

Correspondence 3A.3  
Meeting 81 – 25/04/2013



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Ms Niamh Maguire  
Committee Secretariat  
Committee of Public Accounts  
Leinster House  
Dublin 2

23<sup>rd</sup> April 2013

Dear Ms Maguire,

I refer to my letter dated 28<sup>th</sup> March responding to the request by the Committee for further information and your follow up email of 22<sup>nd</sup> April.

I have now attached the outstanding information and would like to apologise for the delay in forwarding this to the Committee.

Yours sincerely

Niamh O'Donoghue  
Secretary General

## **Note for PAC**

*Point 4-A breakdown of the most recent figures for the number of people who were called for interview with social welfare officials and figures for the number who did not attend the initial interview and the number who did not attend after receiving a warning. The number of the people subsequently penalised for non-attendance to be included*

### **Penalty Rates:**

Penalty rates were introduced in April 2011 as a means of achieving the engagement of jobseekers with activation measures, including the National Employment Action Plan (EAP). Penalty Rates can currently be applied in very specific circumstances which are governed by legislation and are appealable. The central aim of Penalty Rates is that they would act initially as a deterrent to non-compliance, then as a tool to be applied with the objective of increasing customer compliance with the Department in its efforts to provide interventions and opportunities.

In the update to the Public Accounts Committee in March 2013 the Department provided the following data with respect to the application of the penalty rate regime:

- Some 372 penalty rates were applied to year end 2011.
- To end 2012 a total of 1,807 Penalty Rates were applied, since their inception.
- In the second quarter of 2012, the Department reviewed operational arrangements and introduced new measures to enhance clarity and support the consistent application of penalty rates nationally.
- The new operational arrangements, including Penalty Rate warnings and prompt rescheduling, resulted in improved levels of engagement. In the two-month period following the introduction of the revised operational instructions (i.e. June/July 2012)
  - Of 15,807 customers referred for activation, 5,338 initially failed to attend.
  - Following a Penalty Rate warning, of the 5,338, just 308 failed to attend a re-scheduled appointment.
  - Deciding Officers deemed it appropriate to impose penalty rates in 52 of the 308 cases.

Members of the committee requested an update on referrals, attendance rates and penalty rate application to the end of 2012.

The following data provides the information requested broken down into two periods:

### **Period from 1 January 2012 to 31 May, 2012 (Prior to new instructions).**

- 45,951 customers were referred for activation through Group Engagement (GE) or initial one-to-one guidance interviews

- 11,856 customers failed to attend their first appointment. The procedure for customers who fail to attend their first appointment is to request them to attend their Local Office for interview. Included in this interview is a verbal warning regarding Penalty Rate and rescheduled appointment for GE or one-to-one interview.
- This control measure resulted in the number of customers failing to attend a second scheduled appointment within this period totalling 2,300 – equivalent to 5% of those referred in the period (45,951).
- Deciding Officers deemed it appropriate to impose penalty rates in 563 cases (24% of non-attenders), taking into consideration the provisions of the legislation (i.e. “just cause”, etc).

**Period from 1 June, 2012 to 31 December, 2012 (Post to new instructions).**

- 58,224 customers were referred for activation through Group Engagement (GE) or initial one-to-one guidance interviews
- 17,319 customers failed to attend their first appointment.
- The number of customers failing to attend a second appointment was 2,102 – 3.6% of those referred in the period.
- 673 Penalty rates were imposed for these referrals by March 2013. (i.e. Penalty rates applied to 32% of non-attenders)

It is to be noted that following the introduction of the new process attendance rates improved and the rate of penalty application increased.

Some caution should be taken in interpreting the above statistics for a number of reasons:

- The process of engagement with people who were called to appointments during the period under review continues. Accordingly the data will continue to change over time. (For example people called to appointments in December are still being followed up).
- The Department is changing its engagement process as it rolls out the Intreo service. As part of the Intreo process engagement with clients commences immediately on registration. Under the existing NEAP process engagement commences on the third month anniversary of registration. The first ten Intreo offices were implemented during the second half of 2012. Given that they represent a relatively small sub-set of the overall office network (60 offices in total) and in order to facilitate comparison across the full year data relating to these offices has been excluded from the figures above.

Intreo office performance will be included in future reports.

The total number of penalty rates applied during 2012 was 1,455.