Inaugural Meeting of the Early Years Forum

Contribution by Early Childhood Ireland

28th September, 2016

Introduction

Early Childhood Ireland welcomes the establishment of the “National Collaborative Forum for the Early Years Care and Education Sector” (The Early Years Forum). We are pleased to have been invited to contribute by the Minister for Children and Youth Affairs, Katherine Zappone TD, and to have the opportunity to meet with our colleagues in the sector and other stakeholders to discuss how we can all best contribute to a brighter future for early education and care in Ireland, based on the development of a comprehensive Early Years Strategy.

The sector is beset by a number of interrelated and interdependent problems. Well qualified staff are essential for the delivery of a quality early education and care system. The difficulty faced by providers in retaining and recruiting well qualified staff will not be resolved without dealing with the low pay and poor conditions in the sector. Low pay cannot be addressed without proper funding models that also support sustainable business models for childcare provision. The viability of services depends on such funding models and ultimately, there can be no positive progression in any of these areas without significant investment by Government.

The cost of childcare is unaffordable for many parents and given the parallel crisis in the housing and private rental market, many families are struggling to cope. In Ireland the average cost of childcare accounts for a massive 35% of household income, whereas across the EU and OECD childcare costs between 10-13% of a family’s income.

Any initiatives to address these challenges must recognise their interconnectedness.

Our input today is based on our recent work on Budget 2017, and research we commissioned this year on the sustainability of the sector. We look forward to the Minister joining us for the launch of the report tomorrow “Doing the Sums: The Cost of Providing Childcare in Ireland”.

There are two key findings of the report that are worth stating here:

• The average childcare service in Ireland, whether private or community run, urban or rural, operates on a breakeven basis. Even when a surplus is generated by a childcare facility, it is often too little to meet the cost of re-investment

• There is a clear trend for providers towards an ECCE-only model, alongside Out of School Care, in an effort to remain viable. This has led to a reduction in the provision of non-ECCE childcare, such as year-round full daycare, and care for the under 3’s.
Our Top 3 Investment Priorities

We believe that investment in early education and care must focus on achieving progress across three key areas: quality, sustainability and affordability.

1. Quality: The best quality care and education provision for children in the most formative years of their development

Our Budget Submission sets out the immediate requirements to ensure we can build the quality of early education and care. Improvements to ECCE will contribute to quality as they will address the professionalisation of the sector, including through an increase in the level of capitation and the extension of the programme contract by three weeks in the coming year. We also urge investment in non-contact time for early years professionals, as well as creating a new permanent and comprehensive system for supporting learners to access further education and training that builds on the existing ‘Learner Fund’ model, caters for all levels and lead to the provision of a minimum of three CPD days per year for Early Years Educators. These investments in the infrastructure of the sector are essential to underpin quality.

Beyond the Budget, Government needs to:

- Initiate a new ‘Early Education and Care Workforce and Professionalisation Plan’. Government should conduct research and engage with the sector to develop a Workforce Plan that sets out a realistic assessment of the number of early childhood professionals that are needed, and where, over the next 5-10 years, including their levels of qualification and how we recruit and retain them.

- Develop a Capacity Plan for the sector based on evidence of need, setting out the numbers and locations for provision, and measures to address the most effective and efficient setting size mix needed, subject to geographic and other factors.

- Work with the sector to agree recognised salary scales for early years educators. Government must recognise and address the impact of inadequate state subsidies in sustaining the low pay in the sector. In order to ensure that Government can meet its own policy objectives to expand the childcare sector, it is critical that the sector is able to retain staff and attract new staff into the sector. The additional investment in the sector needs to take account of the need to increase salaries, where Government works closely with the sector to develop agreed salary scales in the medium term.

2. Sustainability: Viability and sustainability for early childhood providers and staff

Again, our Budget Submission sets out immediate priorities for ensuring the sustainability of the sector, including increases in capitation for ECCE and the extension of the ECCE contract period.

In addressing the short and long-term challenges to sustainability, Government needs to base subsidies on a realistic assessment of the cost of providing childcare. The financial viability and sustainability of childcare providers needs to be a key concern of policy makers, and not just the providers themselves. Government must address the structural deficiencies in the current funding model, whereby low state subsidies lead to low margins and keep the sector from fulfilling its
mission. The levels of subsidy underlying the design of the Single Affordable Childcare Scheme, as well as the existing ECCE programme, must be based on a realistic assessment of the cost of providing childcare with adequate margins.

In addition, Government should:

- **Develop a new model of Out of School Care** that is regulated, subsidised and avoids displacement. The Department of Children and Youth Affairs and the Department of Education and Skills need to be cognisant of the important role Out of School Care plays, and the danger of displacement, to the viability and sustainability of many childcare services in the planning and development of an Out of School Care model.

- **Eliminate disincentives** so that providers can offer a full suite of childcare. Government needs to carefully construct its supports for early education and care so that it does not inadvertently create disincentives and barriers to services providing a full suite of childcare for children up to the age of six, and for out of school provision.

- **Make all early education and care provision exempt from Commercial Rates**, as education settings. The current inducement to providers to move to an ECCE-only model needs to be addressed immediately, where all community and private childcare providers offering ECCE-only services are exempt from commercial rates.

3. **Affordability: Access and affordability for parents to childcare facilities and services.**

For Budget 2017, Government should introduce a **Childcare Subsidy for under 3s**. The current difficulties for sustainability, and thus availability and affordability, of childcare for under 3s needs to be urgently addressed through the introduction of a childcare subsidy to support parents with the full year childcare costs, where the State pays the provider or registered childminder directly to subsidise the real cost of childcare. A minimum initial €20 million investment is required for this subsidy in 2017 and this subsidy needs to be increased consistently year on year, and achieve a minimum contribution of €60 per week by 2021. This subsidy should be rolled out as part of the Single Affordable Childcare Scheme, with higher subsidies for low-income households.

More generally, we need to ensure that we get the Single Affordable Childcare Scheme right from the start. The new Scheme must be planned and developed to ensure it provides a comprehensive and coherent system of supports for all children availing of childcare, including ECCE and Out of School Care, and provides a flexible and robust platform for all future investment in childcare. The design of the Scheme needs to:

- Be informed by the knowledge and expertise that the sector has to offer. Preparations for the Scheme need to include a comprehensive consultation and engagement process that ensures that the voices of providers and parents are heard;

- Recognise that a ‘one size fits all’ approach will not suffice and that one level of capitation will not work everywhere. For example, where the needs in particular communities must be addressed or where there are geographic factors at play, it may cost more to deliver a service. The universal level of capitation needs to be supplemented, where required, as part of the overall scheme;
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- Be based on year-round supports, and incorporate non-contact time and CPD for all staff;
- Allows parents and providers to interface with a single, accessible and coherent system of supports.

**Our Top 3 Improvements**

In addition to our Top 3 Investment Priorities, Early Childhood Ireland will contribute some suggestions for improvements that could be made in the next 12 months that do not require investment or significant resources.

These include:

1. **Improving Communications with providers**

   There are a number of communications issues that need to be addressed, including:
   - Poor communications regarding the ECCE contract and the PIP Portal.
   - Delays in Communication of Information.
   - Lack of clear information and at times conflicting information, particularly in navigating the PIP portal.

2. **Streamlining the paperwork, getting PIP working properly and paying people on time.**

   There are other changes that can be made to the administrative system, including:
   - Speeding up the ‘Top-Up Payments’.
   - Paying Services on Time, through addressing procedures for dealing with technical errors.
   - Improving the Fees Policy template.

3. **Inspections**

   Currently, the early years sector can be subject to seven different inspections at any given time:
   1. Regulatory inspection by the Tusla Early Years (Pre School) Inspectorate;
   2. Early-Years Education-focused Inspection (EYEI) by the Department of Education and Skills (DES);
   3. Compliance visits by Pobal’s Compliance, Audit & Risk (CAR) directorate of services operating DCYA funded programmes i.e. ECCE, TEC and CCS;
   4. Health and Safety Authority inspection of health and safely in the workplace;
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5. Workplace Relations Commission (WRC) inspection of compliance with employment rights legislation;

6. Food Safety Authority;

7. Fire Safety Inspection.

Being constantly prepared for possibly multiple inspection visits is inherently stressful, resource intensive and bureaucratically demanding. Difficulties can arise for services due to the lack of consistency and complementarity, particularly between the Tusla and DES inspections, or when the framework guiding the inspection is not consistently applied or fully understood in advance (Pobal compliance inspection).

Services providers and stakeholders need to feed into the work of the Operations and Systems Alignment Group, currently being chaired by DCYA and comprised of the Tusla Early Years (Pre School) Inspectorate, DES Early-Years Education-focused Inspectorate, Pobal and Better Start, which is tasked with:

- Supporting alignment and collaboration in the work of agencies across the sector;
- Minimising disruption to service providers by ensuring two agencies do not call to a service at the same time;
- Working on joint protocols.