

DÁIL ÉIREANN

AN ROGHCHOISTE UM CHOIMIRCE SHÓISÍALACH, FORBAIRT POBAIL AGUS TUAITHE AGUS NA HOILEÁIN

SELECT COMMITTEE ON SOCIAL PROTECTION, COMMUNITY AND RU- RAL DEVELOPMENT AND THE ISLANDS

Dé Céadaoin, 16 Meitheamh 2021

Wednesday, 16 June 2021

Tháinig an Roghchoiste le chéile ag 9.30 a.m.

The Select Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	
Joe Carey,	
Paul Donnelly,	
Heather Humphreys (Minister for Rural and Community Development),	
Claire Kerrane,	
Joe O'Brien (Minister of State at the Depart- ment of Rural and Community Develop- ment),	
Marc Ó Cathasaigh,	
Éamon Ó Cuív.	

Teachta / Deputy Denis Naughten sa Chathaoir / in the Chair.

Estimates for Public Services 2021**Vote 42 - Rural and Community Development (Further Revised)**

Chairman: Good morning everyone. I remind members and witnesses to ensure that their mobile phones are switched off for the duration of this meeting as they interfere with the broadcasting equipment even when on silent mode. This meeting has been convened to consider the Further Revised Estimate for Vote 42 - Rural and Community Development, which was referred to the committee by Dáil Éireann. As members are participating remotely, I ask them to put their microphones on mute for the duration of the meeting and to indicate, via the raised hand icon, when they wish to contribute.

I welcome the Minister for Rural and Community Development, Deputy Humphreys, the Minister of State at that Department, Deputy Joe O'Brien, and their officials to the meeting this morning and thank them for the comprehensive briefing documents that were provided to the committee. At the outset, and bearing in mind that this meeting is convened to consider the Further Revised Estimate for the Department of Rural and Community Development, it should be noted that the Minister has graciously agreed to address the issue of the procurement of local employment services at the end of the meeting, notwithstanding the fact that this matter is under her remit in her capacity as Minister for Social Protection, a Department which is also under the remit of this committee. If members are agreed, I propose to set aside 30 minutes at the end of the meeting on the Revised Estimates, at approximately 11 a.m., if not earlier, to discuss this particular issue which has exercised members over the past few months. Is that agreed? Agreed. I thank the Minister for her co-operation in this regard.

As the Minister is now present, officials should not speak in public session. Members are 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 any official, either by name or in such a way as to make him or her identifiable. I also wish to advise everyone that the opening statements and any other documents that have been submitted to the committee may be published on the committee's website after this meeting. I now invite the Minister to make her opening statement.

Minister for Rural and Community Development (Deputy Heather Humphreys): I thank the Chairman and members of the committee for the invitation to attend here today to discuss the 2021 Further Revised Estimate for the Department of Rural and Community Development. I am seeking approval of this Further Revised Estimate to enable my Department to continue its important work in the areas of rural development, community development and charities regulation.

As we all know, the last 15 months have been incredibly challenging with Government, society and our communities all working together to address the social and economic impacts of the Covid-19 pandemic. Our community development schemes have been an important aspect of the Government's response to the pandemic. I want to thank the individuals, volunteers and numerous community and voluntary organisations across the country that have helped our nation to respond to the pandemic. Throughout this period, by working together, we have ensured support for those most in need. The Minister of State, Deputy Joe O'Brien, and I are committed to ensuring that our community development schemes continue to support the recovery of our

society and communities.

The rural development schemes operated by my Department continue to deliver real and tangible projects in local communities right across the country. Programmes like the town and village renewal scheme, CLÁR, the outdoor recreation infrastructure scheme and LEADER are highly important and are making a real difference. Those schemes are fantastic examples of small amounts of funding making a huge difference. Of course, we also have the rural regeneration and development fund for larger scale projects. Through the Our Rural Future rural development policy, which the Government launched in March, I am committed to and passionate about ensuring that the recovery from this pandemic is fair and balanced and reaches all parts of our country.

The Department's functions are delivered across three programme areas, namely, rural development including the islands, community development and charities regulation. Gross expenditure of €351 million is budgeted for in 2021, consisting of €182.4 million in current expenditure and €168.6 million in capital expenditure. In addition, my Department has a capital carry-over of €13.18 million from 2020 into 2021. In terms of the split of gross expenditure across programmes, €178 million is allocated for the rural development and the islands programme. The €13.18 million in capital carry-over is also intended for use in this programme area. A sum of €169 million is allocated for the community development programme and €4.6 million is provided for the Charities Regulatory Authority, CRA.

The €178 million allocated to the rural development programme is made up of €151 million in capital funding and €27 million in current funding. This will support a range of schemes that invest in the economic and social development of rural areas and communities. For 2021, I have allocated €87 million in capital funding for the rural regeneration and development area. A sum of €55 million will be provided for the rural regeneration and development fund, which has now approved funding of €249 million towards 164 projects worth €338 million.

Funding of €20 million will be provided for the town and village renewal scheme and this year will see a particular focus on addressing dereliction in towns. In addition, €5 million of this funding will be used for the connected hubs call that I announced recently. This will focus on supporting the development of remote working hubs across Ireland and will help realise the potential of remote working for our rural towns and villages. Funding for the outdoor recreational infrastructure scheme will increase from €10 million to €12 million, reflecting the need to provide high-quality outdoor facilities for rural areas that can also support the domestic tourism offering. For the LEADER programme, I have allocated €44 million in capital funding for 2021, an increase of €4 million on 2020. As Deputies will be aware, I announced details of the €70 million LEADER transitional programme in April and I am delighted that project approvals are already ramping up under that new programme. Other important funding for rural development includes €10.5 million for the local improvement scheme, LIS, which is a 5% increase on 2020. Moreover, funding for the CLÁR programme will increase by 10% to €5.5 million. I am also making €11 million available for the islands in 2021, which includes additional funding of €1 million to support transport services for the islands. Given that the rural development programme is capital funding-intensive, it is important to note that there will be real challenges in making up the ground lost due to the closure of construction sites until May. I therefore will keep expenditure plans under constant review and will seek to ensure that the resources provided are put to best use across the schemes in operation.

Moving to the community development programmes, I acknowledge the work of my colleague, the Minister of State, Deputy Joe O'Brien, who is present this morning and who is

passionate about our communities, both urban and rural. The €169 million allocation consists of €151 million in current expenditure and €18 million in capital expenditure. With this funding, the Department administers a range of programmes supporting both individuals and the broad community and voluntary sector. I propose to increase the allocation for the community services programme from €46.9 million to €48.9 million. This funding will benefit more than 400 community organisations and 2,000 people across the country and will help to ensure that vital community services are maintained into the future. I also plan to allocate €45 million to the social inclusion and community activation programme, SICAP, in 2021, an increase of €1 million on 2020. This will ensure continued support for over 2,220 organisations and 23,000 disadvantaged individuals. The types of interventions being delivered through this funding will be vital in ensuring that the most vulnerable in our society also benefit from the recovery from the Covid-19 pandemic.

Other key provisions include €17.5 million for supports for the community and voluntary sector, €4.5 million for the community enhancement programme, €7.7 million for libraries development and €7 million for the cross-border PEACE programme. There is also a provision of €10 million for further once-off supports for charities, community and voluntary organisations and social enterprises through the Covid-19 stability fund. In 2020, this scheme benefited approximately 600 organisations and this additional funding is intended to focus on those who may not have benefited from Government support to date.

I thank the members of the committee for their time and attention this morning. I was with the committee a few weeks ago to discuss the Revised Estimates for the Department of Social Protection. The focus today is very much on the Department of Rural and Community Development. This Department was only established in 2017, but it is a brilliant Department and I am very proud to lead it. The staff in Dublin, Ballina and around the country are passionate about the work they do and I do not have to tell the Deputies about the good work that happens in the various schemes because they all see it in their own communities. We have made a great deal of progress and I believe the drive towards remote working has given the rural development agenda a major impetus. Dare I say it, but coming up with new ideas and new ways of doing things can be a challenge at times when one is in older, more established Departments. That is not the case in the Department of Rural and Community Development. The staff want to do their best for communities. They are open to trying new things and if we need to tweak a scheme to make it work better, we will do that. In other Departments, such as the Departments of Health and of Social Protection, one could be talking about billions and more billions of euro. This might be a small Department but it certainly makes a big impact. I want to maintain that and, hopefully, grow it even further.

I and my colleague, the Minister of State, are happy to answer any questions members have and to hear their ideas on how we can make things better.

Chairman: Gabhaim buíochas leis an Aire as ucht an cur i láthair. I invite members to raise any issues they have with regard to the Estimates on a programme-by-programme basis and I ask them to indicate which programme they are addressing. The first member who has indicated is Deputy Carey.

Deputy Joe Carey: I welcome the Minister and Minister of State to the meeting. I will speak about the local improvement scheme but I do not know which programme it is under. On foot of the Minister's remarks about taking suggestions on board for tweaking schemes, this is a vital scheme for rural Ireland. It provides better connectivity for communities. During the lifetime of the Thirty-second Dáil, the Joint Committee on Rural and Community Develop-

ment made a proposal that the Department of Rural and Community Development reach out to the Department of Transport and to local authorities to develop a new scheme that would be properly funded. Three different funding streams would be pulled together. I acknowledge that €10.5 million is a lot of money but if one breaks it down on a county basis, one sees that County Clare gets €500,000. As the county has a list of roads that is longer than the length of my arm, it will be years before the issues will be tackled. I believe we must do more work on this and re-examine the scheme. We must reach out to the Department of Transport and get it involved in a joint initiative with the Department of Rural and Community Development. It would also tie in the local authorities and get them to make a contribution as well. We would therefore have a more substantive programme and much more money. We would get a great deal more work done. That is my proposal to the Minister. I hope she will take it to the Department of Transport and, perhaps, report back to the committee on her progress on that proposal.

I welcome the work that has been done on the connected hubs initiative and I compliment the work of the Western Development Commission in that regard. The biggest issue in rural Ireland is access to broadband. While that does not fall under the remit of this committee, there is an acknowledgement from the Government that the broadband scheme has to be accelerated. Is the Minister party to discussions in that regard? As she said, remote working and access to broadband are transformational. If the Minister is part of those discussions, where does she see this going? How will the national broadband scheme be accelerated?

Chairman: I invite the Minister to respond to those two questions regarding the local improvement scheme and broadband, two issues that are close to my heart as well.

Deputy Heather Humphreys: I thank Deputy Carey for raising these issues. With regard to the local improvement scheme, the Deputy is correct that there is a huge backlog in terms of the lanes that have to be funded and repaired through the local authorities. I know from my county that there could be a waiting list of ten years, and it is the same across the country. In 2017, my predecessor, Deputy Ring, reopened the local improvement scheme and it has received funding of just over €68 million since then. I was keen to try to increase the funding again. Basically, the LIS is about repairing roads. The Deputy is absolutely correct that the Department of Transport has a role in this as well. I have written to my colleague, the Minister for Transport, Deputy Eamon Ryan, regarding the issue of funding and I have been speaking to him about it. I will certainly raise it with him again. If the Department of Transport could contribute some funding in this area, it would mean we could try to get some of the long lists dealt with. Nobody knows better than us and members of this committee the importance of access to farms across the length and breadth of the country. A lot of transport is needed to collect milk, deliver meal and so forth, so it is important that these roads are in good shape. We need that investment. I will certainly take this from the committee and go back to my colleague, the Minister for Transport, with whom I had very positive discussions. We must see the money, which is most important.

I thank the Deputy for raising the question of hubs. As the committee knows, we are rolling out broadband connection points and we now have 300 sites throughout the country located in some of the most rural communities, including the islands off Donegal, Mayo, Galway and Cork. The broadband connection points initiative was established to ensure remote areas, particularly those likely to wait longest for broadband connections, would be provided with some access to high-speed broadband while waiting for the national broadband plan roll-out to reach them.

The national connected hubs network was launched by me on 31 May and we are funding

the Western Development Commission to help us with setting up an app. We currently have a website and we want to produce an app to widen the functionality. It is for the providers and users of hubs so that spaces can be booked whenever needed on an app. We want to get providers signed up and 66 hubs are currently fully signed up. We have a target of 100 to be signed up by the end of 2021. It is hoped that up to 400 hubs may be engaged over time. We recently launched the €5 million connected hubs call under the town and village renewal scheme, which will further enhance a remote working offering. That will bring benefits to people and communities throughout Ireland.

On the rolling out of the national broadband plan, the Government is absolutely committed to speeding up the process. It was meant to proceed over seven years and we are hoping to bring that down to five years. There is no doubt it is a mammoth task. I said before to this committee that the amount of cable required to connect to premises across this country would go around the globe four times. Nobody knows this better than the Chairman. There is no doubt it is a big job. When Deputy Naughten was involved as the Minister in that space, he and I set up the broadband officers and they have been a vital resource in helping to progress much of this at a local level. They have identified the broadband connection points.

There is no doubt we are all working together on this. Covid-19 has led to some elements falling behind a bit but nevertheless there is a commitment and I and everybody else in the Government wants to see the roll-out of the national broadband plan as quickly as possible. Having said that, there are many private operators entering the market, which is also helpful. I thank the Deputy for the questions.

Chairman: Before calling Deputy Paul Donnelly, there is a practical measure that each of us could undertake in engaging with broadband officers and particularly the chief executives of our local authorities. Some of the recent reported delays in the roll-out of the network across the country arise because of delays in engagement with some local authorities. All of us as public representatives can play a role in helping to expedite those matters.

Deputy Paul Donnelly: I will start with the broader question of the Estimates. I see there is a reduction of 15% from 2020 to 2021. I understand with the pandemic last year there was an increase in special funding arrangements but 2021 has been as difficult for the community sector as was 2020.

I will speak to the community services programme and funding for staff. There is a bit of concern in that the special funding relating to the pandemic for the community services programme is only guaranteed until June 2021 and many people I have met who are connected to projects are very concerned and want this extended right through the entire year. They do not foresee any major improvements in funding and although they are already six months in, we are only really coming out of the lockdown. Many of the projects are still only operating at a minimal level with respect to rooms for rent or hiring of football pitches, etc. They are only being opened now and there is a real concern about them being able to fund that.

On SICAP, a €1 million increase is too small, particularly if we look back to 2008, which I will raise again, when funding was €80 million. We are currently at €45 million and at this rate it will be over 40 years before we get back to what was seen as acceptable in 2008. That must be addressed.

I welcome the pilot community development projects. This was the standard when I was involved with community development projects many years ago and it should be the standard

as we go forward. I am puzzled as to why we are doing this as a pilot project. It is the way we should move forward and the community should be involved with local community development projects at a very basic, low level. It needs to happen right in the heart of the community as we move forward.

I have also looked at the funding for the community enhancement programme, which is very much welcome for the projects or community centres that need it. Hartstown and Huntstown community centre would take approximately 20% of the entire budget if it got the required funding to enhance that centre. I make the point again that these community centres were provided by the community or parishes and paid for by the community. That may have happened 20, 30, 40 or 50 years ago, or even before that, and these organisations have never really sought any major and substantial refurbishment. They need that now.

These facilities would have had to have been provided by local authorities if the community had not stepped up to the plate as they were not provided by local authorities. We really need to look at these. There are dedicated community volunteers and the organisations cannot take on huge loans. If some of these centres are not funded properly in order to maintain standards, they will close, which would be a massive loss. The councils will then have to step in and take over these centres, or else they will have to build their own.

Deputy Heather Humphreys: I will reply to the first question before passing to the Minister of State. I thank Deputy Donnelly for the questions on the Estimates. There was extra support in 2020 of €50 million for the Covid-19 stability fund, which was a once-off payment. There was also an increase in the July stimulus package of €10 million provided in the Revised Estimate for the islands.

The reality is that there are additions to the funding for programmes, with an extra €4 million for LEADER, an extra €5 million for the town and village scheme and an extra €2 million for the community services programme. We want to ensure our programmes support recovery. In 2020 my Department supported close to 600 organisations in continuing to deliver vital services to the most vulnerable through the Covid-19 stability fund for community and voluntary organisations, charities and social enterprise. The Minister of State can deal with the questions on SICAP etc.

Deputy Joe O'Brien: It is important to say we are processing the additional €10 million for the fresh applications to the stability fund this year. Without pre-empting all of the decisions, the initial indications are that those community and voluntary organisations that are in a difficult position will be in a better position after this. I believe the Deputy's initial question was what about this year, given that these organisations were in a bad position last year. The application process indicates that we will be able to support a good few of them to a sufficient degree, if I can speak in a broad term. I believe we will have more details in a few weeks' time when decisions come out.

In terms of the community services programme, when I came into office last year I realised that it was the first programme that we needed to give attention to. We did so during the budget last year. As the Deputy will see, additional money has been provided for the programme. We also found other funds for it from what was left over last year. I made a priority out of highlighting the need for these projects. Earlier this year, we created an additional support fund of €4.5 million. That can be spent throughout the year. I hear what has been said about organisations saying that they are running out of funds, and we will take that view away.

We are approaching the position now where a lot of the organisations can open. I understand that people are not exactly flocking back to their community centres in large numbers and we are not quite at that stage. We hope, over the next few months, that there will be some semblance of a return to normality, including in respect of the income that centres can generate but that obviously depends on the public health restrictions, which are going in the right direction.

I take the point made about SICAP. It is a multi-annual funding programme. Obviously there is guaranteed money in the programme period. We have received a request to extend the current iteration of SICAP another year and we will make a decision next week. I take the point made about the need for an increase.

There have been other things, in addition to SICAP, in the whole area of social inclusion and community development that have started since the cuts, which have been mentioned. A significant proportion of LEADER funding is spent on social inclusion projects, the community enhancement programme has started since and there is additional funding in the area of volunteering. SICAP is on my radar in terms of a programme that needs to be augmented.

The Deputy asked about the pilot community development programme. Part of the logic of that is to make a first step towards filling the gap that was left in terms of what happened to previous community development projects. It is a pilot scheme because things are starting up again and we want to see how it goes. The level of interest is extremely encouraging. As approximately 150 applications have been received, clearly there is a hunger to use this approach across the country and we received multiple applications from every county. That is a good sign in terms of the scheme's potential for growth.

On the community enhancement programme, I am sure that members will be aware that we have given supports over time to Huntstown and Hartstown. Connected to that it is important to say that the community services programme, which they depend on as well, is under review at the moment to try to make it more appropriate for the different types of organisations involved, including the funding model. There is a wide variety of organisations in the community services programme. The restructuring review, which we are in the middle of doing, seeks to tailor it a little bit to the different types of organisations, which includes funding and training.

A point was made about providing supports for community centres and structures. We have made a submission on community centres to the national development plan and await news. A lot could be done on the capital side for community centres and we await a response to our submission. I believe that I have touched on most of the issues that have been raised.

Deputy Marc Ó Cathasaigh: I thank the Minister for her presentation and I thank the Minister and Minister of State for their responses. I suggest that Deputy Kerrane speaks now as I am experiencing feedback issues and must change my set up.

Chairman: Deputy Kerrane will speak now and then Deputy Ó Cathasaigh.

Deputy Claire Kerrane: First, on the Our Rural Future policy, can the Minister update us on its work plan for the coming year? She might give us details on how she thinks it is going to work. Is she considering a number of the recommendations and actions from the report on a year-by-year basis and, as each one is completed, will she mark it off the list and move on?

My second issue is in respect of remote working, which the Minister referenced a couple of times in her opening statement. Remote working is really important. At one stage during the pandemic, as many as 900,000 workers were working remotely which, especially in rural areas,

is a huge number of people. In recent days and weeks, the Tánaiste has made comments about workers returning to their offices. Has the Minister communicated to him and his Department the importance of keeping as many of these people in their communities so that they do not have to return to an office setting or, if they do, it is on a limited basis weekly? I ask because we do not want to see many of the thousands of people who had the opportunity to work from home in the last year, particularly in counties like Roscommon, Galway and Mayo, having to resume commuting to Dublin, Cork, Galway or wherever, to their office jobs. I am conscious that people should be careful that, when calling for workers to return to their offices, they keep in mind the many thousands of people who have been working remotely in the past year and hope to continue doing so. We do not want to see any of that undone.

Deputy Heather Humphreys: I thank Deputy Kerrane and I will first address the issue of remote working. The Tánaiste is absolutely committed to remote working and is bringing through legislation that will give workers the right to request to work remotely.

Some people will wish to work remotely for a number of days a week while for others, it is about going into their offices for a couple of days, so we must get the blend right. I am totally committed to remote working, as is the Government. Remote working will make a huge difference to towns and villages, and will breathe new life into them. Remote working will increase footfall. People can use hubs, which I think are the best place in which to work remotely. We know working from home can be lonely. I am always concerned that a person's work life impinges on home life and there is no demarcation. Availing of a remote working hub will mean that one can finish a day's work and then go home. These hubs need to be close enough to people's homes to allow them to either walk or cycle to them so they must be within a reasonable distance.

As members will know, the policy, Our Rural Future, was launched at the end of March and it is the Government's blueprint for rural development over the next five years. Implementation will be across Government and it will be ensured by developing the annual work programme, of which I have a copy to hand. It is an extensive document and has been published on my Department's website.

I am glad to say that since we launched the policy, actions have already taken place. We have launched the €5 million connected hubs initiative and have approved €81 million for successful projects under the rural regeneration scheme. We have launched the €70 million LEADER programme, announced a fund of €72.8 million for 340 active travel projects in 19 local authorities and have seen the approval of the joint application by Athlone Institute of Technology, IT, and Limerick for designation as a technological university. We have had the launch of the final call for applications to the LEADER food initiative, a new action plan for apprenticeships has been published, the 2021 town and village renewal scheme has been launched, a €14 million fund for outdoor adventure activities under the outdoor recreation infrastructure scheme has been announced and the Local Link service has been expanded to Dingle. There are many new measures. We have achieved that already and are now working on the other initiatives and actions in the policy. We will invest significantly in remote working facilities and in developing the network of more than 400 remote working hubs. We also want to establish the rural youth assembly. I am just giving the Deputy some of the highlights of what is contained in the policy document, including the development of a pilot scheme to support the use of rural hubs as community spaces and centres for local services, the publication of Ireland's first ever national outdoor recreation strategy and examination of the establishment of a community ownership fund to help communities take over local community assets at risk of being lost.

The way this will work is that I will report to the Cabinet on the progress being made and we will be giving a report on a six-monthly basis. We will then review the document after a year. This is a living document and if we have to insert new initiatives and measures into it, then that is what we want to do. We want to ensure that the policy is relevant. If I had been writing this document three years ago, we would have been putting a focus on remote working, but nowhere near the extent that we are now. Therefore, as things change, we want this document to remain relevant to rural Ireland. This Our Rural Future rural development policy commits to developing an effective rural-proofing model to ensure that all Departments fully consider the effects of their decisions on rural communities and how proposals may be adjusted to mitigate any negative impacts in that regard.

Chairman: I call Deputy Ó Cathasaigh.

Deputy Marc Ó Cathasaigh: I hope the committee is only hearing me once this time and I am not echoing.

Chairman: Deputy Ó Cathasaigh is coming through loud and clear.

Deputy Marc Ó Cathasaigh: I know we are in an echo chamber much of the time, but we could do without being in one literally. My first two questions were going to address digi-hubs and broadband connection points, but those issues have been relatively well covered now. We all understand why there has been a slowdown in trying to hit the targets we were aiming at and that it is pandemic-related. We all want to see that process expedited as much as humanly possible. Remote working presents great opportunities for all rural communities, but especially so for the islands and in trying to get life back on some of them.

Turning to the town and village renewal scheme and the town centres first initiative, the Minister knows that I think the town centres first approach can be transformative for rural Ireland, especially if we pursue it in the right ways. A sum of €20 million has been allocated to the scheme for this year. We struggled to spend the money allocated last year, however. Again, we all probably understand why that was the case, but I ask the Minister to comment on that aspect. Regarding the future of this initiative, is a pathway foreseen that will allow for the money to be spent and spent in the proper ways? I am talking about skills and whether we are facing a deficit of the required skills, particularly regarding bringing heritage buildings back into use. I would also very much welcome the Minister's comments concerning trying to tackle vacancy and dereliction in our rural towns. It is an important issue. However, many 18th- and 19th-century market town buildings will require very specific skill sets to bring them back into use.

Turning to the town centres first master plan funding, I strongly believe that if we are planning for a town centres first approach, we must plan from a community basis upwards. The collaborative town centre health check programme is a great model and I hope it is the one we are going to use. I also have a question regarding the public participation networks, PPNs, and where the line funding for those is to be found in the Revised Estimates. I note that it was moved from its own budgetary line into subhead B3, which is the allocation for supports for the community and voluntary sector. That change had the effect of suggesting that the funding for the community and voluntary sector had been increased, whereas if the PPN element is stripped out I believe there was an overall decrease in funding. I would like the Minister to comment on that point as well.

Moving to the Charities Regulator, the number of charities submitting annual reports decreased from 7,321 to 5,910. The bare figures alone do not give me much information. Will the

Minister help me to understand those figures a bit more regarding what they show happening in the charity sector? Is it something this committee should be aware of?

Chairman: I am not sure whether the Minister of State or the Minister wishes to kick off. I think the Minister is ready to go.

Deputy Heather Humphreys: I thank the Chair and Deputy Ó Cathasaigh. Like the Deputy, I am committed to the town centres first policy. I have been talking to my colleagues in government about this initiative and we are having another meeting today to progress this scheme. Attending will be the Minister for the Environment, Climate and Communications, Deputy Eamon Ryan, the Minister for Housing, Local Government and Heritage, Deputy Darragh O'Brien and the Minister of State, Deputy Peter Burke. We can make a huge difference by repurposing old buildings in towns and villages. Those locations have the required services, water supply and electricity connections in place. What we must do is to incentivise people to come back and live in the centres of towns. For many young people, indeed, these buildings could be their first starter homes when they buy properties. However, the problem we have now is that the cost of renovating such buildings will outweigh the finished value. We are exploring several options in that regard through the town centres first policy. I am totally committed to progressing the initiative, because it forms another part of the solution to the need for housing.

Turning to the town and village renewal scheme, it has been very popular since its launch way back in 2016, I believe. I remember launching the scheme, which had funding of €5 million when it started. The funding has now increased to €20 million. Funding of €15.4 million for 170 projects in rural towns and villages was announced in January 2021 and the funding rate for the local authorities increased to 90%. The scheme launched in May has an indicative budget of €5 million and the closing date for applications is today, so those who may be interested had better get them in. The scheme focuses on projects which will bring vacant and derelict buildings back into use for town centre living. We are investing in the centres of towns and by doing so we are making those towns more attractive for other things to happen. That might mean people moving back to live in them, while the funding will also improve the streetscape and the value of the buildings in the towns. There has been a good deal of investment and I want that to continue. Some €5 million of the town and village renewal allocation is for the connected hubs. That aspect is important because it will provide funding to help with those buildings that do not need major renovation but which could do with some limited adaptation. It will turn those buildings into remote working spaces.

I take the Deputy's point regarding the skill sets that may be needed to ensure that the character and design of some of these old buildings are maintained and that their heritage importance is respected whenever we are doing this type of renovation in the town centres. The Minister of State with responsibility for heritage, Deputy Noonan, has different training programmes in his section in this regard and much good work is also being done with the Heritage Council concerning the skill sets required to do that type of work. I think I have covered all the questions asked now.

The Deputy referred to the islands as well, and I will use this opportunity to mention the Clare Island ferry, because questions have been raised about it. I visited Clare Island as recently as last year, or it might possibly have been the year before that - I am losing track of the years - and I spoke with many of the islanders. I know the challenge they are facing. I have much time for islanders and I will be happy to meet a delegation from the island. Regarding the current tender process, about which some people are concerned, the date for receipt of all tenders for the ferry service has now passed. The deadline for documentation to be received via e-tenders

was 8 June. Deputies will appreciate that I cannot comment on the specific details of tenders for a live procurement process but I want to be absolutely clear that there can be no reduction in the current level of service being provided to Clare Island. I expect we will have an outcome to the tender process imminently and I ask members of the committee to await the outcome of that process and reserve judgment until we see what the level of service will be. I assure the committee and the islanders that if the level of service were to be less than what is currently on offer in terms of minimum sailings following the tender process, I would be prepared to look at re-tendering for the service. My priority is to make sure the local people on Clare Island have a decent service available to them. I know that some members may have been getting representations about this issue and I wanted to take the opportunity to outline the position. I thank the Chairman for his indulgence.

Chairman: Before I bring in the Minister of State, I will say that we have received correspondence from the Minister's office on the issue of Clare Island. With the consent of the committee, we will circulate it to the community on the island. The issue relates to the number of operations to and from the islands. The islanders believe that has not been given adequate weighting in the tender structure. There are presently five services a day during the summer and three services during the winter. Is the Minister saying that will be the minimum standard that will be achieved or is the minimum the two services a day referred to in the contract? That is the key aspect. I ask the Minister, in the context of the deliberation on the tender, to take that into account. I thank her for the offer to meet a deputation from the island and we will communicate that to the islanders.

I call on the Minister of State to answer some of the outstanding questions from Deputy Ó Cathasaigh.

Deputy Joe O'Brien: There were questions about PPNs and the Charities Regulator. I reassure the Deputy that funding for PPNs has remained the same. The change to the subhead just allows a little more flexibility for community and voluntary sector supports. This is an opportunity to highlight some of the supports we are providing to PPNs. A new handbook for PPNs was published last year, which was the first refresh of it since their establishment. There has been much learning during the initial years of the PPN process and that is reflected in the new handbook. The roll-out of online training courses for PPN stakeholders started in October last year. That will roll on through this year and probably into next year. We also support a database to assist PPNs in their work and their ability to communicate with their member groups. A structural review of PPNs has commenced. We hope that will be completed by the end of the year.

The Deputy has caught me on the hop a little with the figures he quoted about submissions to the Charities Regulator. Can he call the figures out again? I did not catch them as he called them out. It is important to say at the outset that the Charities Regulatory Authority is independent of the Department. I met the board a few months ago but these figures were probably not available at that stage so they did not come to light. I will confirm this later but my suspicion is that if reporting to the Charities Regulator was down last year, it could be to do with some flexibility it provided to community and voluntary organisations during the pandemic to give them a little more time to comply with the requirements. That is my suspicion but I do not know if that is the case. I would appreciate it if the Deputy could call out the figures again.

Deputy Marc Ó Cathasaigh: Submissions dropped by approximately 1,400, from 7,321 to 5,910. I was wondering whether that shows charities are in trouble or reveals the flexibility the Minister of State has suggested.

Deputy Joe O'Brien: My suspicion is the latter is the cause. The Charities Regulator gave me feedback that flexibility was being given to smaller groups on the ground. Those groups could not meet in person and were struggling to submit the paperwork as they would normally. I can confirm that and get back to the Deputy.

Deputy Éamon Ó Cuív: I am sorry for joining the meeting late but I was in the Dáil Chamber dealing with a Topical Issue matter relevant to one of the Minister's other functions as Minister for Justice. I will not go into that. Due to IT issues this morning and yesterday, I was unable to print out the Minister's opening statement so I am at a slight disadvantage.

I wish to raise a number of issues. I caught the tail end of what the Minister said about the boat to Clare Island. I accept she cannot talk about those who have tendered but, of course, what is in the referral for tender is publicly known and on the public record. The Minister can obviously refer to that. She can certainly refer to what is there at present. Can she confirm that the contracted service at present is for two sailings a day every day? Can she confirm that other services are being provided that are not contracted and not at the islander rate? In other words, there is no obligation on the ferry service to provide fares at the islander rate.

There are always extra sailings in the summer because it is convenient for tourists, who are important to the island. However, the islanders are concerned about their day-to-day living for the rest of the year. They want the base level of two sailings a day to be increased. Their argument is cogent. Clare Island is what I call a medium-range island in terms of its distance from the mainland. Some islands have very frequent services but the Minister would be able to argue that the boat to such an island only takes ten minutes to travel each way. A boat to other islands could take an hour and a half to get out and another hour and a half to get in. Clare Island is what I call a medium-range island. In fact, it is in the lower range. I am told it takes 20 minutes to travel to the island, unlike its neighbouring island, Inishturk. The islanders make the cogent case that there should be four sailings a day every day because it would facilitate people going to work, children going to school on the mainland and so on. There is no secondary school on the island, unlike the Aran Islands, Tory Island and Arranmore. Sustainability of the islands is at a crucial point. Can they hold their young populations? Asking children to leave home semi-permanently at 13 years of age is not great. If a more frequent service for September to spring is not contracted, is the Minister saying to us she will look at withdrawing the tender, starting again and reconfiguring it? I am disappointed it went to tender without a prior agreement among the islanders. There was obviously serious discontent on the island.

My next question relates to piers. When will the pier for Inis Oírr go to tender? Will the Minister ensure that full delegations of islanders on Inis Meáin get to see the model? It is no good telling the islanders that one person can do down on his or her own. I know there are restrictions because of Covid but small groups can be allowed in. It is important that everybody is happy with the design for whatever is being proposed for Inis Meáin and, therefore, it is important they see the wave model in Cork.

Will the Minister expedite the development of proposals for a safe pier in or around Roonagh? The problem of winter berthing for Clare Island and Inishturk is ongoing. It will take a serious investment but we need to start down the road, otherwise services in the winter are totally variable.

My next question relates to community services programmes. There are many community centres in this country. Many tourism projects cannot operate to their full extent because without a community services programme, they are not viable. They need some input from the

social economy, but they provide huge services to the community. All of these very expensive community centres which we are investing in should be open from 8 a.m. or 9 a.m. for gyms and so on right through the day to 10 p.m. or 11 p.m. To do that staff are needed. The community services programme is great. It diverts people who would otherwise be unemployed and gives them gainful employment by providing essential services.

The next question I have is about CLÁR. When it was set up it was a comprehensive leverage funding programme. There is always an argument that if a health centre, water or sewerage services or roads are required in depopulated rural areas a cost-benefit analysis is necessary. An agency would state glibly that depopulated areas have to wait at the end of a queue because a cost-benefit analysis was not positive. CLÁR used to put up half the money or a different proportion. Suddenly the cost benefit became very attractive in terms of providing services. The same happened on the islands in terms of health services and so on. Suddenly projects jumped up the queue quite legitimately. Projects that had been waiting for funding for years and years in areas that would probably never get top of the queue received funding. Is the Minister considering reconstituting CLÁR as a comprehensive leveraged programme aimed at levelling the playing pitch in terms of basic infrastructure for the least populated parts of the country?

My final question relates to local employment services, LESs. I do not know if this issue arose before.

Chairman: It will be dealt with at 11 a.m. We took a decision at the start of the meeting.

Deputy Éamon Ó Cuív: I will stand back on that. I am a little bit out of sync because of delays.

Chairman: It does not happen too often.

Deputy Éamon Ó Cuív: I cannot be in two places at the one time.

Chairman: I know that. Former colleagues of ours managed to achieve that in the past. The Minister can respond initially. I ask her not to make reference to any names.

Deputy Heather Humphreys: I thank the Chairman and Deputy Ó Cuív. I will pass the community services programme, CSP, question to my colleague, the Minister of State. In the meantime I will try to answer other questions the Deputy has raised with me.

He mentioned CLÁR. As he and I know, it is a great source of funding to help local communities in depopulated areas. Since it was relaunched in 2016 after being closed for a good while, it has approved funding of almost €39 million for over 1,600 projects throughout rural Ireland. I take on board the Deputy's points about how it could be used as leverage for other funding streams and to put plans in place for other things.

This year I created a new measure to support communities to develop and test new project ideas and encourage them to think outside the box. The current measures include support for schools and outdoor community recreation facilities, which do fantastic work. We all know the projects in our locality that have benefitted. The community well-being measure involves community gardens and allotments, which a lot more people are showing an interest in since lockdown. Mobility and cancer care transport are also available. Another measure involves thinking outside the box and it is for communities to come up with good ideas.

On Clare Island, I want to be clear that my expectation is that the outcome of this tender

competition will satisfy the needs of the islanders. Clare Island, above all islands, is one I am familiar with. I spent a few days on it two years ago when attending a wedding. I got a good chance to chat with the local islanders. I was not the Minister with responsibility for the islands at that time, but I listened to them. I fully understand their concerns and challenges they face living on an island. We think we face a lot of challenges living in remote parts of rural Ireland, but it is not half as many challenges as they face living on islands.

The Deputy will appreciate that I cannot comment on this particular procurement process because it is live. I will be very clear that if for any reason it does not meet the required number of sailings per day I will review it and, if necessary, put it out to tender again. We will have to wait until the process finishes. I am happy to meet islanders. In fact, I would love to get over to see them rather than them having to travel all the way to see me. We will see how that goes. There are other ways we can meet now through Zoom etc. I am very conscious of that and I want to find a satisfactory resolution for them.

I take the Deputy's point on Inis Meáin. It is important that communities are involved. Galway County Council is working to progress this project. It is working with the National Maritime College of Ireland, NMCI, to develop a model simulation of the sea conditions in the harbour which will inform the eventual business case for the development. Work has been delayed due to Covid-19 and limited access to the NMCI facility, but the local authority is now working to finalise a date to progress this aspect of the project.

On Inis Oírr, I am familiar with the business plan. The Deputy is more than familiar with it. It was approved in April and the local authority is now moving to tender stage. There are four major projects I have identified in the national development plan, Project Ireland 2040, namely, Inis Oírr, Inis Meáin, the pier going out to Tory Island and the Tory boat. They are all live issues. I am happy to work with the Deputies and communities involved to resolve that. I think I have covered all of those issues.

Deputy Éamon Ó Cuív: What about Roonagh?

Deputy Heather Humphreys: The Deputy referred to the position of Roonagh Pier on the mainland for the ferry to Clare Island. There is no doubt that it needs work. I announced funding of €139,000 for refurbishment work for Roonagh as part of the capital works scheme funded through the islands unit in partnership with Mayo County Council. Large-scale redevelopment of the pier is a matter for the local authority in the first instance. If the local authority develops a business case for further works or development at the pier, my Department will be happy to engage with it and consider same in the context of the available budgets.

I take the Deputy's point. We have given some funding. It is about putting a case together. Local authorities have to step up to the plate in these instances. I will pass over to my colleague, the Minister of State, who will speak about the community services programme.

Deputy Joe O'Brien: The Deputy's question concerned the possibility of some tourism-based CSP projects perhaps having wider opening hours and functions. Is that correct?

Deputy Éamon Ó Cuív: There are new community tourism projects opening up all the time because there are so many heritage facilities in the country. There are also new community centres, as well as older community centres that do not have the backup of this scheme that they need to make them viable. They are leaders within communities in terms of enticing people in. Dunbrody comes to mind, as does Athenry Castle. Such schemes are dotted all over the coun-

try. The same applies to community centres. A lot of urban community centres do not provide a full range of facilities because they do not have the staff. There are people in receipt of welfare who would give their eye teeth to have a decent job in a community services programme.

Deputy Joe O'Brien: I take the point. There is potential this year for a lot of tourism-based projects to get a boost with people holidaying at home. We perhaps have a responsibility to push them out and encourage people to visit tourism-based community services programmes. The few services I am aware of tend to be hubs for various types of activity, but there is always scope for broadening what they do. They tend to be crucial to the local communities nearby. We are restructuring the programme also, which can be taken into the mix in that process as well.

Chairman: Deputy Paul Donnelly has a supplementary question.

Deputy Paul Donnelly: On the remote hubs, will the Minister comment on the outrageous suggestion that workers would be faced with lower salaries and lower wages for volunteering to work from home or from remote hubs? Will the Minister please comment on that?

Deputy Heather Humphreys: I do not know where that came out of. Certainly, as far as I am concerned, working from home can often increase productivity, not reduce it. I could not see any reason people would have reduced wages because they work from home. Sometimes working from home is a better solution for people and productivity is much better. The person is not spending hours commuting and he or she is better able to face the day's work when there is not the long drive ahead in the morning or in the evening. A better quality of life and well-being can be much more conducive to improved output. I would not agree with that in any shape or form.

Chairman: I will stay on an issue related to remote working, which comes back to the Minister's comment earlier in the committee meeting that if the report on rural development had been produced three years ago, it would have a very different focus on remote working. There is absolutely no doubt about that. Both of us will know from our engagement in previous roles the absolute determination of some people to oppose outright the issue of remote working, especially within the public service. That mindset is still there today. I have one point and a question to put to the Minister on that. The Government and State bodies need to lead from the front with regard to setting an example on remote working. Will the Minister give us an idea on the progress to date on the target by year end of 20% of public service workers working remotely? The Minister may not have those figures to hand but perhaps she will come back to give us an indication, including an indication across the Minister's three Departments on the staff who are now permanently working either in remote hubs or from home.

There have been a lot of negative aspects to Covid-19 but one positive aspect is that it has shown many of the naysayers out there the huge opportunities around remote working. This is not just about quality of life and rejuvenating rural communities; it is also about our carbon footprint and reducing our overall domestic emissions. There is a huge opportunity there also. It is important that we do not lose what we have gained in this aspect. I am very concerned about this and I have articulated this to the Minister for Finance on a number of occasions. I believe there is a mindset and an attitude within some of the decision makers in government to try to get everyone back again into city centre working. The concept behind this is not so much to protect the other ancillary businesses in the cities - we can look at other innovations in that area - but to protect the investment funds and the insurance funds that have office accommodation leased out on a long-term basis in our cities. It is fundamentally wrong that we

will sacrifice the rejuvenation of rural communities and sacrifice the reduction in our overall carbon emissions purely to satisfy some of these investment funds that have bought large office complexes in our cities.

My second brief question for the Minister is on a different topic. Again, if the Minister does not have the figures to hand, perhaps her officials may have them. If not, the Minister might come back to the committee. What percentage of the transition LEADER programme funding is funded from the Exchequer? Does it meet with the requirement of the co-funding ratio that has been set down under the rural development programme? Before the Minister answers, there is also a brief supplementary question from Deputy Ó Cuív, which we will take as well.

Deputy Éamon Ó Cuív: Again, I am operating without having seen the script. There is a lot of talk about remote hubs but I do not know if the Minister outlined clearly in her opening statement details of the funding. If a person is trying to set up a remote hub in a town, a village or a rural area, what funding streams are available for fit out and so on for getting the remote hub? Does this cover leased buildings as well as owned buildings? In other words, does funding cover a case where a community leases a building from a private owner? If the Minister does not have the information to hand, perhaps she will make the information available to the committee. It would be very useful for all the committee members to get this information. When the bigger things are announced, we always get a few phone calls from very savvy people who say “How does this work, where do I apply, where do I get the form, how do I fill it up, who do I sent it to, and what are the small-print conditions?” This is what we need. Maybe the Minister could arrange to get that information for the committee.

Chairman: Perhaps the Minister will come back on that series of questions.

Deputy Heather Humphreys: I will try my best and if I miss any, come back to me. I thank members for those questions. Of course, as rural Deputies we are all passionate about remote working. It is the game changer for which rural Ireland has waited for a long time. I do not want to let it slip away. Above all things, I want to see it supported, I want to see it working, and I want to see people enjoying a better quality of life in their local communities. For too long, we have educated young people and Dublin was the only place they could get a job. Now that is changing. They can get a job in their own community and they can be part of that community. This will revitalise the towns, villages, communities and parishes throughout the country.

On the fund to help remote working hubs, we have been doing a lot of work with local authorities through the rural regeneration development fund and the town and village renewal scheme. They identify the buildings, then we help and support them in renovating them and in converting them into remote working hubs and multipurpose buildings, which adds another level of vibrancy to these premises.

The €5 million fund is part of the town and village renewal scheme specifically targeted at providing support to kit out remote working hubs. I was very clear that this would apply to public sector hubs and to private sector-owned hubs because we want them in the market too. A good number of them are being developed in different towns and villages. They see this as an opportunity. That fund is there now. It is currently open. I would encourage anybody who has a remote working hub that needs some adaptations to put an application into that fund.

The Chairman spoke of making sure there are no barriers to remote working and he is absolutely right. I have been doing a good bit of work with Grow Remote. Perhaps some of the

members will be familiar with Ms Tracy Keogh. Tracy started Remote Grow and it is now a social enterprise that we support. It is about helping employers to understand the benefits of remote working. It is helping them to make the move. Some employers are, obviously, concerned that it may have unintended consequences for them. We must help them to understand the benefits, to bridge that gap between them and their employees, and to give them the chance to try it and work it out. It is a win-win for everybody. There are some jobs where remote work is not possible, which must be acknowledged. There are many ways in which it can be facilitated. When I speak about remote working, it is about giving people choice rather than telling them they must work here or there. It is about allowing people choice with a hub network. I can perhaps see a time where people on their holidays might need to spend a few days at work. They could look up on the app where to get a space to work for a morning or afternoon before continuing their trip around the Wild Atlantic Way. That is what we might call blended work or a blended lifestyle. I do not want to get the saying backwards but it is about working to live, as opposed to living to work. It is important and Covid-19 has taught us a lesson in that regard.

There is a 20% target for remote working in the public service as a minimum. There is much work ongoing in that respect. I want to continue to ensure this can happen. In my Department of Rural and Community Development, we are talking about 98% of people continuing to work remotely and they do so very successfully. There may be times when people need to come into the office for a day or two but it will be a blend. The Department of Social Protection is very much a customer-facing Department with 6,500 staff and 50% of them continue to work remotely. We have managed to roll out an unbelievable amount of services and payments over the past year and a half. Credit is due to them. I cannot give figures for the Department of Justice but I know from being in the building that much remote working is taking place there as well. It is something we want to continue by keeping that momentum. We do not want it lost.

I take the Deputy's point about concerns about the city centre but I am not prepared to see the communities, towns and villages across the country being sacrificed for any one part of the country. This is about balanced regional development, which is what we want. There is no reason we cannot look at centre of city living as well. There are opportunities there too, and we all saw what happened with the lockdown. The offices emptied and the city centres were hollowed out. People bring vitality to city centres the same as they do with town centres. It is something we should consider.

I should reply on the LEADER question. The distribution of €65 million of the €70 million transition programme to the local action groups, LAGs, was announced in April. Of the remaining €5 million, €3 million is being allocated to support co-operation projects and €2 million has been set aside to support strategy development for the next LEADER programme. There is €20 million from the EU recovery investment, at 100%, and the €50 million is 68% EU-funded, I believe. I will confirm that. The rate of aid for private enterprise has been increased from 50% to 75%. I hope I have answered all the questions.

Chairman: I thank the Minister. My question related to the €4 million in additional transition money allocated for this year. The Minister may not have the figure to hand. If she does not, she might get back to the committee on it.

Deputy Heather Humphreys: I will get back to the committee on that. I do not have the figure off the top of my head.

Chairman: That is understandable. If there are no other outstanding issues, we can conclude our consideration of the Further Revised Estimate.

Message to Dáil

Chairman: In accordance with Standing Order 101, the following message will be sent to the Dáil:

The Select Committee on Social Protection, Community and Rural Development and the Islands has completed its consideration of the following Further Revised Estimate for public services for the year ending 31 December 2021: Vote 42 - Rural and Community Development.

Proposed Regional Employment Service: Discussion

Chairman: We now proceed to an engagement with the Minister on the matter of procurement for local employment services, a matter that has very much exercised the members of this committee over the past number of months. I ask members to be concise in their questioning and bear in mind that this questioning must conclude by 11.30 a.m. Before bringing in members, I say to the Minister that the regional employment service is set to replace the existing jobs clubs and local employment services. These have been assisting communities across the country for the past 25 years both in urban and rural areas.

Research commissioned by the Minister's Department that was carried out independently by Indecon indicates attendance at local employment services have been beneficial to those who have used the services. The concern is we are going to deny people access to a walk-in, person-centred and community-based employment service, to be replaced with a profit-driven, results-based process that will happen on referral only. Members of Dáil Éireann have consistently criticised this model since it was first introduced nearly a decade ago.

We will now take questions from members before I ask the Minister to respond. The first member who has indicated is Deputy Ó Cathasaigh and he will be followed by Deputy Paul Donnelly.

Deputy Marc Ó Cathasaigh: I will be brief as other members of the committee have more knowledge of the granular details of the matter. I will defer to their greater experience in that regard. I say to the Minister that I am worried. This committee has received an article of correspondence from Maynooth University entitled, *Winners and Losers?: the social marketisation of civil society*. It is an extremely good document that addresses many of my concerns.

I accept the rationale presented by the Minister that this had to be introduced in this manner because of competition law but I am very worried that we are moving away from a model that is person-focused to one where a person is reduced to a unit and we may be looking at attempts to increase throughputs of units through the service. It is a real worry that there will be a change of focus. Will we begin to look at a jobs service focused on getting people into any job rather than getting them into the right job? Perhaps we will not even be worried about the job at the end but the other aspects of the process.

It may be somewhat tangential but I noticed Denmark managed to get around procurement problems because it has an well-empowered local government system. It is widely acknowledged we are much too centralised in our Government model. Would it not be fantastic for the likes of Waterford's council to be much more hands-on in procuring this kind of service? I will defer to other members now.

Deputy Paul Donnelly: I concur with the comments of Deputy Ó Cathasaigh. I was also sent the document from Maynooth. Has the Minister read it? If she had, she would be much more concerned about moving forward with the policy that is currently proposed. As others wish to contribute and time is very short, I will ask some questions.

Has there been any consultation with LES providers prior to the roll-out of the proposed regional employment service model? Has the Department carried out an analysis of the impact that the proposed model will have on existing local employment services? If such analysis has been carried out, is the Minister willing to share that with the committee? Models of commissioning have been outlined to us by a number of community projects and local employment services. They outlined that SICAP and Tusla have built-in performance targets and penalties for underperformance. They protect the taxpayer's investment. That is particularly true of SICAP, which was developed by the Minister's own Department and is based on contracts that guarantee performance but respect the financial structure of community-based charities. Why has this model, which serves the funder and service users so well, been ignored in this request for tender, RFT?

Can the Minister confirm that the proposed regional employment service, RES, will be a referral-only service and not a walk-in service similar to the LES? What is the rationale for that proposal? A lot of people will be left out of this service, like lone parents, carers, people with disabilities and others who will not be able to access it because they prefer walk-in services. Other people wish to ask questions so I will leave it at that. There is massive concern in the community about this and there is a huge fear that we are moving a lot of our services to a for-profit model. That fear is now being realised. This is absolutely unacceptable.

Deputy Joe Carey: There is a problem with the issue of walk-ins. Can the Minister confirm that the regional employment service being proposed will be done by referrals from the Department only? If that is the case, how does the Department propose to provide employment services to cohorts like lone parents, people with disabilities and others who are not in receipt of jobseeker's payments? How are they to be provided with that employment service?

Deputy Claire Kerrane: Some LES staff said to me that they were worried about the tender but that this is worse than they had feared. This is a big mistake. This proposal would erode the community ethos and the not-for-profit model so well fostered by the likes of the LES and job clubs for so many years. I am disappointed about how this has been put forward. The LES and job clubs were led to believe that they would be pleasantly surprised and now they may not even be in a position to tender for what has been put forward, if they would even want to, given what has been put forward for a payment by results model. Can the Minister outline what this tender means for job clubs specifically? There has been a lot of emphasis on the LES but what will this mean for job clubs, both those included in this first tender for those seven areas and those not included, in the new year? I also ask the Minister for details on the second phase of this tender. When is that planned and are things going along on time?

The walk-in issue is hugely concerning given that those furthest away from the job and labour market will not have the access to services they have had up until now.

What are the differences between the model being proposed in this tender and JobPath? I ask the Minister to please look at the results from JobPath. Nearly €300 million was spent and over 280,000 people were referred, some of them two, three or four times. That is now ended, which is welcome. Around 7.9% of those people found jobs that have been sustained for over a year. That is not a success. I ask the Minister to look at that.

For an awful lot of people, the wraparound services and supports provided in LESs and job clubs will not be available in what is being proposed here. That is also a huge loss. For some people it is not just about any job. It is about training, education and other supports they may need, which they will need now more than ever as we emerge from Covid-19. I would appreciate if the Minister could come back to me on those questions. There has been a real lack of engagement on this matter. I met with the job club in Ballaghaderreen last week. It has not been communicated with and the people involved do not know what is happening. That is a mistake and must be corrected. People need to know. Some of them have been running these services for 25 years. They have given it everything and have been treated poorly in all of this.

Deputy Éamon Ó Cuív: Many of the questions I was going to ask have been asked. I will not repeat them but I endorse all the points made by my colleagues. There are two types of model here: one in which the focus is on getting number results to satisfy the Department and get paid; and one based on service. We need the latter. There is a cold chill going down a lot of people's backs with the fear that when the SICAP comes up for retendering a similar results-based approach will be taken. My experience of the JobPath programme over the last number of years has not been good. I am not blaming the providers because they just bake the cake according to the recipe. JobPath encouraged throughput, numbers and "results" but the problem with that is that people in such a system do not have the time to reach out to those who most need help. Instead, they reach out to the people who are going to give them the best results. That is inevitable in systems that become results driven. As I said, there is a big concern that this is the model being adopted by the State for the community and voluntary sector. It is not the one we were used to, that gives the best results, is most community friendly and reaches those who are hardest to reach in society. At the end of the day, reaching those people takes a lot of time but what is the point in helping people who probably would have sorted themselves out anyway at the exclusion of those who really need assistance? That is the nub of this issue.

Chairman: Members have expressed a broad range of views and concerns regarding this tender process. I ask the Minister to encompass responses to the questions that have been raised in her contribution.

Deputy Heather Humphreys: I thank members for their contributions. When I started this process I had the same concerns as they do but, having put a huge amount of work into this and having consulted extensively with the providers, I am satisfied that this request for tender will meet the needs of the one person I am most concerned about in all of this, namely, the person who is unemployed and looking for a job.

I will try to answer some of the questions that have been raised. I accept that they are valid questions because I asked the exact same ones of my officials when we started this process. There has never been more consultation with the local employment services than there is now. For people to say they were not consulted is absolute nonsense. My Department has undertaken extensive consultations with the existing contract providers over the last number of years. This is about expanding the services. There are a number of areas in this country that do not have an employment service and I want to expand that service. That is why this has gone out for tender. We will learn from this tender process because at the end of the day it is about making sure unemployed people get all the supports they need to help them get a job.

In 2018, my predecessor attended the Irish Local Development Network, ILDN, annual meeting and informed all the CEOs of the partnership companies that the current contractual approach was not in accordance with EU and national procurement rules and that the Department would be working to introduce reforms, including open competition for the existing con-

tracts, in order to meet our legal obligations. Officials from the Department engaged in a detailed question and answer session with the CEOs following the Minister's speech. In January 2019, the Department published the Indecon report and hosted a briefing session with all LESs and job club providers at which Indecon presented its findings and the Department outlined that it was now moving to implement those recommendations. They included the need to amalgamate LESs and job club services and award contracts through open procurement. Officials from my Department in late 2019 visited all LES and job club providers to inform them of the Department's intention to procure contracts on a competitive basis and seek their input and views on the possible design of the RFT and contracts. The Department appointed consultants in 2019 to review the public employment service, including the contractors. As part of this review process, the Department insisted that the consultants engaged without the presence of the Department with nominees from the local employment service and job club providers. A series of workshops were organised as part of this process.

Officials in my Department have briefed representatives of the ILDN on the plans for future procurement since 2019 and these briefings have continued on a regular basis throughout 2020 and 2021. In my role as Minister in the two Departments, I host a regular forum with ILDN member companies and we have provided updates on the Department's plan at previous forums. My Department continued to engage with the ILDN to the fullest extent possible prior to the publication of the RFT rules. On 3 June, I hosted an information session on the phase 1 procurement process for the interested parties.

I want to be very clear. We have consulted extensively with local employment service providers. I know that in some places, they provide an absolutely excellent service. Reference was made to the Indecon review. It found that LES had, on average, a job placement rate of 28.8% when the annual target was 30%. Some would say that is not bad, and it is not.

However, I would like to point out something else. When one breaks down the figures a bit further, this average covers a significant range in placement rates from 14% to 45%. Some providers provide a great service and others do not do as well. I want everybody to provide a good service. That is why in this contract there is a minimum price. That is to ensure that people get the service they deserve. That is important.

I want to be clear that the total focus is on the user. My Department wants to procure high-quality employment services which focus on supporting individual jobseekers and other cohorts who are furthest from the labour market. This will be a tailored intensive employment service designed to address the needs of the people who are supported by the service. Bids will be evaluated on the basis of quality and an organisation's ability to access a wide range of supports and services to best meet the needs of their clients.

I do not want to say too much about the procurement process but I can state clearly that local employment services have a lot of contact with many different organisations. On that basis alone, an organisation's ability to access a wide range of services will be evaluated as part of the process. There is a limited cost element in the RFT, but it is within defined parameters.

The vast majority of the awarding criteria will be determined by the quality of the service, design and key personnel, as well as links with relevant local partners and stakeholders. There is a strong focus in this request for tender process for local services from local providers. This is about expanding the delivery of high-quality employment services across seven counties. The new service will have a strong local focus and its fee structure will be heavily weighted towards client engagement and progression. That is the one thing we all want to achieve. We

will all agree that it is the client that is the number one person in all of this.

My Department will learn lessons from the phase 1 procurement process and apply them in the design of the multiple requests for tenders that we will publish later this year under phase 2. I cannot stress how much effort and time we have put into working with providers. This is not a for-profit driven agenda by any manner or means. This is a service for the people who need assistance to get them to help them get back into the workplace. Now more than ever, we need that because of the challenges Covid has presented to us.

Walk-ins were mentioned. The public employment services Intreo offices offer all individuals who require advice access to employment services. Under the request for tender for the new service, my Department will be able to refer long-term jobseekers, as well as other cohorts, to the new service. All referrals will be organised by my Department's Intreo offices. They will determine the best employment service based on an individual's specific circumstances and requirements. In many cases, supports for individuals will be delivered through my Department's Intreo offices or will be referred to the new regional employment service.

If an individual is not in receipt of a social welfare payment he or she should contact the local Intreo office, which will offer him or her the supports and advice they want. It is important to say that this focus is again on the person looking for employment.

The JobPath model was mentioned. It is not the case that this is replicating the JobPath model in terms of procurement. I want to be clear that the request for tender for regional employment services is carefully designed to ensure that all sectors can bid for the contract and the fee structure reflects the intensive engagement required to support those furthest from the labour market. This is very much focused on the needs of the person. It is about how he or she can be assisted and helped to the maximum extent possible to help him or her get ready to enter into a job.

The JobPath payment structure is almost an inverse of the payment structure within the request for tender. JobPath has a nominal fee associated with the engagement with the customer. After that, any further payment to the contractor is associated with sustained employment. This means that where the customer does not enter into employment, the JobPath provider only receives the registration fee but must provide 12 months of employment services to the jobseeker.

The opposite is the case with regional employment services where the majority of payments, an indicative average of 90% of total fees, are associated with engagement, the service and individual progression. Under this model, 90% of the fee goes to the provider of the service in order that it can put all of the resources necessary into getting a person a job. A provider will get the last remaining 10% of total fees when the person secures a job. I want to be clear that 90% of the fee, which involves a minimum price, will go towards working with a person and giving him or her all of the support he or she will need to get him or her achieve employment.

I do not know if I have answered all of the questions, but I hope I have given the committee a flavour of what we are trying to achieve. It certainly is not to short-change anybody. It is about working and making sure people who need that service get it.

Chairman: I will take any brief supplementary questions from colleagues.

Deputy Claire Kerrane: I thank the Minister for her responses. Could she outline specifically what the request for tender means for current job clubs? While there is a lot of focus on the LES, I refer to job clubs. Is the Minister able to tell us whether there will be a referral fee

built into the aforementioned 90% of fees? I ask her to confirm that the model is shifting to payment by results. To be clear as well on the level of consultation, which I acknowledge, my point was that I believe the LES thought there would have been a pleasant surprise with this tender in respect of job clubs, but that has not been the case. From my engagement and meetings with several job clubs and local employment services, there is a feeling that they were consulted with but not listened to, from the looks of this tender.

Chairman: I call Deputy Paul Donnelly.

Deputy Paul Donnelly: Deputy Kerrane has already asked some of the questions that I wanted to. One question, requiring a simple yes-no answer, is whether there will be walk-ins to the new services?

Chairman: Before the Minister responds, I have been contacted by representatives of the jobs club in Ballaghaderreen. Job clubs around the country are very concerned about this tender process. The core of this issue is that we must help people to not just get a job but to get a long-term, sustainable job. There is a fear that all we are going to see is a certain amount of churning, instead of securing long-term sustainable employment. The Minister comes from a rural part of the country, like myself, and she knows that the range or availability of jobs in those parts of the country is not the same as the opportunities in urban areas. Sustainability is not the same in rural areas as in urban areas.

We all agree that this scheme needs to go to a tender process, but the key element is how this process is structured. Established models exist, like the SICAP model, that have performance targets and built-in penalties for underperformance. It is imperative that such aspects are included in a process but that the focus will be on securing long-term, sustainable employment for the people availing of these schemes. No one is prepared or willing to defend a situation in respect of successful employment outcomes, as the Minister referred to in her contribution, ranging from 14% to 45%. We want to see all the groups around the country providing these services achieving that rate of 45% and, hopefully, going even higher than that level in providing long-term, sustainable employment. All members of this committee feel that is the approach which must be taken in this regard and that is the outcome we achieved.

I will let the Minister wrap up now on this area, because we are coming close to the time limit for this meeting.

Deputy Heather Humphreys: I thank the Chair for his contribution and I also thank the Deputies for outlining their issues. I do understand those issues, by the way. My officials will attest that the questions the Deputies have asked me were the same questions I asked my officials. I want to be clear that this initiative is not about profit but about the service we provide to those people who need assistance in upskilling, guidance or whatever advice they may need to get them into sustainable and good-quality jobs.

Turning to job clubs, the amalgamation of the local employment service and job clubs into one service was a key recommendation of the Indecon reports on the local employment services and jobs clubs. It was recognised that there was close interaction and complementarity between the services and that amalgamation would reduce administrative duplication and support a more effective and efficient overall employment support service. The request for tender is designed to ensure that all competent service providers of appropriate scale can bid competitively. For some independent job clubs, there will be a challenge in bidding for much larger contracts in respect of services, scale and geographic coverage.

My officials have visited all existing providers and have encouraged them to work collaboratively, and that is the important word here. There must be collaboration with other service providers in their sector and areas. Therefore, the request for tender encourages providers to explore the possibility of collaborating with other similar bodies to submit a joint tender. Under this request for tender, tenderers working together and submitting a joint bid may satisfy the minimum turnover criteria in the RFT as a whole. Again, therefore, there is an advantage to working together and there is also an advantage to the service when people work together and more collaboratively.

Regarding the request for tender, 90% of the funding is in respect of securing the service and the individual agreeing to the personal programme. The individuals concerned get 90% of their payments then and the remaining 10% when they secure employment. Turning to the job club in Ballaghaderreen, representatives from that club came to Dublin and attended the consultation with the consultants. We have certainly taken on board their views. I have to say that some people do not want to change, and I can understand that there is a reluctance to change. Having looked at this issue, though, and examined it very carefully, I am very clear that I want to ensure that it is the end-users who benefit.

Having visited local job clubs in my area and spoken to the people rolling out the employability service, I have every confidence that they will be well positioned to put in a good tender and I have no reason to believe that they should not be successful. I genuinely believe that, because we worked extremely hard with them before the request for tender went out to help them to understand this process. The tender is out there now. We will learn from this process when the applications come in and before we look to the next requests for tender due to be issued before the end of the year. I think this process will instil confidence in the providers. Ultimately, they are providing a service to people and giving them the confidence and advice to help them to take up a job. There is no reason, therefore, why the service providers should not have that same confidence in themselves to win this tender.

Chairman: I thank the Minister very much, but I think we have taken the talk from her today, judging from the state of her voice. We are all agreed that the focus must be on the individuals and on ensuring that they secure sustainable employment. We are all at one on that issue. I thank the Minister, Deputy Humphreys, and the Minister of State, Deputy Joe O'Brien, and their officials for the assistance they provided to the committee today.

The select committee adjourned at 11.28 a.m. *sine die*.