Independent Review of End-to-End Processes Linked to Publicly Funded ELC/SAC Schemes/Programmes

Final Report

Submitted to

Department of Children, Disability and Equality

Prepared by

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July 2025

Contents

Tables, figures and boxes

Glossary of Terms and Abbreviations

AIM	Access and Inclusion Model
Aistear	National Early Childhood Curriculum Framework
CAPA	Correction and Preventative Action
CAR	Compliance, Audit, and Risk
CCC	City and County Childcare Committees
CCS	Community Childcare Subvention
CIC	Change in Circumstances
CMDG	Childminding Development Grant
CPD	Continuing Professional Development
C&V	Community and Voluntary
DCDE	Department of Children, Disability and Equality
DEY	Department of Education and Youth
DPEIPSED	Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
DRCDG	Department of Rural and Community Development and the Gaeltacht
DSP	Department of Social Protection
ECCE	Early Childhood Care and Education
ECEC	Early Childhood Education and Care
ECI	Early Childhood Ireland
EDI	Equality, Diversity, and Inclusion
ELC	Early Learning and Care
EYP	Early Years Platform (HIVE)
OCCEAN	Operations, Communication and Co-ordination, ECCE, AIM and NCS
GDSU	Government and Systems Development Unit
HSE	Health Service Executive
ICM	Integrated Case Management
LDC	Local Development Companies
LDDL	Literacy, Numeracy, and Digital Literacy
NCS	National Childcare Scheme

NVCO/VCO	(National) Voluntary Childcare Organisations
OECD	Organisation for Economic Co-operation and Development
PACG	Professional Award Criteria and Guidelines
P&TGG	Parent and Toddler Group Grant Scheme
QAB	Qualifications Advisory Board
SAC	School-Age Childcare
Síolta	National Quality Framework for Early Childhood Education
SPEL	Sensory Processing in Early Learning
STEAM	Science, Technology, Engineering, Arts, and Maths

Executive Summary

Introduction and Background

This report is submitted to the Department of Children, Disability and Equality (DCDE) by Indecon International Economic and Strategic Consultants (Indecon). The report concerns an independent review of end-to-end processes linked to the operation of publicly funded Early Learning and Care (ELC) and SchoolAge Childcare (SAC) schemes/programmes and examines the administrative and regulatory requirements on providers and parents in relation to accessing these supports. The review is designed to inform the development of the forthcoming Action Plan for Administrative and Regulatory Simplification.

Over the past decade, state investment in Early Learning and Childcare has increased substantially, with overall public funding likely to exceed €1.5 billion in 2026. The overwhelming majority of this funding is allocated through 'Together for Better' – the new funding model for ELC and DAC, which comprises the Early Childhood Care and Education (ECCE) programme (including the Access and Inclusion Model (AIM)), the National Childcare Scheme (NCS), the Core Funding grant and Equal Start.[1] It must be noted that the sector is substantially commercially oriented, which is an important differentiator when compared with not for profit organisations such as schools, and this feature must inform administrative and regulatory considerations.

Indecon recognises that steps have been taken by the Department to reduce the administrative requirements associated with the operation of various schemes/programmes. However, providers have highlighted the costs, time, and challenges they face in meeting administrative and regulatory requirements. It must be noted that all providers are subject to a range of necessary regulatory and administrative requirements before they can operate an ELC/SAC service. These include requirements set by Tusla, Revenue, and other State agencies. This review focuses on the administrative requirements associated with ELC/SAC schemes/programmes.

Stakeholder Views

To inform this independent review, during May-June 2024, Indecon engaged with a range of stakeholders, including providers and representative organisations. As part of this process, six regional workshops were hosted throughout Ireland, during which discussions were held in relation to the regulatory and administrative requirements associated with each of the various ELC/SAC schemes/programmes. Indecon also reviewed several detailed and helpful submissions made by providers, some parents, and stakeholder organisations. A range of issues were identified during the consultation and are set out in an accompanying stakeholder consultation report. While Indecon acknowledges that there are issues of concern for providers, in many cases, the requirements are standard features of publicly funded schemes/programmes.

Assessment of Impact of ELC/SAC Administrative and Regulatory Requirements

National Childcare Scheme (NCS)

The main considerations identified by Indecon regarding the administrative and regulatory requirements of the NCS are summarised in the table overleaf. Significant aspects concern attendance tracking and associated reporting requirements, as well as the use of the child identifier ('CHICK'). Another aspect relates to the functionality and speed of the 'HIVE' portal operated by Pobal. Indecon understands that there have been several updates to the ICT system ('HIVE') following the most recent programme readiness cycle, including the cloning of information for use across the system. Pobal has indicated that the HIVE performs well compared to other public-facing systems but noted that there may be some issues with certain pages at peak times. It must also be noted that the HIVE portal has facilitated the recent rapid increase in funding in the sector, which has included other ELC/SAC schemes/programmes, as well as the NCS.

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[1] Indecon notes that Equal Start launched in September 2024, with the objective of ensuring that children experiencing disadvantage can access and meaningfully participate in early learning and childcare.

Summary of Key Considerations re Administrative & Regulatory Requirements – National Childcare Scheme	
Consideration	**Summary Assessment**
Requirement for weekly returns based on hourly attendance records	Maintaining attendance records is a Tusla regulatory requirement of all ELC/SAC services. Calculating hours spent in ELC/SAC over weekly cycles is a specific requirement of the NCS. There may be merit in considering the feasibility of moving to a less granular reporting approach, which may align better with the service offers of many services. This would serve to reduce the risk of noncompliance through increased variance tolerances. However, the administration requirements would remain largely the same under such an approach. It must also be noted that there are significant tolerances around underattendance in the NCS.
CHICK codes and renewals	CHICK codes are a unique identifier specific to NCS. Such identifiers are common across all publicly funded schemes. For example, the Drug Payments Scheme ('DPS') has a specific ID. Also, the ECCE programme uses PPSN as the identifier. Consideration could be given to how the current CHICK are used and whether there is merit in allocating a single permanent CHICK with changing values per child. However, such an adjustment may require a significant change to the ICT system, which could be time-intensive when design, testing and implementation are accounted for. Any change should, however, maintain the existing flexibility for parents to change between universal support and an income-based subsidy, to switch provider or indeed join the scheme during the year.
Providers rely on parents to (re)apply for funding and to signal agreement to provision in a timely manner	Agreement of service users is fundamental to any publicly funded scheme/programme. The formal recorded agreement of provision to reduce the risk of funding for unrequired hours is a key control within the NCS. In the context of the NCS, some of the agreements could possibly be consolidated into one agreement at the start of the service contract between provider and parent. It has been noted by providers that they often need to pursue parents regarding acceptance of changing service offers (such as changes in hours agreed in non-term time).
The functionality and speed of the current HIVE system	Any significant changes to the ICT system are likely to take significant time to implement. Any changes to a third-party system will be made on an incremental basis. Bespoke ICT systems are common with other schemes such as SUSI, DPS and LEADER. Other DSP schemes, such as the School Meals Scheme, involve an application form and providers have no direct contact with the underlying ICT system. Indecon also understands that system performance times are generally comparable with other large-volume systems such as the SUSI grants. It is difficult to compare ICT systems across schemes/programmes and it is important that system performance is actively monitored on an ongoing basis, particularly at peak times.
Source: Indecon assessment	

Core Funding Grant

In relation to the Core Funding Grant, specific issues highlighted by providers relate to the inputting of details regarding service profiles and the requirements for changes to this throughout the year. Another aspect concerns the requirements in relation to financial reporting. Depending on the financial package used, scheme compliance may require a separate Chart of Accounts from providers, in addition to what they subsequently provide to Revenue. However, it must be noted that a minimum level of standard information is requested in all publicly funded schemes/programme. It must also be noted that there have been significant improvements to the Core Funding system in Year 3 of the programme, which have reduced the administrative requirements on providers. These changes were made in September 2024.

Summary of Key Considerations re Administrative & Regulatory Requirements – Core Funding Grant	
Consideration	**Summary Assessment**
Flexibility of Service Profile	Consideration may be given to the possibility of further simplifying the threshold for changes to the service profile unless providers are adding rooms or fundamentally changing their service to provide additional or reduced graduate resources (which would have specific staffing needs). Similarly, staff in a service may obtain enhanced qualifications.
Annual renewal of forms and applications	Some of the information is likely to be already available on other systems. Work has been undertaken on the current ICT system to address these issues so that more information is automatically populated. Auto-population is available to providers whose June 2023 Review and Confirm is approved. There are also likely to be some requests for redundant information which is not applicable to certain services.
Staff changes must be recorded within 4 weeks on the Service Profile	Consideration could be given to extending the time permitted to record any replacement of certain staff. The overall principle to link staffing levels and funding payments is consistent with other publicly funded schemes/programmes.
Timing of Core Funding deadlines	The overall Core Funding process should be clearly mapped out (with indicative dates) so that providers can plan for the completion of various administrative requirements.
Source: Indecon assessment	

Early Childhood Care and Education (ECCE) programme

The administrative requirements for the ECCE programme are broadly consistent with those for the NCS. However, there are some aspects which lead to the perception amongst providers that there are fewer administrative and reporting requirements with the ECCE programme compared to the NCS. The ECCE programme requires that daily attendance records are maintained, including the number of hours attended (a requirement of Tusla as well as the NCS). It is only required that records are maintained, while consistent (>4 week) absences are monitored and amended accordingly on the system. Similarly (and as with the NCS), the provider must adjust the child's registration to reflect the actual attendance on the HIVE to avail of their eligible ECCE hours. It must also be noted that many of the administrative requirements on providers as part of the ECCE programme readiness process are also required as part of the Core Funding application.

Access and Inclusion Model (AIM)

AIM supports are accessed through the ECCE programme, and thus, many of the administrative requirements of parents and providers under AIM will follow the ECCE programme requirements for a significant number of children. There is also considerable support to providers through Better Start and through specific staff in certain services who have qualified as Inclusion Co-ordinators. AIM also allows parents and providers to simply review and confirm when applying for a second year in the ECCE programme. This reduces the administration requirement on parents and providers, as only changes in requirements need to be updated.

One consideration of AIM is whether the various steps of the application process could be streamlined. Currently, many of the qualification assessment processes require an additional review by Better Start personnel despite evidence put forward by a medical/educational professional. This potentially creates an unnecessary administrative step in the process. As well as this, the process for children who require multiple levels of AIM could be streamlined with applications being processed concurrently if required. Applications for an overage exemption also require a letter from a medical specialist/Social Worker.

Scheme Compliance Inspections

Finally, we also considered the issue of inspections in relation to scheme compliance that are currently undertaken by Pobal. Many of the compliance checks may be completed online or through scheduled onsite inspections. A short notice period of 24 hours, for a proportion of compliance inspections, were reported to greatly reduce the administrative requirements on providers. The option of unannounced inspections should remain in place, but the volume of such inspections could be reduced.

Overall Conclusions

Reflecting the need to protect and ensure proper governance and value for money in the utilisation of taxpayer funds, appropriate administrative and regulatory processes must be implemented for any publicly funded scheme/programme. This is no different for ELC/SAC schemes/programmes. However, the key issue is whether these requirements are proportionate or excessive relative to what is appropriate to ensure the best governance and quality. Taken as a whole, Indecon believes that the requirements of ELC/SAC schemes/programmes are broadly appropriate and proportionate and are also broadly consistent with the requirements of supports operated by State bodies in other sectors. However, there are some specific aspects of the operation of the ELC/SAC schemes/programmes where there may be potential to reduce or simplify the requirements on providers and parents/guardians without comprising proper governance, and this review has suggested some changes that may merit consideration in the context of the forthcoming Action Plan for Administrative and Regulatory Simplification. It should, however, be noted that any adjustments may require a significant period to fully implement and there may be merit in prioritising actions that can be implemented in the near term. Schemes/programmes should also be evaluated on an ongoing basis, with no significant changes made to their operation until a sufficient period has elapsed so that impacts can be accurately measured and assessed.

1 Introduction and Background

1.1 Introduction

This report is submitted to the DCDE by Indecon International Economic and Strategic Consultants (Indecon). The report concerns an independent review of end-to-end processes linked to the operation of publicly funded ELC and SAC schemes/programmes and examines the administrative and regulatory requirements on providers and parents in relation to accessing these supports. The review is designed to inform the development of the forthcoming Action Plan for Administrative and Regulatory Simplification.

1.2 Background to Review

Over the past decade, investment in ELC/SAC has increased substantially, with overall public funding likely to exceed €1.5 billion in 2026. The overwhelming majority of this funding is allocated through 'Together for Better' – the funding model for ELC and SAC, which comprises the ECCE programme (including AIM), the NCS), and the Core Funding Scheme. A fourth strand, Equal Start, launched in September 2024. Each strand of the overall funding model has evolved since first being introduced and further changes are envisaged as commitments in *First 5*, Partnership for the Public Good and the new Programme for Government are implemented. It must be noted that the sector is substantially commercially oriented, which is an important differentiator when compared with not for profit organisations such as, for example, schools, and this feature must inform administrative and oversight considerations.

The review of the operating model for ELC and SAC, completed by Indecon in 2021, *inter alia*, identified that noted that, "fragmentation can result in administrative burdens on providers and result in confusion for parents, providers, and other stakeholders." Indecon recognises that steps have been taken by the Department to reduce the administrative requirements associated with the operation of various schemes/programmes. However, providers and parents have highlighted the costs, time, and challenges they face in meeting administrative and regulatory requirements.

In this context, the DCDE has been working with Pobal to enhance the provider and parent online administrative portals and to put in place a suite of provider and parent supports, with the objective of easing administrative and regulatory requirements. Engagement with providers has underpinned this work. A sub-group of the ELC Stakeholder Forum was convened in November 2022 to identify ways to reduce provider administration for the January 2023 NCS rate increase. The increase required providers to issue tens of thousands of new parental agreements with the new co-payment rates. In response, Pobal deployed a semi-automated parental agreement in December 2022, released the uplift portal details in early December, and gave a three-month window to complete the contracts. This was relatively well received by the group. This group met four times in total to look at wider NCS administrative issues with a report produced outlining 21 issues with 14 issues being prioritised to address or progress in 2023. These included:

- − Further enhance semi-automated parental agreement;
- − Add additional functionality to the child registration process;
- − Scope providing additional payment details on remittance confirmations;
- − Improve portal speeds at peak demand times, particularly at the new programme year; and

— Reduce sponsor registration administration and review sponsor rates.

The reaction to the report from the provider members of the group was generally challenging. While the above actions were acknowledged, providers highlighted their concerns with NCS policy issues such as the backdating and payment by hours which underpin some of the administration requirements, as well as issues regarding attendance tracking, Childcare Identifier Code Key (CHICK) code renewals, and electronic agreements among other things.

It was intended that the Department (with Pobal) would continue to engage with the sector on these and related issues, through a new Provider Consultative Forum to be established and the Pobal Super User Forum currently in place. A combined parental agreement was also introduced for the 2023/24 programme year, obviating the need to update agreements on the subsequent co-payment change.

Despite these recent steps, there is a growing dissatisfaction among providers owing to administrative and regulatory requirements. There is also an increasing recognition by the DCDE that a more strategic approach is needed to assure providers that the DCDE is committed to addressing provider concerns and building provider trust, which is key to a well-functioning sector.

Report of Joint Oireachtas Committee (JOC)

In March 2024, the Joint Oireachtas Committee on Children, Equality, Disability, Integration and Youth published its report on the challenges facing the Early Childhood Care and Education Sector.[2] As part of the stakeholder inputs to this report, providers expressed concern over a range of issues and challenges. A range of issues were identified by providers in relation to the current administrative and regulatory requirements. These issues were also raised by providers as part of the stakeholder engagement process that was undertaken as part of this independent research.

The Committee noted that "public funding requires transparency and accountability and that the data gathered will enable funding to be targeted more effectively, ultimately benefiting providers." The Committee recommended that "the administrative burden and duplicity of reporting requirements for operators must be addressed, inspections streamlined and made consistent, and an effective appeals mechanism made available where this does not occur."

1.3   Scope of Review

This independent report on the administrative and regulatory requirements associated with publicly funded ELC/SAC schemes/programmes addresses the following elements, with the overall objective of inputting into the preparation of DCDE's upcoming Action Plan for Administrative and Regulatory Simplification:

— A review of administrative and regulatory requirements and processes linked to publicly funded ELC/SAC schemes/programmes, including NCS, Core Funding, the ECCE programme and AIM, and to provide an insight into the current operations and structures accompanying those administrative processes;

— Identifying the range of administrative and regulatory obligations relevant to grant or funding schemes/programmes administered by other Government Departments, state agencies, or bodies under the aegis of Government Departments; and

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[2] Report on challenges facing the Early Childhood Care and Education Sector. Joint Committee on Children, Equality, Disability, Integration and Youth. March 2024. See: 2024-03-05_report-on-challenges-facing-the-early-childhood-care-and-education-sector_en.pdf (oireachtas.ie).

- Assessing where the administrative requirements linked to ELC/SAC schemes /programmes may impose a requirement on providers/parents which appears to be greater than what should be necessary to ensure governance and quality, and where measures could potentially be considered for reducing/simplifying these requirements.

1.4 Methodological Approach

Figure 1.1 presents a schematic summary of the methodology and work programme applied to rigorously address the above terms of reference.

Figure 1.1: Overview of Phases of Methodological Approach to Assessment			
Review of Admin & Reg requirements	Analysis of existing requirements for key schemes	Review typical level of admin requirements for other comparable public schemes	Identify areas where admin requirement is in excess of requirement to ensure good governance

Source: Indecon

Stakeholder engagement

A core input to this review was the facilitation of engagement with key stakeholders, including providers and parents. The main method of stakeholder engagement and consultation took place in the form of regional workshops. In-person workshops ran from May 20th to June 5th 2024, and were held in Dublin, Cork, Galway, Mullingar, Kilkenny, and Cavan.[3] The workshops recorded high levels of participation from stakeholders, including providers, City / County Childcare Committee (CCC) representatives and other sectoral stakeholders including those from the voluntary sector. Parents were also invited, though the vast majority of attendees represented service providers. Attendees (and the wider sector) were also afforded the opportunity to make written submissions to the Indecon review team as part of the wider stakeholder engagement process.

1.5 Structure of Report
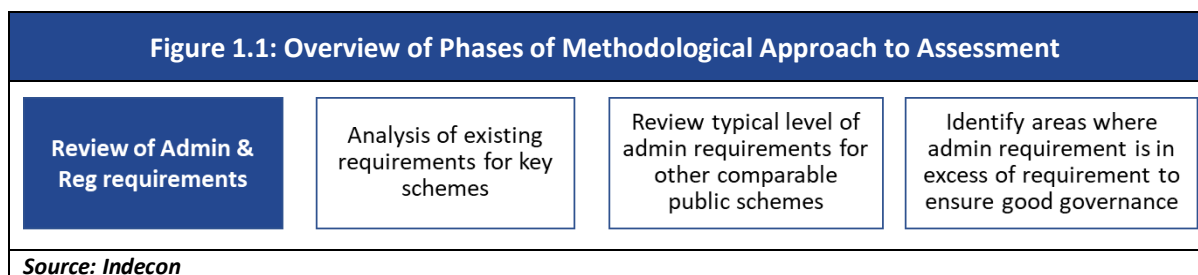
The remainder of this report is structured as follows:

- Section 2 outlines the administrative and regulatory requirements and processes linked to publicly funded ELC/SAC schemes/programmes, and provides insights into the current operations and structures accompanying these requirements and processes;

- Section 3 assesses the impact of the administrative and regulatory requirements under the ELC/SAC schemes/programmes, and whether the associated regulatory requirements are likely to be proportionate or excessive. It also outlines areas/aspects where these requirements may potentially be simplified or reduced; and

- Annex 1 presents an overview of administrative and regulatory structures, processes and requirements governing the operation of comparable publicly funded schemes/programmes provided by other Government Departments, agencies, and bodies.

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[3] An online workshop was also facilitated

An accompanying consultation report presents the key findings from the stakeholder engagement process, including the regional workshops, in relation to the administrative and regulatory requirements associated with the schemes/programmes.

1.6 Acknowledgements and Disclaimer

Indecon would like to take this opportunity to express our gratitude to the wide range of individuals who gave up their free time to attend the regional workshops, which provided invaluable inputs into this review. A number of providers and parents also provided written submissions to the Indecon team, which is greatly appreciated. We would also like to acknowledge the valuable inputs and guidance provided by senior officials within the DCDE, and by representatives from Pobal, the CCC, and the funded support organisations, in addition to other representative bodies active in the sector. The usual disclaimer applies, and the views and analysis in this independent report are the sole responsibility of Indecon.

2 Overview of Processes for ELC/SAC Schemes/Programmes

2.1 Introduction

This section considers the administrative processes associated with the NCS, Core Funding, and the ECCE programme (including AIM). Specifically, we consider the administrative processes for providers and for parents who apply for these supports. In general, we see each scheme/programme as having either three or four stages, depending on the scheme/programme: an initial stage, an agreement stage, a reporting and compliance stage, and, where applicable, a maintenance stage. Importantly, these distinctions are not formally recognised by the funding supports but rather induced from our research into the schemes/programmes, and our discussion with providers and other stakeholders. It is also important to understand these processes to establish potential pinch points within the system. For brevity, we summarise each scheme/programme so that the general process can be understood, with simplified 'process maps' presented for each of the main supports. These process maps include the incremental processes involved in each scheme/progrtamme, but it must be noted that each requires compliance with regulatory standards.

Some of the key features of the ELC/SAC schemes/programmes and other supports are outlined in Table 2.1.

Table 2.1: Summary of the Features of Main 'Together for Better' ELC and SAC Schemes and Supports		
National Childcare Scheme	**Core Funding Grant**	**ECCE (inc. AIM)**
— Subsidy to parents based on number of hours of ELC/SAC provided, plus age and educational stage, income and vulnerable status. — Support to parents via reduced fees by providers — Providers monitor attendance — Means-tested scheme depending on the stream chosen — Designated Sponsor Bodies may refer a child for ELC/SAC place at no cost to the family'	— Commitment to affordable ELC/SAC — Overall payment based on capacity — Partner Service Funding agreement	— Universal scheme which provides 3 hours per day for 38 weeks — Providers paid a set amount per child — AIM offers positive intervention for children who require additional supports or assistance to meaningfully access the ECCE programme[4]
Source: Indecon assessment		

2.2 Legal Requirements on Providers

Prior to considering the administrative requirements for each scheme/programme, it is important to note that there are a number of legal requirements for providers. The various legislation that sets out the requirements on providers in relation to the ELC/SAC sector are set out in Table 2.2.

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[4] AIM now extended to ECCE aged children for NCS registered hours in term and out of term

Table 2.2: Key Legislation/Public Funding Obligations in the ELC/SAC Sector	
Legislation/Public funding obligations	**Implications for ELC/SAC Schemes/Programmes**
Child Care Act 1991	**This is the overarching legislation which regulates the sector**
Child Care Act 1991 (Early Years Services) Regulations 2016 (S.I. No. 221/2016) *	Sets out the specific legal requirements for Early Years (preschool) services.
Child Care Regulations (The Child Care Act 1991 (Early Years Services) (Amendments) Regulations 2016 (S.I. No. 632/2016))	This specifically clarifies the employment status of staff under AIM in Early Years Services
Child Care (Amendment) Act 2024	Provides for regulation of childminding services including access to NCS subsidies. Also, additional enforcement tools to address non-compliance
Child Care Act 1991 (Early Years Services) (Childminding Services) Regulations 2024 (S.I. No. 494/2024)	Provides for the registration and regulation of childminding services with Tusla.
Public Spending Code/Circular 13/2014 re Management of and Accountability for Grants from Exchequer Funds	Requires audit and compliance on exchequer-funded schemes / programmes
Childcare Support Act 2018	Establishes NCS where the State may provide financial support to families for ELC/SAC
Children First Act 2015	Ensures that child protection concerns are reported that organisations are equipped to safeguard children, and that there is adequate training, guidance, and oversight to protect children from harm
*Note – there have been several other amendments to this Regulation. The sector (as with other sectors) is also subject to wider legislative requirements such as fire safety legislation, planning legislation, employment legislation, health and safety and data protection *Source: Indecon research*	

As set out in legislation, Tusla is the statutory regulator of the sector and requires services to comply with various rules and maintain records to support compliance[5]. As stated in legislation,[6] a service is legally required to maintain daily attendance records for each child. These records must specify the child's name and time of arrival/departure. The relevant legislation sets out the record-keeping requirements to be maintained by service providers[7], such as:

— The name, position, qualifications, and experience of the person in charge and of every other employee, unpaid worker, and contractor;

— Details of the class of service and the age profile of children for which the service is registered to provide services;

— Details of the adult/child ratios in the service;

— The type of care or programme provided in the service;

— The facilities available;

— The opening hours and fees;

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[5] Important to note the distinction between regulatory compliance (Tusla) and financial compliance (Pobal CAR)

[6] Child Care Act 1991 (Early Years Services) Regulations 2016.

[7] It must be noted that these do not apply to School-Age Childcare services

− The policies, procedures, and statements the service is required to maintain in accordance with the regulations;

− Details of attendance by each pre-school child on a daily basis;

− Details of staff rosters on a daily basis;

− Details of any medication administered to a pre-school child attending the service with signed parental consent; and

− Details of any accident, injury, or incident involving a pre-school child attending the service.

2.3   National Childcare Scheme (NCS)

In this section, we summarise the administrative requirements of the NCS. It must be noted that the NCS is underpinned by primary legislation (Childcare Support Act, 2018) and secondary legislation. This primary and secondary legislation[8] set out broadly how the parameters of the scheme and key requirements associated with access to and administration of the scheme. These also underpin the scheme guidelines[9] that have been developed to support the implementation of the scheme.

The legislation through the direction of the Minister provides for a calculation of cost per hour, maximum allowable hours and the calculation of payments based on usage amongst other things. A scheme administrator is appointed under the Act to administer the scheme including correct application funding and compliance with the overall rules.

The secondary legislation states that the subsidy will be calculated based on the number of registered hours per week. Attendance is then monitored against certain thresholds of non- or under-attendance set out in secondary legislation. The secondary legislation also references a weekly reporting requirement for such attendance matters. In practice, the NCS administrative rules (developed under the Act) require providers to maintain attendance records to ensure subsidies are accurately paid based on actual hours attended as per agreement with the provider within broad variance thresholds. These operational details are covered in the secondary legislation and the NCS guidelines rather than in the Act itself. NCS subsidised hours can only be registered for the hours that a child can attend the service (excluding any ECCE funded component) and cannot be claimed for the hours a child is in the ECCE programme or equivalent pre-school provision or school.

The primary legislation also sets the functions of the scheme administrator (Pobal). As per the Childcare Support Act (Section 4), the scheme administrator for NCS "has all the powers necessary for or incidental to the performance of its functions under this Act." The Scheme administrator is also responsible for arranging guidelines for the scheme that should be published "in such manner as the scheme administrator considers appropriate."

Requirements for Parents

A process map depicting the main administrative requirements for parents in accessing the NCS is presented in Figure 2.1.

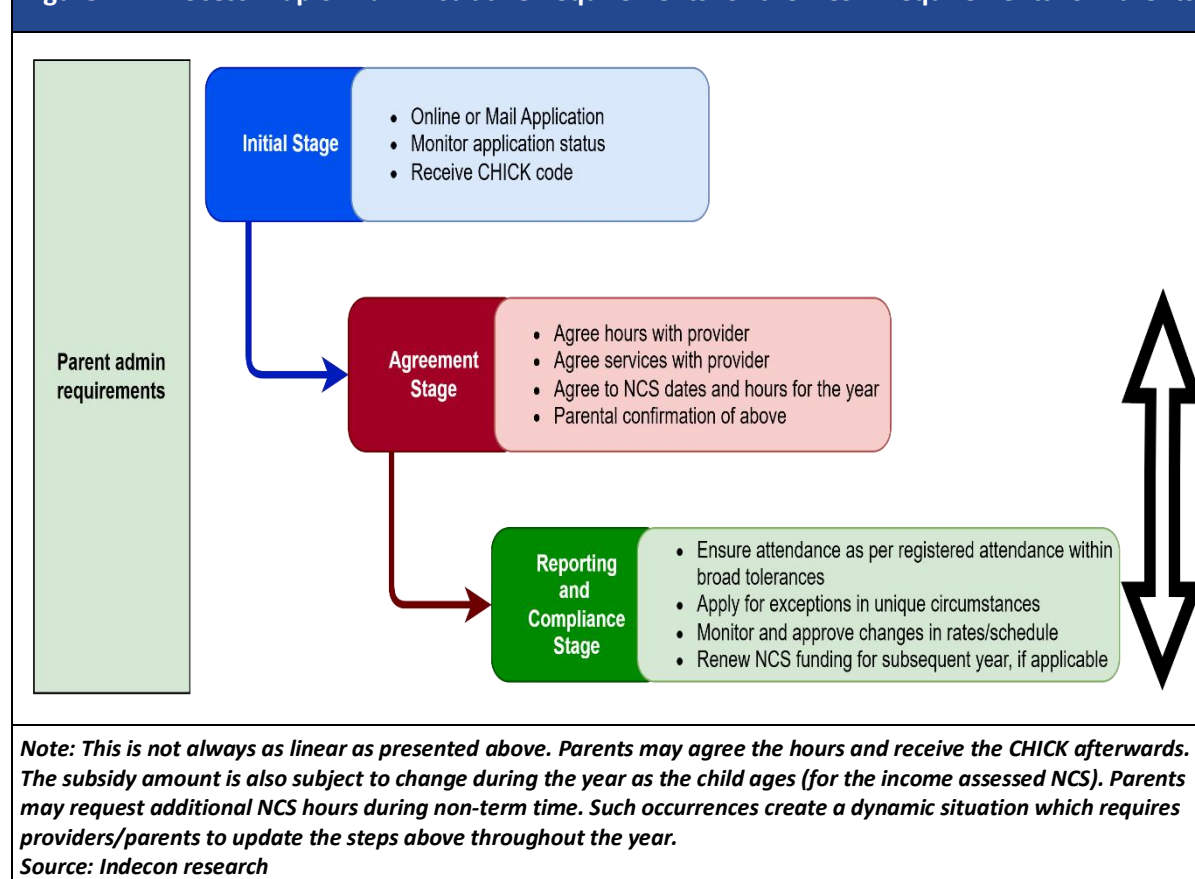[8] S.I. No. 375/2019 - Childcare Support Act 2018 (Payment Of Financial Support) Regulations 2019

[9] https://earlyyearshive.ncs.gov.ie/NCS_policy_guidelines.pdf

In the initial stage of the application, parents begin the process by submitting the required information online or by post, or with the help of a provider. Applicants can apply online or by mail, depending on whether they have a MyGovID. Those without a MyGovID must apply using a specific paper form, which must be sent to the scheme's central office. However, the vast majority of applicants apply online. Applicants must include:

- Their children's names, date of birth, and PPSN;

- Their partner's PPSN(for income assessed); and

For the simplest path routes, the NCS system extracts employment and earnings details from Revenue using the PPSN provided.

Figure 2.1: Process Map of Administrative Requirements for the NCS – Requirements for Parents

Parent admin requirements

Initial Stage
- Online or Mail Application
- Monitor application status
- Receive CHICK code

Agreement Stage
- Agree hours with provider
- Agree services with provider
- Agree to NCS dates and hours for the year
- Parental confirmation of above

Reporting and Compliance Stage
- Ensure attendance as per registered attendance within broad tolerances
- Apply for exceptions in unique circumstances
- Monitor and approve changes in rates/schedule
- Renew NCS funding for subsequent year, if applicable

Note: This is not always as linear as presented above. Parents may agree the hours and receive the CHICK afterwards. The subsidy amount is also subject to change during the year as the child ages (for the income assessed NCS). Parents may request additional NCS hours during non-term time. Such occurrences create a dynamic situation which requires providers/parents to update the steps above throughout the year.
Source: Indecon research

Applications for the NCS are considered for either a 6 or 12-month period, and households must confirm their residency status and that they are a parent or acting in loco parentis to a child aged between 6 months and 15. Parents/guardians can also apply at any time during the year. Under a circumstance such as loss of earnings, the system allows providers to update the details, as the parents may want to be reassessed for the NCS[10]. As a further example, applicants who live with a partner may experience a marriage breakdown during the year considered. The responsibility of reporting changes in the partner's status rests with the applicant. Once completed, the application is

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[10] A parent may choose to be reassessed before the expiration of an award arising from changing circumstances which retriggers the red and green elements in the box above.

then processed by the NCS, and they receive a Childcare Identifier Code Key (CHICK). Separated parents receive a different CHICK for their child if both parents choose to apply.

After an application has been made, and a provider is found, parents and providers must agree the total number of hours that will be provided each week in the period covered. The provider then registers the CHICK and hours required, and the parent must review and confirm those hours. Payments cannot commence until the parental verification occurs through the scheme administrator.

Once the child is settled with the provider and the parents are regularly making payments to the provider, the family moves to the reporting and compliance stage. Here the general requirement is for the provider to ensure that attendance aligns with registered NCS hours within the allowable thresholds. The parent should notify and re-agree service provision if their requirement changes. If a child is absent from services for four weeks or more, the claim is reported by the provider on the weekly returns report and the claim may be ended by Pobal as the administrator of the NCS. If the child under-attends care for 12 consecutive weeks, the claim hours are reduced to an average of the previous 12 weeks of attendance. An outline of the tolerances in relation to underattendance is shown in the box below. Parents must also renew their application for NCS funding ahead of time if applicable.

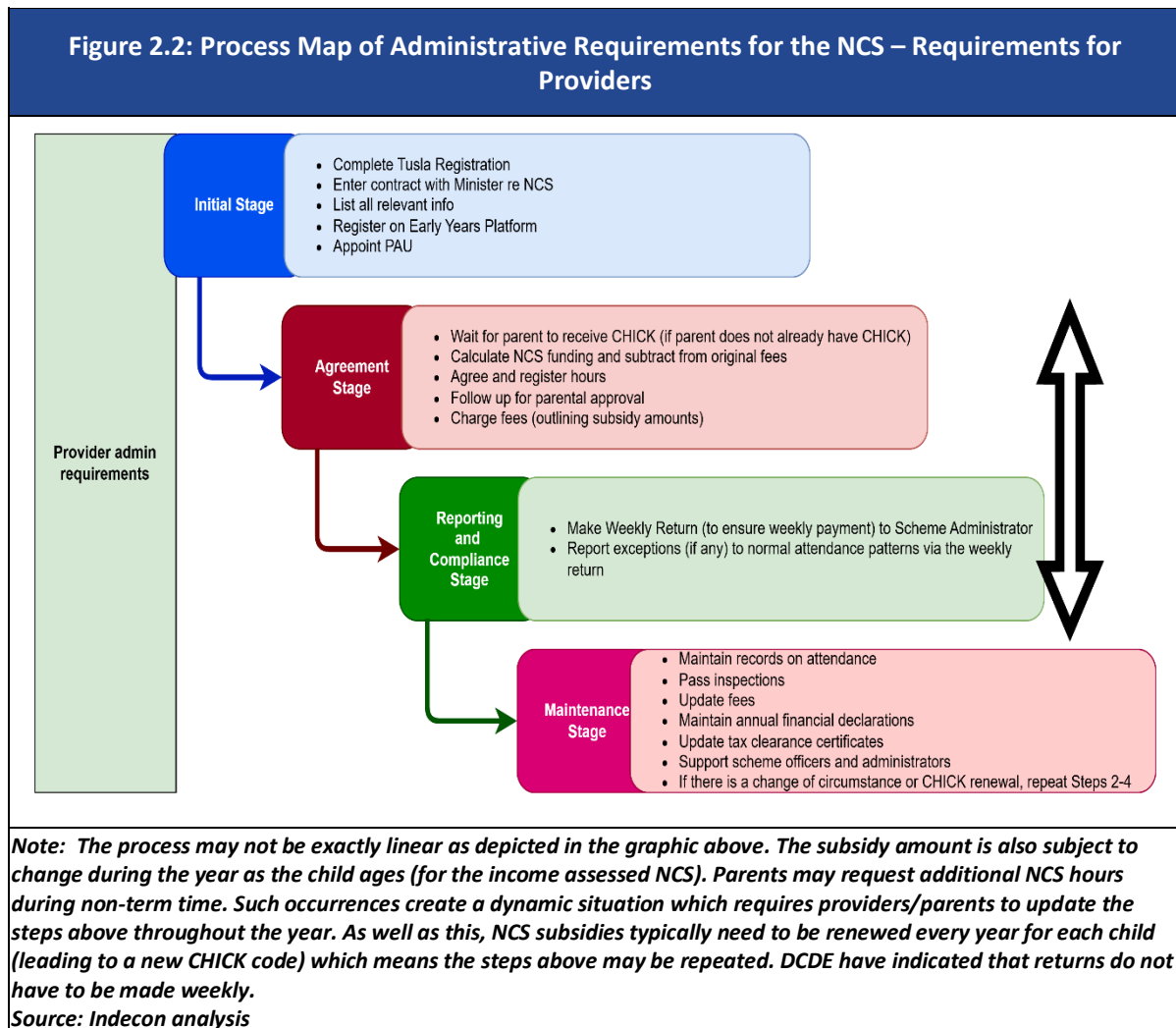| Box 2.1: Overview of NCS Attendance Rules and Allowed Tolerances |
|---|
| **Absence:** |
| A provider must register a continuous absence lasting four or more consecutive weeks. A warning is then issued to the parent in relation to the NCS subsidy. No funding will be payable from the fifth onwards subject to the following tolerances. |
| **Tolerances (Absence):** |
| The child can return at any time of the next two weeks (Weeks 5 and 6) and there will be **no break in subsidy**. |
| **Tolerances (Absence – exceptional circumstances):** |
| If a child does not return within Weeks 5 and 6 but have shown evidence of exceptional circumstances to the scheme administrator, then there will be **no break in subsidy**. |
| **Persistent under-attendance:** |
| Providers must review the child's attendance pattern at the end of each week and, where attendance has been less than the registered NCS hours in each of the previous eight weeks. A warning is then issued to the parent and provider in relation to the NCS subsidy which will be reduced if the pattern of reduced hours continues for a further four weeks (Weeks 9 to 12) |
| **Tolerances (Under-attendance):** |
| The child can complete their full registered hours on any of the next four weeks (Weeks 9 to 12) and there will be **no impact on subsidy payment** and the previous under-attendance now 'resets' and the child is logged in the weekly return as 'returned to normal attendance' |
| **Tolerances (Under-attendance – exceptional circumstances):** |
| Where exceptional circumstances arise, NCS subsidies may continue to be paid for 4 further weeks, which means that the actual under-attendance can continue for 16 weeks without affecting the subsidy |
| *Source: NCS Guidelines and NCS FAQs* |

Requirements for Providers

There are several administrative requirements which are tied to the provider. In broad terms, these obligations can again be split into four stages: the initial stage, the agreement stage, reporting and the compliance stage, and finally, the maintenance stage. (See Figure 2.2.).

Figure 2.2: Process Map of Administrative Requirements for the NCS – Requirements for Providers

Provider admin requirements

Initial Stage
- Complete Tusla Registration
- Enter contract with Minister re NCS
- List all relevant info
- Register on Early Years Platform
- Appoint PAU

Agreement Stage
- Wait for parent to receive CHICK (if parent does not already have CHICK)
- Calculate NCS funding and subtract from original fees
- Agree and register hours
- Follow up for parental approval
- Charge fees (outlining subsidy amounts)

Reporting and Compliance Stage
- Make Weekly Return (to ensure weekly payment) to Scheme Administrator
- Report exceptions (if any) to normal attendance patterns via the weekly return

Maintenance Stage
- Maintain records on attendance
- Pass inspections
- Update fees
- Maintain annual financial declarations
- Update tax clearance certificates
- Support scheme officers and administrators
- If there is a change of circumstance or CHICK renewal, repeat Steps 2-4

Note: The process may not be exactly linear as depicted in the graphic above. The subsidy amount is also subject to change during the year as the child ages (for the income assessed NCS). Parents may request additional NCS hours during non-term time. Such occurrences create a dynamic situation which requires providers/parents to update the steps above throughout the year. As well as this, NCS subsidies typically need to be renewed every year for each child (leading to a new CHICK code) which means the steps above may be repeated. DCDE have indicated that returns do not have to be made weekly.
Source: Indecon analysis

As with any scheme, all providers must be registered with Tusla and must enter a contract with the Minister for Children, Disability, and Equality in respect of the NCS. This is a foundational step to gaining NCS funding. After this, providers can begin the first stage where they agree to terms and provide basic information. At this stage, providers also register on the HIVE and appoint one Primary Authorised User (PAU) to operate the platform on their behalf. The initial stage will become significantly less onerous for existing providers. This is similar to the other ELC/SAC schemes/programmes.

Agreement Stage

Once a parent applies for and gets a place with the provider, the provider begins the agreement stage. During this stage, the parent and the provider finalise the main hours of care and the necessary supports for the child. Providers must receive this CHICK from parents, then use the code, and the

child's date of birth to access details of hourly subsidy values on the portal system. Parents then receive a detailed breakdown of their subsidy information for the year which they need to review and confirm before any payment is made to the provider. It is recommended that the parental application for the CHICK is undertaken thirty days prior[11] to the child attending the service, as it can take up to this time to acquire their CHICK (especially the income-assessed version[12]). This is to ensure the service gets the funding in time, as there is no back dating on the NCS prior to the CHICK registration. The provider begins to charge fees to parents (they must subtract any subsidy from the published fee to calculate the parental fee, i.e., the 'co-payment,' and keep a copy of the written agreement with the parent).

A key feature of the NCS is the CHICK, which gives a unique number to every child who is awarded an NCS subsidy. However, providers have previously, and in the consultation undertaken for this review, highlighted some challenges with the CHICK that have led to increased time spent on administration.

Box 2.2: Overview of Childcare Identifier Code Key (CHICK)	
The CHICK is a key pillar of the NCS. A CHICK is generated when a parent is successfully awarded a subsidy under NCS. The CHICK is then brought to any registered provider who has a NCS contract.	
Common error messages for NCS on the EY Hive	
— CHICK number invalid.	
— This CHICK is already in use by the current service provider for the whole period or part of it.	
— The Claimed Hours must not exceed Services hours	
— Invalid Dates. The Cancel Claim from Date needs to be in between the Start and End Date of the Claim.	
Issues faced by Providers and Parents	**Potential Solution**
Level of Notifications of CHICK expiries	More tailored/specific notifications on CHICKs that require more immediate action
Confirmation of CHICK by parents	Specific reminders to parents
Parent applies for new CHICK which cancels old CHICK	Autorenewal of CHICK unless circumstances change
Parents start new application rather than review their CHICK requiring all information to be typed again	Autorenewal of CHICK unless circumstances change
Parents can end CHICK without notice	This could be solved in part by permanent CHICKs with altering values
Renewal of CHICK for sponsored place	
Adding a Sibling to existing application	Solution implemented but parents still inadvertently may cancel existing child's award
Source: NCS Guidelines and NCS FAQs and Stakeholder consultation submissions	

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[11] It must be noted that many CHICK are acquired the next day after application. Thirty days is considered exceptional.

[12] Typically, the universal can take up to 2 days and the Income assessed fast track can take up to three days.

Reporting and Compliance Stage

When the child becomes a regular attendee of the service, the provider moves to the reporting and compliance stage. Here, providers mostly focus on meeting obligations tied to attendance and service departure. In order to receive payment, providers make a weekly return to the scheme administrator for each child who is availing of NCS subsidised hours (in line with the tolerances outlined in Box 2.1). For a child that follows their normal attendance levels, the provider only needs to ensure that each child is listed (this is pre-populated) on the online return. If a provider fails to make a weekly return, the HIVE will issue a warning. If the return is not registered by the next deadline, payments will be suspended until reporting returns are brought up to date. A provider may apply for a grace period.

NCS Policy Guidelines require the provider to *"submit a reporting return in respect of attendance on the Early Years Platform Provider Portal each week in respect of the previous week. Failure to submit the return will result in subsidy payments being suspended."*

Indecon understands from DCDE that, in practice, if the provider does not issue a request for payment (a weekly return), they will not be paid. The payment is not suspended, but simply not issued unless the provider requests it (by submitting a weekly return). It is withheld rather than suspended. There may be some inconsistency between what is stated in the NCS policy guidelines and the relevant legislation.

The 'reporting return in respect of attendance' is simply a tick box saying no children have under-attended for 8 weeks. It is not a report in respect of each child.

Maintenance Stage

Providers must maintain attendance records, pass inspections, submit regular financial records, and comply with tax standards. During this stage, providers are expected to monitor, record, and submit weekly returns on children's attendance, along with wider Tusla requirements. As with other existing schemes, compliance officers of the Scheme visit the service periodically to ensure that the provider's attendance records are adequate and up-to-date.

The stages above are repeated for each new child's entry into a provider's service. Parents are free to change providers at any time, meaning the child is treated as a new child upon arrival to a new provider. In terms of backdating, it is not possible to submit registrations for a date in the past. The subsidy can only be paid from the point of registration of the new award with the provider.

Providers' Administrative Requirements Regarding Sponsors

The NCS makes special arrangements for vulnerable children and families. In these cases, a sponsor from one of six public bodies[13] can issue a specific sponsor CHICK which the parent can bring to any service provider so that they can receive free ELC/SAC. An enhanced subsidy is paid for families who are referred to the scheme by a sponsor body and covers an agreed number of hours. Each of the six sponsor bodies have specific criteria for making a referral. In general, there is a set process for how each body applies for a referral to the NCS. When the child is referred by a sponsor and is approved for ELC/SAC, the provider has certain obligations to the scheme. The Sponsor body typically submits the referral but on a small number of occasions, the referral may be submitted by the parent. Each sponsoring organisation has slightly different processes in relation to the processing of applications. Some sponsoring bodies receive the CHICK themselves, and other bodies send the CHICK to the parent. A provider cannot apply for a referral on behalf of a parent (i.e., a provider cannot act as a sponsor), and the provider must instead liaise with sponsors during the application process.

During the agreement stage, the provider must register the child using their unique CHICK on the NCS system. Once the CHICK is registered, the provider must submit a return the following week, and the payment follows. In some instances, a Sponsor may stipulate that a parent may only register with a certain provider. Unlike the wider NCS, backdating is available for sponsoring (by up to one week). The only difference is that, unlike other CHICK, the registration of a Sponsor CHICK does **not** require parental approval.

In the reporting and compliance stage, the provider abides by all the requirements outlined in the NCS. The sponsor may submit a new referral for reduced hours, resulting in a new CHICK and payments would be reduced accordingly. Otherwise, payments will not be reduced. In the final stage, the provider must notify the scheme administrator (and sometimes the sponsor) of ongoing absence. Further, the provider will inform parents of the sponsor's end date (Sponsor Award CHICK), and coordinate between parents and the sponsor to ensure that the upcoming sponsorship is not lapsed. After funding expires, the sponsor will review the child's needs and may complete a new referral form where appropriate. The provider cannot complete this form. A sponsor portal has been developed, which should reduce the administrative requirements on providers in relation to sponsored children.

2.4 Core Funding

Requirements for Providers

Core Funding is a grant to providers designed to support quality, sustainability, and enhanced public management, with associated conditions in relation to fee control and cost transparency, incorporating funding for administration, and supporting the employment of graduate staff.

Service providers must apply for Core Funding themselves. The application process is available to all registered ELC and SAC services hat offer full-time, part-time, or sessional places.[14] Services operate drop-in places only are not eligible for Core Funding. The application[15] process for the Core Funding grant is a two-stage process, in which providers must complete:

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[13] These are the Department of Education and Youth, the Department of Justice, Tusla Child and Family Agency, the HSE, or Local Authorities and now Department of Further and Higher Education, Research, Innovation and Science

[14] A small number of registered childminders are in Core Funding on a pilot basis.

[15] Core Funding Programme 2023/2024 for Early Learning and Care and School Age Childcare Services -Applicant Guidelines December 2023

— Part A: A Service Profile, where service level details and staff details are recorded; and

— Part B: A Core Funding Application Profile, where staff capacity details and age ranges catered for are recorded for each room or each session type.

After completing the service profile and application profile, providers must accept the Core Funding Partner Service Funding Agreement on the HIVE.
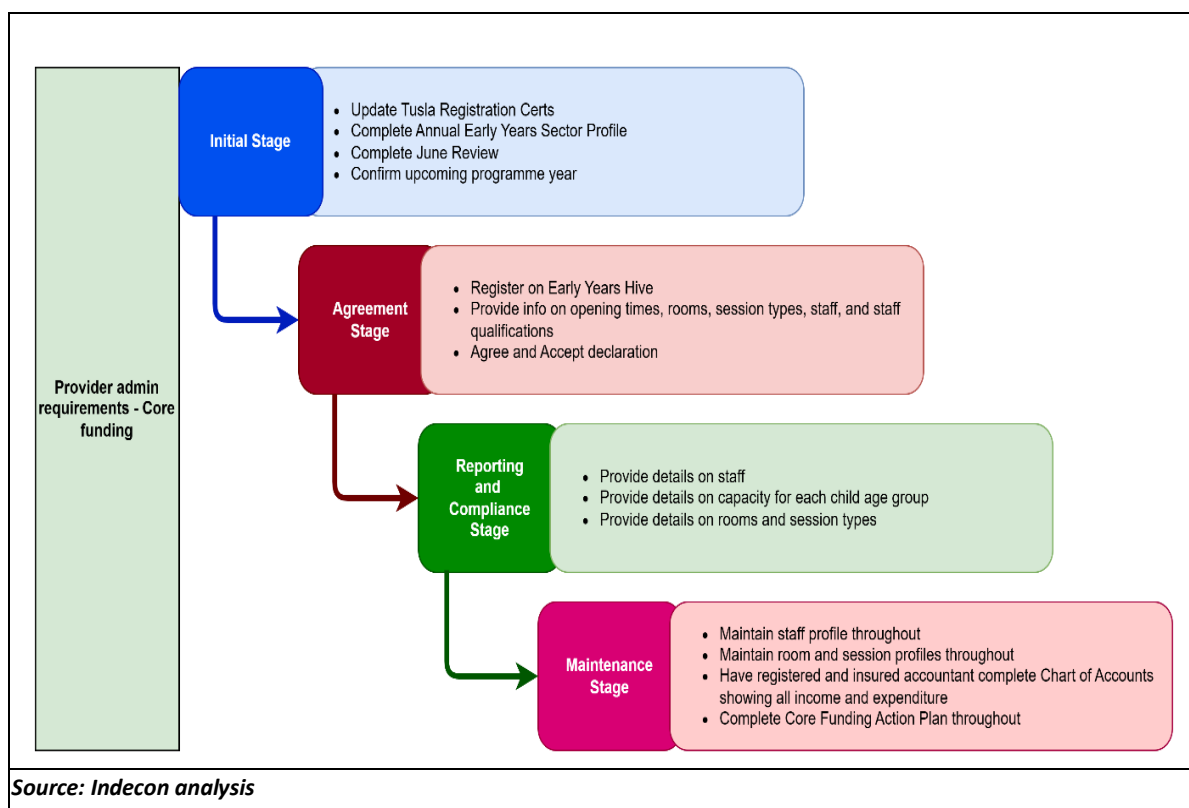
In the initial stage, providers must upload all Tusla registration certificates assigned to their service to the HIVE in a specific section. If Partner Services are registered as an ELC and a SAC service, providers have additional guidelines to follow. They must also complete the Annual Early Years Sector Profile (AEYSP) survey as a pre-requisite for applying for Core Funding.[16] The Core Funding FAQ materials highlight those whose June "Review and Confirm" is approved can avail of the option to auto-populate their application module for the upcoming year. The option to complete a new application remains for all providers.

One reason (as well as required by law) why providers must be registered with Tusla before starting a Core Funding application is that their registration information (including registered service type and capacity) captured on the HIVE will be used to validate parts of the Core Funding application module. If there is a discrepancy in registration data, they are asked to attach evidence to support the correct registration information. This evidence is only required if there is a discrepancy in their Tusla registration data[17]. If not, there is no need to upload any evidence of their Tusla registration details.

Figure 2.3: Process Map of Administrative Requirements for Core Funding Scheme – Requirements for Providers

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[16] All Partner Service must complete the 23/24 Annual Early Years Sector Profile, or the most recent Annual Early Years Sector Profile, prior to entering into this Funding Agreement. Partner Services will also be required to complete the 24/25 Annual Early Years Sector Profile during the term of this Funding Agreement. Indecon understand that 87% of services completed this AEYSP within one month.

[17] There are two ways in which the Tusla data might be incorrect. Firstly, it might not have the accurate service level information. For instance, it might have the service listed as a sessional service when they have recently become a full time service. Secondly, the Tusla record might have the wrong maximum capacity of the service. Providers are provided the opportunity to provide documentation to support their application if different from Tusla record.

Source: Indecon analysis

When completing the service profile, providers must set up an account with the HIVE, the relevant platform for Core Funding. As before, the provider must designate a PAU and new applicants must provide information on opening times, rooms, session types, and staff. This information is used to populate the Core Funding application module (Part B of the process). Applicants must know these numbers ahead of time and anticipate the level of resources they will have for the year ahead. At this point, the provider does not have to validate[18] the information provided (such as confirming the room square footage against the number of child places, or staff-to-child ratios). Providers must give details of staff members, including details of staff qualifications[19], and experience. Providers must also list the working hours per week of service managers in their locations. Providers completing the service profile for the first time must accept a declaration on the staff members' section of the service profile.

Regarding Part B, providers must submit the following:

- **Details on staff:** Partner service must ensure the room is adequately staffed to meet the required ratio per age range proposed for that room/session type. Details include the staff member's name, their role, days of the week they work, term or out of term, their start time, and their end time for each session.

- **Details of capacity for each child age group:** Providers must specify the number of places available for each age bracket within each care type. In Part A providers listed information of session types and available times.

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[18] It must be noted that there are some internal validations which assist providers in their applications

[19] Information such as Staff qualifications gets appraised through its own process

This section of the application module lists the child age ranges for each room/session type combination created by the applicant in a previous step. The next step of the process is described in the applicant guidelines as follows:

"Once all validations have been passed on the Core Funding Application Module, the applicant will be able to review their un-appraised Core Funding values before submission. The calculation inputs and output will be made available on the summary page for the applicant to reference as required. Once the application is submitted, this becomes read only and remains on the system. The grant value does not include the targeted measures for which providers may be eligible."[20]

In the final maintenance stage, providers must keep their service profile and information up to date throughout the programme year. After signing the Core Funding Partner Service Funding Agreement changes to staff vacancies, staff qualifications and level of service offered may affect a provider's funding, this is especially true if providers fail to update their information, which can lead to the termination of funding but in most instances, it leads to funding going on hold. Providers must update their service profile and application module after any change and maintain it throughout the year. It must also be noted that there are specific staffing requirements for AIM and any change to this would constitute a material change. Similarly, elements of the Core Funding grant are based on the number of graduate staff who work as lead educators. Replacement of graduate staff with non-graduate staff would lead to a reduction in the core funding grant.

"Failure to update the information may result in their Core Funding allocation being placed on hold or terminated."[21]

The DCDE defines a material change as one "which affects the typical week for a period of more than four weeks." This assumes that the typical staffed capacity is as per that declared on the Core Funding Application. It also assumes that any absences of staff that attract premiums are replaced with equally suitably qualified staff. In such cases, there is no requirement to record these changes unless they are going to continue for a period of more than four weeks.

The Expert Group's report, *Partnership for the Public Good*, recommended the inclusion of Financial Reporting requirements under Core Funding. This recommendation recognised the need for reliable data to guide funding policies and priorities. This requirement was incorporated into the Core Funding Partner Service Funding Agreement for the 2022/23 and 2023/24 Programme Years and has been updated for Year 3 of Core Funding.

Year 3 of Core Funding builds on the experience in the first two years of Core Funding. A full Chart of Accounts is required which includes information on income, expenditure, current assets, current liabilities, long-term liabilities and fixed assets. This financial information enables the completion of a Trial Balance.

A financial analysis template has been developed with clear guidance on each of the 140 variables that should be included (as relevant) in the Chart of Accounts. This includes 17 income categories which includes separate categories for the different publicly funded ELC/SAC schemes/programmes. It also includes 51 different expenditure categories that are faced by ELC/SAC providers. This information is important to ensure an accurate financial picture of the overall sector is available to inform funding decisions.

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20 Ibid.

21 Ibid.

In relation to AIM, funding awarded to employ an additional AIM employee or to maintain a reduced ratios does not have an impact on a service provider's Core Funding allocation. Additional AIM staff should be reflected as out of ratio staff.

In relation to changes to the Core Funding application, these must be made in chronological order so that the correct change is recorded and appropriate funding provided. Providers must wait until each change is approved before submitting another change. Prior to submitting any change to the application, it is crucial that the provider's service profile is accurate.

A provider's base rate may fluctuate throughout the programme year, but no provider will be able to increase their base rate funding allocations above this highest value amount at the grant agreement stage. Providers should still record an increase via an application change, but this will not impact base rate (capacity) funding allocations. The base rate can be reduced during the programme year. It can also be restored back up to the highest value base rate (as noted above) if staffed capacity is restored.

Core Funding requires all services that benefit from Core Funding to complete a Quality and Inclusive Practice Plan (QIPP) [22]. This is a report that the service will complete throughout the year in four different blocks, with a timeframe for each.

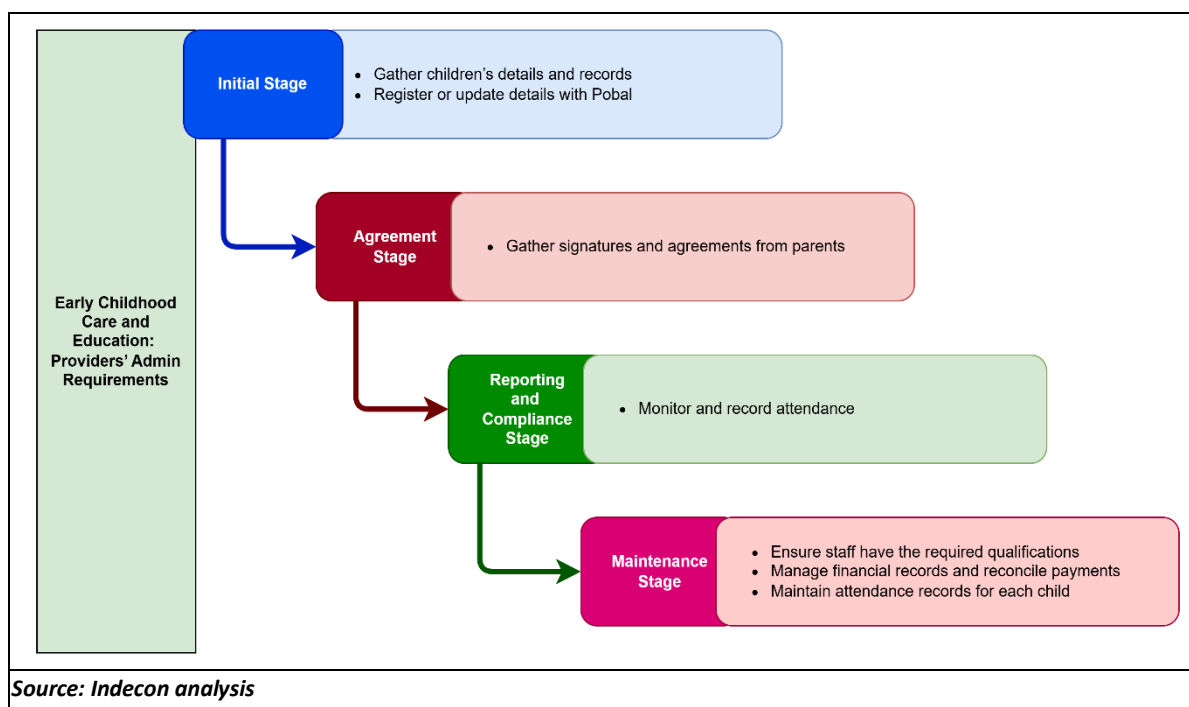## 2.5   Early Childhood Care and Education (ECCE) Programme

The ECCE programme is a government-funded programme[23] providing two years of free preschool education for children aged two years and eight months to five years and six months. It gives children a strong foundation for future learning and development. Children must be two years and eight months old by 31st August of the year they start the programme. The programme runs for 38 weeks per year, typically from September to June. Children receive three hours of preschool per day, five days a week. The programme is free for parents, but additional optional charges may apply for ELC/SAC beyond the ECCE hours. All children are currently eligible to two full years of the ECCE programme. In cases where a child has additional needs, they can be supported through AIM

Figure 2.4 illustrates a process map of providers' administrative requirements for services provided under the ECCE programme.

Figure 2.4: Process Map of Providers' Administrative Requirements for the ECCE programme

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[22] This also incorporates Equal Start reporting requirements

[23] DCDE "Rules for the ECCE Programme Valid for the 2024/2025 Programme Year"

Source: Indecon analysis

In the initial stage, parents register their child with a provider who claims the ECCE funding directly from the State. Parents pay only for additional ELC/SAC hours beyond the ECCE eligibility. Providers must register or update their details with Pobal as an approved ECCE provider. Providers must also use the HIVE portal to provide necessary documentation for each child eligible for the programme, including proof of age, address, and other records. It must be noted that many of the administrative requirements on providers in relation to the service (its staff and capacity) are similar to those in the annual Core Funding application.

In the agreement stage, providers must outline contracts to parents covering the ECCE service, fees, and the terms and conditions of the programme. Parents must agree and must sign the applicant declaration to avail of the scheme. These are given to the provider who is required to keep copies of the Parent Statement and the ECCE Applicant Declaration for compliance purposes only. The collection of this information is required to register each child on the programme.

Once these steps have been completed, providers move into the reporting and compliance stage. During this stage, they must maintain accurate and up-to-date attendance records for all ECCE children.

In the final maintenance stage, providers must ensure existing staff members have the required qualifications. During this stage, providers also have financial obligations where they must track ECCE funding, reconcile payments, and manage financial records. They must provide data to the relevant authorities as required.

AIMAIM is a programme designed to ensure children with disabilities can fully participate in the ECCE programme and beyond.

- Focus on Inclusion: The core goal is to create a more inclusive environment in ELC so all children, regardless of ability, can benefit from early learning.

- Two-Tiered Support: AIM provides a mix of universal and targeted supports:

- o Universal Supports (Levels 1-3): These benefit all children in the service. They involve training and resources to promote inclusive practices and build capacity among staff.

- o Targeted Supports (Levels 4-7): These are tailored to the specific needs of individual children. This might include additional staff support, specialised equipment, or adjustments to the learning environment. Support is determined without requiring a formal disability diagnosis.

Overall, AIM is a child-centred fund with seven progressive levels of support, moving from universal to targeted, based on each child's needs. It originally was attached to the ECCE programme but parents can now avail of AIM supports for ECCE aged children for the time spent outside of the ECCE programme (both in term and out).

Applications for targeted supports are made by the provider in collaboration with the parent. The application is submitted along with the completed AIM Application Acknowledgement through the HIVE. These applications are then assessed through either an on-site observation visit or an online Service Observation Review by a Better Start Early Years Specialist (EYS) with the appropriate representative of the provider.

The specific requirements on service providers around specific AIM funding streams are documented in Table 2.3. These requirements focus mainly on AIM levels 1, 5 and 7.

Table 2.3: Outline of Specific Requirements and Processes in relation to AIM

AIM Level	Outline of Specific Requirements/Processes
Level 1	• Meet Eligibility criteria (LINC ID, complete inclusion coordinator declaration, Be a registered ECCE service, ensure child is ECCE registered, tax compliant, complete of application form on HIVE • Verification procedures undertaken on eligibility criteria • Notify if change of circumstances
Levels 4,6,7 (Application process)	• Provide personal information on child and parent /guardian • Provide relevant health information on the child (health service assessments, details of health professionals involved) and information gathered through the Access and Inclusion Profile/Capital Application • Complete and submit consent form (both parties) • Assessment of level of support required by Better Start EYS (may include observation visit) • Follow the Access and Inclusion Plan developed by Beter Start EYS
Level 5	• Three categories of application (minor alterations, equipment re visual/hearing impairment, equipment re all other types of disability) • **Minor alterations:** Required 2 reports (one from a health/social care professional (on behalf of the HSE) and one from the Architect/Engineer; follow public procurement rules; confirm ECCE eligibility requirements of service and child; • **Visual/Hearing Equipment:** Report from health/social care/teaching professional re need; confirm eligibility requirements re ECCE, NCS and equipment; Application then reviewed by Pobal Appraisal Officer • **All other Equipment:** Report from health/social care professional (on behalf of the HSE) re need; confirm eligibility requirements re ECCE, NCS and equipment; Application then reviewed by Pobal Appraisal Officer • Decision Process: Undertaken by Deciding Officer (not appraisal officer) which includes an assessment of documentation submitted. Request for further information may be made
Level 7	• First complete Level 4 application (Access and Inclusion Profile) • Confirm eligibility requirements of service and child re ECCE and NCS • Decision Process: 1. Recommendation by Better Start EYS, 2. Review by Appraisal officer in Pobal 3. Final Decision by Deciding Officer in Pobal
Source: AIM Rules 2024-2025	

It must be noted that the attendance rules for children in receipt of AIM supports are as per the ECCE programme attendance rules. Some children in receipt of AIM supports may also avail of NCS hours and NCS attendance rules apply in this context. As with other schemes, approved providers should ensure a record is kept of attendance for enrolled children and staff qualifications. A child must be ECCE age eligible in order to avail of AIM Standard, AIM Plus and AIM Non-Term. If a child has special needs they may get an exemption from the AIM/ECCE upper age limit but there are no exemptions to the lower age limit. An application for an overage exemption requires a letter of support from a medical specialist/Social Worker.

One consideration of AIM is whether the various processes could be streamlined. Currently, many of the processes require an additional review by Better Start personnel despite evidence put forward by a medical/educational professional. This potentially creates an unnecessary step in the process. As well as this, the process for children who require multiple levels of AIM could be streamlined with applications being processed concurrently if required.

2.6   Summary of Main Findings

This section provides an outline of the processes involved in the various main ELC/SAC publicly funded schemes/programmes. The key findings can be summarised as follows:

- There are a number of regulatory requirements on providers that are set out in legislation. These include the maintenance of accurate attendance records.

- Each of the funding schemes/programmes operate across 3-4 stages, depending on the scheme/programme, namely: an initial stage (application stage); an agreement stage (agreement between parent/provider on hours/service); a reporting and compliance stage (monitoring of activity); and, where applicable, a maintenance stage (maintain financial and other records on schemes).

- To inform this review, Indecon developed a number of 'process maps' to depict the administrative and regulatory processes associated with each of the main ELC/SAC schemes/programmes. A significant challenge is to identify what constitutes an incremental administrative requirement and what is a policy/scheme rule or a standard regulatory requirement.

3   Assessment of Impact of ELC/SAC Requirements

This section assesses the impact of the administrative and regulatory requirements under the ELC/SAC schemes/programmes, and whether the associated regulatory requirements are likely to be proportionate or excessive. It also outlines areas/aspects where these requirements could potentially be simplified or reduced.

3.1   National Childcare Scheme

Indecon's assessment of the current administrative and regulatory requirements associated with the NCS that impact parents are outlined in Table 3.1. This assessment builds on the administrative requirements identified in Section 2.3.

Table 3.1: Summary of Administrative and Regulatory Requirements – <u>NCS – Parental Requirements</u>	
Administrative Requirement (Parents)	**Indecon Assessment**
Apply online or by mail	Consistent with other publicly funded schemes. Requirement for standard personal information which is common in other publicly funded schemes. Option for a paper application in place.
Agree with provider on hours/service	Standard in any contract between service provider and service user.
Apply for exceptions in unique circumstances	Standard in other funded schemes administered by DSP.
Approve notifications of changes to service	Parental agreement[24] is fundamental to any ELC/SAC scheme/programme but there may be merit in the consolidation of certain approvals required or the default on certain approvals could be set to parental approval which would reduce the requirements on parents (and follow-up by providers). This may relate to non-term time, which may not be known when applying for the CHICK.
Monitor attendance	Parents (along with providers) are required to ensure that their child's registered attendance matches the actual attendance within broad tolerances
Source: Indecon assessment based on NCS documentation	

Table 3.2 summarises Indecon's assessment of NCS administrative and regulatory requirements as they impact on providers. It must be noted that the NCS subsidy may change throughout the year depending on the child's age (for the income-assessed NCS). As well as this, parents may request

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[24] Agreement here relates to a parental agreement to a proposed change by the provider in terms of hours, or other aspects of service provision. Some levels of service provision may change during, for example, the summer period.

additional NCS hours during non-term time. Such occurrences mean that NCS is a dynamic scheme where administrative requirements may be repeated for the same child throughout the year.

	Table 3.2: Summary of Administrative and Regulatory Requirements – <u>NCS – Service Provider Requirements</u>	
	Administrative Requirement (Providers)	**Assessment**
1	Register on Early Years Platform and upload relevant information and designated person	Likely to be a minor requirement and many publicly funded schemes require providers to register on a central system.
2	Agree and register hours (on the HIVE) for each child	Standard in any contract between service provider and service user. However, this will involve using the correct CHICK code and interacting with the HIVE portal as well as the parent/guardian.
3	Charge for care outlining subsidy amounts	The only additional requirement is the calculation of the co-payment.
4	Record and monitor weekly attendance	Regulatory requirement to record attendance. Additional requirement is the reporting on changes to normal attendance patterns. Reporting of under-attendance common with other schemes. The thresholds are wide, but it can be challenging for providers to monitor these over extended periods.
5	Inform parents of any changes to service	Parental agreement is a fundamental requirement of any funded scheme but there may be scope for a consolidation of agreements required or the default for certain agreements could be set to parental approval (such as moving to out of term time where the initial agreement changes).
6	Maintain records	Regulatory requirements for services regardless of participation in NCS.
7	Ensure regulatory compliance (and adhere to inspection standards)	Regulatory requirements but there may be scope for adjustments in relation to scheme compliance inspections[25].
8	Maintain financial declarations and tax clearance certificates	Standard for any business
	Note: Steps 2-5 may be repeated if certain events occur during the year as a change in the child's age, change in income of parents, or a request for additional NCS hours. A parent can apply for NCS at any time during the year. As well as this, NCS subsidies typically need to be renewed every year for each child (leading to a new CHICK code) which means the steps above may be repeated.	
	Source: Indecon assessment	

Overall, when considered individually, the various administrative requirements for parents and providers appear appropriate and consistent with the requirements of other publicly funded

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[25] Important to distinguish between regulatory inspections (Tusla) from financial compliance inspections (Pobal CAR).

schemes/programme. However, within these requirements, there may be implementation issues which lead to more time being spent on administrative tasks than is necessary. A summary of these main considerations, identified by Indecon, is presented in Table 3.3.

A significant aspect of the administrative requirements relates to the requirement for hourly attendance tracking and the weekly returns based on this. Indecon notes that the reporting requirements for providers ask if any child has been attending the service for less than their registered hours for 8 weeks, and if so, to tick a single box in their return. There are also a number of allowable tolerances in relation to attendance which were outlined previously. The main administration burden here is outside of the NCS system whereby providers use the arrival time and departure time (each day) to calculate the weekly attendance which is then compared to the registered hours on the system.

Other specific aspects relate to the use of the CHICK. This unique identifier is central to the NCS and is used by parents and providers to avail of NCS subsidies. However, a number of issues have been raised by providers, especially relating issues caused by the renewal of CHICKS.

Wider issues relate to concerns among providers about the current functionality and speed of the HIVE portal. A significant overhaul of this system would likely take substantial time. There are some functional issues with the current system which might be addressed with simple modifications to the existing system. Indecon understands that there have also been recent updates to the ICT system and a new sponsor body portal has been launched. Such changes and others may positively impact provider and parent/guardian experiences with the scheme. Indecon understands these will be considered in the development of the forthcoming Action Plan for Administrative and Regulatory Simplification.

Comparing the HIVE system to other systems used for the provision of publicly funded schemes is a challenge in the absence of defined comparable criteria. The usage of the HIVE fluctuates depending on operational activities, both internally and externally by parents and providers. This is a key driver in terms of performance and page-load times. Pobal has noted that page load times vary considerably throughout the year. In terms of industry standards (0-3 seconds for a standard webpage), many of the main pages on the HIVE align with this. Typically, performance on webpages is based on the content and functions being performed on that page. However, during peak times performance on some pages can be impacted (more than an average of three seconds). The performance of some of the pages on the portals could be improved and Pobal ICT are actively working on areas that affect performance.

Table 3.3: Summary of Key Considerations Relating to Administrative and Regulatory Requirements – NCS	
Consideration	**Summary Assessment**
Requirement for weekly returns based on hourly attendance records	Maintaining attendance records is a Tusla regulatory requirement of all ELC /SAC services. Calculating hours spent in ELC/SAC over weekly cycles is a specific requirement of the NCS. There may be merit in considering the feasibility of moving to a less granular reporting approach which may align better with the service offers of many services. This would service to reduce the risk of noncompliance through increased variance in tolerances. However, the administration requirements would remain largely the same under such an approach. It must also be noted that there are significant tolerances around underattendance in the NCS.
CHICK codes and renewals	CHICK codes are a unique identifier specific to NCS. Such identifiers are common across all publicly funded schemes. For example, the Drug Payment Scheme ('DPS') has a specific ID. Also, the ECCE programme uses PPSN as the identifier. Consideration could be given to how the current CHICK numbers are used and whether there is merit in allocating a single permanent CHICK number with changing values per child. However, such an adjustment may require a significant change to the ICT system, which could be time-intensive when design, testing and implementation are accounted for. Any change should, however, maintain the existing flexibility for parents to change between universal support and an income-based subsidy, to switch provider or indeed join the scheme during the year.
Providers rely on parents to (re)apply for funding and to signal agreement to provision in a timely manner	Agreement of service users is fundamental to any publicly funded scheme. The formal recorded agreement of provision to reduce the risk of funding for unrequired hours is a key control within the NCS. It has been noted by providers that they often need to engage with parents regarding acceptance of service offers (such as changes in agreed hours in non-term time).
The functionality and speed of the current HIVE system	Any significant changes to the ICT system are likely to take significant time to implement. Any changes to a third-party system will be made on an incremental basis. Bespoke ICT systems are common with other schemes such as SUSI, DPS and LEADER. Other DSP schemes such as the School Meals Scheme involve an application form and providers have no direct contact with the underlying ICT system. Indecon also understands that system performance times are generally comparable with other large-volume systems such as the SUSI grants. It is difficult to compare ICT systems across schemes and it is important that system performance is actively monitored on an ongoing basis, particularly at peak times.
Source: Indecon assessment	

3.2   Core Funding Grant

An assessment of the current administrative and regulatory requirements associated with Core Funding is outlined in Table 3.4. This assessment builds on the administrative requirements identified in Section 2.4. The main issue raised by providers in relation to Core Funding related to the fee freeze.

This is not an administrative requirement but is important to acknowledge. A separate process is now in place for service providers to apply for a fee increase. It must also be noted that significant improvements were made to the Year 3 Core Funding application process, which significantly reduced the number of administrative steps in the process. There is also an allocation for administrative costs available through Core Funding.

Table 3.4: Summary of Administrative and Regulatory Requirements – Core Funding– Service Provider Requirements	
Administrative Requirement (Providers)	**Assessment**
— Update Tusla Registration Certs — Register on Early Years HIVE — Complete Annual Early Years Sector Profile — Complete June Review — Confirm upcoming programme year	Compliance with the requirements of the statutory regulator (Tusla) is fundamental to any service provider, irrespective of whether they receive public funding.
— Provide info on opening times, rooms, session types, staff, and staff qualifications — Agree and Accept declaration	Consistent with the NCS and other publicly funded schemes that require registration. It is worth exploring whether this information (on staff and service profile) could be pre-populated or centralised between schemes. Indecon understand that some pre-population of details has been included in the latest Core Funidng applications based on information from the AEYSP.
— Provide details on staff — Provide details on capacity for each child age group — Provide details on rooms and session types	Consistent with other publicly funded schemes to show capacity to deliver services. Again, there may be merit in exploring whether this information could be centralised between different schemes.
— Maintain staff profile throughout — Maintain room and session profiles throughout	Likely to be similar to other publicly funded schemes where the funding beneficiary is obliged to report to DSP/HSE if their circumstances change. However, there may be some flexibility around the definition of a material change. Indecon notes that any change related to reduced or increased graduate lead educator or graduate manager resources would represent a material change.
— Complete Quality and Inclusive Practice Plan (QIIP)	Requirement of Core Funding
— Maintain financial records and tax clearance certificates — Submit Chart of Accounts (Trial Balance)	Standard for any business. There is an additional requirement above Revenue requirements in relation to submission of Chart of Accounts (Trial Balance). However, this is not really a duplication as the work required can feed into the subsequent Revenue compliance.
Source: Indecon assessment	

The administrative requirements associated with the Core Funding grant appear to be broadly consistent with the requirements of publicly funded schemes/programme. Much of the service information is consistent with what is typically required elsewhere in the education sector. However,

there may be operational aspects of the requirements that could be adjusted which could reduce the perceived administrative requirements.

One important aspect of the current Core Funding Scheme relates to financial reporting. Depending on the financial package used, scheme compliance may require a separate chart of accounts from providers in addition to those that they provide to the Revenue Commissioners; but it must be acknowledged that a minimum level of standard information is requested in all publicly funded schemes. Indecon also notes that the Chart of Accounts assists the DCDE in gathering evidence to inform the required funding support for the sector. Another issue highlighted relates to the deadlines applied to meeting administrative requirements. These currently occur towards the end of June, which is an especially busy time for ELC/SAC services.

Table 3.5: Summary of Key Considerations Relating to Administrative and Regulatory Requirements – Core Funding Scheme	
Consideration	**Summary Assessment**
Flexibility of the Service profile	Consideration may be given to the possibility of further simplifying the threshold for changes to the service profile unless providers are adding rooms or fundamentally changing their service to provide additional graduate resources (which would have specific staffing needs).
Complexity of Annual renewal of forms and applications	Some of the information is likely to be already available on other systems. Work has been undertaken on the current ICT system to address these issues so that more information is auto-populated. Auto-population is available to Partner Services whose June 2023 Review and Confirm is approved. There is also likely to be some requests for redundant information which is not applicable to certain services in the application module.
Staff changes must be recorded within 4 weeks on the Service Profile	Consideration could be given to extending the time given to record any replacement of certain staff. The overall principle to link staffing levels and funding payments is consistent with other publicly funded schemes. This is likely particularly relevant where staff are in receipt of a graduate premium.
Timing of Core Funding deadlines	The overall Core Funding process should be clearly mapped out (with indicative dates) so that service providers can plan for the completion of various administrative requirements.
Source: Indecon analysis	

3.3 ECCE programme

The administrative requirements for the ECCE programme are broadly consistent with those for the NCS. However, there are some aspects which lead to the perception amongst providers that there are fewer administrative and reporting requirements with the ECCE programme compared to the NCS.

The ECCE programme requires that daily attendance records are maintained including the number of hours attended (a requirement of Tusla as well as the NCS). Attendance patterns are likely to be more stable in the ECCE programme (15 hours per week) so there is less risk that inaction will lead to error by the provider. It is required that records are maintained, while consistent (>4 weeks) absences are monitored and reported. Similarly (and as with the NCS, albeit with lower tolerances),

the provider must notify the scheme administrator if a child is not availing of the full extent of their awarded ECCE hours (3 hours per day) over the previous four weeks. As with the NCS, the provider may apply to retain the current registration level if specific circumstances apply.

However, many of the administrative requirements on providers as part of the ECCE programme readiness are also required as part of the Core Funding application. The ECCE application process requires providers to provide evidence on staffing qualifications, identifying lead educators, Tusla registration details, organisation details, capacity and minimum numbers, service details and bank details. Existing ECCE providers are required to submit a form confirming that staff have the required qualifications rather than submitting the evidence to support this. The majority of this information requested as part of the ECCE application is pre-populated based on last year's information.

Table 3.6 summarises Indecon's assessment of ECCE administrative and regulatory requirements as they impact providers.

Table 3.6: Summary of Administrative and Regulatory Requirements – <u>ECCE – Service Provider Requirements</u>	
Administrative Requirement (Providers)	**Assessment**
Register or update details on Early Years Platform	Likely to be a minor requirement and many publicly funded schemes require providers to register on a central system.
Gather children's details and records for registration of child	Standard in any contract between service provider and service user.
Collect signatures and agreements from parents	Some additional administration required but likely to be relatively minor. Other schemes allow this process to be undertaken on the HIVE
Potentially collect refundable deposits from parents	Decision of the service provider and standard in business practices
Provide parents and Scheme administrator with a service calendar and provide fee table	Minimal additional administrative burden
Record and monitor weekly attendance for each child	Regulatory requirement to record attendances. Reporting of non-attendance or under-attendance common with other schemes.
Ensure regulatory compliance (and adhere to inspection standards)	Standard regulatory requirement
Maintain financial declarations and tax clearance certificates	Standard for any business
Source: Indecon assessment	

Access and Inclusion Model ('AIM')

The AIM programme was originally attached to the ECCE programme and thus many of the administrative requirements of parents and providers will follow ECCE programme requirements for a significant number of children. There is also considerable support to providers through Better Start and through specific staff who have qualified as Inclusion Co-ordinators in their services. AIM also allows parents and providers to simply review and confirm when applying for a second year in AIM. This reduces the administration requirement on parents and providers as only changes in requirements need to be updated. However, the length of time to avail of certain AIM supports (such as Level 5 may be quite significant but this is not related to any additional administrative requirements of the scheme. Some of these delays relate to other constraints which are not related to administrative requirements.

One consideration of AIM is whether the various processes could be streamlined. Currently, many of the processes require an additional review by Better Start personnel despite evidence put forward by a medical/educational professional. This potentially creates an unnecessary step in the process. As well as this, the process for children who require multiple levels of AIM could be streamlined with applications being processed concurrently if required.

3.4 Scheme Compliance Inspections

Finally, we also considered the issue of inspections in relation to scheme compliance that are currently undertaken by Pobal. We note that 88% of inspections undertaken by Pobal in 2022 in relation to the NCS were deemed non-compliant. This is significantly higher than either ECCE or AIM (Level 1) inspections. We also note that the results of the Pobal inspections of ECCE (and AIM L1) are grouped into four categories. Previously, the NCS compliance outcomes were simply compliant or non-compliant but that has changed to be consistent across all schemes/programmes.

Many of the audit checks may be completed online (as was the case during COVID-19) or through scheduled onsite inspections. A notice period of 24 hours would reduce the pressure on providers, as it will enable them to prepare the relevant compliance documentation. However, unannounced inspections are likely to be more effective at identifying and discouraging fraud and there may be merit in a hybrid approach.

3.5 Overall Conclusions

This independent review has examined the administrative and regulatory processes associated with the operation of the NCS, Core Funding, ECCE and AIM. Reflecting the need to protect and ensure proper governance and value for money in the utilisation of taxpayer funds, a set of administrative and regulatory requirements will always be required for any publicly funded scheme/programme. However, of concern is whether all these requirements are necessary to ensure proper governance. It must also be noted that schemes/programmes should be evaluated on an ongoing basis, but typically no significant changes should be made to a scheme/programme until a sufficient period has elapsed so that impact can be accurately assessed and measured. It must be noted that all providers are subject to a range of regulatory and administrative requirements before they can operate an ELC or SAC service. These include requirements set by Tusla, Revenue, and other State agencies.

However, this review focuses on the additional requirements associated with ELC/SAC schemes/programmes.

From our examination of the processes and requirements under the schemes/programmes, and our separate review of comparable funding schemes operated by other Government Departments, State agencies and other public bodies, Indecon understands the need for administrative and regulatory requirements within the ELC/SAC schemes/programmes. In general, the administrative requirements are consistent with requirements for other publicly funded schemes but there are some specific areas of the operation of these supports where there may be potential to reduce or simplify the administrative requirements on providers and parents/guardians, and which may merit consideration in the context of the forthcoming Action Plan for Administrative and Regulatory Simplification.

Specific aspects of the operation of these schemes/programmes that place a significant administrative and regulatory requirement were as follows:

− The requirement for hourly tracking of attendance and weekly returns based on same: This is an area where Indecon believes some adjustments might be considered. Any significant change would require adjustment of the scheme rules, as well as a change to the ICT system.

− Issues with the rolling nature of CHICK: Indecon's assessment is that further information and training supports could be of value to address this issue. This may involve outlining the impact on parents of cancelling CHICK. Indecon notes that attempts to address this have been made previously using information campaigns. There is also the possibility to have a permanent CHICK per child. This might make the process more intuitive for parents/guardians.

− Core Funding is currently into Year 3 of its operation, and the impact of administration requirements will likely lessen as familiarity improves within the sector. There is also a risk that fundamental changes to the administrative requirements could have significant unintended consequences. Significant improvements have also been made in Year 3 of the programme with the number of application steps reduced from eight to four in the current application.

− There may be scope to consolidate the requirements of Core Funding and the ECCE programme with many services being required to provide the same information to avail of both public funding schemes.

− One consideration of AIM is whether the various steps in the application process could be streamlined. Currently, many of the processes require an additional review by Better Start personnel despite evidence put forward by a medical/educational professional. This potentially creates an unnecessary administrative step in the process. As well as this, the process for children who require multiple levels of AIM could be streamlined with applications being processed concurrently if required.

− Requirements to update service profile despite only minor changes to service: Indecon believes that ensuring accuracy in a provider's service profile is important, but it may be worth identifying if any minor changes could be exempted from requiring a service profile update. Again, clear communication will be important to ensure that the sector is fully aware of what constitutes a minor change and how this impacts administrative requirements.

− The requirements to meet scheme inspections by Pobal CAR and other agencies: While inspections by Tusla, Department of Education, and Pobal CAR can all serve specific purposes, Indecon believes there may be merit in examining their cumulative impact[26] and the

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[26] In terms of frequency, Tusla aims to inspect each service every three years and the Department of Education every five years.

connections between them. It is important that there is some level of co-ordination (as is currently the case) between inspectorates to ensure that services are not being inspected by each organisation at similar times, unless necessary.

— In line with the Government's commitment in the *First 5 Implementation Plan 2023-2025* to "Bring together the functions carried out by Tusla's Early Years Inspectorate and the Department of Education (DE) Inspectorate's Early Years team into a single body that provides integrated care and education inspections", the Department aims to bring an implementation plan to Government for decision by the end of 2025, setting out proposals on the form the integrated inspectorate will take and the assigned functions. This implementation plan will be developed by the Department working in close collaboration with Tusla's Early Years Inspectorate and the DE Inspectorate, and in consultation with stakeholders, including unions. A Steering Group has commenced work to develop the implementation plan.

Reflecting the need to protect and ensure proper governance and value for money in the utilisation of taxpayer funds, appropriate administrative and regulatory processes must be implemented for any publicly funded scheme/programme. This is no different for the ELC/SAC sector. However, the key issue is whether these requirements are proportionate or excessive relative to what is appropriate to ensure the best governance and quality. Taken as a whole, Indecon believes that the requirements of ELC/SAC schemes/programmes are broadly appropriate and proportionate, while also being broadly consistent with the requirements of supports operated by State bodies in other sectors. However, there is potential to consolidate some aspects of the schemes such as Core Funding and the ECCE programme. It should, however, be noted that any adjustments may require a significant period to fully implement and there may be merit in prioritising actions that can be implemented in the near term. Schemes/programmes should be evaluated on an ongoing basis, with no significant changes made to their operation until a sufficient period has elapsed so that impacts can be accurately measured and assessed.

Annex 1 Requirements in Other Publicly Funded Schemes

Introduction

This section presents an overview of administrative and regulatory structures, processes and requirements governing the operation of comparable publicly funded schemes provided by other Government Departments, agencies, and bodies. The research is based on the various schemes as they operated in Summer 2024.

The research highlights differences in administrative requirements between schemes and the extent to which both users and providers interact with the administrative requirements tied to schemes. We note that certain mature schemes have significant administrative requirements, but these administrative processes are established and routinised or absorbed as part of running a service. This means there is a lesser impact on both service providers and beneficiaries of such schemes.

As mentioned by participants in the previous section, receiving exchequer funding involves an administrative process designed to ensure that public funds are used effectively and transparently. These requirements typically include application and eligibility criteria, financial management, regular reporting, compliance and audits, record keeping, and acknowledgement of funding.

DSP School Meals Scheme

There are two school meals schemes in operation, namely the Urban School Meals Scheme,[27] which is a statutory scheme for primary schools in urban areas, funded by the Department of Social Protection (DSP) and administered by local authorities; and a School Meals Local Projects Scheme, which is a non-statutory scheme open to primary and secondary schools, as well as community groups.[28] Funding is provided by the DSP. Both schemes provide financial support for the provision of meals to children. The type and range of meals, and the logistics of providing them, are decided by the school in receipt of the scheme funding. The School Meals Programme provides funding towards the provision of food services to some 1,700 schools and organisations benefitting 300,000 children. The budget for the programme has increased significantly in recent years and Budget 2024 allocated circa €150 million to the programme.

Generally, there is no direct application process for parents, and so there is no administrative requirement for the scheme for parents. Eligibility for free school meals is often determined by the child's family's income and social circumstances and schools typically assess eligibility based on information provided by parents during enrolment or through other relevant documentation which may be available. Previously, access to the scheme was based on the DEIS status of the school.

For schools, however, those interested in the School Meals Local Projects Scheme must follow a series of steps and processes to secure funding and continue to receive funding in subsequent years. The administrative requirement associated with the School Meals Scheme can be significant for both schools and local authorities. In general, schools must apply to the DSP using a form. This form contains details about the school, the proposed meal service, and the number of children to be served, among other details. These details must be planned before the application.

— In terms of eligibility checks, schools must estimate which children are eligible for free meals. This process can be time consuming and controversial. The decision does not rely on specific

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[27] Note that this (much smaller) scheme is administrated by Local Authorities who procure meals for participating schools in their area

[28] https://www.gov.ie/en/service/29a3ff-school-meals-scheme/

rules or measures and is often at the discretion of the school's administration. Most often it relies on some assessment of available information regarding the family's financial circumstances. Previously, eligibility was easier to establish as the scheme was confined to DEIS schools.

— Schools must take part in menu planning and procurement.[29] They must plan nutritious meals, manage food supplies, and ensure compliance with food safety regulations, or at least outsource this role to a reliable stakeholder.

— In terms of financial management, schools must keep accurate records of meal costs, reimbursements, and payments made. They are required to submit an Income and Expenditure Report, bank statements, invoices, and declarations when reapplying.

— Schools need to hire staff to provide meal preparation, distribution, and supervision during mealtimes.

— Schools and local authorities may be required to collect and submit data on meal uptake, nutritional content, and programme impact to continue to benefit from the scheme.

The main administrative requirements for providers and beneficiaries of the School Meals Scheme are summarised in Table A7.

Table A7: Summary of Admin Requirements for School Meals Scheme
— Complete detailed application form
• Details on School including number of children enrolled
• Confirmation that premises is HSE compliant
• Details of the Food club (1 application per food club required)
• Provision of detailed menus
• Details on average number of children in each food club and number of days in operation
• Estimate of Total funding required
• Provide Bank Details
— Undertake procurement (consistent with PSC) to identify supplier
• Consult with Schools Procurement Unit for advice/guidance
• Undertake procurement competition
• Prepare and monitor contracts
— Assessment of Eligibility of children
— Comply with nutrition guidelines
— Keep accurate records of meal costs
— Maintain records of meal uptake
— Complete annual specific financial return document
• Bank statements
• Monthly expenditure
• Invoices for one month
• Total Income
• Total Expenditure
Source: Indecon analysis

Regarding this scheme, the administrative requirement lies largely with the school. There is no official requirement for families to take part or to provide details on the scheme. However, the school may

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[29] https://www.spu.ie/school-meals-scheme/

place its own requirements on families, such as an application form or other inputs, in order to receive the meals. Recent work on the scheme has highlighted some unforeseen costs for schools, which emerged as part of the scheme. Specifically, although the cost of the food is fully covered by the School Meals Scheme, there are significant associated costs in participating.[30] These costs arise from areas such as waste disposal and bank administration fees, which are not covered by the scheme. In order to cover these costs, schools have used funds from other areas of the school budget, while others have introduced charges for all, or part of, the meals. While this practice appears to have evolved over time in several schools, it is not permitted under the rules of the School Meals Programme, since charges undermine the goal of the scheme. The administrative requirements on schools for this scheme are in addition to requirements already on schools concerning capitation, teacher salaries, and other areas.

Additional costs also arise if the number of children presenting for meals in the current year differs from the numbers in the previous year, the latter being the basis upon which the funding per school has been calculated and allocated. Due consideration ought to be given to the gap between the funding received by schools and the actual costs of administering and delivering the School Meals Programme in each school. It appears that schools only need to provide inputs into the process once per year. This process involves the request for evidence of expenditure on the school in the previous year. It must also be noted there is currently no online system where these reporting requirements can be completed. Reporting is based on an end-of-year application form that is sent to DSP. It must be noted the funding is based on invoiced expenses incurred.

Recent work has also highlighted that the costs of providing the scheme no longer match the available funding. A recent evaluation[31] of the scheme noted that the current funding rates were insufficient and needed to increase. These rates were set too low across all of the meal options in the programme's initial years. Given the sharp changes in food prices and other costs, schools are noting a significant gap between costs and funding.

Department of Education Grant Aid for Schools

Grant aid is an important source of funding for primary and secondary schools in Ireland, helping to cover operational costs and educational initiatives. The management of these grants involves careful planning, budgeting, and adherence to specific guidelines. Primary schools in Ireland receive four main types of grant aid,[32] including a residual category of aid:

- Capitation Grant: A per-pupil grant based on school enrolment;

- Ancillary Grant: A grant for more specific expenses like school transport and special education;

- Minor Works Grant: A grant for repairs and improvements to school buildings;

- ICT Grant: a support for the integration of technology into the curriculum; and

- Other Grants: These include grants for specific projects or initiatives, such as school meals, book schemes, or attendance campaigns.

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[30] This issue is discussed at length in the Department of Social Protection's Evaluation of the School Meals Programme Report

[31] Ibid.

[32] https://www.fssu.ie/post-primary/topics/grants/grants-for-voluntary-secondary-schools/#:~:text=The%20timelines%20of%20payments%20indicated%20below%20are%20subject%20to%20change.&The%20Standard%20Capitation%20Grant%20is,applied%20to%20the%20April%20payment.

The Board of Management (BOM) of a school is responsible for managing grant aid. As with any business receiving funding, this involves budgeting and financial planning, where the board allocates funds to different areas of the school budget based on priorities. It also involves creating a financial plan for the effective use of grant money. The board is also tasked with compliance tied to grants, like adhering to the specific guidelines and regulations for each grant type, as well as ensuring proper documentation and record-keeping tied to grant funds and future applications for grants. Finally, the board is responsible for financial accountability, in that they must maintain financial records, monitoring of expenditure and income, and carry out financial audits as required. As part of this obligation, the board must provide regular reports on the use of grant funds and regular evaluations on the impact of the grant on the school and its students. Financial accountability is a key step in that it supports future applications for grant money.

There are two potential issues tied to these grants which have been raised by the Minister of Education.[33] These stem from a minor correction to funding payments to secretaries in schools:

− Ancillary Grant Adjustment: The Ancillary grant is being reduced because the department now covers some secretary salaries. This could create difficulties for schools as they adjust their budgets to account for this loss of funding; and

− Standardizing Reduction of Ancillary Grant: The way the Ancillary grant is being adjusted for schools that lost secretary funding is still being figured out. A method for standardizing this reduction is being developed but this uncertainty could cause challenges for schools in planning their budgets.

The main administrative requirements for providers and beneficiaries of the Grant Aid for Schools are summarised in Table A8.

Table A8: Summary of Admin Requirements for Grant Aid for Schools
Service Provider (Schools)

− Budgeting and Financial planning
− Prepare Financial management plan
− Prepare specific set of account using chart of account developed by Financial Support Services Unit (FSSU)
− Comply with specific requirements of each grant
− Follow public procurements guidelines
    • At least three tenders must be obtained
    • Invitation to tender must be issued to firms capable of carrying out the contract
    • Report of each tender procedure and reasons for selection should be prepared and retained
    • Contract Preparation and Management
− Set out procedures governing purchasing and tendering of goods
− Keep accurate financial records of grant funding
    • Prepare reports on the use of grants
    • Maintain invoices, receipts of any expenditures for a up to five years
    • Bank Statements
    • Invoices

Source: Indecon analysis

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[33] A discussion of these issues is available here https://www.oireachtas.ie/en/debates/question/2024-06-25/183/

Elsewhere, a recent review carried out by the Irish National Teacher's Organisation[34] has called for an increase in these grants which, although unrelated to administrative requirements, have become a significant issue for schools. The report argues that the need for increased capitation comes at a critical time as "*temporary grants, like the enhanced cleaning and 'cost of living' supports previously offered by the government, appear unlikely to feature in the 2024/25 school year.*"

The report further argues that many school buildings are falling into disrepair, and the ancillary services grant for paying school caretakers and cleaners has also not been increased. As a result, schools have had to reduce hours of attendance for ancillary staff, despite a significant workload existing for such workers.

HSE Drug Payments Scheme

The Drug Payments Scheme (DPS), which is administered by the HSE,[35] helps make prescribed drugs, medicines, and certain medical appliances more affordable for individuals and families. The scheme is a safety net ensuring access to necessary medications. The scheme ensures that families do not have to pay more than €80 per month for prescription medicine. Once the total monthly cost for approved items reaches €80, the scheme covers the remaining cost with the pharmacist. There is no cap on how much the scheme pays after that point.

The scheme is universal, beneficiaries do not need to be Irish citizens or to have a medical card to qualify. The key factor is residency - beneficiaries must be ordinarily resident in Ireland, meaning they live in Ireland and intend to stay for at least a year.

Applications are filled in by the head of the household, either online or by mail. Applicants need proof of residency used by the household. There is no income test for the benefit. The scheme covers a wide range of approved prescribed drugs, medicines, and some medical appliances, like CPAP machines and oxygen. The scheme is especially important to people with chronic conditions requiring ongoing medication. It is funded by the Health Service Executive (HSE).

For beneficiaries or recipients, applying for the Drug payment scheme is straightforward, and people can apply online, by mail or by email according to the following:

— Applicants must provide details for everyone included on the application, including their full name, date of birth, sex, PPS number, and address.

— Applicants may need to include proof of residency (utility bill, insurance policy, etc.) and a college stamp or medical report for dependents (if required).

— There is no yearly application renewal process for the DPS. However, the card associated with the DPS scheme has an expiration date which lasts for a few years. Applicants must reapply before the expiry date to continue receiving the benefits.

— Applicants must consider their circumstances throughout the scheme. If these change in a way that might affect their eligibility, applicants must report this to the HSE. Such changes include a change in residency, a change in family composition, or the receipt of a medical card. In general, the administrative requirement for the scheme is relatively small, and requires a small number of details during the first application.

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[34] This report is available here https://www.into.ie/app/uploads/2024/06/PreBudgetSubmission_2025_Web.pdf

[35] https://www2.hse.ie/services/schemes-allowances/drugs-payment-scheme/

Pharmacists, who play a crucial role in the Drug Payment Scheme (DPS), interact directly with patients, dispensing medication, and processing claims under the scheme. Pharmacists are reimbursed for the costs of the prescription after it is dispensed to the patient. For this, pharmacists submit claims to the HSE.[36] This involves accurate data entry and adherence to specific guidelines. As a result, the Drug Payment Scheme involves the following significant administrative requirements[37] for this group:

- The reimbursement system is complex. Understanding and navigating the intricacies of the reimbursement process can be time-consuming;

- The system relies on accurate and timely data entry of patient and prescription information;

- Managing the inventory and stock numbers for a range of medications covered by the DPS can be difficult; and

- Adhering to the scheme's rules and regulations, including record-keeping and reporting requirements can be difficult.

There is no requirement to monitor whether the medications are consumed by the patient and the medications provided will be as per those prescribed. The main administrative requirements for providers (pharmacists) and beneficiaries of the Drugs Payment Scheme are summarised in Table A9.

Table A9: Summary of Admin Requirements for Drug Payments Scheme	
Service Provider (Pharmacists)	**Service User (Patients)**

— Access online system
— Adhere to the set of scheme rules re drug eligibility
— Check HSE Circulars
— Manage inventory and stock of medications covered by DPS
— Source and dispense medication
— Submit claims for reimbursement to the HSE
    • Ensure relevant code is included on the claim
    • Claims should be submitted on a monthly basis
    • Supporting paperwork also required
— Maintain accurate records and financial records of medications dispersed
— May have to produce invoices to substantiate a claim
	— Apply for a DPS card by completing application form which includes PPS number, proof of residency, eligibility
	— If these change in a way that might affect their eligibility, applicants must report this to the HSE.

Source: Indecon analysis

Note: The DPS scheme is only one of a number of schemes under the HSE Primary Care Eligibility & Reimbursement Service (PCERS). Other schemes, administered by Pharmacists, include the Long-Term Illness Scheme and the High-Tech Arrangements. Both have the same level of administrative requirements.

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[36] https://ipu.ie/ipu-document/ipu-white-paper/

[37] https://www.hse.ie/eng/staff/pcrs/contractor-handbooks/pharmacy-handbook-oct-2020.pdf

Although the scheme provides essential support to patients, the administrative requirement on pharmacists is significant. A recent white paper from the Irish Pharmacy Union[38] argues that the administrative requirement tied to community pharmacies significantly impacts patient care. Community pharmacists spend over three hours daily on business, management, and state reimbursement scheme-related administrative tasks and this time could be devoted to patient care and clinical duties. Most of this administrative requirement is likely to relate to the claims process. Incorrect claims may mean that pharmacists incur the costs of the prescriptions.

Students Universal Support in Ireland (SUSI) Grant

The SUSI grant is a major component of Ireland's student welfare system. It is the centralised awarding body for all higher and further education grants in Ireland. They offer financial aid to eligible students enrolled full-time in approved courses. SUSI offers two main types of grants:[39]

- Maintenance Grants: This helps students with living expenses and is paid directly into their bank account; and

- Fee Grants: This covers tuition fees for students who do not qualify for the Free Fees Scheme. It can also cover the Student Contribution and essential field trip costs.

Several factors determine eligibility for SUSI grants, including nationality, residency requirements, course and institution (must be an approved full-time course in an approved institution), and academic progress.

SUSI grants are available for post-leaving cert, undergraduate, and postgraduate levels. There is a maximum period of grant assistance for each study level. The Student Contribution fee is being phased out. From September 2024, it has been abolished for all incomes under €55,924. This includes students on specific part-time courses.

The SUSI application process is designed to be straightforward and accessible. Students are asked to apply online through the SUSI website. The application process involves providing personal details and course information on what applicants intend to study, including the college or university, course level, and start date. Applicants must also provide financial information. This includes details about their parents' or guardians' income, as well as their savings. This information is used to determine eligibility and grant amount. Depending on their circumstances, applicants may need to provide supporting documents such as proof of income, residency, or disability. The application process can be time-consuming, and applicants are advised to start early. There are specific deadlines for applications, which must be followed. SUSI may request additional information or documentation during the application process, and this can be a significant administrative requirement on applicants, especially if it involves the details and paperwork of parents or guardians.

While teaching institutions (colleges and universities) are not directly involved in the application and assessment process for SUSI grants, they play a crucial role in supporting students throughout the process. Firstly, they provide course approval. The institution must be approved by SUSI to offer courses eligible for grants. Second, they offer student verification. They verify student enrolment and course details when requested by SUSI. Third, they offer student support to those who need it. They provide guidance and support to students regarding the SUSI application process, eligibility criteria, and any issues that may arise. While the primary administrative requirement lies with SUSI, managing

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[38] The white paper is available here https://ipu.ie/ipu-document/ipu-white-paper/

[39] https://www.susi.ie/how-to-apply/what-grants-are-available/

the SUSI grant process can also add to the workload of teaching institutions. Some of the administrative tasks involved include:

- Student Verification: Verifying student enrolment and course details for SUSI can be time-consuming;

- Fee Grant Disbursement: Processing grant payments and reconciling accounts requires administrative resources;

- Student Queries: Addressing student inquiries about the SUSI grant can be time-consuming; and

- Data Reporting: Providing required data to SUSI involves data collection and reporting processes.

The main administrative requirements for providers (HEIs) and beneficiaries (students) of SUSI are summarised in Table A10.

Table A10: Summary of Admin Requirements for SUSI	
Service Provider (HEIs)	**Service User (Students)**

— Certify that student is enrolling in an approved HE course
— Provide information on courses
— Maintain financial records of fee grants received
— Confirm Fee charged to each SUSI Grant recipient
— Report changes in Student status
— Maintain data on students and grants
	— Make online application with PPS number, email address, phone number or use MyGovID account
	— Provide supporting documentation including:
	  ▪ Course details
	  ▪ Birth certificate
	  ▪ Proof of address
	  ▪ Academic History
	  ▪ Parental details
	  ▪ Parental/Own income
	  ▪ Savings/Investments
	  ▪ Change in Circumstances

Source: Indecon analysis	

Overall, while the administrative requirement is less significant for teaching institutions than it is for SUSI administrators, managing the SUSI grant process adds to the operational workload of these institutions. One important aspect of this administrative requirement is the fact that universities, colleges, and other relevant institutions are not obliged to share attendance records with SUSI administrators. Although some universities record attendance for programmes, they are not obliged to share this data as part of the programme.

As with the other schemes, the main issue tied to SUSI grants is the slow change in grant amounts when compared to the cost of living. The rise in cost of living has had a significant impact on SUSI recipients and previous work by Indecon[40] has highlighted that Ireland is one of the most expensive countries in Europe in terms of maintenance costs for students, which include the cost and availability

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[40] The mentioned report is available here
https://www.indecon.ie/assets/files/pdf/report_on_indecon_review_of_the_student_grant_scheme.pdf

of accommodation and transport. These costs have increased substantially in recent years, and as before, grants have not increased to cover these costs.

DSP Carer's Allowance

Carer's Allowance[41] is a social welfare payment for people who provide full-time care to someone who needs it. The need for care can stem from age, disability, or illness-related issues (including mental illness). The payment is means-tested and the applicant's income is assessed to determine eligibility. To qualify, applicants must meet various criteria:

- They must be aged 18 or over;

- They must live with or be able to provide full-time care to the person who needs it;

- They must not be in work, self-employment, or in training or education for more than 18.5 hours a week; and

- They must pass a means test to show their income is below a certain threshold.

In addition to this:

- The person receiving care must also be age 16 or over;

- They must require full-time care for a minimum period of 12 months due to incapacity; and

- The exact amount paid to carers depends on the carer's income and circumstances. Carers can also receive an additional 50% top-up if they care for more than one person.

The application process for the scheme is straightforward. The applicant needs their Personal Public Service (PPS) number and additional information about their living situation, marital status, dependents (if any), and preferred method of receiving payment. They must also provide details about the person they're caring for, including their name and relationship to the applicant.

The specific application form (CR1) has three different sections:

- Section 1 asks basic questions about the applicant's situation;

- Section 2 considers the person receiving care and requires their details and signature; and

- Section 3 is a medical report to be completed, signed, and stamped by the doctor of the person receiving care.

Once completed, the applicant can submit the application form (CR1) along with all necessary documents, including the medical report, to their local Intreo Centre or Social Welfare Branch Office. Once a person's application is approved, the DSP arranges for the payments to be lodged directly into their nominated bank account every week. To ensure the smooth delivery of payments, the applicant must provide the DSP with accurate and up-to-date bank account information during the application process. The applicant usually has the option to choose the specific day of the week they want to receive their Carer's Allowance payment within a designated timeframe. If their circumstances change, such as a change of bank account, it is the applicant's responsibility to update this information with the DSP promptly to avoid delays in receiving their benefits.

The main administrative requirements to receive the Carer's Allowance are outlined in Table A11.

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[41] https://www.gov.ie/en/service/2432ba-carers-allowance/

Table A11: Summary of Admin Requirements for Carer's Allowance
Service Provider (Carer)
— Complete detailed application form (51 questions)
• Personal information of Carer and person being cared for
• Employment information of the Carer (including Partner's information)
— Obtain Medical Report
— Complete detailed financial assessment (as payment is means tested)
— Provide evidence to support various financial declarations
— Detailed questions on financial assets
— Letter from hospital/care facility if appliable
— Requirement to notify DSP if circumstances change
Source: Indecon analysis

The application process is one of the simplest of the schemes considered so far. Despite this, a recent report from Family Carer's Ireland[42] noted an increase in complaints among family carers about their experience of applying for the payment. These carers describe the process as stressful and unnecessarily burdensome. Maynooth University conducted similar research in 2023, noting that a focus group of carers said the application process was *"onerous, invasive and time-consuming."* Carers described the means test tied to the application as *"intrusive and at times degrading."*[43] Another important element of this scheme is the fact that the administrative onus is on the individuals receiving and providing care, no other institution (apart from the DSP) is responsible for the administrative processes described here.

DSP Carer's Benefit

Carer's Benefit[44] in Ireland is a social welfare payment specifically designed for people who give up work or significantly reduce their working hours to provide full-time care for someone who needs it due to age, disability, or illness (including mental illness). The scheme is designed to replace income lost due to giving up work to provide full-time care.

Those who must give up work or significantly reduce their hours to an average of 15 hours or less per week to provide full-time care, are eligible for the payment. Applicants must have sufficient PRSI (Pay Related Social Insurance) contributions, at least 156 contributions paid at any time. The exact amount of benefit received depends on the person's PRSI contributions. There is a standard rate and an increased rate for those caring for more than one person.

The scheme differs from Carer's Allowance which is a means-tested payment for people already caring full-time while potentially working part-time (up to 18.5 hours). Applicants can receive Carer's Benefit for a maximum of two years (104 weeks) for each person they care for. This money can be claimed all at once or in separate periods.

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[42] The report is available here https://familycarers.ie/media/3406/submission-to-the-department-of-social-protection-on-the-carers-allowance-means-test.pdf

[43] This research is available here https://www.familycarers.ie/media/3113/towards-a-participation-income-for-family-carers.pdf

[44] https://www.gov.ie/en/service/455c16-carers-benefit/

Like Carer's Allowance, after the applicant's application is successful, DSP will send weekly payments via Electronic Funds Transfer (EFT) to their designated bank account. As before, it is the applicant's responsibility to keep track of banking information and their circumstances. If these change, the responsibility for updating these details lies with the applicant. The applicant typically has the option to select their preferred day of the week to receive Carer's Benefit payments within a designated timeframe.

As with Carer's Allowance, the administrative onus on the scheme lies with those receiving and providing care. It is not the responsibility of other bodies to provide administrative details on the scheme to the Department of Social Protection. The main administrative requirements to avail of Carer's Benefit are outlined in Table A12.

Table A12: Summary of Admin Requirements for Carer's Benefit
Service Provider (Carer)
— Complete detailed application form (57 questions)   • Personal information of Carer and person being cared for   • Employment information of the Carer (including Partner's information)   — Requires current employer to complete Part 4 of the application form   — Obtain Medical Report   — Requirement to notify DSP if circumstances change
Source: Indecon analysis

Job Clubs

Ireland's Job Clubs were community-based programs designed to support job seekers in their search for employment or training opportunities. Although Job Clubs (and the related Local Employment Services) have, since 2021, been subsumed into the current externally contracted Intreo Partners Local Area Employment Services model, it is useful to consider the administrative requirements faced by these community and voluntary bodies when they previously operated as directly publicly funded schemes.

Jobs Clubs offered a range of services and supports to help people develop their job search skills, build confidence, and find suitable work. Job clubs were open to anyone genuinely interested in finding work or training. They provided job search skills and certain development opportunities. Participants received training and support in areas such as CV writing, cover letter creation, application forms, and interview techniques. This support was individualised and Job Clubs created tailored job search plans for each participant, identifying their strengths and matching them to local opportunities.

Many participants joined these clubs specifically for the peer support. Participants shared experiences, encouraged each other, and explored job opportunities collectively. In previous work, Indecon found that most participants felt their participation in a local club: "improved [their] prospects of getting employment," "boosted [their] self-confidence and self-esteem," and "motivated [them] to find work or to undertake further education or training."

Job Clubs were not structured around generating profits, and previous work from Indecon noted that these contracting organisations received payment based on actual costs incurred and not on a results

basis, and therefore there was no systematic link between funding of the Job Clubs and their performance.

The main administrative requirements for providers (Job Clubs) and beneficiaries of the public funding are summarised in Table A13.

Table A13: Summary of Admin Requirements for Job Clubs
Service Provider (Job Club)
— Complete Monthly Claim Summary — Bank Reconciliation Form & Bank Statement — Analysis of Expenditure (Overheads/Staff Costs) — Analysis of Income — Summary of Outcome/Monthly Activity Reports — Job Club participant allowances form — Maintain financial records which must correspond to monthly returns
Source: Indecon analysis

Ireland's Job Clubs were typically funded through a combination of sources, including government grants, European Union funds, local authority support, and charitable organisations. However, the bulk of Job Clubs financial support came from the DSP, who required significant administrative input. On the topic of Financial Management, the DSP guidelines for Job Clubs stated:[45]

> *"The Contractor is responsible for the prudent management of the funding provided and must maintain proper books of account and records in respect of all Job Club financial transactions.*
>
> *Specifically, the Contractor is required to keep records in hard copy or electronic format as specified by DSP i.e. payments, cash/cheque receipts, petty cash etc. The totals recorded in the financial records must correspond with the monthly claims returned to divisional DSP (Appendix 1). A guide to best practice in the maintenance of such records is contained in 'Books of Account and Record Keeping – Best Practice' (Appendix 6)."*

The monthly report submitted to the Department of Social Protection outlined:

 − Staffing Costs

 − Overheads

 − Capital

 − Participant Allowances (in respect of formal workshops)

To receive such supports, the clubs had to adhere to the following:

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[45] Additional information on these terms and conditions is available in the DSP's "Guidelines for the Operation and Administration of Jobs Clubs 2020"

- Compliance with the terms and conditions of the contract;

- Achievement of agreed outcomes; and

- Satisfactory performance reviews.

These accounts and reports were closely monitored and were subject to strict spending rules. The budget allocation for Job Clubs for 2020 was €5.4 million, covering 40 such clubs.[46] As one example, an under-spend for one heading may not have been transferred and used under another and all agreed spending limits were expected to be followed monthly. All payments were recorded in an Analysis of Expenditure. Additional rules and regulations tied to the funding of Job Clubs were also outlined in the handbook.

Monthly claims were for incurred expenditure only and payment was made monthly on foot of submitted and approved returns. The club provided the DSP with the following:

- Monthly Claim Summary

- Bank Reconciliation Form and Bank Statement

- Analysis of Expenditure

- Analysis of Income

- Summary of Outcome/Monthly Activity Reports

- Job Club Participant Allowances Form

Each claim was submitted to DSP division within two weeks of the end of the monthly funding period and contained a completed and signed copy of all forms. These claims were subsequently reviewed by the DSP to ensure that the outline of the agreement was being followed. The monthly payment to the Job Club was based on actual and necessary expenditure. Where a claim for payment or elements of same was disallowed, the club was notified in writing.

In addition to the monitoring of expenses and other funds, the club was obliged to show active record keeping, and other monitoring and evaluation material monthly. In general, there was a significant administrative requirement on the funding, running, monitoring, and evaluating of such clubs.

LEADER

LEADER[47] is a scheme within the overall Rural Development Programme (RDP) in Ireland. It stands for Local Enterprise Action and Rural Development, and is administered by Pobal on behalf of the Department of Rural and Community Development. It is a community-led approach to rural development. It enables local communities to identify their own needs and priorities, and to develop and implement projects to address them.

LEADER is not a programme that individuals can apply to directly but rather a funding programme to support community-led projects. LEADER funding is given to community groups and organisations that develop a project aligned with the programme goals. These groups must:

- Identify a Local Development Company (LDC): The organizations that manage the LEADER programme at a local level;

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[46] This estimate was presented in the Department of Social Protection's Annual Report 2020. A copy is available here. https://www.gov.ie/pdf/?file=https://assets.gov.ie/200225/9e673113-0ddb-46ec-b4a5-58eec499abb4.pdf#page=null

[47] https://www.gov.ie/en/service/87e09-leader-programme-for-rural-development/

− Develop a Project Idea: Community groups must outline a project that addresses a local need and fits within the LEADER programme's priorities or themes;

− Partner with an LDC: The organisation must work with the LDC to develop a project proposal. The LDC provides guidance on eligibility, application process, and project development; and

− Submit a Project Proposal: The LDC will submit the project proposal to Pobal for assessment on behalf of the organisation.

The main administrative requirements to avail of LEADER funding are summarised in Table A14.

Table A14: Summary of Admin Requirements for LEADER
Service Provider (Organisation)
− Identify a Local Development Company to partner with − Prepare detailed Project Proposal for funding − Implement project which may require a detailed procurement consistent with public sector guidelines − Maintain financial records of investment − Report on indicators to show project impact
Source: Indecon analysis

An evaluation of the Rural Development Programme found that nearly 90% of beneficiaries of the scheme noted the complexity of the application process as a significant obstacle to availing of the scheme.[48] Substantial input is needed to receive the grant and once the proposal is submitted it goes through a series of checks and evaluations:

− Initial Screening: The submitted Local Development Strategies (LDS) are first checked for completeness and compliance with the basic requirements;

− Detailed Appraisal: Each LDS is then evaluated against specific criteria, such as the quality of the strategy, the capacity of the Local Action Group (LAG), and the potential impact of the proposed actions;

− Scoring and Ranking: The strategies are scored based on the appraisal criteria and ranked accordingly;

− Selection: The highest-ranking strategies are selected for funding, ensuring a balanced distribution of funds across different regions and priorities; and

− Feedback: Successful groups are informed. Unsuccessful groups receive feedback on their submissions, highlighting areas for improvement.

Overall, the administration requirement of the scheme is quite intensive and is subject to audit from the European Court of Auditors.

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[48] Mid-Term Evaluation of the 2014-2020 Rural Development Programme Available at https://assets.gov.ie/98033/76d72f75-22af-4a2e-882a-4ca498795882.pdf

Summary of Main Findings

This annex considered the administrative and regulatory structures, processes and requirements governing the operation of comparable publicly funded schemes provided by other Government Departments, agencies, and bodies. The main findings were as follows:

— Reflecting the need to protect and ensure proper governance and value for money in the utilisation of taxpayer funds, there are significant administrative and regulatory requirements associated with access to any publicly funded scheme/programme.

— The incidence of administrative and regulatory requirements between service providers and service beneficiaries varies across schemes. Some schemes, such as the SUSI grants scheme for students, place most of the requirements on service beneficiaries. However, most of the considered schemes place the main administrative requirements on the service provider. For example, the School Meals Scheme places very few additional requirements on parents, but requires the school to comply with certain justifiable scheme requirements. This reflects the nature of the schemes and in the case of ELC/SAC schemes/programmes, there is inevitably a requirement for inputs from both providers and parents/guardians.

— While there are some variations between schemes, financial requirements appear to be broadly consistent across schemes examined in other sectors. All schemes are subject to overarching rules in respect of public funding. Most schemes also typically require an assessment of eligibility criteria and require some degree of reporting on service usage.

— Some programmes that have been in operation for long periods and have administrative requirements that are well established and systems and processes have been put in place to comply with these requirements.