



Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

SOCIAL ENTERPRICE PROJECT

MODULE CODE: BU7078



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Executive Summary

It was evident from the outset that CRANN's value within and contribution to the communities it serves, is exemplary as much as it is unrivalled. The core values in which the social enterprise was built, have provided a strong and resilient structure that has overcome both social and micro economic challenges to nurture growth and maturity.

The responsibility of the Trinity team was to firstly identify and preserve the outstanding qualities, characteristics and capabilities of CRANN. Additionally, the team was tasked with highlighting the key organisational issues and challenges within CRANN as it prepares to embark on a new chapter in its history, guided by its 3-year strategic plan.

This document illustrates the results from both the operational and financial analysis and captures the strengths, areas for improvement and potential opportunities that surround CRANN over the immediate, medium- and long-term future.

The team focused on diversifying the routes in which CRANN could take to secure vital funding. Furthermore, the document details the potential to increase revenue within CRANN's high performing finance services department.

The overriding objective of the Trinity team is to present viable solutions to ensure CRANN continues to build toward a sustainable future.

CRANN Overview

Crann Support Group (CRANN) is a Social Enterprise (SE) that works within the principles of community development bringing high quality support to Charitable Organisations through the provision of governance and operations support, primarily serving organisations devoted to childcare and families. CRANN provides shared services consisting of accounting, HR support, management consultants and various other ancillary services to Community and Voluntary Organisations. CRANN is restricted by its Constitution from serving SMEs and other commercial entities. A total of 20 community childcare organisations (CCOs) and community voluntary social inclusion projects (CVSIPs) are CRANN members and avail of the ancillary services provided. These shared business services include:

- Management of community enterprise services including consultancy and program development
- Human Resource Management
- Finance Management preparation accounts to audit stage
- Education and Training
- Community Employment Scheme
- Catering
- Facilities Management including transport, maintenance, caretaking, and cleaning
- Procurement Management and Reception

The values of CRANN are person-centred and consist of integrity, innovation and inclusion. Play, equality, individuality and cooperation are some of the core principles by which CRANN abide by and encourage all entities with which they have fostered a relationship. They request 360-degree feedback from all centres to ensure that they are upholding the standards that they have set for themselves covering the 7 areas below:

- I. Shared Business Services for CRANN and member CCOs and CVSIPs
- II. Employment and Enterprise

- III. Education and training
- IV. Vulnerable Families
- V. Developing Community Capacity
- VI. Advocacy and Lobbying
- VII. Developing Organisational Capacity: Governance

Human resource management and finance management along with training and education occupy the fulcrum of CRANN's offerings and compliance with employment legislation and high-quality standards is maintained as a going concern. These services are provided to community groups by CRANN with the help of the community employment scheme. The main difference between a SE and a company are the restrictions with which the SE is dealt through their Constitution. CRANN's diversified range of offerings can be transduced with the following SWOT analysis developed by CRANN staff through group brainstorming sessions:



Figure 1 SWOT analysis of Crann

History

Having identified a need for both preschool and afterschool services in the South Meath area, the Ballivor Childcare committee was set up in 1999 and with the help of funding, several community childcare centres and childcare committees were established in the following years. As staffing responsibilities grew, further full-time staff and community employment (CE) participants were employed to manage a growth in community childcare centres across the region and provide quality childcare service through training and education.

The main challenge that emerged was borne from a lack of non-childcare services such as human resources supports, accountancy, education. CRANN emerged in response to a demand for social enterprise and built a strong and sustainable support system for the Meath community services to access and utilise in their day-to-day operations. CE schemes are harnessed to provide support to all organisations and CRANN gives training and education to these CE participants.

More and more CCOs contacted CRANN for assistance with day-to-day operational support and by 2012, CRANN was providing 703 childcare places across its community childcare centres. By 2018, this number was 972 childcare places across 10-member community childcare centres. Today, CRANN has 15 members and run 6 social inclusion projects. They have expanded one centre out to Dublin and are an umbrella for 300 staff. They also provide a bus service with 13 vehicles to support children's commute to and from creches and schools. With a turnover of EUR 6 million, they forecast twice a year in January and June.

(Crannsupportgroup.ie, 2019)

Financial Analysis

CRANN has operated efficiently and effectively as a Social Enterprise building up a small surplus in the years under analysis (2015 to 2019). The provision of a safety margin of two months revenue is usually recommended for profit enterprises and CRANN are currently maintaining this margin. However, this surplus does not provide any room for further investment in the CRANN offering based on these current levels of income.

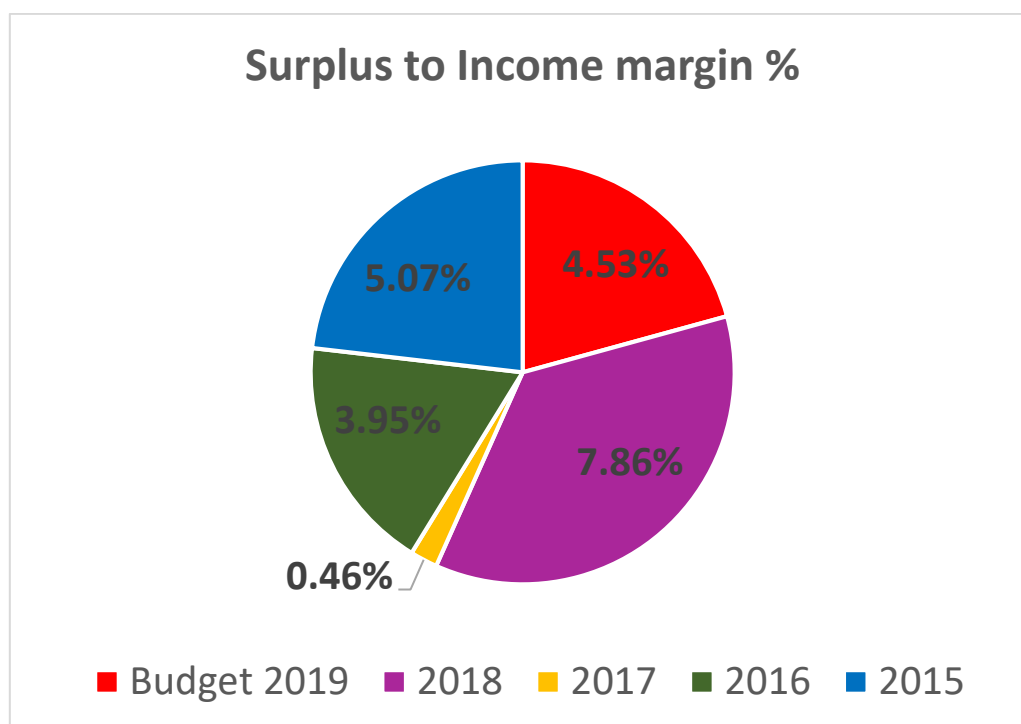


Figure 2 Crann Surplus to Income margin %

As can be seen from the summary graph below, expenditure and income were aligned over the same time period which is not unusual in the sector of community and voluntary services. It should also be noted that the primary expenditure item within CRANN is staff costs which makes up around 85% of total expenditure over the five years examined. Again, this is not unusual for this sector.

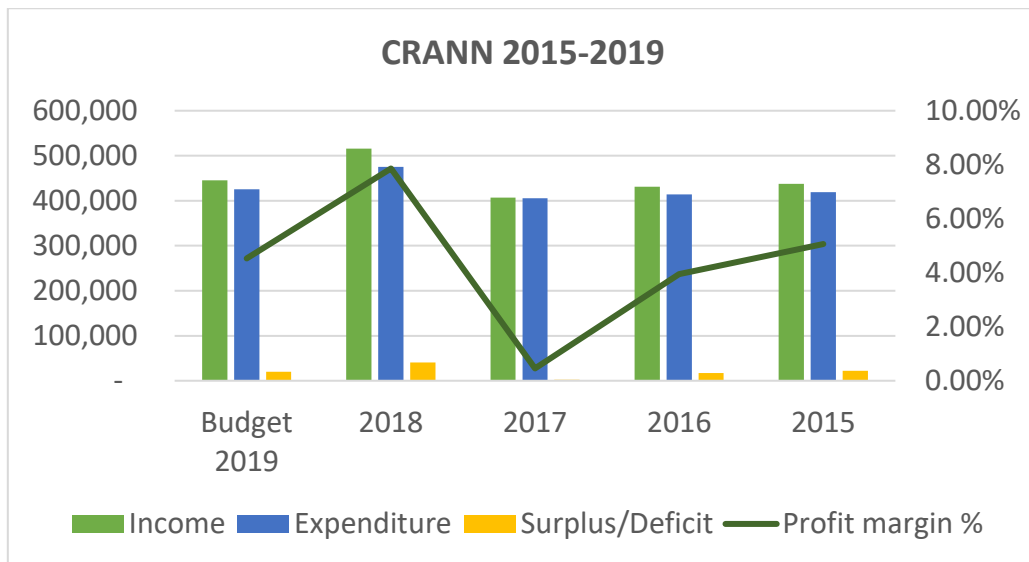


Figure 3 Crann 2015-2019

When we analysed the funding received by CRANN from 2015 to 2018 we discovered that CRANN, as an organisation, is heavily reliant on government funding with 57% of all funding coming from Community Service Projects and Grants. The next outstanding funding source in this period is the Support Services Fee which occupies an average of 30% of all funding and currently is projected to reach 36% of funding in 2019. This is one of the areas of possible expansion which we will explore further in this document.

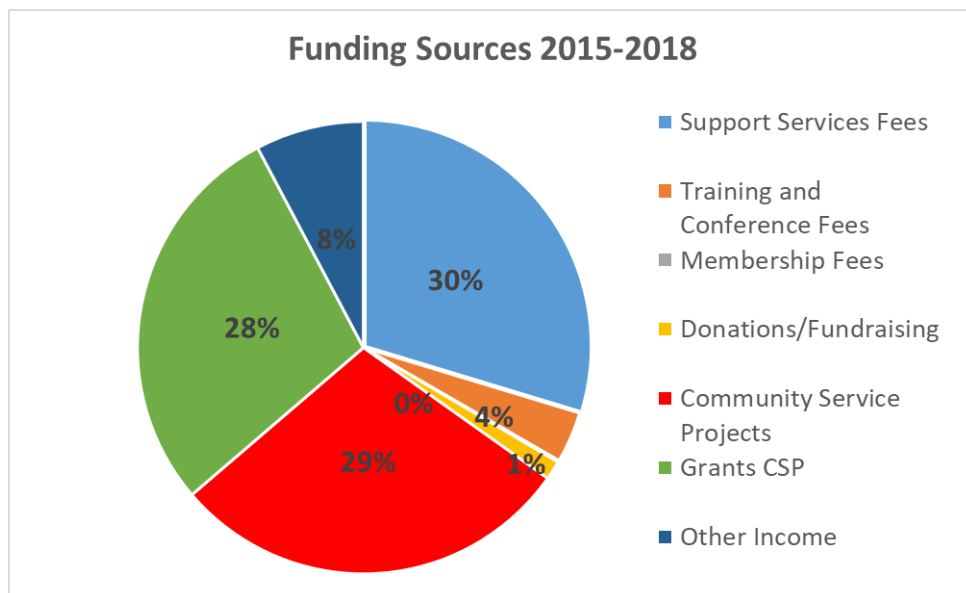


Figure 4 Crann Funding Sources 2015-2018

Issue identification

Following an extensive operational and commercial review, the team identified and extracted key issues which demonstrated potential to inhibit the growth targets of CRANN as it moved forward to execute its 2022 strategy.

The approach to the issue identification process involved a combination of frequent online engagements with the designated liaison in CRANN, physical on-site meetings with key stakeholders and the review of company financial and strategic documentation.

It is understood that CRANN require an increased level of funding to support its strategic intentions over the next 3 years.

In order of priority to action/address, the issues identified are as follows:

| Priority | Issue |
|----------|---|
| 1 | Lack of funding to support strategic intentions set out in 2022 strategy. |
| 2 | Finance Support Service department not delivering to maximum capacity/capability. |
| 3 | Overdependence on word of mouth (WOM) to attract business. |

Figure 5 Crann - Issues Identified

Proposed solutions:

Government Funding Proposal

Replicating a Social Enterprise

This section of our proposal was developed using the guidance in *The Challenge of replicating Social Programs* (Bradach, 2003).

The value of a proven model should not be underestimated in this space as ‘replication can reduce the risk of failure’ (Bradach, 2003). CRANN can point to their success in the revitalisation of struggling community childcare and voluntary organisations. The organisations that are delivering these services have been able to focus on their areas of expertise while relying on CRANN to deliver services such as HR, Management and Finance at an affordable rate. Without CRANN’s offering, these organisations would be unable to access or afford the resources and expertise that CRANN provides. Franchising the offering is low-hanging fruit for an organised and professional entity like CRANN and will offer the opportunity for the social enterprise to grow organically. ‘Franchising offers some thought-provoking lessons for social enterprises seeking to grow.’ (Bradach, 2003)

A more reliable Corporate Governance model can be provided by CRANN thus providing risk assurance to funders. Providing a network of support from similar organisations will lead to collective learning and grant CRANN the opportunity to develop new relationships and cultivate further business growth. CRANN possess the capacity to provide the following service offering to the Government:

- Substantive evidence of success
- Systems to track KPIs to prove value created
- Summarised strategic plan similar to that suggested in Appendix 2

Current funding sources that need to be replicated

| | | |
|-----------------------|----------|------|
| Support Services fees | €153,030 | 30 % |
|-----------------------|----------|------|

Grants

€296,139

57%

Therefore, it is the Government to whom this concept needs to be sold.

Resources required for the offering

- Manuals
- Capacity to train
- Framework guide
- People on the ground to codify the tacit knowledge to make it explicit and ensure that organisations are abiding by the framework

Nationwide Focus

This can be guided by establishing the demand from creches nationwide or the identified need provided by government funders. If driven by government, it is important for CRANN to engage with the organisations identified and get buy-in to the service.

Ensuring quality and protecting the Brand

CRANN must decide on the level of involvement with the replicated organisation into the future. A hub or an independent entity as part of a support network should ensure that all participants are following the framework that CRANN has provided to maintain the standard of excellence that CRANN currently represents.

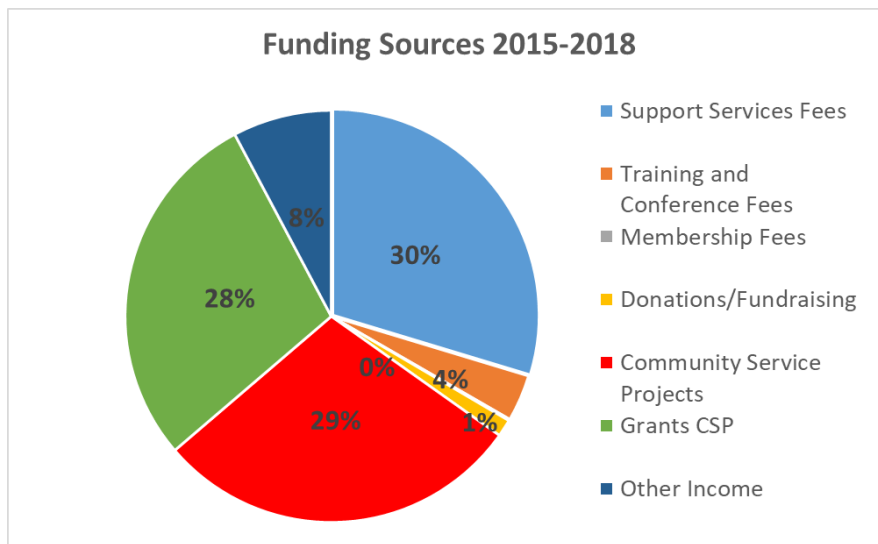


Figure 6 Crann Funding Sources 2015-2018

Funding Sources

CRANN have established credible financial and accountancy services over the past number of years. We recommend that CRANN look at expanding and marketing this service nationally to generate new clients and start the process of expanding their operations. Team Grafton will assist CRANN by making a number of recommendations which will help them to launch their current financial services to attract new clients.

Existing Financial Support Service

Grow funding from existing financial support service to fund business expansion. We have put together some suggestions to further grow this service and reach potential new partners.

Bank Loan

If CRANN already have a relationship with one of the leading banks, it is likely that they would be eligible for a business loan. It would be easier to apply for a loan with the bank you already have a relationship with, as rates may be more favourable than with a third-party financier.

Microfinance Loan (Microfinance Ireland)

Microfinance Ireland offers small loans of up to EUR 25k over short terms of 3-5 years and at an Annual Percentage Rate (APR) of up to 7.8%. The application process is straightforward, and loans can be approved and drawn down quite quickly. This could be an excellent option for CRANN as the loan amount offered doesn't exceed the 20k CRANN need to fund its expansion. (Small Business Loans, 2019)

Peer-to-peer Business Loan (GRID Finance / Linked Finance)

GRID Finance was Ireland's first peer-to-peer lending service and offers business loans from EUR 10k-100k without the same level of information generally required by banks. Applications are fast and draw down of funds can be approved within hours. If GRID take card payments for services going forward, GRID offers a unique model to

pay back funds as a percentage of your card intake, so that you are paying back the loan quickly when you are generating revenue. Interest rates vary depending on the amount borrowed and the loan term. (Info.gridfinance.ie, 2019)

Credit Union

A loan from the local Credit Union could be a great way for CRANN to finance its expansion. Local credit unions are always supportive of community-based enterprises and would be happy to support an organisation like CRANN with a small business loan. They offer business loans up to 50k with rates from 6% and upwards. (Creditunion.ie, 2019)

Fundraising

Another possible option for CRANN would be to raise funds through their community. CRANN offer services to many locals and could raise funds through fundraising efforts. This could be coordinated with CRANN employees and also with volunteers who CRANN have a relationship with. CRANN have also reached out to larger entities in the past for support, perhaps some of those organisations may be in a position to help out financially or to provide a short-term credit facility for the business.

Angel Investors (HBAN - Halo Business Angel Network)

Given the support that CRANN have offered to families and individuals in the past, angel investment is another pathway which could be explored. There are online platforms where proposals can be submitted and distributed to hundreds of potential investors. HBAN is an all-island umbrella group responsible for the development of business angel syndicates and supporting the early stage entrepreneurial community on the island of Ireland, this is an example of one angel investor platform active in Ireland and supported by Enterprise Ireland. (www.webtrade.ie, 2019)

Corporate Social Responsibility (CSR) Proposal

What CRANN Offer

CRANN have established a credible financial and accountancy service specifically tailored for the community and voluntary sector since 2007. CRANN offer a range of services in the area of financial management and specialise in the administration of financial returns for funding received. CRANN ensure through finance management sustainability and good governance for member CCOs and CVSIPs including;

- Administration of accounts to audit stage
- Implement, develop and monitor budgets
- Conduct financial analyses quarterly and on an ad hoc basis
- Identify and analyse risks and opportunities
- Help guide significant adjustments to affect savings and profit opportunities
- Evaluate the compliance of financial systems, policies and processes in conjunction with accounting principles and the Company's Financial Procedure
- Grant/funding applications.
- Preparation of departmental returns.
- Identifying cost cutting measures in order to remain sustainable.

**Today the accounts department administers almost €7M on behalf of member CCOs and CVSIPs.

Proposal

It is proposed that CRANN, as specialists in this area, endeavour to engage and partner with CSR programs in sponsoring organisations, to assist staff members in offering a financial support service tailored to charities' needs. It can be argued that large organisations may be adequately equipped and structured to cater to global businesses and the challenges they face; however, for staff more familiar with this global business environment, it can be difficult to adjust to the needs and challenges of small not-for-profit organisations. CRANN can exploit this opportunity, by providing

training to staff in the specific types of financial supports which are needed by small charities to enable them to fulfil their CSR responsibilities more effectively.

Marketing public Relations and Social Media

CRANN offer a range of services in the area of financial management including tailored bookkeeping services. It prepares accounts to audit stage and specialise in the administration of financial returns for funding received. CRANN ensure through finance management sustainability and good governance for member CCOs and CVSIPs including;

- Administration of accounts to audit stage
- Implement, develop and monitor budgets
- Conduct financial analyses quarterly and on an ad hoc basis
- Identify and analyse risks and opportunities
- Help guide significant adjustments to affect savings and profit opportunities
- Evaluate the compliance of financial systems, policies and processes in conjunction with accounting principles and the Company's Financial Procedure
- Grant/funding applications.
- Preparation of departmental returns.
- Identifying cost cutting measures in order to remain sustainable.

The team recommend that CRANN start to highlight the above services more and market to potential new clients to sell in this service.

****Today the accounts department administers almost €7M on behalf of member CCOs and CVSIPs.**

Market Segmentation

- Market to existing clientele but extend nationally.
- Marketing to Government, roll out nationally through the Government.
- Linking with CSR programs of large corporations, whereby these organisations will fund CRANN to train their staff members to roll out services.

Marketing Suggestions

Website Improvements

- Add further information on services and call to action buttons e.g. Our Services > Financial Support Services, improve navigation and user experience so users can explore what services CRANN offer.
- Add data capture feature to capture details of visitors to the website and to track reasons for visiting.
- Online booking tool to allow users to book a consultation with a CRANN financial advisor to funnel potential new clients.
- Financial health check tool for potential clients to identify financial services they may require.
- Add summary of strategic plan and executive summary on website for users who are tight for time.

Social Media & PR

- Move from ad hoc to devised strategy for social media to include CRANN story and information on CRANN services, assign a resource to take responsibility of social media activity and posts.
- Convert Facebook profile to public page (Cause or Community) and start telling a story around CRANN and its services.
- Create a Google business page for more visibility in Google searches and as another avenue to post about CRANN.
- Utilise existing social media channels further by sharing stories from across all CRANN organisations.
- Identify and reach out to social media influencers who can help spread the word about CRANN and its positive impact in the community.

Pay Per Click (PPC) Advertising

- Online ad campaigns targeting charities and childcare sector in order to extend reach and attract potential new clients to use financial services.

Offline / Other Marketing

- Networking events to generate new leads.
- Link with corporates for support with marketing and networking resources.
- Create one-page document to summarise strategic plan and executive summary for the purpose of marketing CRANN to external users (see suggested format in Appendix 1 and 2).

Blueprint for Change

We are recommending that CRANN segregates the responsibilities for the next steps. Using this proposal document the task by the Board is integral to allow CRANN to concentrate on the other recommendations.

CRANN management can concurrently explore the marketing of the existing finance service. The Board should also commit time to exploring the other funding source options which we have outlined in this document and may also explore the CSR recommendation.

With the funding gained by selling the existing finance framework, reinvestment can be focused on the resources that are currently stretched in CRANN and on the marketing plan provided in this document. As time becomes available, we then recommend the submission to Government of the proposal for the replication of the service nationwide.

So, in conclusion we recommend:

| | |
|-------------------------------|------------|
| Promotion of Finance Service | Management |
| Marketing Plan | Management |
| Explore other Funding Sources | Management |
| Government Proposal | Management |

Appendix

Appendix 1

Briefing Note

Crann Support Group (CRANN) is a community voluntary organisation working to improve and enhance the governance and operations of community childcare organisations (CCOs) and community voluntary social inclusion projects (CVSIPs) through the provision of shared business services.

CRANN is responsible for the administration of €6.2 M (as per 2018 audit figures) and maintain assets to the value of €5.6M. CRANN works within the principles of community development and also believes that by working together we can achieve more. Good community development is action that helps people to recognise and develop their own ability and potential and organise themselves to respond to problems and needs which they share. It supports the establishment of strong communities that control and use their assets to promote good governance and sustainability

A total of 20 CCOs & CVSIPs are members of CRANN and avail of some or all of our shared business services. These shared business services include:

- Management of community enterprise services including consultancy and program development
- Human Resource Management
- Finance Management preparation accounts to audit stage
- Education and Training
- Community Employment Scheme
- Catering
- Facilities Management including transport, maintenance, caretaking, and cleaning
- Procurement Management and Reception

CRANN have developed a strategic plan for the period 2019 – 2022.

Vision Statement

Community Childcare Organisations (CCOs) and Community Voluntary Social Inclusion Projects (CVSIPs) attain good governance, are sustainable, and deliver a high-quality service to their local communities.

Mission Statement

Community Childcare Organisations (CCOs) and Community Voluntary Social Inclusion Projects (CVSIPs) are supported by the provision of shared business services in the areas of business management and program development, human resource management, finance management, procurement, catering and facility management.

Purpose

CRANN works as a partnership with CCOs and CVSIPs, working together to improve and enhance the operations of these organisations and projects in their local communities.

CRANN is an independent company employing staff who work across the member CCOs and CVSIP's as part of a shared business services function. CRANN is the employer of some of the member CVSIPs with direct responsibility for their day to day management. Each CCO is an independent company and the employer of their core staff. CRANN has the responsibility for the management of 95% staff employed by CCOs independent companies.

Executive Summary

1. Introduction

Crann Support Group (CRANN) is a community voluntary organisation working to improve and enhance the governance and operations of community childcare organisations (CCOs) and community voluntary social inclusion projects (CVSIPs) through the provision of shared business services.

CRANN is responsible for the administration of €6.2 M (as per 2018 audit figures) and maintain assets to the value of €5.6M. CRANN works within the principles of community development and also believes that by working together we can achieve more. Good community development is action that helps people to recognise and develop their own ability and potential and organise themselves to respond to problems and needs which they share. It supports the establishment of strong communities that control and use their assets to promote good governance and sustainability.

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- Procurement Management and Reception

CRANN have developed this strategic plan for the period 2019 – 2022.

CRANN works towards the five national outcomes¹ for children, young people and adults in Ireland. These national outcomes promote that children, young people and adults are:

1. Are active and healthy, with positive physical and mental wellbeing
2. Are achieving full potential in all areas of learning and development
3. Are safe and protected from harm
4. Have economic security and opportunity
5. Are connected, respected and contributing to their world.

CRANN works within CCO's towards attaining positive play-based learning. Babies, children and young people have access to safe, high quality, developmentally appropriate, integrated early learning and care (ELC) (and school aged childcare) which reflects diversity of need. Parents, families and communities are supported to provide a nurturing and stimulating environment for their children and young people. Children and young people are supported in their transitions to and through ELC settings and onwards to primary (and secondary) schooling.

CRANN works with CCO's to achieve standards as set out within Síolta, the National Quality Framework for Early Childhood Education, developed by the Centre for Early Childhood Development and Education on behalf of the **Department of Education and Skills**. Síolta is designed to define, assess and support the improvement of quality across all aspects of practice in early childhood care and education (ECCE) settings where children aged birth to six years are present. These settings include: Full and Part-time Daycare; Childminding; Sessional Services; and Infant classes in primary schools.

CRANN works with CCO's and CVSIP's towards and plays their part in attaining A Healthy Ireland (HI) where everyone can enjoy physical and mental health and wellbeing to their full potential, where wellbeing is valued and supported at every level of society and is everyone's responsibility.

We believe that this strategic plan, with its accompanying operational plans, will assist our organisation in achieving our goals, implementing the various improvements, collectively have a positive impact on the lives of children, young people and adults.

Vision Statement

Community Childcare Organisations (CCOs) and Community Voluntary Social Inclusion Projects (CCSIPs) attain good governance, are sustainable, and deliver a high-quality service to their local communities.

Mission Statement

Community Childcare Organisations (CCOs) and Community Voluntary Social Inclusion Projects (CVSIPs) are supported by the provision of shared business services in the areas of business management and program development, human resource management, finance management, procurement, catering and facility management.

Purpose

CRANN works as a partnership with CCOs and CVSIPs, working together to improve and enhance the operations of these organisations and projects in their local communities.

CRANN is an independent company employing staff who work across the member CCOs and CVSIP's as part of a shared business services function. CRANN is the employer of some of the member CVSIPs with direct responsibility for their day to day management. Each CCO is an independent company and the employer of their core staff. CRANN has the responsibility for the management of 95% staff employed by CCOs independent companies.

Values and Principles

Our values are the following:

- **Integrity** By our actions being honest, truthful, moral and reliable.

- **Person centred** By being respectful of, and responsive to, the preferences, needs and values of children, young people, adults and their families and communities and our staff members who work with us.
- **Innovation** By having an open mind and supporting new ways from the community and voluntary sector to respond to the emerging needs of our communities and member organisations.
- **Inclusion** By embracing diversity and recognising that all community members have a right to be heard and participate, in processes that affect their lives.

Our principles in relation to CCOs are:

1. The child and young person's individuality, strengths, rights and needs are central in the provision of quality childhood experiences⁵.
2. Play is central to wellbeing, development and learning⁶.
3. The safety, welfare and wellbeing of all children and young people must be protected⁷.
4. The best interests of the child and young person are the primary consideration in decision making.
5. The ordinary needs of the child and young person and their family and community have to be met, as well as, their additional needs⁹.
6. Cooperation, communication and mutual respect is essential in the provision of services¹⁰.
7. Parent(s) and Guardian(s) are the primary carer of the child and young person and must be treated as equal partners.
8. Risks to child and young person, their Family and Community must be managed in ways that provide safety and a good quality of life
9. Communities are supported to be self-determining and making decisions that are right for them.

Our principles in relation to CVSIPs are:

1. That each person's individuality, strengths, rights and needs are central in the provision of the service.
2. The safety, welfare and wellbeing of each individual must be protected.
3. The best interests of each individual are the primary consideration in decision making.
4. The ordinary needs of the individual must be met, as well as, their additional needs.
5. Cooperation, communication and mutual respect is essential in the provision of services.
6. Risks to individual(s) must be managed in ways that provide safety and a good quality of life
7. Communities are supported to be self-determining and making decisions that are right for them.

2. CRANN Shared Business Services, Community Services Programme

CRANN provides shared business services supporting a more efficient method of delivering necessary ancillary services at an affordable cost for member CCOs and CVSIPs as follows:

Management of Community Enterprise Services including consultancy and program development

Management Services ensures CCOs and CVSIPs are managed in line with legislative policies and procedures while meeting the requirements of relevant funding organisations. CRANN ensures:

- *Good Governance:* Meetings are held individual Board of Directors (BODs) bi-monthly and management committees meet as required. CRANN provides day to day operational management of CCOs and CVSIPs.
- *Management Support:* CRANN are responsible for the day to day operation of CCOs and CVSIPs including supervision of senior staff and staff members in line with the strategic direction of the organisation or project.
- *Advisory consultancy services:* CCOs and CVSIPs are provided with advice and support when they are setting up or changing direction services in the local community in line with identified and changing needs and funding requirements.
- *Shared business services:* Leading out on shared business processes of benefit to organisations and social inclusion projects when promoting efficiency and effectiveness of shared services.
- *Program Development:* Development of innovative and evidence based best practice for service provision.
- *Funding:* Sourcing and completing applications for funding.
- *Advocacy:* Representing CCOs and CVSIPs at national and local fora such as Department of Children and Youth Affairs (DC&YA)-National Collaborative Forum for the Early Years Care and Education Sector including Early Years Forum for the Professionalisation of the Early Years Sector, County Childcare Committees (CCCs), National Childhood Network (NCN), Community Childcare Services. Other statutory agencies such as, the Child and Family Agency (TUSLA) -Children and Young People Services Committee, the Drugs Task Force, Department of Employment Affairs and Social Protection, Department of Rural and Community Development, Department of Justice and Equality and the Health Service Executive

Human Resource Management

Human Resource Management provides support to 10 CCOs and 6 CVSIPs directly managed by the CRANN ensuring the organisations and social inclusion projects are compliant with employment legislation. In addition, 5 other CVSIPs are supported who require Human Resource (HR) support on an adhoc basis. As part of HR function, CRANN ensures:

- *Recruitment* – Development of the workforce within CCOs and CVSIPs; advertising job postings, sourcing candidates, screening applicants, conducting preliminary interviews and coordinating hiring with the Managers and Boards of Directors of the individual CCOs or CVSIPs.
- *Safety* – Supporting individual CCOs and CVSIPs to be compliant with the Health, Safety and Welfare at Work Act 2005 and to increase awareness of their obligation to provide a safe working environment for employees.

- *Employee Relations* – Supporting CCOs and CVSIPs with strengthening the employer-employee relationship through measuring job satisfaction, employee engagement, collective bargaining and resolving workplace conflict.
- *Compensation and Benefits* – Supporting CCOs and CVSIPs to develop a competency-based pay scale that will assist in professionalising the sector.
- *Compliance* – Actively advising CCOs and CVSIPs to ensure their individual service is compliant with employment laws and are prepared at any time for an inspection from the Workplace Relations Commission. In addition, the HR function supports CCOs and CVSIPs to ensure their staff handbook and employment contracts are up to date.
- *Training and Development* – Support CCOs and CVSIPs by providing supervisors and managers with training on topics such as performance management, grievance and disciplinary procedures and how to handle employee relations matters.

Finance Management: preparation of accounts to audit stage

The Accounts Department offers a tailored bookkeeping service to 15 CCOs and CVSIPs. It prepares accounts to audit stage and specialise in the administration of financial returns for funding received. CRANN ensures finance sustainability and good governance for member CCOs and CVSIPs including;

- *Payroll*
- *Purchasing*
- *Sales*
- *Grant/funding applications.*
- *Administration of accounts:* Administration of accounts to audit stage
- *Budgeting: Income and Expenditure.* Implement, develop and monitor budgets. Including preparation of departmental returns.
- *Finance Analysis:* Conduct financial analyses quarterly and on an ad hoc basis. Help guide significant adjustments to affect savings and profit opportunities.
- *Risk Management:* Identify and analyse risks and opportunities. Identifying cost cutting measures in order to remain sustainable.
- *Finance Compliance:* Evaluate the compliance of financial systems, policies and processes in conjunction with accounting principles and the Company's Financial Procedure

Today the accounts department administers almost €7M on behalf of member CCOs and CVSIPs.

Education and Training

The dedicated Training Department ensures CRANNs commitment to working with CCOs and CVSIPs to ensure high quality standards are met in all areas of service provision. As part of the Education and Training function, CRANN has ensured a skilled workforce:

- *Childcare*: Staff members are qualified to deliver childcare at QQI standards, level 5, 6 and 7.
- *In-service training*: Staff members have ongoing in-service training according to identified need.
- *Health and Safety*: Staff members are skilled in dealing with child protection through Children First training. Staff members are skilled in their ongoing responsibilities in first aid and manual handling.
- *Supervision and Governance*: The Board and Managers are skilled in Governance and Supervisory Management.
- *Sourcing training* which cannot be provided in-service.

Community Employment Scheme

In partnership with the Department of Employment Affairs and Social Protection, CRANN Sand its Member, Ballivor Community Childcare provide a dedicated high-quality Community Employment (CE) Scheme for CCOs and one for CVSIPs. As part of their function, CRANN and Ballivor Community Childcare ensures:

- Childcare as a Profession is highlighted.
- Training is provided to support the long term unemployed.
- Participants achieve a recognised qualification which equips them to avail of a professional career.
- Local CCOs in Co Meath are supported to deliver affordable quality childcare; Ballivor CC, Trim CC, Navan CC, Athboy CC, Kells CC, Kilmainhamwood CC, Baconstown CC, Duleek CC, Dunshaughlin CC, Laytown CC, Ratoath CC and Summerhill CC.
- Local CVSIPs in Co. Meath are supported to deliver quality services such as Trim Tidy Towns, Trim Charity Shops, Vincent DE Paul, River Rescue, Trim Family Resource Centre, the Heritage Project, Dunderry Parish, Trim Parish, Trim Town FC and Citizens Information and other Community activities.
- Participants are enabled to enhance and develop both their technical and personal skills which can be used in the workplace.

The scheme is responsible for a total of 111 participants:

- 83 participants in CCO's
- 29 participants in CVSIP's

Catering

Catering services are provided directly to 4 CCOs and indirectly to other member organisations. As part of catering function, CRANN ensures:

- **Training:** Caterers are trained to HACCP qualifications standards.
- *In service Training:* Members organisations avail of training in *Healthy Ireland Smart Start Training Programme* ensuring the provision of healthy, nutritional meals to children daily, improving the general health of children, while assisting to combat our ever-rising percentage of obese children in Ireland.
- *Children (530) are provided with healthy meals daily*, many of whom come from vulnerable and disadvantaged families within their local community.
- *Coordination and distribution of initiatives:* such as the *Food Cloud* for Member Organisations. This offers a fast and efficient way for businesses to donate surplus food to charities within their communities. Surplus food is food that is perfectly fit for human consumption but cannot be sold for a variety of reasons (e.g. fresh produce that will not be sold the next day, short dated product, slightly damaged packaging or mistakes in ordering). This food was used within the Community Childcare Organisations and Community Voluntary, Social Inclusion Projects but was also distributed to 80 families weekly within a highly deprived area in Co. Meath.

Facilities Management including Transport, Maintenance, Caretaking, and Cleaning

The Maintenance Team provide non-specialised maintenance services to 11 CCOs and CVSIPs. As part of facilities management function, the CRANN ensures:

- *Transport* is provided in a cost efficient and effective way according to the need of the member organisation.
- *Transport standards:* A fleet of vehicles are maintained and up to date according to the need of the member organisation.
- *Training:* Drivers have the appropriate qualification and ongoing training and support to provide the Transport service.
- *Premises standards:* Premises are altered according to new and changing needs of the facility that is cost effective.
- *Premises maintenance:* Premises are well maintained through general upkeep, painting and decorating.

- *Cleaning and Hygiene standards: Premises* are clean and hygienic.
- *Grounds maintenance: Grounds* are maintained through appropriate horticulture.
- *Custom build childcare equipment* is manufactured in a cost effective way.
- *Security of premises: Premises* are secured through caretaking. Alarms are procured and monitored appropriately for the need of the member organisation.

Procurement Management & Reception

Centralising buying reduces the cost per unit for products and services. This creates efficiencies reducing how much CCOs and CVSIPs pay in the long run for supplies and products and ensures sustainability. As part procurement management and reception function, CRANN ensures:

- *The employment of Receptionists* for member organisations. The receptionists play an active role in procurement management service.
- *Central buying prices for goods* e.g. food, cleaning products, office and stationary products.
- *Central buying of utilities* such as energy, heating, waste disposal.
- *Central buying of services* such as accountants, auditors and solicitors.
- *Central buying of equipment* such as toys and childcare related furnishing.

CRANN provides shared business services to a total of 20 CCOs & CVSIPs as follows:

MEMBERS OF THE CRANN SUPPORT GROUP CLG

Ballivor Community Childcare CLG

Ballivor Community Childcare CLG Community Employment Scheme

Ballivor National School

Crann Support Group CLG Community Employment Scheme

Crann Support Group CLG Community Service Programme

Duleek Community Childcare CLG

East Coast Family Resource Centre & Laytown Resource House

Kilmainhamwood Childcare CLG

Lagore Road Community Childcare CLG
 Meath Community Drug and Alcohol Response
 Meath Job Club
 Navan Community Childcare CLG
 Meath Travellers Workshop CLG
 Poppintree Early Education Centre CLG
 Simonstown Childcare Facility CLG
 South Meath Area Response to Teenagers
 Springboard Services Navan CLG
 Summerhill Community Childcare CLG
 Trim Community Childcare CLG
 Ronanstown Community Childcare CLG

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HEALTH WEALTH CAREER

REMUNERATION TERMS FOR EARLY YEARS PROFESSIONALS

A study commissioned by the National Childhood
Network & Crann Support Group

NOVEMBER 2018

Brian Duncan
Rhys Thomas

Dublin - Charlotte House



MAKE TOMORROW, TODAY  MERCER

1. OVERVIEW

- In 2017 Mercer was commissioned by the National Childhood Network (NCN) and the Crann Support Group to make recommendations on the appropriate remuneration for Early Years Professionals.
- We were provided with background material for this work by the National Childhood Network and Crann Support Group and as part of our research we also engaged with a number of other stakeholders within the early years sector.
- In order to establish appropriate pay scales we benchmarked the various roles of the Early Years Professionals within centre based services—Early Years Educators, Supervisors/ Room Leaders, Assistant/Deputy Managers, and Managers - using Mercer’s International Position (Role) Evaluation System. The results of the evaluation were then compared with other comparable roles in the public sector and appropriate pay scales developed.
- In conjunction with the pay scales, comparable public sector pension arrangements and holiday, sick leave, and study leave should be provided.
- The new scales will require a substantial increase in Government investment in the sector. It is recognised, therefore, by stakeholders that it is not possible to move immediately to the proposed scales and that an agreed transitional arrangement will be required. The initial priority, therefore, is to develop an agreed minimum starting point for the roles.
- Implementation, starting with the agreed minimum starting point, should be by way of a Sectoral Employment Agreement (SEO)

2. INTRODUCTION

- To support the future development of the sector, Mercer have been asked to make recommendations on appropriate remuneration terms for the early years workforce which give recognition to the various roles and responsibilities staff must carry out within centre based services, as well as to their qualifications and experience.
- We (Mercer) are part of the MMC group of companies which employs over 400 staff in Ireland, mainly in retirement and investment businesses.
 - We are leaders both globally and in Ireland in providing advice to listed companies, private companies, public sector and voluntary organisations on all aspects of organisational design and remuneration.
 - The advice typically includes benchmarking of annual pay and all other aspects of remuneration, bonuses, company pension contributions, holiday entitlement etc.
- When benchmarking we use the Mercer International Position Evaluation (IPE) System which evaluates (scores) jobs across a range of factors.
- As well the information provided by the National Childhood Network, the Crann Support Group, the Association for Childhood Professionals and Early Childhood Ireland, which we have reviewed, we have also carried out our own online research including reviewing the policies and practices in other countries.
- We have also held discussions with different stakeholders within the sector, subsequent to which we have received a remuneration proposal recently developed by the Professionalisation Sub Group of the National Early Years Forum which was established by the Department of Children and Youth Affairs.

3 BACKGROUND

For the purposes of this Report we have referred to the staff dealing directly with children as Early Years professionals working in centre based services. These professionals provide a range of early year's services for children aged from 2 years 8 months – 6 years with some services providing for children from 6 months -3 years as well as school age children. They are delivered on a sessional, part-time and full-time basis. Services are owned/managed by independent private operators or by voluntary management committees. A small number of services are owned and managed as part of a chain. Providers/staff in all services must comply with a broad range of legislative and regulatory requirements as well as those required by the DCYA and Pobal.

- Providers /staff in delivering these services, work to care for and provide a broad range of educational experiences for the children who attend in order to promote their holistic development. It is accepted that these years are critical for the future development of children and a valuable support to families.
- The delivery of services is fragmented with 4,507 separate units registered with Tusla (Annual Tusla Report 2016) employing approximately 25,000 staff and looking after more than 120,000 children. Funding provided for service delivery derives from a mix of state funding and parental fees.
- Service providers can access Government funding to subsidise the cost of services to parents through various Government funding schemes which include Community Childcare Subvention (CCS), Community Childcare Subvention Plus (CCSP), Training and Employment Childcare (TEC) and the Early Childhood Care and Education (ECCE) scheme which from September 2018 provides a Pre-school place free to parents for children aged 2 years and 8 months -5 years for three hours per day for 38 weeks of the year.
- The Early Childhood Care and Education Programme (ECCE) now pays a capitation grant of €69.00 per child to the service provider. Services who employ staff with a level 7 or 8 Degree and who have three years' work experience receive a higher capitation of €80.25 per child. There is no obligation on the provider to pay the more highly qualified staff member a higher rate of pay.
- Based on our discussions with the various stakeholders it is clear that Early Childhood Professionals are engaged in delivering services to support families and promote the health, well-being and education of children and that this work should be seen as part of the continuum of providing learning and development services to children through to adulthood. Our recommendations reflect this view.

4. THE PURPOSE OF BENCHMARKING

- Benchmarking has different purposes depending on the context.
- In this case the purpose is to develop remuneration terms to support the development and sustainability of the Early Year's workforce and the delivery of quality early years services.
- There are two elements to the benchmarking process:

1. ***Role Evaluation*** (sometimes referred to as Job Sizing)

This is based on a number of factors:

- i. The size of the organisation
- ii. The role within the organisation being benchmarked
- iii. The ability of staff to make an impact
- iv. The communication ability required
- v. The extent of communication – and with whom?
- vi. Innovation
- vii. Complexity
- viii. Knowledge required
- ix. Way knowledge is applied

- x. Exposure to mental or physical injury from work conditions and the environment.

2. *Remuneration Benchmarking*

- The Position Class resulting from the Role Evaluation is used to establish the appropriate remuneration – annual pay and other benefits.

5. DEFINITION OF ROLES

- For the purposes of putting forward our recommendations we have adopted the following definitions:

Early Years Educator

Typically works with between 3 - 11 children ranging in age from infants to 5 year olds. Minimum qualification is QQI Level 5.

Early Years Leader (Supervisor or Room Leader):

Typically works with a group of children and is also responsible for supervising a small number of Early Years Educators.

For leaders in settings delivering the ECCE scheme, a minimum qualification of QQI Level 6 is required for funding purposes. In smaller settings the Leader may also undertake the role of Manager

Early Years Assistant /Deputy Manager:

Found in the larger facilities only and typically has a number of specific delegated responsibilities.

Early Years Manager:

Responsible for the overall operation of the facility, this may include provision for babies, toddlers, pre-school and school age children. The Manager may be the owner of the facility also. Managers in committee managed community services are answerable to a voluntary board of management.

- Based on our discussions we are proposing that there should be a common scale for each role regardless of the ages of the children involved.

PROPOSED ANNUAL PAY SCALES

| Role | IPE Position Class Score | Annual Pay Scale (Based on IPE Position Class Score) | | |
|---------------------------------|--------------------------|--|---------------|------------------|
| | | Entry Point (€) | Mid Point (€) | Top of Scale (€) |
| Early Educator | Years 42 - 43 | 27,000 | 35,500 | 44,000 |
| Early Supervisor (Room Leader) | Years 45 | 32,000 | 46,000 | 60,000 |
| Early Assistant /Deputy Manager | Years 46 | 34,000 | 48,000 | 62,000 |
| Early Manager | Years 48 | 40,000 | 54,000 | 68,000 |

- The scales are based on a 39 hour working week, including non contact time, payment should be pro-rata where fewer hours are worked.
- A comparison with a range of other public sector roles is set out in the Appendix.
- It is proposed, other than by promotion, that staff move through the pays scales through a combination of experience, participation in professional development training, possibly including obtaining additional qualifications, and satisfactory performance.

- In conjunction with the pay scales, comparable public sector pension arrangements and holiday, sick leave, and study leave should be provided.

3. PROPOSED ANNUAL PAY SCALES – IMPLEMENTATION

- The Association of Childhood Professionals has proposed that there should be increased investment in the sector so that the average wage moves to a living wage – defined as approximately €12 per hour – in the short term and to a professional wage in the next five years.
- Based on our discussions we believe there is broad support for the above approach while recognising that financing will be an issue.
- Our recommended scales to provide a professional wage are set out later in this report. These are based on our benchmarking of the roles against roles in the public sector using our benchmarking methodology.
- It is reasonable to require that persons working in the sector working in a Leader / Supervisory role have an appropriate professional degree as is required for primary school teachers.
 - A minimum requirement of a professional degree for new appointments to the role of Early Years Room Leader and higher roles within a period of, say, 5 years should also be agreed.
 - For current Early Years Educators only accept, for a period of 10 years, a minimum of 5 years' service in the sector with a QQI Level 6 qualification could be accepted as an alternative to a degree.
 - Reconsider a requirement of a professional degree for Early Years Assistants at a future date.
- It will be necessary to develop and implement a transition path from the current pay arrangements.
- In conjunction with the proposed pay scales introduce appropriate pension contribution terms and holiday, sick pay and training terms in line with comparable roles in the public sector.
- The pay arrangements should be implemented by means of, at least initially, a statutory Sectorial Employment Order.

APPENDIX – PUBLIC SECTOR COMPARATORS (POST 2011 ENTRANTS WHERE RELEVANT)

| Role | IPE Position Class | Annual Pay | | |
|---|--------------------|-----------------|---------------|------------------|
| | | Entry Point (€) | Mid Point (€) | Top of Scale (€) |
| Care Manager (Hospital) | 51 | 54,463 | 59,326 | 62,321 |
| Early Years Manager | 48 | 40,000 | 54,000 | 68,000 |
| Social Care Leader | 48 | 45,063 | 49,631 | 52,650 |
| Early Years Assistant /Deputy Manager | 46 | 34,000 | 48,000 | 62,000 |
| Teacher | 45 | 35,602 | 54,354 | 66,869 |
| Early Years Supervisor (Room Leader) | 45 | 32,000 | 46,000 | 60,000 |
| Social Care Worker (With Qualification) | 45 | 31,293 | 38,663 | 45,306 |
| Nurse | 44 | 28,483 | 36,402 | 43,469 |

| | | | | | |
|--------------------------|--------------|----------------|---------------|---------------|---------------|
| Early Educator | Years | 42 - 43 | 27,000 | 35,500 | 44,000 |
| Nursing Assistant | | 42 | 26,276 | 29,660 | 30,374 |
| Special Assistant | Needs | 42 | 23,122 | 30,211 | 38,723 |

- Some of the scales have significantly more points than others and, hence, a higher “top of scale”.

APPENDIX – CONTRIBUTORS TO THE STUDY

Association of Childhood Professionals

Crann Support Group

Early Childhood Ireland

Forsa

National Childhood Network (staff, private and committee operators)

PLÉ

National Forum for Community Childcare Services

Seas Suas

SIPTU

MERCER

MAKE TOMORROW, TODAY

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CRANN SUPPORT GROUP

Measuring the Social
Impact

**Trinity Business
School
EMBA-2020**

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1.0 Executive Summary

Scientific research proves and early childcare is key in child development and has a positive influence on children's development and school readiness. Quality childcare services require a lot of tangible and intangible resources which pose certain challenges in obtaining those and carry certain costs. This results in an overall high cost of childcare. Those barriers extend over to social inclusion programs and projects which are notoriously under resourced.

Crann Support Group is a social enterprise that supports early childcare centres (ECCs) and voluntary social inclusion projects by providing a shared services model to those organizations. This model is unique for Ireland however it also exists in the United States of America and has been proven to be very successful in both circumstances.

This report is a summary of project work that focused on measurement of impact of Crann's services. The impact was twofold, directly on partnering organizations and indirectly through their work, on local communities. The report is supplemented by a presentation on the same subject.

The project work included primary research into the subject, engagement and interviews with key Crann representatives – Marie Daly, CEO of Crann and Rachel Grant, HR Manager for Crann Group (and Trinity project liaison), online survey for Crann Group's members, focus group with key individuals: directors, board members, project managers from partnering organizations and also secondary research.

The report provides overview of the organization itself, presents results of the survey and focus group exercise, and observations and conclusions about childcare and impact measurement from external sources.

The survey highlights the huge importance Crann Support Group has for all Community Childcare Organizations (CCOs) and Community Voluntary Social Inclusion Programs (CVSIP). The results reveal that the model Crann offers to those entities is vital to their existence and in many cases lack of those services would mean many of them would cease to operate.

Focus group exercise was conducted in Crann location in Navan on the 3rd of March 2020. The group consisted of directors of CCOs, board members of Crann and managers of social programs and projects. The exercise built on the online survey and explored key questions in more detail. Results emphasized the survey findings and Crann's direct impact on all partnering organizations.



In the next part of the report the team presents key indicators which are divided on direct and indirect impact categories. It discusses cost savings and quality of childcare as well as introduces examples of similar support models from the US.

The final part of the report consists of recommendations the team is making to Crann. It consists of a dashboard for impact measurement, theory of change chapter and conclusions.

2.0 Context of the problem

Early Childhood care plays an important role in children's development and provides valuable support to families with young children. The quality of childcare can have a positive influence on children's development and school readiness by providing valuable educational and social experiences. High quality childcare is characterized as:

- Having well-qualified, well-paid, stable staff, low child-adult ratios, and efficient management.
- Offering a program that covers all aspects of child development (physical, motor, emotional, social, language and cognitive development).

Research shows that only high-quality provision can deliver well-being and appropriate development to young children. As an increasing number of mothers in Ireland are in the workforce and most children ages 3 and older, now attend a childcare facility on a regular basis, it has become critical that young children from all backgrounds should have access to high-quality childcare and early education.¹

It is also important that the childcare facilities are affordable to all categories of families. In Ireland, The National Childcare Scheme provides subsidies to help parents meet the cost of quality early learning and care for early childcare and school-age childcare. It replaces all previous targeted childcare support programs with a single, streamlined and user-friendly scheme. It is also important for the childcare facility to focus on the cost so that they can offer affordable childcare to community families.

Crann is a unique example of an organization that through its business model is enabling Early Childcare Centres (ECCs) to provide quality and affordable childcare and a variety of social inclusion programs. The challenge this organization is facing and a question it is asking itself is around the impact their work has on

¹ "Early childhood education and care - Child care – Early" <http://www.child-encyclopedia.com/child-care-early-childhood-education-and-care>. Accessed 21 Mar. 2020.



the ECCs and in the end on the communities themselves. Measurement of this impact is also something Crann would like to develop.

3.0 About Crann

Crann as a company was established in 2012, however as a model of shared services it can trace its early roots to 1999 when Marie Daly identified a need for preschool and afterschool service for children in county Meath. It grew organically and very fast, reflecting big demand for quality and affordable childcare in the local communities of the county.

The following excerpts from “Crann strategic and operational plan 2020 - 2023” describe the organization best.

“Crann Support Group (Crann) is a community voluntary organization working to improve and enhance the governance and operations of community childcare organizations (CCOs) and community voluntary social inclusion projects (CVSIPs) through the provision of shared business services. Crann is responsible for the administration of in excess of €7M (2018 audit figures) and maintains assets to the value of €5.6M. Crann works within the principles of community development and believes that by working together we can achieve more.”

Crann has a total of 21 CCOs & CVSIPs members who avail of some or all their shared business services which enable them to be more effective and impactful at what they do.

“Crann is responsible for providing for 787.3 childcare places (437.6 FTE and 349.7 Seasonal places) for 972 children across its 10-member community childcare centres in Co. Meath and Co. Dublin in 2018. An additional service joined the group in 2019. In addition, six other centres avail of Crann services and provide a further 440 childcare places.”

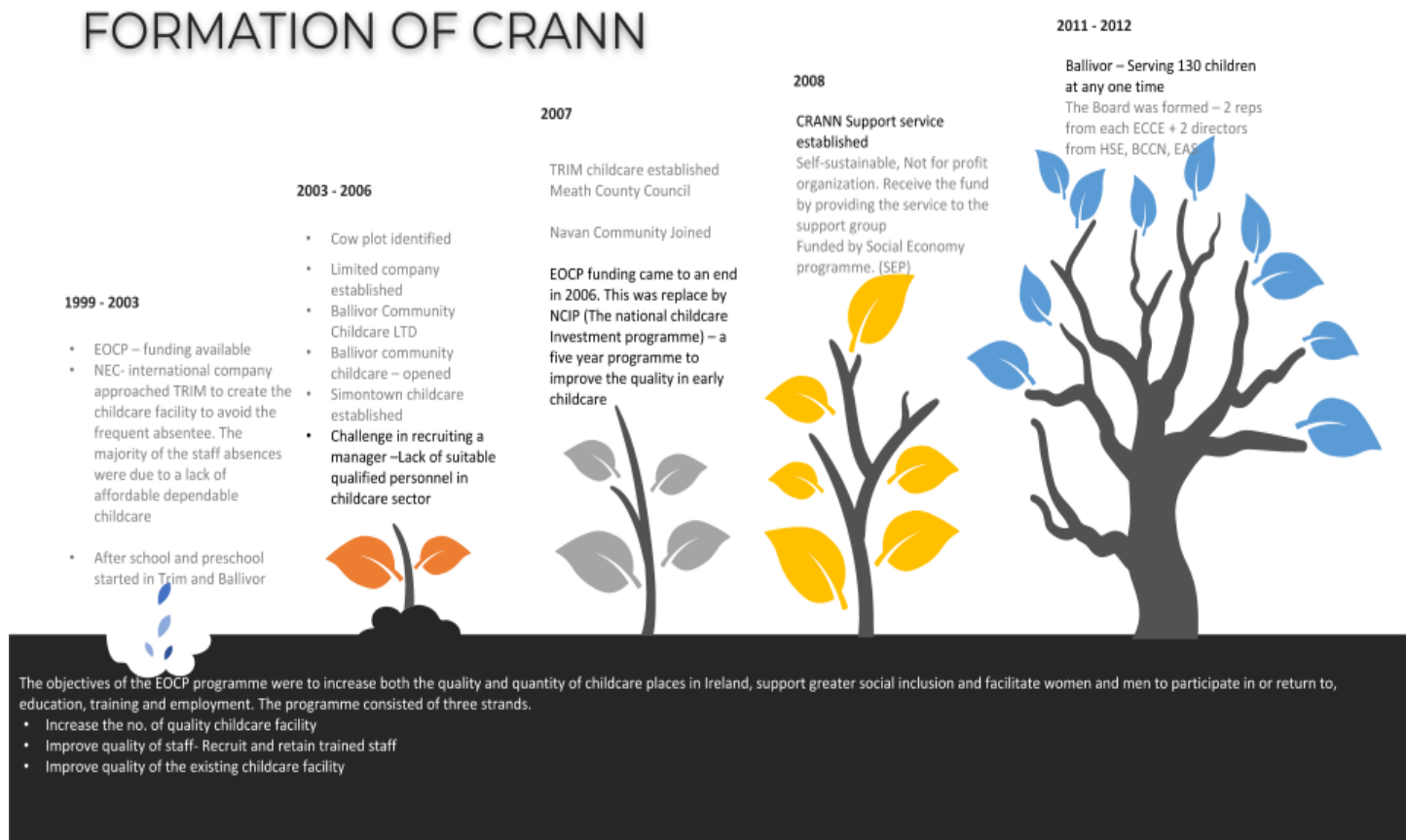
It is also responsible for social inclusion projects that support parenting, the long term unemployed and specific issues for vulnerable families. In providing these projects members CVSIPs provide services to: 85 Young People; 90 Families; 187 Adults; 452 Job Seekers; and 130 CE participants.

Crann is responsible for 201 staff members and 113 CE participants employed and working across member CCOs and CVSIPs.”

The illustration on page 6 represents early years of Crann formation: 1999 - 2012.



Fig-1: Snapshot of Crann formation



3.1 Activity of Crann²

A total of 21 CCOs & CVSIPs are members of Crann and utilize some or all the services provided. These include:

- Management of community enterprise services including consultancy and program development
- Human Resource Management
- Finance Management preparation accounts to audit stage
- Education and Training
- Community Employment Scheme
- Catering
- Facilities Management including transport, maintenance, caretaking, and cleaning
- Procurement Management and Reception

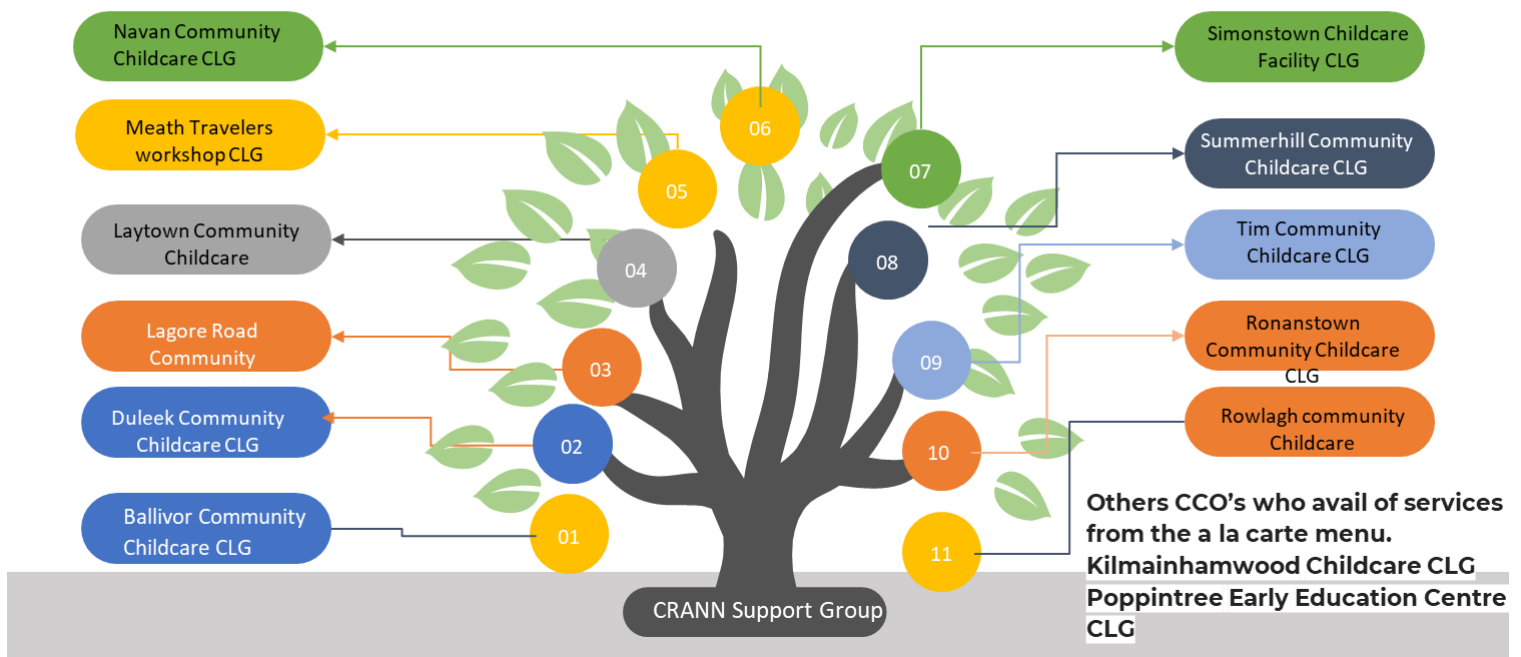
² Crann Strategic & Operational Plan 2020 - 2023



The benefits of being a member of Crann include:

- It allows member organization to focus on core business activities
- It gives confidence and reliability in the management and human resource services
- It gives access to significant expertise and knowledge working within the non-profit sector
- It gives confidence and reliability in the accuracy and efficiency of accountancy and payroll services
- It ensures compliance with statutory legislative law
- It maximizes training and qualified personnel
- It is cost effective

CRANN SUPPORTED CCO's



4.0 Project work

The task given to the Trinity Team Innov8 was to help Crann measure its social impact in a more effective and accurate way. The initial project briefing talked about creating a plan for that measurement and listed proposal of specific deliverables:

- A “Theory of Change” for Crann, including specific mission, goals, outputs and impact measures.
- Aligning impact measures that clearly relate to specific outputs of Crann partners.
- A plan for how to measure that impact on an annual basis.

After initial conversations with Crann CEO Marie Daly and Rachel Grant Crann’s HR Manager and project liaison, Team Innov8 identified the following steps/questions that would allow for successful project delivery.

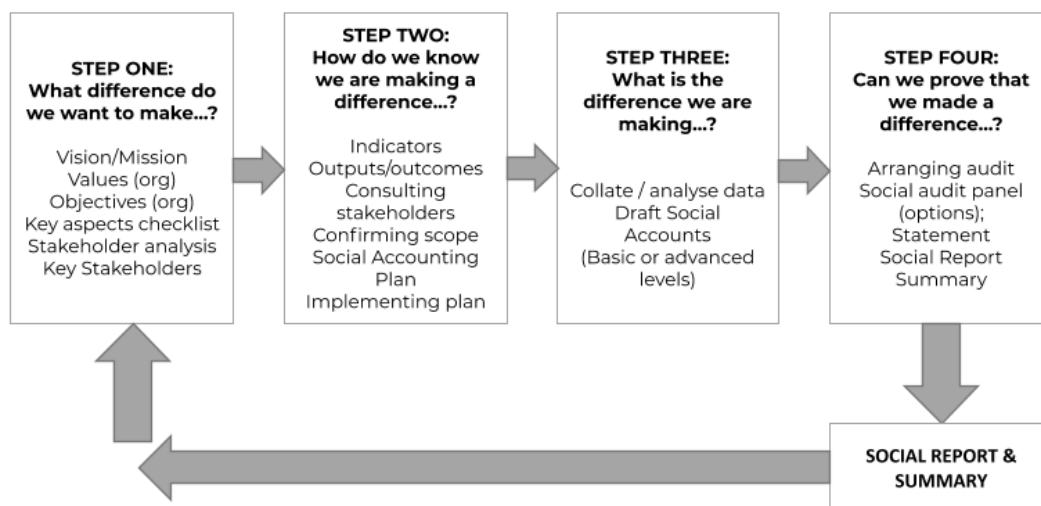


Fig-2: Setting the context

Step One: What difference/impact does Crann want to make?

Crann has a clear vision, mission, principles and values and this defines the impact the organization wants to make for the CCOs and CVSIPs



Fig-3: Vision, Mission, Purpose & Value

Step Two: How does Crann know it is making a difference/impact?

Getting feedback from CCOs and CVSIPs was key in answering this question. Trinity Team Innov8 sent a short online survey with ten questions to all representatives of member organizations. The results clearly show that the vast majority of CCOs and CVSIPs believe that Crann makes a huge impact and difference to their operations. The results are summarized in [chapter 5.1](#). This also formed a base for a focus group exercise which delved into key questions. This is summarized in [chapter 5.2](#).

Results from the survey and focus group were essential in establishing key indicators of the impact that Crann is having on CCOs and CVSIPs.



Step Three: What is the difference/impact Crann is making?

Trinity Team Innov8 collected financial data from Crann and representation of member CCOs and CVSIPs. After analysis and interviews with the accounting department, the team came up with the cost benefit analysis and the savings made by the organizations availing of Crann services. The team also validated the savings with the similar shared service model for childcare organizations in the United States. These financial benefits are considered a direct impact Crann has on the CCOs and CVSIPs with additional indirect impacts also identified. Results are detailed in [chapter 6.1](#). It is important to note that indirect impacts are not quantified, as they would require engagement with Crann members and partnering organizations in a much more detailed manner and that is simply beyond the feasibility of this project. Instead, study of indirect impact is based on publicly available research.



Step Four: Can Crann prove it is making the difference/impact?

With all the analysis and the research complete Trinity Team Innov8 summarized that in a social impact measurement dashboard for Crann. The team thinks this impact dashboard can be updated, validated, included in annual reports and even audited on a yearly basis.

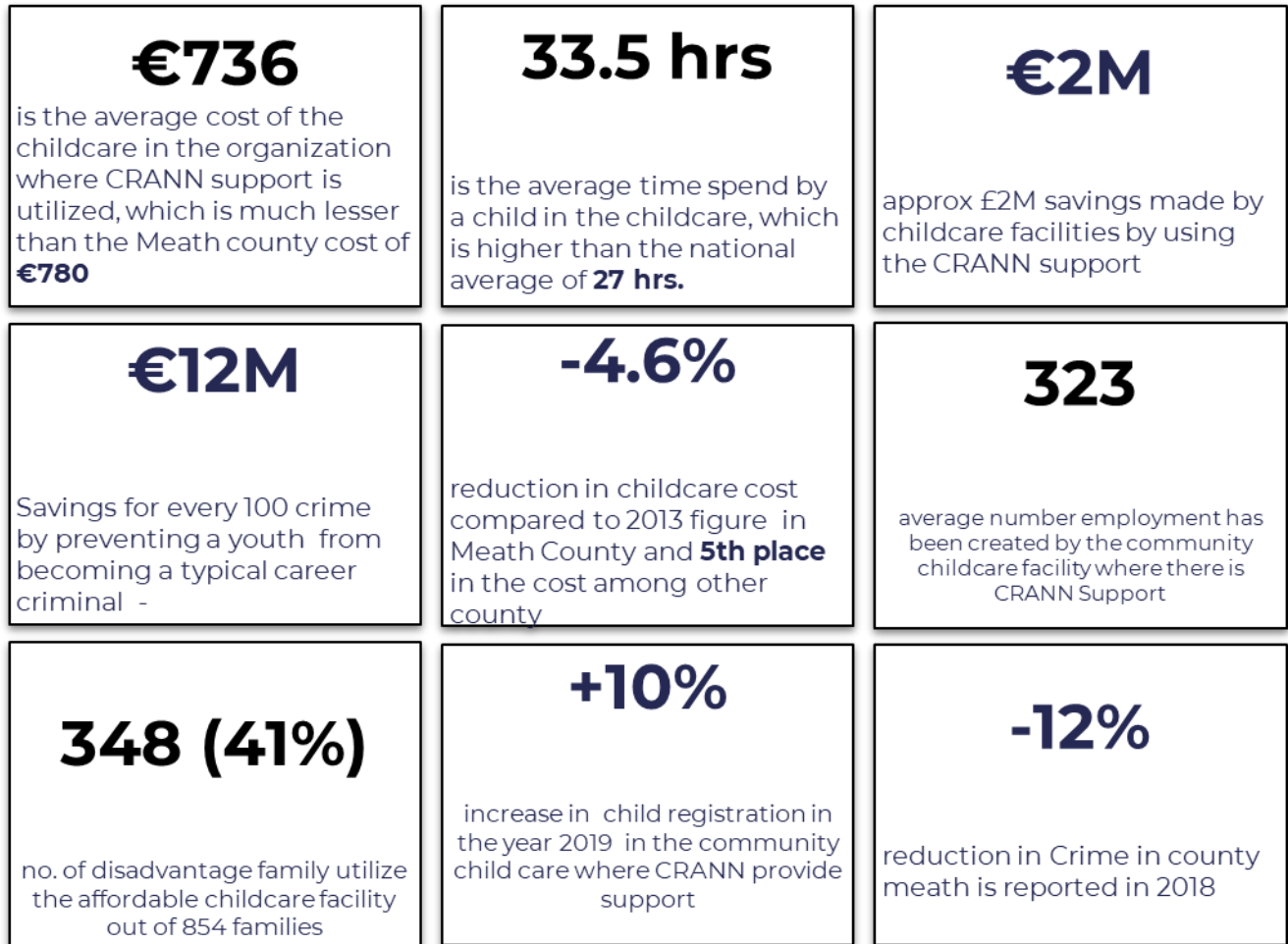


Fig-4: Dashboard for impact measurement



5. Outcome from online survey and focus group

5.1 Online Survey

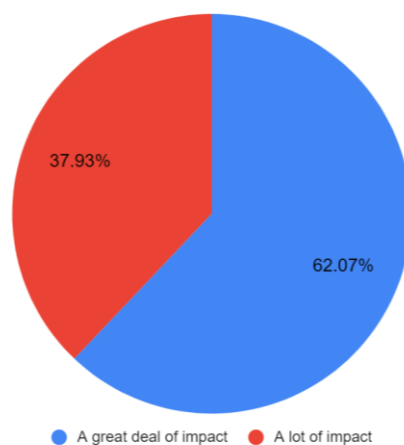
The survey consisted of ten questions. The team used the survey monkey³ and it was sent to 40 individuals representing different CCOs and CVSIPs and 30 responded (75%). Complete results can be accessed here:

<https://www.surveymonkey.com/results/SM-FR6GKPQT7/>

Survey Q1: How much of an impact do you feel your work/work of your organization/project/program has on the local community?

62 percent of CCOs agree that they are making 'A lot of impact' to the local community through their work

38 percent of CCOs agree that they are making 'A great deal of impact' to the local community through their work



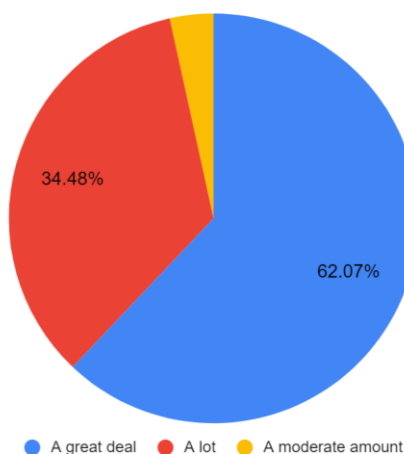
Graph-1: Survey Q1

Survey Q2: How much of an impact does Crann have on the work of your organization/project/program?

62 percent of CCOs agree that Crann is making 'A great deal' of impact on their organization.

34.5 percent of CCOs agree that Crann is making 'A lot' of impact on their organization.

6.6 percent of CCOs agree that Crann is making a "moderate amount" of impact on their organization.



Graph-2: Survey Q2

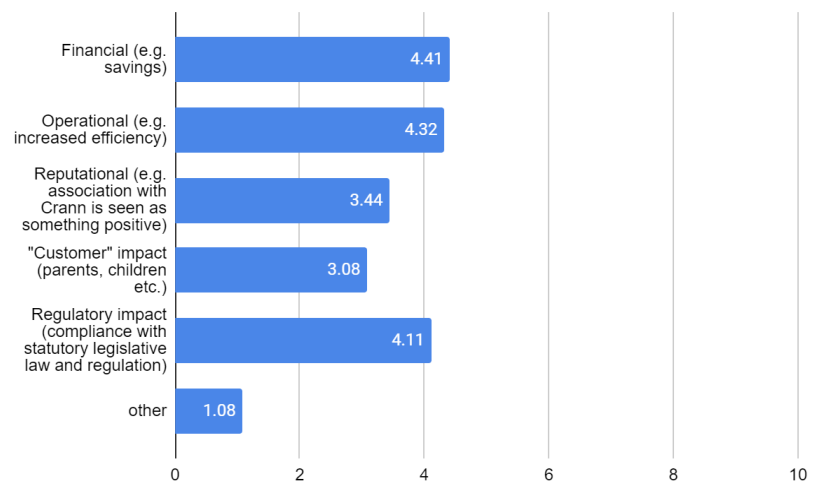
³ "SurveyMonkey." <https://www.surveymonkey.com/>. Accessed 26 Mar. 2020.



Survey Q3: What are the most important dimensions of impact that cooperating with Crann creates?

Financial savings, improve operational efficiency, help in keeping the reputation of the organization, improve customer impact, and help them to comply with regulatory requirements.

Among the thirty, twenty-three people we surveyed, mentioned that apart from the above five categories, Crann is also providing procurement advantage in a form of bulk buying.



Graph-3: Survey Q3

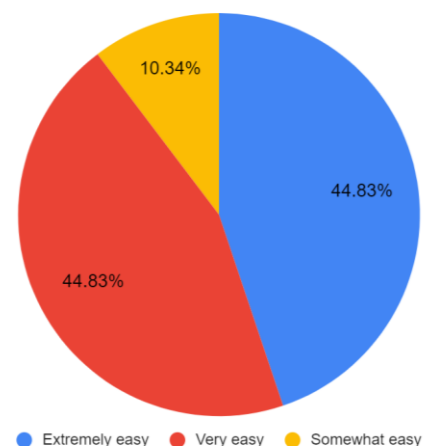
Survey Q4: How easy is it to cooperate with Crann?

45 percent of CCOs said that it is an **extreme essay** for them to cooperate with Crann.

45 percent of CCOs said that it is **very easy** for them to cooperate with Crann.

10 percent of CCOs said that it is **somewhat easy** for them to cooperate with Crann.

Below, is a complete list of comments associated with this question.



Graph-4: Survey Q4

“Very supportive”

“Local Directors are approached by customers and Crann do not appreciate this. Some medium size expenses are incurred without consultation.”

“There's always help at the other end of the phone when required. Also, Crann is very well versed in Governance issues and their team is always proactive and they communicate very effectively with their members.”

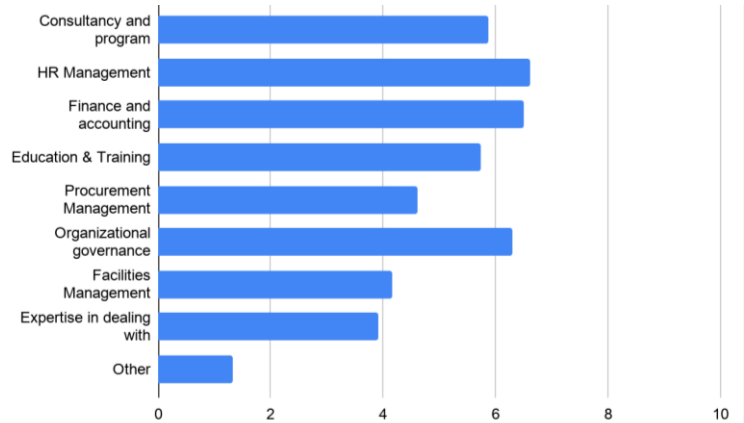
“Approachable, timely, accountable, knowledgeable, thorough make it easy to deal with Crann”



Survey Q5: What are the most important services delivered by Crann to your organization/project/program?

Top 3 most important services are:

- Organizational governance
- HR management
- Finance and accounting



Graph-5: Survey Q5

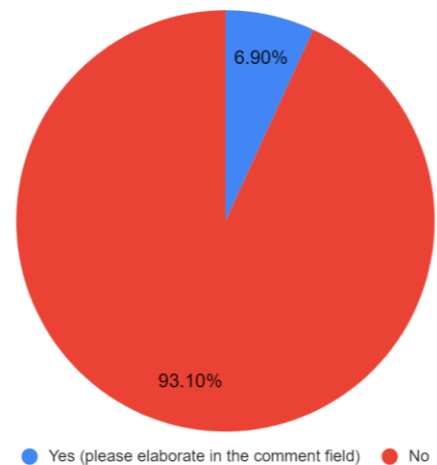
Survey Q6: Are you aware of any viable alternatives to the services Crann is providing to your organization/project/program?

Only two members mentioned that there is an alternative to Crann services - “Wheel”

Comments:

“Wheel”

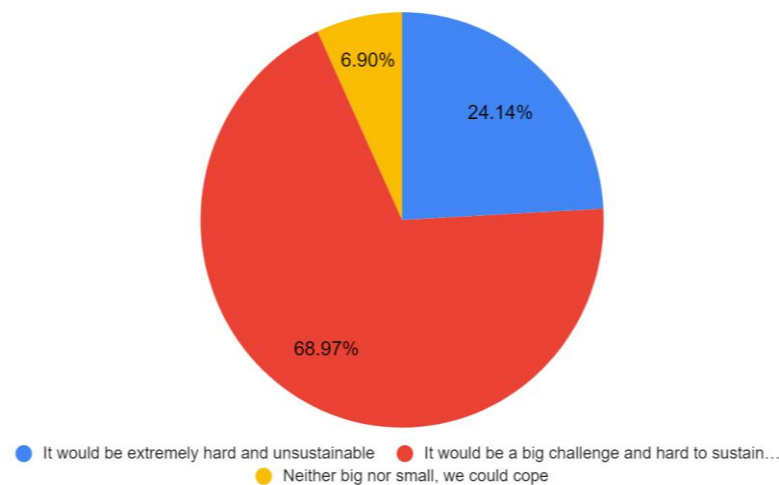
“Crann's reputation and progress over the last 20 years has extended the impact and services of the organization's outside Co. Meath.”



Graph-6 : Survey Q6

Survey Q7: What kind of challenge would it be for your organization/project/program if you had to perform services delivered currently by Crann, in-house or use other business entities?

93 percent of the people said that it would be extremely hard or a big challenge to sustain their activity without the support of Crann services

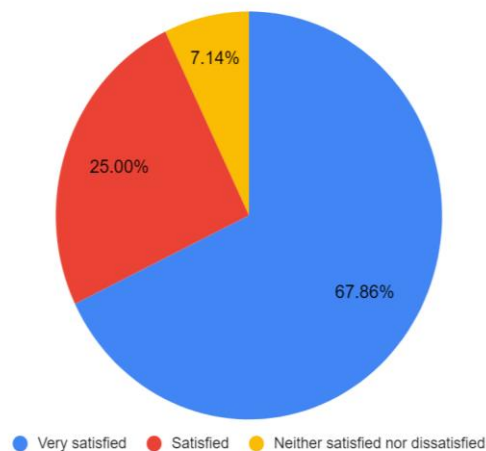


Graph-7 : Survey Q7



Survey Q8: Overall, are you satisfied or dissatisfied with your experience with Crann?

Around 68% are very satisfied, however 7% are neutral, either satisfied or dissatisfied and they should be Crann's focus.



Graph-8 : Survey Q8

Survey Q9: What would you like to see Crann do more of/less of for your organization/project/program? Is there anything that would help you achieve your results better?

Below complete list of comments:

- *Publicity within the community local radio etc..... meet with board once term*
- *They stay and continue to facilitate confidence in the organization*
- *Long term planning for the future of our project in terms of the building/location.*
- *Consistency of service and compliance across all service providers.*
- *Continue to provide governance support as they have been.*
- *Continue to develop the good support*
- *Excellent supports as is - especially links with other providers re Govt policy*
- *Greater understanding and clearer understanding of roles and functions*
- *nothing. Crann does a super job*
- *More Spot checking and internal audits*
- *Training*
- *Website site development. Bookings online.*
- *Greater parent involvement. improved hr. processes,*
- *Crann are very helpful in all aspects of building a successful organization.*
- *More on quality provision for the children*
- *Not sure. Currently Crann provides a comprehensive service.*

Survey Q10: Please share any additional comments you might have to any of the questions:



Crann Support Group - TCD Social Enterprise Project

- *I don't know many of the Crann members. It would be nice to connect*
- *They totally stabilized an organization and that meant it stayed open for the community*
- *I couldn't answer questions 3 and 5 properly. Every time I clicked a number from the drop-down menu it would undo a number, I had picked for one of the other answers.*
- *For a small organization Crann are a great support to have and access to their guidance*
- *Recent strategic plan should provide renewed focus for each Board*
- *Nothing else to add*
- *Excellent body*
- *The services of Crann are constantly being stretched beyond breaking point. They need a funding stream, separate from what its members can afford to pay, to employ a larger team. The key personnel within Crann are required to work long hours to sustain the services they supply. The first phase of development is now well established and functioning to capacity, but the funding stream available to the organization leaves it financially vulnerable and curtails its potential growth.*
- *See above. Very satisfied with Crann and the expertise and support provided to Lagore*
- *It is a pleasure working with Crann. They have supported our organization to develop better governance and sustainability for the future in a community working in a disadvantaged area.*
- *We would really struggle without the support of Crann*



5.2 Focus Group

Trinity Team Innov8 organized a focus group exercise with 17 representatives from different CCOs and CVSIPs on the 3rd of March. The session took place in Crann's location in Navan Co. Meath and lasted approximately 2 hrs. It was conducted in a form of moderated discussion. The team recorded the audio of the session. The exercise was observed by Crann CEO Marie Daly and Rachel Grant - HR Manager for Crann.

FOCUS GROUP - WHO WE SPOKE TO

William Keegan
Ballivor Community
Childcare (CLG)

Frank Andrews
Duleek Community
Childcare

Sinead Goman
Lagore Road
Community Childcare

**Elder Bolger
O'Hora**
Lagore Road
Community Childcare

Helen Fleming
Lagore Road
Community Childcare

Matt Melvin
Navan Community
Childcare CLG

Enda Lydon
Navan Community
Childcare CLG

**Marguerite
O' Loughin**
Simonstown
Childcare Facility

**Madeleine
Thornton**
Simonstown
Childcare Facility

Moira Doyle
Summerhill
Community Childcare

Claire Diamond
Trim Community
Childcare & Lilliputs
Laytown

Andy Ogle
Trim Community
Childcare & Lilliput
Laytown

Fran Byrne
Trim Community
Childcare & Lilliput
Laytown

Mary Gormley
Rohanstown
Community Childcare

Deirdre Kelly
Ballivor
Community
Childcare

Irene Farrell
Crann Support Group
CLG Community
Employment Scheme

Barbara Bolger
East Coast Family
Resource Centre
(Bettystown and
Laytown)

Tom Malone
Meath Job Club



Cathreen Sherrock
South Meath response to
Teenager

Se Fulham
Navan Community
Childcare

Rachel Grant
CRANN Support Group

Marie Daly
CRANN Support Group

Fig-5: Picture from Focus group

The discussion revolved heavily around the impact Crann has on all the organizations and how various examples of that may be. Participants were aware of the difficulty of measuring social impact. They highlighted that if it was not for Crann's services they would cease to operate and provide their service.

Key points highlighted during the focus group session:

- There is still growing demand on Crann services
- Teachers and site Directors can focus on children and their primary duties and goals



- Shared services model enables monetary and time savings and reinvestment of those resources in primary purpose of CCOs and CVSIPs
- High administrative costs limit investment in skilled workforce
- Economies of scale & specialization
- Sharing staff promotes efficiency; eliminates duplication of effort
- Joint planning and procurement can reduce costs e.g. bulk buying of supplies or contracting on behalf of the entire Crann group.
- Crann was integral part of community bringing cohesion
- There is demand among the member CCOs and CVSIPs for more consultancy services from Crann e.g. risk management, auditing.

WHAT WE HEARD

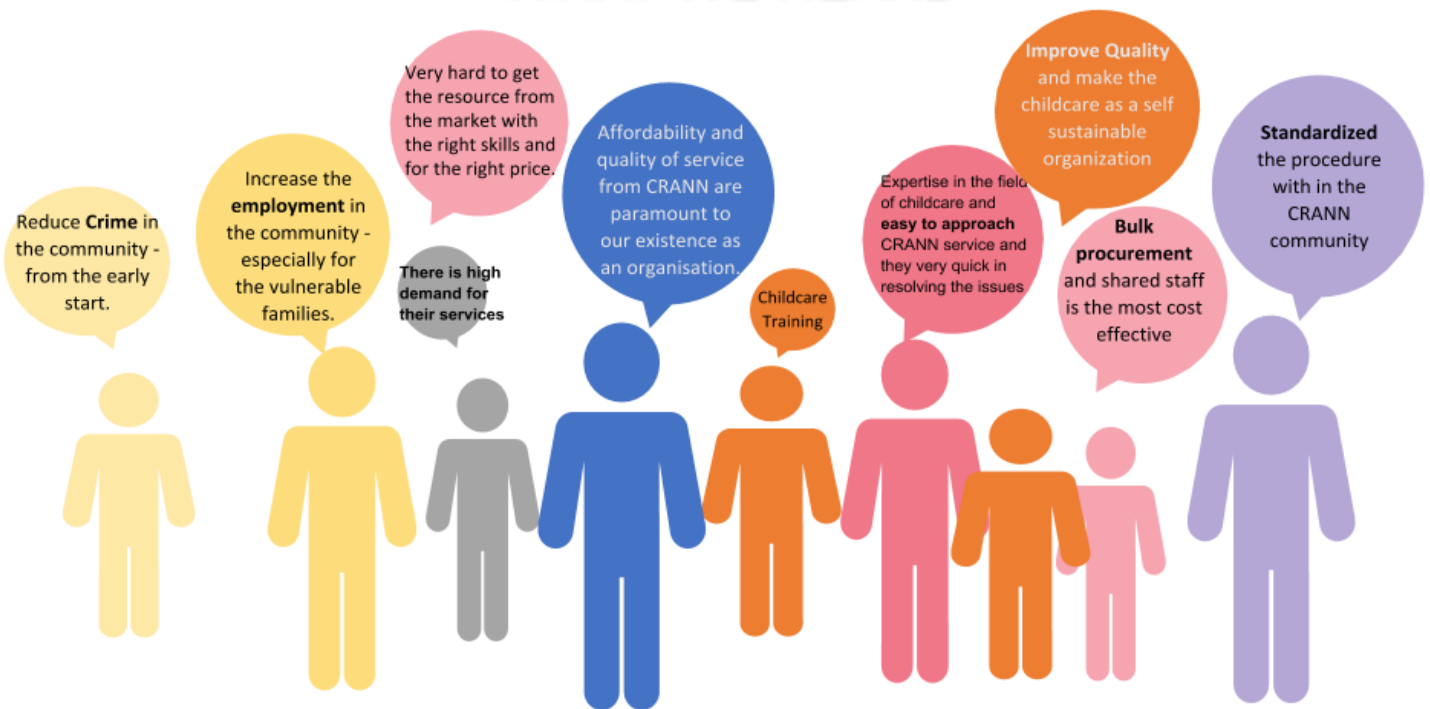


Fig-6: Snapshot of what we heard



6.0 Defining the Key indicators

Based on the outcomes of the focus group and the online survey, Trinity Team Innov8 developed key indicators for Crann support service. The Team categorized the impact into two categories: direct and indirect. Direct impact is the benefit that CCOs and CVISPs are getting by using the Crann support services. Indirect impact is the impact those CCOs and CVISPs have on their local communities.

Direct Impact:

- Cost reduction,
- Improvement in quality of the childcare
- Time reduction (e.g. quicker in preparing financial statements)

Indirect Impact:

- Improve **quality** of life
- Increase **Employment**
- Long-term **reduction in criminal** behavior
- Access to **affordable childcare**
- **Rate of return is high** on investing in disadvantaged children's
- Boast **social mobility** of children
- **Children receiving early care perform** on average better than others at the age of 15 years

6.1 Measuring the Cost Savings

One of the biggest advantages of Crann is the knowledge and experience acquired over twenty plus years. This translates into the main benefit of the shared services concept: affordability. CCOs and CVISPs are unable to get similar offering and pricing of services from any other provider of business services. This also means that Crann services are unique in Ireland in this “sector”.

To estimate the cost savings, the project team analyzed the accounts but also asked focus group participants what their 3 key areas of spending and what kind of spending are would they have to make if Crann services were not available. Focus group has identified the following resources.

- | | |
|--------------------|--------------------------|
| ● HR Manager | ● Legal advisor |
| ● Accountant | ● Cleaning & maintenance |
| ● Facility Manager | ● Catering |

The Team also reviewed Crann’s yearly financial statement in order to understand revenue levels on a yearly basis. The Team then estimated the cost of a full time or dedicated employee for each childcare



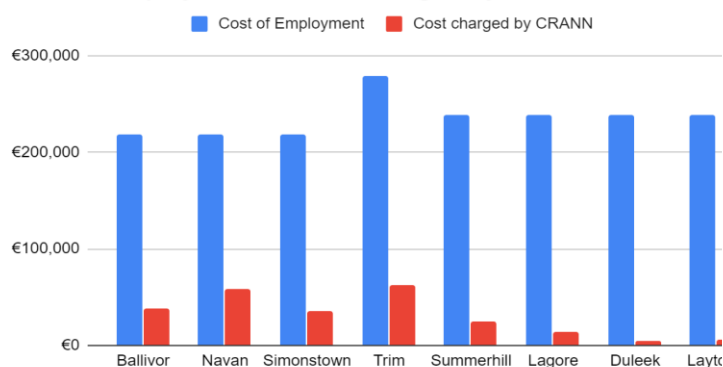
center. Cost savings is calculated by the difference between the cost of employment and the cost invoiced to CCO or CVISP. **From this calculation, the average savings for each childcare center is calculated at around €100,00 to €150,000 a year.** Also, if the Crann support is not available, every childcare center must spend around 35% to 45% of their turnover to the cost of employees.

Below table presents some concrete examples. In the absence of Crann, childcare centres like Lagore, Duleek and Laytown would have to spend more on staff salaries than their turnover, so they would simply become unsustainable. The detailed analysis is attached in the [annexure-1](#)

Table-1: Cost Savings

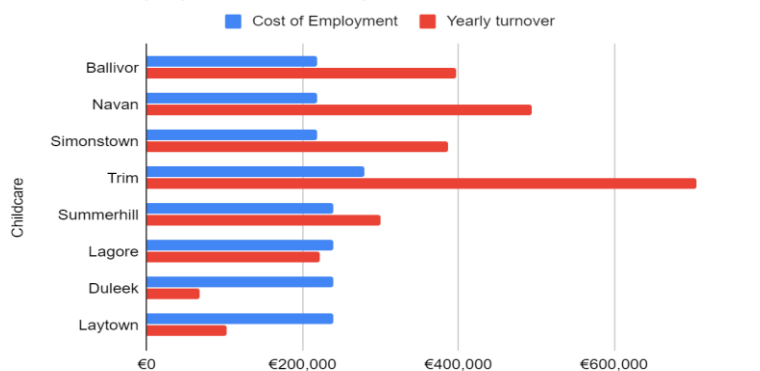
| Childcare centre | Total Cost of Employ | Invoiced by Crann | Cost Savings | Turnover | Percentage spent on staff salary, if Crann support is not used |
|------------------|----------------------|-------------------|--------------|-----------|--|
| Ballivor | € 181,000 | € 38,341 | € 142,659 | € 397,665 | 46% |
| Navan | € 181,000 | € 59,010 | € 121,990 | € 494,629 | 37% |
| Simonstown | € 181,000 | € 35,135 | € 145,865 | € 386,856 | 47% |
| Trim | € 241,000 | € 61,967 | € 179,033 | € 705,396 | 34% |
| Summerhill | € 201,000 | € 24,220 | € 176,780 | € 299,643 | 67% |
| Lagore | € 238,500 | € 13,430 | € 225,070 | € 222,446 | 107% |
| Duleek | € 238,500 | € 5,176 | € 233,324 | € 68,457 | 348% |
| Laytown | € 238,500 | € 6,572 | € 231,928 | € 102,785 | 232% |

Cost of Employment Vs Cost charged by CRANN



Graph-9

Cost of Employment Vs Yearly turnover



6.2 Cost of childcare in county Meath

The national average monthly cost of a 2-year-old in full-time care is €745 – a 5.5% increase since 2013, according to a nationwide survey conducted by Newstalk. Kildare, Meath and Louth were placed in fourth, fifth and sixth place respectively in the survey. However, Meath and Clare were the only counties to register a fall in childcare costs when compared to 2013 figures.⁴

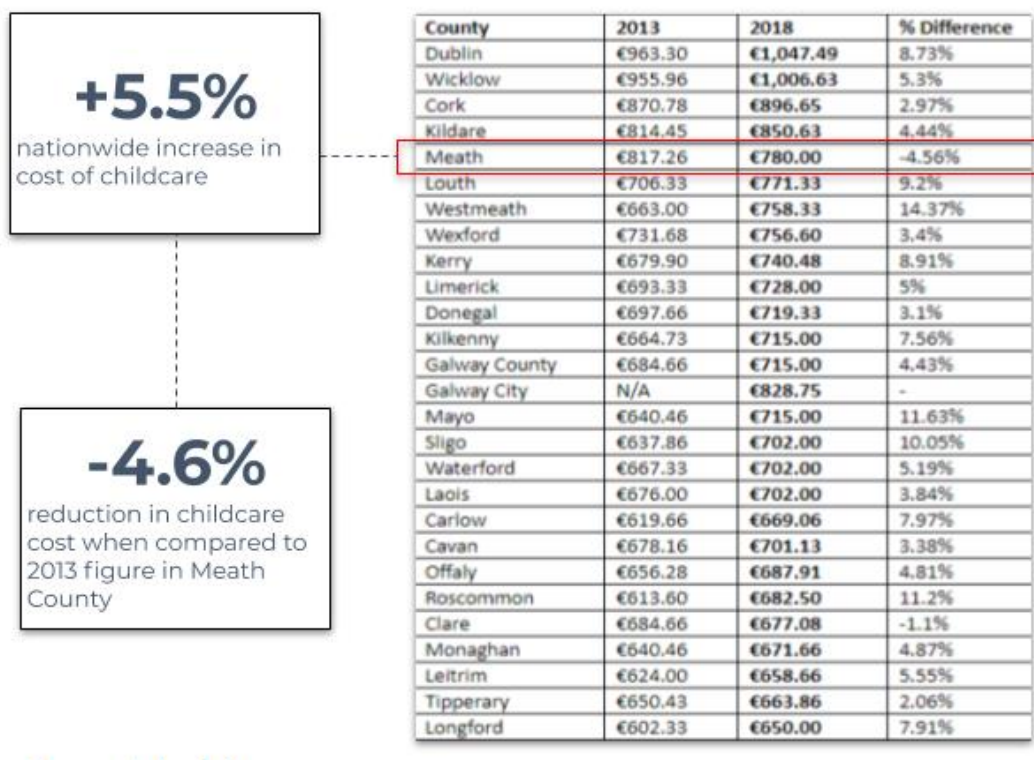


Fig-7: Cost of childcare-county wise

Above data shows there is a reduction of 4.6% in cost of childcare in county Meath, while at the same time the national average cost of childcare is increasing to 5.5% since 2013. It cannot be claimed that there is a direct correlation between the Crann operations and services and the cost of childcare in county Meath, but it is one of the factors in this reduction. Please note that there are 197 childcare centres in county Meath, out of which 33 are the community centres and 164 are private childcare units⁵.

⁴ "Childcare costs up 5.5% nationwide: Here's a county-by ..." 19 Aug. 2018, <https://www.thejournal.ie/childcare-costs-up-5-5-nationwide-heres-a-county-by-county-breakdown-of-creche-costs-4189609-Aug2018/>. Accessed 27 Mar. 2020.

⁵ "Early Years Sector Profile Report 2017/2018 - Pobal." <https://www.pobal.ie/app/uploads/2018/11/Early-Years-Sector-Profile-Report-2017-2018.pdf>. Accessed 27 Mar. 2020.



6.3 Shared service model for ECE in US

Example of similar model in US

Shared services involve sharing within an organization or group. Specifically, it refers to one part of an organization or group providing a service that had previously been found in more than one part of the organization or group. Thus, the funding and resourcing of the service is shared.

Shared accountability for results is a fundamental tenet of a shared-services approach. All partners need to ensure that the agreed results are delivered based on defined measures. This approach is emerging as a strategy for maximizing the impact of resources invested in early childhood, primarily for those providing direct services to children and their families. This strategy be supportive of system financing. By providing ways to support a program or provider, it allows funding to be redirected or allocated in different ways⁶.

The following are proven results of shared services in early childhood:

- Reduced or shared costs and time through joint purchasing, staff sharing, centralized administration, or some combination.
- Shared program or administrative capacity-building using common tools and systems, shared mentoring and supervision, and collaborative improvement processes.
- Reinvestment of cost and time savings into enhanced program quality.

There are a growing number of emerging and successful shared-services alliances in the early childhood sector. In “intensive” shared-services models, a local or regional network of centers, homes, or both collaborates and shares staff to deliver services more efficiently and with greater attention to quality. When organizations come together to participate in a shared service, they are often identified as an alliance. These alliances may use a range of business models to operate.

- Sound Child Care Solutions (SCCS) in Seattle is a local example of shared services. According to its website, “SCCS is a consortium of seven child care centers that creates stable child care by sharing administrative, accounting and human resource functions, while simultaneously investing in improved teacher practices by providing ongoing professional development opportunities in alignment with our commitment to undoing

⁶ "Shared Services - Early Childhood Training and Technical"
<https://childcareta.acf.hhs.gov/systemsbuilding/systems-guides/financing-strategically/maximizing-impact-public-funding/shared-services>. Accessed 27 Mar. 2020.

institutionalized racism, and providing quality care and education to the children we serve⁷.”

- In Fairfax, Virginia, the Infant Toddler Family Day Care is a shared-services consortium of providers that receive a wide range of support and services including marketing, training, monthly billing and collections, professional networking, support to parents, and a substitute pool.
- Quality Care for Children, in Georgia, is a hub for web-based services that are offered statewide. These shared services include cost savings on food and supplies, templates, and support documents.

6.4 Approach to Shared service model for ECE

This is the approach adopted by the opportunity exchange service in the US to transform the ECE business to a more affordable and quality childcare. They have the online knowledge hub to share the knowledge and information, this is where the Crann support service can implement in future. More automation will also improve the efficiency and reduce cost.

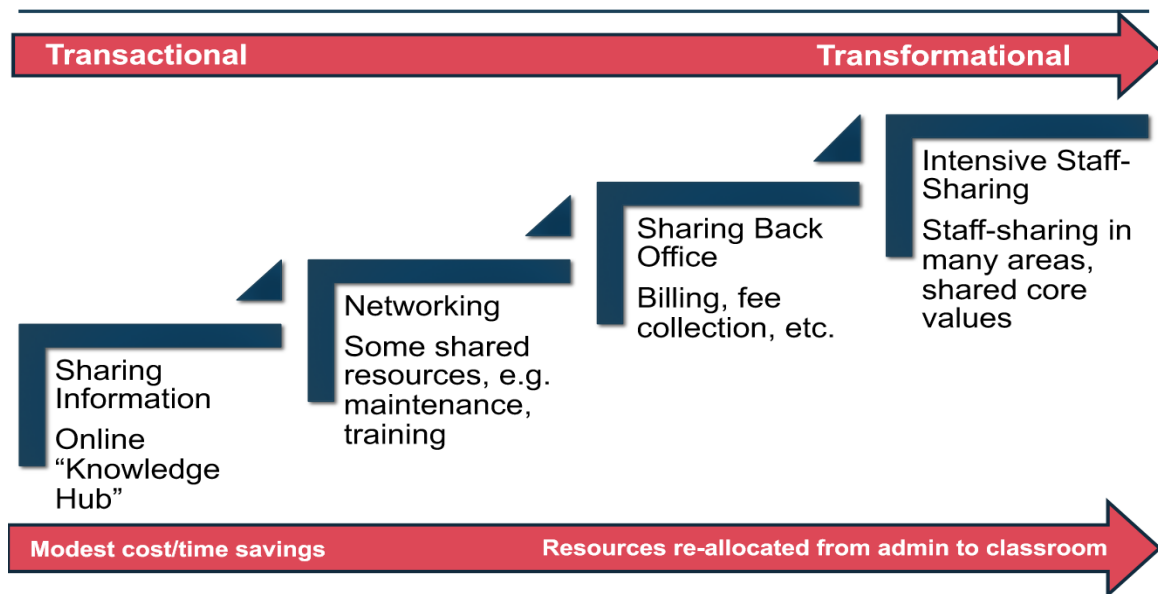


Fig-8: Approach to Shared service for ECE

⁷ "Shared Services | Office of Child Care." <https://childcareta.acf.hhs.gov/systemsbuilding/systems-guides/financing-strategically/maximizing-impact-public-funding/shared-services>. Accessed 27 Mar. 2020.



Below are the some of the benefit calculated and published in the opportunity exchange - A shared service organization for ECE⁸

- Finances – bad debt decreased to approximately 2% + cost savings
- Enrollment – centralized marketing efforts support high enrollment
- Choice for families – high quality options in center or home-based care, full day year-round for Head Start
- Time – center directors now focus most of their time on supporting teachers, instead of on administration
- Teachers – salaries increased and able to offer other benefits
- Child Outcomes – 85% of children score “Exceeding Widely Held Expectations” on Teaching Strategies GOLD
- Family Supports – Classroom teachers do home visits

6.5 Savings calculator

The infographics⁹ (Fig-9) shows the savings made by using the shared services. Using this infographic, The Team have calculated the savings by reducing the time spent by the director and the technical assistant for the activity.

| Activity | Hours saved/month | Cost Saving/month |
|---------------------------------------|-------------------------------------|-------------------|
| Purchase of Material | Staff - 3 hrs.; Director - 5hrs | \$218.5 |
| Creating Job description | Staff - 35hrs; Director - 2hrs | \$577.5 |
| Risk Management Plan | Staff - 22 hrs.; Director - 25hrs | \$1,194 |
| Employee Handbook and Family handbook | Staff - 32 hrs.; Director - 18.5hrs | \$1,112 |

⁸ "Examples of Shared Service Alliance Organizational Structure." https://opportunities-exchange.org/wp-content/uploads/Examples-of-Alliance-Org-Structure_2020.pdf. Accessed 27 Mar. 2020.

⁹ "ECE Shared Resources | Home." <https://www.ecesharedresources.com/>. Accessed 27 Mar. 2020.



| | | |
|-------------------------|--|---------|
| Total Savings per month | | \$3,102 |
|-------------------------|--|---------|

Purchase ERS Approved Materials

BEFORE (9.5 Hours)



AFTER (1.5 Hours with ECE SR)



- From 3 months to 1 month
- Ordering & approval now online
- Less onsite visits required to manually review items/catalogs

TA Saves 3 Hours
Director Saves 5 Hours

Using the savings calculator, The Team have estimated around **\$3102 of savings per month.**

Creating Job Descriptions

BEFORE (14 Hours)



AFTER (7 Hours with ECE SR)



- TA can cover more than job descriptions during visits
- Extra time means TA can scale to assist more programs

TA Saves 5 Hours
Director Saves 2 Hours

Also, there are other savings like bulk buying through shared service.

Risk Management Plan

BEFORE (35.5 Hours)



AFTER (10 Hours with ECE SR)



- From 6 months to 1 month
- Weekly calls to 2 remote sessions
- Higher quality plan
- More topics can be covered

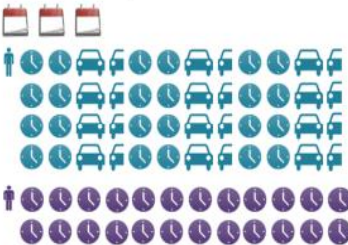
TA Saves 22 Hours
Director Saves 25 Hours

up to 20% savings in office supplies

up to 24% savings in School supplies

Employee Handbook and Family Handbook

BEFORE (186 Hours)



AFTER (14 Hours with ECE SR)



- Quality handbooks
- Updated policies
- Consistent language
- Organized presentation
- Ownership, pride in work
- Climbed learning curve
- Higher quality TA visit
- More topics can be discussed

TA Saves 32 Hours
Director Saves 18.5 Hours

1-2 cents savings per email for marketing email

up to 30% savings for Payroll processing

100% savings in Job posting

= 1 Month = Tech Assistance Staff Effort = Director Effort = 1 Hour Mtg. = 1 Hour Travel = Leveraging ECE Shared Resources
©2014 CCA Global Partners Visit www.ECESharedResources.com Call 1.877.861.8315

Source: [Save Money](#)

Fig-9: Infographics for cost savings calculator

6.6 Measuring the impact on Crime rate

Studies suggest that there is a direct link between early child education and the crime rate.

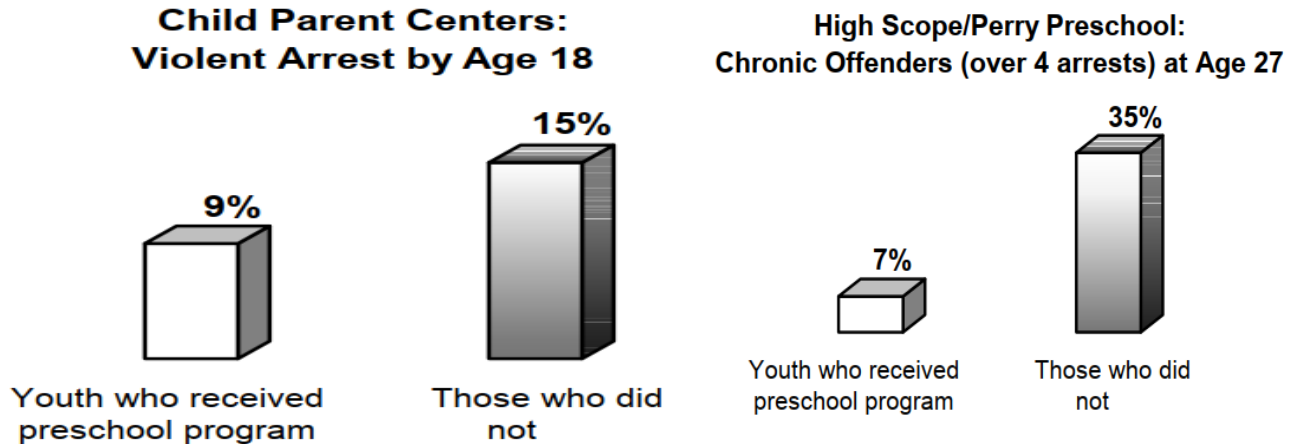


Fig-10: Comparison crime rate for child attend the preschool Vs those who do not attend

- 70% of Children who did not participate in the preschool program were more likely to be arrested for a violent crime by age 18
- Disadvantage children will be Five time more risk that they would become chronic lawbreakers as adult, if we leave disadvantage children out of the preschool program¹⁰
- For every \$1 investment in the early child education, we can get \$7 return without counting the pain and suffering from crimes¹¹
- \$1.3M potential benefits in saving high-risk youth from becoming a typical career criminal - study by Vanderbilt University

From the OECD data (Fig-11), the rate of return to one euro invested in educational interventions for disadvantaged and well-off children are very high during early childhood education.

¹⁰ "(PDF) Long-term Effects of an Early Childhood Intervention on" 5 Sep. 2016, https://www.researchgate.net/publication/11992955_Long-term_Effects_of_an_Early_Childhood_Intervention_on_Educational_Achievement_and_Juvenile_Arrest_A_15-Year_Follow-up_of_Low-Income_Children_in_Public_Schools. Accessed 28 Mar. 2020.

¹¹ "Benefits and Costs of the High/Scope Perry Preschool Program." 26 Apr. 2003, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.466.303&rep=rep1&type=pdf>. Accessed 28 Mar. 2020.

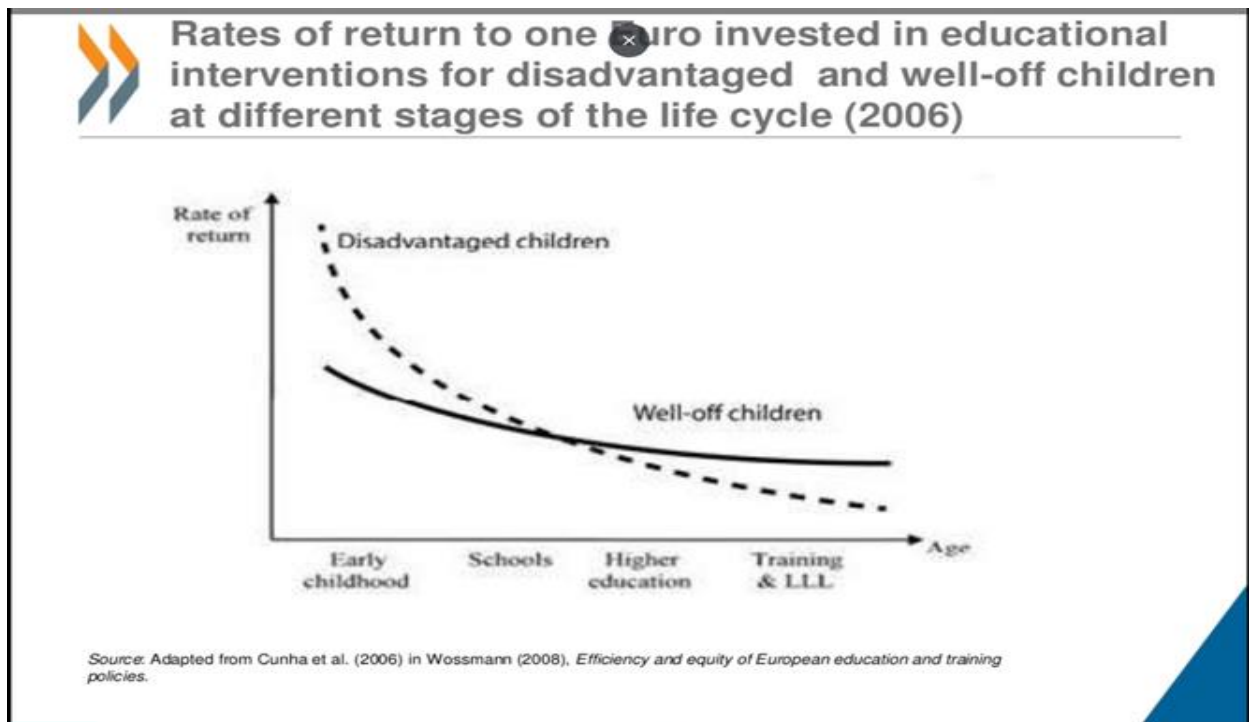


Fig-11: OECD¹² data on return on investment in ECE

Crime and Violence in County Meath

We have also looked at the crime and violence rate in the county Meath. The change in crime rate in county Meath dropped down to -3 per cent between 2007 to 2011 (Fig-12). However, county Trim, Navan, Summerhill & Ballivor have significant reduction in crime rate from 20 to 35 per cent. At the same time there is an average increase in population of 15 to 28 per cent (Fig-13) in the county Meath¹³

The local newspaper Meath Chronicle reported that the Crime in Meath has dropped sharply in 2018, falling by 12 per cent overall since 2017. Crime figures fell throughout the County, but Kells saw a massive fall of 22 per cent in its crime figures.¹⁴

¹² "Investing in high-quality early childhood ... - OECD.org." [Investing in high-quality early childhood education and care \(ECEC\)](https://www.oecd.org/ecec/investing-in-high-quality-early-childhood-education-and-care-ecec/). Accessed 28 Mar. 2020.

¹³ "Maps at Local Authority Level - AIRO, Maynooth University." <http://airo.maynoothuniversity.ie/mapping-resources/airo-census-mapping/local-authority-modules>. Accessed 28 Mar. 2020.

¹⁴ "Crime down 12 per cent in Meath - Meath Chronicle." <https://www.meathchronicle.ie/news/roundup/articles/2018/12/11/4166402-crime-down-12-per-cent-in/>. Accessed 28 Mar. 2020.

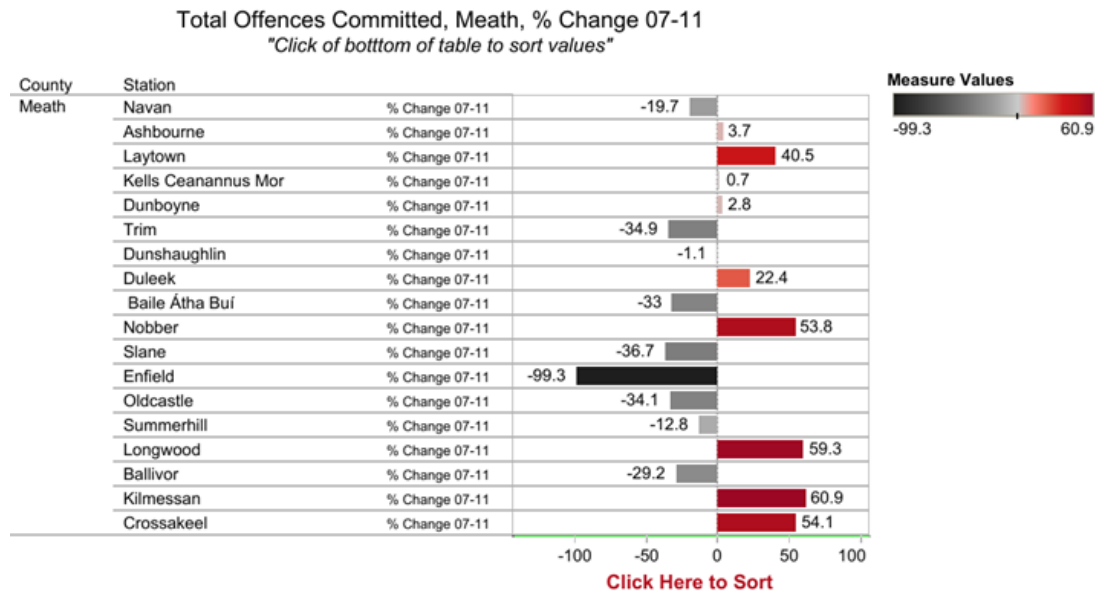


Fig-12: Crime data in county Meath

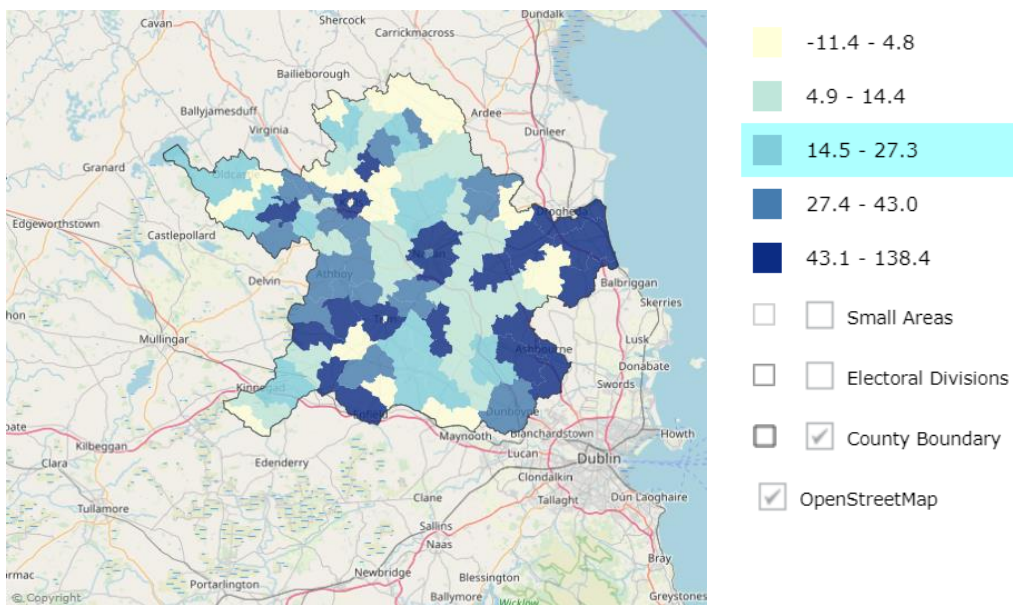


Fig-13: Population data in county Meath

6.7 Measuring the Quality of Childcare

The research evidence supports the contention that better-quality childcare is related to better cognitive and social development for children. While these effects of childcare quality are in the modest to moderate range, they are found even after adjusting for family selection factors related to both the quality of care and

to children's outcomes. Numerous studies have found short-term effects of childcare quality on children's cognitive, social, and emotional development during the preschool years. Longer-term effects lasting into the elementary school years have also been found, although fewer longitudinal studies have been conducted to examine this issue. Moreover, these results indicate that the influences of childcare quality are important for children from all backgrounds. While some studies have found even stronger effects for children from less advantaged backgrounds (suggesting that this issue may be even more critical for children already at greater risk for school failure) the findings indicate that children from more advantaged backgrounds are also influenced by the quality of care.¹⁵

The graph below (Fig-XX) shows the cognitive academic achievement increases with the increase in the quality of early child education.

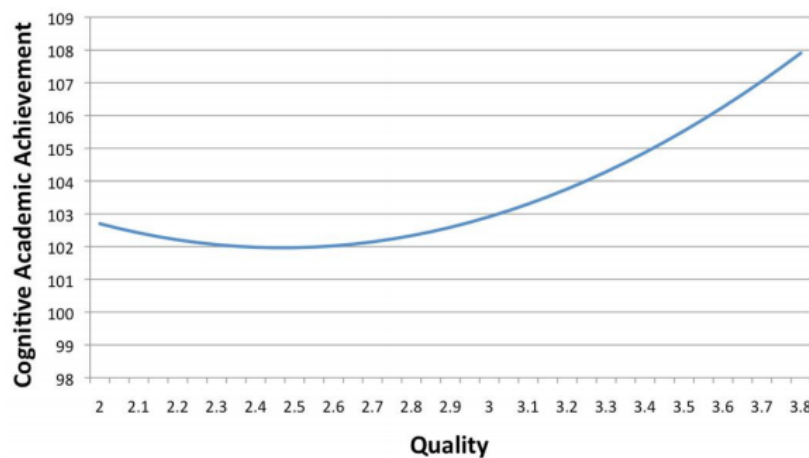


Fig-14: Positive effects on cognitive academic achievement at age 15 in line with exposure to higher quality childcare (NICHD). Source: Vandel. D L et al,2010¹⁶

Factors which include the quality of childcare

- The quality of the ECEC primarily depends on high quality interactions between staff and children, which depends on workforce quality.
- Quality workforce depends on qualification of the staff and the salary paid

¹⁵ "Childcare - Early education and care: Impact on child" <http://www.child-encyclopedia.com/child-care-early-childhood-education-and-care/according-experts/child-care-and-its-impact-young-1>. Accessed 19 Mar. 2020.

¹⁶ "Do Effects of Early Child Care Extend to Age 15 Years ... - NCBI." <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2938040/>. Accessed 28 Mar. 2020.

In 2012, Early Childhood Ireland conducted a survey to provide members with information on the current levels of pay and salaries in the early childcare and education sector in Ireland. Some of the Key Issues emerging from the survey¹⁷

- Low pay compared to national average
- Pay rates are not commensurate with higher qualification levels.
- The ECCE scheme opens for only 38 weeks of the year with part time employees
- ‘parents want to pay less, but staff want pay rises’,
- employers from the survey remarked “the wages reflect the low value of the childcare sector”

Comparing the salary data from 2012 till now, there is no change in the average salary for the early child care worker i.e., €11 to €12.5 per hour, which is less than the national average salary of €16.1¹⁸ for the part time

| 2012 | | | | | Recent data | |
|-------------------------|---|---|---|---|--|-----------|
| Job Title | FETAC 5/6 qualification Average per hour | FETAC 5/6 qualification Range that 70% of respondents pay within | Level 7 qualification Average per hour | Level 7 qualification Range that 70% of respondents pay within | | |
| Pre School Leader | €12.27 | €10.00-14.00 | €12.35 | €10.00-16.00 | Preschool Teacher, (but not Special Education) | €10 - €15 |
| Pre School Assistant | €10.76 | €9.00-12.00 | €10.89 | €9.00-12.50 | Early Childhood Educator (ECE) | €10 - €14 |
| Room Leader | €10.96 | €9.00-12.50 | €10.76 | €9.00-11.50 | Child Care Leader | €10 - €14 |
| Childcare Assistant | €9.82 | €8.65 - 10.50 | €9.99 | €8.65 - 10.50 | Operations Manager | €10 - €22 |
| After School Leader | €10.69 | €9.00-12.00 | €10.86 | €9.00-13.00 | Nanny | €9 - €15 |
| After School Assistant | €10.43 | €9.00-11.00 | €10.26 | €9.00-12.00 | Production Supervisor | €11 - €19 |
| Montessori teacher | €11.49 | €9.50-12.50 | €13.25 | €9.50-16.00 | Child Care Assistant | €9 - €12 |
| Special needs assistant | €10.58 | €8.65 - 10.50 | €11.94 | €8.65-13.00 | Child Care / Day Care Worker | €10 - €13 |
| Supervisor | €12.10 | €10.00-14.00 | €12.64 | €10.00-14.00 | Retail Store Manager | €10 - €16 |
| Assistant Manager | €12.88 | €10.50-16.00 | €13.83 | €11.00-16.00 | Construction Foreman | €15 - €28 |
| Manager | €14.90 | €12.00-18.00 | €16.76 | €12.50-22.00 | | |
| Other / Admin/Cook | €10.69 | €9.00-12.50 | €10.85 | €9.50-14.00 | | |

Fig-15: Salary data for the childcare employee

worker. The savings made by using the shared services will help the employer to invest in pay scale increases for the employee there by improving the quality of the childcare

¹⁷ "Early Childhood Ireland Salary Survey 2012 - Early Childhood" [Salary Survey 2012 - Early Childhood Ireland - Inspiring and enabling members to provide quality experiences for young children and their families](#). Accessed 29 Mar. 2020.

¹⁸ "Irish workers earn an average of €23 an hour and a yearly" 11 Jun. 2019, [Irish workers earn an average of €23 an hour and a yearly salary of €39,000, according to CSO figures](#). Accessed 29 Mar. 2020.



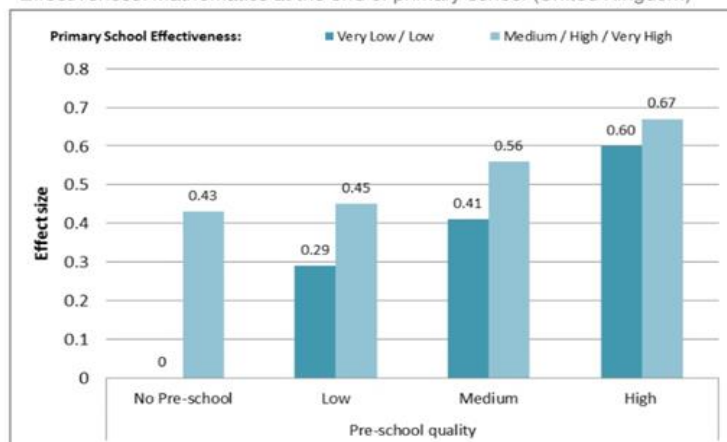
Pre-school is Very important since the transition from ECE to primary school is a big step for most children.

The changes include:

- the types of activities they engage in
- the ways in which adults interact with them
- their physical surroundings
- the number of peers
- the rules and routines.

ECEC benefits can disappear if quality is not sustained in primary education

The Combined Impact of Pre-School Quality and Primary School Effectiveness: Mathematics at the end of primary school (United Kingdom)



Notes: Reference group: No pre-school and Very Low / Low Effectiveness
Source: Sammons, P., Sylva, K., Melhuish, E., Siraj-Blatchford, I., Taggart, B., & Hunt, S. (2008). Effective Pre-school and Primary Education 3-11 Project (EPPE 3-11): Influences on children's attainment and progress in Key Stage 2: Cognitive outcomes in Year 6.

Fig-16: Preschool effectiveness Vs Quality of preschool

From the above graph Fig-16 (Source: OECD¹⁹) the effectiveness in performance of the child is high if he/she attends the quality pre-school compared to the child who does not attend the pre-school.

Currently, we don't have data to quantify the quality of Childcare facilities for Crann CCO's - We are proposing Crann to adopt the National Framework for Early childhood education to evaluate the quality of the childcare service.

¹⁹ "Investing in high-quality early childhood ... - OECD.org." <https://www.oecd.org/education/school/48980282.pdf>. Accessed 29 Mar. 2020.



7.0 Recommendations

Crann is making the following commitments in their “Strategic and operational plan 2020 - 2023”

“Crann overall focus for the next three years will be as follows:

1. Expanding the innovative shared business service of Crann as a Community Services Program (CSP).
2. Supporting our member organizations in the provision of quality childcare and voluntary social inclusion projects, ensuring they remain at the cutting edge of best practice and innovation.
3. Supporting our member organizations in updating and modernising centres and investing in development of major centres as needed by the local communities.
4. Advocating to the Department of Children and Youth Affairs (DCYA) on behalf of Early Years for improved terms and conditions of employment for Early Years services including a recognised pay scale.
5. Improving communication with our Parents/Guardians/Service Users through our Marketing and ICT Strategy, improving our website to be more inactive and using all social media platforms to outline our services and communicate to our Parents/Guardians/Service Users.
6. Supporting the unemployed to gain skills, training and employment for the security of their families.
7. Advocating to the Government for replication of the Crann Model nationally.
8. Advocating for secure CORE funding for social inclusion projects, in order to support the vulnerable communities, they serve.
9. Promoting good communication with our partner state and funding agencies to understand the work that we do in supporting our member organisations in childcare and voluntary social inclusion projects.”

The TCD EMBA team are making the following recommendations to Crann that will allow them

1. Implement the National Framework for the Quality Standards across the COOs [siolta-manual-2017.pdf](#)
2. Implement the Strength and Difficulties Questionnaires - Where we can measure the Quality of Childcare, Facility [SDQ Scoring](#)
3. Implement the Shared Service model in other county - Refer the US model



4. Expand services into the fields like risk management and internal auditing
5. Focus on to build the capabilities of the staff by providing regular training which intern improves the quality of the childcare.
6. Develop online knowledge hub - Make the forms, standards and policies available online to the CCOs. Best practices also can be shared online.
7. Implement more Automation in the process, which will increase the efficiency and reduce the cost.
8. Establish more communication and collaboration strategy between the CCOs to understand the Gaps and to support by sharing the Staffing, Resources & learning and Service delivery.

8.0 Conclusion

The wealth of research done on the Early Child Care service proves that ECE is very important in a child's development, making them school ready and in shaping them to become better people in general. ECE makes every community a safer place as well as it influences youth crime rates in a positive manner.

However, there are a number of challenges in the childcare field which many countries are facing and are trying to solve by developing the best practices, right policies to make it affordable and improve the quality of the childcare so it delivers maximum benefits for all stakeholders.

The Crann Support Service is a model, which is one of the best solutions to many of those problems. Shared service models help community childcare organizations to be more efficient, affordable and in the end sustainable. Crann makes childcare affordable for the vulnerable families in the community. The monetary savings achieved through using Crann support services is reflected in the overall cost of childcare and means these resources can be invested in the core work, skills and facilities to accommodate more children in future.

The early childcare service is a vast subject and Trinity Team Innov8 is aware the surface was but skimmed with this project. In focusing on Crann's model and the impact this organization brings to the CCOs and CVSIPs and based on our research of similar models abroad, the shared services approach brings a lot of value and cost savings to ECE organizations. We conclude that this model will ultimately eliminate non added value activities from the system and allow for further improvement of quality and affordability of childcare in county Meath. This model should be replicated by other organizations in other counties in Ireland.



9.0 Annexure

Cost Savings - calculation



2018 2019 Fees-Cost
Savings.xlsx

Strength and Difficulties Questionnaires



SDQ Scoring.zip

National Framework for the **Quality Standards**



siolta-manual-2017.p
df



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Feedback to Oireachtas Committee

The Crann Support Group (CRANN) is a community voluntary organisation working to improve and enhance the governance and operations of Community Childcare Organisations (CCOs) and community voluntary social inclusion projects (CVSIPs) through the provision of shared business services. CRANN is responsible for the administration of in excess of €7M (2018 audit figures) and maintains assets to the value of €5.6M. CRANN works within the principles of community development and believes that by working together we can achieve more.

CRANN has a total of 14 CCOs members who avail of some or all of our shared business services. CRANN also has 5 community voluntary social inclusion projects (CVSIPs) within its remit and an additional 4 CVSIP's who avail of some or all of our shared business services. CRANN's shared business services enable our members to be more effective and impactful at what they do and be healthy, transparent, accountable and vibrant in their local communities. CRANN understand the importance of affordable and excellent support and we provide extensive high quality training programmes and consultancy, covering essential areas such as Governance, Compliance, Human Resource Management, Finance, Education & Training, Community Employment, Catering, Facility Management, Procurement, Planning and Communications.

Given our unique structure, which is built around our member organisations, alongside our work, which is with many community groups on a daily basis across counties Meath and Dublin, CRANN is firmly established in the Community Sector and its services have never been more in demand than what it has been during the Covid-19 pandemic.

CRANN, on behalf of its members, is responsible for providing 797.3 childcare places (447.6 FTE and 349.7 Seasonal) for 982 children across its 11 member community childcare centres in counties Meath and Dublin. Three further CCO's avail of CRANN's services and provide an additional 270 childcare places. CRANN also sponsors social inclusion projects that support parenting, the long-term unemployed and specific support for vulnerable families. CRANN is responsible for 210 staff members and 113 CE participants, employed and working across CRANN's CVSIPs and member CCOs, 323 in total.

CRANN members provide an emergent and inquiry play-based curriculum across all its services, and are underpinned by Aistear, the national curriculum framework and Síolta, the national standards framework. CRANN strongly promotes outdoor play to its member organisations and this focus will be paramount as we prepare for the re-opening of services post Covid-19.

From a social inclusion perspective, there is a continued need to encourage and support Traveller Families to avail of childcare and preschool services. There is also an ongoing need to train and support staff to meet the needs of children with additional needs attending our childcare centres. CRANN members had the highest waiting lists in Navan, Simonstown, Trim and Dunshaughlin, where the population has grown and where there are not enough childcare places to meet demand.

In addition, The National Community Childcare Forum (NCCF) was initiated in 2015 by CRANN in response to a number of major challenges facing committee managed childcare services. The CEO of CRANN is the Chairperson of the NCCF, of which consists of a representation of 1025 Community Childcare Services National. The Chairperson represents the voice of the Community Sector at National Level, to aid the development of high quality Community Early Learning and Care and School Age Childcare Services and has continued to do this as the Sector prepares for the re-opening of services on the 29th June 2020.

In relation to the issues being explored, CRANN responds as follows:

1. Childcare services for front-line workers

The Government's initiative of providing Childcare Services to Front-line workers was much welcomed by the Board of Directors of the CRANN Member CCOs and by many staff members. CRANN's initial thinking was based

on the provision that the service would operate from the appropriate environment of the insured Early Years' Service, which would adopt a social distance policy of a "family grouping" protocol.

However, on the 6th May 2020, Minister Zappone announced to the Dáil that *"from 18 May, my Department will oversee the provision of childcare in the homes of essential healthcare workers. This is part of the first phase of easing the Covid-19 restrictions. Tomorrow, we will invite registered childcare services to participate in this much-needed measures"*

While CRANN Member CCOs and Staff would agree that childcare was a much needed measure, the parameters upon which the service was being offered, would ultimately place Childcare Providers in a potentially liable position of being unable to meet their statutory obligations in terms of employment legislation and in addition Early Years Practitioners were being placed a very vulnerable position and open to potential allegations. An example of some of risk factors identified by CRANN CCOs included;

1. Insurance cover
2. Unable to comply with statutory employment legislation (e.g. Organisation of Working Time Act)
3. Protection for staff – staff are placed in a vulnerable position of potential allegations under Child Protection
4. Inability to preform staff supervision
5. Inability to comply with providing staff with a Safe Place of Work under the Safety, Health and Welfare at Work Act, including the new protocol measures put in place by the Health and Safety Authority on the 9th May 2020.
6. Concerns about possible virus transmission

2. Childcare for children of parents returning to work

Following the announcement by An Taoiseach Leo Varadkar TD of the closure of Early Years and Afterschool Services on the 12th March 2020 in order to support efforts to contain the spread of Covid-19, CRANN on behalf of its 11 CCOs implemented an effective Communication Strategy for over 900 parents and families. The announcement created for parents and families a degree of anxiety and uncertainty that had never been felt before. In its Communication Strategy CRANN on behalf of its Member Organisations committed to:

1. Providing parents and families regular updates and information via email and virtual meetings regarding childcare fees and the re-opening of services
2. Providing parents and families with daily/weekly supports in terms of curriculum based activities and ideas to continue the support the child's continued learning experience
3. Maintaining relationships with Children and Childcare Practitioners through the use of virtual information systems and social media
4. Assisting parents and families who required additional community supports

CRANN has been instrumental in the supports provided to its 11 Member CCOs and an additional 68 services in the preparation of the re-opening of services. CRANN understands that there are many concerns and misconceptions about the environment the children will return to in the Early Years Services and has worked with CCOs to ensure the appropriate measures have been taken, which will educate and in still confidence in parents as they prepare for the return of their children to the Early Years Services.

Following the publication of the Health and Safety Authority (HSA) Return to Work Safety Protocols on the 9th May, CRANN immediately set to work to adopt the protocols to an Early Years environment and collated them with the advice later received from, The Health Service Executive (HSE), The Department of Health, the National Public Health Emergency Team (NPHE) and the Department of Children and Youth Affairs, to create our Covid-19 Response Document which has since been implemented into the 11 CRANN Member Early Years Services and was delivered through virtual briefings to an additional 68 Early Years Services.

The process of creating this Response Document and the content of the document was delivered via a presentation in 11 virtual Parent's Information Seminars, with an attendance of just over 650 families. The content of the presentation included an explanation of the following;

1. Setting up of a "Return to Work" Steering Committee
2. Identification of the HSA Protocols
3. Creation of a Covid-19 response document for the Early Years' Service
4. Creation of a specific Covid-19 Section in the Company's Health and Safety Policy, to reflect new protocols detailed in the Covid-19 Response Document
5. Development and expansion of Childcare Policies, to reflect new protocols detailed in the Covid-19 Response Document
6. Staff Training – QQI Level 5 Infection Control Prevention for Manager, Assistant Manager and Leaders, all of whom will take on the title of "Lead Worker Representative (LWR)." Their role will be to assist the Organisation with the implementation and communication of the new Covid-19 protocols.
7. Procurement of PPE gear and equipment – (bulk buying for 11 services)
8. All staff participated in Step 1 of our "Re-Induction Programme" via a Staff Zoom meeting

It was noted to parents that our Covid-19 Document is a live document and will be updated as we receive more information from the DCYA.

CRANN surveyed over 900 families to Identify the needs of parents in line with the Government Roadmap for Reopening. It is expected that 51% of families will be returning on the 29th June, with the remaining returning on a phase basis for the months thereafter.

3. Social distancing and clinical guidelines in childcares settings

The Early Years Sector endured a period of confusion when guidelines were unclear and fluid regarding pods and social distancing required. This led to frustration within the sector. The official guidelines from the DCYA were further delayed as they along with their advisory group awaited the advice from NPHET.

Following a survey carried out with Early Years Providers by NCCF in May 2020, results indicated from an overwhelming 2507 responses that not having clear guidance on adult:child ratios was a major cause for concern for 90% of Service providers with 84% worried about the practicalities of operating with reduced ratios. This frustration continued to be echoed by members of NCCF throughout the country at weekly support and network meetings.

As observations were made worldwide on the impact of Covid-19 on Children by NPHET and the appropriate advice was supplied to the DCYA, they in-turn issued the social distancing and clinical guidelines. As a governor of 11 CCOs, it was a relief to CRANN to hear that children would not have to comply with social distance guidelines and ratios were not reduced. The word "Pod" has been misinterpreted and has caused great confusion to practitioners, providers and parents, as it was an unfamiliar term in the sector. CRANN has played its part by informing practitioners, providers and parents of the definition of the term. The explanation of the definition was very much welcomed and gave a sense of relief to our parents and 323 staff.

The introduction of a Pod system, whereby groups of children will remain in the same group, in the same indoor and outdoor space, with the same early years' staff has been welcomed. This system will help providers and staff to manage potential cross infection and contact tracing.

4. Capacity and staffing

According to the Early Years Sector Profile Report 2017/2018, nationally the annual turnover rate is 25% and just over a quarter of services (26%) reported having a staff vacancy. More than half of services (57%) reported difficulties recruiting staff. CRANN and its members have an annual turnover rate of 9% over the past three years, which is less than the national average.

The recruitment and retention of qualified childcare staff for Early Years services has proved to be particularly challenging for many services pre Covid-19 and with restrictions attached to staff returning to work (i.e. quarantining, cocooning, isolating) this may be a challenge for some services.

CRANN works closely with outside agencies including third-level colleges, Seetec Job Initiatives, local Childcare & Education Training Provide, the Department of Employment Affairs and Social Protection, Tus the Community work place professionals to fulfil the various roles required within our Childcare Services and will continue to do so.

In addition the survey conducted by the NCCF also highlights that many providers do not know if staff will return, or if enough families will need, want or be able to afford their childcare service in the future. Providers need a significant number of families to return to fully cover staff and other costs. Currently statistics show that 51% of CRANN families will be returning on the 29th June and the remaining on a phase basis thereafter.

All 323 CRANN staff have participated in CRANN's Covid-19 tailored re-induction Training Programme. Lead Worker Representatives (30 staff member) are in the process of completing their QQI Level 5 in Infection Control Prevention and all other staff have completed an Online Infection Control Awareness Training.

5. Financial impact on the childcare sector

As an Organisation responsible for 11 CCOs, CRANN is fully aware of the financial impact the Covid-19 pandemic has had on its services. While some of the income and expenditure reports are indicating a break-even result, others are displaying a loss. In an effort to assist the CRANN Member CCO's in their recovery, CRANN which is non-profit making organisation has applied a 40% reduction to all service fees for a three month period (despite the demand for CRANN expertise increasing and the level of services provided to each CCO trebling) reducing its quarterly financial turnover. As previous financial returns show CRANN does not make a large profit, its aim is a break-even point meaning CRANN will face many challenges for the remainder of 2020.

While the Grants provided by the DCYA to the Community Sector would have met most of the CCOs outgoings, bearing in mind that the majority of Community Services don't have large mortgages, the loss of income for the three-months will affect the ability for the services to explore the possibility of increases to staff salaries (as we advocate towards the recommended payscale document produced by Mercer) or possible expansion or investment to the Early Years Services.

As high-quality is essential in the delivery of Childcare, this may be impacted upon if the Government do not put in place a funding model from August, to support the services to attain the standards required.

As a highly regulated sector, cleanliness and hygiene policies have always been a priority. Moving forward the Sector must strive to heighten standard in compliance with the Health and Safety Authority Return to

Work Safety Protocols, in the best interest of our staff, children and families. Hence, a continuous funding stream to support the procurement of the protocols must be put in place to support the increased volume of cleaning products required. In doing this, the sector will build the confidence of both parents and staff to return to work in a safe environment.

It is statistically known that the cost of childcare in Ireland, is extremely high for parents and in most cases it is equivalent to another mortgage, therefore, it is not in the best interest of the sector to increase fees as by doing so would put parents under severe pressure. It is for this reason that it is critical that the Government devise a funding model to support services and families attending.

6. Insurance issues

Very disappointing that insurance companies did not pay out under “Business Interruption” clause of the Early Years policy.

A major problem in Ireland is the lack of competition in the sector for insurance providers hence, providing the sector with no choice.

The insurance companies are in some way stagnating the development of Early Year’s Services, which in-turn stagnates children’s development, learning and cognitive skills.

On renewal of policies, the premium increases but there is a narrowing of the activities the insurance company will cover. This is greatly impacting upon out of school services and summercamps.

7. Proposal for cross-departmental child-specific transition task force •

A task-force of cross-departmental child specialist has been required for many years. It is very positive to hear the question of a proposed task force being discussed. It makes no sense to have different departments dealing with children and not communication with each other. It is essential to have Government Departments co-ordinating their joint thinking to maximise the benefit to the child.

8. Replacing childcare by grandparents

Grandparents have been undervalued in the provision of childcare and now will be a great loss and will leave a big void in childcare. In order to address this void, Capital Funding will be required in order to expand services to meet this need. In addition, educating parents about the NCS which will give them some help with the cost of childcare. Failing to do that, there will be many parents who will be unable to return to work.

9. Impact of loss of early years education, especially on vulnerable groups (children in care, children in disadvantaged households, children with disabilities)

Through the three months of closure, services staff have tried to maintain communication with families and the children. In some cases, food parcels and food vouchers were distributed to some disadvantaged households. Due to social isolation, particularly in rural areas children’s well-being negatively impacted upon and the real affect won’t be known until they return to the service. Children from disadvantaged areas who would have attended full-day care services and who would have received all their meals, a structured day and the positive interaction with adults of whom they have been used to as their key worker and would have built up a warm relationship. Many Child Protection and Welfare issues may have gone unnoticed due to school and childcare closure.

Other issues

Throughout the Pandemic it has become increasingly obvious through the increasing demand of the CRANN Services nationally which has previously been substantiated through two recent research projects carried out by Trinity College Dublin that the CRANN Model of support to community organisations could be replicated across Ireland as whole. This would give substantial benefits in terms

of quality, sustainability, cost and governance. Please find attached these research projects which demonstrates the benefits along with the Mercer Salary Scale Report.