



Mr Paul Kelly

Clerk

Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands.

Leinster House

Dublin 2

27th Sept 21

Dear Mr Kelly,

The Committee has invited officials to attend the Committee's meeting on 29th Sept 2021 to discuss *the issue of Public Employment Services*. The Committee have asked that in advance of attendance that the Department of Social Protection would supply the following;

- An opening statement
- a detailed description of the Regional Employment Service tendering process;
- detailed statistics including comparable results achieved by JobPath, Intreo based services, Jobs Clubs and the Local Employment Service; and
- the Department's opinion on whether EU legislation compels the Department to put the Regional Employment Service out for tender.

As requested please find attached:

1. An opening statement.
2. A background note
3. A description of the current Regional Employment Service tendering process.
4. Outcome statistics for the results achieved by the JobPath service, Intreo activation services, Job Clubs and Local Employment Services

5. EU Legislation and the procurement of services.

In addition, I have also attached a copy of an Econometric review of the JobPath service which is referenced in the briefing material and a copy of the latest published JobPath Customer Satisfaction Survey results.

I trust that this information is of assistance to the Committee.

Yours sincerely,

Chris Kane

Joint Oireachtas Committee on Social Protection, Community and Rural Development and the Islands.

Wed 29th Sept 2021

Opening Statement

I wish to thank the Chairman and the members of the Committee for the invitation to today's meeting and to address you on the Department of Social Protection's plans for Employment Services. My name is Niall Egan and I am an Assistant Secretary in the Department and I am joined by my colleague Mr. Chris Kane, Principal Officer in the Department's Contracted Public Employment Services Unit. We have provided the information requested by the Committee in advance of today's meeting and are happy to clarify or elaborate on any matters of interest or concern to the committee.

As the members of the Committee know, the Department of Social Protection provides a wide range of income supports and other services to people across the State. This includes the provision of the Public Employment Service, which supports individuals in transitioning into employment, upskilling or securing alternative employment opportunities. The Public Employment Service is delivered through the Department's Intreo service comprising its own staff working in Intreo centres together with our external service partners including; the Local Employment Service; Job Clubs; JobPath service providers and Employability. Support is delivered through Intreo case officers and our service partners, engaging with individuals on a one to one basis to identify their requirements, their skills gaps and suitable education, training or employment opportunities. All of these services also work with employers to promote recruitment of people from the Live Register, people with disabilities and other groups. The goal in all this activity is to support people make a successful transition from welfare to employment, either directly or by progression through training, education and employment schemes such as CE and Tús.

The Department recognises the valuable work of all its service partners in assisting those who are unemployed, transition successfully into sustained full-time employment. However, the employment services currently delivered by the Local Employment Service and Job Clubs are not available nationwide, and in areas where these don't exist individuals have fewer employment service options.

Earlier this year the Government published its employment services strategy, *Pathways to Work 2021-2025*. This is a comprehensive strategy containing 83 commitments with the aim of reducing long-term unemployment, reducing youth unemployment, improving labour market transitions and ensuring better labour market outcomes for all. Crucially, it contains commitments to expand the caseload capacity of the Public Employment Service and maintain the resource capacity of contracted service provision, while increasing the resources to deliver a regional employment service nationwide.

In late 2019, the Department commenced a review of the Public Employment Service delivered by Intreo and our service partners. This review built on several earlier reviews conducted by Indecon consultants separately into both the Local Employment Services and Job Clubs and by the Department in conjunction with the Organisation for Economic Co-operation and Development, the OECD. As part of the review of the Public Employment Service, the Department engaged extensively with all service partners both collectively and separately and with their representative organisations. Separately, the Department engaged external consultants, the Institute of Economic Studies and the Social Finance Foundation who consulted with the Department's existing service partners.

Following on from this review, the Indecon reviews and in line with the commitments in the *Pathways to Work* strategy, the Department is making some changes to how it contracts external services including those currently provided by Local Employment Service, Job Clubs and JobPath.

The contracts for all of these services end for new referrals at the end of this year. This provides an opportunity to implement changes arising from the review process. It also enables the Department to place the services on a proper contractual footing. The existing arrangements for the Local Employment Service and Job Club services extend back over 20 years with no formal procurement taking place in this period. This is in contravention of good governance and public procurement practice, a fact that has been commented on by the Comptroller and Auditor General. The Attorney General has also advised that these services must be procured in line with EU and national public procurement rules by means of open and competitive tendering processes.

The Department has therefore commenced a phased procurement process, which based on the review undertaken, will see the delivery of a new National Employment Service and a multi-

lot Regional Employment Service (to consolidate existing Local Employment Services and Job Clubs and extend the new service nationwide). The aim is to ensure that, as set out in Pathways to Work, there is sufficient employment service capacity across the State to support those who require access to employment assistance and advice. These new services will:

- Deliver a more integrated customer journey between the Department's Intreo service and that provided by its service partners;
- Deliver a consistent range of employment services to customers nationwide;
- Target specialised resources at individuals who are furthest from the labour market and require access to a wider range of supports and services for longer;
- Provide employment services for a range of cohorts (not limited to long term jobseekers); and
- Comply with EU and national procurement law.

The Department recognises that these changes are of concern to all existing service providers. Therefore, the Department is anxious to ensure that they are implemented in a careful and phased manner that, while compliant with procurement rules, enables us to build on the existing capabilities of the service providers. The phased approach, using a limited first phase tender, is also intended to enable learnings to be taken and incorporated into a second phase of procurement.

The Department commenced this process with the procurement, via a Request for Tender (RFT), of the Regional Employment Service in four geographical lots in the North West and Midlands, across seven counties, none of which currently has a Local Employment Service. In designing this RFT the Department, based on feedback during the review, prioritised community and social linkages as a key criterion and set pricing parameters, that for example, guarantee service provider income in respect of a referral of a guaranteed number of clients each year. This Phase 1 procurement is still ongoing and nearing completion with the successful bidders to be announced shortly.

The Department is committed to considering the experience arising from the phase 1 procurement in preparing the Request for Tender for the remaining lots for the Regional Employment Service under phase 2 of the procurement process. We are also in ongoing

dialogue with the various service providers and representative groups, including staff representatives, and will consult further with them before finalising the phase 2 procurement.

One of the learnings we have already taken is that providers are exploring ways to work collaboratively to provide high quality service and coverage as part of the service consolidation. Accordingly, to enable providers sufficient time to explore these options the Department is reviewing the timelines for the completion of the roll out of the Regional Employment Service procurement. Towards this end, and to ensure continuity of service to our clients, it is intended to extend current contracts, in the phase 2 areas, for a short period into next year. The Request for Tenders will issue prior to the year end and we will write to all providers shortly outlining the revised phase 2 procurement timelines.

I have set out briefly the Department's approach to the provision of employment services and how the current approach seeks to deliver the Government's Pathways to Work commitments, while ensuring that high quality employment services are procured in a manner consistent with procurement law. Both my colleague and I would be happy to address any queries the Committee may have on this issue.

ENDS.

1. Background

Following on from a review of public employment services undertaken by external consultants on behalf of the Department of Social Protection, the Department commenced a series of procurements to secure appropriate services to engage with long-term unemployed people and other groups throughout the State, consistent with the new Pathways to Work 2021-2025 strategy. The Department is legally obliged to procure employment services in an open and competitive manner that is consistent with its obligations under EU and national procurement law.

The procurement process was preceded by extensive engagement. All stakeholders were given the opportunity to share their views and suggestions. Department officials continue to engage with the relevant stakeholders including the ILDN, non ILDN service providers and employee representatives.

The Regional Employment Service Model

The Regional Employment Service (RES) procurement model updates decades-old contracts in line with procurement regulations.

The design of the request for tender for the Regional Employment Service places significant value on an organisation's ability to deliver a wide range of services locally through a range of other service providers and has been developed to ensure it is accessible to all providers, including providers from the community and voluntary sector, and to give due regard to proven experience and competence.

Considerations within the Department included a strong preference that tenders would be evaluated based on the quality of service being offered and an organisation's ability to work with a range of local partner and stakeholder networks in the best interest of their clients.

This approach is heavily weighted to deliver quality outcomes and to assist individuals access tailored support, for longer, focussing on achieving their key personal progression milestones.

2. RES Tendering Process

Phase 1

Phase one of the process, involving the procurement of a Regional Employment Service for four lots over seven counties in the Midlands and North-East - areas currently without a local employment service - is at an advanced stage. Phase two will follow in due course with the aim of having services in place for early 2022.

Under Phase 1, a request for tenders for the provision of a Regional Employment Service, divided across four Lots, was issued on the 26th of May 2021 via eTenders.

The four lots are;

1. Donegal
2. Sligo & Leitrim
3. Offaly & Laois
4. Longford & Westmeath.

The closing date for receipt of tenders was Wednesday, 7th of July 2021.

The evaluation team includes, as well as officials from the Department of Social Protection, an official from another Government Department with relevant experience as well as a highly qualified independent member from outside Government. The Evaluation team is being assisted by a procurement expert from an external consultancy. All tenders are being marked out of 1,000 marks across a range of areas, including approach to service delivery, staffing structure and quality of key personnel, cost, implementation plan, and social value.

It is not possible to go into further detail at this time without compromising the integrity of the procurement process.

Next Steps & Phase 2

Phase 1 of the procurement of four lots of a Regional Employment Service for the midlands and North-West should be concluded shortly. The Department will then engage with the preferred bidders, work with them to finalise contracts and complete the necessary preparations for the commencement of a RES service within their lot area.

The Department is committed to ensuring it incorporates the lessons learned in the first phase of procurement and engages once more with a broad range of stakeholders prior to the commencement of the phase 2 procurement. Any learnings from phase 1 will be incorporated into phase 2.

As with phase one, there will be at least one information session following the publication of the RFT to assist potential tenderers. The RFT in phase 2 will also detail the number of Regional Employment Service lots and their respective geographical composition. Once the tendering process has been completed the Regional Employment Service will be available across the entire State.

4. Statistics

The Committee has requested statistics on JobPath, Job Clubs, Intreo and Local Employment Services and comparison of results. The outcomes for each of these services are measured differently and directly comparable results are therefore not possible. JobPath measures and pays for results in terms of a person gaining and sustaining verified employment for up to 52 weeks with payment milestones at 13 weeks, 26 weeks, 39 weeks and 52 weeks. The overall costs of JobPath are directly related to this performance. This is based on an understanding that many of the challenges faced by Long Term Unemployed persons not only related to gaining employment but sustaining that employment after a return to the workforce after a prolonged absence. Detailed statistics on costs, performance, inspections and reports are set out below.

Local Employment Services and Job Club outcomes are measured on the report from the services of a person gaining a job. The Department seeks to verify a sample of the reports and there is no follow up in regard to how long the employment might have been sustained. Statistics on Local Employment Services are set out below.

There is no requirement for a customer closing their claim to inform the Department of their reasons for doing so. The unprecedented economic circumstances of 2020 and 2021 do not provide for a realistic and fair assessment of any of the listed employment services. However, an analysis conducted by the Department showed that of 87,123 people who attended at least one Activation Case Management appointment with an ***Intreo Case Officer*** in 2018, 25,336 or 29% had attained some form of employment in 2019. This level of outcome is a snapshot in time and does not provide an insight into the duration of employment.

JobPath Statistics

The JobPath service was launched in 2015 providing externally contracted activation services. JobPath is delivered through a payment by results model. All the initial set-up costs and the ongoing operational overheads are met by the Contractor.

Using a payment by results model is an important safeguard, as it requires the service provider to achieve sustained employment outcomes for individual Jobseekers. In addition, the model has been designed so that job sustainment fees are only payable were a client of the service ceases to be entitled to claim a jobseeker's payment - during the period of employment. There is therefore an associated saving regarding jobseeker's payments for any employment outcomes fees paid.

There are five payment events for which the Contractor may claim a fee. They are:

- A Registration/Personal Progression Plan (PPP) Agreed Event
- 13 weeks Job Sustainment Fee (JSF13)
- 26 weeks Job Sustainment Fee (JSF26)
- 39 weeks Job Sustainment Fee (JSF39)
- 52 weeks Job Sustainment Fee (JSF52)

Referral Numbers

Some 376,964 Jobseekers have been referred to JobPath (as at end of July 2021) as below:

Year	2019	2020	2021
Referrals to JobPath	50,410	33,159*	21,676*

*18 weeks in 2020 with no referrals due to Pandemic, 9 weeks in 2021 with no referrals due to the Pandemic.

	Total up to July 2021
Gross Referrals	376,964
Net Referrals	321,957
Starts (PPPs Agreed)	312,966

The total employment outcome - that is people obtaining employment - for those referred to the service up to July 2021 was 26%. The total number of job starts up to the end of July 2021 is shown in the table below:

	Total
Full Time	64049
Part Time	6691
Total	70740

Inspections of JobPath providers

On-site inspections are carried out as part of the monitoring of JobPath contractor performance. The purpose of the inspections is to ensure full contract compliance and monitor operational activity.

Inspections are conducted using a checklist of questions, each of which references a clause in the contract schedule or protocol or refers to commitments made by the JobPath Providers in their RFT/Bid submissions.

The inspections monitor compliance with the service level agreement and the contract generally, including the suitability and standard of accommodation, staffing levels, Irish language compliance, customer service and customer feedback, checking the client's Personal Progression Plan, Review Meetings compliance, the checking of Job Sustainment Fee Evidence Types and Exit Plans. In line with the health restrictions from March 2020 the ability to visit the contractors in person was limited so Desk based inspections were introduced to allow for proper monitoring of the service to continue.

Customer Service Complaints Process

The Department defines a complaint as:

“An expression of dissatisfaction, measurable by reference to service standards, and requiring a response”

The public are entitled to a high standard of service and the JobPath contractors are obliged to do their utmost to meet that expectation.

Issues covered by the complaint process may include delays, mistakes and poor customer service and Complaints made under Sections 25, 26, 27 and 28 of the Disability Act, 2005. These sections of the Act relate to access by persons with disabilities to the Department's public buildings; the Department's schemes and services; services supplied to the Department; or information.

The JobPath contractors must co-operate and assist in the investigation of any complaint made or examine relevant records on foot of any request legally made in relation to data breaches. Each contractor has a comprehensive complaints process which contains various levels of escalation, allowing complaints to be dealt with at a level appropriate to the concern. Should a customer remain dissatisfied having exhausted the contractors Complaint Process, they can request the Department to carry out a review. In this way it can be established if the complaint has been fully dealt with, and in a fair and reasonable manner. If they remain dissatisfied following a review, they have the option to refer the matter to the Office of the Ombudsman.

Complaints statistics:

As of the end of Aug. 2021:

314,518 PPPs agreed on JobPath

1,435 complaints recorded – 0.46% of referrals.

558 complaints finalised and 36 in process.

18 reviews have been completed & none currently in progress.

Job Club Statistics

In 2021, the Department has contracted for the provision of Job Clubs with 37 contractors in 40 locations. Job Clubs contracts are for 12 months from the 1st of January to the 31st of December.

Payments made to Job Clubs contractors are not linked to the performance of the contractor i.e. payments are not linked to the number of people who they place into employment. The contract values are linked to the cost of the provision of the service in a specific geographical location – the cost is fully funded by DSP.

Job Clubs provide training to assist participants who are ready for work, to develop skills which they can use to find a job. This active, practical and participative process takes place under the guidance and supervision of the Job Club leader.

The Job Club service is a final transition mechanism to help unemployed jobseekers enter the labour market. The Job Club services enable participants who are job-ready to evaluate their options in relation to progression within the labour market, to take positive steps towards realising their career plans and to explore and follow-up employment opportunities in the labour market.

The Job Club aims to expand awareness and to help jobseekers understand how the application of simple techniques can greatly enhance their job seeking skills. Through the supports available jobseekers will be more acutely aware of their employable/marketable personal attributes.

- Individualised support: allows jobseekers to avail of practical and personal support on a one to one basis e.g. pre-interview support.
- Drop-in service: allows jobseekers to avail of the facilities of the Job Club (e.g. internet, telephone, photocopying) at their own convenience
- Formal workshops: can vary from 1 to 4 weeks depending on the needs of the jobseekers.

The contracted targets for outcomes are 40% of clients placed in employment from those who attended formal workshops and 40% of clients placed in employment from those who attended a one-to-one engagement. There is no placement target from the CV preparation element of the service. A placement is full/part time employment or self-employment on a permanent, temporary or casual basis.

In 2019, 2 Job Clubs achieved their workshop placement target, and 5 achieved their one-to-one placement target. In 2020, 1 Job Clubs achieved their workshop placement target, and 4 achieved their one-to-one placement target. And in 2021, according to our most recent data, 4 Job Clubs are achieving their workshop placement target, and 9 are achieving their one-to-one placement target.

Job Club Attended, Placement 2019 - 2021			
	2019	2020	2021*
Workshop Attended	5,362	1,806	544
Workshop Placement	1,352	312	114
Target: 40% of clients attended	25%	17%	21%
1-1 Attended	6,814	4,451	2,224
1-1 Placement	1,744	932	440
Target: 40% of clients attended	26%	21%	20%
CV Prep Attended	2,939	1,248	777
	n/a	n/a	n/a
<i>*YTD June 2021</i>			

Job Club Employment Placement Rate 2019	Clients Attended	Placement	Target: 40% of clients attended
Workshops	5,362	1,352	25%
1 - 1's	6,814	1,744	26%
CV PREP	2,939	n/a	n/a
Total	15,115	3,096	

Job Club Employment Placement Rate 2020	Clients Attended	Placement	Target: 40% of clients attended
Workshops	1,806	312	17%
1 - 1's	4,451	932	21%
CV PREP	1,248	n/a	n/a
Total	7,505	1,244	

Job Club Employment Placement Rate 2021*	Clients Attended	Placement	Target: 40% of clients attended
Workshops	544	114	21%
1 - 1's	2,224	440	20%
CV PREP	777	n/a	n/a
Total	3,545	554	
<i>*YTD June 2021</i>			

Local Employment Service Statistics

The Local Employment Services (LES) provide a one-to-one employment assistance and advice service primarily for the long-term unemployed. While the LES engages mainly with long-term unemployed jobseekers, they may also engage with short-term unemployed jobseekers where a local need arises.

Referrals to this service are managed by the local Intreo Centre and are based on a replacement rate dependent on the speed of movement of clients through the LES and on the agreed capacity of the relevant service provider.

In 2016, LES providers were asked to increase the frequency with which they engage with activation jobseekers to enhance the quality of the services they provide. To facilitate this more intensive engagement, the Department reduced the number of people referred to the LES for the purpose of reducing caseloads so as to maintain a maximum caseload 120:1 per mediator. It should be noted that, due to public health restrictions, referrals to all contracted public employment services including the LES were suspended on three separate occasions during 2020 (March, October and December). Referrals for 2021 recommenced in March 2021.

The Indecon report found that performance amongst the LES was mixed with some very strong performers while others were not performing near expected levels. The report found an average employment placement rate of 28.8% when compared to a target of 30%.

However, the range for the employment placement rate attending the LES varied from 15% to 45% in 2019, 11% to 44% in 2020 and so far from 18% to 54% in 2021 YTD July.

Similarly, the range varied for the placement rate of clients attending the Job Club workshops from 6% to 44% in 2019, 0% to 79% in 2020 and so far from 0% to 79% in 2021 YTD June.

LES Attended, Placement 2019 - 2021			
	2019	2020	2021*
Activation Attended	16,789	12,950	18,578
Activation Placement	5,246	3,265	2,815
Target 30% of clients case-closed	28%	25%	30%

LES Employment Placement Rate 2019	Clients Attended	Placement	Target: 30% of clients case-closed
Activation	16,789	5,246	28%

LES Employment Placement Rate 2020	Clients Attended	Placement	Target: 30% of clients case-closed
Activation	12,950	3,265	25%

LES Employment Placement Rate 2021*	Clients Attended	Placement	Target: 30% of clients case-closed
Activation	18,578	2,815	30%
<i>*YTD July 2021</i>			

5. EU Legislation and the procurement of services.

The Department has sought and received the advices of the Office of the Attorney General regarding the procurement of employment services and specifically in relation to the those currently provided by the Local Employment Services and Job Clubs. The advices of the Office of the Attorney General are privileged legal advice. However, based on the advices from the Attorney General, the Department is fully satisfied that the contracting of employment services falls within the terms of Directive 2014/24/EU, which sets out the relevant public procurement obligations. On the basis of the advices received the Department believes that employment services, including those of the new Regional Employment Services must be procured in an open and competitive manner.