

Dear Early Learning Care and School Aged Childcare providers,

This notice is to update you on Employment Regulation Orders (EROs) and funding for the sector from 1 September 2022.

As you know, Core Funding is contingent on EROs being in place for all roles across the sector as defined in the Early Years' Service Joint Labour Committee (JLC) Establishment Order. The process to develop EROs is an independent process underpinned by legislation. The sector is represented on the JLC by employer representatives from Childhood Services Ireland (CSI) and Federation of Early Childhood Providers (FECF), and worker representatives from SIPTU.

The process to finalise the EROs remains ongoing and the Minister has acknowledged the hard work of the members of the JLC to negotiate pay and conditions for employees in the sector. Core Funding will follow once the EROs are in place. However, it is not certain that EROs will be in place by the 1 September 2022. While the Department is not a party to the independent ERO process, there is a requirement to align the funding approach with the outcome of that process. As communicated by the Minister and stipulated in the funding agreement pre-condition, without the EROs, Core Funding will not come into effect.

We therefore wish to provide an update on the funding plan for the sector if EROs are not in effect on 1 September 2022. In this event, an Interim Funding scheme will be available and will operate from 1 September 2022 until such time as the EROs come into effect, or the 30 September 2022, whichever is sooner. We hope that the Interim Funding, if required, will be necessary for a short period only.

The main objectives of the Interim Funding are to:

- Sustain services in the period between the end of the Transition Fund and the beginning of Core Funding, through funding for capacity
- Support graduate employment and administrative time
- Ensure that parents' fees do not increase above September 2021 rates
- Create a smooth lead in to Core Funding once the EROs come into effect, with as limited additional administration for services as possible

To achieve this, the Department is today publishing the Interim Funding Partner Service Funding Agreement which will be progressed if the EROs are not in place on 1 September.

The main differences in the Interim Funding Agreement relate to:

- the calculation of the grant;
- duration of the Agreement;
- removal of conditions around Quality Action Plan and certain elements of Financial Reporting due to the duration of the agreement.

The calculation of the grant will be made up of three elements: an allocation for capacity, an allocation for graduates and an allocation for administration using information which is already available. Further information is available in the FAQ attached and full detail is available in the Interim Funding Partner Service Funding Agreement.

In order to avail of Interim Funding, Partner Services have to have completed the Core Funding application process and accepted the Core Funding Partner Service Funding Agreement. This will

allow for a smooth transition from Interim Funding into Core Funding as soon as the EROs are in effect.

Both the Core Funding Partner Service Funding Agreement and the Interim Funding Partner Service Funding Agreement will be available for acceptance at the same time on the Early Years Hive from next week.

Please note that in order to receive an advance payment under whichever agreement is in effect, the funding agreement will need to be accepted by Monday 22 August 2022. Any Partner Service which accepts the funding agreements on or before Wednesday 31 August 2022 will receive payment for the full duration of the agreement, although they payment may not issue in advance. A Partner Service can accept the funding agreements at any point after 31 August 2022, but please note that funding under either agreement will not be backdated.

ECCE programme and NCS payments are unaffected by the issues outlined in this notice.

Services are encouraged to engage with their local City and County Childcare Committees (CCCs) for support and guidance on Core Funding and Interim Funding.

The introduction of a new funding model, and in particular the new Core Funding scheme constitutes significant change for the sector. This will bring many benefits for children, parents, staff and providers. However, the Department appreciates that the new approach being adopted is a substantial shift in how funding is allocated and providers may need support with this process. The Minister and the Department are committed to supporting services, and working together with you for ELC and SAC for the public good. Both CCCs and Pobal via the Early Years Provider Centre (EYPC) are available to provide assistance if necessary.

Kind regards,

Early Years Comms

An Roinn Leanaí, Comhionannais, Míchumais, Lánpháirtíochta agus Óige
Department of Children, Equality, Disability, Integration and Youth