



Deputy Albert Dolan
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29th July 2026

Dear Albert,

Further to Parliamentary Question 39707/26 of 26 May 2026, namely:

“To ask the Minister for Children; Disability and Equality whether her Department has carried out any assessment of the financial sustainability of small and sessional early years providers, including Montessori services; the number of such providers that have ceased operating in each of the past five years; and if she will make a statement on the matter.”

In line with the requirements of the Child Care Act 1991 (Early Years Services) Regulations, 2016, those wishing to operate a preschool early years service are required to register with Tusla for the purposes of regulation and inspection. Each year a number of early years services also decide to close of their own volition. Where these services close, they are also required, in line with these statutory provisions to notify Tusla of their planned closure. All data collected by Tusla on openings and closures is collated and verified on a rolling basis.

On this basis, the table below provides a breakdown of the number of services registered with the service type of

- (i) Sessional (Only)
- (ii) Where the service is registered with service type Sessional in addition to other service type(s).



New Registrations of Preschool Services*	2021	2022	2023	2024	2025	To end April 2026
Sessional Preschool Services Only	32	37	28	24	12	2
Sessional + other Preschool Service Type	19	30	44	54	39	5
Reported Cessations of Preschool Services	2021	2022	2023	2024	2025	To end April 2026
Sessional Preschool Services Only	103	86	81	68	64	0
Sessional + other Preschool Service Type	15	25	10	12	28	3

** It must be noted however, that these figures reflect the service type of newly registered preschools, and does not capture whether these services remain active or if they retain the same service profile.*

In any year, it is normal for a number of services to open and close. In terms of closures, reasons can vary and services can provide a number of reasons for closure when informing Tusla. Of the services that closed in 2025 the main reasons cited for closure were financial viability, retirement, low demand for spaces, personal reasons and inability to source staff. Information on reasons for closure is self-reported and is not verified by Tusla.

Core Funding is a supply-side grant to providers designed to support quality, sustainability, and enhanced public management, with associated conditions in relation to fee control and cost transparency, incorporating funding for administration and to support the employment of graduate staff.

Since the scheme was introduced, its effectiveness has been subject to ongoing assessment, which has facilitated the iterative evolution of this scheme.

In response to concerns raised by some sector representatives regarding the financial viability of sessional early learning and childcare services, the Department commissioned an independent financial review of sessional early learning and childcare services in 2023.



This review involved sessional services volunteering to participate in the research project that aimed to gather evidence on financial viability to underpin policy development and possible targeted measures through the new funding model.

The review was carried out by Frontier Economics, and the report was published on 8 January 2024. The annual changes to the allocation model and in the conditions attached to the funding has ensured the Scheme remains responsive, balancing the needs of providers while seeking also to meet a range of other objectives. Among these objectives is ensuring taxpayers' money is being used in a way that sustains services while not excessively increasing their private profit.

Partner Services, those services signed up to Core Funding, are required to provide validated financial returns to the Department for each programme year that they participate in. As part of a transitional arrangement, the reporting requirements for the first two years of the scheme, 2022/2023 and 2023/2024, were reduced to require just an income and expenditure report. These reports were submitted by registered accountants.

Financial reporting remains a key feature of Core Funding. From the third year of the scheme (2024/2025) and thereafter, Partner Services have been required to submit a full trial balance via a registered accountant. This data will be published in aggregate format, and it is in this format that levels of surplus and/or deficit would be examined in future years when trial balances are submitted to further inform policy development.

Analysis of the first two years of financial data collected through Core Funding is currently underway and is scheduled to be completed in the coming months. Insights from the financial returns for the first two years will not provide context on profit or loss across the sector as this information cannot be derived from this type of report.

However, this analysis will provide key insights into the early learning and care and school-age childcare sector and will strengthen the evidence base available to inform the development of policies and the allocation of funding for this sector. The financial viability of all early learning and childcare services will continue to be kept under review by the Department through analysis of financial returns under Core Funding Financial Reporting Requirements.

Through Case Management, City/County Childcare Committees and Pobal work together to assess and provide support to services experiencing difficulties. This support focuses on operational as well as financial supports to assist services to manage their immediate difficulties and transition to a more sustainable model of delivery.

Warm regards and good wishes,



Norma Foley TD

Minister for Children, Disability and Equality