



**An Roinn Caiteachais
Phoiblí agus Athchóirithe**
Department of Public
Expenditure and Reform

Spending Review 2018

Public Employment Services – Mapping Activation

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DEASP VOTE
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IGEES

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Key Findings

Public Employment Services (PES) are a series of internally managed and externally contracted services which provide activation supports and services to a range of social welfare payment recipients.

- PES is resource heavy with approximately 1,717 mediators or case officers engaged in the area and a total expenditure of €146m in 2017.
- Despite marked decreases in the number of Jobseeker payment recipients in the period 2013-2017, there has been little change in the allocation of both staff and expenditure to PES over the same period. This suggests there is resource capacity that is being under-utilised and that there is scope for improvements to cost efficiency.
- PES providers have similar delivery mechanisms but different target groups related to a jobseeker's duration of unemployment. It is unclear what criteria is used to determine the most appropriate provider for an individual's activation journey as there are a number of overlaps between providers of services to the Long-Term Unemployed.
- Given the substantial decrease in the Live Register there is currently scope in the PES system to further incorporate the activation of adults removed from the labour force including qualified adult dependants, and people with disabilities.
- There is a lack of data in relation to the input and output metrics of a number of PES providers and INTREO in particular.

Recommendations

1. It is recommended that DEASP report output metrics for all PES providers at regular intervals and publish these as recommended in the Pathways to Work Strategy. Key output metrics to be collected could include:
 - a. Number of staff engaged in activation
 - b. Referrals to other services
 - c. Average caseload of staff
 - d. Number of client engagements
 - e. Frequency of client engagement
2. PES provision for the LTU cohort should be consolidated to reduce complexity to ensure each provider has separate target cohorts to maximise resource allocation. DEASP should use the evaluation of JobPath to inform best practice in future activation services for LTU.
3. The client base for PES should continue to expand to include non-activation cohorts and achieve objectives set out under Pathways to Work and Action Plan for Jobless Households.
4. Allocations to LES, Jobs Club and EmployAbility should be evaluated in the context of reduced demand to include metrics and clear KPI's and a realignment of inputs with outputs.

1. Glossary of Acronyms

PES	Public Employment Services
LES	Local Employment Service
DEASP	Department of Employment Affairs and Social Protection
LTU/STU	Long-Term Unemployed/ Short-Term Unemployed
FET	Further Education & Training
BTWEA/BTEA	Back To Work Enterprise Allowance/ Back to Education Allowance
GIS	Group Information Session
JIS	Joint Information Session
CE	Community Employment scheme
PPP	Personal progression Plan
FTE	Full-Time Equivalent employee
PTW	Pathways to Work
APJH	Action Plan for Jobless Households.

2. Introduction

Public Employment Services are defined as a system of services both provided directly by the state and through contracted services which *“help match supply and demand of the labour market through information, placement and active support services at local, national and European level”* (European Commission, 2017). PES can be provided for both those in receipt of unemployment payments such as Jobseeker’s Allowance and Jobseeker’s Benefit in Ireland where an individual is subject to mandatory activation, and additionally to other social welfare payment recipients on a voluntary basis.

The past decade has seen considerable changes in the labour market in Ireland accompanied by significant policy developments. While the PES are structured differently across EU countries they face similar challenges in terms of adapting to constantly evolving labour markets. PES provision before 2012 was administered by a number of different agencies including FÁS, an agency under the remit of the Department of Jobs, Enterprise & Innovation. After the dissolution of FÁS, the training function of the agency was assumed by SOLAS, an agency under the remit of the Department of Education & Skills, while the activation section of FÁS was merged with Department of Social Protection payment offices to create a new service, Intreo. Intreo is designed to be a one-stop shop for social protection payment recipients to interact with the Department and begin their activation process. This policy change has been accompanied by a move towards the inclusion of a range of social protection recipients and the activation of a wider variety of recipients in order to improve mobility and progression to employment when appropriate.

Overall the aim of PES in Ireland is twofold: to manage the provision of income support payments and to provide labour market activation services through the provision of job search assistance, employer intermediation services, counselling and monitoring. This paper will provide a high-level overview of the quantum of resources and activities undertaken focused specifically on the activation aims of PES and consider how they have evolved over the past six years. Given the number of different services involved and the considerable change in this policy area since 2012, it is timely to evaluate the PES activation interventions to help expand the evidence base in this important policy area.

The key question of this exercise is *“What is the scale and scope of PES activation provision in Ireland and how has it evolved since 2013?”* The scope of this exercise relates to PES activation services: Intreo, Job Clubs, Local Employment Services (LES), JobPath, and EmployAbility, with the focus of the exercise being Jobseeker’s and referrals of individuals on the Live Register. While PES have begun to shift towards the inclusion of non-activation clients¹, these still make up a small minority of all clients to these services. Branch offices are not directly involved with the activation of clients and therefore are excluded from this review.

¹ Non-activation clients include lone parents, early school leavers, low income smallholders, refugees, persons with disability, members of travelling community, ex-offenders, non-live register employment returners.

The approach in the paper will draw on four elements of the Programme Logic model framework² used in Value for Money Reviews including objectives, inputs, activities and outputs. An analysis of outcomes is beyond the scope of this preliminary exercise.

- Section Two sets out a description of PES activation services currently available including the objectives and target cohort of each provider;
- Section Three analyses the inputs, expenditure and associated resources (offices and staff), for each service provider;
- Section Four discusses the range of activities undertaken by different PES;
- Section Five presents a range of output metrics for each of the PES;
- Section Six describes the strategic direction/coordination of each of the different PES providers and how the PES policy intervention is responding to different labour market challenges, for example boosting labour force participation and reducing short and long term unemployment; and
- Section Seven concludes with a summary of the key findings, recommendations and next steps.

Background

As part of the Spending Review 2017 an analysis was undertaken on the range of employment supports, provided by DEASP, in the context of the improved economic conditions of recent years. One of the recommendations of this paper was *“further analysis should be undertaken on the role of Public Employment Services, in particular regarding the current capacity levels compared to developments in the Live Register and whether there is overlap between the different services in this area”* (Callaghan, 2017). It also highlighted a *“number of data gaps regarding the level of referrals and engagements by Intreo and other public employment services with the Jobseeker cohort”*. In light of this recommendation, this paper will examine the range of providers and resources in this area and any developments in data gatherings and metric reporting. A number of reports regarding Job Clubs, LES, JobPath and Intreo are being prepared as part of DEASP’s evaluation programme and this will add to the evidence base on this area.

The period of analysis for this paper is 2013 to 2017. This was a time of considerable development in the labour market with unemployment falling from 13.8% to 6.7% (Labour Force Survey, CSO) and the primary activation client base for PES falling by approx. 160,000 (see Box 1 for further details).

- There are a number of different activation providers under the PES umbrella in Ireland (see **Figure 1**). These include services provided internally by the DEASP staff such as Intreo and other externally provided services managed by DEASP, such as Job Clubs and JobPath. This area has undergone significant change during peak levels of unemployment in 2011-12 with:

² <http://publicspendingcode.per.gov.ie/b06-appraising-current-expenditure/>

- the merger of DEASP local offices, the HSE’s Community Welfare Service (CWS) and FÁS, into one single entity, Intreo;
- the growth in the Live Register, particularly the increase in the long-term unemployed which required additional PES capacity resulting in the contracting of resources through the JobPath model.

Box 1: Labour Market

Live Register

Over the period **2013-2017** the average Live Register Number has fallen by **38%** from **418,465** to **258,580** with the average Unemployment Rate falling concurrently from **13.8%** in 2013 to **6.7%** in 2017 driven by strong economic and labour market conditions. The downward trend is evident in both long and short-term Live Register figures.

Live Register (Yearly Average)	2013	2014	2015	2016	2017	Accumulative
Less than one year	229,600	204,553	184,689	166,729	148,536	81,065
YoY %		-12%	-11%	-11%	-12%	35%
One year or more	188,865	178,907	158,580	135,932	110,044	78,821
YoY %		-6%	-13%	-17%	-24%	42%
Total Live Register	418,465	383,461	343,269	302,661	258,580	159,885
YoY %		-9%	-12%	-13%	-17%	38%

Unemployment

Much of the fall in unemployment was due to the decline in those unemployed for > 1 year (LTU) decreasing from an average of approximately **178,000** in 2013 to **71,000** in 2017 (↓**60%**), followed by the decline in those unemployed for < 1 year (STU) with an average of approximately **127,000** in 2013 to **82,000** in 2017 (↓**35%**).

Similar reductions also occurred in the youth unemployed cohort with the number of short term unemployed (< 1 years) falling from an average of approximately **44,500** in **2013** to **27,000** in **2017** (↓**39%**) with bigger declines in the long term youth unemployment figure (>1 year) decreasing by **64%**, going from an average of approximately **29,000** in **2013** to **10,500** in 2017. Much of the remaining unemployed are of an older age cohort and those structurally (unemployed for 3+ years) and socially detached from the labour market.

Source: CSO database and authors calculations of average Live Register and Unemployment figures.

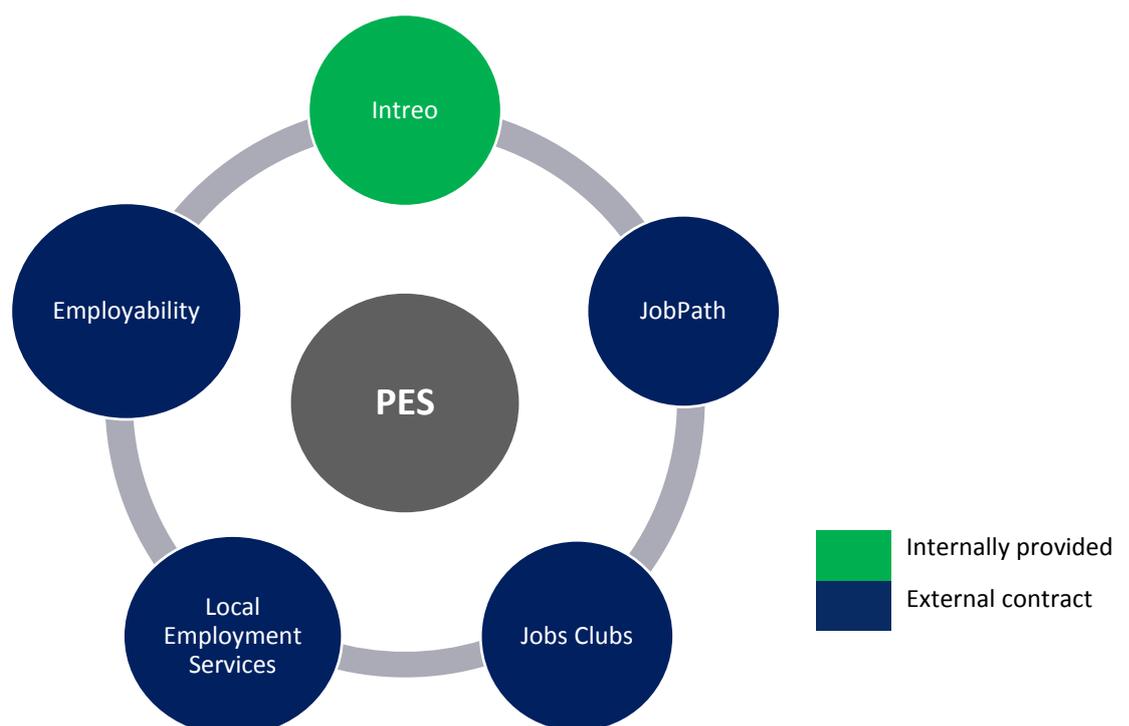
3. Overview of Public Employment Services

There are currently five main providers of Public Employment Services in Ireland (see

Figure 1). This network of providers has undergone considerable change over the past number of years with the establishment of the Intreo network from 2012 onwards and the rollout of the JobPath model from mid-2015. The other providers have been in place longer; LES was established in 1995, Job Clubs in 1999 and EmployAbility in 2004. There has been a significant shift from mainly the provision and processing of payments towards the activation of jobseekers, underemployed part-time workers and the non-activation cohorts (qualified adult dependants, lone parents, people with disabilities) under the Pathways to Work and Action Plan for Jobless Households. PES activities include:

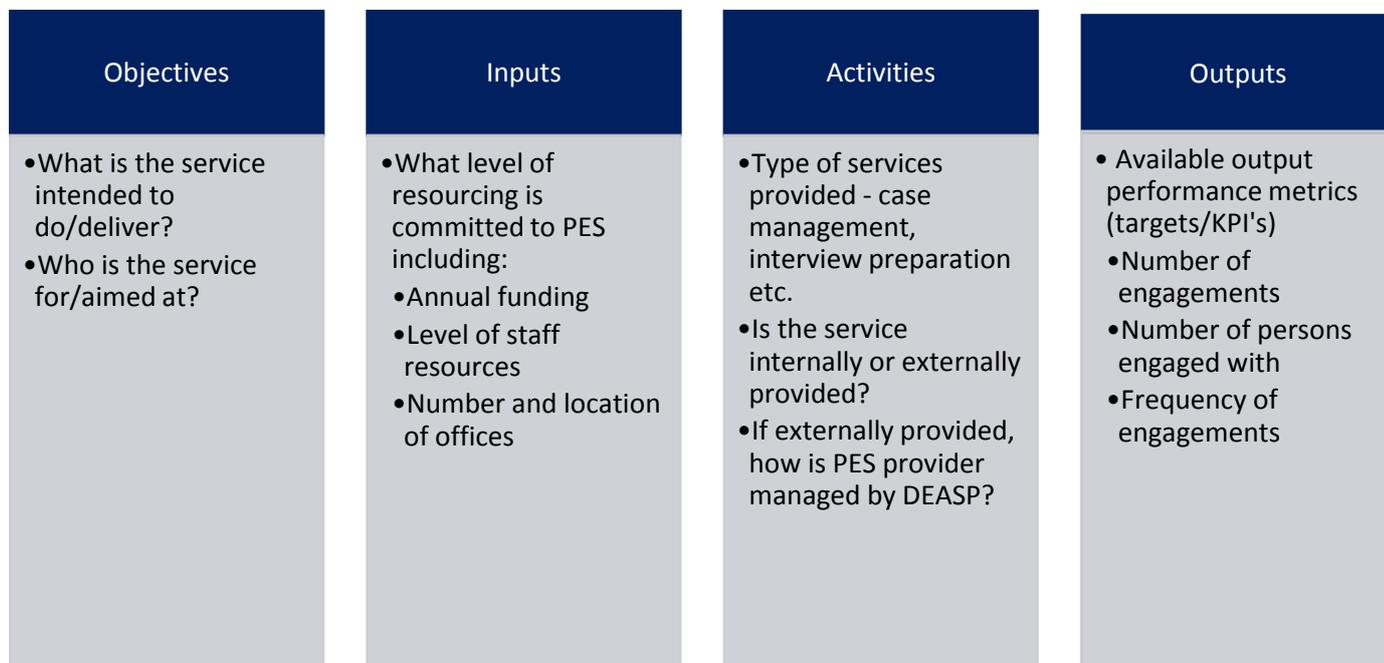
- **Job brokerage** by publicly disseminating job vacancies to facilitate rapid matches between supply and demand.
- **Provision of labour market information** by collecting data on job vacancies and potential applicants.
- **Market adjustment** by implementing labour market policies aimed at adjusting labour demand and supply.
- **Management of labour migration** by coordinating the geographic mobility across borders of persons who want to use and develop their skills in a new working environment.
- **Jobseeker engagement** to identify barriers to employment to help provide a positive employment outcome for the client.
- **Employer engagement** to identify suitable places of employment for Jobseekers.

Figure 1: Range of Public Employment Services



4. Programme Logic Model

In order to investigate the range of PES providers the paper will draw on four elements of the Programme Logic Model framework³ used in Value for Money Reviews. The four elements include objectives, inputs, activities and outputs that are detailed in the diagram below. A discussion of outcomes is beyond the scope of this current exercise.



Objectives

PES provision is a complex system with different streams of users, providers and engagements. A descriptive overview of each PES is set out in Table 1 and expanded on in Appendix 2 which aims to outline the areas of responsibility for each provider and what client groups they are targeting. Each of the different service providers support Jobseekers entering or returning to employment (Citizens Information, 2018). The services are externally delivered through contracting arrangements with the exception of Intreo, which is an internal service provided by DEASP staff.

³ <http://publicspendingcode.per.gov.ie/b06-appraising-current-expenditure/>

Table 1: Description of each PES

Public Employment Service	Overview on Provision of Service
Local Employment Services (LES)	LES providing a range of services and facilities to assist long-term unemployed persons to enter/re-enter employment. Activation clients are referred by Intreo. LES also engage with non-activation clients ⁴ . With the introduction of the JobPath in 2015, referrals to LES were done on a replacement basis ⁵ only to deliver more intensive client engagement.
Job Clubs	Job Clubs provide structured support for ‘job ready’ ⁶ Jobseekers to assist entry/re-entry to employment.
EmployAbility	The EmployAbility Service provides an employment support service for people with a health condition, injury, illness or disability and a recruitment advice service for the business community. EmployAbility provides an employment service for Jobseekers/persons with disabilities, who are ‘job ready’ and require support to secure and maintain a job.
Intreo	Intreo is a single point of contact for all employment/income supports for social protection payment recipients and engagement with local employers. It is designed to provide a more streamlined approach to activation and is the first point of contact for the unemployed. Intreo is responsible for the processing of all claims and payments as well as any queries relating to DEASP payments. Intreo activation services are targeted at short-term Jobseekers (duration on Live Register of less than 1 year) as a priority for case officers to stem the flow into long term employment. It operates a work first policy: jobs first for those that are ready to enter/re-enter the labour market; and education and training for those who are not.
JobPath	JobPath is employment activation service developed under the PtW Strategy to target people who are long-term unemployed and those distanced from the labour market. The activation of the LTU cohort was outsourced to external providers (Seetec and Turas Nua) to concentrate Intreo resources on the short-term unemployed cohort, to stem the flow into long-term unemployment and facilitate the differing needs and supports required for those LTU to enter/re-enter the labour market..

Source: Department of Employment and Social Affairs website, Citizens Information, Indecon International Economic Consultants, ESRI Intreo Evaluation.

The various types of PES providers seek to target different client groups, however there does appear to be some overlap in the focus of provider. A PES intervention pathway is dependent on the profile of the Jobseeker and this is facilitated by an IT-based Activation and Case Management (ACM) system operated by DEASP that tracks Jobseekers across the PES system, called the Jobseeker Longitudinal Dataset.

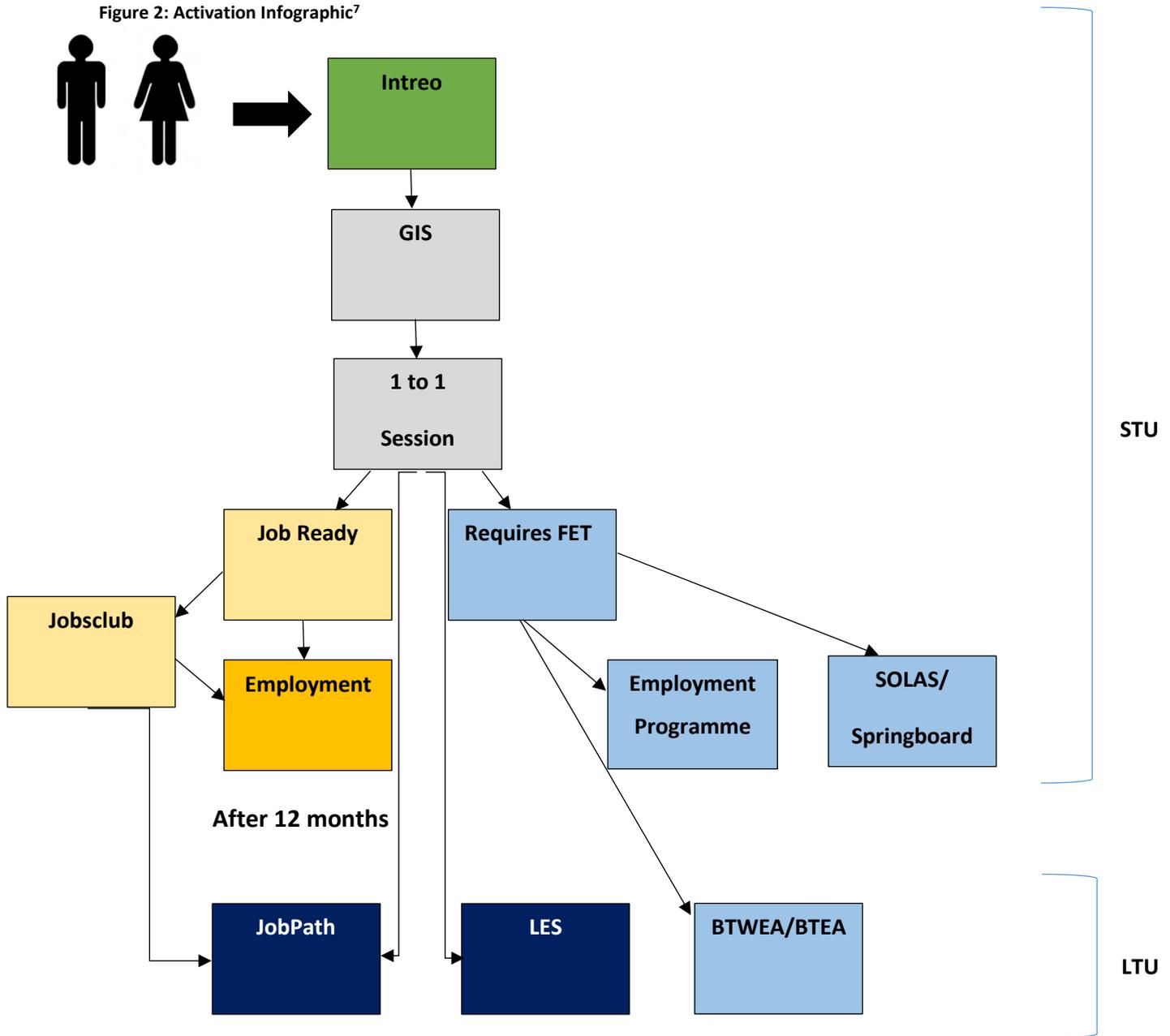
⁵ “As of 2016, a maximum caseload of 120 clients per mediator applied, with clients only referred by the DEASP on a replacement basis only (a new referral possible only when a jobseeker/client enters employment or finishes their 12-month engagement period with the LES service”. (Indecon International Economic Consultants, 2018)

⁶ “Job Ready” clients can be defined as a person who has the necessary training, education, motivation and ability to pursue work/career in the open labour market.

Activation Process

PES is the first part of the Active Labour Market Policy response. All recipients of unemployment related payments (Jobseeker's Assistance and Jobseeker's Benefit) must attend their local Intreo office and engage with the activation process. Figure 2 gives an overview of the activation process and journey to employment.

Figure 2: Activation Infographic⁷



⁷ This is an indicative infographic of a generic activation journey for jobseekers, variations to this will exist given the individualistic nature of activation specific to an individual jobseeker.

PES Journey 0-12 months Unemployed

Intreo offices are the first point of engagement when an individual becomes unemployed. A claim is made by the Jobseeker and an appointment is scheduled with an Intreo case officer to process and approve the claim once the required documentation has been received.

Following this initial registration Jobseekers⁸ are assigned to attend a group information session (GIS). GIS is technically the first step in the direct activation process. This session provides information on the range of supports and services available to Jobseekers. After this session, Jobseekers are assigned a case officer and an appointment to attend a one-to-one session with DEASP to “*discuss employment opportunities, training courses, financial supports and other options which may lead to employment*” (Citizens Information, 2018).

The 1 to 1 case officer sessions are the most intensive part of the activation process. A personal progression plan is agreed and signed, which involves a discussion of skills, strengths, and requirements for support, and referrals to suitable courses in education, training, or suitable employment programmes if associated gaps are identified. These can include referrals to Job Clubs for more short-term supports around CV preparation, interview skills, and the use of facilities for job searching. If education gaps are identified, the client with the support of their case officer can get approval for further education and accredited courses through Solas, Springboard and the Back to Education Allowance (BTEA). Qualification for these courses will be dependent on existing gaps and duration of unemployment. For those who require more work experience, clients can be referred or can self-select in applying for employment programmes like Community Employment (CE) and Tús. Similarly, the qualifying criteria for these employment schemes is contingent on duration of unemployment and requires case officer approval.

The pattern of follow-up engagement with the assigned case officer will be dependent on the Jobseekers Probability of Exit (PEX) score derived from profiling using the personal information provided (See Appendix 3). Jobseeker profiling was introduced in 2012 with a number of objectives primarily in “reducing costs, providing a more efficient and effective use of resources, earlier interventions and the prevention of long-term unemployment”. (European Commission, 2016)

PES Journey >12 months Unemployed

The structure and delivery of activation engagement for the long-term unemployed cohort is not dissimilar to that of the short-term unemployed although the delivery mechanism differs in line with the challenges specific to each cohort. At 12 months, the claimant is reclassified as a long-term unemployed Jobseeker and can then be referred to LES or JobPath by Intreo. JobPath is a service providing activation interventions focused specifically at long-term unemployed Jobseekers and underemployed individuals currently working part-time.

⁸ Jobseeker may refer to a person in receipt of a jobseeker’s payment, a person signing for credits and a person who is unemployed but not eligible for a payment.

Clients referred to LES are on a strict replacement basis only in order to deliver a more intensive and enhanced model of customer engagement, with corresponding reductions in caseload per mediator. However, when there is an available place in LES, it is not entirely clear the exact criteria that dictates whether a Jobseeker is referred to LES or to JobPath.

LES

After selection to LES under the replacement basis criteria, activation clients are scheduled to attend a GIS or a 1 to 1 appointment with an LES mediator. An initial GIS meeting is then followed by a 1 to 1 appointment within two weeks of the GIS, during which a PPP is drawn up, agreed and signed. Non-attendance at the GIS is followed up by Intreo and may include sanctioning (payment deduction) or a warning⁹. Follow-up appointments with the LES mediator are focused on progression of the agreed PPP and identification of any barriers that exist. The frequency of review appointments with LES mediator are based on activation caseload of the mediator (101-120 clients = monthly engagement with each client; 81-100 clients = engagement with each client every 3 weeks; 80 or less clients = client engagement every 2 weeks). Mediators are provided with €500 funding per client per year to reduce the barriers of returning to employment through the provision of items such as renewal of necessary safety certificates, protective clothing, or appropriate interview attire.

LES also engage with non-activation clients who are referred on a voluntary basis who are not included in this caseload and a mediator may be involved in supporting these clients as well as their activation caseload. The frequency of follow-up for LES differs from other PES providers where frequency of follow-up is based on client needs which are generally based on duration of unemployment as opposed to the caseload of staff.

Engagement is continued for a period of 12 months unless the client gains employment or self-employment of at least 30 hours a week. They are then considered case closed. At the end of 12 month activation period with LES, clients are referred back to Intreo for review if there is a need for further activation or to Job Clubs if considered “job-ready”.

JobPath

Jobseekers who are on the Live Register for longer than 12 months are classified as Long-Term Unemployed and can be referred by Intreo to JobPath for activation. Selection onto JobPath is conducted through random computer generation and Jobseekers with no previous activation exposure are prioritised for selection in order to promote activation to a wider pool of Jobseekers.¹⁰ There are two phases in the JobPath model. Phase one begins with a referral process and involves the engagement process similar to the LES interactive structure

⁹Payment sanctions and penalties can occur for non-attendance at compulsory review meetings or non-compliance with the activation process without valid reasons.

¹⁰ Selected jobseekers are divided into 5 cohorts based on duration of unemployment (12 months, 1-2yrs, 2-3yrs, >3yrs, underemployed (part-time) workers. Underemployed part-time workers are those that are in receipt of a jobseekers related income support payment for more than 12 months on the basis that they are seeking to secure full-time employment.

described above (initial GIS, followed by a one-to-one session with a personal employment advisor, agreement and signing of PPP).

This first phase lasts up to 12 months but can be extended to 18 months in some cases for those who attend education/training courses during the JobPath activation. The pattern of engagement involves one to one review meetings with a personal advisor at a minimum of every 15 days for the first three months and every 20 working days thereafter where clients have not exited to employment.

Phase two commences when the Jobseeker enters full-time employment. During this period the JobPath personal advisor will continue to work with the Jobseeker for a period of at least three months and up to 12 months in order to help them sustain employment. If a JobPath client completes activation without gaining employment or has not been successful in sustaining employment after 12 months they are referred back to Intreo where they may be re-referred back to JobPath, after a six month break period. However, movement back to the Live Register does not automatically result in re-referral to JobPath.

EmployAbility Service

EmployAbility is a contracted service provider which focuses on the activation of social welfare payment recipients with an illness or disability (non-activation cohort). The contractors interact with both Jobseeker's and employers as an advice and job-matching service. They seek to match Jobseeker's with appropriate employment opportunities and offer advice and information on additional services and employment supports available to this cohort.

As this service is specifically focused on Jobseeker's with illnesses and disabilities, it differs somewhat from the other PES in that mandatory referrals are not made to the service providers. Instead referrals to service providers from Intreo are for individuals with a reduced capacity to work who may have additional difficulty in accessing the labour market. These recipients are not subject to mandatory activation and these services are attended on a voluntary basis.

Service is provided through advice and guidance on individual needs assessments, personal progression plans, job-sourcing and matching. The service also engages with employers to ensure that employment is available to those individuals with a reduced capacity for employment. Once appropriate employment has been sourced by the Jobseeker, EmployAbility may then provide on-the-job advice and coaching, as well as follow-up and in-work support if necessary.

Key Findings

- The PES system is highly complex as there are a number of different providers with similar delivery mechanisms but different target groups related to duration of unemployment. However, it is unclear what criteria is used to determine the most appropriate provider for an individual's activation journey as there remains some overlap across providers relating to the activation of the LTU cohort.
- Intreo is focused on the activation of the STU while JobPath is focused on the activation of the LTU.
- Activation intervention is similar across all PES providers with the focus of intervention being one-to-one client engagement for Jobseekers (activation cohort).
- Follow-up review patterns are minimum requirements to be met by providers and are mandatory to attend for clients. The intensity and scope of activation interaction with case officers and activation services can be increased on a voluntary basis by the clients themselves.
- There are differences in the PES journey dependent on whether the Jobseeker is job ready or not. Intreo operate a work first policy, referrals to FET are undertaken if gaps in education and skills are identified as barriers to gaining employment.
- JobPath selection is prioritised on activating those who have never experienced any activation previously, this promotes activation exposure to a wider pool of Jobseekers.
- LES, Intreo provide resources for engagement with non-activation clients which remains voluntary for these clients. EmployAbility provides employment support service for those with a health condition, illness or disability (non-activation cohort) on a self-select voluntary basis.

5. Inputs

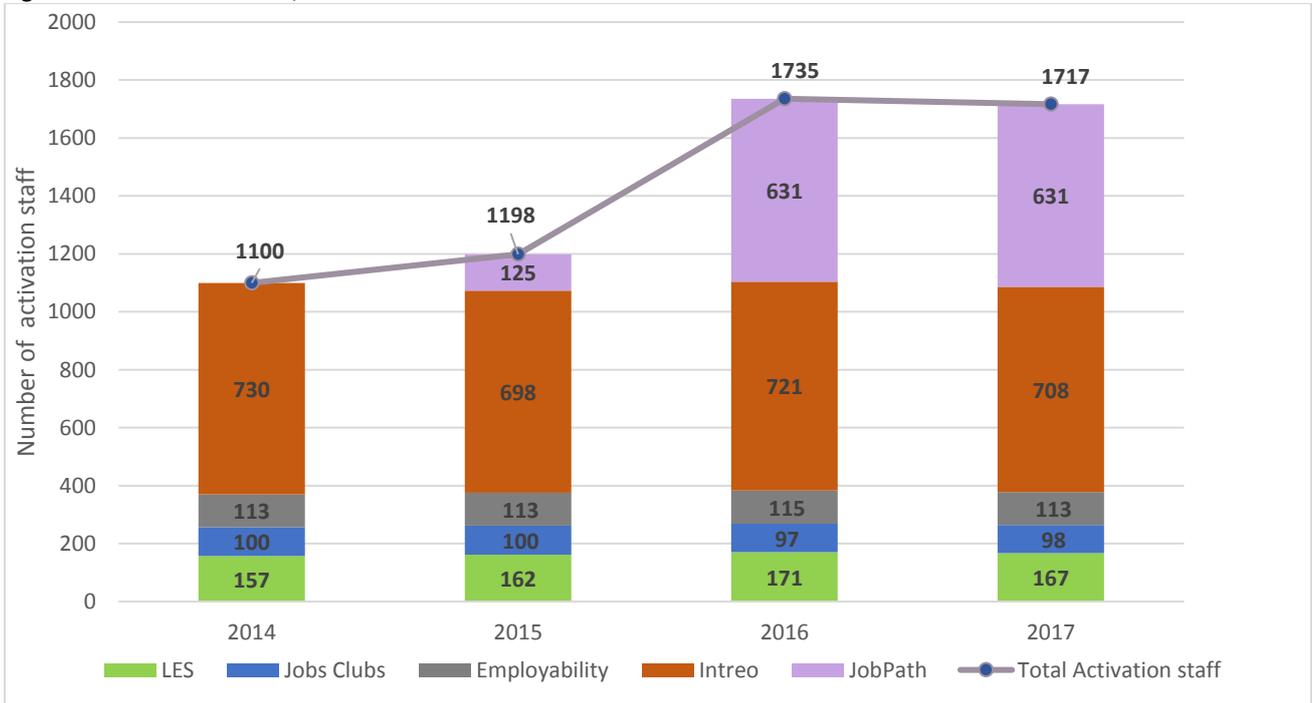
This section analyses the quantum of resources dedicated to each of the PES providers including staffing, expenditure, and offices.

Staffing

The provision of PES activities is resource intensive and therefore the bulk of expenditure is driven by staffing/pay-related costs.

The five PES providers engaged in activation employed approx. 1,717 persons in 2017. Over the period 2014 to 2017 the staff resources devoted to activation increased by 617 or 56%, due to the introduction of JobPath in 2015 which increased its staff complement to 631 in 2017 (Figure 3). Intreo have the largest staffing component of PES with 708 staff (mainly HEO's) devoted to activation. This accounts for **21%** of total Intreo staff (**3,371** in 2017). Intreo activation staff numbers overall have decreased slightly in the period. LES mediator staff levels have increased slightly while Job Clubs and EmployAbility staff levels have remained static over the period during a time of strong economic and labour market performance.

Figure 3: PES Activation Staff, 2014-2017



Source: DEASP Admin data

Expenditure

There are three different funding models in place across the different PES.

1. Intreo is internally provided and the cost of providing the service is met from within the administration expenses of the Department of Employment Affairs and Social Protection.
2. The JobPath service is externally provided under contract through a payment-by-results¹¹ model.
3. LES, Job Clubs and EmployAbility providers are funded through service contracts with the provision of services being fully funded by DEASP. Payment under these contracts is not linked to outputs achieved, rather payment is made based on the costs incurred in the provision of the service.

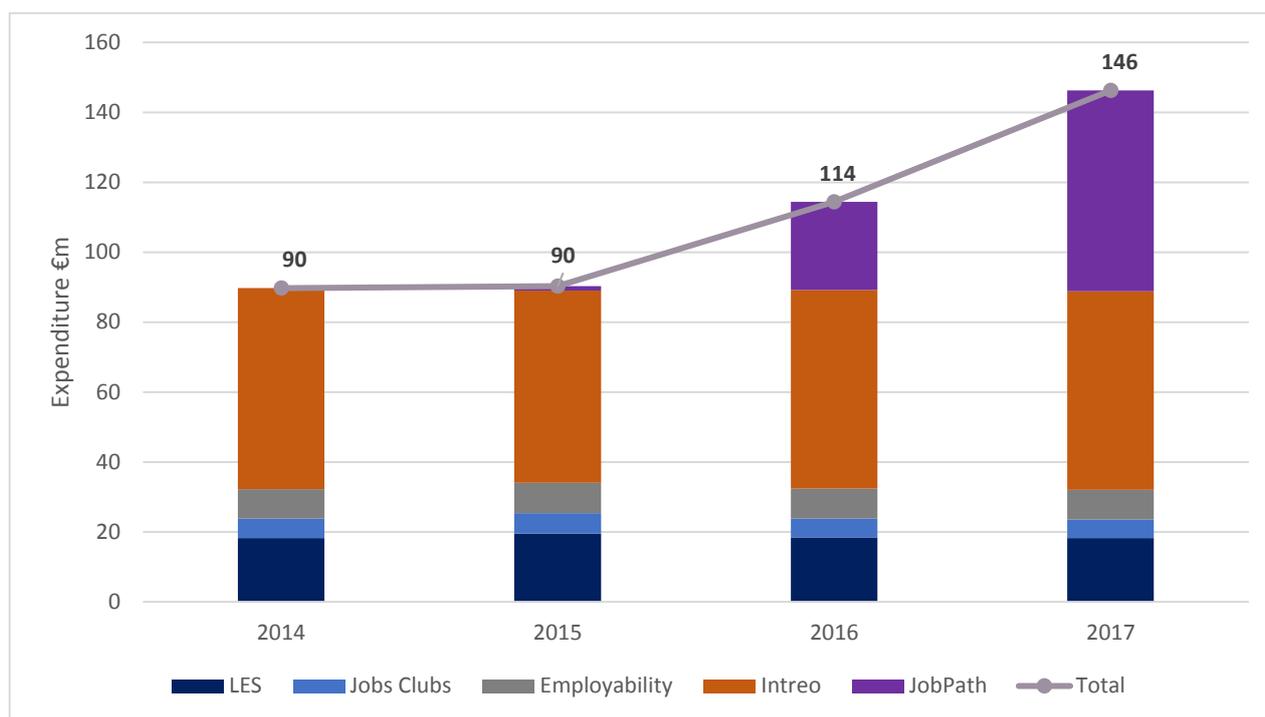
Whilst there is accurate expenditure data available for four PES providers (LES, Job Club, EmployAbility, JobPath), similar expenditure data for Intreo activation costs was sought from DEASP but was not readily available¹². It is considered that the fragmentation of costs across the Intreo network makes it difficult to accurately assess actual expenditure of PES activation. Given the absence of disaggregated data regarding Intreo activation costs and the resource intensity of activation services, it was necessary to estimate Intreo activation costs using the Public Spending Code framework¹³. It should be noted that given the methodology used there is an underlying interdependence relating to Intreo staff numbers and Intreo estimated expenditure which should be taken into consideration when assessing trends over the period.

¹¹ Payment is based on (i) registration of clients following agreement of Personal Progression Plans (PPP - registration fee) and (ii) thereafter only on the achievement of employment outcomes (JSF : job sustainment fees).

¹² This is due to the complexity of disaggregating costs associated with different services available in Intreo offices (payment processing, claim administration and approvals, activation services). Intreo staff can have a dual function and may be involved in both payment processing and activation work as a case officer. In addition, the current cost centres are based on Principal Officer Divisions which have diverse spans of responsibility and make it difficult to identify and apportion activation costs in respect of the Intreo network as a whole.

¹³This was done using total number of Intreo activation case officers (mainly HEO's), the HEO salary midpoint, employers PRSI and pension contributions and an approximation of overheads. The formula was then applied to preceding years up to 2017 and estimated Intreo activation expenditure was added to the expenditure of the other PES providers to obtain the total estimated activation spend per annum. <https://publicspendingcode.per.gov.ie/e-01-calculation-of-staff-costs/>

Figure 4: Total Estimated PES Activation Expenditure, 2014 - 2017



Source: DEASP annual statistical report, DEASP admin data.

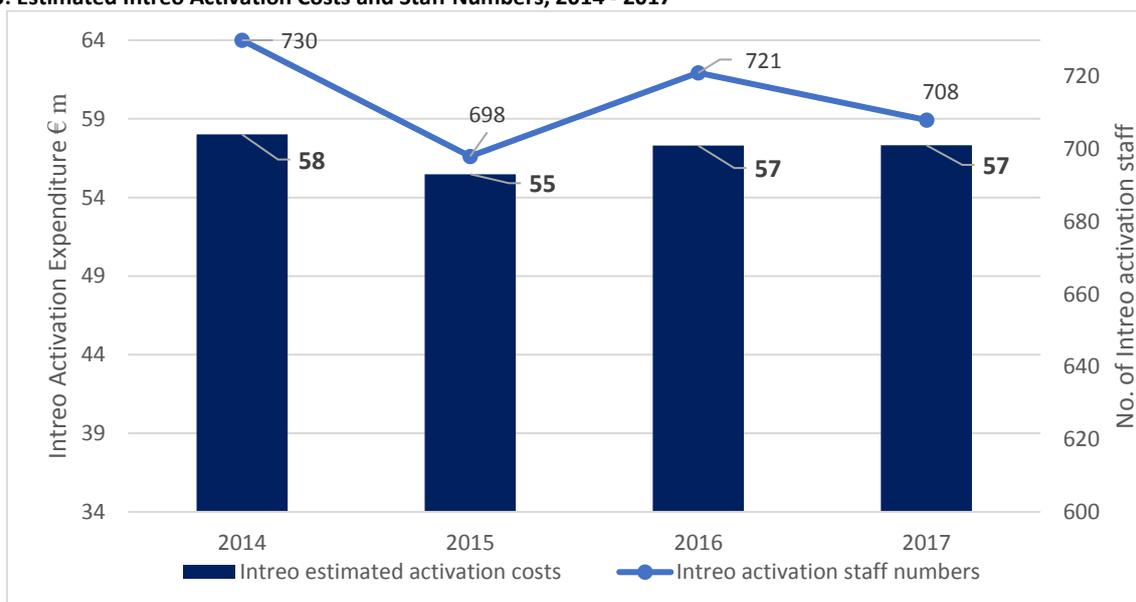
Total expenditure relating to the PES activation costs amounted to an estimated €146m in 2017; the formula was applied to preceding years up to 2017 and estimated Intreo activation expenditure was added to the expenditure of the other PES providers to obtain the total estimated activation spend per annum. It should be noted that given the methodology used there is an underlying interdependence relating to Intreo staff numbers and Intreo estimated expenditure which should be taken into consideration when assessing trends over the period.

Figure 4 shows that PES expenditure has increased significantly over the period 2014-2017, which can be largely attributed to the rollout of JobPath in 2015 with expenditure of €25 million in 2016 and €57.4 million

in 2017. This rise in expenditure and roll out of JobPath reflects the policy of increasing activation through a targeted service delivery to promote employment under Pathways to Work and the National Action Plan for Jobless Households.

Prior to the introduction of JobPath the majority of total activation spend was concentrated in Intreo. Since its introduction in mid-2015, JobPath’s share of total activation costs has been increasing and now accounts for 39% in 2017, which is higher than Intreo’s estimated activation expenditure. Prior to the roll-out of JobPath (with a focus on the activation of the LTU) Intreo was required to provide activation services to both STU and LTU cohorts. From 2015 onwards JobPath’s share of activation spend and activity has been steadily increasing. It should be noted that the roll-out of JobPath and its focus as the largest targeted activation provider has not coincided with decreases in expenditure for the service providers focused on the activation of the Live Register cohort such as LES and Job Clubs. Expenditure has remained relatively static over the period despite the positive labour market conditions. JobPath only commenced in mid-2015 by which time there was a significant upturn in the economy, and it could be argued that this expenditure is not aligned fully with developments in the labour market, the number of long-term unemployed, or the wider economy.

Figure 5: Estimated Intreo Activation Costs and Staff Numbers, 2014 - 2017



Source: DEASP Admin Data

Using the Public Spending Code methodology referred to earlier, total Intreo activation expenditure¹⁴ has remained broadly constant with some slight decreases in 2015 before increasing again in 2016 reflecting an increase in staff numbers. There have been some small changes in Intreo activation staff numbers over the period although the overall level of staff has decreased. However as Figure 5 shows, Intreo estimated expenditure levels have remained constant due mainly to recent pay increases in the civil service.

¹⁴ Intreo estimated activation costs are aggregated estimates and will include the costs of activation services to non-activation cohorts.

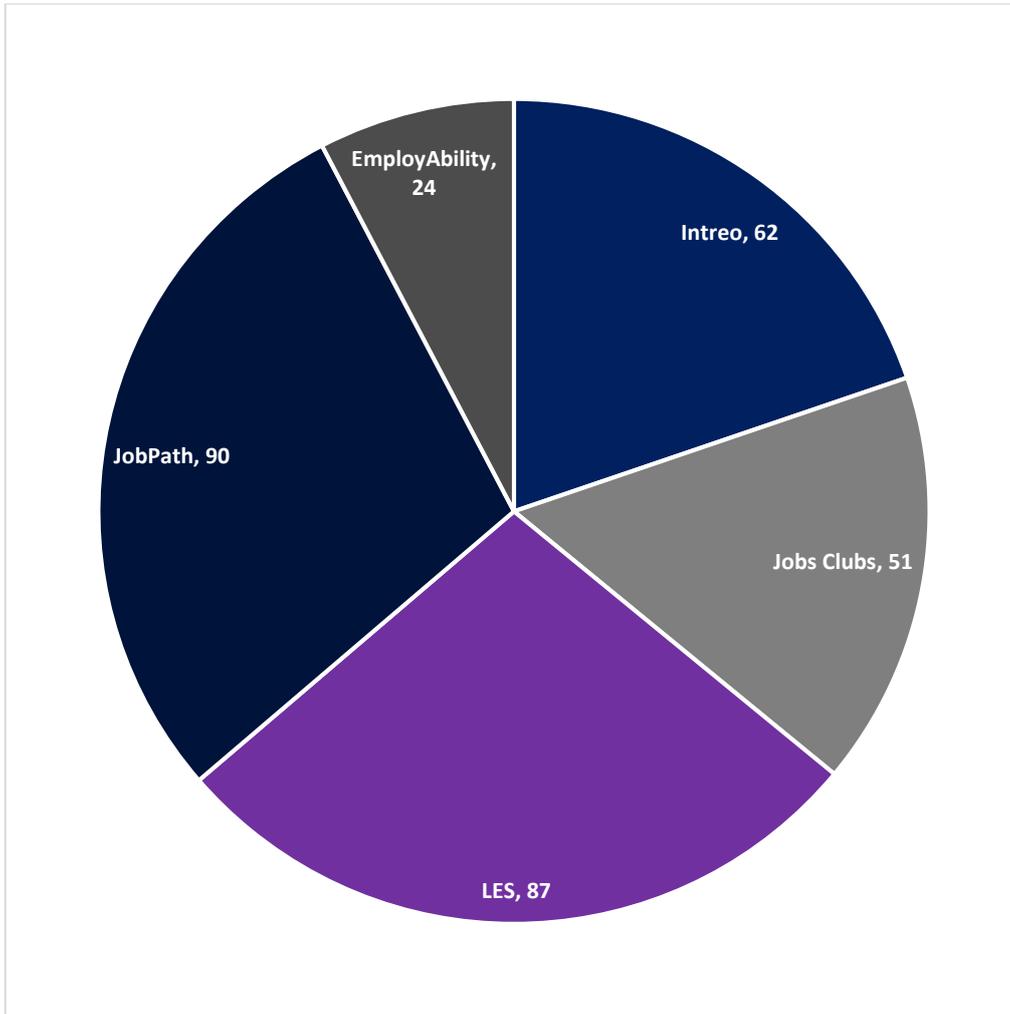
The inability to determine Intreo activation related expenditure makes it difficult to assess linkages between inputs (costs) and outputs. As the level of demand for PES activation has decreased due a recovering economy and lower unemployment rate it has not been possible to assess whether PES inputs have been aligned with outputs. The absence of disaggregated activation costs for Intreo – a key PES provider – is unsatisfactory. There is a critical need to align inputs with outputs going forward especially with PES expected to deliver objectives in the Pathways to Work and Action Plan for Jobless household strategies and in this context robust data is required.

Offices

PES¹⁵ are operating in approx. 314 office locations across the country. A breakdown of the different locations by service provider is set out in the diagram below. The largest category is JobPath with 90 locations, representing 28% of the total share. This is followed by Local Employment Services and Intreo with 27% and 20% respectively.

Figure 6: PES locations (2017)

¹⁵ PES offices excluding Branch Offices



Source: Department of Employment Affairs and Social Protection

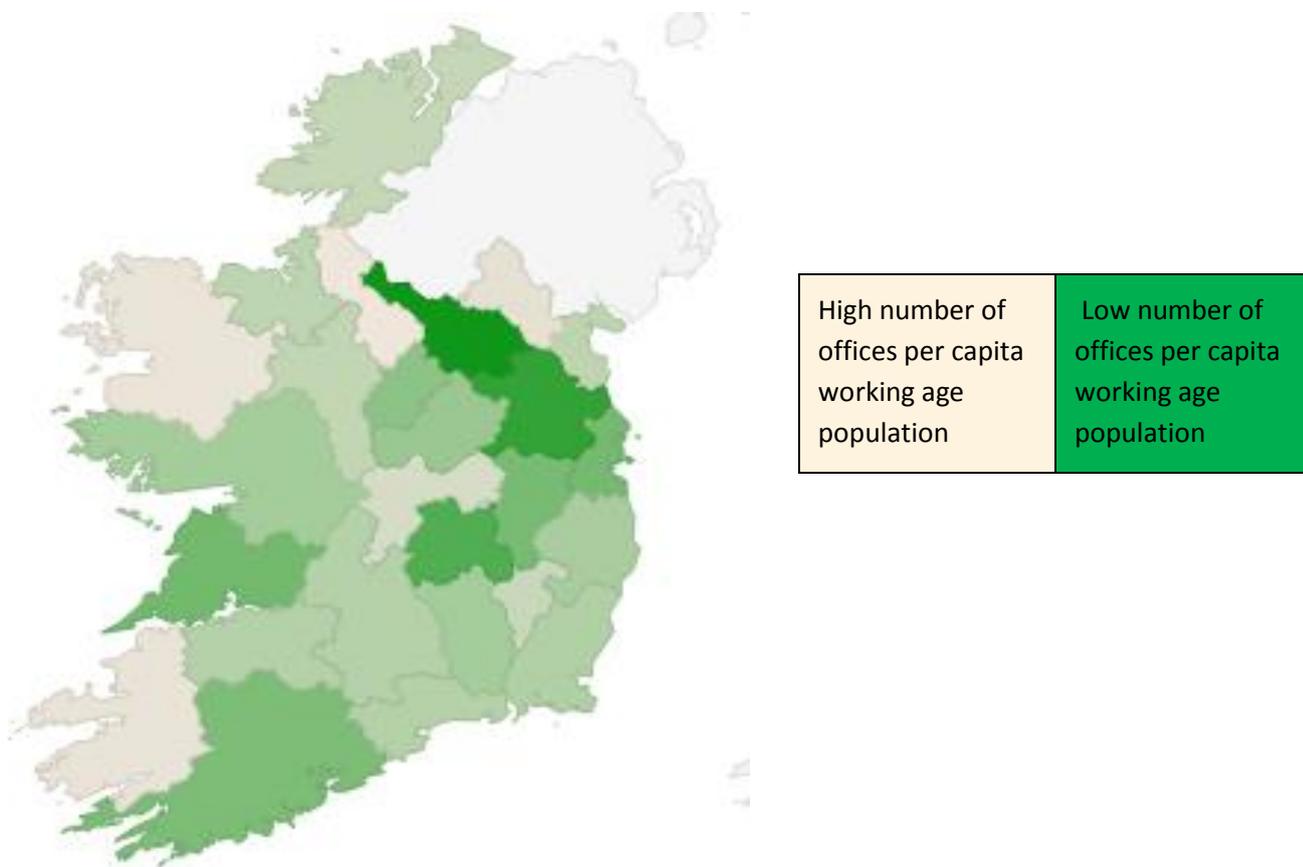
Table 2: Provincial breakdown of PES offices and Live Register figure.

Province	Number of PES offices	Live Register (June 2018)	Number of LR persons per PES office
Leinster	154	121,147	787
Ulster	24	18,264	761
Munster	87	58,729	675
Connaught	49	27,758	566
Total/ State Average	314	225,898	719

In terms of the geographical spread of PES offices per county, it ranges from 79 in Dublin to 2 in Longford and Cavan. Adjusting for working-age population in each county results in an average of one PES office for every 10,641 persons as reported in Census 2016, with large variations in offices per working-age capita (see **Figure 7**). This is a proxy measure for catchment area and is subject to some caveats as a Jobseeker may attend an office in a different county. Meath, Dublin, Cavan, Laois and Kildare have a lower number of offices per capita than the State average with Mayo, Monaghan, Leitrim and Kerry reporting a higher number. Adjusting

for Live Register figures (as of June 2018) across province, Table 2 demonstrates the variation in PES provision across provinces, with more offices per persons on the Live Register in Connaught than in Leinster.

Figure 7: Number of offices per working-age population



Source: Author calculation using CSO Census data and DEASP admin data

Key Findings

- The majority of services are provided through an external service model with three different funding models in place, Intreo is currently the only PES internally provided and funded.
- In 2017, there was 1,717 FTE case officers or mediators, with estimated costs of PES activation of €146m. This reflects the labour intensity of activation. Despite the upturn in the economy and improved labour market conditions there has only been a marginal decrease overall in PES staff and related expenditure.
- The largest PES providers are Intreo and JobPath, with the introduction of JobPath in 2015 being responsible for the large overall increase in PES expenditure. The establishment of JobPath followed by a period of growing prosperity in the economy and better than anticipated level of unemployment and Live

Register numbers suggests there is scope for consolidation of service and expenditure reductions for both Intreo and JobPath.

- Despite the upturn in the economy, LES and Job Clubs expenditure have remained relatively static over the 2014 – 2017 period. A similar trend is evident in EmployAbility.
- PES could benefit from the rationalisation of service providers in regards to their locations in order to ensure relatively even coverage for all counties.
- Due to the internal cost structures of Intreo, it was not possible to get accurate disaggregated Intreo expenditure for activation services. This creates difficulty in accurately assessing Intreo and thereby overall PES expenditure. This also undermines the robustness of linkages between inputs and outputs which would require to be addressed to ensure value for money is being maintained.

6. Activities

PES encompasses a wide range of activities including income support, claim processing, provision of activation services etc. The focus here is mainly on PES providers’ interaction with clients in terms of activation/case management services.

As illustrated in Table 3 there is a wide range of PES contact points and services available. The matrix below sets out the activation services and supports undertaken by each of the PES providers.

Many of the activities are consistent across providers with slight differences that represent the differing client needs with the scope of activities provided proportionate to the size of the PES provider. Intreo, the largest provider, is solely responsible for channelling the flow of referrals to other providers and is the key mechanism for this. Intreo and LES contractors have resources for both activation and non-activation clients (e.g. qualified adults, people with a disability, lone parents) to promote labour market participation particularly as the number of unemployed individuals has reduced significantly. Job Clubs, LES, and Intreo provide walk-in services for Jobseekers and non-activation clients for basic PES services. EmployAbility provides an intensive employment service are for non-activation cohorts (people with a disability, health condition and illness) who self-select for activation on a voluntary basis.

Table 3: PES Activity Matrix

Activities	Intreo	JobPath	Job Clubs	LES	EmployAbility
Provision of labour market information	✓	✓	✓	✓	x
Active placement and recruitment service	✓	✓	✓	✓	✓

Career guidance/counselling and mediation	x	✓	✓	✓	x
Employer liaison	✓	✓	✓	✓	✓
Referral to training, education, work experience and employment programmes	✓	x	✓	✓	x
Support post training, education, work experience and employment programmes	✓	x	x	✓	✓
In employment support	x	✓	x	✓	✓
Drop In Service	✓	x	✓	✓	x
Non Activation Clients	✓	x	x	✓	✓
Interview Preparation	✓	✓	✓	✓	✓
CV preparation	✓	✓	✓	✓	✓
Provides funding to remove barriers to employment	✓	✓	x	✓	x

Key Findings

- Service provision is broad across providers and the most common PES activities are interview and CV preparation, provision of labour market information, career guidance and employer liaison.
- PES providers deliver similar activities in relation to client interventions (CV/Interview preparation), while there is some distinction in extra supports for example, referrals, in-work supports, attending courses.

- JobPath, LES and EmployAbility all provide in-work support to promote sustained employment. This is reflective of the needs of their client base, the LTU and those with structural and social barriers to employment.
- Services are targeted at activation clients (Jobseekers) with fewer resources for non-activation clients and voluntary walk-ins through drop-in services. Expanding the focus and scope of provision to non-activation cohorts and people outside the labour force to include qualified adults and those with a reduced capacity to work due to caring responsibilities will be important as the economy approaches full employment.
- Most services still require referrals centrally controlled from Intreo by DEASP for FET options and employment programmes.

7. Outputs

As set out in the previous section each of the different providers are engaged in a wide variety of activities, that allow a number of different output metrics to be derived. Accordingly, this section reviews a range of metrics across each of the PES activation providers on an individual basis.

Activation engagement

With the exception of JobPath, there are large data gaps in output metrics for PES providers which has led to difficulty in completing a comprehensive analysis of outputs; the nature of JobPath's payment-by-results model means that output metrics are by comparison, more regular, consistent and comprehensive than the other PES providers.

Intreo

Recent data available in 2017Q4 (as shown in Figure 8) reflects the shift of the Intreo client base from the long and short-term unemployed to a concentrated focus on the newly and short-term unemployed cohort with an activation duration of less than 52 weeks before reclassification as LTU. In 2016Q1, the Intreo client engagement share for the long-term unemployed and short-term unemployed was **48% (29,178)** and **52% (31,305)** respectively. By 2017Q4, the share of client engagements had diverged significantly with **86% (39,267)** representing the short-term unemployed and **14% (6,488)** representing the long-term unemployed cohort. The small percentage of LTU's in Intreo reflects the fact that this cohort are referred to JobPath and Intreo services are focused on the STU.

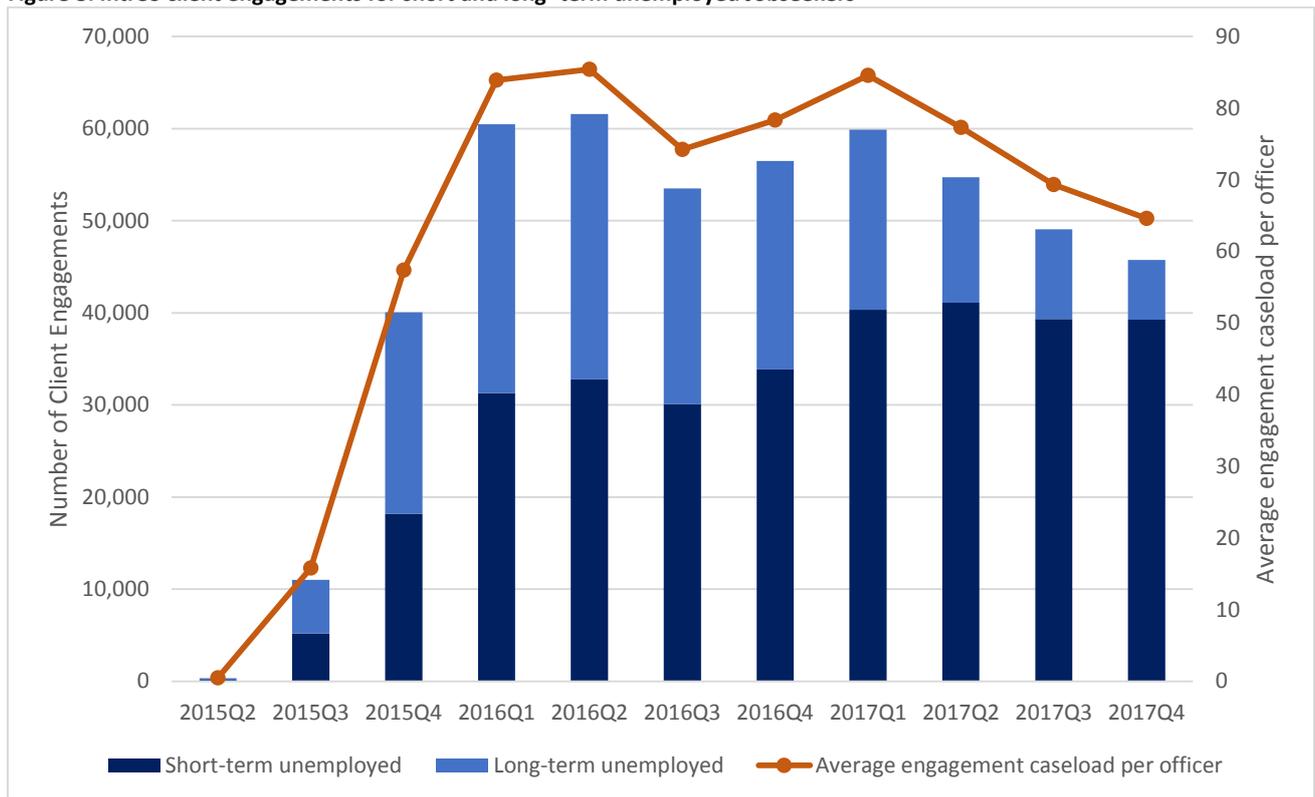
The number of short-term unemployed client engagements most likely increased due to freed up capacity of resources as a result of significant reductions in the number of persons on the Live Register and new Jobseeker claims. The number of short-term clients reduced from **176,143** in January 2016 to **138,350** in December 2017 (a reduction of **37,793**). The number of long-term unemployed clients fell from **145,370** to **97,918** (a reduction of **47,452**) over the same period with the unemployment rate falling from **9%** to **6.3%**.

While it is clear that Intreo have targeted activation resources to the STU and referred the LTU externally to JobPath, the total number of overall Intreo client engagements has declined significantly (a reduction of **15,834** from Q2 2016 – Q4 2017) and appears to be continuing to trend downwards. This is to be expected given the lower levels of unemployment. However, the available evidence suggests that the number of Intreo staff devoted to activation and the estimated costs of Intreo activation services have not fallen in line with the reduction in demand for these services. This may point to either excess capacity in the Intreo service in the context of falling Live Register numbers, additional activation services for the non-activation cohort and/or a move to a more intensive activation service.

Figure 8 shows the number of client engagements carried out by Intreo staff as well as the average number of engagements by a case officer each quarter. While the number of engagements has dropped as a result in the

decrease in the Live Register, staff numbers have remained relatively static. Greater access to data in relation to the activities of Intreo staff is necessary in order to determine whether i) there was more intensive interaction with clients as a result of freed up capacity and ii) if this in turn impacted outcomes in terms of gaining employment or activating those outside the labour market or iii) if there is under-utilisation of resources across the Intreo network. These are required to be addressed and would fall into the overarching strategies of PTW and APJH to promote participation in the labour force.

Figure 8: Intreo client engagements for short and long- term unemployed Jobseekers



Source: DEASP Admin data

NOTE: Client engagements will include multiple engagements that an individual case officer has with the same client.

As demand for PES decreases with unemployment expected to stabilise close to 5% in the coming years¹⁶, inputs - current staffing levels and expenditure - would be required to be assessed against the number of outputs - referrals, engagements, frequency of engagements, average caseloads per case officer- in order to ascertain whether Intreo activation services are providing best value for money. To do this type of input/output analysis requires major improvements to the quality of Intreo outputs reported. In this context it would be necessary for Intreo inputs and outputs to be robust and reported on a regular basis. It is also recommended that these are published to promote transparency, an objective set out under the Pathways to Work strategy in particular with the upcoming mid-year review. Improving the link between the inputs and outputs and allowing flexibility for developments in the economy would provide more efficient use of

¹⁶ The unemployment rate as outlined in SPU 2018 is projected to be 5.8% in 2018; 5.3% in 2019/2020; 5.4% in 2021.

resources. Extra resources can facilitate the promotion of labour market participation to inactive cohorts¹⁷ and people with disabilities which would help achieve the objectives in the Action Plan for Jobless Households strategy and the Comprehensive Employment Strategy for people with disabilities.

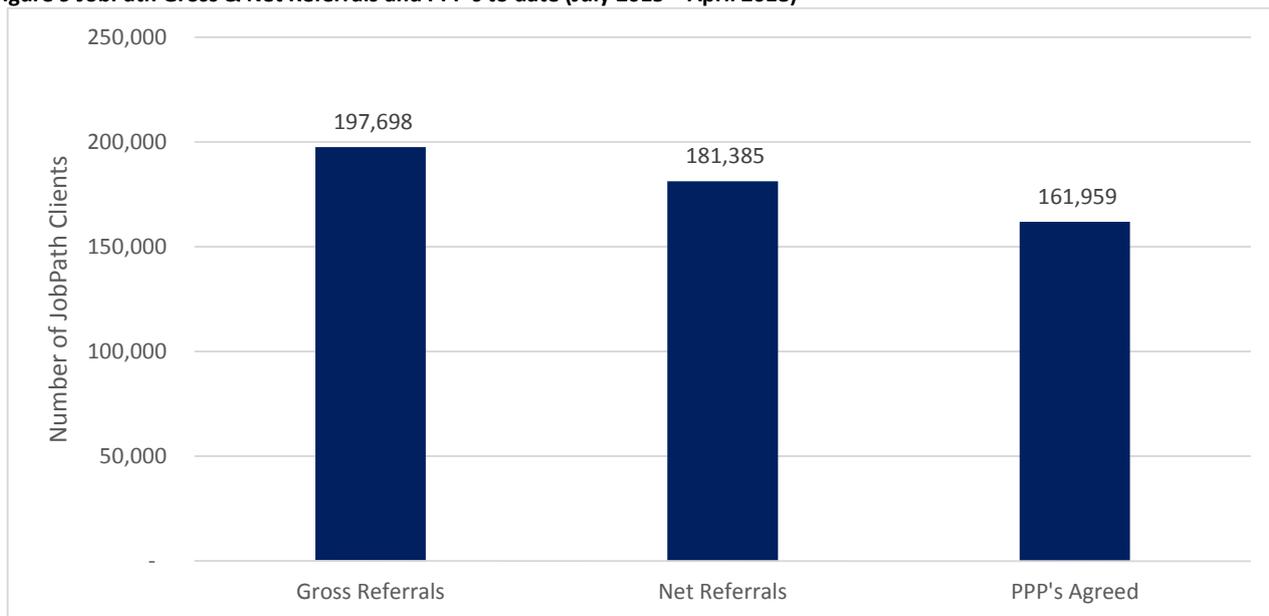
JobPath

Unlike the paucity of readily available data related to Intreo activation services, performance data for JobPath is produced on an ongoing basis.

Since its introduction in July 2015, JobPath cumulative gross referrals¹⁸ to date (April 2018) are **197,698** across both providers Seetec and Turas Nua. Gross referrals represent the number of planned JobPath outputs. The duration of engagement is 52 weeks and the target caseload per personal advisor is **120** with the current across both providers at 140.

To date, **341,896** educational or training interventions have occurred during the engagement with JobPath clients (interview skills, CV prep), the large majority of which were internally provided. Only **13,703** clients undertook programmes delivered by external providers contracted out by Seetec and Turas Nua.

Figure 9 JobPath Gross & Net Referrals and PPP's to date (July 2015 – April 2018)



Source: DEASP Admin Data

Due to the payments-by-results model of JobPath, expenditure is directly related to provider performance. Fees are paid based on the number of registrations made (PPP's signed) and the number of clients who gain and sustain employment. Payments comprise registration fees and job sustainment fees (JSF). The target split

¹⁷ Inactive cohorts to include qualified adults, lone parents and those engaged in home duties.

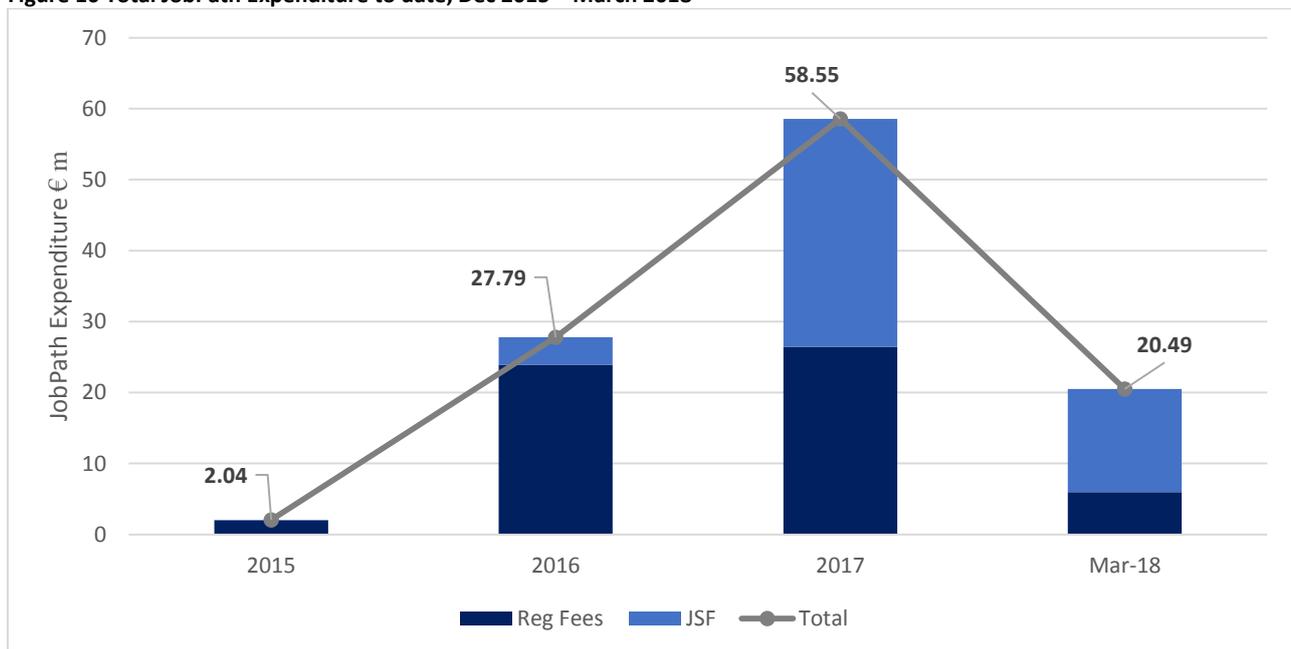
¹⁸ Gross referrals are those referred from Intreo and selected for activation through JobPath. The difference between gross referrals and net referrals (those who actually attend JobPath induction session) may include non-attendance and subsequent penalties, other commitments made prior to referrals ie. CE programme, employment, BTEA, BTWA. These can also account for the differences between net referrals and PPP's.

for the fee structure was set at 15% registration fees and 85% from job sustainment fees (Department of Employment Affairs and Social Protection, 2018). As of 2017, the split is closer to 35% to 65%.

Contractors maximise their fees if a Jobseeker sustains employment for 12 months with a maximum of four sustainment fees paid in respect of any client. The JSF is based on Jobseekers sustaining employment at intervals of 13 weeks, 26 weeks, 39 weeks and 52 weeks.

The number of PPP's agreed and signed to date is **161,959** which represents the number of people that have begun JobPath activation engagement. These represent executed outputs for JobPath. Expenditure for JobPath has increased in recent years as it has become fully established (Figure 10). An evaluation of JobPath performance is underway that should establish whether the inputs to date have resulted in positive outcomes under the model (expected completion Q4 2018). Output metrics including frequency of engagements and caseload per personal advisor are not directly linked to JobPath inputs (expenditure, staffing) as only outcomes for JobPath determine these under its payment-by-results model. However, outputs would still be useful to report for comparison across all providers and to provide useful metrics for future PES provision. Despite reductions in demand for PES, there will remain a cohort of structural LTU and the learnings from JobPath should help inform future activation policy.

Figure 10 Total JobPath Expenditure to date, Dec 2015 – March 2018



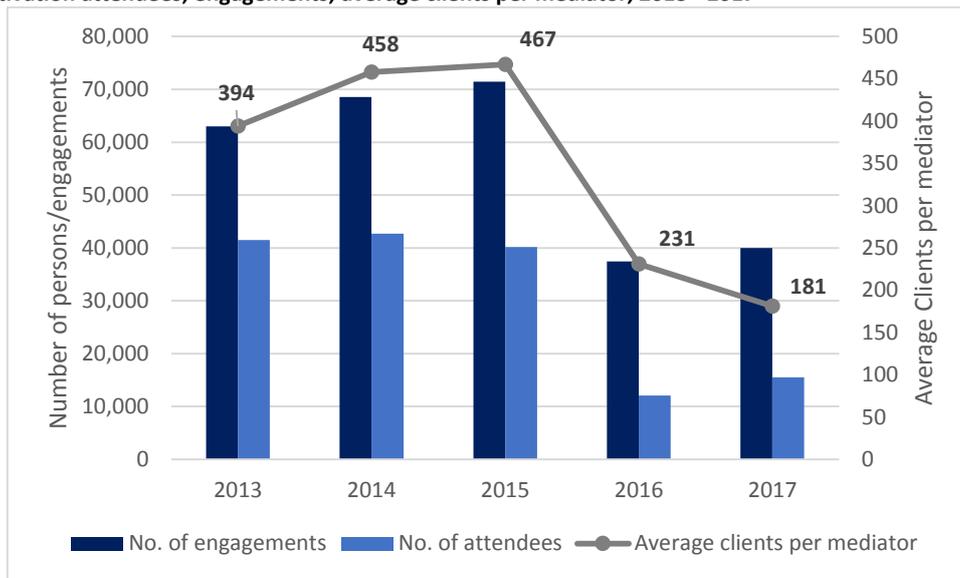
Source: DEASP Admin Data

LES

As demonstrated in Figure 11 and Figure 12, the rollout of JobPath in 2015 and new criteria for LES mediator caseload resulted in a significant decrease in the number of total LES client engagements for both activation and non-activation cohorts. Activation engagements decreases from **71,424** in 2015 to **39,984** in 2017 (a **44%** reduction). Similarly over this period, attendees¹⁹ decreased from **40,169** to **15,545**, a 61% reduction (Figure 11). The non-activation cohort followed this downward trend with engagements falling from **28,004** in 2014 to **9,573** in 2017, a **66%** reduction. The number of attendees fell accordingly from **17,228** to **5,000**, a **71%** decrease (Figure 12).

This reduction occurred concurrently with the implementation of new caseload targets for LES mediators to provide a more intensive engagement with clients from mid-2017. Under the replacement basis criteria there is a maximum caseload per case officer of 120. In 2013, average caseload per mediator was **394** for activation clients and **195** for non-activation clients. In 2017, average caseload per mediator stood at **181** for activation clients and **57** for non-activation clients.

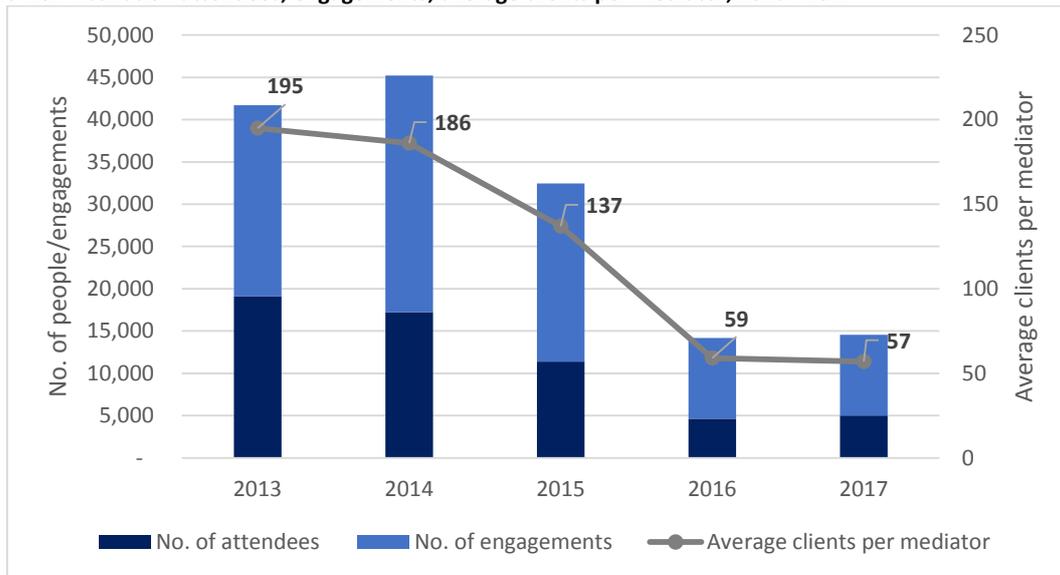
Figure 11 LES Activation attendees; engagements; average clients per mediator, 2013 - 2017



Source: DEASP admin data

¹⁹ Attendees are defined as clients who are referred to LES, who subsequently attend initial GIS or 1-1 meeting.

Figure 12 LES Non-Activation attendees; engagements; average clients per mediator, 2013 - 2017



Source: DEASP admin data

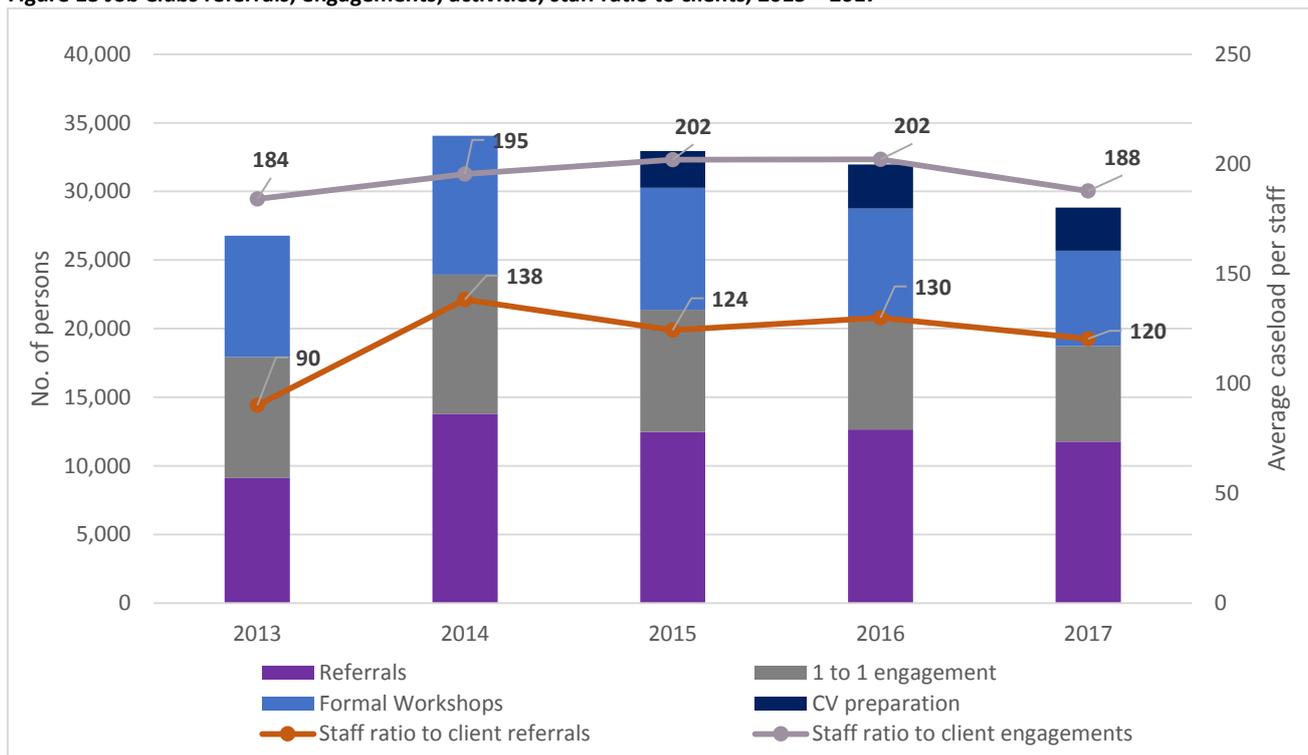
Whilst the caseload per mediator has been significantly reduced (approximately 50% reduction in caseload per mediator), the number of LES mediators and related expenditure (as discussed in section 4) has remained constant over the period 2013-2017. This period of more intensive engagement does not appear to have translated into improved outputs. In 2017, LES was not meeting its maximum caseload (currently a yearly average of 181 per mediator for activation clients) despite large reductions in average caseload per mediator from 2015. The higher than target caseload per mediator is difficult to assess without further output metrics including frequency of engagement for clients but could reflect the slower turnover of clients in LES possibly due to clients staying longer in the programme. Higher caseloads could also suggest that more intensive engagement for clients is not being realised which could impact their duration and success within the programme itself. The evidence suggests that there are resource inefficiencies given the reduction in the target pool of LES clients, the reduced demand for activation services more generally over the period and the overlap of target client between LES and JobPath.

Job Clubs

Job Clubs referrals, activities and engagements peaked in 2014 before reducing in recent years. Referrals to Job Clubs has fallen from **13,795** in 2014 to **11,781** in 2017, a **15%** reduction. The number of formal workshop attendees has fallen from **10,136** to **6,946**, a **31%** reduction and the number of one-to-one engagements has fallen from **9,365** to **8,258**, a reduction of **12%** over the 2014 – 2017 period. While staff to client ratio for referrals are not a basis for operation of Job Clubs in the same way that they are for LES, they are a good indicator of activity. The average caseload per employee has also reduced with a staff ratio to client referrals of **188** (a reduction of 14) and staff ratio to client engagements has reduced to **120** (a reduction of 18) as of 2017 (Figure 13).

CV preparation was introduced in 2015 and this roll-out coincided with a reduction in the number of attendees to formal workshops. The number of Job Clubs staff has reduced by 2 (going from 100 in 2014 to 98 in 2017) while expenditure has reduced by €0.19 million, a 4% reduction. It would appear that there is a lag between reductions in Job Clubs activity (referral numbers and activation intervention attendees) and the corresponding level of expenditure and staff inputs.

Figure 13 Job Clubs referrals; engagements; activities; staff ratio to clients, 2013 – 2017



Source: Indecon International Economic Consultants, Job Clubs Evaluation report.

The typical duration of engagement for Jobseekers is between 1-4 weeks given that Job Clubs are designed primarily for ‘job ready’ clients. Alongside this, the reduced outputs (lower referrals) to Job Clubs in recent years raises the issue of demand for short-term activation services for Job Ready clients and requires a greater linkage of resources (inputs) to outputs and the need for these to be more flexible in the operation of the scheme to respond to a reduced demand.

EmployAbility

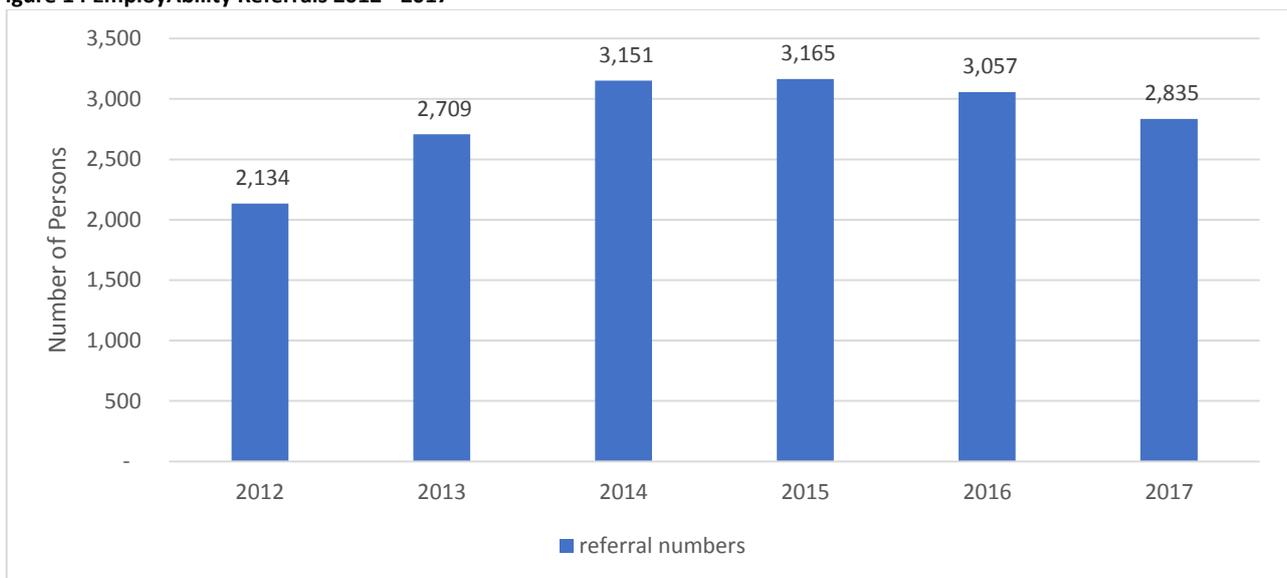
EmployAbility provides an intensive employment support service, with an extended engagement period of 78 weeks (18 months), with an average caseload of 26 per Job Coach as of 2014 (target set at one job coach for 25 clients). Latest available output data shows that referrals to Employability peaked in 2015 (Figure 14) which is reflected by the rise in active clients during this time (See Figure 15). With staff levels of 113 in 2017, this means there is a capacity for approximately 2,800 clients. However, without more recent active client and

caseload per Job Coach data it is not possible to assess current available capacity for EmployAbility. In recent years, referrals to EmployAbility have been steadily declining (approximately 10%) while the number of recipients of Disability Allowance increased by 23,879 or 21% from 112,097 in 2014 to 135,976 as of April 2018. This is a substantial increase in the potential client base for participation with the EmployAbility services.

Given that EmployAbility is an activation service for a non-activation cohort and referrals are made on the request of an individual seeking activation support, it is unclear why there has been a drop-off in actual demand for these services during a period of substantial increase in potential demand.

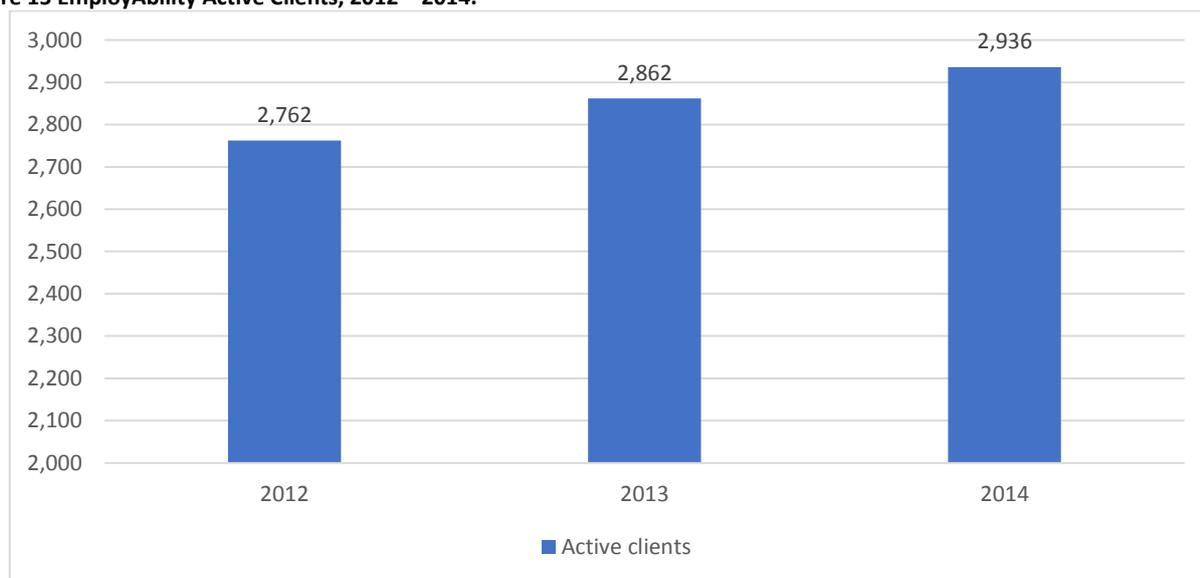
Despite the apparent reduced demand for EmployAbility services, staff levels and expenditure as discussed in section 4 have remained constant over the period 2012-2017. This suggests there is scope for more efficient use of resources with particular emphasis on ensuring service inputs (expenditure and staffing) are linked to service outputs (referral numbers, active clients). Further analysis of more recent and comprehensive output metrics is required to determine the available capacity and viability of EmployAbility in the future.

Figure 14 EmployAbility Referrals 2012 - 2017



Source: DEASP admin data

Figure 15 EmployAbility Active Clients, 2012 – 2014.



Source: Indecon International Economic Consultants EmployAbility Evaluation report, 2016.

Key Findings

- Expenditure and staff levels for PES do not appear to be responsive to reduced outputs and to wider changes in the economic environment. The improvement in the labour market has resulted in a smaller client base which can in turn be demonstrated with fewer referral numbers across all PES providers. The available output metrics for LES, Job Clubs and EmployAbility show that inflows of referrals have reduced. This suggests there is scope for realigning PES programme inputs with outputs for optimum performance and more effective spending. It would therefore be important to assess current allocations to these schemes.
- There are data gaps in respect of PES outputs and there is a requirement for more comprehensive output data to include number of referrals, number of engagements, number of workshops, average caseload per case officer and average frequency of engagement. This will allow for standardisation and comparison across provider and inform best practice for the future of PES provision. Better data will facilitate input and output analysis to assess performance of these PES activation interventions.
- Reductions in the client base may have led to more intensive engagement with clients, however, it is unclear what this means in practice and whether this has led to more frequent reviews for clients and an increase in outputs as a result.
- Given the large increase in Disability Allowance recipient numbers in recent years, there is a need to assess the actual demand for EmployAbility and current available capacity for its services.

- Similarly, the reductions in demand for other PES providers suggests there is scope for expanding capacity further to non-activation cohorts.
- Despite reductions in demand for PES and the economy projected to have low stable levels of unemployment, there will still be a level of structural unemployment and the knowledge gained from JobPath should help inform future activation policy for this cohort of Jobseekers.

8. Policy Context

The current labour market environment is positive with declining levels of unemployment coupled with significant reductions in the number of persons on the Live Register. However challenges remain within a constantly evolving labour market and policy must focus on:

- **Short to medium term challenge:** Improving labour force participation by encouraging discouraged workers to return to the labour market by continuing to support employment transitions, in particular through the case management and activation system.
- **Longer term challenge:** Boosting labour force participation both in terms of the current stock of people outside the labour force and ensuring others, especially among the youth cohort, do not flow into inactivity. Reforms should be focused on removing the multitude of employment barriers faced by those furthest from the labour market.

Activation Policy

In terms of activation policy, there has been significant developments over the past six years including the:

- expansion of training and employment supports to peak levels of investment of €1.1bn in 2015;
- establishment of the Intreo office network;
- rollout of additional case management capacity in the form of privately provided JobPath service and,
- implementation of other policies in the area of housing supports and childcare to address other barriers to employment.

The direction of future policy is guided by a number of strategies, including *Pathways to Work 2016-2020*, *Comprehensive Employment Strategy for People with Disabilities* and *Action Plan for Jobless Households*. Each of the strategies is discussed in further detail below.

Pathways to Work 2016-2020

Labour market policy is guided by the Pathways to Work Strategy, which seeks to ensure that as many jobs as possible go to people on the Live Register. The latest Strategy reflects the changed labour market context with the primary purpose of activation policies now to support the filling of vacancies as quickly as possible; and to increase active labour market participation of all working-age people.

Over the next few years therefore, the aim of the Strategy is to deliver enhanced engagement with Jobseekers, develop closer links with employers, and ensure that positive incentives are in place for people to take-up job opportunities. In addition, the scope of activation services will expand beyond Jobseekers with the aim of boosting participation in the labour market for other groups such as people with disabilities and lone parents.

Specifically a number of actions commit to publishing performance related statistics at an Intreo centre level and the cost and performance of contracted providers including JobPath, LES/Jobs Club (Department of Employment Affairs and Social Protection, 2016). To date performance data has only be published in relation to JobPath.

Comprehensive Employment Strategy for People with Disabilities

The Government's Strategy was launched 2015 to address the underrepresentation of people with disabilities in the labour force. It provides a cross-government approach focusing on actions by different Departments and State Agencies in a concerted effort to address the barriers and challenges impacting on the employment of people with disabilities.

Action Plan for Jobless Households

The Department of Social Protection has published an Action Plan for Jobless Households. The main target is to reduce the proportion of jobless households from 18% to 13% by tackling numerous barriers faced by persons trying to access the labour market. The headline actions include:

1. Extension of proactive engagement to non-Jobseekers (groups of inactive working-age adults)
2. Improve incentives & remove barriers for people transitioning from welfare to employment
 - a. Rollout of Housing Assistance Payment
 - b. Rollout of Single Affordable Childcare Scheme
 - c. Package of reforms to support working families
3. Undertake a pilot programme of family-focused employment/case management system

Future reform

- The direction of PES will be focused on aligning capacity with labour market demands and ensuring flexibility for effective use of resources.
- Widening the focus from activation of Jobseekers to increasing engagement with non-activation cohort and improving participation in the labour market.

9. Conclusions/Recommendations

- Over the period 2012 -2017, staffing levels and overall expenditure for PES have remained relatively unchanged. Improvements to the labour market has not translated to reductions in staff numbers and expenditure across PES providers, despite reduced demand for PES services from its primary client base of activation clients. This suggests there is resource capacity that is being under-utilised and that there is scope for improvements to cost efficiency. The freed up capacity may be directed towards i) more intensive client engagement and increased outputs ii) increases in the frequency of engagement iii) better employment outcomes iv) engagement with the non-activation cohort. However, further analysis supported by better input/output metrics and outcomes is required. From the data available, it does suggest there is scope for realigning PES inputs with outputs to improve cost efficiency and to assess current allocations to these programmes. There may be scope to undertake a capacity review to achieve this.

Action 1: It is recommended that DEASP report output metrics for all PES providers (number of referrals, number of engagements, number of workshops, average caseload per case officer, average frequency of engagement) at regular intervals (quarterly) and publish as recommended in the Pathways to Work Strategy.

Action 2: Develop and put in place monitoring mechanisms to include KPI's with clearly delineated responsibilities. This will allow for standardisation and comparison across provider and inform best practice for the future of PES provision.

- Intreo, the largest and only internal provider of PES has the poorest quantum of metrics. JobPath, an externally contracted out PES programme has more complete and regular data flows and reporting. It is considered that the fragmentation of costs across the Intreo network makes it difficult to accurately assess actual expenditure of PES activation. The lack of robust expenditure estimation is unsatisfactory as it makes it impossible to make any definitive link between Intreo inputs and outputs.

Action 3: It is recommended DEASP develop an approach to ascertain accurate Intreo activation expenditure which can be used to inform future spending allocations.

- PES provision is highly complex as there are a number of different providers with similar delivery mechanisms but different target groups related to duration of unemployment. It is unclear what criteria is used to determine the most appropriate provider for an individual's activation journey as there remains some overlap across providers relating particularly to the activation of the LTU cohort. As the number of long-term unemployed decreases, it would appear there is a need for PES activation for the LTU to be consolidated in response to reduced demand and for more optimal use of resources. The winding down of JobPath in 2019 can inform future PES provision to this cohort.

Action 4: PES provision for the LTU cohort should be consolidated to reduce complexity to ensure each provider has separate target cohorts to maximise resource allocation. DEASP should use the evaluation of JobPath to inform best practice in future activation services for LTU.

- There has been significant reductions in referrals to LES, Jobs Club. Despite this, contracts have been renewed with expenditure allocations and staffing levels remaining constant. Consistent and regular metrics are not readily available to evaluate and monitor outputs of these PES providers.

Action 5: Allocations to LES, Jobs Club should be evaluated in the context of reduced demand to include metrics and clear KPI's.

- PES activation services were initially targeted at jobseekers during the economic crisis. The current capacity allocation in PES resources and the reduced demand from the jobseeker cohort suggests there is an opportunity to redirect freed up resources towards the non-activation cohort including lone parents, people with a disability and qualified adults. This would boost participation rates as the economy reaches close to full employment.

Action 6: Expand the client base of PES activation services to include further targeting of resources to non-activation cohorts and achieve objectives set out under Pathways to Work and Action Plan for Jobless Households.

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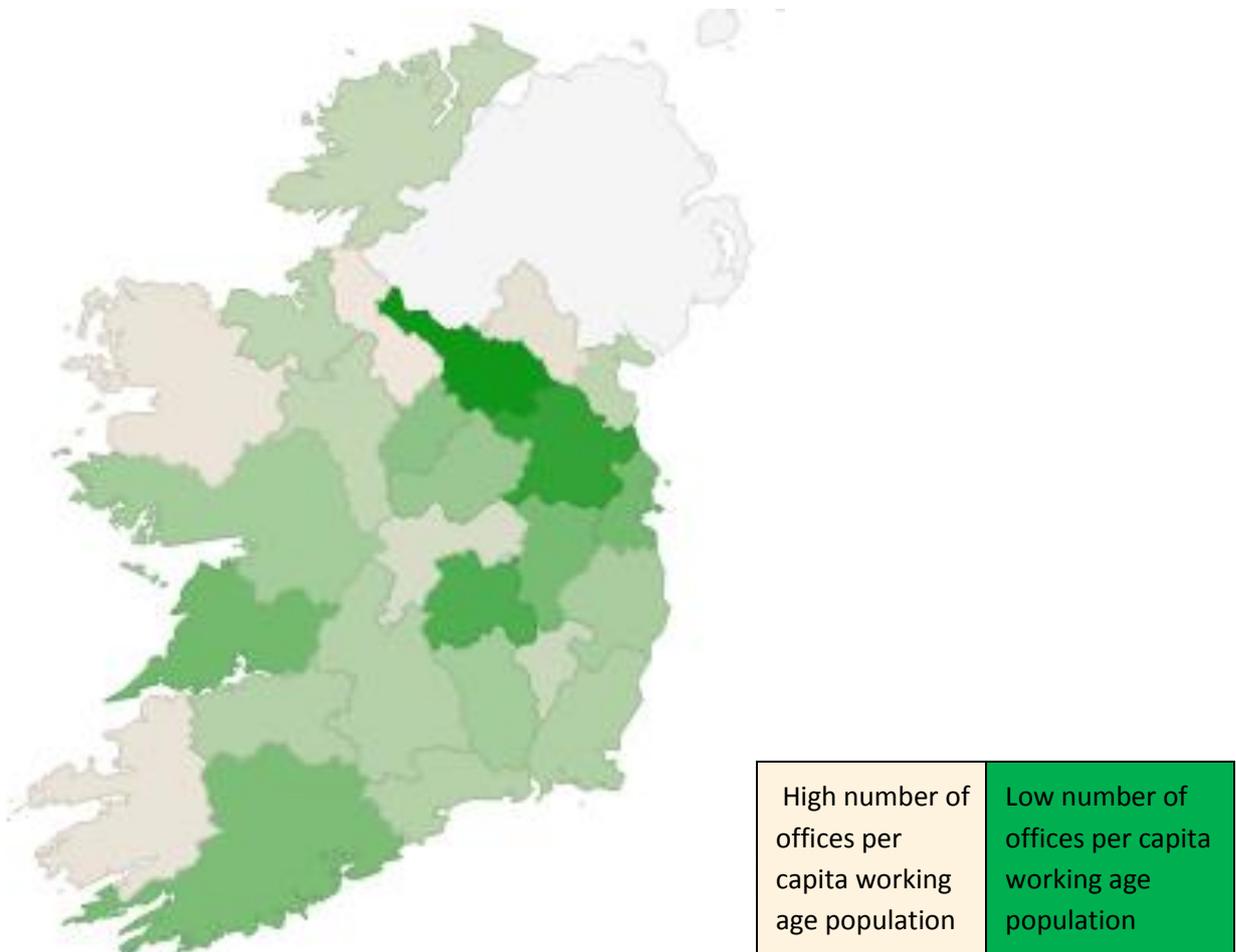
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11. Appendix

Appendix 1:

Number of offices per county.



Appendix 2:

LES²⁰ is delivered through a series of contracts with external organisations tasked with LES was originally set up to provide a more locally based intensive guidance service for the long-term unemployed and other non – activation target groups.

Jobs Club²¹ provide client engagement model involves three primary activities formal workshops one to one engagement sessions and a CV preparation service. They also provide other activities, services and resources available on a drop-in basis without formal referrals which include access to internet, computers, phone, business directories, Jobs Ireland website and other relevant data sources.

EmployAbility²² is operated through sponsor organisations on the behalf of DEASP. Interventions are made through Job coaches and outcomes can include formal work experience and employment in the open labour market leading to working a minimum of eight hours per week. It also provides support for employers through a free recruitment and employment service.

Intreo²³ operates a work first policy: jobs first for those that are ready to enter/re-enter the labour market; and education and training for those who are not. It provides expert assistance and advice on employment, training and personal development opportunities (delivered through group information sessions and individually assigned case officers) as part of the formal activation process of unemployed individuals (STU primarily) and is responsible for any referrals to other PES services, training, education and employment programmes. Intreo also provide self-service facilities with information and guidance on employment and training opportunities and a drop-in service available for “walk-ins”²⁴.

JobPath²⁵ is based on a performance model with the private providers earning fees based on client registration and job sustainment durations. Jobpath The service provides jobseekers with practical assistance in identifying

²⁰ Further detail on LES can be found here: <http://www.localemploymentservices.ie/job-seekers/>

²¹ Further detail on Jobs Club can be found here: <http://www.welfare.ie/en/Pages/Jobs-Clubs.aspx>

²² Further detail on EmployAbility can be found here: <http://employability.ie/>

²³ Further detail on Intreo services can be found here: <http://www.welfare.ie/en/Pages/Intreo-Video.aspx>

²⁴ “Walk-ins” are classified as other client group, those who have not been referred directly but have volunteered to engage with the service.

²⁵ Further detail on the JobPath programme and its contractors are expanded on here: <https://www.welfare.ie/en/Pages/JobPath.aspx>
<http://www.turasnua.ie/> <http://www.seetec.ie/>

barriers to employment and solutions to overcome these barriers, identifying 'hidden' talents and skills, and potential fields of work, active job searching, preparing and tailoring CVs, preparing for interviews, building confidence and motivation, providing access to relevant training/coaching programmes, constructive evaluation and reviews from rejected job applications/interviews, and as appropriate, practical assistance in respect of job search costs. (Department of Social Protection, 2017) "JobPath allows for a provider to "stop the clock" when a participant avails of a training or education course and can resume JobPath activation on completion of the training course" (Department of Social Protection, 2018).

Appendix 3:

The PEX score is a proxy of EmployAbility and the likelihood of gaining employment. It takes account of factors including age, duration of unemployment, previous periods of unemployment, education level, skill set and work experience using a set of profiling questions. A high PEX score is indicative of a good probability for gaining employment, and clients with a high PEX are required to attend a mandatory follow-up review with their assigned case officer after 6 months of the initial 1 to 1 session. A client with a medium PEX score will be required to attend a mandatory follow-up review with a case officer every 2 months. Clients with a low PEX score, indicative of a low probability of gaining employment, will be required to attend compulsory monthly follow-up reviews with their case officer. Similarly, clients under 25 years are also required to attend monthly follow-up reviews with their case officer. These engagement patterns are designed to allocate staff resources on priority needs; young jobseekers with low PEX are targeted to seek to prevent the movement into long-term unemployment.

Quality assurance process

To ensure accuracy and methodological rigor, the author engaged in the following quality assurance process.

- ✓ Internal/Departmental
 - ✓ Line management
 - ✓ Spending Review Steering group
 - ✓ Peer review (IGEES network)
 - ✓ Quality Assurance Group

- ✓ External
 - ✓ DEASP