

## PRESS RELEASE



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

### **Minister O’Gorman announces €45m Capital Grant for the Early Learning and Childcare Sector**

- **€45m announced under the Building Blocks - Capacity Grant**
- **Grants in early 2024 for Early Learning and Childcare Services to expand their capacity by means of internal renovations**
- **Grants from mid-2024 for Early Learning and Childcare Services to deliver larger scale extensions to their premises by the end of 2025**
- **Targeted Grant will deliver thousands of Early Learning and Childcare places in areas of undersupply**

Roderic O’Gorman, Minister for Children, Equality, Disability, Integration and Youth, has today announced a €45m Capital Grant for the Early Learning and Childcare Sector. The Building Blocks – Capacity Grant is part of a wider Building Blocks Capital Programme for Early Learning and Childcare under the revised National Development Plan 2021-2030 (NDP).

The purpose of the Building Blocks - Capacity Grant is to address capacity gaps by expanding existing provision and investing in the development of new provision where most needed.

The primary focus of the Capacity Grant is to increase capacity in the 1-3 age range for full day or part-time care. Places for children under age 1 will also be eligible for funding. The Capacity Grant will be open to Core Funding partner services.

The Department of Children, Equality, Disability, Integration and Youth is undertaking a detailed needs analysis of supply and demand for Early Learning and Childcare. This analysis will identify areas of undersupply across the country and will allow the funding to be targeted at areas most in need.

Welcoming the announcement, Minister O’Gorman said *“This Capacity Grant will deliver thousands of Early Learning and Childcare places in areas where they are needed most. It will build on the success of significant capital investment in the sector over the past twenty years, including the Equal Opportunities Childcare Programme and the National Childcare Investment Programme through which the State has funded more than 90,000 places”*.

He added *“the implementation of capital funding on this basis will deliver supply for age categories and service providers where there is proven need. By adopting this approach, my Department will ensure that services ready to expand capacity through smaller-scale renovations and upgrades can begin works in early 2024. Services will also be afforded time to prepare larger-scale project plans, where needed, to submit applications under the scheme, and to commence those projects during 2024. The network of City and County Childcare Committees will act as a support for services considering applying for funding.”*

In addition to the Building Blocks – Capacity Grant, the Department of Children, Equality, Disability, Integration and Youth is progressing a range of actions to ensure the supply of Early Learning and Childcare meets demand, including:

- The regulation of childminders under the National Action Plan for Childminding, which will allow the National Childcare Scheme to open to parents who use childminders from autumn 2024;
- Updating the 2001 Planning Guidelines for Local Authorities on Early Learning and Childcare Settings in partnership with the Department of Housing, Local Government and Heritage; and
- The ongoing development of Core Funding which has given rise to a significant expansion of places since the scheme was first introduced. The allocation for year 2 of this scheme provided for a 3% growth in capacity, which has materialised, and the allocation of year 3 of the scheme provides for further growth of 3%.

Minister O’Gorman also noted the current difficulties around staff recruitment and retention, which are the largest constraint on capacity growth in the sector. The historic Employment Regulation Orders (ERO) introduced last year, supported by Core Funding, were a significant milestone in efforts to improve pay in the sector, with an additional €4 million allocated in year 2 of Core Funding to support the removal of the 3-year experience rule for graduate premiums, subject to updated ERO, which are under negotiation by the independent Joint Labour Committee. In addition, the workforce plan for the sector - Nurturing Skills - includes specific actions to support the recruitment and retention of staff.

Minister O’Gorman thanked the network of thirty City and County Childcare Committees, who, along with Pobal, are working closely with his Department on the design and delivery of the Building Blocks schemes.

## **ENDS/**

### **Note for Editors:**

The Capacity Grant will be split into two strands, an Expansion Grant Scheme, and a larger-scale Extension Grant Scheme. Both schemes will operate from 2024.

### **Key features of the Expansion Grant Scheme:**

- €15m will be made available from early 2024 to providers to fund expansion projects in areas of identified undersupply

- priority will be given to delivering full-time and part-time places within the 1-3 age group. Places for children under age 1 will also be eligible for funding.
- projects of between €50,000 and €100,000 will be funded to deliver additional capacity, e.g. where services can renovate/upgrade existing space to cater for more children
- match funding will be required of privately owned services, with a maximum contribution by the Department of 50% of total project costs. Match funding will not be required of community-led services.

**Key features of the Extension Grant Scheme:**

- funding to be made available to providers later in 2024, to commence larger-scale expansion projects that will be completed in 2025. Total funding available for this Scheme will be €20m
- projects of between €100,000 and €500,000, will be funded
- priority will be given to the expansion of full-time and part-time places within the 1-3 age groups, within areas of identified undersupply
- match funding will be required of private services, with a maximum contribution by the Department of 50% of total project costs. Match funding will not be required of community-led services.

Service providers may be awarded funding under one of the Expansion Grant Scheme or Extension Grant Scheme only. The allocation of funding under the Capacity Grant will be informed by the results of a detailed needs analysis, which is underway, and which will identify capacity gaps and areas and categories of need.

The remaining €10m has been earmarked for a range of capital expenditure programmes, including childminding initiatives, ICT investment and sustainability capital projects. Further details of these programmes will issue in the coming months.

**Issued by the Press and Communications Office at the Department of Children, Equality, Disability, Integration and Youth.**

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