



One Family Submission on Single Affordable Childcare Scheme | November 2016

One Family welcome the opportunity to contribute to the Public Consultation on the Single Affordable Childcare Scheme. The *Policy Paper on the Development of a New Single Affordable Childcare Scheme* is a comprehensive document and we wish to acknowledge the extensive work undertaken by the Department of Children & Youth Affairs in compiling this paper. Below are the key areas of concern which we wish to highlight on behalf of people parenting alone and sharing parenting.

INCOME ASSESSMENT

Income Excluded:

1. When determining the level of subsidy a family will receive, parents' net income will be assessed (i.e. after deduction of income tax, USC and PRSI). Income from all sources will be taken into account but the capital value of savings and investments will not be included within income. We support the idea of assessing net income after deductions and would agree with the exclusion of savings from the income assessment process.
2. The proposal that other certain types of income will be excluded from assessable income is welcomed. However, One Family would recommend that both child maintenance and Family Income Supplement be included in the list of income that will be excluded from the income assessment.
3. Child maintenance should be not be seen as parental income. It is income to meet child related costs and in the context of the stated aim of mitigating against child poverty, this income should follow the child and not be subjected to state means testing. Child maintenance arrangements only exist between families where parents are separated and living apart. We know that children living in these one-parent families are twice as likely to be experiencing consistent poverty and almost 60% of these families are experiencing deprivation. One Family believe that this measure would support the underpinning policy objectives of the scheme to reduce child poverty and promote lone parents to enter education or work.
4. In relation to Family Income Supplement, this payment is provided to low income families to bring their income up to an acceptable level. In light of this, means testing families on this payment removes any financial benefit that the payment can offer. We recommend that consideration is given to removing Family Income Supplement from the income assessment.



Allowable Deductions:

When assessing parents' net income, it is also proposed that certain expenses can be deducted from income. In particular, it is proposed that pension contributions and maintenance payments should be deductible from income, while housing costs should not be deductible.

1. We would support the proposal that maintenance being paid by a non-resident parent should be deductible from their household income as part of the income assessment. However, the requirement that only legally enforceable agreements should be deducted is totally unworkable and does not reflect the lived reality of shared parenting arrangements. There are a number of families who have come to an amicable agreement regarding child maintenance payments, without the need to attend the family courts. The requirement to produce a court order to prove maintenance paid should be removed from the assessment as it promotes unnecessary adversarial action between parents, court delays, as well as legal costs for the state and the parents. Alternative documentary evidence could be in the form of a statutory declaration confirming the agreed payment and/or statements from financial institutions confirming payments made. It is also important to note that the existence of a court order does not provide evidence that maintenance is actually being paid; additionally evidence should also be required, as stated above. We are aware that maintenance payments can end or be cut at short notice which causes difficulty to overall family incomes, impacts negatively on child poverty and would be another problem if considered as assessable income.
2. In relation to the proposal that housing costs should not be deductible from income, due consideration should be given to the disproportionate amount of income that is currently being paid towards housing costs by a large proportion of families across the country. Lone parents have been disproportionately impacted by the housing crisis, almost 70% of homeless families are one-parent families which clearly indicates that these families are struggling to meet their housing costs. Allowing these costs, in full or part, to be deductible, would give a more realistic picture of the disposable net income of parents. The exclusion of housing costs as a deductible expense should not be based on any potential additional administrative burden that may arise. The medical card assessment procedures currently acknowledge costs, such as housing, travel to work and childcare, when determining assessable income. We would recommend a similar approach for the Single Affordable Childcare Scheme.

RATES OF SUBSIDY

1. It is proposed that the subsidy per hour should vary according to the age of the child, to reflect the additional cost of caring for younger children, given the different adult-child ratios required by regulation. This approach is reflective of current staffing ratios that vary according to the age of the child and is a



reasonable proposal. However, it is very important that the Department take the views of providers into careful consideration in relation to this to ensure that there is not any unintended impact on the quality of care being provided.

2. It is stated that in developing proposals for the Affordable Childcare Scheme, the Department did not find strong evidence that would justify different subsidy rates for different areas of the country. It is proposed, by the Department, therefore that the subsidy rates should be the same in all areas of the country. One Family would have concerns regarding the accuracy of this statement as we are aware of considerable disparities in childcare costs, both regionally and amongst different providers, through our national *askonefamily* helpline. A more detailed analysis of childcare costs is needed to support the decision to provide a national subsidy rate. We would suggest that an urban weighting could be applied for families living in larger urban areas. For example, these families could receive 15% more in subsidies than those in smaller towns or rural areas.

HOURS OF SUBSIDY PER WEEK, AND AGE OF CHILDREN

Proposed Hours:

1. It is proposed that the scheme should be available for children from the age of 6 months (when paid maternity leave currently ends) until the age of 15. One Family welcome the acknowledgment by the Department that families require childcare cover for their children up to aged 15. This is particularly important in light of recent changes to the One-Parent Family Payment (OFP) which require lone parents whose children are over fourteen to be available for, and seeking, full time work and those with children aged between 7 and 14 to engage with DSP case officers to explore further education and training options. However, there is currently no childcare infrastructure in place for children aged between 12 and 15 years. Essentially this means that while parents with older children may qualify for subsidies under the scheme, in reality they will be unable to access suitable childcare places that would support them to enter education or work.

School Age Childcare:

2. A key issue with the new Single Affordable Childcare Scheme is the requirement for the childcare provider to be registered with Tusla. Standalone afterschool facilities are not required or even able to register with Tusla at present. There are currently no statutory regulations that apply to the provision of School Age Childcare in Ireland, the sector remains self-regulated, resulting in variable standards of provision.



This means standalone afterschool facilities currently offering subsidised places to parents will no longer be able to offer these childcare places as these schemes are being replaced by the new Single Affordable Childcare Scheme from September 2017.

In the absence of national regulations or system of regulation, existing afterschool services, that are not part of a Tusla registered, larger childcare centre or childminder service, cannot avail of the new scheme. We suggest that the scheme be amended to include these services or allow them to register with Tusla by broadening the remit of the Early Years Inspectorate. Any quality afterschool provider would be happy to register with Tusla and thus be in a position to offer subsidised places to families and ensure ongoing quality provision to school age children in their care. It could begin with a voluntary 'opt-in' system for afterschool services that want to register with Tusla, similar to the voluntary notification system developed for childminders to notify themselves to their local County or City Childcare Committee.

If this issue is not resolved it could seriously impact on the availability of subsidised school age childcare around the country. It also disincentivises new afterschool centres from opening as they are excluded from the new national affordable childcare scheme. Out-of-school care is the key provision needed to support lone parents transitioned off OFP to enter work or education and every effort should be made to broaden availability of subsidised afterschool places.

The Programme for Government states:

"We will utilise our primary school buildings for afterschool care provision for school age children to offer more options and flexibility to parents. We will link additional capitation to the provision of buildings for afterschool care, where demand exists. Community groups and private providers will be invited to tender to use school facilities (outside school hours)"

Providing increased capitation to encourage use of school buildings and inviting community groups and private providers to provide care on school premises is more likely to be successful if the afterschool care provided on school premises will be included in the new scheme. In Budget 2016, announced last year, it was stated that work would begin on the development of a Quality Framework for After-School provision. This needs to be published as soon as possible. The Report of the Inter-Departmental Working Group on Future Investment in Childcare, published last year, gave an estimated cost of just €1 million to develop a regulation and inspection system for afterschool care.



CHILDCARE FEES

1. One Family welcome the proposal for providers to publish their fees online as it allows for transparency and will facilitate parental choice.
2. However, we are concerned regarding the removal of capped weekly fees for parents which are currently available under the ASCC and CETS schemes. While the new proposed scheme does offer a higher subsidy to poorer families, this subsidy does not relate to the parent's contribution to fees which can vary depending on the full cost of the place set by the provider. Given that lower income families are availing of the current subsidised schemes, it is imperative that they do not experience any further financial burden under the new scheme. Affirmative steps need to be taken to prevent providers from increasing their fees and passing this on to low income families.
3. The State should consider the viability of imposing controls on childcare prices, however, it is important that childcare providers are supported to provide quality provision to the children in their care. This essentially requires increased public investment in the future.

CHILDCARE PROVIDERS

One Family provide a part time crèche facility to parents using our services. In this capacity, we wish to highlight the following:

1. Not all service providers offer full time care, five days a week to parents. A number of One Family clients may only use our crèche facility for a few weeks while attending one of our programmes. This frequent rotation of children greatly increases our administrative work as we must ensure that each child is replaced, a new child registered and leavers registered as per compliance procedures.
2. This administrative burden could be reduced if there were more 'non-contact' hours for childcare professionals. We suggest that non-contact time be paid in addition to the proposed subsidies.