

Opening Statement

Geraldine Hurley, Department of Social Protection

Committee meeting

15th June 2022

Chairman, members of the Committees, thank you for the invitation to speak with you here today. I am joined by my colleagues Rónán Hession, Assistant Secretary and Tony Kieran, Principal Officer.

We have provided you with a copy of this statement in advance of the meeting.

In your invitation, you have asked for an update on the operation of the Rural Social Scheme and its interaction with CE and Tús and the operation of the Carers Allowance scheme.

I think it might be useful to firstly set out the labour market context.

Employment rates have recovered faster than expected following the lifting of COVID restrictions. Over 2.5 million people are now in employment. This is extremely positive. The seasonally adjusted unemployment rate has fallen to 4.8 percent with just over 172,000 on the Live Register at the start of June. Post COVID, we have moved to a situation where labour supply is tight and with some employers reporting difficulties in recruitment.

As we continue to recover from COVID – the labour market environment sets the context in which employment schemes and programme currently operate.

The Department operates Community Employment (CE), the Rural Social Scheme (RSS) and Tús. There is commonality across all schemes in that they are delivered by the community and voluntary sector to provide placements for long term unemployed or, in the case of RSS under-employed people. CE and Tús serve a dual purpose, first to provide a stepping-stone to employment for people who have had difficulty, over an extended period, in securing full-time employment; and secondly, in doing this, to provide services in the local community.

Currently there are 19,061 participants on CE and 4,971 on Tús with a further 2,890 on RSS. Post COVID, there are vacancies on schemes – which is posing challenges for some schemes. Recent positive employment trends, with the reduction in unemployment and the numbers long term unemployed does impact our schemes, just as it impacts employers in the open labour market. In many ways this a positive development, but it does mean that there is a smaller pool of candidates, that the candidates that are available are more likely to face significant employment barriers and that, overall, it is more difficult to fill vacant places.

The Department continues to work closely with schemes to fill vacancies and to adapt terms and conditions to the prevailing labour market conditions. The most recent reforms were introduced by Minister Humphreys and Minister of State O'Brien at the start of the year. Prior to setting these out I will briefly explain the three schemes.

Community Employment Scheme (CE)

CE is a long-standing scheme. It was set up in 1994.

CE participants gain work experience by providing range of services of benefit to local communities – with the objective of assisting participants finding employment at the end of the programme. Examples of activities supported by schemes include, amenities management, arts and culture, sports, tidy towns, meals on wheels, childcare and health-related services.

Currently those who are long-term unemployed and in receipt of an eligible payment can participate on CE. CE placements are generally between one to three years, with a lifetime limit of six years. Since the start of 2022, those who

are over 60 years are exempt from these limits and can remain on their scheme until they reach pension age.

The state investment in CE is significant – the budget for CE in 2022 is €375 million supporting 847 schemes countrywide. The budget for 2022 can cover around 22,500 participant places.

Rural Social Scheme

The Rural Social Scheme (RSS), which was introduced in 2004, is an income support initiative that provides part-time employment opportunities for farmers or fishermen. Eligibility for participation in RSS largely derives from Farm Assist, with the Farm Assist means assessment applying to participants on the scheme.

Participants must continue to be actively farming/fishing.

The total budget in 2022 is €52 million. The scheme has sanction for 3,350 participants. At the end of May 2022 there were 2,890 participants and 134 supervisors employed on RSS.

The type of work carried out by RSS participants in rural areas includes, enhancing the local environment, energy conservation work and providing community care.

The RSS is delivered through 36 Local Development Companies and Údarás Na Gaeltachta, - known as implementing bodies (IBs).

Tús

Tús commenced operation in 2011. It provides one year, quality work opportunities in community and voluntary sectors for those who are unemployed for more than a year.

The scheme is delivered by 47 local development companies and Údarás na Gaeltachta. Activities include village and countryside enhancement projects, social care and care for the elderly, pre-school and after-school services.

Participation on Tús is based on 70% of participants randomly selected by the Department and a further 30% from self-referral.

The budget for Tús in 2022 is €112.6 million.

The 2022 budget allocation can cover up to 6,950 participant places.

Conditions on schemes

Participants on all three programmes are contracted to work 19.5 hours per week, and their rate of pay is based on their underlying social welfare payment plus an additional €22.50 per week, subject to a minimum payment of €230.50 per week. Participants may also receive increases in respect of a qualified adult and child dependents and retain secondary benefits.

Impact of COVID-19 on Employment Support Schemes

As with all other sectors of the economy and society, COVID 19 presented very real challenges for the operation of employment support programmes. I am aware that many schemes played a key role in supporting communities during this period. The Department put in place emergency measures to support schemes throughout the pandemic, in particular through extending participant contracts. This occurred on a number of occasions initially from March 2020 up to April 2022. These extensions allowed participants to remain on CE and Tús schemes much longer than the one, three or six years normally permitted. This provided schemes with certainty as regards their ability to deliver important

local services, while ensuring that participants were able to complete work experience and training programmes impacted by shutdowns.

As with other COVID support measures, those introduced to support CE and Tús are now being wound down. Participants with COVID related extended contracts started to leave schemes from early April 2022. This will continue a phased basis over a number of months –until early 2023.

Reforms introduced to CE and RSS at the start of 2022.

As the economy and society emerged from COVID it was clear, given the resurgence in open labour market employment, that some schemes were encountering difficulties maintaining services and that this could continue in 2022 and into 2023.

As a consequence, Minister Humphreys and Minister for State O’Brien announced wide-ranging reforms to schemes last December. These included:

- All persons over 60 years of age can stay on CE and RSS until reaching retirement age.
- To assist with the increased turnover of participants and the potential impact on services, CE participants whose contract term is coming to an end will be permitted to stay on CE until a replacement is found.
- Updating the baseline year to 2014, and to ensure that this is updated annually. Time on CE before this baseline year does not count towards lifetime limits on CE.

In introducing reforms such as these a careful balance needs to be maintained between providing employment support measures for long term unemployed or underemployed people on the one hand, and delivering important local services on the other, and, in doing this, to ensure participants are supported to progress on to employment – in particular when there are large numbers of unfilled opportunities available in the open labour market. The Department will continue to consider how terms and conditions can be modified to support delivery of local community services in a strong labour market environment; some proposals are currently being considered by the Minister for submission to Government shortly.

The Department holds regular meetings with employment supports schemes and their representatives for exchange of views and to work through operational issues. For example, an Operational Forum covering all schemes meets three times each year. The Minister for Social Protection and Minister of State O’Brien regularly attend these meetings. Ministers also visit and engage with schemes throughout the country. Departmental staff – be it locally through the community development officers work close with schemes on all aspects of their operation. Centrally there are also meetings with various groups and organisations involved on schemes – including ILDN and Pobal.

I will now address issues in relation to carers.

Carer’s Allowance

Carer’s Allowance is the primary income support through which the Department supports carers. Carer’s Allowance is a payment to people on low incomes who are caring full-time for a person who needs support because of age, disability or illness. There are currently 90,833 people in receipt of Carer’s Allowance. This

year the estimated expenditure on the Carer's Allowance scheme is over €990 million.

As part of Budget 2022 significant changes were made to the Carer's Allowance means test.

- The capital and savings disregard for the Carer's Allowance means assessment was increased from €20,000 to €50,000,
- For carer's who work, the weekly income disregard was increased from €332.50 to €350 for a single person, and from €665 to €750 for carers with a spouse/partner.

The changes came into effect on 2 June and many carers will now be brought into the Carers Allowance system for the first time.

Along with the measure introduced in 2020, increasing the number of hours a carer could engage from 15 to 18.5 hours per week- allows more carers who are in a position to work to have a higher household income.

Carer's Support Grant

As part of Budget 2021, the Carer's Support Grant was increased by €150 to €1,850. It is automatically paid to recipients of Carer's Allowance, Carer's Benefit and Domiciliary Care Allowance. Carers who are not in receipt of one of these payments may also qualify for the grant. On 2nd June, the grant was paid to some 121,000 carers and their families. The overall cost of the grant in 2022 is expected to be over €262 million.

Conclusion

In conclusion, the Department values the very real contribution that all employment schemes make to their communities and to the participants.

The Department is very aware of the challenges currently faced by CE, Tús and RSS. Both Minister Humphreys and Minister for State O'Brien are currently examining a further set of proposals to support schemes by improving the recruitment/referral process, extending eligibility to new cohorts, and reducing the level of participant churn on some schemes. This is with a view to bringing proposals on all three schemes to Government in the near future.

This underlies that the operation of these schemes and their interplay with other social welfare benefits, local communities and the wider labour market is kept under review, with the aim of ensuring that they continue to fulfil their remit and operate to the benefit of all stakeholders even as labour market conditions change.

Thank you, Chairman. I and my colleagues are happy to respond to any questions you may have.