



Notice to Providers

Minister O’Gorman met with the Federation of Early Childhood Providers on Monday, 28 November to find a common understanding of the issues they have presented concerning funding of small, sessional services, and to identify a pathway to resolve these issues.

The Department’s position, based on the evidence available, remains that funding available through the various schemes is sufficient to meet the needs of all services, including small, sessional services.

However, in recognition of the points raised and the concerns expressed, the Minister proposed that an **independent review** of the finances of these services be commissioned by his Department. In order for the results of the review to be meaningful in the short term, the Minister proposed that an independent consultant be procured, and tasked with completing this work in Quarter 1 2023.

Core Funding of €259m is a very significant new injection of funding into the sector and there is an 11% increase of €28m in the budget for year two of the scheme (September 2023-August 2024). Approximately €4m of the €28m will be used to remove the experience requirement on both graduate premiums under Core Funding. The remaining €24m will be used for further developments and enhancements to the scheme, the precise allocation of which will be determined by evidence and analysis emerging from year one of the operation of the scheme and must be evidence based.

In this context, the independent review of a sample of small, sessional services could form a basis on which any targeted measures, if required, can be taken. The Minister is clear that, in order for any allocation of taxpayer funding to take place, evidence must be gathered to support it.

The most recent information available to the Department does not suggest any widespread closures of services as a result of Core Funding. Data from Tusla show that the number of closures this year, and the number of new services opening, are broadly in line with



other years, and reasons for closure (where provided) suggest considerable diversity in the reasons for closure. Similarly, the sector level data available has not indicated widespread financial viability issues connected to small, sessional services.

However, the Minister has been unequivocal that he does not want any services to be faced with financial sustainability issues and is fully committed to working with all services to support them in delivering early learning and childcare for the public good – as evidenced by the sustainability fund already in place, which can be accessed by providers through the network of City/County Childcare Committees.

He believes that this proposed independent, rigorous process to establish the extent of any funding issues offers the best way forward.

The Minister has written to the Federation of Early Childhood Providers and is hopeful that there is a positive way forward, working collaboratively and constructively.

Early Years Division
1 December 2022