

PRESS RELEASE



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

Minister O’Gorman secures €1bn investment in early learning and childcare

- Minister O’Gorman today unveiled a substantial budget package of €403 million which brings State investment in early learning and childcare to more than €1 billion
- This exceeds the First 5 target of €1 billion investment in early learning and childcare five years earlier than expected
- Parents using full time early learning and childcare services will see an average reduction of 25% in their out of pocket costs under Budget 2023 measures

28th September 2022

Roderic O’Gorman, Minister for Children, Equality, Disability, Integration and Youth today announced a landmark €1.025 billion in funding under Budget 2023 for early learning and care and school aged childcare. As part of Budget 2023, parents using a full time service will see their early learning and childcare costs reduce by 25% on average as National Childcare Scheme funding gets a major boost.

This represents a €346m increase on last year’s funding and means the First 5 investment target of €1 billion by 2028 has been exceeded - five years ahead of time.

Making childcare more affordable

Budget 2023 introduces major reforms to the National Childcare Scheme (NCS) from January 2023, which will substantially improve the affordability of early learning and care and school aged childcare for families.

Additional funding of €121m has been allocated to reduce average parental co-payments for early learning and care and school aged childcare by 25%.

From January 2023, all families accessing registered early learning and care and school aged childcare will receive a minimum hourly universal NCS subsidy of €1.40 off the cost of early

learning and care and school aged childcare. With the current minimum hourly NCS universal subsidy set at €0.50 per hour, this represents an additional €0.90 per hour off the cost of early learning and care and school aged childcare.

For parents on the minimum subsidy this will mean up to €3,276.00 off their annual bill per child. With up to €1,170.00 currently available per annum, this represents up to an additional €2,106.00 off the annual cost of early learning and care and school aged childcare per child. Parents on the maximum subsidies, based on an income assessment and the age of the child, can already receive up to €11,934 off their annual fee.

With a fee freeze on 2021 rates place in more than 90% of Partner services who signed up to the new Core Funding Scheme – there is confidence that these NCS increases won't be absorbed into fee increases and will deliver real reductions for parents using these services.

Minister O' Gorman said:

“Easing the cost of living in 2023 and, in particular, addressing the high cost of childcare for families has been my priority in Budget 2023.

Changes to the NCS, from January 2023, will reduce out of pocket costs by 25% on average. Families can be assured they will see these reductions in costs, with 90% of services having frozen their fees through the new Core Funding scheme”.

Increased support for the Early Learning & Childcare sector

Under Budget 2023 measures, the early learning & childcare sector will be supported through continued and increased investment in the new Core Funding scheme. Core Funding improves affordability for parents by instituting a fee freeze in participating Partner Services; access for parents by expanding the capacity being offered by the sector, particularly for younger children; quality including through improved pay, conditions and career structure underpinned by Employment Regulation Orders; and stability and sustainability for providers

The Core Funding scheme is in operation since 15 September 2022 and already has achieved very significant success in terms of the high levels of participation, resulting in the fee freeze applying to the overwhelming majority of parents. It also supported the agreement of Employment Regulation Orders leading to wage increases for the large majority of staff. There is also evidence of increased capacity.

Analysis shows the increased capacity is the type of capacity that is in highest demand relative to supply (i.e. more baby and toddler places as well as school-age places).

The geographical breakdown across the country also indicates expansion in urban and commuter areas where there has been significant pressure on places. Kildare, Wicklow, Meath as well as the four Dublin local authority areas, Galway, Cork City, Waterford and Limerick are all showing increases in capacity above national average figures.

To meet the cost of this expanded capacity and an increase in the numbers of graduates, the original allocation for Core Funding has been increased by €59m. This also allows €7m for a number of developments in year two of the Scheme (equivalent to €28m in full year costs). Year 2 will see the removal of the 3-year experience rule for graduate premiums, and other developments to the Scheme, to be informed by the emerging data from Year 1 of operation.

Speaking about the additional investment for Core Funding, Minister O’Gorman said:
The response from providers to become Partner Services in delivering Core Funding has been hugely encouraging and positive. With the scheme in operation less than two weeks, already there is substantial evidence of success in progressing the objectives of improved affordability and quality of early learning and care and school aged childcare, as well as expanding capacity.”

“Funding committed to in Budget 2023 will meet the cost of this expanded capacity and provide for further developments to Core Funding in Year 2 of the Scheme”.

Speaking about the overall Budget 2023 package for early learning and childcare, Minister O’Gorman said:

“In 2018, a commitment was made to at least double State investment in early learning and care and school aged childcare. This commitment - made in First 5, the 10-year whole of government strategy for babies, young children and their families and endorsed in the Programme for Government – translated to an investment target of approximately €1 billion by 2028.

“Today, I am pleased to announce that we have exceeded this target – five years ahead of schedule, which is a clear demonstration of the value this Government places on early learning and care and school aged childcare, given the benefits it confers to children and their families, society and the economy.”

Early Years funding breakdown

Budget 2023 provides:

- €266m to support continued implementation of the Core Funding scheme for the first full programme year, September 2022 to August 2023, and into the next programme year from September 2023, with additional funding of €59m being made available to cover the costs of increased levels of capacity and numbers of graduates in year one and for a number of enhancements in year two of the Scheme.
- €357.6m for continued implementation of the National Childcare Scheme (NCS), offering supports to a greatly expanded cohort of children and families at significantly higher subsidy levels– with additional funding of €121m ensuring the hourly universal subsidy under the NCS can increase from 0.50c per hour to €1.40 per hour from January 2023.

Funding in 2023 also provides:

- €308.2m for the continuation of the ECCE programme that will benefit more than 108,000 children in 2023 and the continuation of the Access and Inclusion Model (AIM) to ensure more than 5,000 children with a disability can access and meaningfully participate in the ECCE Programme.
- €84.5m to support 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.

Tusla

The allocation for Tusla the Child and Family Agency has also been increased to €935m.

This funding package will:

- Address increasing demand for Tusla services and the increasing complexity of many cases.
- Continue to address the provision of statutory residential care as recommended by the IGEES Spending Review of Residential Care (2020), reducing reliance on private residential care providers.
- Maintain supports for services to deal with domestic violence and gender-based violence and their effects and address recommendations arising from Tusla's Accommodation Review of Refuge Provision.
- Support the community and voluntary sector funded by Tusla to deliver important services on its behalf.

The balance of the additional funding is spread across a range of services and supports provided by the Department.

International Protection Accommodation

€213m is being allocated to cover costs in relation to international protection accommodation. The focus will be on transitioning to a new model with expanded State-owned capacity and a greater focus on commissioning NGOs and not for profit organisations to provide services and supports, particularly to vulnerable applicants for international protection. For this reason, the allocation for the team implementing the *White Paper to End Direct Provision and to establish a New International Protection Support Service* is increasing by 41% to €22m, up from €15.6m in 2022.

The focus of expenditure will be on:

- Increasing the accommodation capacity within the state owned sector;

- Expanding the range of supports provided to international protection applications, including in relation to health, education, child and employment;
- Providing funding to local authorities to coordinate local integration supports including the establishment of a permanent network of Integration Support Workers;
- Commissioning NGOs to provide targeted supports, particularly for vulnerable applicants;
- Delivery of supported accommodation for vulnerable applicants;
- Rolling out of a second community integration fund, to support community integration initiatives and deliver benefits for local communities.

In view of the current high rate of international protection applicant arrivals, further funding will be sought for international protection accommodation as part of the Revised Estimates process when further work has been undertaken to advance the reform process.

In respect of costs associated with Ukraine (including accommodation, provisions for Tusla, Early Years services and support services), International Protection Accommodation Services and the Mother and Baby Home payment schemes costs, the Minister advised of a commitment from the Minister and the Department of Public Expenditure and Reform to dealing with these costs as part of the Revised Estimates process.

Action to Support Traveller and Roma Communities

Provision has been made for a 5% increase in expenditure on Traveller and Roma initiatives by the Department, bringing total spending to €5.942 million in 2023. This increased allocation reflects a deep-rooted commitment to the continuing drive to achieve equality for the Traveller and Roma communities within Irish society.

The additional funding in 2023 will allow Traveller and Roma organisations to continue to offer much needed services to their communities. It will also provide funding for programmes to promote greater access by Travellers to education and employment. In addition, it will encompass funding for activities to promote and celebrate Traveller and Roma culture.

Funding for the National Women's Council of Ireland

Action to promote gender equality continues to be a priority for 2023, building on the implementation of gender pay gap reporting and the introduction of domestic violence leave.

An increase of 5% has been secured for the National Women's Council of Ireland for 2023, bringing the funding provided to them to €641k next year.

€5.865m is also being allocated to the broader gender equality budget, which includes the funding for the Women's Collective Ireland.

A funding call for EU ESF gender equality projects will be held in 2023. This will support action to promote women's access to employment and career advancement.

LGBTI+ Funding

Funding to support action to promote LGBTI+ equality and inclusion is increasing to €1.055m for 2023.

The 2023 budget allocation reflects the Government's ongoing commitment to furthering the vision of an Ireland where LGBTI+ people are visible and included, treated equally, healthy and feel safe and supported.

Provision has been made for a new funding call under the LGBTI+ Community Services Fund, a key initiative under the National LGBTI+ Inclusion Strategy, which has to date been a very successful mechanism by which to support programmes and initiatives throughout the country.

Legislation to ban conversion therapy will advance, recognising the harm that it occasions, particularly to young LGBTI+ persons.

Mother & Baby Homes Institutions Payment Scheme

The Government approved a package of €800 million for the Mother and Baby Institutions Payment Scheme in November 2021 and is committed to delivering this Scheme, a central measure in the *Action Plan for Survivors and Former Residents of Mother and Baby and County Home Institutions*, as soon as possible.

My Department is currently working intensively on the legislative and administrative arrangements to establish this Scheme. The funding required for the Scheme will be provided as part of the Revised Estimates Process.

Youth Services

Budget 2023 sees an allocation of €76m (an increase of €2.4m) for Youth Services. This will continue to progress the programme for Government commitment to invest in youth services. It will also meet the costs associated with the rolling enhanced programme of service provision based on identified need including capital works.

Ukraine Crisis

This Department has been at the forefront of the measures Government has taken to accommodate Ukrainians fleeing the war in their home country. To date over 35,000 people have been provided with accommodation directly or through this Department.

The cost of this programme for Ukrainians is significant and in light of the special circumstances to be dealt with separately as part of the Revised Estimates Process

ENDS

Note for Editors

Vote Summary – Budget 2023

High level summary of measures

Programme Expenditure	REV 2022	Budget 2023	Variance	% Var
Programme A: Children and Family Support Programme	928,956	972,484	43,528	5%
Programme B: Sectoral Programmes for Children and Young People	777,378	1,125,434	348,056	45%
Programme C: Policy and Legislation Programmes	44,895	44,695	-200	0%
Programme D: An Equal and Inclusive Society	38,805	40,077	1,272	3%
Programme E: A Fair and Efficient Support System for International Protection Seekers	250,143	260,356	10,213	4%
Sub-total Programme Areas	2,040,177	2,443,046	402,869	20%
IHREC	REV 2022	Budget 2023	Variance	% Var
Irish Human Rights and Equality Commission (IHREC)	7,614	8,000	386	5%
Sub-total Programme Areas	7,614	8,000	386	5%
Group Total	2,047,791	2,451,046	403,255	20%

- **The €403 million increase in relation to core expenditure includes:**
 - **€346m on Early learning and care and school aged childcare**
 - **€37m on Tusla, the Child and Family Agency**
 - **€10m on core funding for IPAS**
 - **€2.4m on Youth Affairs**
 - **A range of other areas on the Vote**

The resource allocation includes financial provisions for a range of key services in respect of children and young people including:

- **€1,025 million** for early learning and care and school aged childcare programmes. This represents an increase of 51% over the 2022 core allocation;
- **€935 million** for Tusla, the Child and Family Agency to continue to meet demand for its services;
- **€244 million** for International Protection Seekers Accommodation, to continue to provide accommodation for those seeking international protection and to continue the implementation of the White Paper;
- **€76 million** towards youth services which will support continued implementation of targeted youth funding schemes;

- **€28 million** to meet operational costs of the Oberstown facility and related youth justice costs;
- **€12 million** for Economic and Social Disadvantage measures
- **€9.2 million** to support costs relating to the implementation of the findings of the Commission of Investigation into Mother and Baby Homes.
- **€9.0 million** for programmes to promote refugee and migrant integration;
- **€8.3 million** for the Decision Support Service to assist vulnerable adults with difficulties;
- **€8.0m** towards the Children and Young People’s Policy Framework and Other Programmes;
- **€7 million** to the Adoption Authority of Ireland to support its operational costs and statutory obligations;
- **€5.9 million** to support Traveller and Roma Initiatives
- **€5.9 million** to support Positive Action for Gender Equality
- **€5.7 million** to the National Disability Authority to allow it to deliver on its statutory duty as the independent state agency to provide information and advice on matters of policy and practice in relation to persons with disabilities;
- **€3.5 million** to the Office of the Ombudsman for Children to support it in the fulfilment of its statutory responsibilities; and
- **€2.8 million** for the asylum Migration and Integration Fund

In recognition of the other extensive demands on the Department’s Vote, it has been agreed that a range of other significant costs will be addressed in the Revised Estimates Volume (REV), later in the year. These include significant funding of the State response to the Ukrainian crisis, the major increase in demand on other refugee / asylum seeker costs and also the costs arising from the soon to be established Mother and Baby Institutions Payment Scheme.

Programme A – Children and Family Support Programme

The aim of this programme is to integrate and improve the existing service delivery arrangements and support the welfare of children, young people and families. In particular, the budgetary decisions for 2023 mean that the Department will increase the allocation to Tusla, the Child and Family Agency, to a total of €935m in 2023. This is an effective overall increase of €37m or 4.1% over the 2022 allocation (€898m).

The additional resources will allow Tusla to:

- Address increasing demand for Tusla services and the increasing complexity of many cases.
- Continue to address the provision of statutory residential care as recommended by the IGEEES Spending review of residential care (2020), reducing reliance on private residential care providers.
- Maintain supports for services to deal with domestic violence and gender-based violence and their effects and address recommendations arising from Tusla's Accommodation Review of Refuge Provision.
- Support the community and voluntary sector funded by Tusla to deliver important services on its behalf.
- Continue its existing capital programmes, further develop its ICT infrastructure and initiate priority projects included in its Estates Strategy.

In terms of the remainder of programme A:

- Continue to support the day-to-day operation of the Oberstown Children Detention Campus.
- Advance the work on the development of a nationally organised and managed Guardian ad Litem service.

Programme B – Sectoral Programmes for Children and Young People

The aim of this programme is to support the provision of both universal and targeted services for the care, learning, development and wellbeing of children and young people. The Government's budgetary decisions for 2023 under this programme will allow for the following:

- Continued implementation of the universal Early Childhood Care and Education (ECCE) programme benefiting up to 108,000 children in 2023;
- Continued implementation of the Access and Inclusion Model (AIM) to ensure that more than 5,000 children with a disability can access and meaningfully participate in the ECCE Programme;
- Continued implementation of the National Childcare Scheme (NCS), offering supports to a greatly expanded cohort of children and families as a result of Budget 2022 measures (i.e. end the practice of deducting hours in pre-school or school from NCS subsidised hours introduced in May 2022 and the extension of the NCS universal subsidy to children under 15 introduced on 29 August 2022) at significantly higher

subsidy levels– with the hourly universal subsidy under the NCS, increasing from 0.50c per hour to €1.40 per hour from January 2023;

- Continued implementation of Core Funding for early learning and care and school aged childcare providers for the first full programme year, September 2022 to August 2023 and into the second programme year from September 2023. Core Funding improves affordability for parents by instituting a fee freeze by participating providers; access for parents by expanding the capacity being offered by the sector, particularly for younger children; quality including through improved pay and conditions underpinned by Employment Regulation Orders (ERO); and sustainability for providers. The additional funding being made available will cover the costs of increased levels of capacity and numbers of graduates in year one and for a number of developments in year two of the Scheme including the removal of the '3-year-rule' for graduate Lead Educators and Managers (subject to amendment to ERO), and other developments in the Scheme to be informed by emerging data from year one; and
- 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.

Programme C – Policy and Legislation Programme

The aim of this programme is to oversee key areas of policy, legislation and inter-sectoral collaboration to improve the lives and well-being of children and young people, including the implementation of the Policy Framework for Children and Young People. In particular, the resources allocated will allow for the following:

- Support the Adoption Authority of Ireland to meet its statutory obligations and operational costs, including its significant responsibilities under the Birth Information and Tracing Act 2022.
- Support the operational costs of the Office of the Ombudsman for Children.
- Support overall management of the Government's Action Plan for responding to the needs of former residents of Mother and Baby and County Home Institutions. To deliver certain key actions, such as intervention at the Tuam site, on foot of the Institutional Burials Act 2022.

Programme D – An Equal and Inclusive Society

The aim of this programme is to promote equality and human rights in society. Under this programme, the 2023 allocation for this programme will allow for:

- Funding for a new programme of activity underpinning the National Action Plan Against Racism 2022-2025. This will include support for public and private sector organisations and civil society and also research to develop the evidence base to inform policy in this area.
- Funding for services to Traveller and Roma communities.

- Delivery of a range of positive actions for Gender Equality, LGBTI+ initiatives and continued funding of the National Women's Council of Ireland and the National Collective of Community-based Women's Networks.

Programme E – A Fair and Efficient Support System for International Protection Seekers

The aim of this programme is to meet the Department's international obligations in relation to the provision of accommodation to persons seeking international protection. Under this programme, the 2023 allocation will allow the Department to:

- Continue to provide accommodation for those seeking international protection and to cover the projected increase of costs related to additional arrivals in 2023.
- Focus on developing a new model of accommodation provision and supports in line with the White Paper to End Direct Provision and to establish a New International Protection Support Service.
- Fund new integration officer posts in each local authority to promote integration and to offer supports to international protection applicants.

Vote 25 - Irish Human Rights and Equality Commission (IHREC)

Programme A - Irish Human Rights and Equality Commission Function

Under this programme, IHREC will receive an increased allocation to enable it to continue to meet its statutory obligation to protect and promote human rights and equality as Ireland's independent national human rights and equality body and to build a culture of respect for human rights, equality and intercultural understanding across Irish society.

National Childcare Scheme Parental Savings

Weekly impact per child: For full-time working parents, this will mean up to €63.00 off their weekly bill per child. With up to €22.50 currently available per week, this represents up to an additional €40.50 off the weekly cost of early learning and care and school aged childcare per child.

Annual impact per child: For full-time working parents, this will mean up to €3,276 off their annual bill per child. With up to €1,170 currently available per annum, this represents up to an additional €2,106 off the annual cost of early learning and care and school aged childcare per child.

Core Funding Scheme

The 2023 Budget investment will:

- Provide continued stability and sustainability for providers.
- Cover the costs of increased levels of capacity and numbers of graduates in year one of Core Funding
- Allow for developments in year two of the scheme including the removal of the '3-year-rule' for graduate Lead Educators and Managers (subject to amendment to ERO)
- Allow for further developments in year two the scheme to be informed by emerging data from year one which may include increases to the base rate or more targeted initiatives.
- Improve affordability for parents through the fee freeze commitment of participating Partner Services;

- **€935m (an increase of €37m) for Tusla the Child & Family Agency**
 - Address increasing demand for Tusla services and the increasing complexity of many cases.
 - Continue to address the provision of statutory residential care as recommended by the IGEES Spending review of residential care (2020), reducing reliance on private residential care providers.
 - Maintain supports for services to deal with domestic violence and gender-based violence and their effects and address recommendations arising from Tusla's Accommodation Review of Refuge Provision.
 - Support the community and voluntary sector funded by Tusla to deliver important services on its behalf.

- **€76m (an increase of €2.4m) for Youth Services**
 - Consolidate progress the Programme for Government (PfG) commitment to invest in youth services.
 - To meet the costs associated with the rolling programme of service provision nationally, including provision for capital minor works and equipment.

Action to Support Traveller and Roma Communities (up 5%)

Provision has been made for a 5% increase in expenditure on Traveller and Roma initiatives by the Department, bringing total spending to €5.942 million in 2023. This increased allocation reflects my deep-rooted commitment to the continuing drive to achieve equality for the Traveller and Roma communities within Irish society.

The additional funding in 2023 will allow Traveller and Roma organisations to continue to offer much needed services to their communities. It will also provide funding for programmes to promote greater access by Travellers to education and employment. In addition, it will encompass funding for activities to promote and celebrate Traveller and Roma culture.

Funding for the National Women's Council of Ireland (up 5%)

Action to promote gender equality continues to be a priority for 2023, building on the implementation of gender pay gap reporting and the introduction of domestic violence leave.

An increase of 5% has been secured for the National Women's Council of Ireland for 2023, bringing the funding provided to them to €641k next year.

€5.865m is also being allocated to the broader gender equality budget, which includes the funding for the Women's Collective Ireland.

A funding call for EU ESF gender equality projects will be held in 2023. This will support action to promote women's access to employment and career advancement.

LGBTI+ Funding (up 3%)

Funding to support action to promote LGBTI+ equality and inclusion is increasing to €1.055m for 2023.

The 2023 budget allocation reflects the Government's ongoing commitment to furthering the vision of an Ireland where LGBTI+ people are visible and included, treated equally, healthy and feel safe and supported.

Provision has been made for a new funding call under the LGBTI+ Community Services Fund, a key initiative under the National LGBTI+ Inclusion Strategy, which has to date been a very successful mechanism by which to support programmes and initiatives throughout the country.

I will advance legislation to ban conversion therapy, recognising the harm that it occasions, particularly to young LGBTI+ persons.

Issued by the Press and Communications Office at the Department of Children, Equality, Disability, Integration and Youth.

Tel: 01 647 - 3153/3114

Email: media@equality.gov.ie