

18th October, 2017

Greetings!

Budget 2018 Failed to Deliver the Big Investment that is Needed

The Children's Rights Alliance's overall verdict on Budget 2018 is that children's early learning and development did not get the big investment that it actually needs to deliver for children. The additional spending allocated on early childhood education and care (ECEC) amounts to approximately €29m, with further allocations by the Department of Children and Youth Affairs (DCYA) to Family Support and the ABC Programme. The big winner in this Budget was Tusla, the Child and Family Agency, who received an additional €40m in funding.

Early childhood, given its uniqueness and impact on children's subsequent life trajectories, requires the delivery of the long awaited National Early Years Strategy currently being developed by the Department of Children and Youth Affairs. This must be accompanied by the development of a substantial multi-annual investment programme to deliver the strategic objectives of the Strategy. Everyone supporting young children's development and wellbeing requires certainty that they have the resources and know-how to do their best for children.

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Supporting ECEC access for children and affordability for their parents
Budget 2018 allocated €20m additional funding to improving the Free Pre-school Year
(FPSY) and providing universal and targeted childcare subsidies to parents to pay for childcare costs.

Universal services are the most effective way to improve children's lives and support disadvantaged children and families. The Children's Rights Alliance welcomes Budget 2018's **extension of eligibility for the Free Pre-school Year** (FPSY) to all children over the age of two years and eight months for two full programme years (i.e. two 38 week years totaling 76 weeks), which will benefit up to 20,000 children. This Budget action ends the anomaly where children who have not turned three by September are ineligible to access the programme until January or April of the following year and do not receive the full 76 weeks. This difference in eligibility has created an inequity between children of the same age. Also, some children were entering the FPSY in April and leaving in June when the Programme year ends, which can be disruptive to them and is not a sufficient period for them to benefit fully from the FPSY.

Budget 2018 allocated a **7 per cent increase in the FPSY capitation** paid to services. From September 2018, the standard capitation rate will be €69, and the higher rate €80.25. This is positive as it is the first real increase in the capitation rates since the FPSY's introduction in 2010. Labour costs have increased in this period yet ECEC services cannot charge parents extra fees for the FPSY to meet these costs.

Last year Budget 2017 allocated an additional €20m to the Affordable Childcare Scheme (ACS) in addition to the €87m <u>already being spent by DCYA on targeted childcare</u> subsidies to benefit 79,000 children from September 2017. As the September deadline

was not reached, the DCYA is now implementing a transitional 'More Affordable Childcare' (MAC) programme, which the DCYA estimated could benefit 70,000 children. Since early September 2017, 45,000 children have been registered for a subsidy: 24,000 of these for the universal under-threes scheme, and 21,000 for the targeted schemes. According to DCYA, 'the additional [Budget] funding will ensure that the door remains open for further children and families to register and benefit from these subsidies throughout 2018'.

While it is welcome that the DCYA still has a remaining budget for further child registrations for MAC, the Children's Rights Alliance notes that only 24,000 children are receiving targeted subsidies whereas 33,000 children received targeted subsidies prior to MAC. It may be that more children will benefit from the MAC subsidy as the funding year progresses - the Children's Rights Alliance will continue to monitor their access to the subsidy to ensure that they are not losing out. Budget 2019 should allow for the full implementation and roll-out of the ACS and we will be calling on the Government to fulfil its commitment to making childcare more affordable by significantly investing in the Scheme. DCYA's own calculations for the full implementation of the Affordable Childcare Scheme over the course of a full year is €150 m.

The Children's Rights Alliance welcomes that DCYA has commissioned an independent review of the cost drivers associated with providing quality childcare in Ireland and has <u>indicated</u> that it is a priority for 2017. We welcome the assurance by Minister Zappone, in her post-Budget press conference, that initial costs data will be available in time to develop and inform Budget 2019.

Budget 2018 allocated €6.86m in Capital Funding for 2018. More information regarding the 2018 Capital programmes will be made available by the DCYA in due course. This allocation is welcome to increase supply and quality, although we wait to see the detail. That the funding is being announced in 2017 allows a provider to engage in business planning for 2018, which supports sustainability.

Budget 2018 also allocated an additional €500,000 to support providers where their sustainability is under threat to the Budget 2017 allocation of €1m. Many of these services are community-based, often providing vital prevention and early intervention services to low-income young children and their parents. Their sustainability requires a more strategic and certain response than is currently apparent.

Supporting ECEC service quality and safety

This €1m is a welcome support for the vital early childhood education and care services inspections undertaken by Tusla, the Child and Family Agency, and the Department of Education and Skills.

However, the Children's Rights Alliance is disappointed that Budget 2018 did not include additional financial support to directly support ECEC services to deliver Aistear and Síolta, the national early years curriculum and quality frameworks for children from birth to six years. We know that children only benefit from quality provision.

Budget 2017 was innovative in allocating €14.5m to 'non-contact time' to provide a level of support for early years services to fulfil the administrative work necessary to run the FPSY and the MAC. This was supplemented by €3.5m in June 2017, bringing the total spend on non-contact time to €18m, on a once-off basis. While not allocating any additional monies above this €18m, Budget 2018 clarified that there will be an annual allocation in subsequent Budgets for 'Programme Support Payments' to directly fund services' administrative work in implementing national programmes. This commitment is welcome. The Children's Rights Alliance ask that Budget 2019 include direct funding via Programme Support Payments to services to deliver the national ECEC frameworks and improve quality. Government should be moving to a policy where only quality services receive public funding.

Family Leave

Budget 2018 did not provide any funding to introduce paid Parental Leave.

The Children's Rights Alliance had sought €42m to introduce one months' paid Parental

Leave in 2018. Both the *Programme for a Partnership Government* and the *National Strategy for Women and Girls 2017-2020* commit to expand paid Parental Leave in the first year of a child's life. The Strategy commits to put forward proposals by the end of 2017 with legislation to follow shortly after. We understand that discussions between the Department of Justice and Equality and the Department of Social Protection are underway to examine how best to proceed.

Budget 2018 increased paid Maternity, Adoptive and Paternity Benefit from €235 per week to €240.

Area Based Childhood (ABC) Programme

Budget 2018 allocated €2.7m to deliver the ABC Programme in 2018.

The Children's Rights Alliance understands that the DCYA is working on a strategy to determine how best to transfer the learning from the ABC Programme to mainstream child and family services. A key challenge for mainstreaming ABC will be ensuring that no child or family is without a service or intervention that they need.

Notes:

Founded in 1995, the <u>Children's Rights Alliance</u> unites over 100 members working together to make Ireland one of the best places in the world to be a child. We change the lives of all children in Ireland by making sure that their rights are respected and protected in our laws, policies and services.

The Children's Rights Alliance early years work builds upon and continues the legacy of Start Strong, which was wound down in summer 2016. Aspects of Start Strong's early years work is being continued in the Children's Rights Alliance, supported with funding from the Katherine Howard Foundation, The Atlantic Philanthropies, and the Community Foundation for Ireland.

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