

Overview

In our Pre-Budget Submission,¹ published in July 2013, we recommended that Budget 2014 should do the following:

1. Provide financial backing for implementation of an ambitious National Early Years Strategy.
2. Immediately begin investment programmes to address quality concerns such as those highlighted in Prime Time.
3. Ensure that Budget 2014 has no negative impact on the situation of children living in poverty.

Start Strong was pleased to see a focus on quality in early years' provision in Budget 2014, but the Budget allocation (€4.5m) falls well short of the level of investment required if we are to achieve a significant improvement in quality standards.

The Expert Advisory Group on the National Early Years Strategy, of which Start Strong was a member, earlier in October called for public investment in early care and education to rise from the current level of 0.4% GDP to the OECD average of 0.7% GDP within 5 years, and 1% GDP within 10 years. The Budget 2014 announcement of €4.5m for the Minister's 8-point Pre-School Quality Agenda, while welcome, is a very small first step.

The introduction of free GP care for those aged 5 years and under will benefit many families with young children. However, Start Strong cautions that the introduction of GP medical cards for young children must not be at the cost of other children. Moreover, the Public Health Nursing service, which is of critical importance in the promotion of young children's health and welfare, remains underfunded and in need of reform.

While Start Strong welcomes the fact that Child Benefit was not further reduced, the reduction in the weekly rate of Maternity Benefit for many mothers, following last year's taxation of this payment, will again impact negatively on families with very young children at a time when they need additional support.

Over the coming months the Government will develop and publish Ireland's first National Early Years Strategy. If this is to succeed in implementing the Expert Advisory Group's recommendations, it must be backed by a significant increase in investment. Budget 2014 has not delivered this. We hope that next year's Budget – which will be the first after publication of the new strategy – will begin the process of raising investment.

In times of austerity it can be difficult to think in terms of investing more. However now, more than ever, the Government needs to invest in young children. It's an investment not just in children, but in the future of our society and our economy

Key measures in Budget 2014

Changes

- €1.1m for recruitment of staff to address gaps in the Pre-School Inspectorate, within the new Child and Family Agency.
- €2.5m for a mentoring service for roll-out of Siolta and Aistear to pre-school services.
- €1.5m in training support to help staff in the sector to meet the new qualification requirements for September 2015.
- Standardisation of the rate of State maternity benefit at €230 per week.
- Introduction of free GP care for children aged 5 and under.
- An additional €1.5m for the Area-Based Childhood programme on child poverty, bringing total State funding to €4m.

Unchanged

- Universal access to the Free Pre-School Year.
- Child Benefit unchanged in Budget 2014.

1. Major deficits in investment remain

Start Strong's Pre-Budget Submission called for a policy commitment to a multi-annual programme of rising public investment in services and supports for young children. While we recognised current Budget constraints, we called on the Government to

begin an incremental process of increasing investment year on year.

While Budget 2014 avoided cuts to **early care and education** services, there was no significant increase in the level of investment in early care and education.

According to the OECD, Ireland spends 0.4% GDP on early care and education services, well below the OECD average of 0.7% GDP and the international benchmark of 1% GDP. Furthermore, the OECD figure for Ireland includes expenditure on 4 and 5 year olds in the infant classes of primary schools. If we look just at expenditure on services *prior* to school entry, expenditure in Ireland amounts to approx. €300m, or less than 0.2% GDP – a fraction of the OECD average. This figure is effectively unchanged in Budget 2014.

In relation to **maternity leave**, the level of public investment has actually been *reduced* by €30m. Far from incrementally increasing the duration of paid leave in a child's first year, as Start Strong and others have recommended, the standardisation of Maternity Benefit in Budget 2014 is likely to push women to return to work earlier.

Whereas the rate of statutory maternity pay was previously on a scale from €218 to €262 per week, it will now be standardised at €230 per week for all recipients. While some mothers will see a slight increase in their weekly payment, more than 95% will see a drop of up to €32 per week, or up to €832 over the 26 weeks they receive the payment.²

This change comes on top of the taxation of maternity benefit announced last year. With the two measures combined, some mothers will see a reduction in the total payment over 26 weeks of €3,300, a 48% cut.

Evidence from the Growing Up in Ireland survey shows that the amount of maternity leave taken depends very much on how long payment lasts.³ Financial pressures in the recession have pushed more women to return to work early, with financial constraints and job insecurity affecting many mothers' decisions about the timing of return to work.⁴

The likely impact of the Budget 2014 change to maternity pay is therefore almost certain to be in the *opposite* direction to that which is of most benefit to children.

In relation to **child health services**, the Budget introduced free GP care for those aged 5 years and under, which will benefit many

families with young children. However, the introduction of GP medical cards for young children must not be at the cost of other children.

Moreover, it remains the case that the Public Health Nursing service, which is of critical importance in the promotion of young children's health and welfare, remains under-funded and in need of reform.

2. Impact on quality of services likely to be small

To improve the quality of early care and education services, Start Strong's Pre-Budget Submission called for:

- A training fund to upskill staff.
- National roll-out of the Síolta quality framework and Aistear curriculum framework.
- A closer link between public funding and quality standards.
- Additional resources for the Pre-School Inspectorate.

In our Pre-Budget Submission, we noted that early care and education services only benefit children if they are of high quality, and that the main determinant of quality is the professional skills and training of those working in the early care and education system (those working directly with children, as well as managers, mentors, inspectors, and trainers themselves).

This recommendation was reinforced by the report of the Minister's Expert Advisory Group, which argues that the variable quality of services is the "*foremost policy challenge*" in early care and education today.

In response to the recent Prime Time investigation, *A Breach of Trust*, the Minister for Children and Youth Affairs announced an 8-point "Pre-School Quality Agenda".

Some elements of this Agenda have already progressed (such as publication of inspection reports), and some (such as introducing a registration system, and providing for minimum staff qualifications within the Regulations) will be legislated for through amendments to the Child and Family Agency Bill.

Budget 2014 has provided some additional funding to help implement a number of other elements of the 8-point plan, specifically:



- €1.1m for recruitment of staff to address gaps in the Pre-School Inspectorate, within the new Child and Family Agency.
- €2.5m for a mentoring service for roll-out of Síolta and Aistear.
- €1.5m in training support to help staff in the sector to meet the new qualification requirements for September 2015.

The combined cost of the three measures is €5.1m. However, according to the Department of Children and Youth Affairs, the Exchequer funding for them is €4.5m.⁵ The Department notes that improvements in the Inspectorate will be “partly financed” by a new registration fee for service providers, but the details of this have not been finalised, and it’s unclear if it will meet the full shortfall in funding for the three measures.

While the additional funding is welcome, it is very small in scale, and its impact on the quality of services is unlikely to be significant.

In relation to the **Pre-School Inspectorate**, gaps must be filled as a matter of urgency. The Prime Time investigation highlighted unacceptable gaps, with no inspectors in several counties, and significant delays between inspections for some services. If the additional funding in Budget 2014 is sufficient to fill all those gaps, then it is to be welcomed.

However, it remains the case that the qualifications and role of inspectors are too narrow, with the focus primarily on health and welfare rather than quality more broadly, and with inspectors drawn from Public Health Nurses and Environmental Health Officers, with no requirement for training or qualifications in early care and education. The introduction of a registration system and national standards will help reform, but further change is required, including to the composition of inspection teams.

The introduction of a **mentoring service** charged with rolling out Síolta and Aistear is also welcome. However, details have not yet been made available as to how the service will operate, and these details are critical in determining the impact. It is of concern that the funds available are only €2.5 million, which is likely to be able to fund at most 40-50 mentoring posts. With approximately 4,700 pre-school services in the country (and approximately 20,000 childminders), the caseload of each mentor will be large, which may severely limit the amount of support provided to any one service.

The announcement of €1.5m in **training support** is also welcome, but again the sum is a small one.

As part of her Pre-School Quality Agenda, the Minister has announced that from September 2015 minimum qualifications (FETAC Level 5) will apply to all staff, which Start Strong has long advocated, with a Level 6 requirement for Free Pre-School Year Leaders. While we do not yet have details of the new training support, the Minister has stated it is to help staff working in the sector to meet the new qualification requirements.

While the new minimum qualification requirements are a significant improvement, the qualification standard will still be low by international standards.

At European level, the recent CoRe report provided an international benchmark that at least 60% of those working with children in early care and education services should have relevant third-level qualifications.⁶ Currently the proportion in Ireland is just 12%.⁷

If we are to achieve the CoRe benchmark, we will need:

- A substantial training fund to support upskilling to *third-level* qualifications in early care and education.
- Restructuring of public funding schemes to further incentivise services to employ graduates and facilitate staff training.
- Support for higher wages and career development pathways for those working in early care and education services by requiring adherence to an agreed salary scale as a condition of public funding.

3. Further action needed on child poverty

Our Pre-Budget Submission called on the Government to ensure Budget 2014 has no negative impact on the situation of children living in poverty, through:

- Protecting low-income households in any reform of Child Benefit, and making no flat-rate cut.
- Making no further cuts to the Community Childcare Subvention or CETS subsidies.
- Supporting prevention and early intervention to ensure long-term savings.

As a member of the End Child Poverty Coalition, Start Strong has called for the



reform of Child Benefit and other child income supports but has argued that low-income households – including those in receipt of Family Income Supplement – must be protected in any reform.⁸

Start Strong welcomes the fact that there have been no further cuts to Child Benefit, though the changes announced last year mean that families with four or more children will see a reduction in Child Benefit from January 2014. Furthermore Budget 2014 comes on the back of a series of cuts to Child Benefit in recent Budgets.

It is also positive that there have been no further reductions in the level of subsidy provided by the Community Childcare Subvention and CETS schemes. However, these remain limited measures, and not all families who should be eligible are actually able to access these schemes. For example, the CCSS is only available in community services, and these are only present in some areas of the country.

Furthermore, the cost of childcare in Ireland remains among the highest in Europe. This impacts on many families, and constitutes a significant barrier for many families who wish to exit poverty through seeking employment.

Start Strong welcomes the €1.5m additional funding for the Area-Based Childhood programme to reduce child poverty, increasing State funding to €4m and allowing expansion to a small number of additional areas. It is important that this initiative should continue to be treated as a pilot, with the aim of drawing out learning to inform services in *all* areas of the country – as most disadvantaged children do not live in disadvantaged areas.

More broadly, the child poverty rate remains unacceptably high. According to the latest figures from the CSO, 9.3% of children are in consistent poverty and 18.8% are at risk of poverty – rates that are higher than for any other age-group. The deprivation rate has risen significantly during the recession.⁹ Further action to reduce child poverty must be taken in 2014 and Budget 2015.

It also remains the case that there is very limited attention in the Government's Budget process to prevention and early intervention as a principle of public spending.

Start Strong

Start Strong is a coalition of organisations and individuals seeking to advance children's early care and education in Ireland.

Start Strong is supported by the Katharine Howard Foundation, the Community Foundation for Ireland, and The Atlantic Philanthropies.

www.startstrong.ie

¹ Start Strong (2013) *Pre-Budget Submission for Budget 2014*. <http://www.startstrong.ie/contents/437>

² "Cuts to hit young, old and expectant mothers", Irish Times, 16th October 2013.

³ F. McGinnity, A. Murray and S. McNally (2013) *Growing Up in Ireland: Mothers' Return to Work and Childcare Choices for Infants in Ireland*, DCYA.

⁴ H. Russell et al. (2011) *Pregnancy at Work: A National Survey*, Equality Authority and HSE Crisis Pregnancy Programme.

⁵ Department of Children and Youth Affairs (2013) Press release, 15 October 2013: "Government Investing in Important Reforms for Children and Families" – Fitzgerald.

⁶ University of East London and University of Gent (2011) *CoRe: Competence Requirements in Early Childhood Education and Care*. Brussels: European Commission, DG for Education and Culture.

⁷ Pobal (2013) *Annual Survey of the Early Years Sector 2012*. Dublin: Pobal.

⁸ End Child Poverty Coalition (2013) *Position Paper on Reforming Child Income Supports*. <http://www.endchildpoverty.ie/publications/documents/ECPCPositionPaperReformingChildIncomeSupports.pdf>. The members of the End Child Poverty Coalition are: Barnardos, the Children's Rights Alliance, Focus Ireland, the National Youth Council of Ireland, OPEN, Pavee Point, the Society of St. Vincent de Paul, and Start Strong.

⁹ CSO (2013) *Survey on Income and Living Conditions (SILC) 2011*, p.9.

