providers/managers were informed that each child would receive an annual award in the form of a CHICK (child identifier code). It all sounded quite good from the training received, bearing in mind the massive misgivings felt throughout the sector regarding hourly rates which were not cohesive with the regulatory framework in which we operate. At the training we received we were assured that parents would have a single go to service where parents could be supported through the application process. There is a parent helpline available, which parents report as not being the best solution for them and are not inclined to use it.

NCS -The reality from a provider perspective.

On paper it would appear the NCS is a simple enough process, but in reality, it is missing accounting for, one very important factor and that is “the human factor”. Parents change their minds about the number of days/hours they require. Parents in general have a poor understanding of how the system operates which often leads to confusion or mistakes being made, requiring inputs from the provider/manger to help straighten out the situation. Parents do not know how to use the portal appropriately in some cases, leading to inadvertent cancellations which creates a sizable workload for the provider/manger to process. Parents in essence do not understand the system and find it difficult to navigate. While it is accepted that guidelines are available, it must be recognised that they are circa 90 pages in length. Again this points to the very cumbersome nature of navigating the system. Parents’ circumstances changing leading to subsequent changes in their day care requirements. All factors which were unaccounted for when it was presented as a simple straight forward system to implement, which would improve the provider/managers’ circumstances.

In the first instance many providers/managers are the first to introduce the scheme to the parents, which entails taking the time to explain how the subsidy works and how a parent can apply for it, which takes time.

When a service receives a CHICK from a parent to process there are potentially 10 steps to be followed before the registration process is finalised.

- 1) Ascertain arrival and departure time for the child.
- 2) Calculate the number of hours the child will be in attendance.
- 3) Register the child on the system.
- 4) Calculate the parent co-payment fee. This in many cases will require multiple calculations as the child can get up to 3 different monetary awards in one annual period. If the child accesses ECCE or is an after-school child, then the co-payment needs to be calculated regarding term time fees and out of term fees.
- 5) Prepare a parental contract with all calculations clearly outlined for the parent.
- 6) Make a duplicate copy for the parent.
- 7) Get the contract signed.
- 8) File the contract on the specially prepared compliance file to be available for Pobal inspection visits.
- 9) Contact the parent to ensure they confirm the hours requested on the Hive. This can often entail explaining to the parent how to do this.
- 10) It is often necessary to make multiple contacts with the parent before the confirmation step is completed.

When the child is registered on the NCS

- 1) Reminders need to be issued to parents around a changing co-payment due to an age change or in-term verses out of term hours (as parents will forget)
- 2) Reminders need to be issued to parents around CHICK renewals.
- 3) Reminders need to be issued to the parent once the chick is renewed it must be given to the service so that the 10 steps above can begin again. Please be aware that whilst we were told at training stage that CHICKS will be awarded on an annual basis, we are not finding that on the ground, we are finding that many chicks only last for a 6-month period, requiring us to do the registration process at least twice yearly for some {or in my case many} children per year.

All the steps outlined above are relating to just one child, now multiply that across the number of children in attendance at a service availing of the NCS subsidy (in my own personal service there well in excess of 100 children on the NCS) You now begin to get an insight as to extremely cumbersome system we are dealing with daily.

If an overpayment or indeed an under payment occurs, we must calculate the difference and ensure it is rectified and document same for the purpose of compliance visits.

Some children's hours claimed will change every week as they are completely based on a parent's work roster, so therefore we need to adjust the claimed hours on a weekly basis and go through the parental confirmation piece.

To put this in perspective, in my larger service I have 88 children availing of the NCS. From July 2022 up to the end of January 2023 I wrote 208 parental contracts with all that entails. At an extremely conservative estimate it takes minimum 30 minutes to complete the registration process but usually longer So in that 6 month period I spent 3 full time weeks working on contracts for the NCS Please note there is no financial benefit to the service from the rolling out of the NCS The NCS is a subsidy awarded to parents and merely offsets some part of or in some cases all of the fee set by the service. There is no extra money to be gained for the service by engaging with it. We do receive a paltry annual sum towards administrative costs, which would not cover or come close to covering the costs of the administrative burden being placed upon the shoulders of the providers/managers. Conservatively, and I emphasise the conservative piece, I would estimate that my workload has increased by circa 400% since the NCS subsidy was launched – a somewhat different tale to the simplicity of use we were told about during our initial trainings! From engaging with colleagues throughout Ireland this seems to be an accepted figure for the increase in the workload created by the NCS.

Registering the children is only one part of what is involved in rolling out the NCS.

- 1) We must read and sign contracts issued to us on an annual basis. It needs to be noted at no point do we get to engage with the contractual arrangements. We are given to sign with no input from the sectors point of view.
- 2) We must read and digest the rules attached to the scheme.
- 3) We must prepare calendars for the portal.
- 4) We must prepare fees policies for the portal.
- 5) The fees policy and the calendars must be distributed to our parents. Which in some cases requires duplication as parents must receive fees policies and calendars under the ECCE scheme also and we are required to furnish parents with fees policies under the new Core funding model. So our parents receive at least 2 fees policies and in some cases three. This leads to nothing other than utter confusion and leaves our parents questioning us about the necessity of it all.
- 6) We must put up both our fees policy and our calendar on any digital social platforms we use as part of our business.
- 7) Weekly we must do a return in order to have the subsidy released to the service
- 8) We must track hours for every child to ensure they do not fall foul of the rules of the scheme.
- 9) If there is a noted pattern of absences of up to 4 weeks, we must put the child in as a leaver. If the child attends for less hours than are claimed over an eight-week period, we must note this in our return., For the subsequent weeks close attention must be

paid to that child's attendance. All of this requires a huge piece of work on behalf of the provider/manager tracking the hours of attendance of each individual child availing of our service. We are required to police parents regarding their child's attendance to ensure the parent does not lose out on the full subsidy available to them if under attendance continues after the 12 week period. We must reduce the hours claimed on the portal, which will require a new parental contact to be drawn up.

- 10) We are often asked by parents to support them through technical issues they are encountering, from accessing Public Service cards to navigating the Hive portal itself, which many report as being not user friendly, which of course requires time on our behalf.
- 11) We need to engage with the provider centre to help us troubleshoot any issues we are encountering. This can be a very slow process depending on the time of year you require help as during busier registration periods it is very difficult to get through to a person by phone and the wait times can be more than 20 minutes.
- 12) We need to check the announcements which come through from our department or Pobal on the Hive. They are prolific in number and in some cases will require an action on our behalf.

Add to this, an operation system -The Hive portal, most often described as not fit for purpose, as it throws up glitches and error messages with an astounding degree of regularity. The speeds of operating systems are all too often a source of major complaints by the provider/managers as the system seems to grind to a halt at pressurised times, where it simply cannot support heavy traffic usage. This leads to an even greater level of frustration experienced by the provider/managers. Not only do we have an excessive workload but we have a system which is simply at times unworkable. This provider knows in order to get best use of my time that it is preferable to work on the system late into the night when the traffic on the portal is much lighter. No one should have to resort to such measures to administer this scheme but sadly some of us have learnt that this is preferable to the stress of trying to operate the system at busier times of the year, during normal working hours.

As part of signing up to the NCS we are open to Pobal compliance inspections, which take the form of unannounced inspections. To facilitate said inspections someone must be present at all times who can show the attendance records for every child in the service over a 12 month period, be able to provide records of the qualifications of all staff working directly with the children, be able to show the weekly cash records and give access to the bank accounts so parental fees can be seen as coming in to the bank. Whilst the attendance records are easily accessible by staff, the financial details are usually held by the provider/manager. If for any reason the provider/manager is not present for an on the spot inspection and therefore the financial details are not accessible to the inspecting officer a major non compliance will apply. In my own personal case we are open 50 weeks of the year and 50 hours per week, so is it reasonable to expect I am there for all 50 hours per week over 50 weeks per year to ensure I can provide the financial data required to complete the inspection process. That sort of pressure translates to enormous stress on the shoulders of providers/managers, which I would add is entirely unnecessary if we were afforded the same respect as given to nursing homes who roll out the Fair Deal scheme on behalf of the Government and are given three weeks' notice of an impending Pobal inspection. It would appear that we in Early Years are not to be trusted but also are not worthy of some respect from our Department. I totally accept that there is an onus on the Department to ensure exchequer funding is used appropriately and accounted for, but I would argue strongly that it does not require this very heavy-handed approach currently.

being engaged in by our department. This type of inspection piles further pressure on an already over worked provider/manger and as we are all aware in stressful or pressurised environments mistakes are more likely to occur!

While you digest the workload and pressure involved in all the above, factor in that the Provider/Manager is trying to run a busy service and ask yourself where we are supposed to get the time to vest in trying to run a quality driven service whilst juggling that administrative overload. It comes in one of two forms, either the provider/manager has to engage with a lot of the administrative workload in the evenings or night or at the weekends OR the quality is compromised by the amount of hours the Provider/Manager is absorbed in the administering the scheme and ensuring that the service does not fall in to the non-compliant category, which is time NOT spent in his/her service, leading a staff team and working on the ground alongside the team with the children. The third alternative is to employ a dedicated administrator, for which there is no allocation in our Core Funding model, and many of the medium to smaller services simply cannot afford.

We are committed to delivering NCS if we sign up for the new stream of funding which came available to the sector mid-September 2022, in the form of core funding. When signing up for Core funding we had to accept a fee freeze based on our fees policies of 2021. Bear in mind from 2020 the sector benefitted greatly from the EWSS scheme which certainly kept us afloat during the worst of Covid times. The vast majority of providers did not raise their fees during this time period in respect of the subsidies we received in the form of the EWSS, as requested by our department. In September 2021 we were still in receipt of the EWSS, so most providers did not raise their fees in line with inflation. So, with the introduction of core funding many providers found themselves locked in to a fee structure which was outdated and was not fit for the current economic situation, with the huge hike in all costs. We accept that all businesses in Ireland were facing the same unprecedented inflationary pressures but we were unique in that we could not raise our fees to help in some way offset the massive rise in expenditure required to run a quality service. Speaking personally, I have not raised my fees since 2018 and find myself locked into a fee structure which in no way reflects the true costs involved in running a service in 2023, because I honoured the requests made by our department during EWSS. In some age ranges my fees are as much as €22 per week less than the national average. When a financial squeeze comes on it has a direct impact on one's ability to deliver a level of quality, which most desire to offer our service users.

To put this into context my smaller service caters for 22 children full day care children, aged from 0-3, currently due to fee freeze we are operating at €22000.00 per annum, below the national average fees charged in Ireland (Based on figures from the Department). Similarly, my school aged service is operating at €14700 per annum below the national average. We would like to note that these figures given for national average childcare costs are somewhat skewed as they were collected during a time when the fee freeze was in operation. This is all happening in a time when we are seeing inflation rates not seen in decades and we have our hands tied, as business operators to effectively do anything to offset these rising costs.

We feel there is an abuse of a dominant position being carried out by the Department of Children, Disability, Equality and Integration. This is clearly demonstrated by.

- Fee freezes
- Heavy handed compliance oversight
- Contracts with absolutely NO consultation

- Lack of MEANINGFUL consultation/partnership
- Failure to address issues identified, completely outside our control.
- Failure to expedite practical solutions, which are acknowledged as worthy, in a timely fashion

We have met with Departmental officials on many occasions, through many different stakeholder type fora, in the intervening years since the inception of the NCS and have clearly voiced our many concerns/issues with the current structure of the NCS from an operational point of view. We have put forward practical solutions, which could really have a positive impact on the workload involved but sadly we feel that our words, whilst acknowledged, fall on deaf ears with no relief from this burden, in sight. This is extremely disheartening because the provider/manager stakeholders engage in these processes, giving freely of their time and expertise but end up feeling that it was a waste of time- time better spent working directly in the service, as no proper or timely actions are brought about.

By way of an example of this I recently sat on a stakeholders' forum, as the ACP representative, regarding the NCS with particular reference to the January uplift in the subsidy rates. During these meetings, we discussed wider issues with the operational aspect of the NCS. Being solution focused I put forward a solution which I felt would reduce the workload of all providers by approximately 50%. I suggested during the renewal of child process that two further questions could be asked of the parent, Is your child remaining in his/her current setting? And is your child doing the same number of hours? If the answer to these two questions is yes, as it often is an auto renewal should take place, cutting out the need for the 10 steps above. It was felt there was a definite merit to this but at the culmination of this process it was put on a program of works for possibly the second quarter of 2024. Disappointment does not begin to describe my reaction. On the one hand the Departmental officials acknowledge and accept there is a major issue with the time-consuming beast they served us up with the NCS but when handed a possible solution, which could genuinely put a large dent in the workload involved, it was kicked down the road by circa 18 months, bearing in mind we have been enduring this now for 3 years plus.

There is no denying the great success the NCS is, but it is achieved only by overburdening the many providers/managers throughout this country who administer this scheme on behalf of the Government.

As we have demonstrated this system forces a huge and cumbersome and in some cases crushing workload on providers/managers, it begs the question how long more can this continue until more and more providers/managers stop signing up for the scheme altogether? And who could blame them? Please note the parents of Ireland will be the greatest losers if this situation unfolds.

"I got into childcare, to spend most of my time engaging in endless paperwork" said no provider/manager ever.

A hypothesis that can be concluded from our current situation is that it could be the catalyst for quality providers/managers to exit the sector for good. We can not afford to allow this situation to come about, especially when you consider the recruitment and retention crisis, being experienced by our sector currently.

Most providers are currently engaging with the NCS but there are many providers who do not. If a service does not offer the scheme it mitigates against parents accessing the subsidies designed to make childcare more affordable. Given that in most areas there are more children than places on offer, it may not afford a parent the opportunity to enrol in

an alternative service, which does offer the scheme thus leaving the parent paying full unsubsidized fees, with no choice in the matter. It again begs the question as to why these providers have chosen not to sign up and what is the Department doing to ensure 100% of services provide the subsidies towards fees for parents? Are these providers shying away from the scheme because of the cumbersome workload involved? Many of the childcare organisations will attest to this being the number 1 reason cited for services not signing up for the NCS. Why is the Department not taking this seriously and working with the provider stakeholders to ensure that the operating system is simplified enough, as to make it attractive for ALL providers to roll it out to their parents, thus ensuring every parent is getting equal opportunities when it comes to affordable childcare?

Many questions have been posed and many answers need to be sought from the Department of Children, Disability, Equality and Inclusion, as they alone have the answers required here. To date through all the different stakeholder forums, the provider representatives have not been able to get meaningful engagement from our departmental officials, resulting with our desperate plea to The Oireachtas Childrens Committee to intervene at this point before the situation becomes untenable for more providers.

NCS- Reality –From the child’s perspective

Looking at the NCS scheme from a children’s rights point of view, we must pose the question is hourly rates the best we have to offer to meet the needs of our young people?

The hourly subsidies have put pressure on families to put their children in services for longer hours per day and indeed more days per week, so that the parent can maximise the benefits the scheme has to offer. Given that providers/managers from all corners of our country have reported such practices, it would be fair to argue that the scheme can lead to anti-family practices and is not in the child’s best interest.

The corollary to that argument is that in areas of disadvantage, where parents may be at home due to unemployment or for health reasons these children are typically offered less hours per day as the system deems the parent to be in the home and available for the children. It does not account for potential circumstances in the home, where there may be no money available to heat the home or to provide healthy meals for the child, which would both be provided to the child, if they had access to a service. It does not take into account that there may be mental health issues which impacts the quality of the child’s life. It does not take into account that the parent may be illiterate and that the child may need access to a service for help with their homework. Looking at these facts we must question the NCS’ ability to appropriately meet the rights of a child.

Looking at this scheme we strongly contest that it discriminates against children under the UN convention of the right of the child, which Ireland signed up to. Under article 2 children should not be discriminated against based on the status of their parents.

It is worth noting here that Finland, who operated a very similar scheme to our NCS, was found to be in breach of children’s rights legislation by the European Council rights in 2020.

In a survey carried out by ACP a very large percentage of the childcare providers/managers and educators when asked felt that NCS was NOT child centred. This is a statistic worthy of note, as it comes directly from the professionals who work the sector on a daily basis. Surely

it warrants a closer look at the NCS when the majority of the professionals, working in the sector, feel it is not child centred.

Accepting the huge workload involved for provider/managers with the administering of the NCS, it is fair to argue that this workload would have a direct effect on the ability of the provider/manger to support quality measures throughout the service, with the net effect of negatively impacting quality in a service. This, of course would diminish the benefits on offer to all children accessing Early Years services. Is this what we want to offer our children? Can we stand over this system with National pride? Given what has been outlined above I think there is only one answer to the preceding question.

Solutions

As stated previously I am solution focused and want to see our childcare sector functioning but more than that delivers high quality affordable childcare to the children and their families who access it. We need to ensure that whilst addressing one issue facing childcare in Ireland – The affordability aspect, that we are not creating problems for other important aspects of the delivery of childcare, such as the quality. The current situation with the NCS as it is structured most definitely impacts on the ability to deliver a high-quality childcare service.

- 1) The administration of the NCS could revert to the Department of Children, where it rightfully belongs. The NCS essentially has nothing to do with the service. It is a subsidy provided by the Government to the parent, to offset the cost of childcare, thus rendering it more affordable for the parent. The parent can then pay the service its fee. We need to be taken out of the equation, as the middle men in this process, allowing us to return to our day jobs managing our services. A notable example of this is the SUSI grant which is directly administered by the Government, requiring little or no involvement on behalf of the third level institutions. We in Early years feel that this too, should be the case for us.
- 2) If, it is insisted that we must remain involved in the administration of the scheme, then we are seeking that the hourly rates are removed from the scheme and it is pulled in line with our three provision types, sessional, part time or full time as laid out in legislation, thus rendering it a far less cumbersome and time consuming scheme to manage.

We have laid out the issues clearly as they pertain to parents, providers/managers and the children. We are hoping that the case we have put before you will lead to a proper, full and in-dept investigation into the NCS scheme in its current format, which the Oireachtas Childrens committee can carry out. We are hopeful that a full investigation can lead to appropriate solutions being found and put in place to improve the situation for all parties involved the children, their parents and the provider/managers.

Failing to investigate, source and implement any improvements to this system, could I fear lead to a scenario where we begin haemorrhage excellent experienced provider/managers, during a time when the sector can genuinely ill afford to lose any of the professionals remaining in the sector OR we will see a fall off in the number of services offering the NCS scheme, as it is simply not worth the workload nor the mental stress it entails, which would hugely negatively impact the parents of Ireland OR we will see more and more small or medium sized stand alone services come up for sale and possibly increase the corporate type

provisions holding within our country This was seen to happen in New Zealand and was recognised as not all that positive for their childcare sector in their country.

We feel this situation needs to be urgently addressed by the Oireachtas Childrens Committee in order to help identify the issues and promote possible practical solutions and oversee their implementation

We await your response.

Paula Donohoe – secretary of ACP

Co signed Marian Quinn – Chairperson ACP??