

Written Ministerial Statement

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Department of Education

Early Learning and Childcare measures 2025-26

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Mr Givan (The Minister of Education): This statement sets out the package of measures for early learning and childcare which the Executive has agreed will be implemented in the 2025-26 financial year, with an associated budget of £55m, subject to final business case approval.

The expansion of early learning and childcare provision has been a priority for me since taking up office in February 2024. Significant progress has been made in the past 12 months which I plan to build upon in the year ahead through further targeted investment.

However, before looking forward, I think it is important to reflect on how far we have come. In the past year I have launched the most significant early years stabilisation and expansion programme in a generation. This has involved investing more in core programmes like Sure Start and Pathway which has provided vital support to children facing disadvantage, across Northern Ireland.

I have created an additional 2,500 full-time pre-school places which will be available from September 2025. New support programmes have been put in place for pre-school children with additional needs and the Bookstart Baby Programme which had ceased to operate in Northern Ireland was re-instated.

One of the most significant achievements has been the introduction of a bespoke Northern Ireland Childcare Subsidy Scheme which has saved eligible working parents here approximately £8m since it launched in September 2024. The scheme has over 15,000 children registered and, when combined with Tax Free Childcare, provides up to a 32% reduction to childcare bills.

The £55m allocated by the Executive in 2025-26 will enable me to sustain the progress made to date across all these measures and allow for further targeted expansion. It will consolidate the foundation on which a comprehensive Early Learning and Childcare Strategy can be built.

The main elements of the 2025-26 package I am announcing today are set out below.

Northern Ireland Childcare Subsidy Scheme - Extension to include School-Age Children from September 2025

To date, the Northern Ireland Childcare Subsidy Scheme has provided working parents, eligible for Tax-Free Childcare, with a 15% reduction on their childcare costs up to a set maximum level (cap). Due to the limited budget available in 2024-25, the subsidy only applied to children below primary school age.

Today I am pleased to announce that eligibility for the scheme will be extended to include school age children from 1 September 2025. This will provide support for a much wider group of working parents and represent an estimated 60% increase in the number of children eligible for the subsidy (24,000 compared to 15,000 at present). This significant expansion will help address the cumulative childcare costs faced by families with multiple children aged 0-11 and bring it into line with Tax Free Childcare coverage.

Since the scheme launched in September 2024, there have been repeated calls to extend it to school age children. I have listened and decided that this is the appropriate next step.

The subsidy rate will remain at 15% for now. While I would have liked to increase it, this is not affordable within the budget available for 2025-26. Further modifications to the scheme, alongside a workforce plan to support expansion, will be included within the ELC Strategy.

£23 million has been earmarked for the NICSS in 2025-26.

Stabilisation and Expansion of early learning and childcare programmes.

Significant additional investment was made during 2024-25 in a wide range of early years services such as Sure Start, the Pathway Fund, Toybox and the Bookstart Baby Programme. Funding was also allocated to a number of pilot schemes such as the SEN Early Years Inclusion Support Fund. Many of these programmes target children and families facing multiple disadvantage; those who stand to benefit most from quality early years provision and children with additional needs and/or disabilities who often struggle to access mainstream services.

I have allocated funding within the 2025-26 funding package to consolidate the achievements made to date in this area and expand provision where gaps have been identified and addressing them is affordable.

In the case of Sure Start, we will provide crucial funding to offset financial pressures associated with the increases in the National Minimum Wage (NMW) and Employers' National Insurance Contributions (NIC). Funding will also be provided to further expand the reach of Sure Start to children and families outside the Programme's current geographical boundaries, where there is evidence of need for Sure Start support.

For the Pathway Fund, the proposed allocation will enable the introduction of a new stream to provide specific support for Childminders and Approved Home Childcarers, both vital components of the ELC infrastructure especially in rural areas and for children with additional needs. Funding will also allow an increase to the maximum level of award which can be given in recognition of the increasing cost of delivering services across the Early Years sector.

The 2025-26 plan will also enable us to maintain support for a range of other priorities including BookStart, the Early Years Irish Medium sector and parental engagement programmes. There will be investment in several initiatives delivered by other departments which contribute to ELC objectives, including the Department of Health (DoH) Fair Play Grant Scheme, the DoH pilot Approved Home Childcare Scheme, DoH and DfE initiatives to strengthen the childcare workforce and DfC Labour Market Partnership training academies to increase the flow of childminders into the sector.

£20m has been provisionally earmarked for this measure in 2025-26.

Standardisation of the Pre-School Education Programme (PSEP)

In May 2024 the Executive committed to transitioning all pre-school places over time, to 22.5 hours per week (currently just 40% of children receive this). It will be the largest expansion of pre-school provision in decades. In 2024-25, the funding created over 2,500 additional 22.5 hours per week places in 106 PSEP providers which will be available from September 2025. The case for providing 22.5 hours in terms of the impact on children's social and emotional development is very strong. Therefore, we will transition at least an additional 100 settings to provide the next cohort of 2,000 children with a full time (22.5 hours) place for September 2026.

£11m has been provisionally earmarked for Pre-school standardisation in 2025-26.

Childcare Business Support

The Department for the Economy (DfE) is leading on a scoping exercise to develop a clearer picture of the business support requirements of the childcare sector and help inform an appropriate government response. A final report is expected in May 2025. It is anticipated that this will include both short and longer-term recommendations. £2m has been provisionally earmarked for 2025-26 interventions.

Summary and Next Steps

In developing the proposals for 2025-26, I have been mindful of the commitment within the Programme for Government to provide "More Affordable, Accessible, High-Quality Early Learning and Childcare".

The areas which I have prioritised for the year ahead will ensure that progress made in 2024-25 is sustained and many more children and families benefit from the changes we have already introduced.

I would like to have gone further but there is a limit to what can be achieved this year with the funding available. We have made real progress across a number of areas and the measures I am announcing today will maintain that momentum. However, some ambitions can only be realised within the context of a fully articulated strategy which I am committed to bringing forward later this year. It will be for the Executive to decide on the level of funding it is prepared to commit over subsequent years.