

SIPTU-Local Employment Service/Job Clubs National Committees

Submission to Joint Committee on Employment Affairs & Social Protection (Indecon Report)

Tuesday 2 April, 2019

Introduction

May I begin by thanking the Committee for inviting us to speak to you today. We are here as representatives of the SIPTU Local Employment Services (LES) and Job Clubs National Committees who represent our colleagues all around the country. The committees comprise of Partnership and non-Partnership LES & Job Clubs.

The history to being here is a result of meetings we've had with Deputies John Brady and Willie O'Dea and wish to thank them for facilitating our attendance here today.

We've written to the Minister of Employment Affairs and Social Protection on a number of occasions requesting a meeting to discuss the proposal of the DEASP to replace the Community based LES and Job Clubs with an "open/public competitive procurement model for future provision of services". We eventually received a reply offering an opportunity to meet with an Official from DEASP. This meeting took place Wednesday 20 March and the Department Official was accompanied by two colleagues.

Our presentation today sets out the reasons why both the LES and Job Clubs should remain as a not-for-profit model within the community.

It is an honour to be invited to Leinster House in the same year that Dáil Éireann celebrates its centenary. The LES and the Job Clubs may not have been around for 100 years, but we are approaching the quarter century, having been set up in the mid-1990s. We have been very much a front-line person centred service and have always operated in a not for profit structure, and are an integral part of our local communities. What we would like to do is to give you a very brief history and background to the LES and Job Clubs and to describe how we operate.

The Interim Report of the Task Force on Long-Term Unemployment (February 1995) laid out the template for the LES which led to the Job Clubs model being developed to compliment and support the service.

"The aim of the Local Employment Service would be to provide the gateway or access point to the full range of options which should be available to enable a long term unemployed person return to the world of work – these include guidance, training, education and employment supports" (The Interim Report of the Task Force on Long-Term Unemployment, 1995: 12)

And, although many years have now passed since the publication of this report, the values and the ethos that it set down for the new service back in 1995 still very much prevail to this day; being client centred and responsive to the individual needs of clients. It has been these clear values and operating ethos that has enabled us to be a successful service. Time and time again, we have been able to adapt our operating procedures to changing

circumstances and official requirements, while remaining constant to our overall values and operating ethos with a view to increasing a person's potential employability.

We are the gateway for unemployed people by virtue of our location within areas of typically high unemployment. We are ideally located when people come looking for support or wish to undertake a short training course like job market training courses such as Safepass or Forklift Driving, etc. Many of our long-term unemployed clients have been able to escape long term unemployment and re-enter the world of work.

A significant percentage of those who use our service to access programmes such as Community Employment and TUS have gained full-time employment. The LES and Job Clubs did not set themselves up to be the expert on all these diverse areas, but rather that we would establish effective networks with all the key stakeholders and other service providers. This network approach has continued right down to the present day.

LES and Job Clubs: The Community Based, Not-for-Profit Model

Put simply, the LES and Job Clubs are a local support for jobseekers that matches clients of the services to employment, education and training opportunities within their locality.

At present, the LES operates in 25 areas and the Job Clubs operate in over 40 locations throughout Ireland. We are public employment contracted services operating successfully from a community based, not-for-profit ethos. We are based in the hearts of our communities throughout the country, from local offices in communities such as Moyross and Mayfield to urban centres like Clondalkin and more rural areas such as Kerry and Mayo. We deliver a community based employment service to local people who need our services.

As both services are rooted in the community, this enables the services to have greater insights into the needs of the individual and also the community needs and issues that may impact upon the employability of the individual. Another advantage of being locally based, is the wealth of local knowledge we have built up, knowing what local services and supports are available to the individual and this allows for collaborative working relationships between multiple services.

LES and Job Clubs: Our Approach

The LES and Job Clubs work with clients from a person-centred approach with an emphasis on providing a range of personalised tailor-made supports. The service is reflective of the clients' needs and works towards active career progression.

Supporting our clients to avail of both informal and formal certified training, continues to have a huge impact on career progression opportunities leading to employment. Many clients also take the first step back into employment through engaging in the various labour market programmes such as CE, RSS and TUS. Both the LES and Job Clubs support clients with this type of progression, if this is deemed an appropriate intervention for same. The LES and Job Clubs work collaboratively with a range of labour market stakeholders who may have specific training needs for a new workforce. The LES has worked with and advocated with government departments to deliver specific training to meet employer and client needs and thus securing sustainable employment for clients in their locality.

CE, RSS and TUS programmes are the backbone to many services operating in the communities, providing much needed community support services such as Childcare Facilities, Meals on Wheels, Care & Repair Services and Sporting Facilities. It is often here that the routine of getting back to work, building confidence and having a sense of belonging and purpose creates the stepping stone toward further training and employment. There is a suite of supports available to Jobseekers through LES and Job Clubs;

- A free local service with over 20 years experience
- Progression Planning
- Guidance and Mediation
- Addressing Barriers & Building Confidence
- Training and Education Support
- Placement Service
- Access to CE, TUS and other Labour Market Programmes
- Assistance with Job Vacancies, CV Preparation, Online Applications, Covering Letters, Interview Preparation, Mock Interviews and Aptitude Testing
- Expert Enterprise Support & Advice
- Post Employment Supports
- Access to Financial Supports
- Information Provision

The Current Climate

The recent Indecon Report acknowledged that unemployment levels have fallen nationally – quoted recently by Minister Doherty as 5.3%. However, our experience of working as practitioners shows that there continues to be a client group, who are very distant from the labour market and often present with multiple barriers to employment, which can and often include;

- Limited Education Attainment
- No Work History
- Limited English Language Skills
- Homelessness
- Low Literacy Skills
- Confidence/Self-Esteem Issues
- Age
- Distance/Transport to Work/Training
- Lack of Childcare Supports
- Ill Health
- Addictions

The currently favoured “work first” approach, where only full-time employment of +30 hours is considered a progression, is extremely difficult for people who are experiencing a variety of barriers; this is where both formal and informal supports are required to work with the individual.

LES and Job Clubs recognise that the career progression journey, for those most distant from the labour market, begins with the focus on working with the client at *where they are at* and through a person-centred approach to support the individual to address the barriers they face to become job-ready.

The Irish National Organisation of the Unemployment (INOU) Services Research Report of 2016, recognises the expertise that the LES has developed in supporting people who are long-term unemployed and recommends that the LES retains its identity with the range of DEASP supported employment services (INOU, 2016). The INOU notes that good inter-agency working is an important component in the delivery of an effective public employment service. They further state how a good example of effective interagency/organisation work is the link with local Job Clubs (INOU, 2016).

The employees of both the LES and Job Clubs are highly qualified, trained and experienced with a vast range of local labour market knowledge, established successful networks and work in the heart of the community. Both services have a workforce that's adaptable, innovative and values the empowerment and person-centred approach towards sustainable employment. LES and Job Clubs have a proven track record of responding to the needs of government, through our flexibility and adaptability we have proven that we are responsive, proactive and with the ability to meet the evolving demands of those who are unemployed – this is evidenced through the increased capacity of clients during the height of the recession.

Job Clubs

Supporting Clients in their Jobsearch with Job Clubs

As the Indecon Report describes, the objective of the Job Clubs is to provide a range of services and supports for jobseekers and for employers. The Job Clubs service enables jobseekers to take positive steps towards realising their career plans and explore and follow up employment opportunities. Job Clubs provide active, practical and participative supports under the guidance and supervision of Job Clubs staff. There are 4 elements of individualised support on offer to clients of Job Clubs; Formal Workshop Training, One to One Engagement, CV Preparation and a Drop-In Service. Clients are referred to engage in these supports through the DEASP and the LES, while some clients also self-refer.

Formal Workshop Training

These employment focussed workshops are tailored to meet the needs and aptitudes of jobseekers within each group or location. The topics covered in the workshops include;

- Identifying individual client skills and local job opportunities
- Establishing an Employment Plan
- Understanding the Interview Process
- CV Preparation
- Letters of Application and Application Forms
- Sourcing and Approaching Referees
- The Value of Transferable Skills
- Group Participation/Motivation
- Using the internet in job search and online applications
- Local Economy; Employers
- Current Labour Markets

One to One Engagement

Practical and Personal Support is provided to clients on a one to one basis, this can include structuring CVs, job application forms, job coaching and pre-interview support.

CV Preparation Service

Clients are assisted with the preparation of their CV, this is often the initial engagement in the activation process for clients. Many clients do not have access to facilities to prepare their own CV and avail of the practical support on offer.

Drop In Service

Many Job Clubs also offer a drop in services for jobseekers, where they can avail of the facilities/resources (internet access, computers, phone, printing facilities, JobsIreland website, etc). Most of our facilities around the country have been very busy last week with clients preparing for the DEASP National Jobs Week, with Jobs Fairs running throughout the country – our facilities enabled clients of the service to be ready to properly engage with potential employers at the Job Fairs.

Client Experiences with Job Clubs

The Indecon Report states that clients surveyed for the report exceeded typical response rates, showing that 21.5% of clients responded to the survey. The results speak for themselves;

- 80% of clients said the Job Clubs supports had improved their prospects of getting employment.
- 79% of respondents stated that their engagement had motivated them to find work or undertake further education/training.
- 77% of clients said their participation boosted their self-esteem and self-confidence.
- 26% received assistance to find work over 30 hours per week.
- 23% received assistance to find work under 30 hours per week.

These statistics demonstrate to us, the positive impact that Job Clubs have on clients who engage with us, and are supported in their journey towards employment.

Employer Experiences with Job Clubs

The Indecon Report further highlights the positive relationships we have developed throughout the country with employers. Some of the findings are as follows;

- 79% of Employers said that Job Clubs helped their company find suitable candidates for available jobs.
- 81% of Employers established effective on-going relationships with Job Clubs staff.
- 86% of Employers became knowledgeable of the support services available.

- 75% of Employers gained employees who perform well and are reliable.
- 60% of Employers filled vacancies they could not fill otherwise.

Impact on Unemployment Rate by LES and Job Clubs

In January 2012, the unemployment rate stood at 16%. Through the combined work of Intreo and LES/Job Clubs the rate fell to 9.3% by summer 2015. This equates to a reduction of 6.7% and is prior to the introduction of the Department's for-profit employment model.

Local Employment Service (LES)

Uniqueness of the LES Model

The LES is delivered by highly qualified staff, who offer a customised, person-centred service while being cognisant of the complexity and multidimensional causes of unemployment, and how this impacts on individuals and communities. Skilled staff focus on active-listening, understanding and interpretative skills to facilitate clients, who are most distant from the labour market, to address the issues and barriers which affect their ability to access employment, education or training.

Future labour market changes will continue to have a significant impact upon those who are already categorised as being most distant from the labour market. This underscores the need for a guidance-focused mediation service for those most in need, namely the model practiced by the LES. We believe that this unique model should be available throughout the State and that a proposal from an Irish Local Development Network (ILDN) paper in November 2013 (Responding to the Jobs Crises: Local Development Companies working in Partnership with the Department of Social Protection) should be revisited. This paper proposed extending LES to areas of the country which currently do not have this service (ILDN, 2013). We believe that the LES is a proven model of best practice and one that should be available throughout the State. This would allow for the development of a bespoke employment service based upon local area need.

“In the crowded and increasingly competitive activation space the LES is very well positioned, integrated and embedded in the communities of interest with highly and relevantly skilled staff. Current EU policy affirms the LES in the landscape of activation policy and services, restates its core and unique selling point: its closeness to its customer base, its specialist skill set and its integrated position within the topography of community, voluntary and statutory services” (Murphy and Deane, 2016: 19)

The LES Model & Pathways to Work 2016-2020

A major element of the Government's Pathways to Work 2016-2020 plan focuses on the consolidation of existing activation services and expansion of same to new groups including:

- One Parent Families
- People living with a Disability
- Jobseeker Transition Recipients
- Part-time Employees
- Qualified Adults

This element is reflected in one of the policy recommendations contained within the Indecon Report (LES), "we recommend that LES should in future focus on the most disadvantaged activation and other client groups who are not currently obtaining assistance from other State delivered/funded programmes".

We view this as a positive element to the report as the groups listed above are the very people that the LES was established to work with, it is their original client base. The current skillset of the LES is extremely well placed to meet the needs of the above as it is what the service has done for over 20 years. The Indecon Report highlighted that 75% of LES clients state that their engagement with LES has motivated them to find work or to undertake further education or training, while 71% of LES clients said that LES supports had improved their employment prospects.

"The skill set and guidance/counselling orientation of the LES shows that it is the best qualified, and most ready, to re-embrace the following target groups; long term unemployed of more than two years, youth unemployed, those with educational disadvantage and specific, sometimes gendered, barriers (older long term unemployed men, female lone parents and qualified adults). Migrants will be of increasing relevance. The LES is particularly well placed to respond to such needs and work with local goals and targets and focus on the very long term unemployed" (Murphy and Deane, 2016: 13)

Return on Exchequer Investment for LES

Mayo LES Return on Exchequer Investment, 2014:

An analysis of the Mayo LES discovered that the service cost 871,480 euro but returned a minimum of 1,960,860 million euro to the State. The probability formula used for this study is also used by the UK Centre for Economic and Social Inclusion (equivalent of the Economic and Social Research Institute). This organisation is trusted, and indeed favoured, by the Department of Employment Affairs and Social Protection as it was hired by same for its cost modelling work for JobPath (Murphy & Deane, 2016).

Ballymun Job Centre, 2016:

In April 2016, the Ballymun Job Centre conducted an analysis of its LES to discover the gross and net cost of the service. A conservative study approach was adopted as not all job placed clients were counted. Even with such a conservative approach inbuilt, a net cost of 125,626 euro was generated (Murphy & Deane, 2016).

Indecon Report, 2018:

The cost per full-time employment placement is 2,544 euro and this figure is further reduced when part-time employment is factored in. This figure compares extremely well to the 3,718 euro per full-time employment placement attributed to the private JobPath service. It is important to note that the figure of 2,544 euro does not take into consideration savings the State will make in less welfare transfers and income it will receive in relation to tax receipts. The Indecon Report outlined that the LES achieved a progression rate of 28.8% into full-time employment (+30 hours or more)*.

The above examples briefly outline the monetary benefits provided to the State by the LES. However, when measuring the true worth of an employment service it is vital to recognise the existence of non-monetary value. The non-monetary value inherent within a community based, not for profit employment service helps to create social and economic benefits for the wider community. Such a return cannot be achieved through a "payment by results" employment service as it is and can only occur through a service that is client centred, holistic and not motivated by profit.

**It should be noted that the capacity of the LES to work within its original ethos and guidance model was impacted by the economic crises. The restructuring of FAS saw LES being subsumed into Intreo. Adaption by the LES to the Intreo administrative architecture and case management system has meant a narrower interpretation of outcomes as there is an emphasis on only counting full-time employment as an outcome (+30 hours).*

Open/Public Competitive Procurement Model & Services of General Interest

A policy recommendation, arising from the Indecon Report, for both LES and Job Clubs is that “active consideration should be given to an open/public competitive procurement model for future provision of services”. Minister Doherty and officials in the Department of Employment Affairs and Social Protection have stressed that an open/public competitive procurement process must occur due to the perceived requirements of EU competition policy and rules pertaining to state aid. We would question this.

A clearer reading of EU Guidelines on competition policy and rules pertaining to state aid outlines how member states can work within the EU procurement environment while still protecting *Services of General Interest*. It is our view that the LES and Job Clubs fall under the category of *Services of General Interest* and in doing so can be protected from an open/public competitive procurement process. “*Services of General Interest* expressly include services provided directly to the person, such as social assistance services, employment and training services, childcare, social housing or long-term care of the elderly and for people with disabilities” (Murphy and Deane, 2016: 22).

We share a lot of concerns about the impact of open/public competitive procurement to the Community and Voluntary sector. In the UK, open/public competitive procurement or commercialisation and privatisation of many community and voluntary sector activities has had a hugely detrimental impact on the work and independence of the sector (Community Workers Co-op, 2015). Open/public competitive procurement contracts, such as the original JobPath tender, make payment conditional on results, thereby inserting a profit motive, and insist on a minimum company turnover per annum. In the original *Request for Tender (JobPath)* in 2014, a minimum of 20million euro turnover per annum was needed for any would be bidders. Any future open/public competitive procurement, that may arise from the Indecon Report, with such a condition attached, would automatically exclude the Community & Voluntary sector from participation and see to the wholesale closure of the vastly experienced and successful LES and Job Clubs network.

Conclusion

In conclusion we would like to thank the Committee for the opportunity to make this presentation and we look forward to answering any questions/concerns you may have. We believe it is essential that LES/Job Clubs are provided with the opportunity to continue with its successful model of providing a community based, not for profit employment service. We endorse the work of the ILDN in acknowledging that the future of Public Employment Services is best served within a not for profit model.

SIPTU-LES/Job Clubs Recommendations for the Joint Committee

1. The continuation of a not for profit, community based model. Equal recognition given to all progressions.
2. All client groups assisted (One Parent Families, People living with a Disability, Jobseeker Transition Recipients, Part-time Employees, Qualified Adults, Underemployed, New Communities, etc) as well as the **most disadvantaged activation clients** & other client groups who are currently not receiving any state assistance.
3. Provision of a person centred service with an engagement model based on need, rather than set time limits.
4. Multi annual contracts for forward planning and stability of employment, as recommended by the Indecon Report.
5. A partnership approach with DEASP systems to provide an improved client centred service

References

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