

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 12 Samhain 2020

Thursday, 12 November 2020

The Committee met at 11.30 a.m.

MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Neasa Hourigan,
Deputy Jennifer Carroll MacNeill,	Deputy Marc MacSharry,
Deputy Matt Carthy,	Deputy Paul McAuliffe,
Deputy Cormac Devlin,	Deputy Catherine Murphy,
Deputy Alan Dillon,	Deputy Verona Murphy.

DEPUTY BRIAN STANLEY IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

2019 Annual Report of the Comptroller and Auditor General and Appropriation Accounts

Vote 37 – Employment Affairs and Social Protection

Chapter 4 – Control over Welfare Payments

Mr. John McKeon (*Secretary General, Department of Social Protection*) called and examined.

Chairman: We are joined remotely by the Comptroller and Auditor General, Mr. McCarthy, the permanent witness to the committee. No apologies have been received. I remind all those in attendance to ensure that their mobile phones are either in silent mode or switched off.

We will now engage with officials from the Department of Social Protection. There are a number of matters for examination from the Comptroller and Auditor General's appropriation accounts 2019, Vote 37 – Employment Affairs and Social Protection, and the Comptroller and Auditor General's Report on the Accounts of the Public Services 2019, chapter 4 - control over welfare payments.

To assist us in our examination of the matters before us, and with regard to public health guidelines, we are joined in person by Mr. John McKeon, Secretary General, Mr. Tim Duggan, acting deputy secretary, and Mr. Ciarán Lawler, assistant secretary. We are also joined remotely by Mr. John Conlon, assistant secretary, and by representatives from the Department of Public Expenditure and Reform, who work in the Department of Social Protection Vote section, namely, Mr. David Moloney, assistant secretary and Ms. Jenny Connors, assistant principal. They are all very welcome to the meeting. I thank the staff of the Department of Social Protection for the comprehensive briefing material which they provided for members of the committee.

Witnesses are protected by absolute privilege in respect of the presentation they make to the committee. This means that they have an absolute defence against any defamation action for anything they say at the meeting. However, witnesses are expected not to abuse this privilege and it is my duty as Chair to ensure that this privilege is not abused. Therefore, if witnesses' statements are potentially defamatory regarding an identifiable person or entity, they will be directed to discontinue their remarks. It is imperative that witnesses comply with any such direction. While we expect witnesses to answer questions asked by the committee clearly and frankly, witnesses can and should expect to be treated fairly and with respect and consideration at all times, in accordance with the witness protocol.

Members are reminded of the provisions within Standing Order 218 that the committee shall

refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. Members are also reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

I ask that members and witnesses remove their masks when speaking to ensure they can be heard, and that when members are leaving and taking their seats, they sanitise the area.

The Comptroller and Auditor General, Mr. Seamus McCarthy, is a little delayed so I call on Mr. John McKeon to make his opening statement.

Mr. John McKeon: I thank the Chairman and members. I circulated, in advance, a copy of my opening statement. I do not intend to read through it all because it is quite lengthy and I am conscious of the time constraints. While I put a lot of information in it, because this is a new committee and many members of the committee might not be as familiar with the Department as previous members, I also put some background contextual information in it, so apologies to Deputy MacSharry who has probably heard some of this before but I will try to skim through it.

The Department is responsible for the provision of policy advice and the delivery of services across a broad and expanding remit. The traditional range of cradle to grave welfare services covers employment services, the operation of redundancy and insolvency payments, general registry services, citizens information and advice services, and pensions supervision. The impact of the Department's work is felt by every person, family and business in the State. If a single statistic can encapsulate its impact, it is that the schemes and services delivered by the Department reduce the risk of poverty by some 50% compared with what it otherwise would have been.

In delivering on this brief, the staff of the Department strive to always deliver an effective and efficient service. In doing this, they are very mindful of the vulnerability of some of the people who rely on our services. However, it is inevitable, given our breadth and scale, that failures will occur. It is equally inevitable that when these failures occur that we hear about them much more quickly than we hear about the normal, routine, high level of service in, for example, processing over 2 million claims and making about 80 million payments across more than 80 different schemes and services every year. This is not to diminish the cases where we have failed or could do better. We also have to recognise and learn from these cases. That is why the work of the Comptroller and Auditor General not only in reviewing our accounts but in examining, every year, specific aspects of our operations is welcome, as is the scrutiny by this committee.

Turning to the accounts of the Vote and the social insurance account, the 2019 accounts show that the total expenditure on Vote 37 amounted to €10.65 billion. This represented a reduction of €79 million, or just under 1%, compared with 2018 and was within 0.5% of the Revised Estimate for the year, taking account of the supplementary provision for the Christmas bonus. Expenditure on social insurance services amounted to €10.73 billion, an increase of €672 million, or just under 7%, compared with 2018. Combined expenditure of €21.4 billion represents approximately 10% of the modified gross national income.

Looking across both the Social Insurance Fund and Vote, the total increase in gross expenditure from 2018 to 2019 was €592 million, or 2.8%. There are a number of key drivers of this change. For example, 2019 budget measures included increases in primary rates of payment

across all schemes. The key driver of note is the demographic effect on pensions. Pension expenditure increased by €457 million or 6%. Similarly, illness-invalidity payments, which are also related to demographic changes, increased by €230 million, or 5.4%.

These demographic trends are likely to continue with significant implications for expenditure and funding of the social welfare system. The most recent actuarial review of the Social Insurance Fund, for example, indicates that social insurance contribution rates would need to double, from a current date, in order to maintain the fund in balance over the next 30 to 50 years. Stated another way, at present pension payments are equivalent to about 27% of the total combined income tax and PRSI receipts. The actuarial review projections would see this ratio increase to somewhere between 40% and 50% over the next 30 years or so.

One of the challenges faced by the Department is to strike a balance between, on the one hand, designing and managing large-scale service processes that are reliable, efficient and effective for the majority of customers and, on the other, implementing controls and checks to assure payment and service integrity. However, we are mindful in doing this that our primary purpose is to support people who need support, and that we cannot pursue the elimination of fraud and error at the cost of unreasonably denying entitlement to service or frustrating access to that entitlement.

Looking at the report the key table of note is figure 4.3. This summarises the level of excess payments due to error or fraud as measured across 16 of the Department's schemes representing about 80% of expenditure. Although the level of excess payments varies by scheme, the overall level of excess payment is estimated at about 3.4%. This level of excess payment is similar to that measured in peer organisations. It also compares with rates of bad debt, typically 2% to 5%, and shrinkage, typically 2%, reported in commercial industry. That is not to say that we cannot do better.

The Comptroller and General's report contains several recommendations with regard to the further targeting of reviews, the monitoring and resourcing of review activities, the more timely completion of control survey reports, and the testing of new system implementations. The Department will take all these recommendations on board in 2021.

I understand committee members have expressed an interest in discussing issues related to false self-employment and the operation of the JobPath service. Both of these topics were the subject of detailed discussions at this committee and other committees in recent years. In order to assist the committee, we have provided some additional material, which was not available at the time of previous discussions, in the material we provided before this meeting. We will be happy to take further questions on these topics.

In conclusion, it is traditional for an Accounting Officer to conclude his or her address to the committee by acknowledging the role of staff in delivering the services for which he or she is accountable. In a normal year, the Department would typically receive about 200,000 jobseeker claims. So far, in response to the Covid-19 crisis, the staff of the Department have processed about 1.5 million claims from the people who were laid off due to Covid. This is equivalent to about 7.5 years' worth of claims. In the five-week period from 13 March alone, they dealt with more than four years' worth of claims and got them into payment quickly on a new scheme, the pandemic unemployment payment, that was itself designed, developed and implemented on a new IT system in a matter of days.

We also introduced a new illness benefit payment, worked with Revenue to develop the

temporary wage subsidy scheme, and revised processes for community welfare services. We set up and staffed new call centres to respond to millions of queries and deployed new online service systems. Visits to our website of more than 12 million, use of our online services of more than 1.5 million, and calls to our call centres of more than 5 million exceeded those to all other public service organisations combined. We received an online application on average once every 40 seconds.

To facilitate all this, staff worked on emergency legislation to enable us to provide payments, modify redundancy arrangements and operate the civil registration service. Staff also continued to accept and process claims for all of our other key services, including carers, pensions and disabilities. None of this could have been achieved unless staff continued to come to work, and work long hours, at a time when the public health advice was to stay at home. I am proud to work in the same organisation that they do and I thank them for their commitment. Their demonstration of real public service values has been exemplary and it was not just our staff. I also wish to acknowledge and thank the staff of other Departments, Fáilte Ireland, the Passport Office, the Department of Justice and the National Shared Services Office who came to work with us. I also wish to acknowledge and thank our colleagues in the Revenue Commissioners who took on the development and administration of the wage subsidy scheme. Service partners such as An Post and our branch office providers, and our IT partners also contributed greatly.

The response of staff in the Department, and the wider public service, to the Covid-19 pandemic while exceptional is not unexpected. I see every day how the managers and staff of the Department, work hard to deliver services to the communities from which they come and in which they live, conscious that it is their families, friends and neighbours who not only depend on these services but who, through their social insurance contributions and taxes, pay for these services.

Having said that, we know, as I said, that we are not perfect and do not always get things right. This process today plays an important role in reminding us of our purpose, helping us to identify areas for improvement and helping us to learn from our mistakes. I, and my colleagues, will be pleased to discuss these issues and take any questions members may have.

Chairman: I commend the Secretary General, particularly during the worst part of the pandemic back in late March, April and May, on how quickly his staff responded. Every one of us has experienced dealing with his staff and know that they went over and above the call of duty. Of course, there were problems but the scale of the challenge was huge and the response was excellent.

We are now joined by the Comptroller and Auditor General. I call on Mr. Seamus McCarthy to give his opening statement and welcome him to the meeting.

Mr. Seamus McCarthy: I thank the Chairman. Apologies for the technical problems this morning. Apologies also if I repeat some of the information that the Secretary General has already imparted to the committee.

As the Secretary General said, the Department operates a wide range of income support, welfare and labour activation schemes. The Department's overall expenditure on scheme payments in 2019 totalled just over €20 billion. Expenditure on administration of the schemes amounted to a further €639 million. Expenditure on the schemes is divided between the two accounts, namely, the appropriation account for Vote 37 and the account of the Social Insurance Fund. An appendix to the appropriation account provides a useful summary of the combined

programme expenditure and sets out the expenditure on a scheme-by-scheme basis.

The Vote account is funded mainly through direct Exchequer issues. In contrast, the Social Insurance Fund is financed mainly from pay-related social insurance contributions. Receipts into the Social Insurance Fund in 2019 totalled €12.3 billion, including some €708 million in National Training Fund levies collected together with PRSI contributions. These levy receipts are transferred to the Department of Education, which manages the National Training Fund.

The surplus in the Social Insurance Fund for 2019 was over €1.5 billion. This left the fund with accumulated reserves of €3.9 billion at the year end.

I gave a clear audit opinion on the accounts of both the Vote and Social Insurance Fund for 2019. However, I drew attention in my report on both accounts to a material level of irregular payment. This is explained in the chapter on control over welfare payments which is before the committee this morning. I also drew attention in my report on the Vote account to a material level of non-compliance with procurement rules, as disclosed by the Department in the statement on internal financial control.

Turning to the chapter, income support is payable when the Department is satisfied that applicants meet the conditions that apply to the relevant schemes. This typically requires applicants to provide certain information and/or evidence of entitlement, and for that information to be correctly processed by the Department's staff. Incorrect amounts may be paid where errors are made by claimants or by the Department's staff, or if an applicant misrepresents his or her circumstances, either inadvertently or deliberately. This may result in a claimant being underpaid or overpaid relative to his or her entitlement. There is evidence that payments in excess of claimants' entitlements occur on a scale that requires me to bring them to the attention of the committee.

The Department applies a range of controls and strategies to prevent incorrect payments. Chapter 4 presents an overview of the Department's activities and evaluates their effectiveness. The Department carries out control surveys on individual schemes on a cyclical basis. This generally involves comprehensively reviewing up to 1,000 randomly selected claims in payment. The results of the reviews indicate the estimated level of incorrect payment on the scheme. The control surveys also assist the Department to identify scheme-specific risks and necessary changes to scheme control measures.

Excess payment rates vary between the schemes, as the Secretary General has pointed out, and generally are higher for means-tested schemes funded under the Vote than for Social Insurance Fund schemes where a substantial element of eligibility and entitlement relates to an individual's recorded history of PRSI contributions. Control surveys may also identify cases where claimants are being paid less than their entitlement but the incidence and value of this is much less than the excess payments that are identified.

The Department also carries out a programme of reviews of individual payment cases, usually selected on a risk assessment basis. In 2019, some 609,000 such control reviews were carried out. The results indicate that the targeting of cases for review is relatively effective, generally identifying a higher percentage of cases with overpayment than would be expected if cases were selected randomly. However, the Department conducted only 80% of the control reviews it had planned for 2019.

The examination also looked at a sample of control reviews the Department had conducted

in 2019 and found that in 10% of cases a clear record of the review work undertaken was absent. This made it difficult to assess what assurance was gained from the control reviews.

Where the Department finds evidence that a welfare recipient has been paid in excess of entitlement in the past, an overpayment may be raised. Overall, the detected level of overpayments has been relatively consistent in recent years and amounted to €117 million in 2019. In general, overpayments attributed to suspected fraud have trended down in recent years.

Overpayments detected that resulted from official error were also trending down, but problems arising from a change in the processing of illness benefit payments in August 2018 resulted in a significant spike in overpayments. The Department transferred the claims processing from an old IT system to its core IT system. Because of ensuing delays and problems in processing medical certificates, the Department decided to implement an auto-certification process, allowing payments to be made without an updated medical certificate. The Department did this to ensure that qualified claimants would not be deprived of financial supports. While the Department recognised that some overpayments would occur as a result, it did not have an estimate of the likely amount. Subsequently, the Department identified overpayments of illness benefit totalling €12.2 million related to auto-certification.

Separately, due to an error in the processing of a weekly payment run in December 2019, 11,000 claimants of illness benefit received duplicate payments at a cost of €2.5 million. The Department has made arrangements to recoup the overpayments and has made changes in its procedure that it believes will ensure this does not recur.

Chairman: I thank Mr. McCarthy. The lead speaker is Deputy Carroll MacNeill.

Deputy Jennifer Carroll MacNeill: I thank Mr. McKeon for coming this morning. I should say how grateful everybody is for the simply extraordinary work carried out by his Department and officials in Intreo offices all around the country and at the end of the phone. The work that has been done is without parallel and it was a huge commitment. I am sure every Deputy here has seen the benefit of it. Where minor issues have arisen here and there, there has been a great responsiveness in sorting them out. It is a huge measure of public service and an extraordinary amount of work, as Mr. McKeon set out in his statement. Processing four years of claims in five weeks is an extraordinary amount of work.

I will turn to some of the outstanding practicalities before we get to some of the issues for today. A couple of issues that are important for people's lives are still outstanding. With regard to the pandemic unemployment payment, PUP, a person who cannot go back to work in a job that is still there because he or she is in a medically high-risk category is not entitled to the PUP and must go on illness benefit. I have in mind one particular lady with multiple sclerosis who worked three days per week and rented out a room. She can no longer rent out the room and cannot go back to work. She is not eligible for the PUP and is on illness benefit, which is means tested. She receives €159 per week and is left with €27 per week after bills. Her income has gone down substantially through no fault of her own. A number of people are in that sort of category and I am sure Deputies have stories of people experiencing difficulties that persist. We can move on to the other issues of the day but there are a couple of outstanding anomalies here and there. I thank Mr. McKeon for the opportunity to bring them to his attention, as he signalled earlier.

Will Mr. McKeon talk us through the paternity changes the Department is introducing, in particular the timeline for eligibility and when people will be able to claim it? A couple of

procedural issues have arisen so I would be grateful to get an outline from Mr. McKeon in the first instance.

Mr. John McKeon: Parent's benefit is a payment made to people who are on parent's leave. As the Deputy will be aware, last year the Government introduced parent's leave of two weeks, which is additional to paternity and maternity leave, with the intention to increase it to nine weeks over a number of years in line with EU obligations. This year, the Government decided to increase the period of parent's leave by a further three weeks to bring the total to five weeks. Primary responsibility for this is actually with the Department Children and Youth Affairs which must provide the legislation to oblige an employer to grant the parent's leave in the first instance. Once that is done, we will then build a process in the IT system to reflect it. As soon as that is done, people will be eligible.

The eligibility is being backdated to November of last year. Parents of children born since November of last year will, therefore, be eligible. People will be able to apply for the leave as soon as it is legislated for. It will take us some time after that to put the IT and processing systems in place. We estimate that it could be March or April of next year, but from whatever day the Oireachtas enacts the legislation, people will be entitled to the leave and the payment. We will backdate any payments to that outdate.

There are some complexities involved. I do not want to talk on behalf of my colleagues in the Department of Children, Equality, Disability, Integration and Youth. When one imposes an obligation on employers to grant a person leave, issues arise relating to notice periods, substitution periods and so on, which have to be covered in the legislation. The advice of the Attorney General is that there has to be consultation with employers before one can do that. I think the Department of Children, Equality, Disability, Integration and Youth is hoping to get the matter of leave before the Oireachtas as soon as possible. Once the legislation is enacted, we will pay people from that date. We have taken some measures in anticipation and started work on building the systems, but it is quite complex.

Deputy Jennifer Carroll MacNeill: One matter that arose with the Minister at an early stage related to someone who had a baby in February or March of this year and is returning from maternity leave. Due to the circumstances that we are in, that person has difficulties with coming back to work. Quite a number of people would hope they could get the benefit of parental leave at that stage before coming back to work. There was talk about how, if the employer allowed it, one could take it but be paid at a later stage. Is the Department working towards that?

Mr. John McKeon: That is a matter that the Department of Children, Equality, Disability, Integration and Youth will have to look at. Personally, I think there will be difficulties with that because one is imposing an obligation on an employer prior to the legislation being enacted.

Deputy Jennifer Carroll MacNeill: What about circumstances where they agree to it?

Mr. John McKeon: The Department of Children, Equality, Disability, Integration and Youth will have to look at it. We will follow whatever the legislative provision for the payment is.

Deputy Jennifer Carroll MacNeill: The Department will pay it.

Mr. John McKeon: We will pay it. The Department of Children, Equality, Disability, Integration and Youth will have to look at it. There are other benefits available to people at the end of maternity leave. There is parental leave, which is separate from maternity leave. We can certainly cover that. There are instances where people are in real financial difficulty. We have

a safety net, the supplementary welfare allowance scheme. We always encourage people not to be fearful of applying for that supplementary welfare allowance scheme. It is there to support people who might not be able to work for one reason or another, where they face financial difficulties as a result. It is not the perfect solution but it would certainly deal with the cases where there would be the most hardship as a consequence.

Deputy Jennifer Carroll MacNeill: A related issue arose for, I suspect, many Deputies about the link to the pandemic unemployment payment where people between 65 and 66, before pension age, who were not eligible for the pandemic unemployment payment for the technical and legislative reasons that we understand. The Minister said at the time that one of the options available was exceptional needs payments or supplementary payments of different kinds. That was a measure to provide support for them. Will Mr. McKeon help me to understand the scale or number of payments made, since I had difficulty with it in my area in making sure that people in that cohort got access to it?

Mr. John McKeon: I do not have the number in front of me. One of my colleagues might be able to find it for me as I speak. Off the top of my head, though do not quote me on this since we will get the accurate number, I think it was about 4,000 people.

Deputy Jennifer Carroll MacNeill: We can come back to it.

Mr. John McKeon: If we do not get it by the end of this meeting, I will send it to the Deputy. We do what we can to encourage people. For example, we can now take applications online for supplementary welfare allowance. We take applications over the phone. When someone rings our helpline number, 1890 800 024, we will organise a community welfare officer to call back, take details over the phone, assess the person's needs and begin payments. We are trying to make it as easy as possible.

Deputy Jennifer Carroll MacNeill: In instances where it has worked, it has worked really well. I am curious about the number and distribution of those for each area.

Mr. John McKeon: There has been an increase in community welfare allowance claims. I had the number in front of me yesterday and it has escaped my head.

Deputy Jennifer Carroll MacNeill: Mr. McKeon has every number in his head.

Mr. John McKeon: I will get it and send it to the Deputy.

Deputy Jennifer Carroll MacNeill: I appreciate it and thank Mr. McKeon. I turn to some of the issues raised by the Comptroller and Auditor General. One of the matters that sticks out in his analysis is the evidence that payments and excessive claims to entitlements occur on a scale that he feels he needs to bring to the attention of the committee, so it is important that the committee examines and addresses that. He said that there was €117 million in overpayments in 2019. That can happen because of errors and because of fraud. It is not all fraud and there was a downwards trend in fraud. Will Mr. McKeon give me a breakdown of the €117 million in overpayments between what has been identified as fraudulent and what is just an error?

Mr. John McKeon: When we call something fraud, we are pretty certain it is fraud. Deputy MacSharry will remember that we have taken steps in recent years to only classify something as fraud where there is no chance that it might be a customer error or Department error. Regarding the €116 million, €31.3 million is from fraud, which is between 27% and 30%. Customer error accounts for €45 million, which is about 40%. Official error accounts for about €17.5 million.

Of that, €12 million relates to the illness benefit case so if one takes the illness benefit issue out, it is €5.5 million, or about 5%. In estate cases, where the estate has to contact the Department and disclose assets and income after the person dies, we sometimes find that people had money that they might not have disclosed to us when they were alive. Those estate cases account for €22.6 million or about 20%.

Deputy Jennifer Carroll MacNeill: The Comptroller and Auditor General identifies a downwards trend. Why does Mr. McKeon think those fraud cases are trending downwards?

Mr. John McKeon: There are a number of issues. One is that we are careful in how we classify fraud now. For example, we have a scheme-----

Deputy Jennifer Carroll MacNeill: Was the Department less careful in the past?

Mr. John McKeon: It is not that. There are two matters. One is classification. If we have not contacted somebody in the previous three years and asked him or her to update his or her means, we will say that that is a departmental error. The other is that we have implemented new systems and IT systems to stop fraud from getting in, for example, the public services card and SAFE process. We have started to do more frequent reviews of some of our schemes based on discussions that were held at this committee in the previous Dáil, to have annual correspondence to remind people that if their circumstances have changed, they need to tell us. We have taken all of those measures and that is part of it.

The other thing that I would say is that fraud sometimes gets a lot of attention. Other Deputies who have been members of this committee have heard me say this before. Fraud is a very small part of what we do. I am always anxious to say to people that the reason we do control is twofold. The first is to reduce overpayments, whether due to our error, customer error, or fraud. The other matter is that we want to be able to assure people that there is integrity in the system, because there are sometimes newspapers and so on that run headlines about fraud and such. It is important, if we are to have social cohesion and confidence in the system, that the public generally sees that we take steps to try to make sure that there is not fraud in the system. We can report that the level of overpayments due to fraud is quite low. Some €131 million out of €20 billion is about 0.5%. It is important that people understand that.

Deputy Jennifer Carroll MacNeill: The overpayment is flagged in the report of the Comptroller and Auditor General, so I think it is important to go into it.

Mr. John McKeon: They are big numbers. The Comptroller and Auditor General is correct that 3% or thereabouts is material. It is a big number.

Deputy Jennifer Carroll MacNeill: One has to interrogate it. One could not possibly not ask the question about overpayments.

I refer now to scheme-specific risks. There is a good report about the review and the different schemes. When we inevitably turn to the review of the pandemic unemployment payment and how that has worked, that is an unusual payment in that it is simply put out on a blanket basis and of necessity. The pandemic unemployment payment review, when it comes, will be interesting. What does Mr. McKeon think will be the scheme-specific risks in that scheme compared with others?

Mr. John McKeon: Generally, the scheme-specific risks that the Comptroller and Auditor General refers to are in schemes where there is a means test or complex eligibility criteria. Be-

fore I mention the pandemic unemployment payment, the scheme which has the highest level of hours is the farm assist payment. It is a small scheme but the conditionality and means test are quite complex for the farm assist scheme. I often wonder how any farmer could possibly get the claim right since it is quite complex in many respects. Schemes that have complex conditionality, particularly relating to means tests since a person's means might change over the course of a year, are the main risks.

The main risk with the pandemic unemployment payment is its sheer scale. Normally we take two to three weeks to process a normal jobseeker's claim, and that is a clean jobseeker's claim. We have processed 1.5 million claims in less than a week. I mentioned in the statement of internal financial control that as a Department, we had to prioritise getting payments out over implementing control checks.

Deputy Jennifer Carroll MacNeill: Of course.

Mr. John McKeon: That is what will come through when we do the review of the pandemic unemployment payment. We did implement some controls so we checked people's prior engagement with the Department and made sure that dates of birth, residency, personal public service numbers, PPSNs, and bank account details were correct. We had a good look at cases where multiple claims were going into the same bank account. Once we were over the initial hump, we then implemented checks with the Revenue Commissioners against prior employment and employment earnings. It is a much more controlled scheme now than it was back in March and April but in March and April we really had to prioritise-----

Deputy Jennifer Carroll MacNeill: Of necessity, in fairness, and I do not think anybody would criticise that. It is about the follow-up and review. When will the Department be publishing anything on this?

Mr. John McKeon: The Comptroller and Auditor General might correct me if I am wrong but at the moment our plan is to start very quickly to do a review. It will be a good review and obviously, as we always do, we will co-operate fully with it. It might be next year. I do not want to put the Comptroller and Auditor General on the spot but it might be in next year's report on the accounts. It might be the following year. It certainly will be within the next two years.

Deputy Jennifer Carroll MacNeill: I thank Mr. McKeon for his engagement.

Deputy Cormac Devlin: I thank the witnesses for their attendance here today and for their remarks. How many people are employed with the local employment service nationally?

Mr. John McKeon: The local employment service has approximately 300 staff. Of these, 160 are what are called mediators and they are personal advisers. The balance are support staff.

Deputy Cormac Devlin: Has that increased over the intervening years?

Mr. John McKeon: Not that I am aware of. The payments to the local employment service have been pretty steady at approximately €20 million over the past number of years. We are starting procurement as we speak to expand the local employment service. Next year, the expenditure will increase by approximately €6 million. We are expanding the local employment service at the moment.

Deputy Cormac Devlin: Good. On that basis, is that with a view to expanding the local employment service, LES, and winding down JobPath? Are both needed in tandem with each

other?

Mr. John McKeon: Both are needed for the foreseeable future but the foreseeable future means the next year or two, until we see what comes out of the pandemic unemployment payment and how many of the people who are now on it end up getting back into work and how many stay unemployed. I need to be a little bit careful here because there are procurement rules we need to honour and respect but we consider the local employment service as a concept part of our core operational capability along with our own directly employed employment officers. To use a term which I suppose has come into public discourse due to the health crisis, we are trying to operate JobPath as our “burst capacity”.

Deputy Cormac Devlin: That is welcome and I am glad to hear what Mr. McKeon has said about the LES because certainly it has done tremendous work over the years. It has faced many crises and dealt with a large volume of unemployment over many years. With regard to the process in which a jobseeker is referred to the LES or JobPath, how is it decided and who is decided by?

Mr. John McKeon: It is decided by the Department in the case of JobPath and primarily by the Department in the case of the local employment service. If I take JobPath as the example, and the same model applies to the local employment services, we look at people who have been unemployed long term, which is 12 months or more, and we do a random selection of people and refer them to a case manager. In JobPath and the local employment service people have a personal adviser who works with them to prepare a personal progression plan and to help them to try to find a job or an appropriate training course. This is the concept. We refer people at random. The local employment service takes walk-in clients also. A person can walk into a local employment service, which then contacts us and we put the person on its caseload.

Deputy Cormac Devlin: Specifically, is it the same individual in the Department who decides whether I go to JobPath or the local employment service? What are the criteria? I know Mr. McKeon has said it is random but surely there should be some sort of criteria internally, I hope there is, to decide how many people go to one or the other. The reason I ask is because there is obviously a cost. The State is paying for JobPath and, therefore, I presume the Department needs to keep the figures up. Is it true there is a penalty clause if there are not enough clients coming to JobPath? Is there a penalty for the State and the Exchequer if this is the case? Surely with the local employment service there is no such thing. What is the cost the Department faces if a certain number of jobseekers are not referred to JobPath?

Mr. John McKeon: There is no cost.

Deputy Cormac Devlin: Okay.

Mr. John McKeon: When we set up JobPath we committed to a minimum number of referrals over a four and a half year period and we have exceeded this number.

Deputy Cormac Devlin: Okay.

Mr. John McKeon: That was at a time when there was pretty high unemployment. We anticipated that we would probably send between 300,000 and 400,000 people. The provider had to get some commitment because it invested approximately €20 million in its set-up. We had to give it some commitment and we gave it a commitment of 240,000. We exceeded this and we always knew we would. Once we got that number there was no further issue.

With regard to cost, JobPath, the local employment service and our own staff are all within touching distance of one another. JobPath is probably the cheapest if the cost is divided by the number of people who get the service. The local employment service is probably the next cheapest. It is a bit more expensive. Our staff are probably the most expensive but there is not much in it.

Deputy Cormac Devlin: So that I am clear, is Mr. McKeon saying in the first four and a half years of JobPath, the Department had a target to hit as part of the agreement between the Department and JobPath? What was that target? Mr. McKeon said it was exceeded.

Mr. John McKeon: It was 240,000 and in terms of the number of people who have gone on JobPath, I have the figure if the Deputy will bear with me. It is just under 300,000. It is approximately 285,000.

Deputy Cormac Devlin: If we had not met that figure what would have been the consequence for the Department? Was there a financial clause?

Mr. John McKeon: There was and we shared the costs and the contract issues with the previous iteration of this committee. There is a referral fee on average per client of approximately €300 to €400. We would have had to make up that referral fee for the gap.

Deputy Cormac Devlin: Up to this point there has been a big concern, and Mr. McKeon has put that to rest this morning by telling the committee there will be investment in the local employment service. Until this point, there has been a feeling in the local employment service that perhaps it would be a sacrificial lamb in all of this, and that because of a contract jobseekers were being referred to JobPath rather than the existing employment service. Mr. McKeon said approximately 280,000 jobseekers have been referred to JobPath. How many were referred to the local employment service in the same period?

Mr. John McKeon: In the same four and a half year period the figure was approximately 20,000 a year so it was probably approximately 90,000 people.

Deputy Cormac Devlin: Considerably fewer.

Mr. John McKeon: Yes.

Deputy Cormac Devlin: Going back to my original point about the individuals deciding who goes where, obviously there was a financial incentive for the Department to refer people to JobPath instead of the existing service. Who decides this? What are the criteria they use?

Mr. John McKeon: The first criterion is that a person has to be long-term unemployed. Then there are differences as to whether people have been unemployed for one to two years or two to three years. We try to get a representative sample of durations. While it is random, it is a stratified random sample. We refer people to the various employment services based on the capacity of those services. We try to get a caseworker average ratio of approximately 125:1. We know the number of staff in the local employment service and we are trying to maintain this. We do not want to over-refer people so we end up with a caseworker in the local employment service trying to manage 1,000 people.

Deputy Cormac Devlin: I get that.

Mr. John McKeon: It is about managing the caseload. We try to dimension the local employment service and our own staff so they are able to deal with what would be a steady state.

Deputy Cormac Devlin: From my knowledge, there is certainly capacity in the local employment service and I hope it will be utilised.

From the Department's perspective, what is the cost of the referral of a jobseeker to JobPath versus the local employment service? Can it be drilled down to that level?

Mr. John McKeon: The payment arrangements for the two sets of providers are different. We pay the costs of the local employment services. Therefore, it is a cost-recovery model. We agree the budget with the services at the beginning of the year. On JobPath, there is an outcomes-based payment, based on whether something is made work or not.

Deputy Cormac Devlin: Does Mr. McKeon have approximate figures?

Mr. John McKeon: The average cost for JobPath at the moment is about €800 or €850.

Deputy Cormac Devlin: Per jobseeker?

Mr. John McKeon: Per jobseeker, for 12 months of a service. They get 12 months. The figure for the local employment services averages out at about €1,000.

Deputy Cormac Devlin: I thank Mr. McKeon for all that. I appreciate that.

Mr. John McKeon: We can get exact figures for the Deputy.

Deputy Cormac Devlin: If they could be sent on, I would appreciate it.

Mr. John McKeon: The figures are of that order of magnitude.

Deputy Verona Murphy: I thank all the witnesses for attending. I may have missed a point because I was concentrating on a question I was going to ask. What is the cost of the JobPath scheme? Mr McKeon said there were 285,000 participants. Does he have a figure?

Mr. John McKeon: I do. In 2020, we have spent about €49 million on JobPath. In 2019, we spent about €58 million. For the entire period of the contract to date, the figure is about €244 million.

Deputy Verona Murphy: For last year, 2019, what was it?

Mr. John McKeon: In 2019, it was €58.6 million.

Deputy Verona Murphy: It has gone down by €10 million.

Mr. John McKeon: It has because we have reduced referrals. We had started thinking about whether we would extend the JobPath contract. I do not believe it was ever an option not to have it burst capacity but it was a question of whether we would continue with the existing model and contract set-up. Obviously, in light of the developments this year, we need to extend the scheme, but the number of referrals had reduced because the number of long-term unemployed was falling. As I said before, we are maintaining our referrals to the local employment services. As the number of people who need to be referred drops, that comes out of the JobPath share.

Deputy Verona Murphy: Is it fair to say the difference between 2019 and 2020, amounting to €10 million, relates to the people who have become unemployed?

Mr. John McKeon: It could be put in those terms.

Deputy Verona Murphy: Do we know how many people were involved? If there are 285,000 on the scheme currently, how many have taken up work?

Mr. John McKeon: Of the 280,000 odd, 235,000 have completed their 12 months with JobPath. Some 64,000 of those progressed into work while on the scheme. We have retention in employment for different periods. At the moment, the measure for people retaining employment to 12 months is 22,000 but many of the people who got jobs have not got to the point where they could have retained them for 12 months.

Deputy Verona Murphy: That is very good. I thank Mr. McKeon.

On the European Social Fund, is it correct that there was an under-claim of €5 million? Am I reading that correctly?

Mr. John McKeon: That is right.

Deputy Verona Murphy: What is the reason for it? Why was there a lapse? Basically, €0.7 million was claimed but the figure should have been in excess of €5.5 million.

Mr. John McKeon: Mr. Lawler might answer that question.

Mr. Ciarán Lawler: There are a number of schemes involved in that claim, including Job-sPlus, EURES and the back-to-work enterprise allowance. That claim was being aggregated with other claims from other Departments and it just did not occur in 2019, but it is due to be made in 2020 as part of the-----

Deputy Verona Murphy: Will it be fully recovered?

Mr. Ciarán Lawler: Yes, the value of the claim will be recovered.

Deputy Verona Murphy: Good. It has not yet been received.

Mr. Ciarán Lawler: It has not yet been made.

Deputy Verona Murphy: Mr. Lawler is in no doubt that it will be made.

Mr. Ciarán Lawler: It is to be made in 2020.

Deputy Verona Murphy: At local level in my constituency, I am a little concerned about the way the pandemic unemployment payment, PUP, is working for those who are self-isolating or who have been told they must self-isolate because they are a close contact. The initial claim, if one is working, is the two weeks' PUP. If there is a positive test at the end of that period and a further isolation period, the worker moves on to the enhanced illness benefit. Would it not be more appropriate for the individual to continue with the PUP if there is documentary or medical evidence? Surely there is huge administrative burden, in addition to holding up the payment of money that is much needed in many cases. The affected individual may be the breadwinner of the family.

Mr. John McKeon: Anyone asked to self-isolate - for example, while waiting for a test - can claim what is called the enhanced Covid illness benefit payment. One gets that for two weeks, at a flat rate of €350. It is better than the current PUP. If the person is then diagnosed-----

Deputy Verona Murphy: I understand that. It is enhanced in that it allows for children who are dependent, but my point is that the applicant has to reapply. Would it not be more ap-

appropriate if the applicant could stay on the same payment?

Mr. John McKeon: The issue is that there are two different conditions associated with the payment. One involves a two-week duration for somebody who is self-isolating and the other involves a period of ten weeks for somebody who is diagnosed. Therefore, we need to identify and account for them separately. The system is very straightforward; it is online. The certificate comes in from the doctors online. If there are any difficulties, the Deputy should contact me.

Deputy Verona Murphy: I will not argue with Mr. McKeon on that but the arrangement is not as straightforward as it might appear.

Mr. John McKeon: If the Deputy or any other Deputy has an example, she or he should send it to me. I will always take examples and I will always consider them.

Deputy Verona Murphy: Mr. McKeon's local offices are fantastic and very helpful so I thank him.

Deputy Alan Dillon: I welcome our guests and thank them for their tremendous work in recent months, in exceptional times. In my limited time, I want to bring their attention to chapter 4 of the report of the Comptroller and Auditor General, which relates to welfare payments in excess of entitlement. The Comptroller and Auditor General states he considers the estimated level of irregular payments in respect of certain schemes paid from the fund to be material and he states overpayments in 2019 of €12.2 million in illness benefit claims arose on the transition to a new illness benefit claims processing system. What was the level of testing before this new claims system became live?

Mr. John McKeon: I have to say that the illness benefit experience was not our proudest moment. I want to acknowledge that. We made some mistakes. At the time it happened, I got in touch with the then Chairman of the Joint Committee on Social Protection, John Curran, and I asked to be allowed to appear before the committee so I could explain it. We appeared before it and we apologised and explained what happened. There is a record of the notes if the Deputy wants to follow up on this. I will summarise the position very quickly. We have more than 80 schemes in the Department and we have been migrating them on a rolling basis to our more up-to-date IT platform. There are about four schemes left. We got through nearly all of them with no trouble whatsoever and then ran into a problem with the illness benefit.

Regarding testing, we did the full range of standard tests, integration testing, regression testing, system testing and end-user testing. We did all the usual tests. In fact, we implemented the system live earlier in 2018 on a subset of illness benefit claims, the partial capacity benefit claims, and it worked fine. When we went live with the big range of claims at the end, it fell over. There are a couple of reasons. One was that we were working on the basis of what we believed was an agreement with the medical profession on the use of a new form of medical certificate. Many doctors followed through on that but some did not and we ended up getting certificates that we could not put into the new IT system. That was the major problem that started it all off. We had people who are probably entitled to the payment but whose doctor sent in the wrong certificate. We could not get the certificates into the system on time so we had to make a judgment call - it was a bit like the PUP - and bias it towards paying the person rather than processing the certificate. That is where the problem arose.

To be honest, there were also other issues. We made some design changes in implementing the system that, in retrospect, we should not have made. We moved from a payment-in-arrears

model to a real-time payment model, which we believed was the right thing to do. What happens in practice, however, is that it can take people a week to get an appointment with their doctor after having been ill for a week, and the certificate is received a week later. The payment-in-arrears model gave a week or two of a buffer allowing all that to happen whereas a real-time model gave no buffer. That caused problems.

Deputy Alan Dillon: Who approved the changes during the design process? Was it within the Department?

Mr. John McKeon: It was within the Department. We would work with IT contractors and we have programme and project boards. It went through the testing fine and it even worked fine in the live environment and in the partial capacity scheme.

Deputy Alan Dillon: Everything worked without deviations?

Mr. John McKeon: Everything was fine. There are always issues in IT system implementations. If we had got the scannable certificates from all doctors, we probably would have been able to struggle through but not when there was a scannable certificate issue and a design issue. The only thing we did not do is that we assumed the system would work fine so we trained staff to work with a perfect system. However, when the system was not perfect, we put staff in a difficult situation.

Deputy Alan Dillon: In addition to the €12.2 million, there was also an issue around duplication of the scheduling of one weekly electronic funds transfer, EFT, payment in December 2019. That resulted in an additional €2.5 million entitlement. Where is the Department in recouping that €2.5 million?

Mr. John McKeon: We are recouping it and we fully expect to get it back. That was a human error that sometimes happens. It was a file that was run that contained an error that was not picked up.

Deputy Alan Dillon: It was signed off on twice.

Mr. John McKeon: No. I do not want to get into it. It is a bit more complex than that. It is not that simple. It was a genuine human error by a very experienced officer who actually would be a superstar in our IT world.

On the €12.2 million, we have already recovered more than €5 million of that and there are plans in place for that. We are not finding any difficulty in recovering it because most people we paid at the time knew what we were doing and the clients understood. We are not encountering any difficulty there. We suspended the recovery of repayments at the beginning of the year when Covid-19 happened. When Covid-19 is finally clear, we will go back to the recovery but we fully expect to get the money back. People were aware they were being overpaid.

Deputy Paul McAuliffe: I refer to the issue of supplementary welfare allowances and the controls that are in place. Anecdotally, I receive many different queries from the public about how they are treated differently. Obviously, a huge element of discretion is needed, but that also implies that a huge level of control is also needed within the Department. I wonder if the witnesses can talk about how that is administered? I looked for, through a parliamentary question, a breakdown of this by office and it was not possible to provide it. That makes me concerned that there might be a broader lack of control over the supplementary welfare system.

Mr. John McKeon: No, I would not say so. I have the figures here and the Deputy can see them in chapter 4 of the Comptroller and Auditor General's report. The overpayment on supplementary welfare allowance was 2.6%, so it is generally in line. What I would say about the supplementary welfare allowance is that it is administered by experienced and senior staff at higher executive officer grade in the Department. That is deliberately because it is a payment which is made using discretion. Most of our scheme payments are authorised at clerical officer level but for this scheme, because there is discretion vested in the person rather than it being predominantly rules based, we have staff who are experienced and well trained operating it. They are supervised and we do control reviews and our internal auditor looks at it. There are a lot of tight controls on it.

Deputy Paul McAuliffe: In terms of training and criteria for those staff, is that something that is provided that could be provided to the committee?

Mr. John McKeon: Yes, we can certainly do that. All of our training for posts like those in the community welfare service are accredited to the national framework for qualifications.

Deputy Paul McAuliffe: I know that for citizens with bereavement costs or costs associated with a burial, for example, it can be difficult for some families where estrangement is a factor. The welfare officer requires that person, often the person who is left caring for the older relative, to act almost as liaison with all siblings in the entire family, regardless of whether there is estrangement in place. That person can be left feeling vulnerable because he or she cannot make the payment for the burial. I know it is a discretionary payment but it might be something the Department can look at. Perhaps we will look at the details and I will come back to the Secretary General directly on other questions.

On the pandemic unemployment payment, PUP, have all of the backdated moneys for PUP, which were due to be paid, now been paid?

Mr. John McKeon: Not yet. We expect to pay them in the next two to three weeks. There will be quite a large number. We have paid the PUP to about 850,000 or just under 900,000 people at some point over the period since March. We reckon we will have to pay somewhere in the region of 300,000 people some arrears payment. It might be one, two or three weeks of arrears. We are going through all of those cases and we plan to get them out and paid before the end of this month so that any arrears can be taken into account in the bonus payment, which will happen in the first week of December, so it will be in the next two or three weeks.

Deputy Paul McAuliffe: Like all the Deputies, I acknowledge the huge effort and work that was done. However, I received assurances a number of weeks ago that those payments would be made in a number of weeks. I ask, therefore, that everything be done in order for that to be done, particularly before Christmas.

What is the average wait time for PUP claims to be processed under the new level 5 restrictions? How many staff does the Department have in place processing those claims?

Mr. John McKeon: We have moved to pretty much 97% to 98% of claims coming in on-line. A lot of claims can be processed without human intervention. Last week, we paid 343,000 claims. Less than 1% of them were held and we generally pay within a week. The PUP is paid on a payment week basis. Claims which are received and processed before Thursday one week are paid on Tuesday the following week. If they are received and processed on a Friday, they are paid on Tuesday the week after that again. They are generally paid within a week if they

go through the system correctly. Where they do not go through the system correctly, we communicate with the people involved, explain why the payment was not paid and give them the contact details of where they can get in contact with us if they need to provide more information and so on.

Deputy Paul McAuliffe: I have had some anecdotal evidence of people who were in receipt of PUP earlier in the year, and when the new level 5 restrictions came in, on this occasion they were declined for PUP because of PRSI contributions. There seems to be some difference there between the two, and I wonder if the Department is keeping an eye on that. Is it something that is a live issue for it? What the Department would not want to do is create a further backlog of appeals.

Mr. John McKeon: We are conscious of that. As I said, last week it was 1% of claims, just to put it in that context. As I said, in response to one of the earlier questions, when we first introduced PUP, we were limited in the control checks we could implement. We have now implemented a measure where we check with the Revenue records to see if a person has paid either employee or self-employed PRSI and to see if he or she was in employment and had lost a job. In some cases, people who got payment last March do not have the evidence to support that when they come and claim again. In most cases, in the 1%, it is self-employed people. In most of those cases, it is because they probably have not filed their self-employed returns, or if they have done in some cases, they have filed their self-employed returns with earnings of less than €5,000, which means they did not pay any social insurance contributions. In those cases, they do not get the €350 they got last March, they get €203, because their taxable income does not justify paying €350 per week, it now pays €203.

Deputy Catherine Murphy: I want to return to the JobPath scheme. I will try to be short in my questions as I have limited time, so I would like some short answers. JobPath is an outsourced scheme and it is performance based. A lot of the feedback I have got, and I have talked to Mr. McKeon about this before, is that people were directed towards the likes of the hospitality and security sectors and they were supervised to search sites they could search at home. I personally had issues in terms of both employers and employees who told me they could source the jobs themselves but that the companies got paid. There are issues with this. What is the status of the current contract? Given that there are sectors that will be slow to recover that have been traditional sectors that JobPath has directed people towards, what changes will be implemented in how the Department will proceed?

Mr. John McKeon: The current status of the contract is that we are extending it for a further year to the end of 2021. It was due to expire at the end of this year. We had intended to run a new procurement this year and would probably have changed the design of the scheme a bit. There were two reasons for running the new procurement. It is one of the issues the Comptroller and Auditor General referenced in his statement of internal financial control. The procurement on our community-based services does not comply with EU procurement rules, unfortunately, so we need to come up with a new procurement model that will enable us to keep the local employment services. In doing that we would change our post procurement of the JobPath capacity as well. In terms of the approach, we would still have a payment- by-results element to it. Whether we would have the current model of payment by results as strongly is up for question. We commissioned a report by the Institute for Employment Studies to advise us on this matter and we recently received the report and referred it to the labour market advisory council. It is suggesting that we still keep the performance-based element, but perhaps rebalance it a little. There are risks in that. The performance-based element works for the Exchequer

because one only pays for results, whereas when one changes the payment rate so that it is more for the service rather than the results, one has a fixed cost and a smaller variable cost. We will be examining that over the next couple of months.

Deputy Catherine Murphy: Presumably, attention will have to be paid to what jobs are likely to be available, retraining programmes and reconfiguring the priorities.

Mr. John McKeon: We would always have an eye to the fact that people who are leaving sectors might have a skill mismatch with other sectors, and there is a large range of training programmes and services available. The Department for Further and Higher Education, Research, Innovation and Science has got a big increase in its budget for next year and we will refer people to those programmes, as does JobPath. The Deputy should be aware that in JobPath there is flexibility and it refers people to training. The period of engagement is paused while people are on training. In fact, the referral to training from JobPath is probably a little higher than from other services.

Deputy Catherine Murphy: How much has been paid on that contract to date?

Mr. John McKeon: I gave the figure earlier. It was €244 million over the four years.

Deputy Catherine Murphy: What will the extension cost?

Mr. John McKeon: Next year, we anticipate we will spend between €50 million and €60 million.

Deputy Catherine Murphy: There might not be any jobs.

Mr. John McKeon: The thing with JobPath is that the money would only be paid if people get jobs. It is a performance-based payment.

Deputy Catherine Murphy: Mr. McKeon said the Department suspended this service for a while and now it is engaging with people-----

Mr. John McKeon: We have suspended it again.

Deputy Catherine Murphy: I am looking at the figures I received in a reply to a parliamentary question in 15 October. It looks as if there is a high level of referral to JobPath this year. There were 14,993 people engaged with JobPath between March and September.

Mr. John McKeon: That is March and September. We started again at the end of June so it would be June to October, but we have now suspended again because of the level 5 restrictions. It would be January to the middle of March and then June to October.

Deputy Catherine Murphy: Is it getting paid for services it has not provided?

Mr. John McKeon: No. It is providing services by telephone and video at present, like our case officers, to the people it has on the books. Equally, and this is one of the advantages with the JobPath model, the payment is predominantly based on whether it gets somebody into work or whether it helps a person get into work. During the period there are a number of people who went to JobPath - I do not have the exact figure with me - who did get employment.

Deputy Catherine Murphy: Okay. I wish to acknowledge the work of the Department but-----

Mr. John McKeon: I accept that.

Deputy Catherine Murphy: -----the arrears of the PUP is a critical issue.

Deputy Neasa Hourigan: I thank the witnesses for attending. I refer to the housing category and the exceptional and urgent needs payment. That would have provided support through the payment of rent deposits, rent in advance and assistance towards furniture and household appliances. The Comptroller and Auditor General's report states there was a lower number of claims than predicted, that it included some savings and that the provision of emergency accommodation for homeless persons is the responsibility of local authorities and the arrangement whereby supplementary welfare payments were used to fund this has ceased. I wish to understand that a little more. Other Deputies have referred to the payment in terms of paying for funerals and emergency situations. However, in the past it has also been used for matters such as rental deposits as well as items such as bedding or kitchen utensils. The exceptional needs payment still exists as part of the social welfare payments.

Mr. John McKeon: To deal with the issue the Deputy raised, the exceptional needs payment is still used to help fund deposits, help people with kit out and so forth. All of that still happens. There was a historical arrangement in Cork where the community welfare service in Cork paid for people's accommodation, which is really the responsibility of the city and county councils there. During 2019 we transferred that back to the city and county councils. That is the reference. It was the only part of the country where the community welfare service used to do that. That is what the reference is.

Deputy Neasa Hourigan: Okay. Is Mr. McKeon satisfied that in the transfer of those responsibilities to Cork, it received suitable funding to meet the shortfall?

Mr. John McKeon: I presume it did. That would be a matter for the county council and the councillors in terms of their rate setting and the grant it got from the Department of Housing, Local Government and Heritage at the time. Certainly, it was an agreement and I am assuming it did, but the Deputy will have to ask the council about that.

Deputy Neasa Hourigan: It met the funding. I wish to turn to control reviews. There is much detailed information and I thank the Department for that. Regarding the control reviews and results in the control process, can Mr. McKeon update the committee on the work undertaken since the report, in terms of making sure the reports that are emerging are timely?

Mr. John McKeon: We have a target of trying to do two control reviews per year. Our control surveys are quite labour intensive work. Since 2012, which is eight years ago, we have done 17 so we are a little ahead of our target of two. The Comptroller and Auditor General would like us to be a little more timely, and I fully agree with him. We have changed the model in the current reviews we are carrying out. It will be a model that will work better. We are moving some of our larger schemes from a point-in-time survey. For example, jobseeker's benefit was done in 2012 and jobseeker's allowance was in 2014. We will do jobseeker's allowance every year on a rolling basis, and we started that this year. Rather than publish the first of the rolling basis surveys we want to get two or three of them because otherwise it is not rolling-----

Deputy Neasa Hourigan: What will be the timeline for that?

Mr. John McKeon: We expect to publish the jobseeker's allowance one probably early next year. We will have two of the rolling surveys done at that stage. One cannot really have a rolling survey if one only has one and if one is using a lower sample. Then we will update

those results every year.

Deputy Neasa Hourigan: I am trying to understand the process. Is it a desktop exercise?

Mr. John McKeon: It varies by scheme. We generally pick 1,000 claims at random. We then write to the people with those claims and ask them to update any changes. We then take a sub-sample of those and ask inspectors to carry out a review of some of the cases where there are issues arising. In medical schemes we might ask the person to see a medical assessor. It varies, but predominantly it is desk based. There would be in every case-----

Deputy Neasa Hourigan: How is that happening at present in lockdown?

Mr. John McKeon: We are still doing desk-based reviews.

Deputy Neasa Hourigan: It is a desktop exercise at present. There are no inspections.

Mr. John McKeon: No, we are not sending people out.

Deputy Neasa Hourigan: The Department is not asking anybody to come in for extra medical appointments or reviews.

Mr. John McKeon: No.

Deputy Neasa Hourigan: Okay. Mr. McKeon listed out all the different areas, quite helpfully. Many of our schemes are means tested or relate to specific things, but child benefit is a universal benefit. When the Department carries out reviews, to what do they relate? Is it about the residency of the child or how does it operate?

Mr. John McKeon: Predominantly. What we do on child benefit we also do on one-parent payment and working family payment, and we are starting to do it on farm assist. On child benefit, we write out once every 18 months, not quite once a year, and we do it on a continuous basis. We send out what is called a continuing eligibility letter and we ask the parents to confirm certain things, including confirming that the child is still resident in the State. Each year we save €8 million to €10 million worth of payments of child benefit because we either do not get the continuing eligibility letter back or the information they provide strongly indicates that the child might no longer be in the State.

Deputy Marc MacSharry: I want to praise the heroic work of the Department in achieving what was done to keep us all in funds in such a short period and during such difficult times, cross-departmentally. There was support from Revenue and other sources, but the Department has outdone itself. In the post-Covid environment, the Department will probably be under savage pressure because expectations will be exponentially higher.

On invalidity pensions, 2% were reviewed and 68% of those reviewed had resulted in an overpayment. That is very high. It is an insurance-based scheme and qualification is in regard to contribution conditions. What was the issue in that respect? If people who fraudulently claimed welfare payments are found to have an underlying entitlement to other welfare payments, the overpayment adjustment would take account of that. Will Mr. McKeon give us more detail on why that figure was so high?

Mr. John McKeon: As a general comment, there are two figures in that chapter. There is an overall figure for excess payments on invalidity pensions, which is 1.5%, and that is from a survey from 2015. We are trying to target our annual reviews carefully at cases where we think

issues may be arising. There is one way to look at the 68%. We are either targeting very well, or that figure may be an indication of a bigger problem. The survey results from 2015, and invalidity pensions will be surveyed again soon, indicate there is not a problem with invalidity pensions because, as the Deputy said, they are contribution based.

Issues do arise with invalidity pension schemes. For example, people might have issues regarding whether they are working even though they are claiming an invalidity pension payment. Qualified adult increases are means tested on the invalidity pension scheme, so there can be issues with such cases where a person's means may have changed but he or she has not updated the Department. We use data analytics and make use of information that we get in our control surveys, for example. I refer to the characteristics of the types of cases where there might be an error. We use that data to target our control reviews. My take on the Deputy's question is that we probably target the invalidity pension control reviews quite well.

Deputy Marc MacSharry: That is fine. Are medical reviews of invalidity pension claimants carried out at any stage during the life of the claim?

Mr. John McKeon: Such reviews are carried out, but I do not have the data with me. There are not as many as we would like, to be honest.

Deputy Marc MacSharry: What is the percentage?

Mr. John McKeon: I will get that information for the Deputy. As he will be aware, in previous years at this committee we were questioned quite heavily on delays in processing medical-related claims and one of the issues we had was that we did not have sufficient medical assessor resources. There were delays as a result. The processing times on those claims have now been significantly reduced. We have extra staff, and we hope that is going to free up capacity in the coming year. We had intended to start that this year, but 2020 happened and we could not do that for obvious reasons. We intend to start doing more medical reviews. There were 430 medical reviews in 2018 and 95% of those cases were found to have continuing eligibility.

Deputy Marc MacSharry: That is good. The other point I mentioned at the beginning concerns a person fraudulently claiming a welfare payment who is found to have an underlying entitlement to another different payment. I refer to the net excess payment. Will Mr. McKeon tell us about that situation?

Mr. John McKeon: What can sometimes happen on some schemes is that someone might have claimed a disability allowance payment, for example. It could then turn out on review that the person does not meet the medical conditionality, but he or she would have met the conditionality for the jobseeker's allowance payment. That is one example. In that case, while the person is on the wrong scheme, and there is an overpayment on that scheme, in net terms there is not an overpayment. The same would happen, for example, if someone falsely claims invalidity pension and it turns out that he or she was not entitled to it but could have claimed disability allowance. It is those kinds of changes that occur, and mainly with people on the wrong scheme.

Deputy Marc MacSharry: We do not pursue those legally.

Mr. John McKeon: Generally, we do not pursue such cases legally because usually the amount of the payment is the same. It is simply a transfer from one scheme to another.

Deputy Marc MacSharry: I thank Mr. McKeon. I will conclude by mentioning that the

Department is the example in respect of the turnaround time in answering queries from Deputies and Senators, generally. The response time is very good. I wish other Departments would look to the Department of Social Protection as the benchmark in their approach to replying to our queries. I just wanted to put that on record.

Deputy Colm Burke: I thank Mr. McKeon for his contribution this morning. I join my colleagues in thanking all the staff in the Department and in its offices for the support they have provided in the last nine months, during what has been a very difficult time for everyone. The Department responded quickly and delivered very fast, and that must be acknowledged.

I want to deal with several issues. This is not a policy area, from the point of view of Mr. McKeon, but there is one aspect of review that we must look at. One big problem I am coming across concerns people in their late 50s who have lost their jobs and are unlikely to return to employment. To qualify for a community employment scheme, people must be unemployed for 12 months. The people to whom I refer would have got a payment for the last six months and they are now going onto unemployment payments. Can we look at the rules regarding taking on people under community employment schemes?

While I know of many people looking for employment, I also know many people who will not qualify for the community employment scheme because they have not been unemployed for 12 months. On the other hand, I know of six facilities in my constituency that cannot fill the existing community employment jobs. These are people who look after the maintenance, opening up and supervision of facilities. Could we review that scheme? We have these facilities. When we open up from the level 5 restrictions, people will want to use these community and sporting facilities immediately, but there will be no one there to open them because many people have completed their time on the community employment schemes. I know a man who was on a community employment scheme for five years. Even though he is 59 years old, his time on the scheme will not be extended. He was there because we got it extended on a number of previous occasions. Is it possible to look at that issue?

The second matter I raise concerns cases of overpayment by the Department. The Department is entitled to try to recoup that money, whether from the estates of those deceased or from people still alive. We do not, however, have a mechanism for dealing with a situation where people did not get their full entitlement. An example is a lady who contacted me recently. She is 81 years old. She never applied for the old age pension until recently, however, because she was getting a carer's allowance for looking after her brother, and her father before that. She worked for 25 years, but did not claim the old age pension when she reached the qualifying criteria. There is no mechanism which allows such an entitlement to be backdated.

It is the same with other cases. I was contacted by someone who received compensation in the context of hepatitis C because he or she had a medical problem, got blood transfusions for that problem and contracted hepatitis C. That person was compensated, but has now been told that he or she is not entitled to receive social welfare, whereas I think that he or she is entitled to do so. That person has a disability allowance and is not able to go back to work. He or she no longer has hepatitis C, but is physically affected by disability. It is a genuine situation, where the person cannot return to work.

I would also like Mr. McKeon to clarify the situation regarding people who are homeless. It is a really sad situation. I walk a straight line from where I stay here in Dublin to the corner of Kildare Street at the Shelbourne Hotel. Every morning when I walk past there, at least four to five people are sleeping on the street. One morning recently, I came across 13 people sleeping

on the street. How can people who are homeless and have no permanent base be given support? How is that structured?

Mr. John McKeon: On the last one, people who do not have a fixed abode or address are entitled to social welfare and we work with them. For example, in Dublin we have a dedicated unit, called the homeless persons unit in Gardiner Street, which is very active in working and ensuring that people who are homeless and rough sleepers in particular - it is not a term I particularly like - can access welfare benefits. Around the country our Intreo centres and community welfare service staff will work with people who are rough sleepers and make sure they get their benefits. We also fund a lot of community and voluntary groups in terms of food parcels and all these kinds of things through what is called the feed programme. So, we provide a range of services.

On disability and the one the Deputy mentioned, I cannot talk about an individual case, but on the issue of access to disability payments, we never challenge the diagnosis of a person's GP or consultant. The test is whether that person is capable of performing work with that illness or disability. That is the test. We have more than 30 well-qualified occupational medical doctors, including some consultants, who review cases. They determine and recommend whether a person is capable of work or not. I do not know about that particular case, but all those cases can also be appealed. If that person has a difficulty, they can appeal that case.

On community employment, there should not be, but I know there always are vacancies in community employment because there are gaps - frictional kinds of vacancies. We have 68,000 people who are long-term unemployed. We have 21,000 places on community employment, of which about 20,000 are currently filled. The level of vacancy of one over 20 is approximately 5%, which is what one gets in any business. There will generally be 5% vacancies at any point in time. If there are difficulties in a particular community employment scheme, the Deputy should let me know and we will follow them up because I am sure there are candidates.

I will follow up on the pensions issue and come back to the Deputy. If it is a non-contributory pension, there might be an issue. If that is the claim-----

Deputy Colm Burke: It is not; it is contributory. The person worked for 25 years.

Mr. John McKeon: The Deputy can send me the details and we will follow that up.

Deputy Colm Burke: I will. I thank Mr. McKeon.

Deputy Matt Carthy: I welcome our guests. I again put on the record our appreciation and thanks to all the staff in the Department of Social Protection, probably the Department that elected representatives have had the most interaction with since the onset of the pandemic. In almost every case the staff have been incredibly helpful even though they have been working under very stressful conditions. I reiterate our thanks and commendation on that.

I am trying to get a sense of the value for money of JobPath. What has the total net cost of JobPath been since the launch of the programme in 2015.

Mr. John McKeon: The total cost is about €244 million and about 285,000 people have received the service in that time.

Deputy Matt Carthy: I ask Mr. McKeon to repeat that. How many people have received the service?

Mr. John McKeon: About 285,000. I do not have the exact figure, but it is of that order of magnitude. We can get the Deputy the exact figures, but it is about 280,000 to 285,000 people who have been on JobPath over that period of time. About 230,000 to 235,000 of those have completed their engagement and the balance would still be receiving a service.

Deputy Matt Carthy: How many people who have come through JobPath are employed via the JobPath route today?

Mr. John McKeon: Some 64,000 people started work. We then monitor how many people stay in employment. Of those 64,000 people, 22,000 are still in employment after 12 months.

Deputy Matt Carthy: They are employed today.

Mr. John McKeon: We measure that out to a 12-month perspective, so it is 12 months. The number of people who have had the opportunity to develop a 12-month employment is obviously much lower than the 280,000 because of people still on the programme or people who only completed it two, three or six months ago. So, all would have a long-----

Deputy Matt Carthy: I seek clarification. Do those 22,000 refer to people who secured employment and stayed there for more than 12 months or people who did both of those things and are still in employment?

Mr. John McKeon: It is 22,000 who have secured employment stayed there for 12 months.

Deputy Matt Carthy: We must, therefore, assume that a number of those are no longer in employment.

Mr. John McKeon: I do not know. Given the current employment situation, I think the Deputy would have to assume that, but I do not think it would be fair to attribute that to being a particular characteristic of JobPath. Our local employment services are-----

Deputy Matt Carthy: It would be useful to have a sense. I agree that 12 months is a good parameter, but it would be useful to see of people are still in employment after two years.

Mr. John McKeon: I agree. We have always been very conscious of this. That is why we commissioned the econometric review of JobPath, which I circulated to members earlier. That review, which was conducted under the Irish Government Economic and Evaluation Service and with the support of the OECD, showed that after two years - so it is a two-year period, not 12 months - employment outcomes for people who got the JobPath service were 37% better than for a control group of identical people who had not got the service.

Deputy Matt Carthy: This is, therefore, comparing people who got this support with people who got no support essentially.

Mr. John McKeon: No. They would have got other supports. They would be people who did not get the JobPath support, but they might have been with the local employment service or our Intreo service. It is effectively saying that the JobPath service has 137% better outcomes measured two years afterwards than-----

Deputy Matt Carthy: Is there any analysis of the 22,000 people who have secured employment? Are all those full-time equivalent posts?

Mr. John McKeon: They would be full-time posts.

Deputy Matt Carthy: What would their average hourly rate of payment be?

Mr. John McKeon: Their average earnings are in the report I circulated previously. Their average earnings are higher than for people who got work and did not go through JobPath. I have the data here. It is in the information I sent earlier. Their weekly earnings were on average 17% higher than people who got work outside JobPath.

Deputy Matt Carthy: What are their average weekly earnings?

Mr. John McKeon: It is in the report. It might take me a while to find it. As I said, they are 17% higher. All I can do is give the Deputy the data.

Deputy Matt Carthy: Mr. McKeon is not giving me this data, I have to say.

Mr. John McKeon: All I can say is that-----

Deputy Matt Carthy: I can understand it might not be there.

The Department has extended the JobPath for another year. On the basis of the figures Mr. McKeon has given me, assuming that the bulk of those 22,000 are still in employment, it works out a cost of €11,000 per job. Is there any possibility that another route would ensure we could create a greater number of jobs for less than €11,000 per job?

Mr. John McKeon: I understand why the Deputy makes that comparison, but I think it is the wrong comparison. I am not trying to make a case one way or the other.

Deputy Matt Carthy: I am only giving Mr. McKeon the data in this instance.

Mr. John McKeon: The issue-----

Deputy Matt Carthy: I am telling him that the Department spent €244 million

Mr. John McKeon: JobPath-----

Deputy Matt Carthy: Excuse me, let me finish.

Mr. John McKeon: Let me finish. I can answer.

Chairman: The Deputy's time is up.

Mr. John McKeon: I can answer the question. JobPath is not a job creation scheme. It is not like IDA Ireland going out there creating schemes. The purpose of JobPath is to provide an employment advisory service to help them to compete for jobs that are there, so the appropriate metric is the cost of that advisory service per person. The cost is about €800. That compares very favourably with the cost of the local employment service, with our own local employment service and with community employment service. If the Deputy were to measure those on the same outcome of cost per job created, their figures would be higher again than the €11,000.

Deputy Matt Carthy: Chairman-----

Mr. John McKeon: This is about providing a service.

Deputy Matt Carthy: Whatever about Mr. McKeon's understanding of JobPath, the Government propaganda was certainly that this scheme was a job-creation scheme. It was to take people from social welfare payments to job activation. Based on the figures we have been

given, €244 million has been spent on the scheme and 22,000 people have been in employment for more than 12 months. That works out at €11,000 per person. I think there are more efficient ways of creating the same level of employment.

Chairman: I have a follow-up question on JobPath. Based on answers to parliamentary questions up to July there were 275,000 applicants at a cost of €243 million to the two companies Seetec and Turas Nua. The number of jobs created at that point was 20,000. It has already been outlined how if we divide the 20,000 jobs created into the overall sums, we get a figure somewhere north of 11,000. In this period in the constituency I represent almost 13,500 people went through JobPath referrals. Of that number a little over 1,000 were in employment, which is approximately one eleventh or 8% or 9%. This seems low. The figures from across the State suggest the figure is a little over 7%.

It is a costly scheme. The Department officials mentioned the fees. I said in my opening remarks that the Department does great work but the outsourcing to two companies and their performance over the past four and a half or five years is of concern. The initial referral fee is €311. There are four payments known as sustainment fees. After 13 weeks the cost is €613, after 26 weeks the figure is €737, after 39 weeks the figure is €892 and after 52 weeks it is €1,165 in total. That means a total of €3,718 payable per person who secures employment that is sustained for at least one year. These are the fees that have been set out for us and I want to ask about them.

The officials mentioned that the contract has been extended. It has been extended for the second time. The term of the contract was up in December 2019 and it was extended for a further year. This is the second extension.

Let us look at it in comparison with the local employment services and what is happening with them. One of my colleagues carried out a survey and spoke to many people who went through that system and to people who work in it. I will read from what they have found from speaking to jobseekers. One said she was currently working part time as an assistant manager in a shop and she absolutely loves it. She is in a secure job and works three or four days per week. She ends up with between €30 and €56 of social welfare and casual slips. She is on a 20-hour contract but works in excess of that which means she is getting less on social welfare. She has a two year old child and is a working mother. That person lost her job. There are two other cases. A substitute teacher was holding down a position in two schools. She said substitute teachers are on call so there are weeks when she works full time. She questions how she is supposed to hold down a job. She was sent to JobPath while doing two jobs. She has to keep two employers happy and has to attend JobPath meetings. During the school term she was on call and took any work she could get. She got calls from JobPath asking her to attend meetings on days when she was called at short notice to work as a substitute teacher in schools. There is no concept of how subbing works. JobPath is a flawed system and has helped to push her out of the teaching profession, something she has worked for. Another teacher said she only qualified last year but has been tormented by the scheme. She had to leave her teaching job as a result of the scheme. She was given no opportunity to interview for teaching jobs. Her teaching qualifications cost €12,000 and she believes that is now wasted. I could go on and on. Another participant said that she felt like a commodity and went on at length about this. We spoke to many people who came through this system.

We also spoke to people who work in the local employment services. They said several things to us. One member of staff who has been a local employment staff member for over ten years said to us that she has seen the major impact JobPath has had on local employment

services throughout the country. LES referral figures from the Department of Social Protection have been drastically reduced, almost from existence in some cases, due to the contractual agreement with JobPath. This person is a mediator and counsellor. Her concern is that when clients are referred to her after time in JobPath they are less motivated, more confused and further removed from the workforce. It has the effect of a wasted year. A Turas Nua worker in one of the companies said that virtually no initial training was provided to new recruits. Staff turnover was exceptionally high. Total training consisted of a briefing to a group of 30 staff in a hotel for a couple of days followed by a couple of days in a JobPath branch. They gave us other examples.

I have outlined the fees involved. The initial payment is €311, after 13 weeks it is €630, after 26 weeks it is €737, after 39 weeks it is €892 and after 52 weeks it is €1,165.

A report was done by Indecon on the local employment services. It found that the services deliver 22 community schemes throughout the country. This recent research by Indecon looked at participants and the employer experience. It is important to get a view from employers as well. Over 75% of local employment service clients reported that they were motivated by the staff. Some 74% reported positive help with education and training and other development opportunities. Some 89% of employers reported help received from the services in finding suitable candidates for vacancies while some 83% of employers believed that they were an efficient recruitment service for their companies. Some 82% have an established and effective working relationship with the local employment service.

The reason I am reading from the report is in the frame of when we look at what is being spent. The total figure up to July of this year is €243 million and 275,000 have gone through in that period. We need to consider the cost per individual. It is a really serious concern that a vast amount of public money is being spent. Not alone have these contracts been extended from last December to this December but we have contracted again.

I know what I hear anecdotally. My colleague, Deputy John Brady, opened this up for people to give feedback, including people who worked in the local employment services, those who worked in the two companies which provide the service through JobPath and, importantly, JobPath participants. We also examined the Indecon report. The Department should be praised for the work it does but by any standards there is a major flaw in outsourcing this to these two companies. The Department has probably entered into the contract at this stage. If it has, it is unfortunate. Can anything be done at this point to try to address this?

Mr. John McKeon: Thank you, Chairman, for the examples. I agree that the local employment service is a good service. We commissioned the Indecon report - it was commissioned by the Department. We have maintained expenditure with the local employment services throughout this period. They have received approximately €100 million during the period. JobPath got €244 million. We are increasing the budget for the local employment services for next year and we are expanding the services. I agree with the comments from the Chairman on the local employment services.

I have to say I would encourage people to look at the data on the JobPath service. As part of the contract management, we commission regular surveys by an external agency of customer experience with JobPath. We publish the surveys. The surveys are of 1,000 people randomly selected. They are statistically valid. It is not an invite where people come in on a website and let us know their experiences. The 1,000 people are randomly selected and properly surveyed. The results are statistically robust. The results of these surveys are equally as glowing as the

reports the Chairman has got on the local employment services. I am stating this as a fact rather than making any comment one way or the other. That needs to be taken into account.

I would also say that the employment outcomes from JobPath are somewhat higher than the Chairman has indicated. As I have said, some 64,000 people started jobs out of the 235,000 who were eligible. That is approximately 27%. I can tell the committee that the employment progression rate of that group of people is typically 8% or 10% because we are looking at long-term unemployed people. It is a significant increase. Deputy Carthy was not here earlier but I can tell the committee that the cost of JobPath is between €800 and €880. The cost for a local employment service to provide a roughly equivalent service is approximately €1,000 per person. The cost for our internal staff is approximately €1,200. Cost parameters indicate it is a good service. I know there are concerns about it. Many of the concerns about JobPath may have been based on bad experiences of similar schemes in the United Kingdom. What I would say about the JobPath providers in Ireland is that one of them is 100% owned by a farmers' co-operative and is not a commercial enterprise. We have people with similar backgrounds running local employment services.

Chairman: I ask Mr. McKeon to address the issue of similar methods being used to-----

Mr. John McKeon: I will come back to that issue. The other company is owned by an employee trust. It is not commercial in that sense. The employees, including its employees in Ireland, are the owners of the company. It is 100% owned by the employees. That needs to be borne in mind as well.

In terms of the service the two companies are meant to provide, local employment services should be sitting down with people as well, putting job vacancies in front of them and asking them about pursuing those opportunities. That is what an employment adviser does and that is what a case officer in my Department is meant to do. It is what an adviser in a JobPath company does. They are meant to put jobs in front of people, help them to apply for those jobs, put training courses in front of them and help them to progress in those training courses. It is the same service. The difference is whether it is payment by results or payment per cost inputs. One is a payment by results model; the other is a payment for cost inputs model. There is a place in every European country at which I have looked for contracted-out employment services. It is about the core element, which is the local employment services, of which our staff form the core, to deal with the steady-state level of unemployment. There is then a contracted flexible resource model to burst beyond that. That is what JobPath is about. In most places, they are payment by result models.. We are not doing anything different from what has been done in Australia, Germany, France, Denmark, Sweden, Switzerland and the UK. Some people's attitude to JobPath may be informed by very bad press coverage of the system in the UK for understandable reasons. That experience has not been replicated in Ireland at all.

Chairman: It would be interesting to have a figure for the number in employment 24 and 36 months after going through JobPath. As Mr. McKeon stated, we do not have that figure. That would be a really interesting piece of work to have.

Mr. John McKeon: We will work on that. The report we published and which I circulated looked at the situation after 24 months. As I stated, there was a 37% increase in employment outcomes. That report is being updated and we will be happy to share it. We will be doing a similar study on local employment services in the next year in order to have a benchmark comparison. We will look at employment outcomes and sustained employment outcomes.

Deputy Verona Murphy: I refer to the pandemic unemployment payment. When will all payments due be paid out in full? Will there continue to be outstanding payments at the end of the year?

Mr. John McKeon: I expect they will be paid out in the next two to three weeks.

Deputy Verona Murphy: Very good.

Mr. John McKeon: They will be paid out before the Christmas bonus because we have to pay them out in order to calculate the Christmas bonus.

Deputy Verona Murphy: Very good. I refer to the social welfare checks carried out in airports. Were many of those cases appealed? Were the appeals successful?

Mr. John McKeon: I am not aware of any of those cases having been appealed. The Department saved approximately €13 million in pandemic unemployment payments as a result of those checks. I am not aware of any of them having been appealed.

Deputy Verona Murphy: Okay. I am aware of one appeal that has been submitted. I can discuss it with Mr. McKeon at a later stage.

Deputy Catherine Murphy: On JobPath, Deputies are relating the experiences not of people who are influenced by what happened in the United Kingdom, but the practical experience of people who have contacted us. I am getting exactly the same kind of feedback as other Deputies are. I have discussed the matter with Mr. McKeon previously at meetings of the Committee of Public Accounts with regard to people having to give up a part-time job to go on JobPath. They felt that that was the only option available. The kind of advice people get and the kind of jobs they are being pointed towards, which they could also find on the Internet, may be very different to their experience. I know what will happen after this meeting. If there is any media coverage of this issue, Deputies will be contacted by a raft of additional people. It is unusual for that to happen. It certainly influences my outlook on the experiences people are having.

I question whether people really feel they can be honest in a survey, even if it is separate to JobPath, carried out by the Department. It is not an equal relationship or, at least, people often do not feel it is an equal relationship. They feel dependent and do not wish to rock the boat. I think that is worth considering in terms of proper evaluation. The Comptroller and Auditor General prepared a report or an outline last week in terms of value for money. In the context of outcomes for the individuals involved, I would be really concerned if local employment services are saying that people are coming to them demoralised after an experience with JobPath. That is the opposite to what was sought to be achieved. I ask Mr. McKeon to look at how this is evaluated. Deputies are raising these issues as a result of the experiences people are relating to us and for no other reason.

Deputy Colm Burke: I have received negative feedback but I have also received positive feedback. On the issue of cost, if one considers that the basic unemployment benefit of slightly more than €200 per week is equivalent to €11,000 per annum, the scheme is good value for money. I worked for more than ten years with a community employment scheme that worked with young people who had dropped out of school and tried to bring them back into the education system. We carried out a survey that found that five years after leaving us, more than 70% of them were in full-time employment. That is in circumstances where there were many family difficulties, etc. An interesting thing about that project, which took place in the 1990s, is that it cost £12,000 per person who went through the facility over a 12-month time period.

If one looks at the cost of the instant scheme, it is not too different. I think it is good value for money, especially when one considers the significant benefits to the 22,000 people who are getting opportunities and have the facility of training, etc., to go back into employment. The big problem we will have in the coming two years is that many companies that took on extra staff may reduce staffing levels. That is one of the problems we will have.

Deputy Matt Carthy: I wish to touch on the issue of the one-parent family payment. Mr. McKeon is aware of recent media reports regarding the experiences of some claimants of that payment. Does the Department have any plans to review the operation of that scheme? I come from a family that relied on that payment for several years. I know of cases, some of which involve very close friends of mine, where relationships did not start or broke up at an early stage because of pressure applied by the Department. I am not saying it is a widespread issue but I am aware of instances where the Department let it be known very quickly that there would be a financial penalty if a relationship were to develop. That financial threat hanging over those people forced them into a cycle in terms of the circumstances they were in. Does the Department plan to carry out a review of the operation of that payment?

Mr. John McKeon: I will start with the comments of Deputy Catherine Murphy. I absolutely take on board the points she makes. I would not for one second suggest that the representations that she or any other Deputy has made are for any reason other than that they are receiving those representations. I often get representations as well. As I stated in my opening remarks, we must be cognisant that very often public representatives and the Department tend to get complaints rather than positive comments. The Department deals with 18 million payments per year. If a fraction of a percentage of those payments give rise to complaints, that creates an impression that there are significant problems but actually there are not.

We are very conscious of the need to validate and verify the survey information. For example, the survey of JobPath participants is carried out independently of the Department. It is not branded by the Department. This year, it was carried out by the respected research agency, Behaviour & Attitudes, while in previous years it was carried out by W5. These were reviewed positively by our chief statistician with regard to the statistical approach and the margin of error. With regard to concerns about whether people give accurate feedback, in matters such as this one looks at trends over time. These show a consistently high level of satisfaction with the JobPath service. If, however, 285,000 have gone through the process and 10% were not happy, that is 28,500 people. The Deputy and I will hear a lot of complaints as a consequence of that. It is important, however, not to view these representations as an indicator of an overall problem. I take on board everything the Deputy has said and we will certainly consider it. As I said previously, we are looking at redesigning the contract to address the types of issue that are coming up.

The report we circulated with regard to the econometric evaluation is very robust and has been very well received. I gather that the OECD is to publish its own paper based on it because it considers it to be of such a high quality. It shows very positive outcomes for JobPath participants and, again, very high levels of customer satisfaction. Those data must be taken into account. I cannot say that it is 100% accurate but neither are the representations we receive. We have to try to find a balance. I take on board everything the Deputy has said.

With regard to Deputy Carthy's questions on one-parent families, I am very much aware of recent coverage with regard to the one-parent family payment. In fact, one of the Deputy's colleagues was among the first people to draw my attention to the matter. The trade union Fórsa drew my attention to the latter case because it was very annoyed at some of the coverage in the

press, which has been quite inaccurate. I do not want to get into it but the kind of behaviours instanced in those newspaper articles and in one or two Twitter storms are not behaviours the Department would condone. If they are happening, it is in a tiny proportion of cases.

We have 370 inspectors in the Department, most of whom are women and most of whom are over 50 years of age. They are all highly experienced and trained to deal with people in a sensitive and empathetic manner. Representatives often ask them to go out to people. Many of their visits are triggered by representatives asking them to help Mary or John. That is why the trade union was particularly annoyed at some of this coverage. As I have said, we contacted some of the news outlets involved and asked whether they could get permission from the people on whom they reported to give my office the details of these cases so that they could be investigated fully. I have not received any such details yet. If any Deputy here knows of examples, and if the people involved are scared to come forward because they are afraid there would be some repercussions, they should know there would never be. If Deputies can get permission to bring these cases to my attention, we will look into them.

Chairman: I thank Mr. McKeon for all the information he has provided. We need job activation. We need to help people, particularly those who are long-term unemployed, to get back into employment. We are not criticising the great efforts being made by the Department but we are flagging that there are some areas of concern, particularly with regard to the two main outsourced contracts. I again thank the Department and every official within it for the extraordinary work they have done, particularly over the last eight or nine months. It has been absolutely fantastic. I ask Mr. McKeon to relay that back to his staff because it is important that they hear it.

Mr. John McKeon: I acknowledge those thanks.

Chairman: They hear complaints every day. We talk to constituents all of the time and 99% of the time what they have to say is good. The Department should be congratulated for that. I thank the witnesses for joining us here today and for all of the information they have provided. We have covered many areas. I also thank Mr. Seamus McCarthy, the Comptroller and Auditor General, for his attendance and for assisting the committee. Is it agreed to request that the clerk seek any follow-up information and carry out any agreed actions arising from today's meeting? Agreed. Is it also agreed that we note and publish the opening statement from the Secretary General and the briefings provided for today's meeting? Agreed.

The witnesses withdrew.

The committee adjourned at 1.35 p.m. until 4.30 p.m. on Wednesday, 18 November 2020.