

PRESS RELEASE



**An Roinn Leanaí
agus Gnóthaí Óige**
Department of Children
and Youth Affairs

July Stimulus Funding Package for Early Learning and Care (ELC) and School-Age Childcare (SAC) sector

Saturday 25th July 2020

The Minister for Children, Disability, Equality and Integration, Roderic O’Gorman T.D. today announced a package of measures to support the Early Learning and Care and School-Age Childcare sector as remaining services reopen in late August / early September.

Access to the Revenue Employment Wage Subsidy Scheme (EWSS) within the July Stimulus will bring total funding provided by Government to the sector between 24 August and 31 December to just under €300m. A special exemption for early learning and childcare services to the turnover rule within EWSS will be included to recognise the need to retain capacity in the sector and support parents to access childcare places and get back to work. Guidance around the application process and operation of the EWSS will be available on the Revenue website in due course after the legislation has been passed.

The Minister said that this package of measures would support services to operate in a sustainable manner. He said the funding was needed to cover the costs of operating with lower occupancy due to reduced parental demand, a feature he hopes will change over time, and to cover extra, public health related costs.

Minister O’Gorman recognised the importance of the early learning and childcare sector for children’s positive development and in terms of supporting the economy to return to normal.

The funding package will enable providers to continue to operate with lower capacity and extra operating costs. The continued financial support will benefit parents as well as providers as providers will not need to pass on increased costs to parents through increased fees.

Minister O’Gorman said “Parents need childcare to help them get back to work. Children need access to early learning and care to support their development and wellbeing. I am delighted that over 85% of childcare services that are normally open over the summer are back open and that more will open next week. This comprehensive package of measures will help services already open to stay open, and it will help all those other childcare and early education services that are due to open at the end of August / early September to do so. This €300m package to the end of the year also prevents parents from having to pay higher fees to cover extra COVID related costs.”

Minister O’Gorman also thanked the eight representative groups from the sector that had assisted him in putting together a firm evidence base to identify the sector’s needs. He praised childcare providers for the efforts they had gone to to get their services reopened and their focus on the safety and wellbeing of children, families and staff.

The details of the package are attached.

Appendix

Funding Package for ELC and SAC

August 24 to Dec 31

Part 1: DCYA and Revenue Funding Measures

The funding package for the Early Learning and Care (ELC) and School Age Childcare (SAC) sector from 24 August to end 2020 includes:

- i. Continuation of all DCYA ELC and SAC subsidy schemes (NCS, CCSP, TEC) and resumption of the ECCE Programme at existing capitation and subsidy rates, including ECCE Higher Capitation **;
- ii. Access to the Revenue-operated EWSS. This will cover an average of 38% of the costs of individual services.
- iii. A sustainability fund will be accessible to providers (not-for-profit and for-profit) who can demonstrate that the other measures are not sufficient by themselves to enable viable operation of their business.

The cost of the funding package to 31 Dec is estimated at €87.4m EWSS and €211m for DCYA schemes and sustainability. This totals €298.4m.

Part 2: Temporary changes to administrative procedures

In addition to this funding package, the DCYA has introduced, on a temporary basis, added flexibility on attendance rules due to the likelihood in greater variability in patterns of usage (see below). This will assist providers to maximise income and reduce costs.

- That NCS will allow for 2 hours variation in attendance against registration per week without triggering a report. This is not 2 extra hours per week in terms of registrations, it is a fluctuation against normal attendance patterns which is exceptional to the current

environment. This means that as soon as we deem the emergency measure to no longer be required, providers will revert to actual attendance levels.

- For non NCS: A 30 minute variance tolerance per day per child. e.g. If the child is being picked up at 4 hours 45 minutes attendance, this will enable the crèche retain the full-time rate. The purpose of this is to facilitate staggered drop-ins/pick-ups necessary to avoid clustering of parents/children at those times. This is expected to apply to non-ECCE services only.

Both these measures are exceptional and will last until end 2020. The situation would be reviewed at that time Record keeping, attendance tracking reporting arrangements and compliance facilitation remains in place for the duration.

Part 3: Other Supports Available Across Government

The July Stimulus includes other supports that ELC and SAC services may be eligible for, depending on the specific circumstances and eligibility criteria, including:

- The Credit Guarantee Scheme
- The 6-month waiver of commercial rates
- The Restart Grant for Enterprises
- The early carry-back of trading losses for previously profitable companies
- The new income tax relief for self-employed individuals who were profitable in 2019 but, as a result of the COVID 19 pandemic, incur losses in 2020
- Legislation for the previously announced warehousing of tax liabilities
- Liquidity and enterprise investment measures provided via MicroFinance Ireland and LEOs

Part 4: Previously announced supports

The above is in addition to the €14.2m Capital Grants and the €18m Reopening Support Grants that have been made available to services and which the deadline of 28 August for application applies.

Miscellaneous

Contracts will shortly issue to providers now that the Government has made its decision to give the ELC and SAC sector access to the EWSS.

DCYA asks that services not increase parental fees given that, on average, 38% of their costs are now being met through the EWSS, the fact that all the schemes are available again alongside parental fees, the projected levels of demand for ECCE and full /part-day services, and given other supports made available to the sector.

Some employers reported not being able to restore staff salaries in recent weeks; this package of measures should ensure that they can now do so.

**It appears that the EWSS will cover most or all of the cost of AIM Level 7 staff, thus replacing most DCYA AIM L7 funding. DCYA will issue further guidance on this asap, but in any event, Level 7 funding will continue to be made available by Government.

It is important to note that NCS enhanced hours are increasing to 45 hours per week from a previous maximum of 40 from 7 September, and standard hours are increasing to 20 hours. This will have a much welcomed impact on school-age / wrap around childcare services.

**Issued by the Press and Communications Office at the Department of Children and Youth Affairs,
Tel: 01 647 - 3153/3114
Email: media@dcya.gov.ie**

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