

Written Ministerial Statement

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Department of Education

EARLY LEARNING AND CHILDCARE MEASURES 2024/25

Mr Givan (Minister of Education): This statement sets out a package of measures for early learning and childcare which the Executive has agreed will be implemented in the 2024/25 financial year. It represents the most significant enhancement of early years investment within Northern Ireland in decades and demonstrates that, even when the budget position is extremely challenging, the Executive is committed to making support for young children, their families and the services they rely on, a top priority.

The overarching policy aims of the strategy agreed by the Executive are to support child development, improve the affordability of childcare for families and support parents (mainly women) to work. No single action can achieve all the desired outcomes. A portfolio approach is therefore required, with a series of interconnected actions. This is the approach I have adopted. The measures I intend to bring forward represent a balanced package, can be implemented in 2024/25 within the £25m budget set aside by the Executive, will inform longer-term strategy development and crucially, have the interests of children at their core.

I am grateful for input received from the cross-departmental Task and Finish Group which has helped shape my plans. The direct engagement I have had with parents, providers and other stakeholders has also been invaluable in identifying the issues which the strategy needs to address and what we need to focus on first.

It will not be possible to fully address everything in the first year. Prioritisation and targeting are necessary given the budget available. A desire to see funding flow as quickly as possible to those who need it, with minimal bureaucracy, has also been a key consideration. In a number of areas, the schemes we put in place will be scalable and can be expanded should additional resources become available.

The package of measures I have constructed is designed to; stabilise and support expansion of the early learning and childcare sector, over time, offer all children 22.5 hours per week pre-school provision, reduce the costs of childcare for working parents and build the evidence base necessary to inform development of the longer-term strategy.

It is an ambitious programme which will ease current pressures on parents and providers and lay a firm foundation for the future. The measures will be taken forward as a package to achieve maximum impact and ensure a balanced approach across the sector as a whole.

Firstly, we will invest in the **expansion and stabilisation of existing early years and childcare provision**. Additional funding is required across a range of early years and childcare programmes to consolidate core provision and facilitate targeted expansion. This investment will strengthen and expand the foundation on which the longer-term strategy can be built. A range of measures are being considered at a total cost of approximately £7.1m. This will enable us to secure and expand core early years programmes such as Sure Start, Pathway, Toybox and a range of others, including those focused on supporting children with Special Educational Needs and Disabilities. The evaluation evidence for early intervention through these types of programmes is very strong in terms of the impact it has on children's outcomes. Investing now will undoubtedly reduce the costs down the line.

It will also send a clear signal that the core early years infrastructure across Northern Ireland is valued and that we are serious about giving every child the best start in life. It will enable providers to invest in their workforce, improve the quality of essential provision in local areas and extend their reach.

The next initiative I want to highlight is designed to address the sustainability challenges which some providers within the childcare sector are currently facing. The availability and accessibility of childcare is an essential part of the infrastructure which underpins economic growth. **A targeted business support scheme for childcare providers** will be introduced to assist those in financial difficulty and in areas where the demand for childcare exceeds supply. The Executive has initially earmarked £2m for this purpose. The scheme will be application based and assessed on need. The Department for the Economy and Invest Northern Ireland will assist with the design of the scheme.

The third area of focus relates to the Pre-school Education Programme. This is a high-quality developmental programme available to all children in their pre-school year. However, there is an inherent inequity within the existing model which sees 40% of children receiving 22.5 hours per week and 60% receiving just 12.5 hours. I am delighted to confirm that the Executive has committed to the process of **transitioning all funded Pre-school Education places to 22.5 hours per week**. This will be the most significant expansion of early years developmental provision in over 25 years and will undoubtedly have a lasting impact on the lives of children in Northern Ireland for decades to come.

There have been repeated calls (included within the Fair Start report and the Independent Review of Education) for pre-school education provision to offer at least 22.5 hours education per week in the year before compulsory education to all children. The evidence for providing at least 22.5 hours is strong in terms of its impact on supporting social and emotional development and preparing children for school. This will be significant progress for many working parents and a step forward to deliver my ambition of providing the equivalent of 30 hours over the longer-term.

£5m will be allocated in the current year to begin the transition process and an additional 2,200 full-time places are expected to be in place by September 2025.

The Executive has identified as a priority, the need to make childcare more affordable and thereby ease financial pressures on households and enable more parents to work.

I am aware of the financial strain which many young families are experiencing, including from my engagement with parents over the past few months. That is why I plan to establish a **Northern Ireland Childcare Subsidy Scheme** focussed initially on working parents (based on Tax-free Childcare eligibility) with children below primary school age. With a limited budget, we need to target support at those who need it most. Parents of pre-school aged children tend to be the highest users of childcare and incur the greatest costs. This is also the period when decisions are often taken by mothers to leave the labour market or reduce their hours, establishing employment patterns which have a lasting impact on their careers and incomes. The scheme will provide a 15% subsidy towards the cost of childcare for all pre-school age children whose parents are eligible for Tax Free Childcare (TFC), which already provides a 20% contribution.

By way of example, the combined impact of TFC at 20% and the Northern Ireland subsidy at 15% for a family with two pre-school age children in full-time childcare would be an average reduction of nearly £8,000 to their annual childcare bill.

The subsidy will be paid directly to childcare providers to reduce the upfront fees to parents. A budget of £9m has been allocated for this measure and my aim is to see payments available from September 2024.

Finally, **a major data collection exercise** will be taken forward to help evaluate 2024/25 measures and inform the longer-term strategy. This will involve input from both providers and parents. There is a lack of comprehensive and authoritative information currently available to develop policy. A priority during 2024/25 will be the collection of data to provide an evidence base on which further, informed decisions can be taken regarding longer-term models of

support. The Northern Ireland Statistics and Research Agency (NISRA) will be involved in supporting this work. £2.5m has been earmarked for this measure.

This data collection agenda and the childcare subsidy scheme mentioned above will require the development of a new partnership with all childcare providers; one which recognises the crucial role they play in supporting a range of Executive priorities. We will work closely with them to operationalise the plans I have outlined and provide funding to cover the additional associated costs of administration.

In terms of timeframe, those measures which involve expansion and stabilisation of existing programmes can be delivered more quickly. Others, which require business case approvals (including value for money confirmation), the establishment of new schemes and associated delivery infrastructure have a longer lead-in time. While it will be challenging, I am aiming to have these operational for September.

The ultimate objective is to develop a holistic approach to early years and childcare, where policy levers across all departments are harnessed to support a fully integrated approach. It is important to note that the measures I am announcing today relate to the £25M of additional funding provided by the Executive for 2024/25 and are not the totality of my department's early years investment. Other departments also have a range of established initiatives to support early years and childcare provision. We are committed to working together to maximise our collective effort and ensure the best outcomes for every child.

While I am announcing plans for 2024/25, this cannot be a single year commitment. Many of the planned measures will have recurring and increasing costs in subsequent years. The budget required to make 22.5 hours the standard Pre-school offer will increase over time and is a permanent change. I have made it clear to Executive colleagues that they need to be prepared to meet these costs going forward.

Some ambitions can only be fully realised within the context of the longer-term strategy. Budget and timeframe constraints necessarily limit what can be achieved in this first year. Despite this, we have been able to construct a very significant package of support which will make a real difference to the lives of thousands of children, and which will create the foundation on which further expansion can be built.