

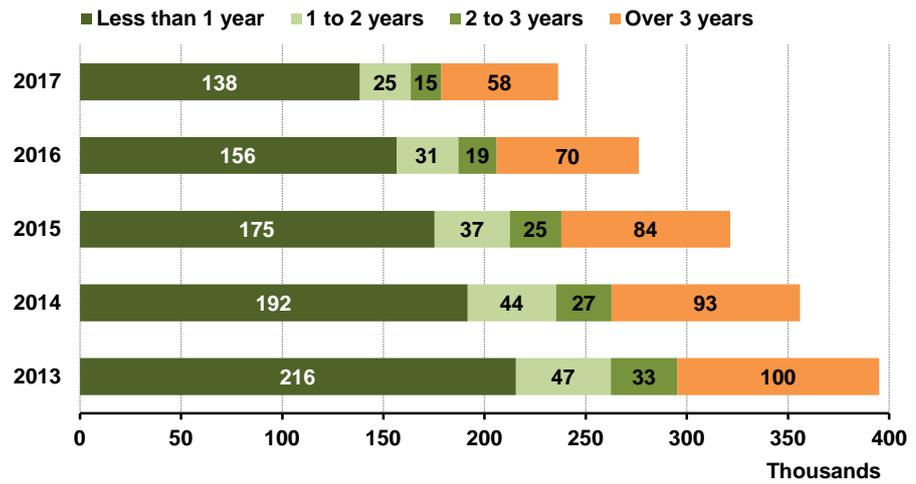
12 JobPath Employment Activation Service

- 12.1** In addition to monetary income support payments, the Department of Employment Affairs and Social Protection (the Department) provides employment activation services for unemployed persons. Employment activation involves taking an all-inclusive view of the needs of the unemployed person through identifying sources of support, other than payments, such as assistance from other agencies and opportunities for training. The service is intended to assist unemployed persons to find and sustain permanent employment or self-employment.
- 12.2** The Department stated that, due to the sharp increase in the numbers who were unemployed during the last economic downturn, there was a requirement for more intensive activation/employment support to help unemployed jobseekers prepare for and secure employment.
- 12.3** The Department's Intreo network is responsible for processing claims and payments for the unemployed. It also provides activation services aimed primarily towards the short-term unemployed — those unemployed for less than one year. In contrast, JobPath is an approach to employment activation designed to support the long term unemployed (LTU) — those unemployed for one year or more. The JobPath service was rolled out from mid-2015.
- 12.4** The JobPath service provides jobseekers with practical assistance in
- identifying barriers to employment and solutions to overcome these barriers
 - identifying hidden or undervalued talents and skills and potential fields of work
 - job searching, preparing and tailoring CVs and preparing for interviews
 - building confidence and motivation.
- 12.5** Following an open public procurement process, contracts to deliver JobPath were signed with two companies — Seetec Limited and Turas Nua Limited. These companies provide JobPath services in two contract areas based on the Department's divisional structure.
- Seetec — West; Midlands North; North East; North West; Dublin Central; Dublin North; Dublin South.
 - Turas Nua — Cork Central; South East; Mid-Leinster; Mid-West; South West; Midlands South.
- 12.6** This report examines how the Department monitors and measures the achievement of the JobPath contract objectives, and the associated costs.

Unemployment trends

12.7 The level of unemployment reached a peak in July 2011 with almost 470,000 people on the live register. The number on the live register had reduced to 236,000 at the end of 2017, and further reduced to 228,000 at the end of June 2018. Figure 12.1 shows the live register by duration of unemployment for the period 2013 to 2017.

Figure 12.1 Live register by duration of unemployment, year end 2013 to 2017



Source: Central Statistics Office. Analysis by Office of the Comptroller and Auditor General.

12.8 The number of persons unemployed for more than one year and classified as long-term unemployed decreased by 45% between the end of 2013 and the end of 2017.

Categorisation of jobseekers and selection for referral

12.9 Figure 12.2 shows the categorisation used by the Department to stratify jobseekers, based on the length of time they have been in receipt of income support payments.

12.10 The Department commenced referral of jobseekers in groups 1 to 4 to the JobPath service providers in July 2015. The referral of jobseekers in group 5 commenced in November 2016. No referrals had been made in respect of jobseekers classified in group 6 up to end March 2018.

Figure 12.2 Categorisation of jobseekers

Group	Jobseekers who are in receipt of an income support payment
1	passing the twelve months duration threshold
2	over one year and less than two years unemployed
3	two years or more, but less than three years unemployed
4	three years or more unemployed
5	in part-time employment and seeking to secure full-time employment
6	less than twelve months unemployed but assessed to be among the 5% with the highest probability of becoming long-term unemployed.

Source: Department of Employment Affairs and Social Protection

Operation of service

- 12.11** The Department randomly selects jobseekers for referral to JobPath on a weekly basis.
- 12.12** The jobseekers selected are invited to a group session where they are provided with information on the services available through JobPath. Following this session, a one-to-one meeting with a JobPath advisor is arranged.
- 12.13** The advisor draws up a Personal Progression Plan (PPP) with the jobseeker which includes a series of actions designed to assist him/her in securing a job. Appropriate training and development opportunities and career advice are given. Assistance with compilation of a CV and interview preparation is also given. The personal advisor helps the unemployed person in identifying barriers that may be preventing them from working and provides assistance to help overcome those barriers.

Employer engagement

- 12.14** In addition to the services provided to jobseekers, services are also provided to employers, including
- recruitment and selection
 - interview facilities
 - candidate screening
 - tailored employee training and support
 - job-brokering and in-work support.
- 12.15** The Department does not prescribe how the service providers should engage with employers. It is left to each provider to determine the nature and type of employer engagement that it considers will deliver the best job outcomes. The service providers are prohibited from charging employers for any services provided.¹

Performance of service

- 12.16** The key objectives of the JobPath service are to get more people moving from the live register into employment with fewer moving back onto the live register, and to reduce the duration of unemployment when it does arise. The service also aims to achieve a high level of satisfaction from participating jobseekers.
- 12.17** The key performance indicators (KPIs) set out in the agreement against which the JobPath service is to be measured are

- **job commencements:** the number of JobPath clients moving into employment — the Department set performance targets for job commencements for each referral category which average at 14% over-all²
- **job sustainment:** the duration of sustained periods of employment — the Department did not set a target rate for the job sustainment milestones — this was left to the bidders in preparing their tenders
- the average **duration of unemployment** for jobseekers participating in the JobPath service — a specific performance level was not set for this performance measure
- the level of **JobPath client satisfaction** as part of the public employment services — a specific performance level was not set for this performance measure.

¹ The Department has in place an employer engagement protocol that includes liaison at local level with the Department's own Intreo service.

² The Department set minimum performance rates for job commencements to be achieved for each of the categories referred to the service in each of its regions, varying from 7% to 30% nationally. The average for all regions and categories is 14%. This was based on the calculated 8% rate of progressions into employment over a 12 month period for long-term unemployed jobseekers in the period prior to the introduction of JobPath.

12.18 The Department has stated that it is currently conducting an in-depth econometric review of the JobPath service in collaboration with the Organisation for Economic Cooperation and Development (OECD), and expects the report of the review to be available towards year end. The objective of reducing the average unemployment duration of jobseekers engaging with JobPath will be measured as part of the review and examination of the long-term impact of the service.

Service throughput

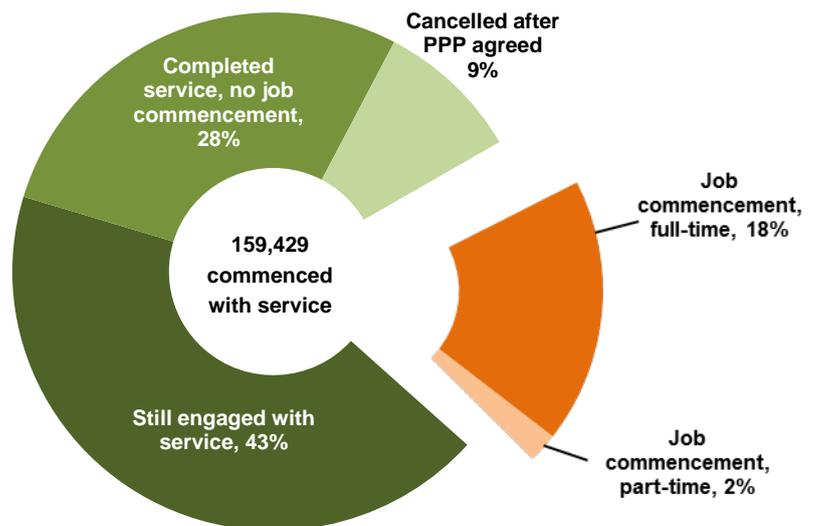
12.19 Over 192,000 jobseekers were referred by the Department to the JobPath service in the period July 2015 to March 2018. Of these

- almost 16,000 referrals were cancelled prior to registering with the service
- a further 16,000 were in the process of agreeing a PPP at the end of March 2018 or, having been referred, had not yet engaged with their designated service provider
- just under 160,000 had completed a PPP with a personal advisor.

12.20 Of the 159,429 individuals who completed a PPP in the period July 2015 to March 2018, 9% dropped out of the planned programme (see Figure 12.3). Just over a quarter (28%) completed the plan without having secured a job commencement while 43% were still engaged with the service at March 2018.

12.21 One in five of those who agreed a plan had commenced an employment during the period. 18% commenced full-time employment with a further 2% starting part-time employment. The job commencement rate compares favourably to the 14% target performance level set by the Department for the service and the 8% achieved in the period prior to the introduction of the JobPath service.

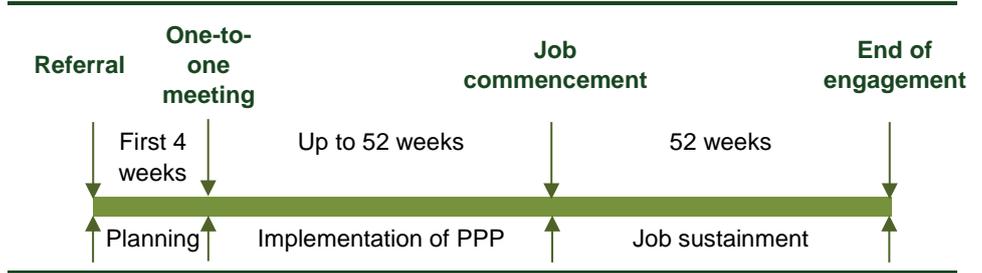
Figure 12.3 Outcome of jobseekers commencing with JobPath July 2015 to March 2018



Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Note: a Part-time relates to jobseekers that commenced part-time employment.

Figure 12.4 Indicative JobPath service engagement timeline^a



Source: Office of the Comptroller and Auditor General

Note a The date of completion of the service by a jobseeker may be more than two years after they have their one-to-one meeting due to the date of commencement of employment and where a course of education or other training is undertaken.

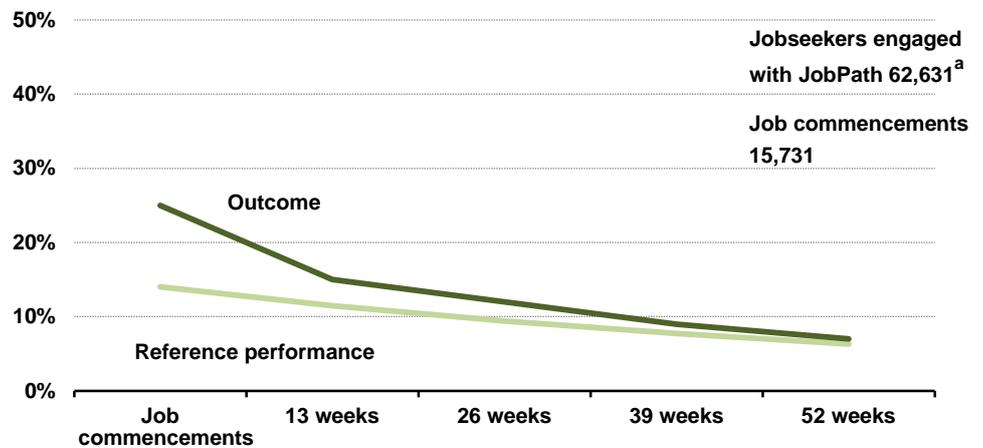
12.22 Figure 12.4 shows the indicative engagement timeline for jobseekers referred to the JobPath service. Fees payable to the service providers comprise a registration fee payable when the jobseeker agrees the PPP and job sustainment fees which are payable at intervals of 13, 26, 39 and 52 weeks when a jobseeker, having commenced employment, remains in full time employment for the relevant number of weeks.

Service outcome

12.23 In order to assess the outcome of the service, it is necessary to allow a significant period of time from the date of the jobseeker’s referral for completion of the service. Accordingly, this report examined the outcomes for jobseekers referred in the period up to the end of 2016, the latest of whom were engaged in JobPath in 2017/2018. (It should be noted that jobseekers referred in the period and who commenced employment from mid-2017 did not have the opportunity to progress their employment to the later job sustainment milestones by March 2018.)

12.24 Figure 12.5 overleaf shows the outcome, as at March 2018, for jobseekers who were referred to the service in the period from July 2015 to December 2016. In this period, 62,631 jobseekers had engaged with the JobPath service with 15,731 (25%) commencing a job of some duration. 15% of those referred sustained the employment for at least 13 weeks, 12% for 26 weeks, 9% for 39 weeks and 7% for at least 52 weeks.

Figure 12.5 Overall outcome at March 2018 compared to reference performance rates, for referrals from July 2015 to December 2016



Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Note: a A total of 71,855 jobseekers completed a personal progression plan in the period. However, 9,224 did not continue with the service.

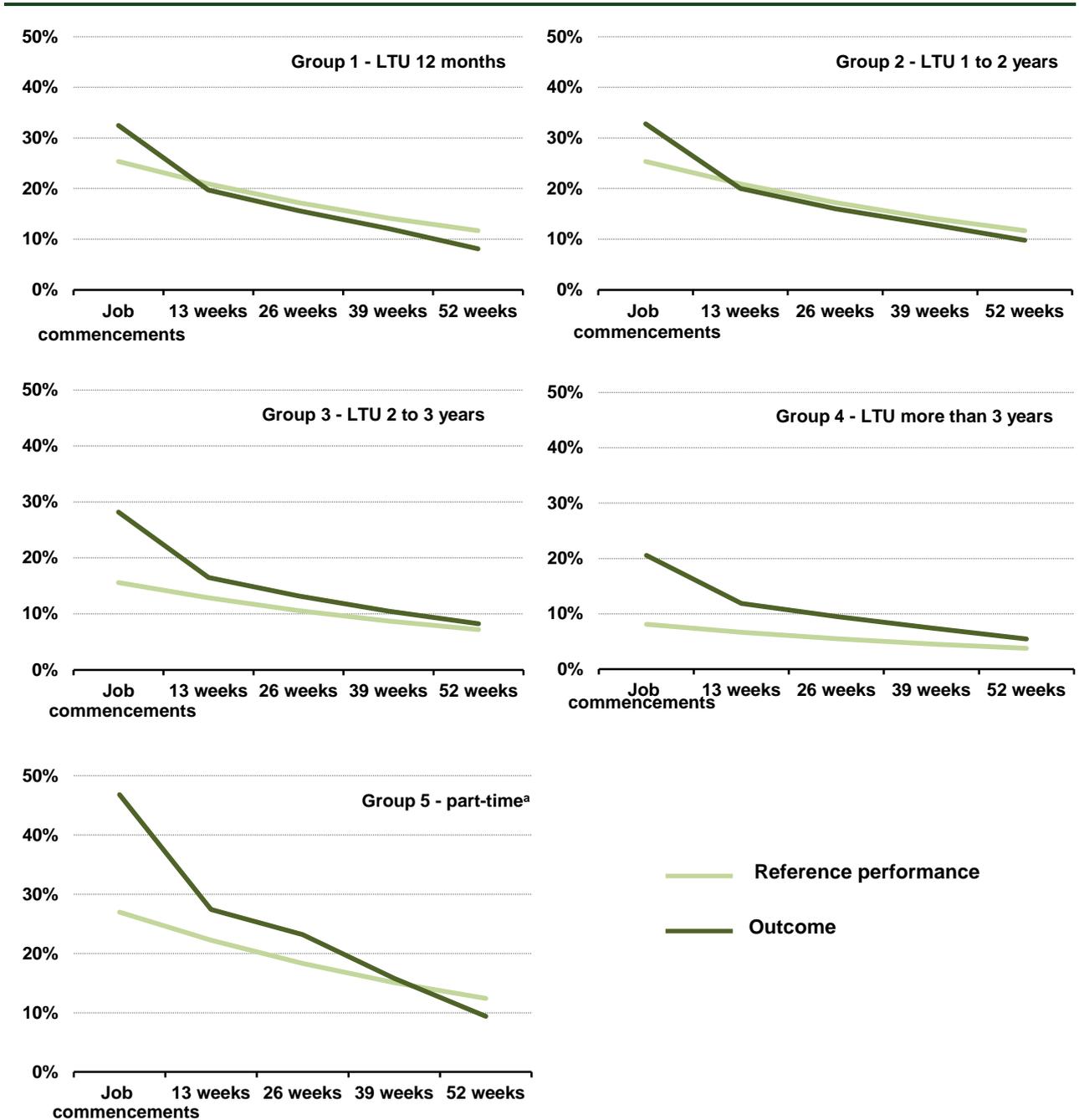
12.25 Figure 12.6 shows the outcome for each referral category in respect of jobseekers referred to the service up to December 2016. The figure for each of the five categories compares the overall outcome for the category against the Department’s minimum target performance rate for job commencements and to the reference rate for job sustainment at each of the milestones — 13 weeks, 26 weeks, 39 weeks and 52 weeks.¹

- **Group 1 — unemployed twelve months and entering long-term unemployment** — the level of job commencements significantly exceeded the target performance rate but the reference performance rate was not achieved for the job sustainment milestones by a small margin.
- **Group 2 — long term unemployed one to two years** — the job commencement target was exceeded, while the job sustainments did not reach the reference performance rates, again, by a small margin.
- **Group 3 — unemployed for between two and three years** — the target performance rate for job commencements and the reference performance rate for job sustainments were both exceeded.
- **Group 4 — unemployed for three or more years** — the target performance rate for job commencements and the reference performance rates for job sustainments were exceeded.
- **Group 5 — part-time employed in receipt of benefit** — referrals only began in November 2016 and not all participants will have completed their engagement with JobPath by March 2018. The figure shows that the target performance rate for job commencements was exceeded as was the rate for 13 and 26 week job sustainments. While the target performance rate for 39 week job sustainment was met, the rate for 52 week job sustainment was not reached.

¹ Job sustainment milestones were set at 13, 26, 39 and 52 weeks of continuous full-time employment. Based on actual job sustainment rates in the period prior to the introduction of JobPath, the request for tender documentation specified a reference job sustainment rate of 82% i.e. job sustainment at thirteen weeks is 82% of the job commencements, and the rate for each subsequent sustainment milestone is 82% of the previous rate.

12.26 Figures showing the performance of the two contractors against the Department’s job commencement target rates and the job sustainment reference rates are included in Annex 12A.

Figure 12.6 Outcome at March 2018 compared to reference performance rates for referrals from July 2015 to December 2016, by referral category



Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Notes: a Referral of jobseekers to the service commenced in July 2015. However, referral of jobseekers in the part-time category did not commence until November 2016 and consequently the numbers referred in 2016 are relatively low. The 'part-time' category relates to jobseekers that are in part-time employment and are seeking full-time employment.

Referrals cancelled and withdrawn

- 12.27** In the period July 2015 to March 2018, almost 16,000 referrals were cancelled or withdrawn prior to the jobseeker engaging with the service. A further 14,000 cancelled after commencing with the service, thus giving total cancellations of almost 30,000.
- 12.28** The Department's analysis of the reasons for cancellations is shown in Figure 12.7. About half of the cancellations relate to jobseekers commencing a claim on another welfare scheme; almost 17% were recorded as not yet ready for JobPath; and 9.3% were recorded as beginning employment. Over 13% commenced further education.

Figure 12.7 Analysis of referrals cancelled, July 2015 to March 2018

Reason recorded for cancellation	Before commencement with service		After commencement with service		Total	
	Number	%	Number	%	Number	%
Commenced on welfare scheme	5,396	34.7%	8,892	62.6%	14,288	48.0%
Not yet ready for JobPath	4,366	28.0%	677	4.8%	5,043	16.9%
Commenced employment	2,359	15.1%	409	2.9%	2,768	9.3%
Claim no longer in payment	1,480	9.5%	1,029	7.2%	2,509	8.4%
Further education or training	1,392	8.9%	2,625	18.5%	4,017	13.5%
Other	585	3.8%	575	4.0%	1,160	3.9%
Total	15,578	100%	14,207	100%	29,785	100%

Source: Department of Employment Affairs and Social Protection

Costs and fees

- 12.29** Fees payable by the Department to the service providers are on a results basis. The rates comprise a registration fee payable when the jobseeker agrees the PPP and job sustainment fees which are payable at intervals of 13, 26, 39 and 52 weeks when a jobseeker, having commenced employment, remains in full time employment¹ for the relevant number of weeks.
- 12.30** These fees are the only amounts payable by the Department to the contractors and are used by them to cover all their costs in relation to provision of the services.
- 12.31** The total paid from July 2015 to end March 2018 amounts to just under €109 million. Figure 12.8 shows the total annual payment broken down between fees paid for registrations and for job sustainments.

¹ Full-time employment is defined as being for 30 hours or more per week or for a lesser number of hours where the normal number of hours for the job is less than 30 but the income was such that a jobseeker related income support payment was not required.

Figure 12.8 Fees paid to contractors, July 2015 to March 2018

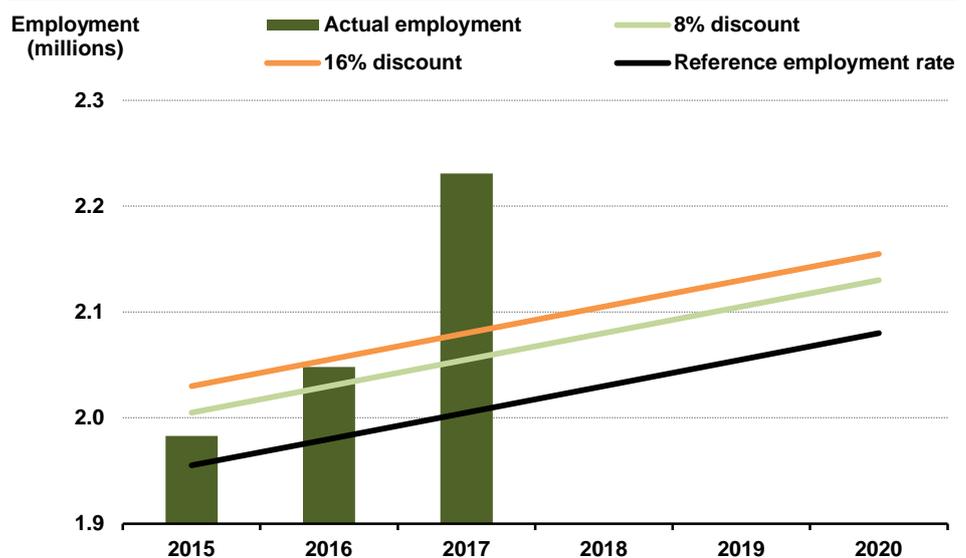
	Fee payment triggers		Total fees €m
	Registration	Job sustainment	
	€m	€m	
2015	1.2	—	1.2
2016	22.5	2.7	25.2
2017	27.2	30.2	57.4
2018	7.4	17.6	25.0
Total	58.3	50.5	108.8

Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Discount

12.32 The agreements between the Department and the contractors provide for discounting of registration fees and job sustainment fees should the general level of employment in the economy exceed prescribed reference employment levels set out in the agreements. The level of employment is measured by the labour force survey which replaced the quarterly national household survey in 2017.

12.33 Figure 12.9 shows the prescribed reference employment levels and the levels of employment at which discounts of 8% or 16% of fees may be applied by the Department.

Figure 12.9 Reference employment levels 2015 – 2020 and actual^a employment levels 2015 to 2017

Source: Department of Employment Affairs and Social Protection and Central Statistics Office. Analysis by Office of the Comptroller and Auditor General.

Note: a Actual employment levels are as measured by the quarterly National Household Survey in the last quarters of 2015 and 2016 and the Labour Force Survey in the last quarter of 2017.

- 12.34** The first year of the contract was deemed to end on 31 December 2016 as the roll-out of the contract in 2015 was slower than anticipated. The first year in which a discount could be applied under the terms of the contract was 2017, based on the quarterly national household survey of the last quarter of 2016. The Department applied a discount of 8% to fees paid to both contractors from April 2017 to December 2017.
- 12.35** The Department stated in September 2018 that, having commissioned an in-depth evaluation of the financial position of the contractors and their cost, it had recently applied discounts within the range provided for in the contract on all fees payable to the contractors for the full year starting in January 2018.

Verification of claims for payment

- 12.36** An audit review of a sample of 25 claims from each contractor concluded that the claims for payments were validly supported by evidence of performance having been achieved.

Validation

- 12.37** Each contractor submits a list of jobseekers that have completed a PPP or have sustained a job for a period of time equal to or exceeding a milestone period (of 13, 26, 39 or 52 weeks). Once the Department has validated the cases on the listing, by establishing that the criteria for payment have been met, the contractor may submit a claim for payment.
- 12.38** During the validation process for some 50,000 claims for job sustainment fees submitted in the period July 2015 to March 2018, the Department found a total of 10,000 claims (20%) to be invalid (see Figure 12.10). Over half of the claims found invalid were due to the jobseeker also being in receipt of an income support payment.

Figure 12.10 Reasons for job sustainment claims found invalid, July 2015 to March 2018

Reason for invalid finding	Number	%
Jobseeker was in receipt of an income support payment in period covered by claim	2,520	25.7%
Casual employment with entitlement to benefit payment within milestone period	2,518	25.7%
A new jobseeker allowance claim was opened in milestone period	473	4.8%
	5,511	56.2%
Not verified against Revenue data ^a	3,305	33.8%
The employment claimed commenced prior to start of engagement with JobPath service	296	3.0%
Requires more information on nature and extent of the employment	123	1.3%
Other	553	5.7%
Total	9,788	100.0%

Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Note: a Employment data is received by the Department of Employment Affairs and Social Protection from the Revenue Commissioners on a regular basis. This data is used to validate the claims for payment from the contractors.

- 12.39** A further one-third of the claims found invalid were not supported by Revenue job commencement employment data. The Department has stated that a significant number of job commencements are not notified to the Revenue Commissioners by employers in a timely manner and, as a result a significant number of claims are found invalid on initial verification. Where a claim is disallowed, it may subsequently be presented for payment once the criteria are met e.g. when Revenue data becomes available and supports the claim.

Inspections

- 12.40** The Department carries out onsite inspections, at the contractors' premises, of the implementation of the service, the quality of service provided and the manner in which it is delivered. The inspectors also undertake post payment review of job sustainment fees by reviewing the evidence held to support the claims made and paid.
- 12.41** Onsite inspections of contractors commenced in 2016. Up to June 2018, a total of 62 inspections had been undertaken, 31 in respect of each contractor. The proportion of un-notified inspections undertaken increased from 15% in 2016 to 73% in 2018.
- 12.42** The principal issues arising on the 28 inspections conducted in 2017 were
- The mandatory review of agreed PPPs, after 13, 26 and 39 weeks, was not completed in all cases. At six of the 28 locations inspected, reviews were not completed or were completed late in between 30% to 80% of the cases inspected.
 - The opening hours of the offices at which services were to be available were less than agreed in four locations.
 - On claiming payment of a job sustainment fee, the contractor is required to obtain and retain evidence of employment to support the claim for possible post payment review. In six cases, over four locations, the evidence recorded on file was not of the type stated with the claim for payments. In addition, the evidence from two employers did not state the number of hours being worked.

Satisfaction survey

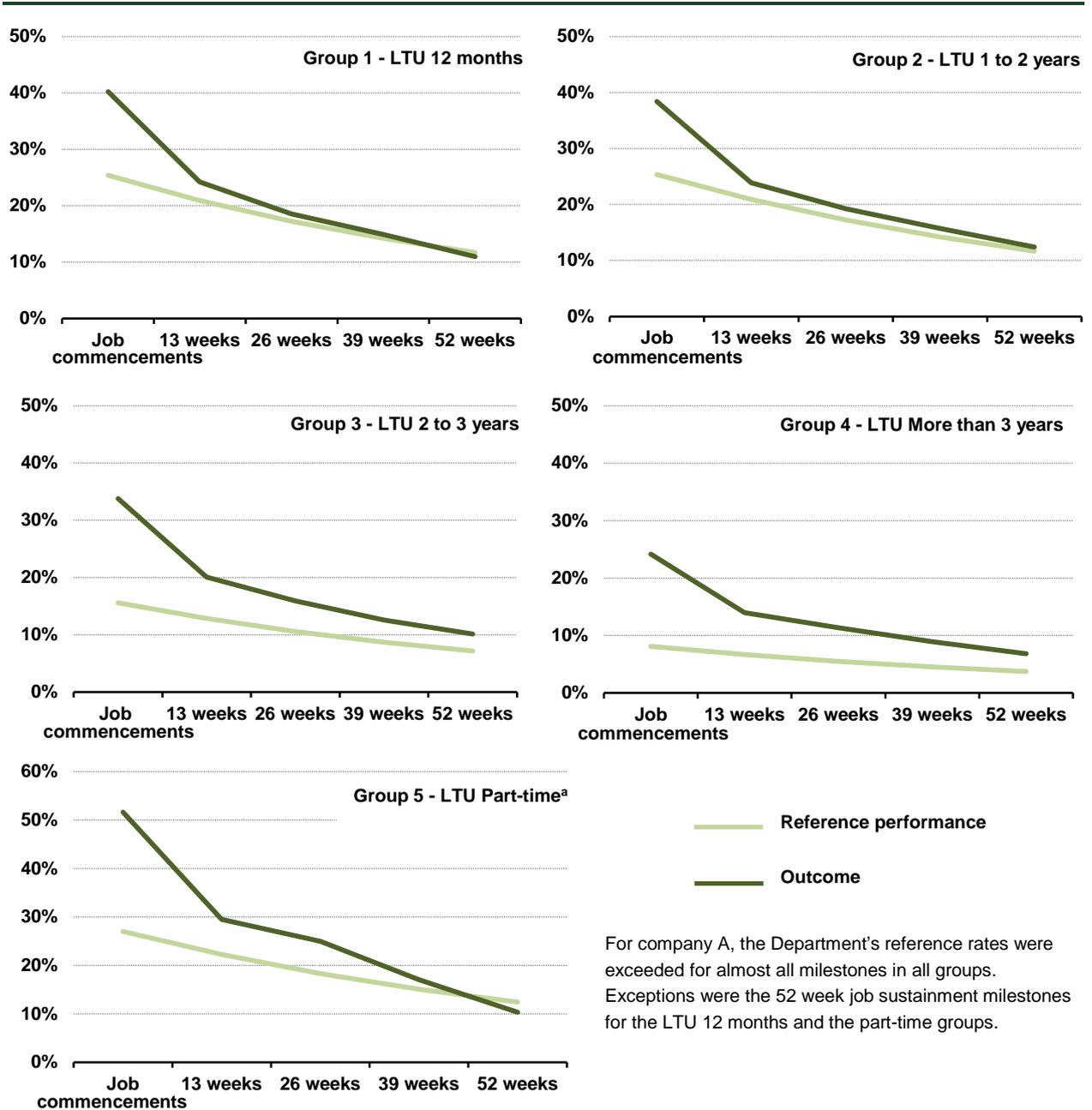
- 12.43** The Department engaged an external firm to conduct surveys of JobPath participants in 2016 and 2017 with the objective of establishing the level of overall satisfaction with the JobPath service. In each survey, an interview was carried out over the telephone with over 2,000 jobseekers participating in JobPath.
- 12.44** The 2016 survey results shows that 79% of respondents were either very satisfied or fairly satisfied with the JobPath service. This increased to 82% in the 2017 survey. The level of those moderately or very dissatisfied with the service rose marginally from 6% in 2016 to 7% in 2017.
- 12.45** Opinions of the respondents on how the JobPath service compares to the service provided by the Department's Intreo offices shows a 54% positive response in 2016 which reduced to 42% in 2017. The level of respondents that were neutral on this question increased from 31% in 2016 to 52% in 2017, while those giving a negative response declined from 15% to 7%.

Conclusions

- 12.46** The JobPath service is a new service being delivered since July 2015 by two companies covering de-facto 'North' and 'South' regions of the country. Fees totalling €109 million were paid to the companies from inception to March 2018, based on their performance in putting in place personal progression plans and job sustainment.
- 12.47** Under the JobPath service, the number of persons moving into employment (job commencements) exceeded the target set by the Department. The number of persons sustaining employment (job sustainment) was broadly in line with the Department's own performance in previous years at each of the key milestones i.e. 13 weeks, 26 weeks, 39 weeks and 52 weeks.
- 12.48** The Department has a reasonable basis underpinning the key performance measures selected and target setting for the JobPath service. However, a difficulty arises in assessing the outcome of the service on a timely basis, because it takes up to two years for a jobseeker to complete their engagement with the employment activation service.
- 12.49** The fees paid to the contractors are after a discount of 8% applied by the Department in respect of the period April 2017 to December 2017, as the total number of people in employment nationally exceeded specified discount trigger levels.
- 12.50** Based on a review of a sample of paid claims, the audit concluded that the payments were validly supported by evidence of performance achieved.

Annex 12A

Figure 12A.1 Company A — Outcome at March 2018 compared to reference performance rates for referrals from July 2015 to December 2016 — by referral category

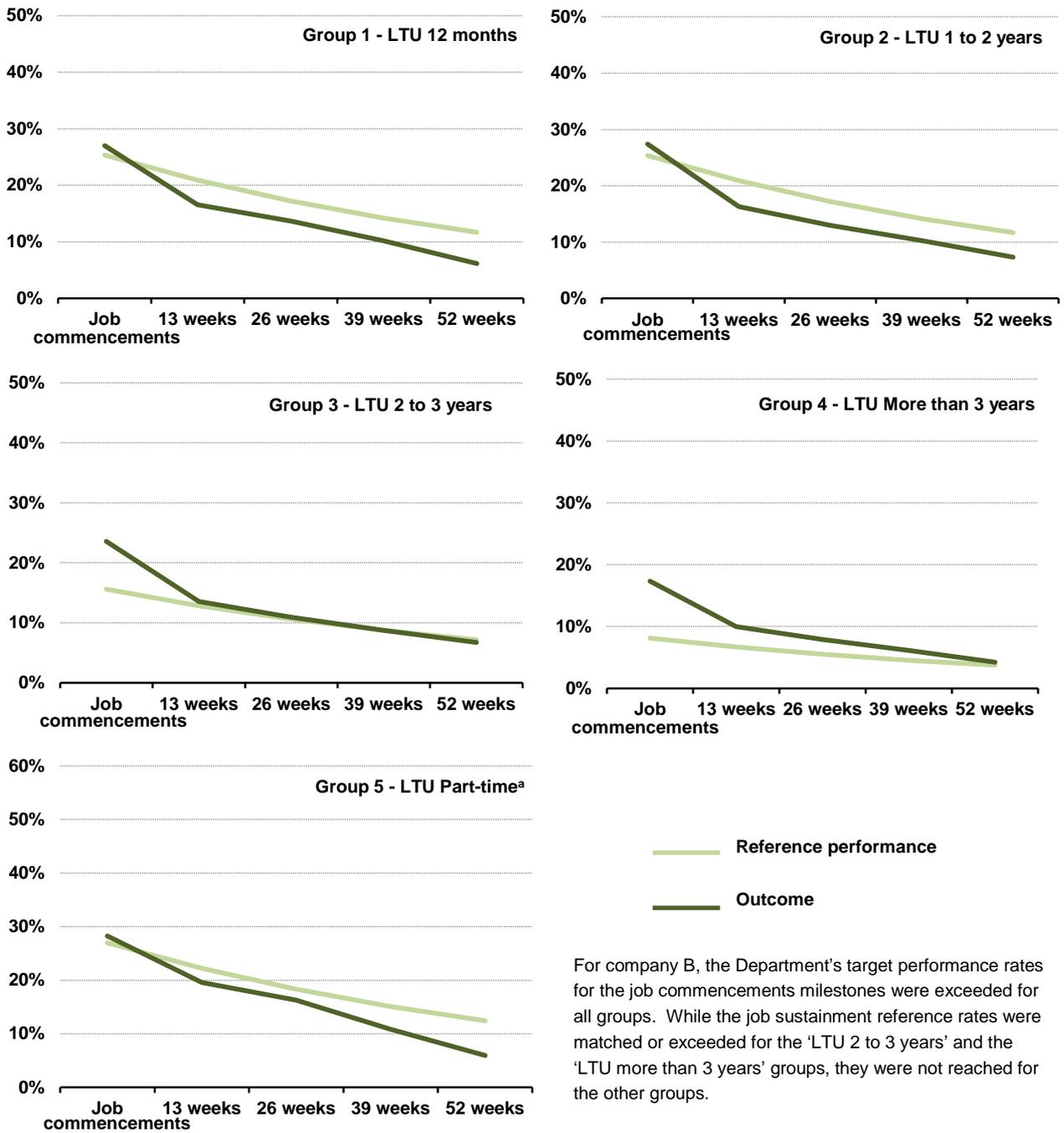


For company A, the Department's reference rates were exceeded for almost all milestones in all groups. Exceptions were the 52 week job sustainment milestones for the LTU 12 months and the part-time groups.

Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Notes: a Referral of jobseekers to the service commenced in July 2015. However, referral of jobseekers in the part-time category did not commence until November 2016 and consequently the numbers referred in 2016 are relatively low. The 'part-time' category relates to jobseekers that are in part-time employment and are seeking full-time employment.

Figure 12A.2 Company B — Outcome at March 2018 compared to reference performance rates for referrals from July 2015 to December 2016 — by referral category



For company B, the Department’s target performance rates for the job commencements milestones were exceeded for all groups. While the job sustainment reference rates were matched or exceeded for the ‘LTU 2 to 3 years’ and the ‘LTU more than 3 years’ groups, they were not reached for the other groups.

Source: Department of Employment Affairs and Social Protection. Analysis by Office of the Comptroller and Auditor General.

Notes: a Referral of jobseekers to the service commenced in July 2015. However, referral of jobseekers in the part-time category did not commence until November 2016 and consequently the numbers referred in 2016 are relatively low. The ‘part-time’ category relates to jobseekers that are in part-time employment and are seeking full-time employment.