

PATHWAYS TO WORK 2015



Intreo

Pathways

to

Work

2015



Foreword

Ireland, having found its feet by exiting the EU/IMF/ECB programme, has already taken its first steps on the path to economic recovery. Recent figures published by the Central Statistics Office confirm what we have all witnessed over recent months – more money is being spent in our shops and businesses, more people are at work, and more jobs are being created every day as Irish and overseas firms invest in our country. While this recent progress on the jobs front and in the economy generally is greatly encouraging, we cannot allow ourselves to fall victim to any sense of complacency. Recovery has only started and while we welcome the many green shoots, we need to nurture them if they are to take root and provide a basis for sustainable growth and employment. The Government is therefore determined not to ‘let up’ in its ambitious programme of change as set out in the *Action Plan for Jobs* and *Pathways to Work*. Towards this end this document sets out how the Government proposes to maintain and build on the momentum created by the *Pathways to Work 2012* and *2013*.

In framing *Pathways to Work 2015* the Government is acutely aware that experience of past recessions show that young unemployed people and people who are long term unemployed can find it harder than others to gain employment and are in danger of getting left behind - even in a recovering economy. Accordingly, *Pathways to Work 2015* places a particular emphasis on measures to help long-term and young unemployed people find a route back into employment. These measures include the implementation of the *JobPath* programme for people who are long term unemployed and the implementation of an enhanced version of the *JobsPlus* employment subsidy specifically for young unemployed people.

The provision of new services to unemployed people is just one half of the *Pathways to Work* approach. For while Government can provide the ‘*Pathway*’ for people who are long term unemployed, we are reliant on employers to provide the ‘*Work*’ opportunity to people whom the evidence suggests might not normally make it through the candidate screening process. Therefore this updated *Pathways to Work* strategy has been devised to ensure that engagement with employers is established as a cornerstone of our approach over the next few years. Government, through its employment services, will work to identify and prepare candidates and work closely with employers, using tools such as *JobBridge* and *JobsPlus* and an upgraded *JobsIreland* service to support them to recruit candidates from the Live Register. In addition as part of *Pathways to Work 2015*, and recognising that the interaction of tax and welfare can, in some cases, act as an disincentive to work, the Government is determined through initiatives such as a *Working Family Dividend* to make sure that, in financial terms at least, ‘work always pays’ no matter the nature of that work.

JobsPlus for young people, *JobPath*, enhanced employer engagement and a *Working Family Dividend* are just some of the elements of *Pathways to Work 2015*. In total *Pathways to Work 2015* comprises 17 major actions with over 45 milestones to be delivered by each of the main Departments and agencies of State involved in the fight against unemployment. Taken together and working in association with the *Action Plan for Jobs* these actions will help us to build a better, stronger and more resilient economy for our people.

1 Introduction

Pathways to Work (PTW) was first launched in 2012. It is a strategy covering a four year period (2012-2015) designed to reverse the dramatic rise in the numbers of unemployed jobseekers on the Live Register that took place during the Great Recession. It is designed to complement the *Action Plan for Jobs* as part of a twin-pronged approach to tackling the jobs crisis that emerged in the final years of the last decade. The *Action Plan for Jobs* is focused on stimulating employment growth; *Pathways to Work* on making sure that as many as possible of these new jobs, and other vacancies that arise in the economy are filled by people from the Live Register.

Pathways to Work is a policy focussed on actions and as such it is subject to constant review and evaluation by the Government. As part of this process of review and evaluation the Government publishes quarterly performance updates and renews the strategy on an annual basis to take account of evolving economic and labour market conditions. In this way the value and relevance of the approach is maintained and its focus on actions that will make a difference to the employment prospects of people on the Live Register is sustained.

Pathways to Work 2013, published a year ago, was the first annual revision of the approach and contained a series of ambitious actions and targets, which followed on from the initial programme set out in *Pathways to Work 2012*.

Pathways to Work 2015 continues this approach and in addition, takes account of the input from the Labour Market Council and the recommendations contained in the interim report of the Council. The objective of *Pathways to Work 2015* is to build on the progress already made and, in particular, to bring a sharper focus on actions to help tackle long term and youth joblessness, to improve the quality and frequency of engagement between Intreo and employers, and to improve the financial return to work for unemployed jobseekers with children. In this way it will continue and complete the actions already started under PTW 2012 and 2013 and ensure that the commitments first set out in 2012 are delivered, on target, by the end of 2015.

2 Progress to date

Under PTW 2012 and 2013 the Government set out on a comprehensive reform of the State's approach to helping unemployed jobseekers return to work.

Since its launch, this programme of work has seen the:

- Rollout of 44 Intreo ["one stop shop"] centres, with the rollout to be completed by the opening of a further 16 centres by the end of the year.
- Development and rollout of *JobBridge*
- Design, development and introduction of *JobsPlus*
- Transformation of jobseeker services through the development and rollout of Intreo involving:
 - o The introduction of a Group Engagement process whereby all new jobseekers are briefed on the services available to them.
 - o The profiling of every client on the Live Register to help prioritise and direct interventions
 - o The introduction of a case management approach whereby jobseekers receive scheduled one-to-one interviews with case officers based on their profile. (157,000 initial one-to-one interviews and 137,000 follow-up interviews in 2013)
 - o The introduction of a 'social contract' of rights and responsibilities between jobseekers and the State for both the Department of Social Protection and the jobseeker agreed through the Record of Mutual Commitment.
 - o The redesign of payment claim processes to significantly reduce the processing time of jobseeker payment claims
 - o The introduction of 'fast-track' claim processing to allow unemployed jobseekers take up short-term/seasonal work opportunities.

- Merger of the Community Welfare Service (CWS), the Department of Social Protection (DSP) and the employment and community services of the former FÁS to deliver this transformed service
- Transformational reorganisation of the Further Education and Training sector with the creation of the new ETBs and SOLAS.
- Development and publication of a five year Further Education and Training Strategy by SOLAS.
- Modification of jobseeker payment rates including the introduction of penalty rates of payment, revised payments for casual workers and young jobseekers and the introduction of a transitional Jobseeker scheme for lone parents migrating from the One-Parent Family Payment.
- An increase in the number of places on Tús, Community Employment and training & education programmes by c 30%.
- Development and launch of *Momentum* and *Springboard* providing skills training and education in targeted sectors to almost 23,000 jobseekers.
- An increase in the number of staff deployed on front-line case work duties at the end of 2013, leading to a reduction in the case officer/client ratio from c 1:800 to c 1:500.
- Creation of an Employer Services Division in DSP to start the process of building effective relationships with employers.
- Design and tendering of a contracted employment services model - *JobPath*
- Formation of a Labour Market Council of industry leaders and labour market specialists to monitor and advise on the implementation of the Pathways to Work Strategy
- Development of protocols between the Department of Social Protection, the Department of Jobs, Enterprise and Innovation, IDA Ireland, Enterprise Ireland and the new Local Enterprise Offices (LEO's) to maximise the recruitment of appropriately skilled persons from the Live Register by enterprise agency client companies

There are definite signs that, in tandem with the recovery in economic demand, these changes are having some impact in improving the employment prospects of people who are unemployed:

- The total number of long-term unemployed people who have moved into employment since PTW Pathways was launched in 2012 is now over 50,000.
- The exit rate for people who have been on the Live Register for two years or more has risen from 26% to 38% at August 2014.
- The persistence rate (the rate at which short term unemployed people become long term unemployed) has fallen from 33% to 29% at August 2014.

The pace of change is increasing as the reforms already made bed down and take hold. This is reflected by a continued increase in the number of follow-up interviews with jobseekers in the first half of 2014 by 19% year-on-year to just under 94,000, indicating the impact of increasing the number of case officers. In addition, in line with the core principle of rights and responsibilities which underlies the Pathways to Work approach, there has been a notable increase in the number of jobseekers being placed on reduced or 'penalty' rates of payment. These reduced rates of payment are applied when a jobseeker, in receipt of a welfare payment from the State, does not cooperate with or partake in the employment services offered by the State. The number of new penalty rates of payment applied has increased from just under 100 in Q3 2011 to almost 1,500 in Q2 2014. This demonstrates the intent of the PTW programme to tackle low-intensity job-search by recipients of jobseekers payments.

3 Labour Market Context

3.1 General Position

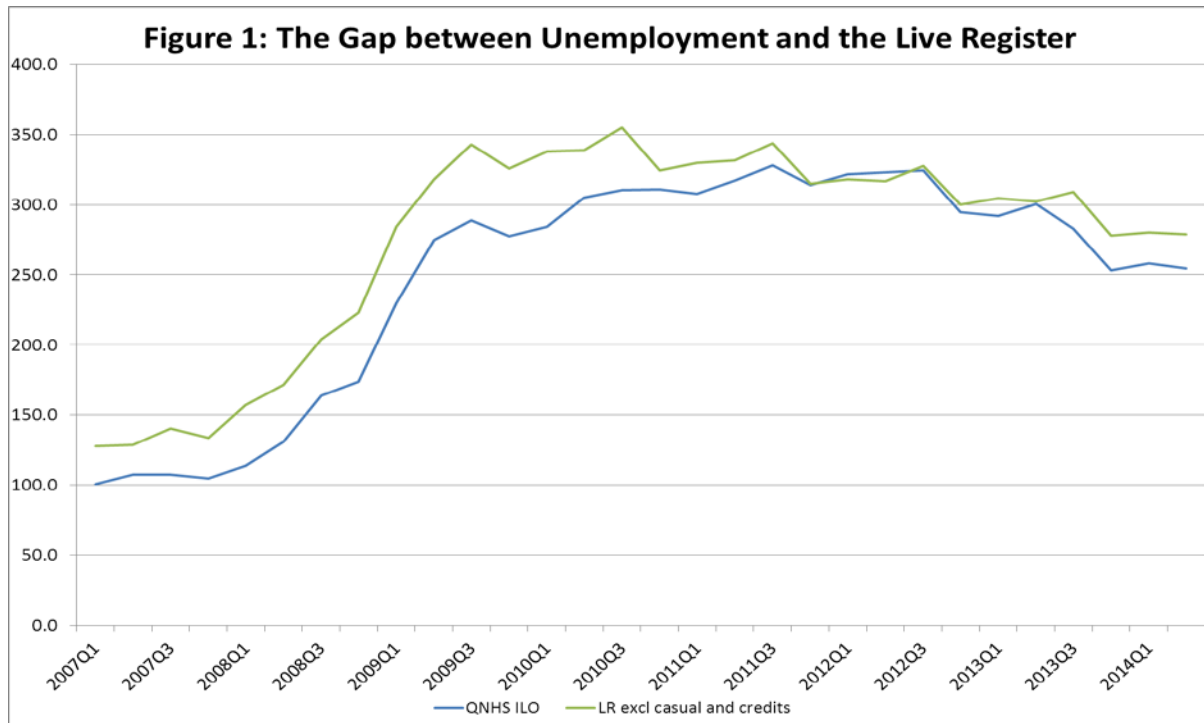
Since the lowest point of the jobs crisis, prior to the launch of the Pathways to Work Strategy in 2012, the numbers signing on to the Live Register have fallen by almost 70,000 to 380,000¹. The unemployment rate has fallen to 11.1%, the lowest rate in five years and down from a peak of just over 15% in 2011. Notably, the long-term unemployment rate had fallen to 6.8% in Q2 2014, down from 9.2% in Q2 2012. The youth unemployment rate has fallen to 27% in Q2 2014 down from 33% in Q2 2012, while in absolute terms the number of young people unemployed was down by 11,400 from 64,000 to 52,600 over the same period. These positive trends, supported by an increase of over 75,000 in the numbers at work, are very welcome and are arguably due, at least in part, to the programme of work mandated by Government under *Pathways to Work* and the *Action Plan for Jobs*. The precise impact of the full range of these reforms in reducing the numbers on the Live Register cannot be estimated without a systematic evaluation (which is being initiated as part of this plan). Nevertheless, it is a reasonable supposition to make that the more intensive activation approach has had some effect in increasing labour market flexibility thereby helping to ensure that employment levels respond quickly to any general economic recovery.

Among the indicators suggesting increased flexibility, and more intensive job-search, in the Irish labour market are:-

- employment has recovered more rapidly since 2012 than might have been expected based on developments in the economy alone
- long-term unemployment has fallen broadly in line with the fall in overall unemployment since early 2012
- since the peak in unemployment, the number of people on Live Register, receiving payment for being fully unemployed, has fallen in line with survey-based measures of unemployment; the gap between these measures has narrowed and remains below pre-crisis levels (see

¹ Seasonally adjusted

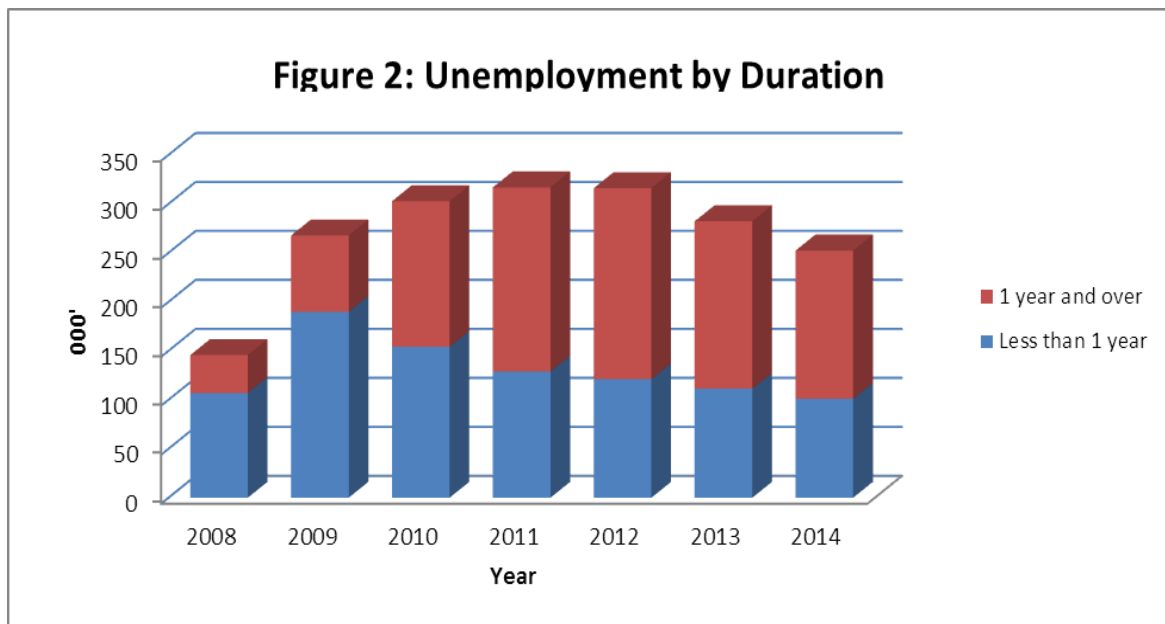
Figure 1 below). This suggests that there are less people claiming payment but ‘in-active’ on the Live Register compared to previous years.



Source: CSO

3.2 Long Term Unemployment

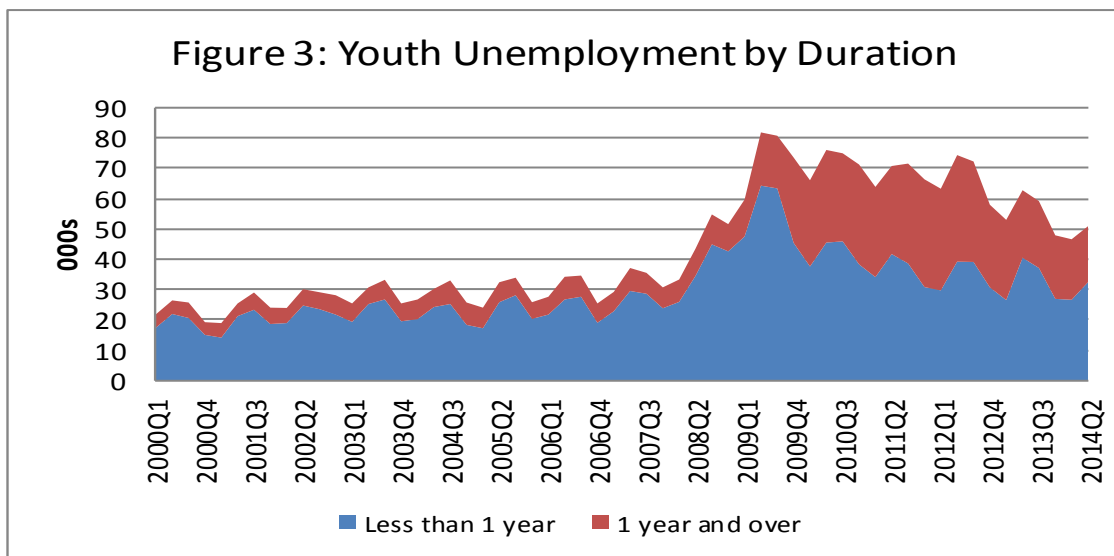
Progress has been made under the *Pathways to Work* programme in assisting long-term unemployed jobseekers (defined as those unemployed for more than 12 months) to find work. This is reflected in the fact that their numbers, as measured by the QNHS, have fallen from 204,000 in early 2012 to 146,000 in mid 2014. However, while this reduction in absolute numbers is welcome, people who are long-term unemployed account for 58% of total unemployment (see Figure 2 below), and within the overall number who are more than 12 months unemployed the number that are two and three years unemployed is particularly worrying. It is clear that those people who became unemployed at the height of the jobs crisis in 2009 find it particularly difficult to find employment. In this regard it is noted that nearly 100,000 (c 26%) of people on the Live Register have been unemployed for three years or more.



3.3 Youth Unemployment

Similarly, although youth unemployment has fallen, the estimated rate of 27 % in 2014 Q2 is still too high at more than twice its pre-crisis level. The fact that approximately 40% of all young unemployed people are out of work for more than a year (see Figure 3 below) is a particular cause for concern. In this regard the Government, together with other governments around Europe, is committed to the implementation of a Youth Guarantee to ensure that young people are supported and positioned to benefit from the recovery in employment.

This then is the context for this iteration of the **Pathways to Work** strategy. There will be continued and implementation of a programme of fundamental reforms, focussed for 2015 on actions to engage with, and support, long term unemployed and young jobseekers on the Live Register on a pathway into employment. This is a focus of attention which is shared throughout Europe and one in which we have common cause with our European partners a fact reflected in the attention paid to long term and youth unemployment in the recent set of Country Specific Recommendations issued to member States by the EU Commission



Source: CSO

Pathways to Work details how the Irish Government will for its part, and for Irish citizens, tackle these twin challenges. Towards this end PTW 2015 sets out a total of 17 actions all designed to contribute to the achievement of a number of specific, measurable and time-bound targets set out in the table overleaf.

4 Pathways to Work Targets 2014 and 2015

Measure/Target	2014 Target	2015 Target
Move 75,000 long-term unemployed at start of 2012 into employment by end 2015.	22,500 for year 60,000 cumulative	15,000 for year 75,000 cumulative
Increase the exit rate of people on the Live Register for two years or more by 50% (to 40%) by the end of 2015	Exit rate target = 35%	Exit rate target = 40%
Reduce the persistence rate (the rate at which short term unemployed people become long term unemployed) to 25%	28%	25%
Allocate a nominated account manager to large employers and implement the 'employer charter'	Register 100 companies for charter	Register 100 companies for charter
Provide Group Information/ Engagement sessions to jobseekers	All new JobSeekers plus 20,000 LTU	All new JobSeekers plus 100, 000 LTU
Conduct initial one-to-one guidance interviews with jobseekers	All new eligible jobseekers plus 20,000 LTU	All new JobSeekers plus 100, 000 LTU
Fill all additional places on Community Employment, TÚS, Jobbridge and the Local Government Social Employment Scheme	33,000 active places 17,500 starters Of which 16,000 LTU	33,000 active places 17,500 starters Of which 16,000 LTU
Roll-out 'One-Stop-Shop' Intreo offices	17 new Intreo offices (60 offices in total)	All offices complete
Make a range of SOLAS, ETB Further Education and Training and Higher Education Programmes available to meet the needs of the long term unemployed	57,000 places taken up by long term unemployed	57,000 places taken up by long term unemployed (subject to demand)

5 PATHWAYS TO WORK 2015: ACTIONS

While there has been good progress in implementing the actions set out in *Pathways to Work 2013* above, more needs to be done to address the key challenge of the persistence of long-term unemployment, in particular among those who became unemployed in the period 2008 - 2011.

As set out in Table 1, ambitious targets have been established for 2015 which reflect both the scale of the unemployment problem and the resolve of the Government to alleviate it. Each of the 17 actions contained in *Pathways to Work 2015* is accompanied by a series of milestones/measures detailing how these actions will be realised.

As in previous years this programme of activity is organised under five strands.

- Strand 1: Incentivising employers to provide more jobs for those who are unemployed**
- Strand 2: Better engagement with unemployed people**
- Strand 3: Greater targeting of activation places and opportunities for those who are long-term unemployed**
- Strand 4: Incentivising the take-up of employment opportunities by unemployed jobseekers**
- Strand 5: Completing the Reform Agenda.**

Strand 1: Incentivising employers to provide more jobs for those who are unemployed

Ambition:

To assist employers in recruiting employees from the Live Register and to incentivise employers to offer opportunities to unemployed people – particularly long-term unemployed people.

Vision:

The Live Register should be a key source for employers looking to recruit new staff.

Rationale:

People who are unfortunate enough to experience any period of unemployment of more than a few months face enormous challenges in re-entering the workforce. A newly unemployed person has a 50% chance of leaving the Live Register in their first twelve months of unemployment, this falls to under 20% during the second twelve months of unemployment and to less than 10% in the third year.

As the labour market is, at this point in time, a 'buyer's market' it is difficult for unemployed people with an employment 'gap' in their CV is to compete with other jobseeker/job-changers. Accordingly, a greater effort has to be made to convince employers that the profile of skills and experience among people on the Live Register is not only very diverse but is also very deep - over 95% of people on the register have prior employment experience, many are highly qualified and most are still at the prime ages of their working lives. This is a significant challenge: in the US research has found that employers would rather interview someone with no relevant experience who has been out of work for a short time than someone with lots of relevant experience who has been out of work for longer than six months. In other words people, even the best qualified people, who are unemployed for longer periods face an enormous uphill struggle to even get an interview with a prospective employer.

Given the scarring impact of unemployment not just on the unemployed person but on their wider family and given the loss of productive capacity that long-term unemployment represents, the Government has mandated a set of actions designed to inform employers of the talent available and to incentivise them to access this talent.

Significant work has been undertaken by the Labour Market Council Sub-Group for Employer Engagement to develop a Charter, which commits employers to prioritising recruitment of candidates from the Live Register and to working with unemployed jobseekers and jobseeker support organisations to assist in developing the skills and competencies required to find employment. It is intended that the Charter will initially be signed by 100 – 200 of largest companies in the State who will then be able to use the skills of the unemployed/long- term unemployed.

In addition to the Charter, the Labour Market Council has supported the Department in a number of activities to build relationships with employers including briefings and consultations with employer stakeholder groups, job fairs, the production and distribution of employer-focused promotional materials, direct engagement with employers at national and regional level, the development and launch of new employer recruitment incentives and the design and implementation of bespoke training and recruitment solutions. This has, inter alia, served to raise employer awareness about initiatives, such as JobsPlus and JobBridge, designed to encourage recruitment from the Live Register.

Actions

<p>1. Build employer awareness and take-up of the employment services and supports available from the State. (DSP/DJEI)</p>
<p><i>Key milestones/asures:</i></p> <ul style="list-style-type: none"> • Establish a professional account management and sales capability within Intreo targeted at employers. (DSP - Q4 2015) • Develop and implement a communications campaign to promote greater take-up of employment supports/subsidies (DSP Q1 2015) • Rollout the Employer Charter to 200 of the largest companies in Ireland (a pledge that at least 50% of candidates to be considered for interview will be taken from the Live Register). (DSP Q2 2015) • Continue the development of effective working protocols between state agencies serving employers in order to minimise duplication of activities and ‘cross-sell’ services. (DSP/DES/DJEI Ongoing)

1. Build employer awareness and take-up of the employment services and supports available from the State. (DSP/DJEI)

Key milestones/measures (cont'd)

- Build on the protocol with IDA Ireland, Enterprise Ireland and the Local Employment Offices to further develop information sharing, common literature, early identification of employment opportunities, profiling, placement and encouragement of the development of networks at local level to match enterprise agency client company needs with clients from the Live Register. (DSP/DJEI Ongoing)
- Evaluate the pilot of the use of Social Employment Clauses in public sector procurement under the Devolved Schools Programme with a view to full rollout across all public sector procurement. (DPER Q4 2014)
- Engage with Irish Recruitment companies, to ensure that they use JobsIreland as part of their normal process for finding candidates. (DSP Ongoing)
- Launch a promotional web-video for employers taking them through the steps with the local Intreo office to get a job requirement matched. (DSP Q2 2015)
- Intreo offices to publish frequent bulletins with lists of available candidate specific skills. (DSP To start Q4 2014)

2. Improve the Job Matching Capability of Intreo Offices.

Key milestones/measures:

- Issue a tender for a new job matching system to replace/upgrade Jobsireland.ie. (DSP Q3 2014)
- Implement the new employer vacancy/job matching system.(DSP Q3 2015)
- Identify and reverse market to employers people those on the Live Register who already have skills (e.g. language skills) that match gaps in identified areas such as sales, customer service/sales administration, technical support engineers and credit control. (DSP Q1 2015)

Strand 2: Better engagement with unemployed people

Ambition:

To provide all registered unemployed people with efficient, work-focused income supports together with the supports and direction required to help them plan and implement a pathway back into employment. To rigorously evaluate the impact of activation programmes using econometric evaluation of the most up to date data for more accurate identification of cause, effect and programme impact with the aim of ensuring that scarce public funds are utilised to maximum effect.

Vision:

The service vision mapped out in Pathways to Work 2012 and 2013 remains valid. This sets out a service model where unemployed clients have access to a 'one-stop-shop' of employment and income support services, where the right of access to income support is accompanied by a responsibility to engage with employment services and where the type and intensity of employment services is tailored to the client's individual profile.

Rationale:

Ireland's employment services approach was in the past, by comparison with other countries, relatively passive in nature with historically weak linkages between payment of income supports and State employment services provision. International studies and expert reviews of Ireland's service model all concluded that we needed to take a more 'active' approach to the delivery of these services. This is particularly the case during periods of high unemployment when the risk of any episode of unemployment at an individual level extending into long-term joblessness is heightened.

To build on progress made during 2012 and 2013 to address this issue it is intended to complete the roll-out of the Department's Intreo service model during 2014 and 2015 – This model is based on a social contract of rights and responsibilities, (the Record of Mutual Commitments), between the State and the individual, which integrates benefit payments and employment services, which offers all newly unemployed people a group engagement/information session, which is based on an individual profile of each unemployed person and which tailors the employment services offered in accordance with this profile.

Despite the recent increase in the number of case officers, the ratio of clients to case officers at 500:1 remains far too high by international standards where figures of 100 – 150:1 are the norm (as

recognised by the OECD, EU and IMF). This reflects the financial and recruitment constraints on the public service and limits the degree to which the Department of Social Protection can expand its range of services to the target groups. The introduction of extra capacity via JobPath to target long-term unemployed jobseekers will improve this ratio to about 200:1 and will allow Intreo case officers to focus their time and effort on a smaller pool of unemployed jobseekers. The JobPath service will be designed in such a way as to be seamlessly integrated into the Intreo Service in order to maintain the 'one-stop-shop' interface with jobseekers.

Furthermore, it is important to ensure that the significant resources invested in activation programmes are being utilised in an efficient and effective manner, hence there will be a particular focus on programme evaluation. Under PTW, significant changes have been made to employment schemes in terms of increasing their work/activation component. These schemes are however still very expensive and there are concerns that progression rates can be improved. As part of the process of evaluating impacts particular attention will be paid to evaluating the impact of the changes already made on improving progression outcomes and further changes may be considered. Guidance will be sought from the Labour Market Council as to which programmes should be prioritised for evaluation

Actions:

<p>1. Implement JobPath the new contracted employment services model for the long-term unemployed. (DSP/DPER)</p>
<p><i>Key Milestones/Measures:</i></p> <ul style="list-style-type: none"> • Approval of successful bids by Government (DSP Q3 2014) • Finalisation of Contracts. (DSP Q4 2014) • Establishment and resourcing of contract management teams and referrals process. (DSP/DPER Q1 2015) • First referrals to JobPath providers. (DSP Q2 2015) • Put in place arrangements for performance measurement of Jobpath prior to its commencement. (DSP/DPER Q2 2015)

2. Enhance Long-Term Unemployed Engagement Process within Intreo. (DSP)

Key Milestones/Measures:

- Complete implementation of the Intreo engagement programme for clients who are long-term unemployed. (DSP Q3 2014)
- Engage with 20,000 long-term unemployed jobseekers pending introduction of JobPath. (DSP Q4 2014)
- Ensure engagement with 100,000 long-term unemployed persons through a combination of :
 - Prioritisation of long-term unemployed in the Intreo engagement process and/or
 - Accelerated referrals to JobPath once established(DSP Q4 2015)
- Develop certified personal/competency development programmes for Intreo case officers to enhance the capability of Intreo to prepare and assist jobseekers into employment. (DSP Q3 2015)
- Continue to work with third sector organisations including the voluntary community and employer groups to promote a co-ordinated and mutually supportive delivery of services to JobSeekers. (DSP Ongoing)

3 Make it a condition for receipt of jobseeker payment that jobseekers upload CVs to JobsIreland.ie or other employment sites at the request of their case officer. (DSP)

Key Milestones/Measures:

- Implement new JobsIreland website. (DSP Q3 2015)
- Enact legislation if required to give effect to the requirement for jobseekers to upload their CVs on websites. (DSP Q3 2015)

4 Develop and implement a robust evaluation programme to assess the impact of PTW initiatives and identify potential areas for future attention. (DSP/DPER/DES)

Key Milestones/Measures:

- Complete ESRI pathfinder evaluation of BTEA. (DSP Q4 2014)
- Develop comprehensive approach to evaluation of PTW initiatives and issue tender to engage evaluation team. (DSP Q1 2015)
- Complete evaluation and publish results of comprehensive evaluation. (DSP Q4 2015)
- Continue the evaluation programme of Springboard. (DES Q4 2014)
- Complete evaluation of the first round of Momentum. (DES Q4 2014)

Strand 3: Greater targeting of activation places and opportunities for those who are long-term unemployed

Ambition:

To provide unemployed people, in particular people who are long-term unemployed and young unemployed people, with opportunities to enhance their job prospects through value-adding work experience, education and training activities.

Vision:

The provision of a suite of employment, education and training programmes that are relevant to labour market needs, that are attractive to unemployed people and that promote and assist in progression to paid open labour market employment. It is important that sufficient provision is available on these programmes for people who are long-term unemployed and they should be supported in acquiring the experience, skills, confidence and motivation necessary to progress to open labour market employment.

Rationale:

In the wake of the collapse in employment in 2008-2011 some skills-mismatches now exist amongst unemployed people and the labour market. Consequently employers may find it difficult to source suitably skilled and qualified workers as the economy continues to recover. Further Education and Training programmes that are relevant to the skills needs of employers provide a well proven and undoubted advantage to jobseekers. Similarly, as the JobBridge experience has shown, well designed employment programmes can enhance employment prospects – even of those people who have been unemployed for a relatively long time². Traditional State Employment Schemes (SES) can help provide meaningful occupation to the unemployed during periods of prolonged recession so long as these schemes are well designed and implemented, are temporary and that the participants receive supports to improve their prospects of securing ‘open-market’ employment on conclusion of their SES placement.

² Indecon evaluation of JobBridge shows progression rates of c 38% for people unemployed over 2 years. The standard progression rate for this cohort is 7%

The Government has already recognised the importance of such initiatives and additional new places were introduced in 2013/2014 including:

- An extra 2,500 places on JobBridge
- An extra 2,500 places on TÚS
- An extra 1,500 places on CE
- 3,000 places on Gateway a social employment scheme which provides SES places in Local Authorities.

The Department of Education and Skills and its agencies will continue to take steps to increase the capacity of the training/education sector to provide labour market focussed re-skilling and up-skilling opportunities for people who are unemployed. Of particular note has been the roll-out of the Momentum programme by the Department of Education and Skills which provided 6,500 additional training places during 2013 – specifically for long-term unemployed people identified and referred by the Department of Social Protection. A new phase of Momentum with 6,500 places was launched in September. . A further expansion of the Springboard programme, which to date has supported more than 15,000 unemployed people to reskill for emerging employment opportunities, will provide over 6,000 new places in 2014.

When enterprise agencies identify possible employment opportunities, we will ensure a seamless process of profiling by Intreo offices and skills enhancement, where needed, with SOLAS and the ETB's.

In parallel, we recognise the severe impact of the economic downturn on younger people. One of the most damaging consequences of the recent crisis is the fact that younger people (under 25 years of age) account for just under one-in-five of those out of work. While there are many positive and effective interventions already in place, we must and will do more. There will also be a particular focus on tackling youth unemployment in PTW 2014-2015, via the Youth Guarantee.

To address youth unemployment, we will work over the remainder of 2014 to roll out the Youth Guarantee for Ireland on a staged basis. This Youth Guarantee will mean that young people will receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education. This guarantee will be subject to the social contract and mutual rights and responsibilities. The share of young

unemployed people who are out of work for more than a year accounts for one out of three of all young unemployed. The implementation of the Youth Guarantee is targeted first and foremost at this cohort to ensure that they benefit from the recovery phase.

As well as matching Live Registrants with employers, another viable activation option is for the unemployed to start-up their own businesses. Aside from Back to Enterprise Allowance (BTEA), which is primarily targeted at persons on the Live Register, there are a number of entrepreneurship supports in the Action Plan for Jobs which will be of relevance to the unemployed. PTW 2014-2015 will further develop cooperation and co-ordination between D/JEI, its agencies (including the new LEOs) and DSP to ensure that Jobseekers can access self-employment/business start-up supports.

The key objective of activation policy, and of PTW 2014-2015, has to be to provide a pathway back to employment for people with a work capacity who are already, or who will in the absence of support become, long term unemployed. To this end, activation schemes such as Back to Education Allowance and are being designed to enhance their effectiveness as pathways out of long-term unemployment.

Notwithstanding the current focus on the Live Register, the State is also mindful that other jobseekers could benefit from support in accessing the labour market. Hence, it will continue to increase the level of awareness among these groups of the employment supports that are available to them (e.g. FET options) and develop proposals as to how the Intreo activation process could, in time, be extended to jobseekers not on the Live Register. In this regard careful consideration will be given to how to balance the 'obligation' to engage with the Intreo service (which is a defining feature of 'activation') with an opportunity based approach which may be more suitable to non-Live Register cohorts.

Actions:

<p>1. Reserve and fill activation programmes and FET places for the Long-Term Unemployed. (DSP/DES/DPER)</p>
<p><i>Key Milestones/Measures:</i></p> <ul style="list-style-type: none"> • Provide at least 57,000 education and training places for long-term unemployed people during 2014 and 2015. (DES ongoing) • Provide at least 33,000 places (16,000 starts) on DSP employment programmes (Community Employment, Tús, Gateway, JobBridge) during 2014 and 2015. (DSP ongoing) • Extend the number of JobsPlus employment opportunities from 2,500 to 3,000 in 2014. (DSP Q4 2014) • Complete evaluation of the first 18 months of JobPlus. (Q4 2014 DSP, DPER)

<p>2. Implement the Youth Guarantee. (DSP, DJEI, DES)</p>
<p><i>Key milestones/measures:</i></p> <ul style="list-style-type: none"> • Launch JobsPlus for Youth by reducing the qualifying period for those aged under 25 from 12 months to 4 months in respect of young people who are assessed as low - medium PEX. (DSP Q4 2014) • Launch Developmental Internship. This will serve the most disadvantaged young people in the 18-25 age bracket who have been identified as having significant barriers to gaining employment. Employers will be asked to make work experience places available for young people aged 18 to 25 with low levels of educational attainment, long periods of unemployment and other social barriers to employment. (DSP Q4 2014) • Modify the Intreo process to ensure more intensive engagement with young people. (DSP Q4 2014)

<p>2. Implement the Youth Guarantee. (DSP, DJEI, DES)</p>
<ul style="list-style-type: none"> • Allocate 1,000 places on the Tús scheme to young people. (DSP Q4 2014 and 2015) • Introduce a pilot programme to support young unemployed people to take up opportunities under schemes such as Your First EURES Job. (DSP Q4 2014) • Ring-fence a minimum of 2,000 training places for under-25s by the Department of Education and Skills, under a follow-up to the Momentum programme. (DES Q4 2014) • Make additional supports available to young entrepreneurs via Micro finance Ireland and other business start-up schemes – Ireland’s Best Young Entrepreneur Scheme (DJEI Launch Q2 2014; Regional & National Finals Q4 2014; Review Q2 2015).

<p>3. Actively support unemployed people interested in exploring the option of self-employment. (DJEI)</p>
<p><i>Key Milestones/Measures:</i></p> <ul style="list-style-type: none"> • Better align the advice and support provided to those on the BTWEA Scheme with the advice and coaching for those starting up in self-employment, entrepreneurialism and business start-ups by the Enterprise Officers of LEOs and the business advice staff in the Community Enterprise Centres (CECs) assisted by EI and by the Enterprise Officers in the Local Development Companies. (Process facilitated through Protocol between DJEI, DSP and Enterprise Agencies. Steering Group meets quarterly) (DJEI Ongoing) • Publish the first ever National Entrepreneurship Policy Statement. A key focus will be looking at ways to promote an inclusive entrepreneurship by unleashing the potential of specific cohorts – notably the unemployed, youth, females, immigrants and seniors. (DJEI Q3 2014)

<p>3. Actively support unemployed people interested in exploring the option of self-employment. (DJEI)</p>
<ul style="list-style-type: none"> • Improve the take-up of MicroFinance Ireland funding by youth by the end of 2015. (DJEI Review of MicroFinance Fund Scheme Q3 2014)

<p>4. Develop and evaluate options to extend employment services to people not on the Live Register and improve the promotion/communication of existing activation options. (DSP, DECLG DPER)</p>
<p><i>Key Milestones/Measures:</i></p> <ul style="list-style-type: none"> • Develop options for extension of employment services options to cohorts other than jobseeker on the Live Register. (DSP – Q3 2015) • Develop resourcing options to support extension of employment services activity to cohorts other than those of the Live Register by 2016. (DSP/DPER -Q3 2015) • Implement Social Inclusion and Community Activation Programme. (DCELG - Q2 2015) • Develop campaign to improve awareness of availability of employment supports among people not on the Live Register. (DSP - Q1 2015) • Examine potential to incorporate time as a qualified adult on another jobseekers claim as part of qualifying time for eligibility to programmes for adult dependents who claim a jobseekers payment in their own right. (DSP - Q4 2014)

Strand 4: Incentivising the take-up of employment opportunities by unemployed jobseekers

Ambition:

To ensure that unemployed people have a financial incentive to work and that the tax, welfare, health and social accommodation policies of the State do not act to 'trap' people in welfare dependency.

Vision:

People who are unemployed should see a real financial benefit in the possibility of taking up employment, and people who return to work from unemployment should experience an improvement in earnings. There should be no situation in which a person would be financially better off, in the long term, on welfare rather than in work.

Rationale:

People who are unfortunate enough to experience unemployment should be able to rely on their fellow citizens, through the State, to help them cope with the loss of income and to enable them to lead a life of dignity until such time as they regain employment. The State does this through the provision of welfare payments to help with daily living expenses, through providing, or subsidising the cost of, suitable accommodation and through providing free access to medical services. The provision of such supports should not however act as an impediment to the transition back to employment.

With regards to work incentives, PTW 2014-2015 will be responding to the Advisory Group on Tax & Social Welfare (AGTSW) report on 'Making Work Pay' with particular focus on part-time employment and the new Housing Assistance Payment (HAP).

There is some evidence that, for some people, particularly those in receipt of housing supplements and payments for dependent family members, work might not pay. In other words, the financial return to taking up employment at typical entry level/starting pay points is not perceived as being greater than that in remaining unemployed. For example if a jobseeker is one of the three per cent of people on the Live Register who has an adult dependent and three dependent children, they have a 45% lower than average rate of exit from the Live Register. If that person in addition receives housing benefits (c 11% of Live Register claimants receive rent supplement), the rate declines even further, to a 69% lower than average rate of exit. While the number of people in this situation is

relatively small, the data highlight the fact that in the case of jobseekers with family dependents there is a difficult balance to be struck between creating a 'welfare trap' on the one hand and a 'poverty trap' on the other (e.g. by linking payment rates to families on social welfare to minimum or low wages). It is always likely moreover that any system that uses income thresholds to trigger the payment of welfare or taxes may give rise, at the margins, to perverse incentives. Nevertheless the State can minimise these tax/welfare and poverty traps. It can do this by careful design and continuous improvement of the basic tax and welfare codes. It can also do this by providing 'in work' income support (e.g. Family Income Supplement) for those on low wages, by allowing people to retain some benefits (e.g. medical cards) for a transition period upon return to employment and by limiting the range of State services that are delivered, by proxy, through the welfare system (e.g. accommodation subsidies).

The Government has, therefore, initiated a range of actions with a view to simplifying, and improving the understanding of, the tax and welfare codes and to ensure that there is a strong financial incentive to return to work for all people who are unemployed.

To this end the Government established an Advisory Group on Tax and Social Welfare to make recommendations on how to amend our tax and welfare systems to ensure that, in financial terms at least, work always pays. In addition to the recommendations already made with regard to child income supports, the group is currently assessing the effect certain payments can have on work incentives. These include unemployment payments and similar payments made by other agencies, One Parent Family Payment, One Parent Family Tax Credit, Back to Work Tax Credit, increases for adult dependents as well as secondary benefits such as medical cards and rent and mortgage supplementary payments. The findings of the Advisory Group will be published in the near future.

In addition, in Budget 2015, we will introduce measures to assist low income families by improving the system of child income supports, through a Working Family Dividend whereby those moving from welfare to work will retain the child related portion of their welfare payment to ensure that people are better off in work.

Furthermore, it is also intended that the new Housing Assistance Payment (HAP) will replace the payment of rent supplement via the welfare system to people with a long-term requirement for subsidised accommodation. It will be necessary to ensure that HAP does not give rise to unintended behavioural impacts in terms of increased dependency on the State over the long-term.

It is also important to increase general awareness of the fact that for the vast majority of people on the LR, work pays, that there is a comprehensive range of services now available to jobseekers and that these services deliver positive outcomes for jobseekers and employers. There is a need for a systemic and on-going improvement in the distribution of information and advice to unemployed people on the supports that are in place (e.g. FIS; BTWEA) to assist them to participate in activation measures or take-up employment.

Actions:

<p>1. Implement the Housing Assistance Payment (HAP) to replace the payment of rent supplements via the welfare system to people with a housing need subject to the successful completion of Limerick pilot. (DECLG)</p>
<p><i>Key Milestones/Measures:</i></p> <ul style="list-style-type: none"> • HAP to be rolled out to 6 further local authorities in the second half of 2014. (DECLG - Q4 2014) • Prepare evaluation of pilot rollout. (DECLG, DPER -Q1 2015) • Completion of HAP to all local authorities by the end of 2015. (DECLG -Q4 2015)

<p>2. Address disincentive/welfare trap effects facing unemployed persons with children (re-) entering the workforce. (DSP/DPER/D/FIN)</p>
<p><i>Key Measures/Milestones:</i></p> <ul style="list-style-type: none"> • Consider and publish a response to the report of the Advisory Group on Tax and Social Welfare. (Q1 2015 – DSP) • Introduce a Working Family Dividend (WFD) to compensate for the loss of welfare payments for unemployed parents who are returning to work. (DSP/DPER/DFIN - Q2 2015)

3. Implement a communications campaign in Intreo offices to improve jobseeker awareness and understanding of the benefits of work and the employment supports available. (e.g. Family Income Supplement , Part Time Job Incentive)

Key Milestones/Measures:

- Develop a proposal for increasing jobseeker awareness of FIS. (Q1 2015, DSP)
- Implement awareness campaign. (Q1 2015 DSP)

Strand 5: Completing the Reform Agenda

Ambition:

To ensure that the resources of the State are combined effectively with resources from other sectors and deployed to maximum effect in the delivery of income and employment services to people who are unemployed.

Vision:

Jobseekers and employers should experience a seamless, efficient and professional service – *Intreo* should be perceived as a supplier of choice to both jobseekers and employers.

Rationale:

The Government has already implemented a significant re-organisation to integrate the three main providers of welfare and employment services (DSP, FÁS Employment Services, and the Community Welfare Service) into a single INTREO service. It has also, through the establishment of SOLAS and the Education and Training Boards and the transfer of former-FÁS training functions, undertaken a thorough reform of the main agencies involved in further education and training. (FÁS Training and the VECs)³. It is now crucially important that these new organisations have access to sufficient resources to discharge their responsibilities, that they prioritise the allocation of their existing resources in line with the Government's employment priorities, that they set specific and relevant performance targets and that they report on and are managed to achieve these targets.

³ SOLAS will be responsible for the design and oversight the Further Education and Training Strategy and the ETBs will be responsible for its delivery

Actions

1. Continue reform of the FET System.

Key Milestones/Measures:

- Agree quantity and quality service delivery targets for long-term unemployed. (DES/DSP/DPER -Q4 2014 for 2015)
- Devise and implement core common data capture and business process tools across all state sector FET providers, including supporting referral from DSP. (Common national programme database and calendar - SOLAS Q2 2015)-)
- Continue work on the development of an efficient system of data exchange between the Department of Education & Skills (DES) and the education institutions and DSP/Intreo in order to ensure that the detailed progress of participation through the education/training system and the labour market outcomes for those referred by Intreo are captured. (Ongoing: DES/DSP/SOLAS)
- Use the annual integrated further education and training service planning process to set service delivery targets for long-term unemployed people. (Ongoing: SOLAS/DES/DSP)
- Ask the Labour Market Council to mobilise employers to assist in the provision of training/placement opportunities in growth sectors utilising schemes such as Springboard, Momentum, Traineeships, JobBridge. (Ongoing: DES/SOLAS)
- Produce national and regional skill needs reports for the ETB sector as part of planning process from December 2014. (SOLAS - Q4 2014)
- Develop and roll out arrangements for engagement of FET sector with employers at national, regional and local level to help inform the FET service planning process from December 2014. (SOLAS - Q4 2014)

1. Continue reform of the FET System.

Key Milestones/Measures (cont'd)

- Use the service planning model from December 2014 to ensure that FET provision is aligned with the skills needs of enterprise and with the EGFSN reports and other appropriate reports/research, including the implementation of Forfás 'Guidelines for VECs - Aligning FE Provision with the Skill Needs of Enterprise'.

2. Benchmark employment and training service delivery at local, regional and national level in DSP and DES and publish results.

Key Milestones/Measures:

- Select a shortlist of benchmarks to measure and publicly report performance of individual Intreo offices and Intreo/DSP regions. (DSP -Q4 2014)
- Establish benchmarks for use to measure and report performance of Jobpath contractors. (DSP - Q2 2015)
- Commence publication of performance against benchmarks. (DSP – Q3 2015 quarterly thereafter for Intreo/ETB; quarterly after start-up for JobPath)

3. Review inter-agency co-operation protocols.

Key Milestones/Measures:

- Review operation of existing protocols between Intreo and DJEI agencies and Intreo and ETBs and develop new/enhanced protocols as required. (DJEI/DES/DSP – Q1 2015)
- Produce a report on the operation of inter-agency protocols. (DJEI/DES/DSP Q2 2015)
- Repeat and develop the 2013 piloted exercise undertaken by Forfás to ascertain overall recruitment from the Live Register by agency client companies. (DJEI - Q2 2015)

4. Embed the Labour Market Council within the Government's policy making framework to be the primary advisory body on labour market policy.

Key Milestones/Measures:

- Formalise the role of the Labour Market Council on a non-statutory basis. (DSP - Q1 2015)
- Formalise the relationship between the Labour Market Council and other policy advisory bodies. (DSP - Q1 2015)

