

PRESS RELEASE



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

Minister O’Gorman welcomes strong commitment from early learning and childcare services to Core Funding for third year running with over 90% of services now signed up

- Over 4,200 services have now applied for a third year of Core Funding, committing to working in partnership with the State to deliver early learning and childcare for the public good.
- Uptake continues to increase, with applications remaining open for the scheme worth €331 million to the sector in the third programme year.
- A fee increase assessment process has been introduced to balance the need of parents for stability with their early learning and childcare costs and the need for providers to operate viable businesses to continue providing this public good service in their communities.
- Significant further investment for this year of the scheme, with increased targeted supports for sessional and small Partner Services have been introduced and further increases in year 4 of the Scheme, announced in Budget 2025, which will see the total allocation increase to over €390 million for the fourth year of the scheme.
- Additional supports such as sustainability funding remain available through case management.

10 October 2024

Roderic O’Gorman Minister for Children, Equality, Disability, Integration and Youth today announced that over 90% of early learning and childcare services have applied for the third year of Core Funding to date.

For the third year of operation, Core Funding has increased by 15% to €331 million to ensure the benefits of Core Funding will continue to be felt by children and their families and services across the full programme year.

The 90% uptake rate is in line with previous years of Core Funding, and services can sign up to Year 3 of the scheme at any time over the course of the programme year (September 2024-August 2025).

This year the scheme will continue to support increases to capacity and accessibility for parents whilst also ensuring improved quality and sustainability of Partner Services. Some of the new developments to the scheme in year 3 include higher payments to all providers and an increase in flat rate and minimum payment, benefitting smaller and sessional-only services.

In addition, there are changes to the fee management process. Up to now, services availing of Core Funding have not been allowed to raise their fees above what was charged to parents on 30 September 2021 (or at the point of first signing up for Core Funding if the service did not exist on 30 September 2021).

The fee freeze will remain in place for the majority of these services for year 3 of Core Funding, though there are two new developments.

Firstly, services whose fees have been frozen at a level that may not be sufficient to sustain their business will have the opportunity to apply for a fee increase. Secondly, a cap on fees will be introduced for services joining Core Funding for the first time in the third year. This will subsequently be extended to all services from September 2025.

Minister O’Gorman said:

“It is extremely encouraging that over 90% of services have chosen to come into partnership with the State by applying for the third year of Core Funding, and this number continues to grow.

“My Department and I will continue to engage across the sector to ensure the interests of children, their families as well as educators and practitioners are promoted, while at the same time ensuring continued sustainability for providers and supporting expanded capacity.”

More information on Core Funding, including a list of Partner Services, is available on the [website](#), along with Core Funding allocations for year 1, with the Core Funding allocations for year 2 to be published in the coming weeks

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Notes for Editors

Change to Core Funding in Year 3

- The allocation for year 3 of Core Funding is 331 million.
- The majority of Core Funding will still be distributed to services via the base rate, based on a service's staffed capacity - the operating hours, opening weeks and the age group of children for whom services are provided as well as number of places available.
- For year 3:
 - All providers currently signed up to Core Funding will receive a higher payment to support their day-to-day costs. The Base Rates for all age groups have increased, with larger increases in funding for places offered to children under the age of three.
 - The flat rate for services registered on the Tusla Early Years Register as sessional-only (a pre-school service offering a programme for a total of not more than 3.5 hours per session) has increased from €4,075 to €5,000. This will strengthen supports to sessional-only services, who typically operate for shorter hours per week and fewer weeks per year.
 - The minimum Base Rate allocation has increased from €8,150 to €14,000. This is the minimum amount of funding a centre-based service (not childminders) will receive through their Base Rate. This ensures a minimum guaranteed income for services. This increase supports for smaller services and services operating in rural areas, who may be prone to fluctuations in demand.
 - The maximum Base Rate allocation has decreased from €600,000 to €500,000. Services will not receive funding through the Base Rate beyond this maximum value. Any service receiving more than this maximum value will see their Base Rate funding reduce to this level.

Changes to fee management

The fee freeze will remain in place for the majority of providers though there will be two exceptions:

1. Services whose fees have been frozen at a level that may not be sufficient to sustain their business even with increased funding available through Core Funding, have the opportunity to apply for a Fee Increase Assessment. Only services currently charging low fees (fees below the average in their county) are eligible to apply and the onus will be on the provider to demonstrate a need for a fee increase. Any approved fee increases will not go above the increased universal NCS subsidy that a parent would be receiving for the full hours offered within the fee. This means that parents receiving the universal NCS subsidy for the full hours offered in these services will not face higher costs. Currently 926 services nationally have applied for the sanctioned fee increase, with 659 services deemed eligible to move onto the next stage of the process and in the assessment stage
2. A cap on fees is being introduced for services joining Core Funding for the first time in the third year. A fee cap will apply to all services in Core Funding from September

2025. This change will improve affordability for parents, as very high fees will be reduced.

In addition to the increased level of Core Funding for year 3 of the scheme and fee management developments, there are wider financial supports available from the Department where a service is experiencing financial difficulty or has concerns about their viability, which can be accessed while remaining within Core Funding.

**Issued by the Press and Communications Office at the Department of Children, Equality,
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