

Budget 2025: Overview and FAQ for Early Learning and Childcare Providers October 2024

Contents

Overvi	ew	3
Nation	nal Childcare Scheme (NCS)	4
1.	How will Budget 2025 benefit families availing of the National Childcare Scheme?	4
2.	I have not signed up for the NCS – can I join it now?	4
3.	What should I tell parents who are not in the NCS but want to join?	4
4.	How do parents keep up-to-date on developments related to the NCS?	4
ECCE P	Programme	4
5.	How is the ECCE Programme being funded?	4
6.	Will the ECCE capitation rate be increased?	4
Access	and Inclusion Model	5
7.	Will AIM supports continue to be available?	5
8.	What do the Budget 2025 measures mean for AIM?	5
9.	Are there plans for introducing further extensions to AIM?	5
Core F	unding	5
10. prov	What do the Budget 2025 measures for Core Funding mean for early learning and ch	
11.	What changes will be made to Core Funding in 2025?	6
12.	What is the package for small-medium services?	6
13.	What administrative supports are available to providers?	6
14.	How does Budget 2025 support capacity growth/ address supply issues?	7
15.	What about providers who have not signed up to Core Funding?	7
17.	What sustainability supports will be available in 2025?	8
18. Prac	What do the Budget 2025 mean for Early Years Educators and School-Age Childcare ctitioners?	8
Equal S	Start	8
19.	What is Equal Start?	8
20.	Who benefits from Equal Start?	9
21.	What is included in Equal Start?	9
22.	What is available through the Enhanced Nutrition Programme?	9
23.	What is a Family and Community Partnership Coordinator?	10
24.	What is the requirement arising from diversity, equality and inclusion training?	10
Childm	ninding	10
25.	I am a childminder – what does Budget 2025 mean for me?	10

26.	What childminding initiatives are included in Budget 2025 and how much funding is then	re
for th	ese initiatives?	. 10
Capital		. 11
27.	What Capital Programmes will be available in 2025?	11

Overview

In 2025, the allocation for early learning and childcare will be €1.37 billion, a €266 million (24%) increase on last year's allocation. The funding in 2025 for the early learning and childcare sector provides for:

- The continuation of the ECCE programme that will benefit more than 107,000 children in 2025
- The continued implementation of the National Childcare Scheme (NCS), with more than 216,000 individual children set to benefit from subsidies across 2025, including an estimated 3,000 children in childminding settings.
- The continuation of the Access and Inclusion Model (AIM) to ensure an estimated 7,800 children with a disability can access and meaningfully participate in the ECCE Programme and 2,500 benefit from AIM Plus (the expansion of targeted AIM supports for ECCE-age children beyond time spent in the ECCE programme).
- The continued implementation of the Core Funding scheme for the third programme year and into the fourth programme year from September 2025, to support improved affordability and accessibility for families, improved pay and conditions for the workforce in the sector, and improved sustainability for providers.
- The continued rollout of Equal Start, whereby services will be provided with a proportionate mix of universal and targeted supports to support children and families accessing their services who are experiencing disadvantage including a new Enhanced Nutrition Programme for services with an Equal Start priority designation.
- The delivery of a range of regulatory and quality supports for the implementation of the National Action Plan for Childminding; Nurturing Skills, the Workforce Plan, and the ongoing development of the registration and inspection system as well as policy development commitments set out in First 5 and the Programme for Government.

Frequently Asked Questions

National Childcare Scheme (NCS)

1. How will Budget 2025 benefit families availing of the National Childcare Scheme?

An additional €160.7 million was announced for the NCS, bringing investment in that Scheme up to €529.8 million in 2025, representing a 44% increase on the 2024 allocation.

This allocation builds in the growth in the uptake and use of NCS as well as the full year impact of the increased subsidy rate to €2.14 per hour, which was introduced on 2 September 2024.

It is estimated that 216,000 children will benefit from this NCS in 2025 and they will be using an additional 14 million subsidised hours. Among these beneficiaries will be an estimated 3,000 children in childminding settings when the initial cohort of childminders come forward for registration – delivering on important commitments in the National Action Plan for Childminding.

2. I have not signed up for the NCS – can I join it now?

Any Tusla registered early learning and childcare provider – centre-based or childminder - can register for the NCS at any time. Full details are available from Pobal on the Provider Portal. Support and advice on registering your service is available from Pobal and your local City/County Childcare Committee (CCC).

3. What should I tell parents who are not in the NCS but want to join?

Parents should go to the dedicated NCS website <u>www.ncs.gov.ie</u> for all information on the NCS, including how to apply.

4. How do parents keep up-to-date on developments related to the NCS?

The Department promotes the NCS, and updates related to the Scheme through www.ncs.gov.ie, social media and other means.

ECCE Programme

5. How is the ECCE Programme being funded?

An additional €13.1 million was announced for the ECCE programme, bringing investment in that programme up to €269.25 million in 2025, to reflect an increase in the numbers of children in the programme this year – 107,000 and an increase in their pattern of enrolment, with higher numbers enrolling for the full five days per week.

Payment under the ECCE programme is by way of capitation, payable in respect of each eligible child enrolled, which is paid directly to the provider. The weekly ECCE capitation rate is €69.00 per child attending on a full-time basis. It is not mandatory that children attend every day but, where they do not, the registration should reflect this subject to attendance rules, and the capitation fee is reduced on a pro-rata basis.

6. Will the ECCE capitation rate be increased?

There is no change to the ECCE capitation rate. However, between ECCE capitation and Core Funding, there is currently a minimum of €79.80 per child per week, before the additional graduate premiums

of €4.44 per hour, the flat rate allocation of €5,000 per year for sessional services and the minimum base rate allocation of €14,000 are added, as applicable. Developments in Core Funding for year 4 (from September 2025 – August 2026) will see this minimum income increase further.

Access and Inclusion Model

7. Will AIM supports continue to be available?

AIM supports will continue to be available. AIM provides a range of both targeted and universal measures, to support ECCE-age children with disabilities access and meaningfully participate in the ECCE Programme and early learning and care more broadly.

8. What do the Budget 2025 measures mean for AIM?

An additional €23.4 million was announced for AIM under Budget 2025, which will have a total allocation of almost €81 million in 2025.

This will support an estimated 7,800 children with a disability requiring AIM supports to access and participate in the ECCE programme in 2025. It will also support an estimated 2,500 ECCE-age children to spend time in early learning and care, beyond time spent in the ECCE programme (both in term and out).

9. Are there plans for introducing further extensions to AIM?

First 5 commits to extending AIM. This extension was to be informed by an end-of-year-3 evaluation which was published in January 2024.

As a first step, in September 2024, there was an extension of targeted AIM supports to ECCE-age children beyond time spent in the ECCE programme, in term and out of term. The application process opened in September 2024.

Further enhancements to, and/or extensions to AIM are under consideration.

Core Funding

10. What do the Budget 2025 measures for Core Funding mean for early learning and childcare providers?

An additional €34.9 million was announced for Core Funding, bringing investment in that Scheme to €338.2 million in 2025, representing a 12% increase on the 2024 allocation.

This increase on the 2024 allocation will support continued implementation of the scheme for the third programme year and will also support further increases into the fourth programme year from September 2025.

With additional funding being made available for year 4 of the Scheme, the full year allocation for year 4 of Core Funding (September 2025-August 2026) will be €350.64 million, an increase of just over €20 million, or 6%, on the current allocation of €331 million.

This will support the delivery of a range of enhancements in Year 4 of the scheme, including increases in capacity of 3.5%, increased support for services with the costs of administration and the maintenance of fee management measures.

A further €15 million from September 2025 (or €45 million in a full programme year 2025/2026) has been ring-fenced specifically to support employers to meet the costs of further increases to the minimum rates of pay in the sector.

Combined, and contingent on the third successive Employment Regulations Orders, the Core Funding allocation will exceed €390 million in year 4, approximately 20% higher than in year 3.

11. What changes will be made to Core Funding in 2025?

Significant increases came into effect for the third year of Core Funding, which runs from September 2024 to August 2025. These changes included:

- increases to all of the base rates, with larger increases in funding for places offered to children under the age of three.
- increases to the flat rate for sessional-only services (a pre-school service approved to offer a programme for a total of not more than 3.5 hours per session).
- increases to the minimum base rate allocation to support smaller services.
- a reduction to the maximum base rate allocation.

The additional funding in 2025 will allow for further increases from for the fourth year of the scheme (September 2025-August 2026).

In addition to the funding increases, changes were made to the fee management system for the third year of Core Funding. A cap on fees applies to services joining Core Funding for the first time, and a process was introduced to allow services to apply for approval to increase their fees in a controlled manner.

The fee cap will apply to **all** services in Core Funding from September 2025. Supporting affordability for families and the ongoing development of the Common Fee Structure.

Full details on year 4 of Core Funding (September 2025-August 2026) will be made available to the sector in 2025.

12. What is the package for small-medium services?

A number of targeted supports for small and sessional services in Year 2 of Core Funding were introduced in order to improve sustainability of small-medium services, and these supports were enhanced in September 2024 for Year 3. These measures currently include a flat rate top up of €5,000 (increased from €4,075 in Year 2) for sessional-only services, and a minimum base rate allocation of €14,000 (increased from €8,150 in Year 2). There is also a maximum base rate allocation of €500,000 in place for the current programme year.

In a continued commitment to supporting these services, these measures will continue to apply in the 2025/2026 programme year, which will commence in September 2025.

13. What administrative supports are available to providers?

Core Funding incorporates funding for providers for administration, with additional funding to be made available in September 2025 to support services to meet the costs of the increasing number of

children availing of the Department's schemes for the first time. The funding increase relates to children who are already availing of existing capacity in the sector. Contributions for administrative staff/time for children in *new* places are included in the new funding for natural growth.

In addition, the contribution towards staff pay and conditions under Core Funding takes account of both contact time and non-contact time.

The Department acknowledges the increase in administration for providers with the introduction of schemes such as the NCS and Core Funding. A number of steps are being taken to reduce the administrative workload. In relation to Core Funding, improvements have been made to the application module for Year 3, to enhance the user experience. A Universal Fee Table has been in place since 2023, which enables services to upload one single fee table that covers all schemes. The Parent Statement has also been refined so that one agreement now covers all schemes, and this only has to be signed once between the provider and parent irrespective of fee changes.

In October 2023, the Department established a new Service Delivery Optimisation team to develop an Action Plan for Administrative and Regulatory Simplification. The Action Plan will be finalised and published by the end of 2024.

14. How does Budget 2025 support capacity growth/ address supply issues?

Since its introduction, Core Funding has supported significant growth in capacity – with capacity growth for cohorts (such as babies and toddlers) and in areas (such as Dublin) where there has been significant pressure on places. Administrative data from Core Funding Partner Services between May 2023 and May 2024 showed an increase in staffed capacity of almost 8%. This increase is driven both by new services joining the sector and existing services offering more places and/or longer hours to families. Funding to support capacity growth of almost 6% across the sector is included in the allocation for the current programme year (2024/2025).

The allocation for year 4 of Core Funding secured in Budget 2025 will support 3.5% natural growth in the sector. This additional funding will support more staff working in the sector, more rooms and places offered, and more graduate lead educators and managers – in both established Partner Services and brand-new services.

15. What about providers who have not signed up to Core Funding?

As of 3 October 2024, over 4,100 eligible providers have applied for Core Funding, with the third year of the scheme in operation for one month. There are more services in the sector, and a greater number of Partner Services than the same time in 2023. The remaining providers can choose to come into Core Funding at a later point during the year if they wish to do so. Applications for Year 3 of Core Funding remain open, and services continue to join the scheme daily.

While it is the ambition to have as high take-up as possible, a small proportion of early learning and childcare services – approximately 5% overall – chose not to join Core Funding in Year 1 and Year 2. While providers cannot be mandated to participate, every effort has been made to carefully design Core Funding to meet a range of policy objectives, including achieving high levels of participation by providers.

16. Core Funding does not go far enough to cover the cost of operating a service.

The introduction of Core Funding in September 2022 brought a significant increase in investment for the sector, with €259 million of funding paid directly to providers in Year 1 of the scheme, of which

€210.8 million was entirely new funding (see here for the allocation of Core Funding values paid to each individual service in Year 1).

Since its introduction, State investment in Core Funding has increased by 28% to reach €331 million for the third year of the scheme (September 2024 to August 2025).

Alongside the significant increases in funding, in September 2024 the Department introduced a process whereby services whose fees are below their county average can apply for an assessment to increase their fees to an approved level.

The allocation for year 4 of Core Funding will increase to over €390 million.

The increased funding includes additional contributions towards non-staff and administrative costs, alongside a €45 million full-year allocation which is specifically to support employers to meet the costs of further increases to the minimum rates of pay in the sector. This €45 million allocation is contingent on the third successive Employment Regulations Orders being negotiated by the independent Joint Labour Committee

Supports continue to be available where a Partner Service is experiencing financial difficulty or has concerns about their viability. These supports, which extend beyond financial supports, can be accessed through City or County Childcare Committees (CCC).

17. What sustainability supports will be available in 2025?

Sustainability supports will continue to be available in 2025, which can be accessed through City and County Childcare Committees.

Sustainability funding will continue to be available to both private and community services who are Core Funding Partner Services.

18. What do the Budget 2025 mean for Early Years Educators and School-Age Childcare Practitioners?

Arising from Budget 2025, €15 million is specifically ring-fenced from September 2025 to support employers to meet the costs of increases to the minimum rates of pay for staff in the sector. This is equivalent to €45 million in a full programme year (September 2025-August 2026) and is contingent on the third successive Employment Regulations Orders being negotiated by the independent Joint Labour Committee.

Equal Start

19. What is Equal Start?

Equal Start is a funding model and set of universal and targeted measures to support access to, and participation in, early learning and childcare for children and their families who experience disadvantage.

Equal Start includes a suite of universal supports, child-targeted supports, and setting-targeted supports to ensure every child and every early learning and childcare setting will benefit from a continuum of supports that reflects a continuum of need.

The initial rollout of Equal Start commenced in September 2024. The full rollout of the scheme is planned in phases from 2024-2028.

20. Who benefits from Equal Start?

Equal Start is designed to help children and their families who may be experiencing disadvantage to access early learning and childcare settings, through a range of supports.

Children to benefit from child-targeted supports include children living in disadvantaged areas, Traveller children, Roma children, children availing of the National Childcare Scheme through a sponsor body, children experiencing homelessness and children in the International Protection system.

Approximately 790 services across two tiers have been identified as eligible for targeted supports under Equal Start as they have been objectively found to have the highest levels of concentrated disadvantage.

There is no application process. However, these services must be in contract for year 3 of Core Funding.

Tier 1 and Tier 2 services were informed of their Equal Start priority designation in June 2024.

21. What is included in Equal Start?

For the 2024/2025 programme year, Equal Start includes additional staffing supports providing for a 15% increase in staffing hours for Tier 1 services and 8% for Tier 2 services based on the minimum staffing required under regulation.

It also supports the full roll out of the Traveller Parenting Support Programme to all 17 Tusla areas; the appointment of Traveller and Roma Advisory Specialists to work in Better Start; and the roll out of Early Talk Boost to Equal Start priority settings.

An additional €12.7 million was secured for Equal Start in Budget 2025, bringing the total budget allocation for Equal Start to €17.2 million in 2025. €8.7 million of this additional allocation will meet the full year cost of Year 1 Equal Start measures introduced in September 2024, while €4 million (or €12 million in a full year) will support the roll out of enhancements in Year 2 – from September 2025.

New measures included in Budget 2025 include:

- An Enhanced Nutrition Programme in Equal Start priority settings
- Development of a family and community partnership coordinator role and training
- Redesign and rollout of diversity, equality and inclusion training.

22. What is available through the Enhanced Nutrition Programme?

The Enhanced Nutrition Programme in Equal Start priority settings will provide for:

- A substantial meal for ECCE-only children throughout the ECCE programme 2025/2026; and
- Enhanced nutrition for all other children in the settings.

The optimal nutrition requirements and definitions of a substantial meal are contained here. This document is a significant resource for all providers with regard to nutrition. Services will have access to a dedicated nutritionist who will work with the staff to guide the offering of additional nutrition to all children and the development of meal offering to the ECCE-only children. Specific details around the allocation model will be published in the coming months.

In addition, services will be able to apply for small equipment grants to support the rollout of the Enhanced Nutrition Programme. Further details on this will be released in early 2025.

23. What is a Family and Community Partnership Coordinator?

Nurturing Skills identified a future role within early learning and care settings of Family and Community Partnership Coordinator, 'leading and supporting partnership and engagement between families and the service provider and to pilot the delivery of parenting programmes through services'.

Equal Start commits to 'develop a role profile for Family and Community Partnership Coordinators, drawing on the experience of the Inclusion Coordinator role and other family outreach and liaison roles (for example, Home-School-Community-Liaison in DEIS schools; Traveller Parent Support Programme Family Liaison Workers)' and to 'develop a LINC-type training programme to be a requirement for the role, with priority initially for Equal Start-targeted services'.

In the coming months, the Department will work to develop this role and seek to put in place a comprehensive training programme recognising this as a specialised and distinct leadership in services.

24. What is the requirement arising from diversity, equality and inclusion training?

Equal Start commits to 'engage an expert to review the Diversity, Equality and Inclusion Guidelines and training, and update in-line with Equal Start and recent changes in policy and society'. It also commits to 'review the strategy for roll-out of Diversity, Equality and Inclusion training with a view to significantly increasing the proportion of early learning and childcare services and staff working within those services who have undertaken the training'.

In the coming months, the Department will progress this work.

Childminding

25. I am a childminder - what does Budget 2025 mean for me?

Following the commencement of the Childminding regulations on 30 September 2024, all childminders can now register with Tusla and take part in the NCS.

Budget 2025 continues to fund the work of the City and County Childcare Committees (CCC). Each CCC has a Childminding Development Officer to provide tailored supports to childminders. These supports include the provision of the pre-registration training course which prepares childminders to register with Tusla.

26. What childminding initiatives are included in Budget 2025 and how much funding is there for these initiatives?

As well as extra funding for the NCS, an additional €290,000 has been allocated for 2025 for childminding initiatives to support actions under the National Action Plan for Childminding 2021-2028. During 2025, work will continue on the extension of supports to all paid, non-relative childminders, including through:

- The continued roll-out of pre-registration training for Childminders.
- Continuing to support the work of the Childminding Development Officers to enable childminders to engage and participate in training and supports at local level.
- Work on the staffed local networks to help support childminders in their work.

Capital

27. What Capital Programmes will be available in 2025?

Some €30 million in capital funding has been set aside in 2025 for the early learning and childcare sector.

Of this, €25 million will be provided under the Building Blocks Extension Grant Scheme for the expansion of existing services to increase capacity in areas of undersupply, with priority given to full-time places within the 1-3 age group.

The Scheme will offer funding for larger scale projects to enable existing private and community services to build new capacity onto their current premises by means of physical extension. It will also allow community services to apply to purchase or construct a new premises. Appraisal of applications for this Scheme will consider the supply and demand in the area around the proposed projects and seeks to prioritise funding for areas with the biggest supply/demand mismatch.

Applications will be appraised on the basis of eligibility, quality and readiness to deliver projects as well as the level of need for the additional provision in the area.

In addition, €1.2 million in capital funding will be allocated to support the Enhanced Nutrition Programme under Equal Start.

There will also be funding for the Childminding Development Grant 2024/2025 and for essential/emergency capital works in early learning and care settings that are Core Funding Partner Services.