



INDEPENDENT EARLY EDUCATION AND CHILDCARE PROVIDERS

SEAS SUAS

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AND CHILDCARE PROVIDERS
POLICY DOCUMENT

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Foreword

Ireland's early education and childcare (EEC) services are at a crossroads. While there are many issues currently facing EEC services right now and these must be addressed, we need to think bigger and begin to shape our services for the future, up to 2030 and beyond.

This debate needs vision, ingenuity and ambition so that EEC will be sustainable, accessible, and beneficial for our families, our society, and our children. In setting our long-term goals and looking forward to 2030, we need to have a conversation that is inclusive of all viewpoints and open to new ideas.

As independent providers, Seas Suas wants to see a new approach to EEC in Ireland, one which takes account of all perspectives and is committed to finding sustainable ways to ensure the highest quality of services for children.

We all want a brighter future for EEC within a strong policy framework. A fresh start is needed, with a new openness to ideas and novel proposals. At Seas Suas, we want to play our part in making EEC in Ireland world class. We owe it to ourselves as a society to reach for the highest possible standards and the best possible start in life for our children.

Increasingly, if somewhat belatedly, the importance of EEC services and EEC providers in shaping and forming the educational experiences of the youngest children in our society is now recognised.

Equally, the expectations of parents and ambitions of providers too have grown. As independent providers, we are more committed than ever to developing and delivering high quality services, rooted in excellence and centred on assisting each child to realise their full potential.

However, we cannot achieve this objective on our own. It requires a commitment from Government that they too are prepared to assist the sector in meeting this goal. It requires also a significant and sustained investment from Government.

We recognise and welcome recent investments from Government in increasing and enhancing access to EEC services through schemes such as the two-year free pre-school ECCE scheme and this year's More Affordable Childcare Scheme in advance of the full introduction of the Affordable Childcare Scheme (ACS). Though welcome, the existing level of Government investment remains wholly inadequate. This must change.

While increased investment is vital, it must be underpinned by a well-founded, evidence-based long-term vision for the sector. A road-map supported by the critical enablers necessary to achieve this vision is now key. We must move away from the current piece-meal, stop-start approach to improving the sector, and start implementing a strategic plan.

Much of the above explains the rationale for the launch of Seas Suas today. We are an independent national organisation, representing independent EEC providers across Ireland, united by a desire to continuously enhance and improve our sector.

Seas Suas' formal launch marks an evolution from our original organisational structure as Private Early Education Providers (PEEP). It signals too, our growing membership and renewed focus on achieving critical and urgent reforms that are fundamental to the sector's long-term sustainability. At a time when the sustainability of our sector is increasingly at risk, we have come together as an independent, constructive voice for change.

In our first policy document, we have set out ten key areas of reform which we believe must now be implemented to address the significant challenges facing our sector. We urge Government to act on these proposals as a matter of urgency.

As we move forward we are committed to engaging with all stakeholders together develop an EEC sector which is progressive, fit for purpose, and responsive to the needs of our children and their families. Seas Suas wants to work with the Government and all stakeholders to reach a long-term plan for EEC in Ireland which ensures a vibrant, highly-functioning sector of which we can all be proud. With the right policies in place, and with commitment from Government and stakeholders right across the EEC sector, there is no reason why Ireland cannot be an exemplar for early years education and care across the world.

Our work must start now.

Regina Bushell,
Chairperson of Seas Suas

Executive summary

Ireland's early education and childcare services are reaching a tipping point. The continued viability of the sector is increasingly at risk because of the myriad of challenges it now faces.

Rising costs; difficulty recruiting and retaining staff; inadequate State supports; excessive, and at times disjointed, regulation; and a lack of consultation from Government are all threatening the long-term sustainability of EEC services in Ireland.

There are up to 400,000 children in Ireland aged five and under, and their pre-school years are a critical time for their development. Ensuring that these children receive the best quality and most appropriate care and early education during their formative years is vital, not only for the children themselves, their families, but, also for our wider society and our economy.

Families, too, are under huge financial pressures in affording EEC. A 2015 survey found that the average family pays 35% of their average income on EEC, amounting to an annual average cost of €18,000. For many families, the cost of EEC represents a second mortgage. This is, particularly, a disincentive to women when considering returning to work after becoming a mother. As a society, where mothers or fathers want to participate in our workforce, we should support them.

Currently, the lack of a cohesive long-term vision for the development of the sector is also undermining the potential that EEC has to make a significant contribution to the well-being and development of our youngest children. We have, as yet, failed to map what our ideal system of EEC is and how we can collectively achieve it.

While we acknowledge the reforms and investment that Government and the Minister and Department of Children and Youth Affairs have introduced in recent Budgets to increase access to EEC and to enhance its affordability, there is an urgent need for many, many more reforms. The sector is facing huge challenges, and implementing

further reforms—including increased investment—must now be a priority.

Recent Government initiatives such as the More Affordable Childcare Scheme, are welcome and much needed, particularly in helping contain the financial burden on parents. However, these initiatives have been introduced in a less than optimal manner, have added to EEC staff's already busy workloads, and have been subject to extensive teething problems. This flawed beginning has damaged the goodwill around these initiatives in the minds of parents and providers.

With these considerations to the fore, and as independent providers at the coalface of the provision of EEC services across Ireland, with tens of thousands of children under our care, **Seas Suas** is now formally presenting its first national policy document. Our primary goal is to develop a better system of EEC services that benefits children, their families, EEC staff, and our members.

Seas Suas has identified a number of critical founding priorities and objectives. These include:

- Pushing for meaningful reforms that best support the children we care for and their families;
- Giving a voice to independent EEC providers; and, most importantly
- Effecting positive changes which will place EEC services in Ireland on a par with those long the norm in most other EU states.

As Seas Suas moves forward as a national organisation committed to achieving better services and outcomes for children, we have set out in this document a number of key policy proposals that we urge Government to introduce.

These proposals, we believe, are essential to putting our sector on a more secure footing, to enhance the quality of the services we provide, and to improve affordability and access for families.

Our policy proposals: Short, medium and long-term goals

SHORT-TERM GOALS: YEAR 1

- Double the universal subsidy of €1,040 to €2,080 per annum to assist parents with EEC costs.
- The maximum deposit requirement under the terms of CCSPU must be dropped and decisions on deposits must be left for providers to assess.
- Remove requirement for 3 years paid graduate experience for higher ECCE capitation.
- Introduce a derogation from 100% - 75% of staff holding qualifications pending introduction of apprenticeship scheme.
- Establish a Consultative Group, comprising EEC providers, Tusla, and the Department of Children and Youth Affairs.
- All contractual and other significant changes must first be discussed at this Group, prior to implementation.
- Introduce a full non-contact payment and administration payment for EEC providers which covers actual costs.
- Engagement from Tusla around interpretation of regulations, for example, in relation to sleep and rest.
- Ensure 24-hour notice period for all inspections.

MEDIUM-TERM GOALS: YEARS 2-5

- Make EEC exempt from local authority rates.
- Change VAT status for EEC to zero.
- Reform the Garda vetting programme and allow a 3-year clearance period during which a staff member holds a Garda clearance passport.
- Streamline inspections through the introduction of a single entity and shareable data hub.
- Change the planning rules to incorporate existing capacity in EEC when evaluating future needs.

LONG-TERM GOALS: YEARS 5-10

- Incrementally increase capitation payments and overall spending on EEC in Ireland to bring Irish spending on early education and childcare into line with the rest of Europe by increasing investment in EEC to 1% of GDP over the next five years.
- Adopt a national strategy for early education and childcare, with consultation from the EEC sector, which sets a long-term goal for EEC in Ireland which puts children first.

Priority proposals

1. State Investment

- Budget 2018 must increase universal State supports to parents under the Affordable Child Care Scheme from €20 to €40 per week as current subvention amounts to less than 10% of the national average spent by parents per month;
- At a minimum, increase the capitation fee for the Early Childhood Care and Education (ECCE) scheme by 7.25% in line with increases agreed under the Public Pay Sector Agreement, to ensure that the operational costs of this scheme are fully covered.
- Remove the requirement of 3 years' paid experience for the higher ECCE capitation payment to alleviate pressure on recruitment;
- The Government must commit to achieving the goal of annual spend on EEC reaching 1% of national GDP within 5 years;
- Remove the maximum deposit requirement under the terms of the CCSPU. Providers must be free to set the deposit amount which they require to ensure that cancellations are minimised and avoid disruption to services. This will help to ensure that no EEC spaces are left unfilled, particularly where competition for spaces is very high.

2. Introduce measures to tackle our sector's staffing crisis:

A temporary derogation from the requirement that all staff must have a Level 5 qualification from 100% of staff. This derogation would reduce this requirement from 100% of staff to 75%, pending the introduction of a National Apprenticeship Scheme. As an interim measure, and subject to the requirement that staff would be strictly supervised, this would ease the staffing crisis in the short-term and allow all staff to upskill to meet the required qualification standards. Without this measure, the staffing crisis will intensify. Reducing the labour

pool will reduce our ability to implement both existing and future provision of early education schemes.

In addition, while we support the move towards greater professionalisation and a focus on formal qualifications in EEC, it's important not to overlook the valuable broader skillset which EEC staff possess through extensive practical experience. Seas Suas believes that a balance must be struck. We should not be insisting on only formal education or Level 7 qualifications; other relevant experience, derived from practical experience working with children, must also be considered.

Seas Suas recognises the crucial contribution of EEC staff who are helping to sustain EEC services despite the increasing demands required by the numerous recently introduced Government schemes. We believe that a Government-funded CPD programme will help to support EEC staff and the valuable work they do.

3. A Government commitment to subvention of staff salaries must form part of the wider initiatives to improve wages for EEC workers:

All providers want to see the highest quality of staff at the frontline of our services and also to see these staff rewarded accordingly. However, the reality is that significantly increasing wages will push up costs for providers, which will in turn increase costs for parents. Just as staff wages in other parts of our education sector are either fully or partially subsidised by the State, a similar form of subvention must now be applied to EEC services.

4. Make EEC services more affordable for by reducing the burden of State-imposed charges:

State charges are pushing up the costs of EEC services for parents. The imposition of commercial rates and our VAT status are adding to the burden of costs faced by the EEC sector. With providers engaged in a de facto public-private partnership with the State, through our administration and implementation of State-funded EEC schemes and wider services, abolishing or reducing these charges would assist in containing costs. Such reforms should include the abolition of commercial rates for providers and a zero VAT-rate status.

5. Reduce the burden of red tape on providers, including providing 24 hours' notice of inspections:

The level of administration now required of providers, including regulatory and reporting requirements, are crippling. Providers are answerable to a wide range of State agencies – Department of Children and Youth Affairs, Tusla, HSE, Department of Health, AIM (Access and Inclusion Model), NERA, Pobal, Gardaí Better Start, County Childcare Committees and local authorities – and all interact with EEC providers. This administrative burden must be reduced. We believe that this can be achieved by streamlining existing processes and making providers responsible to a single, centralised entity, which can then feed information to the other State agencies as required. Examples of red tape which must be urgently addressed include the introduction of one catch-all inspection versus the current multi-agency multiple inspection system.

Inspection of providers' facilities by State agencies such as the HSE or Tusla, place a significant burden on providers. While providers have no issue with these inspections, we believe that, in line with inspections carried out by the Department of Education and Skills, 24 hours' notice must be given to providers. This is vital for ensuring an adequate level of staff are onsite at all times. To maintain adult-child ratios, providers need to have advance notice of inspections. This is because when inspections are underway, managers are diverted from the floor and are not available to maintain the proper running of EEC services. Providers need to know in advance that additional staff will be required on the day of an inspection. To give an example, managers are called upon to cover staff where unplanned absences occur due to illness etc. If this occurs on the day of an inspection, additional staff would need to be lined up in advance to free the manager for the purposes of overseeing the inspection process.

6. Provide greater financial supports to providers for non-contact time:

Such supports would include the time spent on office-based administrative work and room-based additional duties undertaken. Current payments for administration need to cover the full cost of the administration of Government schemes which are numerous and taking up significant time and resources for providers.

The non-contact time payment must allow for the time spent on administrative work necessitated by DCYA and other agencies. In addition, and at a minimum, it must include the time spent by practitioners preparing curriculum, and progressing assessments.

7. Establish a EEC Consultative Group comprised of representatives of both EEC providers, Tusla, and the Department of Children and Youth Affairs:

We commend Minister Zappone for setting up The Early Years Forum which has been very successful in fostering better communication between stakeholders. However, it is also necessary to have an avenue for independent providers to discuss national operational and regulatory issues as they arise.

Seas Suas proposes the establishment of a Consultative Group of representatives of EEC providers and the Department of Children and Youth Affairs and their relevant agencies.

The DCYA, Tusla, and other relevant agencies must ensure that independent providers have a voice in the formation, design and implementation of all regulations which impact on their work. Providers need to be informed and consulted on all areas relevant to them such as State schemes, contracts, new regulations etc. Too often, providers are the last group to be consulted on initiatives in the sector, if at all. This must change. Seas Suas is also calling for an immediate commitment from DCYA not to change contracts without mutual consent and consultation with EEC providers. The current system of unilateral contract changes, which are not even communicated in advance to EEC providers, is wholly unacceptable and must end immediately. Furthermore, Pobal, on behalf of DCYA, must introduce a comprehensive and transparent notification system to allow EEC providers to verify how individual payments are calculated.

8. Introduce a Garda Clearance Passport for EEC and early years education staff:

The time currently taken to process Garda clearance for EEC staff acts as a hindrance to providers in meeting their staffing requirements, as well as legal requirements. Garda clearance is required each time a EEC worker moves to a new job, thereby delaying recruitment. We recommend that EEC staff are given a 3-year Garda Clearance Passport which can transfer with staff to new positions but which would be subject to a renewal process every three years.

9. Allow for greater flexibility on requirements around sleep and rest facilities:

A significant number of EEC providers are facing up to 60% reduction in capacity due to the enforcement of regulations around sleep and rest facilities for children under 2 years. Tusla's interpretation of the regulations determining the spacing requirements to facilitate cots in dedicated sleeping rooms is reducing the number of places available for babies and toddlers across Ireland. With demand for EEC places already very high, this is creating both capacity and sustainability issues for independent EEC facilities and must be addressed.

10. Ensure joined-up thinking between new housing developments and existing EEC providers when formulating planning guidelines:

The planning guidelines need to be urgently reviewed. A full assessment of existing EEC capacity in a wide catchment area needs to take place, along with consideration given to changes in demographic profile and the rate at which children attending such EEC facilities will move on to primary school.

The requirement that there be 20 EEC places for every 75 residential units should be amended immediately. Instead, the requirement should be that a review of existing capacity in early education and childcare must be undertaken by the relevant planning authority, with additional capacity needs assessed on a case-by-case basis as part of the planning process.



Context: landscape of EEC services in Ireland

Ireland is playing catch up when it comes to investment in early care and education services. We are decades behind what has long been the norm in most developed European countries.

For too long the sector has been characterised by a lack of investment from the State. This is not serving our children well. As a mature democracy, where the public support for State-funded public services is high, early education has been badly neglected. Added to this is the significant body of research which points to the importance and value derived from EEC.

EEC is also an enabler and underpins economic growth. Without affordable, accessible, high-quality EEC, many parents will not be able to enter, remain in, or re-enter the workforce. Access to the labour market for all parents who want it has to be a critical part of Government social and economic policy.

The latest Census figures show that there approximately 400,000 children aged up to five years in Ireland as of April 2016.¹ This is a large and important cohort of our population for which the provision of early education services is key but currently not where it should be. Chronic under-investment is the single largest issue impacting on the effective delivery of services.

When compared to the EU average, where subsidies offset the cost of EEC, Ireland has a relatively low uptake in those availing of formal EEC facilities. It remains the case that 70% of EEC is undertaken by a parent or partner. The financial burden of early years care and education in Ireland is undoubtedly a major driver of this high level of dependence on families to fill EEC gaps. Care and education of children in the home should be a choice and not something driven by economic necessity.

A recent EU study on EEC shows that Ireland has one of the greatest gaps (or unmet demand) in EEC coverage; in particular, for children aged 0-3.² The study concludes that “mothers have fewer options and exclusive family/mother care is normative not because of explicit incentives, but because of a lack of publicly financed alternatives.”³

Ireland has one of the highest EEC costs in Europe. In other EU countries where EEC costs are high, the direct costs to parents are offset by extensive Government subsidies and subvention.

Due to a lack of Exchequer funding in the sector, in comparison to other countries, Ireland is one of the most expensive countries in Europe for parents using EEC services, with 35% of a family’s average income spent on it.

¹ <http://www.cso.ie/en/csolatestnews/pressreleases/2017pressreleases/pressstatementcensus2016resultsprofile3-anageprofileofireland/>

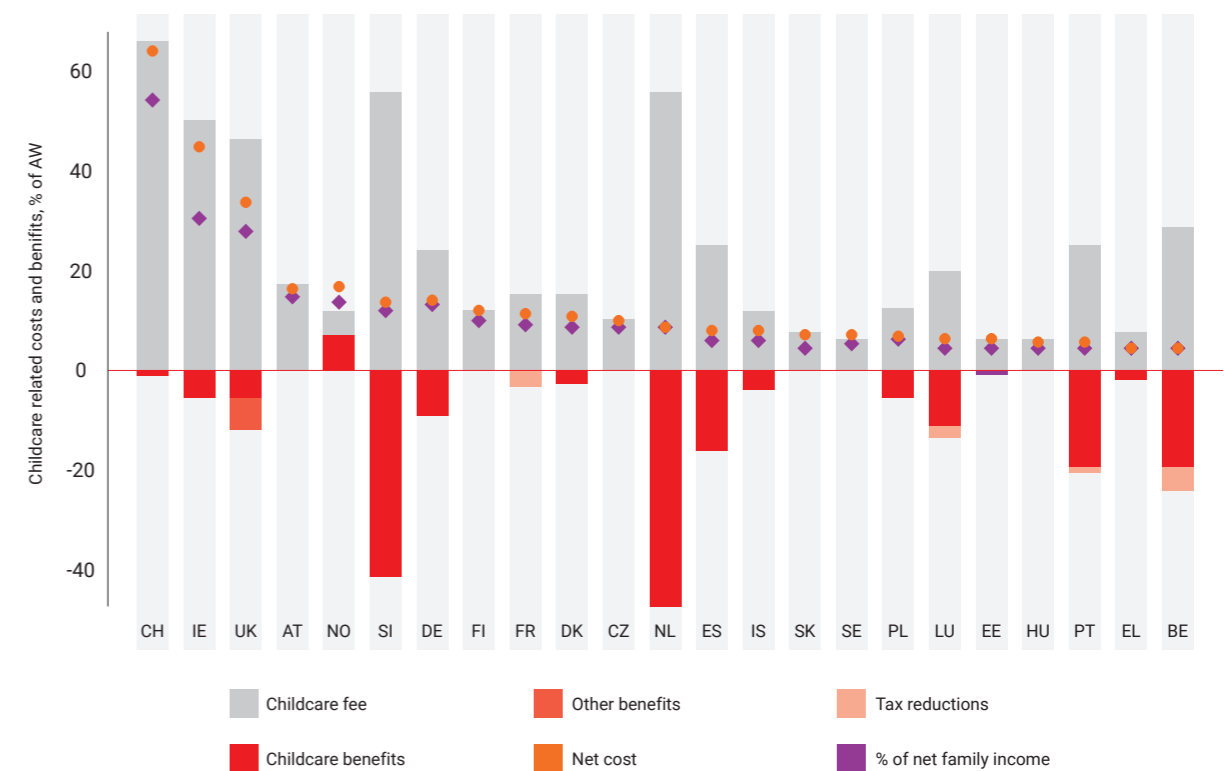
² How childcare, parental leave and flexible working arrangements interact in Europe (EPIC, 2014) page 17, available here: <http://ec.europa.eu/social/main.jsp?catId=1254&intPagId=3691&langId=en>

³ How childcare, parental leave and flexible working arrangements interact in Europe (EPIC, 2014) page 17, available here: <http://ec.europa.eu/social/main.jsp?catId=1254&intPagId=3691&langId=en>

As the table below demonstrates, EEC costs are balanced in most EU countries by Government support.

Ireland is a notable outlier for its EEC costs, which vastly exceed Government subventions. This has a broad economic impact on our attractiveness to highly skilled workers and companies considering setting up in Ireland. It also affects our ability to support low-income families and mothers entering or re-entering the workforce, as well as causing a general loss of spending power amongst working parents.

Figure 1: Components of net childcare costs for a dual-earner family, 2008



Note: Where the partner earns the average wage (AW) and the female partner earns 50 per cent of the average wage.

SOURCE: Based on Mill et al. (2013, 16)

A. Population demands

Ireland has the highest birth rate in Europe, with 13.5 births per 1,000 inhabitants.⁴ We also have the largest proportion of families comprising three children and the second highest proportion of families comprising four children.⁵

With high birth rates and comparatively large families by the standards of a Western democracy, Ireland needs to focus its attention on its children and families. Increasing Ireland's investment in EEC is a crucial support for families, workers, and the economy at large.

Ireland versus Sweden – mirror opposites but a worthwhile model:

Sweden is regarded as 'best in class' globally for the provision of EEC services to children and their families. A consideration of the level of investment and supports available there, in contrast to those in this country, fully reveals the extent of how far Ireland has yet to travel to provide an optimal service.

Consider Sweden, where:

- It is national policy that a family with one child attending full-time EEC services will never have to pay more than €150 per month;
- Irrespective of the number of children, a Swedish couple will never pay more than 3% of their combined salaries on EEC;
- The country currently spends 3% of its annual GDP on EEC services.

Consider Ireland, where:

- Families in larger urban centres, particularly Dublin, can pay up to €1,200 per month for a full-time place for one child, with a national average cost of €700 per month;
- The State's existing subsidy of €20 per week for families equates to a contribution of less than 10% of the national average cost and even lower in areas where the cost is above the national average of €700;
- Families (unless accessing a means-tested additional subsidy targeted at lower socio-economic families) pay for more than 90% of the cost of EEC services, while in Sweden families pay for just 3% of these costs;
- Ireland's investment in EEC services currently equates to 0.2% of our total annual GDP or 1/6 of what Sweden invests each year, where it invests 3% of its annual GDP.

⁴ https://ec.europa.eu/ireland/news/ireland-highest-birth-rate-and-lowest-death-rate-in-the-eu-in-2016_en

⁵ [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Share_of_live_births_by_birth_order_2015_\(%25\)_YB17.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Share_of_live_births_by_birth_order_2015_(%25)_YB17.png)

B. Outcomes

The outcomes from Sweden's progressive policies and substantial investment in EEC services are impressive:

- 85% of 2-year olds use formal EEC services;
- 73% of women work outside the home – only 3 percentage points below male employment rates;
- 97% of households with children have someone in work;
- 70% of the mothers with children are in employment;
- 80% of single mothers have jobs; and
- High rates of mothers in employment keep child poverty rates very low – at just 4%.

In Ireland by comparison:

- Just under 30% of all children attend formal EEC services;
- 68% of Irish women work outside the home;
- 23% of family households are jobless – the highest in Europe;
- 58% of lone parent families are at risk of poverty;
- Irish children in consistent poverty is over 11%.

Access to affordable EEC services is one significant element in the difference between both countries.



10 point plan for reform

1. State investment

EEC costs are not adequately funded by the State at present. We acknowledge investment has increased in recent years. However, this is from a very low base, and as Ireland's economy continues to recover we must invest in our future—our children.

We must set ourselves ambitious targets to be global leaders in EEC services for our young. We recognise that there are many other competing priorities but, as the example of Sweden shows, a commitment to meaningful investment will deliver significant returns for our society and economy.

The universal element of the More Affordable Childcare Scheme, provides a subsidy of €20 per week per child to help parents cover the cost of childcare. This amount represents less than 10% of the average national monthly cost of EEC. It is a drop in the ocean. As a starting point, we are calling on the Government to increase this subsidy to €40 in Budget 2018. Over the longer term, the Government must commit to achieving the target of annual spend on EEC reaching 1% of national GDP within 5 years.

Early Childhood Care and Education Scheme capitation rates need to be increased to cover the actual operational costs and salary costs associated with administering ECCE. We believe that, at a minimum, the ECCE capitation fee should increase by 7.25% in line with national public sector pay agreements. The current payment hasn't increased since it was first introduced in 2010 and falls far short of what is needed to run the scheme.

Additionally, the requirement that staff have 3 years paid experience before the higher capitation fee is paid is exacerbating the staffing crisis, improperly discriminating against new graduates, and has no logical basis. This requirement must be removed as a matter of priority.

Key Reform: Budget 2018 must commit to doubling the State's support to families under the Affordable Childcare Scheme. This would mean increasing spend on the scheme from €150 million to €300 million per annum. This investment should increase to 1% of GDP over the next five years. ECCE capitation rates must increase to cover costs of operating the scheme. The requirement for 3 years paid experience for graduates before the higher capitation fee is paid is both unfair and is contributing to the staffing crisis. This must be removed.

2. The staffing crisis

The staffing crisis currently affecting the entire EEC sector is acute and urgently needs to be addressed. The problem is exacerbated by the small pool of available staff, particularly staff who satisfy the qualification requirements. This is putting extreme pressure on EEC services to remain open, as well as undue pressure on EEC staff.

Our ability to satisfy the adult-child ratios is substantially undermined by the challenges of recruitment and retention of staff.

Seas Suas supports the developments towards formalising education in the EEC sector and professionalising the sector. However, we strongly believe that a mix of skills and experience is an essential part of the skillset needed to care for and educate the children in our care. The FETAC level 5 qualification requirement is currently shutting out from employment a pool of people who are often hugely qualified, with significant on-the-job experience, but perhaps without a formal qualification.

Equally, we believe that an insistence on degree qualified only employees is not in the best interests of the sector. Graduates educated to degree level (Level 7) can, and in many cases, are already, part of the overall staffing mix within our sector and make an important contribution. However, having this level of qualification required for all staff is not warranted. We accept that it is not possible to move to a totally graduate led workforce in the foreseeable future and we are not convinced that this is desirable or necessary. The quality of care and education already delivered each day by our dedicated EEC employees is testament to this fact. The hard work and dedication of EEC staff should be recognised by Government, and a Government-funded CPD programme would help to support staff in the sector in an ongoing way.

Requiring all employees within our sector to be educated to degree level, will exclude many existing and potential workers from pursuing a career in early years care and education and will add to the existing severe staffing crisis.

In addition, there would be a knock-on impact on salary norms which would impact on provider costs and by extension the cost of EEC for parents. With the starting salary of a primary school teacher now standing at €31,800, if this entry salary scale was applied to the 25,000 childcare workers employed in our sector this would amount to a wage bill of €800 million per annum. This figure is based only on the entry level scale of primary teachers but obviously would be much higher when annual increments and years of service are factored in. This pay bill could not be met by providers or parents.

In this scenario, the State would be required to step in and subsidise the vast majority of EEC workers' salaries on an equal footing to that which currently applies to our primary and secondary teachers. The capacity of the Exchequer to afford this level of expenditure is questionable.

Overall, this is an issue which must be carefully considered by all stakeholders, to ensure that there are no unintended consequences resulting from ill-formed policy proposals.

Currently the rigidity of the 100% qualification requirement is exacerbating a staffing crisis that is already crippling EEC providers. As EEC providers, we are deeply concerned that we will not be able to comply with the adult-child ratio requirements in respect of children who are already registered due to the difficulties around retaining staff. This is a further crisis waiting to hit the EEC sector and the Government needs to take immediate action to prevent it happening.

We are out of step with international practice where a much more flexible approach to staff qualifications is pursued. For example, in the UK, only half of EEC staff are required to hold a formal qualification, with a differentiation made between the different types of roles such as managers.⁶

What can be done?

Seas Suas is calling on the Government to permit a temporary derogation from the 100% qualification and reduce the requirement to 75% for a three-year period, pending the introduction of a National Apprenticeship Scheme.

There are two benefits to the introduction of an apprenticeship scheme. The first is that it would help to alleviate the staffing crisis facing EEC providers at present. The second is that it would improve the training and education process for EEC staff.

In the EEC context, an apprenticeship should consist of a work/study programme under which staff would receive on-the-job training, potentially leading to a placement with the EEC provider on completion of the programme.

The Solas apprenticeship scheme is a good model which could be extended for early years care and education. The Review of Apprenticeship Training in Ireland, completed in January 2014, recommended an expansion of apprenticeship training to incorporate EEC. This would help to ease the staff recruitment and retention crisis currently taking place, while also providing valuable on-site training and practical skills for students intending to work in the sector.

Through a derogation and apprenticeship scheme, the staffing crisis could be eased significantly while also creating a path to employment for careers in EEC.

Key Reform: *To alleviate staff recruitment crisis, introduce a temporary derogation from the qualification requirement for staff to reduce the number of qualified staff from 100% to 75% as an interim measure.*

Develop a formal EEC apprenticeship scheme to provide a formal, high-quality training structure for staff. This could be based on the existing, successful Solas apprenticeship model.

⁶ https://www.foundationyears.org.uk/files/2017/03/EYFS_STATUTORY_FRAMEWORK_2017.pdf

3. Staff salaries

Seas Suas acknowledges that pay and conditions for EEC workers need to improve, but EEC providers are under significant pressure to avoid adding to existing expenses for parents. Given that EEC providers are fulfilling a public service, i.e. the delivery of early years care and education and services, it is an imperative that the State contribute to the salaries of the staff fulfilling this remit.

EEC providers cannot carry the burden of any more staff salary costs. When the costs of employing staff are combined with the required adult-child ratios, the qualification requirements, and the hours of administration involved in the various State-funded agencies, the cost of running an EEC services becomes unsustainable for most providers.

When considering changes to pay and conditions, it is equally essential that independent EEC providers are included in negotiations so that we can identify the difficulties that current policy proposals raise, and seek to overcome them.

In considering improvements to current pay and conditions, there needs to be a focus on equity, while also ensuring that services are not unduly constrained by pay requirements that are out of sync with what the sector can sustain.

Key Reform: *A Government commitment to subvention of staff salaries must form part of the wider initiatives to improve wages for EEC workers. In addition, extensive consultation with independent providers must form part of all negotiations on this issue.*

4. Reduce the burden of State-imposed charges on EEC providers:

State charges are pushing up the costs of EEC services for parents. The imposition of commercial rates on EEC providers and our inability to reclaim VAT are adding to the burden of costs faced by the sector. With providers engaged in a de facto public-private partnership with the State through our administration and implementation of State-funded EEC schemes and wider services, abolishing or reducing these charges would assist in containing costs. Such reforms should include the abolition of commercial rates for providers and a zero-VAT rate.

Commercial rates

Some EEC facilities are charged local authority rates while others are not. Rates also vary throughout the country depending on the local authority involved. This creates a situation of inequality amongst EEC providers.

The charging of rates is wholly unacceptable, particularly in circumstances where our EEC costs are one of the highest in the EU and are having a deeply negative impact on families, the labour market, and the attractiveness of Ireland as a destination for business.

The decision not to exempt EEC providers has created inequality because of the differences in the amount charged in rates by different local authority areas. EEC is not the same, and cannot be treated the same, as other commercial enterprises. The sustainability of the economy depends on a healthy, functioning EEC sector which supports working parents. There must be recognition of this fact when it comes to local authority rates.

The Department of Education and Skills carries out regular inspections of EEC facilities, which supports the argument that our services are wholly different from the

kind of commercial enterprises to which local authority rates would ordinarily apply.

This is an easy way to contain EEC costs immediately and make a positive impact on the EEC sector and, in turn, working parents and taxpayers. A decision was taken not to reduce rates for EEC facilities when the Valuation (Amendment) Act 2015 was before the Dáil, but this decision shows a deep lack of understanding of how the effects of high costs for EEC providers impact directly on taxpayers.

The decision not to exempt EEC providers speaks of short-term thinking, rather than full consideration of the role local authority rates have in driving up EEC costs. The Government should be focusing on the long-term economic impact of the high cost of EEC in Ireland and how best this can be remedied.

What can be done?

EEC is a societal issue, an area where the State has under-invested for years. As EEC providers, we are not the same as other commercial enterprises: we are a fundamental, essential part of a functioning economy and healthy society.

Local authorities must recognise the exceptional nature of the services of EEC providers, while in tandem the State must move to exempt EEC providers from rates immediately. The ultimate beneficiaries would be the State itself and the wider economy, as it would contain a significant cost that is leading to high fees for parents.

All EEC providers should be exempted from commercial rates in every local authority area. The alternative is to see a situation where running a EEC facility levied with high commercial rates becomes unsustainable, and access to quality EEC becomes severely limited.

VAT on EEC providers

One reform which would have an immediate benefit in terms of containing the costs of EEC and thereby also containing costs for parents would be to change the VAT rate for EEC activities to zero so that providers could reclaim VAT on relevant purchases.

Not only would this contain the cost of EEC services overnight, it would also acknowledge that EEC is not a choice for most working parents – it is a basic necessity in their lives.

With many educational services already enjoying a zero VAT status, a precedent already exists for applying this status to EEC providers.

Key Reform: *Abolish commercial rates on EEC facilities and acknowledge the de facto public-private nature of such providers which, although independent entities, administer and undertake State-funded EEC schemes on behalf of the Department of Children and Youth Affairs. Change the VAT status of all EEC providers to zero so that providers can reclaim VAT on relevant purchases.*

5. Tackling the burden of red-tape faced by EEC providers:

The amount of administrative work facing EEC providers is growing exponentially. Each new initiative, scheme, or regulatory change brings with it more paperwork and more red tape. This seriously affects the sustainability of EEC providers. The sheer amount of administration work has forced independent EEC providers to hire more staff to cope, while smaller operations around the country are struggling to get by on their own.

Administration of new EEC schemes cannot be left to EEC providers. There are enough challenges associated with providing the highest quality EEC services without additionally requiring EEC to take responsibility for the roll-out of schemes such as the More Affordable Childcare Scheme.

Key Reform: *The DCYA must streamline administration for EEC providers and reduce the level of paperwork involved in administering the various EEC schemes, complying with numerous, overlapping inspection processes, and maintaining the highest possible regulatory standards. The Minister and her Department must examine the concept of a single regulatory agency for EEC providers.*

6. Provide greater financial supports to providers for non-contact time and time spent administering EEC schemes:

The recent developments in EEC have been largely positive and have led to improvements that Seas Suas welcomes. Standards have risen in respect of the quality of services and we have seen an increase in investment, both of which are improving EEC services in Ireland.

However, the costs associated with these changes have not been fully considered and, even where consideration has been given to cost, they have been totally underestimated.

Time spent on administration and non-contact time has increased dramatically in recent years. A lot of time, which was previously spent working directly with children, is now spent working on administrative requirements and room-based additional duties carried out by staff. Providers are concerned that the quality and delivery of care and early education will suffer due to staff's attention being diverted from working directly with children to delivering administrative work required by DCYA and POBAL.

To put the administrative burden in context, consider the schemes which EEC providers are currently administering:

- ECCE: Early Childhood Care and Education (pre-school year)
- CCSU: Community Childcare Subvention Universal
- CCSP: Community Childcare Subvention Plus
- CCSR: Community Childcare Subvention Resettlement
- CCST: Community Childcare Subvention Transitional

- TEC: To support parents on eligible training courses and eligible categories of parents returning to work by providing subsidised EEC places. There are 3 strands under TEC:
 1. CETS-ChildcareandEducationTrainingSupport
 2. CEC - Community Employment Childcare
 3. ASCC - Afterschool Child Care programme

Substantial additional management time is required to administer the schemes. At the time of enrolment, this relates to receiving and processing applications, distributing pre-application forms to parents, meeting with parents to explain the policies and procedures of the service, entering the child on the PIP system, explaining the Calendar, the registration form/contract, explaining and completing the complex fees policy document which depending on the scheme can require up to 10+ initials and signatures.

There is then ongoing administration for each scheme e.g. TEC schemes providers must get parents to sign in weekly for attendance as well as monitoring the daily attendance of the child, ECCE requires filing weekly attendance and watching attendance patterns for absences, the same also applies to CCSP and as yet we are unsure of what is required in terms of ongoing administration for the universal element of the scheme.

Additionally, non-contact activities consist of the time spent by EEC staff out of the classroom doing other work such as planning, evaluation, reporting, research, curriculum meetings etc. in order to meet the requirements set out by the DCYA and DES, as well as to adhere to the Siolta and Aistear guidelines. This time is given in the way of employing an additional staff member which allows the key staff member to spend time away from the group or by paying EEC staff additional hours on top of their core working hours to allow them to complete that vital work.

Many EEC providers are incurring substantial costs by having to employ additional staff members to cope

with (a) administration and (b) the non-contact hours required to meet DCYA, Tusla and DES requirements. These additional staff are needed to ensure that there are sufficient numbers on hand to maintain the adult-child ratio, while also getting the required non-contact activities done. There are also additional overhead costs associated with facilitating the high level of paper work required.

This is unsustainable unless there is recognition from Government that EEC providers are out of pocket and finding it increasingly difficult to sustain operations from both a financial and logistical perspective. This is particularly difficult when the sector is suffering a staffing crisis. Along with providers, EEC staff are under substantial pressure to administer these schemes.

While the DCYA did provide a payment for implementation of the More Affordable Childcare Scheme, this payment did not cover the full costs involved. Part of the problem is that EEC providers were not consulted on the extent of the costs involved. If, as the More Affordable Childcare Scheme suggests, EEC providers will have a role in implementing future schemes or policy roll-outs on behalf of the DCYA or the DES, an appropriate costing for such work should be conducted in consultation with the EEC sector.

What can be done?

A full payment should be made for non-contact and administration hours that are spent complying with requirements placed on EEC providers by the State. The alternative is to leave EEC providers out of pocket, with unsustainable costs and an increasingly unviable future. Nobody—parents, Government, EEC staff, or EEC providers themselves—wants to see that happen but, unfortunately, it is the reality of the environment we are in.

There needs to be separate payments for non-contact time for staff to complete child observations/files etc and a second stream of funding for administration and paperwork.

Additionally, while we welcome Minister Zappone's commitment to an independent review into the costs of providing quality EEC in Ireland, it is absolutely crucial that such a review involves engagement and consultation with EEC providers if it is to be comprehensive.

Seas Suas is calling on the Minister to commit to a consultation process with independent EEC providers as part of the proposed independent review process.

Key Reform: Provide greater financial supports to providers for non-contact time. Such supports would include the time spent on office-based administrative work and room-based additional duties undertaken by all staff.

7. Need for greater consultation with EEC providers

The unilateral imposition of contractual terms on EEC providers has to end. Not only is it unfair and onerous, it is leading to substantial difficulties for EEC providers. In every other significant area of the economy, there is a negotiation process over contracts between the Department and independent providers of services. EEC should be no different.

There needs to be communication and negotiation with EEC providers before the terms of contracts are settled and issued by the DCYA. As the parties that must implement the terms of these contracts, we must have a role in the negotiating process.

We also need to see greater consultation between independent EEC providers and Tusla around the interpretation of regulatory requirements. We believe that providers have a unique insight into regulatory issues through our daily work with children and an open dialogue with providers would provide beneficial for all.

It is wholly unacceptable that the roll out of new initiatives like CCSPU are implemented before the contractual terms and conditions are shared with EEC providers, making it impossible to know whether we are in compliance with our obligations.

This haphazard approach leaves EEC providers exposed and could be avoided if we were included in the negotiation process. Both the DCYA and EEC providers would benefit from the opportunity to flag contentious issues in advance so that potential stumbling blocks can be avoided. It is also, of course, a more fair, open, and transparent way to approach the negotiation of contracts which create legal obligations on EEC providers.

When the policymaking process is at an advanced stage, a mandatory consultation period should take place between EEC providers and the DCYA (or any other Department creating policy which has a foreseeable impact on early years care and education in Ireland).

The Early Years Forum is a good example of a model that could work in this area but, at present, there is inadequate input from independent EEC service providers in this process.

What can be done?

We believe that the solution lies in the establishment of a EEC Consultation Group, to focus on operational matters, as well as regulatory matters. This would comprise of representatives of the EEC sector, the DCYA, Tusla and other relevant state agencies. This would place providers at the heart of the consultation and considerations of all key policy decisions and regulatory matters that impact upon those at the coalface of service delivery. This Group could also play a key role in developing and undertaking a regulatory impact assessment (RIA) on new regulations to ensure their smoother and appropriate implementation.

Key Reform: *Establish a dedicated EEC Consultation Group which is fully representative of all EEC providers and ensures that we are at the heart of all policy decisions which impact on the sector.*

8. Speed up the Garda clearance process

Garda vetting is a cumbersome process for EEC providers. With the staffing crisis in the sector, delays of up to 3 months are making it impossible to maintain staff and ensure that we have sufficient numbers of staff available to care for children in our services. Whilst we acknowledge that the process is quicker, it does not make sense that the vetting cannot travel with the individual.

The difficulty arises out of the nature of the career structure in EEC. Although a lot of work is taking place to professionalise the sector and move towards a clear career path for EEC staff, it remains the case that employees often can move from one EEC provider to another. Employers also face the usual staffing issues around unexpected resignations, sick leave, maternity leave etc. This places us in a very difficult position when it comes to employing replacement staff. We simply cannot replace staff quickly enough and Garda vetting is slowing down the process significantly.

Garda vetting should be made available to EEC providers within a reasonable period of time and, in any case, no longer than 3 working days after an application is submitted.

Once Garda vetting has been completed for a member of staff, this should apply to the person in question and travel with them. That would mean that, if they are moving jobs from one EEC provider to another, the staff member would bring their Garda clearance with them and the new employer could use this as evidence of compliance with their legal obligations around child protection.

Garda clearance should be valid for a period of time—approximately three years—after which it would become renewable and a further application would need to be made. This renewal period should be timed so that the renewed Garda vetting is in place before the old Garda clearance expires.

Key Reform: *Introduce a Garda Clearance Passport for EEC staff. Seas Suas recommends that staff are given a three-year Garda Clearance passport which can transfer with them to new positions but which would be renewed every three years..*

9. Enhance the capacity of EEC providers to accommodate increased numbers of children under age 2

Currently there is a shortage of EEC places available for babies and toddlers up to age two. Capacity for this age group has reduced across EEC providers due to a change in the interpretation and enforcement of the regulations which relate to this age group's sleep and rest arrangements. Tusla's changes to existing sleep and rest requirements, which are not supported by best practice evidence, are restricting the capacity of providers to cater for children aged under 2. This reduced capacity for this age group is having a detrimental effect on parents seeking a place an EEC place for their children of this age.

Tusla's interpretation of this regulation provides an example of the knock-on impacts of regulations which may not be fully considered. Seas Suas supports regulatory requirements that are intended to ensure quality care for children, but the current system is input-based and prescriptive, the costs involved are extensive, and the unintended effect is likely to lead to reduction in capacity.

Tusla's interpretation of the requirements in the 2016 Regulations around the availability of cots for children under age 2 have made it necessary for many EEC providers to change facility layouts in order to incorporate additional cots, leading to a reduction in overall capacity.

The need for additional sleeping space for children under two has decreased capacity, which in turn reduces available EEC spaces.

While we understand that such regulatory enforcement is designed to improve the quality of services, we do not believe this particular requirement is evidence based.

With over 60,000 babies born in Ireland each year, we consistently have one of the highest birth rates in Europe per head of population. This places a huge burden on the sector to meet the demand for EEC spaces, particularly as our economy bounces back from recession and the labour market grows.

The regulatory impact of this change in interpretation of the regulations from the point of view of EEC providers was not considered; this has led to unnecessary obstacles which would otherwise have been foreseen if adequate dialogue with EEC providers was undertaken.

There has been limited provider consultation on the revised framework and the result is that these regulations are onerous and have significant financial implications for SMEs. Many have reviewed their operational model and do not now offer care for children under 18 months.



What can be done?

The health and safety of children in our facilities is the top priority for Seas Suas members, but the cot requirements are wholly unnecessary and should be reversed immediately. This is a classic example of an admirable intention having a negative practical impact.

In our view, the negative effects of this regulatory interpretation vastly eclipse any possible benefits.

The situation regarding cots is a clear example of why it is absolutely vital that a cost-benefit impact study is carried out in the event that a regulatory change is anticipated.

Undertaking a cost-benefit analysis prior to the introduction of a change in regulatory interpretation is standard practice internationally. It is designed to measure whether the costs of the regulatory change proposed outweighs the benefits, as well as to identify

and anticipate the consequences of such changes. We would work constructively with Tusla to facilitate such an exercise, as well as to find solutions to any problems identified through the process.

Seas Suas believes that forward planning can ensure that we avoid many of the obstacles that are currently creating both administrative and financial burdens for EEC providers and unsatisfactory outcomes for families. Seas Suas calls on DCYA and Tusla to engage with us on this issue and provide evidence justifying the change in interpretation of the regulatory requirements.

Key Reform: Allow for greater flexibility on the toddler sleep and rest requirements. Specifically, reverse Tusla's requirement that children from 15 months upwards are accommodated in cots.

10. Ensure joined-up thinking on new housing developments and existing EEC providers when formulating planning guidelines

The current planning standards which require 20 EEC spaces for every 75 new residential units do not take into account existing EEC capacity in the vicinity of such developments.

While Seas Suas agrees that ensuring adequate EEC facilities is fundamental to sustainable urban development, this requirement at planning stage is too rigid and is creating problems of its own. Too often, developers are installing purpose-built EEC facilities to satisfy the rigid planning requirements as a box-ticking exercise without proper consideration for the capacity of well-established and experienced existing EEC to meet new demand.

The planning guidelines tie developers' hands so that such purpose-built facilities become mandatory, despite more suitable services already being available.

We are at risk of seeing a fragmentation of EEC services, with smaller purpose-built facilities becoming the norm in large developments despite the existence of sufficient capacity in the area. Fragmentation of such services is costly, wasteful, and threatens the sustainability of existing EEC providers in these areas.

The planning guidelines need to be urgently reviewed. A full assessment of existing EEC capacity in a wide catchment area needs to take place, along with consideration given to changes in demographic profile and the rate at which children attending such EEC facilities will move on to primary school.

The requirement that there be 20 EEC places for every 75 residential units should be amended immediately.

Instead, the requirement should be that a review of existing capacity in early years care and education must be undertaken by the relevant planning authority, with additional capacity needs assessed on a case-by-case basis as part of the planning process.

Such an approach acknowledges that the EEC needs of each development are dependent on the geographic location, the demographic make-up of the area, and the likelihood of future urban development.

Key Reform: *Planning guidelines, when considering future residential developments, currently do not consider the capacity for existing service providers to meet future demand. Existing planning guidelines must be amended to ensure that providers already on the ground in areas of proposed residential development must be considered when local authority planners are determining the extent of EEC services required.*

Next steps

Seas Suas wants to see EEC in Ireland evolve into a partnership between EEC providers, early educators and Government. We need to create a forum for open dialogue to shape a high quality and sustainable early education and childcare sector which is fit for purpose for future generations.

The issues we have identified in this policy document are surmountable once there is a real dialogue between EEC providers and policymakers.

Ireland has shirked responsibility for the cost of EEC for decades. We are now seeing the results, with embedded problems around affordability, access and staffing, affecting parents at all socio-economic levels and, in particular, lower income families.

Seas Suas is calling on the Government to commit to the short-, medium-, and long-term reforms in this policy document. Most importantly, we are calling for greater dialogue and consultation with independent EEC providers.

Much has been done to improve the quality of EEC in Ireland: but more can be done. More must be done.

Ireland is known around the world for its young population and high birth rate. With such a vibrant, bright future for our population, we should also be known for our top-class EEC. Instead, we're known for unsustainably high costs and insufficient public investment.

All of this can change if the Government begins to shift its perspective on EEC in Ireland, and sees the expenditure of public funds as an investment in the future of our children, parents, families, and our society.

Putting the earliest years of our children first will give them the best possible start in life, while also supporting families and society at large. For this reason, early year care and education should be a central Government concern.





INDEPENDENT EARLY EDUCATION AND CHILDCARE PROVIDERS