

State-led Early Learning and Childcare Capital Programme 2026



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Department of Children,
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Executive Summary

This booklet has been developed to outline key information about the State-led Early Learning and Childcare Capital Programme. In particular, it outlines the objectives of the programme and how sites will be sourced and operated.

The State-led Early Learning and Childcare Capital Programme is the next step in a series of actions that have been taken over the last few years to improve accessibility, affordability and quality within the early learning and childcare sector. This progress has been built on recommendations from the *First 5* strategy and the *Partnership for Public Good* report. The Capital Programme supports the Government-wide ambition for improvements to the early learning and childcare system and is being supported through funding via the National Development Plan.

This funding can be used to acquire buildings and, where necessary, undertake fit-out works.

A suite of data, appraisal tools and metrics have been developed to ensure that State-led early learning and childcare services are delivered in areas that they will have the most benefit for children, families and communities.

Services will be operated on a not-for-profit basis by third parties. Where a project is being considered without an operator already in place, the Department will run a process to identify an appropriate not-for-profit operator, with capacity to operate a high-quality service and, where works are required, to manage a capital project.

Context

The Programme for Government commits, for the first time, to provision of early learning and childcare through State-led facilities, adding capacity in areas where unmet need exists.

State-led ownership of facilities is a very substantial and significant development and offers the potential to influence the nature and volume of provision available and to ensure better alignment with estimated demand.

Partnership for the Public Good in 2021 identified as a key theme, the need to strengthen State involvement in the sector through greater levels of public management accompanied by increased State funding. State-led early learning and childcare builds on this theme.

Significant advances have been made in public management and increased public funding over the last number of years, and State-led early learning and childcare is part of the next phase of developments building on this foundation.

Programme for Government 2025

Capital investment in early learning and childcare facilities is a critical component of the Programme for Government 2025 – Securing Ireland’s Future.

The Programme for Government commits to providing capital investment to build or purchase state-owned early learning and childcare facilities to create additional capacity in areas where unmet need exists and develop State-led facilities. The Capital Programme will deliver these commitments through delivering additional public supply to address deficits in capacity, particularly in areas where unmet needs exist.

First 5

First 5, the ten-year Whole-of-Government Strategy for Babies, Young Children and their Families (2019-2028), commits to major initiatives to early learning and childcare services among a broad range of actions. The Capital Programme will contribute to the First 5 objective of providing access to high-quality, affordable, developmentally appropriate early learning and childcare for both babies and young children.

Partnership for Public Good

Partnership for Public Good (2021) articulates a vision for a sector that is increasingly publicly funded and publicly managed, delivering a service for the public good, through a partnership between the State and providers, to the benefit of children, parents, practitioners and society overall.

The Capital Programme aligns with Partnership for Public Good through increasing the level public management of the sector across a range of areas, as well as providing early learning and childcare to those who could not otherwise access it.

National Planning Framework

The National Planning Framework guides strategic planning and development for the country. It is based on public and private investment so that as the population grows, that growth is sustainable (in economic, social and environmental terms). State-led early learning and childcare infrastructure will contribute to high quality liveable environments. By ensuring accessible, affordable early learning and childcare in local neighbourhoods, it supports families and strengthens community cohesion.

National Development Plan

The National Development Plan sets out the Government's over-arching investment strategy and budget for the period 2021-2030. It is organised around National Strategic Objectives, including 'Access to Quality Childcare, Education and Health Services'. The funding for the capital costs of the State-led services programme has been allocated within the revised National Development Plan.

What this Programme will Achieve

Objectives

Overarching objective: This capital programme will deliver additional supply of high-quality and accessible early learning and childcare to address deficits in capacity, particularly for younger children and in disadvantaged/rural areas, in line with public management policy goals.

Breakdown of objectives:

Objective 1: Deliver additional publicly subsidised supply for early learning and childcare where required, with a focus on places for 1- to 3-year-olds and sufficient places for children to age up in the same service.

Currently in the sector, supply of places for 1-3-year-olds is too low. One reason for this is the higher cost of delivery for children in these age groups. The high cost of delivery for younger children often means that services offer an insufficient number of places for younger children. This undersupply means that parents who otherwise would want to enrol their children in centre based early learning and childcare are unable to do so. This State-led programme will target the creation of places for younger children where required, while also creating places for children to 'age up'.

Objective 2: Deliver additional supply where required in areas of disadvantage and rural areas.

In rural areas and areas of disadvantage, demand can be more fluctuating and difficult to reliably predict. This can reduce the level of supply in these areas. This can lead to parents being unable to access early learning and childcare in these areas.

Objective 3: Ensure all supply delivered is inclusive and high quality.

There are several measures that will be taken to ensure inclusion and quality in State-led services, including assessments of alignment with the Universal Design Guidelines in the planning stage and requiring services to participate in the Access and Inclusion Model. Services will also be required to participate in comprehensive assessments of operators' governance, management and delivery history during the selection process. This will ensure that State-led services are located in high quality buildings and are run by high quality operators.

Objective 4: Deliver supply in appropriate locations, taking account of accessibility for parents, links with other relevant services/amenities, appropriate land-use, and spatial planning goals.

State-led services will be based in locations which are easy for parents to access and align with existing infrastructure and services. This will involve planning in accordance with the National Planning Framework, assessing site accessibility using tools developed by the National Transport Authority and where possible, investing in

buildings that share sites with other amenities such as schools and community centres.

Objective 5: Ensure cost-effectiveness and timeliness of delivery.

As with all public capital programmes, timeliness and value for money are important goals in the delivery of the State-led Early Learning and Childcare Capital Programme. These goals will be achieved through a comprehensive appraisal process at the site selection stage to ensure building readiness, contingencies built into budgets to encapsulate realistic spending plans and regularly monitored risk registers for each individual project within the programme.

Objective 6: Support improved public management of the early learning and childcare sector as a whole.

The Partnership for Public Good Expert Group Report recommended that steps be taken to improve public management and funding in the early learning and childcare sector. Significant steps have been made in this regard, namely Core Funding and its conditions related to fee management and data reporting. State-led early learning and childcare represents an opportunity to further act on this recommendation. The introduction of State-led delivery will allow the State to influence and lead the sector in ways that are hard to achieve through greater public management alone.

Delivery

How will Projects be Sourced?

The Department plans to create a “long list” of options for projects. Examples of sources of sites include:

- Public body-owned buildings requiring capital investment for refurbishment/fit out
- Private developer-delivered early learning and childcare buildings requiring capital investment in fit-out
- Approved Housing Bodies early learning and childcare buildings requiring capital investment in fit-out
- State-led services on Primary School sites
- Publicly-owned land
- Existing buildings which were not initially intended for early learning and childcare requiring conversion
- Purpose-built new early learning and childcare services

This long list will then be refined using the methods described in the next section in order to select sites that best align with the objectives of the programme.

How will Projects be Selected?

The Forward Planning Model developed by the Department will seek to identify the nature and volume of different types of early learning and childcare places across the country and how this aligns with the numbers of children in the corresponding age cohorts at local area level. This Forward Planning Model allows officials to assess where there are mismatches between demand and supply.

As well as the Forward Planning Model, the Department has developed a suite of appraisal criteria by which to assess sites as they become available. These criteria have been developed to examine how well a site can contribute to the success of the programme objectives listed in the previous section.

Programme Objective	Examples of criteria
Deliver additional supply in suitable locations	<ul style="list-style-type: none">• Alignment with planning strategy• Services accessibility• Public transport accessibility
Deliver additional supply for children between 1 year old and ECCE age, with sufficient places to age up	<ul style="list-style-type: none">• Estimated number of places created by option• Demand for 1-ECCE age• Demand for other age groups
Ensure cost-effectiveness and timeliness of delivery	<ul style="list-style-type: none">• Estimated total project cost• Estimated cost per place• Timeliness/readiness

Deliver additional supply in areas of disadvantage	<ul style="list-style-type: none"> • Level of deprivation of surrounding area
Deliver additional supply in rural areas	<ul style="list-style-type: none"> • Level of rurality of surrounding area
Support improved public management of the early learning and childcare sector	<ul style="list-style-type: none"> • Make up and resilience of sector in local area in surrounding area
Deliver quality and inclusive services	<ul style="list-style-type: none"> • An assessment of the project's alignment with the Universal Design Guidelines

Where the Department decides that a project is aligned with these criteria, it may be approved in principle. The Department will then progress the project, which may involve site acquisition, selection of an operator, agreement of a service offering and design of any capital works required, subject to availability of resources. The details of the steps required will depend on the project.

Once preparations are complete, final approval can be sought and the project implemented.

How will Projects be Delivered?

In the early phase of the programme, three main delivery models will be tested:

- Department of Children, Disability and Equality owned buildings with a not-for-profit community early learning and childcare service responsible for service delivery
- Buildings owned by another State entity (e.g., local authority), investment in fit out costs from Department of Children, Disability and Equality with a not-for-profit community early learning and childcare service responsible for service delivery
- Department of Children, Disability and Equality resources not-for-profit community early learning and childcare service to purchase/fit-out a building and undertake service delivery

Capital funding will be required to deliver these projects. Depending on the nature of the project, capital expenditure may be required for either acquisition, fit-out, or both. Funding for these requirements will be met from the Department Children, Disability and Equality's National Development Plan allocation.

How will Services be Operated?

The Department will seek to appoint existing early learning and childcare providers to operate State-led services.

Key features of State-led services are:

- The service meets the policy goals of the Department to make affordable, high-quality early learning and childcare accessible and support public management. This means that the Department will determine the service offering through negotiation

with the operator (number of places, age group of children, hours of operation, fees), in exchange for making the building available at no cost.

- Capital investment coming from the State means that the service should operate on a not-for-profit basis, seeking to minimise fees and maximise investment in quality.
- The service should be established on a robust and durable basis. While funded through the existing framework of current funding, the Department will work with the operator to ensure a sustainable service offering.

While there will be variation between projects as to the model of delivery, these essential features will be important in delivering on this programme of investment.

How will Operators be Selected?

A potential operator may be required to undergo some or all of the following steps:

1. Undergo governance and/or management checks by the Department or its agents.
2. Demonstrate capacity to run a large, high-quality early learning and childcare service, a record of robust governance and management arrangements for their existing service(s), and their capacity to manage the timely fit-out and finishing of the potential construction project required.
3. Submit detailed designs and a business plan for the sustainable operation of the service, outlining operating costs, fees, and service offering.
4. Other selection processes as may be appropriate in individual projects.

How will Buildings be Fitted Out?

In some cases, capital works will be required prior to a service opening. This may include fitting-out of a shell and core building, or other refurbishment/construction works, depending on the nature of the project. Where works are required, it is essential that the service as fitted out aligns with the operating model agreed between the Department and the operator.

In certain projects, there may be opportunities for works to be conducted by a body who will not be the service operator. For example, where a building is part of a larger development, the finishing and fitting-out of this building may be delivered as part of the wider development.

In other projects, the service operator will be responsible for the fit-out of the building. Service operators may be required to submit potential designs for the building as part of the selection process. The Department will fund the capital works, including the design element. Access to the site will be arranged for the operator and agents (*e.g.*, architects).

In cases whereby the service operator is responsible for the fit-out of the building, the service operator will be required to procure construction works in compliance with the Capital Works Management Framework. The Department will oversee both design and

contract management processes, supported by programme-level technical and advisory consultants. A high degree of confidence in design and costings for the Department will be required prior to appointing a contractor or for funding to flow.

Costs will be assessed and managed by the Department with the support of technical and advisory consultants, and opportunities for cost sharing with other public bodies will be explored where it allows for the Department to meet its objectives at the best value for money.

What Responsibilities will Operators have?

Operators and the Department will work together to implement the requirements of the programme and to support a high-quality, sustainable service. The terms of this will be developed in detail as a project is developed and delivered. The main terms are summarised here.

Service operators may be required to submit a business plan for the sustainable operation of the service, outlining operating costs, fees, and service offering during the application process. The exact business plan will be agreed after negotiation with officials from the Department. Once the acquisition process and any capital works are complete and the service is ready to open, the operator will be obliged under the terms of their agreement to deliver the agreed service offering (including fees and number/type of places). They will also be required to participate in the Department's funding schemes (National Childcare Scheme, Early Childhood Care and Education programme, Core Funding, *etc.*).

The precise format of the agreement for use of the building (*e.g.*, lease or license, duration, tenant obligations) will be determined at a project level.

The service offering will be formally reviewed periodically to ensure continued alignment with policy goals and make changes as appropriate. Service offer changes may also be agreed more frequently where necessary.

The operator will be responsible for service delivery, in line with the business plan submitted as part of the application process, contractual requirements associated with the Department's funding schemes, and regulatory requirements for operating a service, including employment responsibilities and requirements under the charity regulation.

The operator will be responsible for carrying out and funding the regular maintenance of the building, including carrying out and meeting the cost of regular maintenance. The operator will be responsible for maintaining appropriate insurance and indemnification of the Minister.

A financial monitoring policy and mechanism will be established by the Department. The operator will be required to have a ringfenced bank account for the service and maintain full financial transparency of this account via this mechanism. Only expenditure directly related

to the service in question (which may include an appropriate contribution to organisation-level costs) will be permitted and the treatment of any surplus or reserves will be subjected to a surplus management policy.

The Department must be made aware of any income from sources other than fees and Departmental funding schemes, including other State funding schemes, loans, and transfers from elsewhere in the organisation. Approval will be required for any borrowing.

The Department will set a surplus management policy, prescribing what expenditure is eligible for operator's surpluses. Alongside this, the Department will establish a function to monitor operator's ringfenced bank account to ensure operator's expenditure is compliant.

Finally, in cases where an operator is experiencing financial deficits, the Department will consider backstop funding to ensure service sustainability. This funding may support a transitional phase (for example, where demand is temporarily reduced) or a longer period if appropriate. If financial deficits are persistent, the Department will assess what can be done to amend the deficit including in depth assessment of financial management and examination of the impact of changes in service offering and/or fees.

What will Happen Next?

The State-led Early Learning and Childcare Capital Programme is set to commence in 2026. Below is a list of the actions that will be taken as part of this commencement.

1. The Department will begin assessing sites/buildings in order to identify which are best placed to deliver on the goals of the programme.
2. Where required, the Department will begin publicising sites and seeking expressions of interest from operators to carry out fit-out and delivery.
3. Once operators have gone through the selection process and agreed service offerings and designs with the Department, any required fit-out works for State-led services will begin.
4. When service buildings are appropriately fitted-out and satisfactorily completed and register with the regulator, the State-led early learning and childcare services will open.
5. These State-led services will operate under the Department's funding schemes and participate in the oversight/support structures to be set up for State-led services.
6. Further enquiries can be directed to elcbuildings@dcde.gov.ie