

Pre-budget submission

Budget 2017

# Addressing Long-Term Unemployment by Reforming Community Employment Schemes

Dublin South Inner City Community Employment Group



**Down to Earth Theatre  
Company**



**Bri**  
Independent brain injury  
support and advocacy

## Introduction

The Community Employment Scheme provides an invaluable route back into employment for the long term unemployed. During this decade, the programme has struggled to function effectively due to the cuts and changes in policy, which have been implemented by recent governments and the Department of Social Protection.

Reforming of the schemes and a streamlining of their functioning will provide the dual purpose of an effective means of addressing long-term unemployment and facilitating provision of vital services to communities across Ireland.

We represent community projects in Dublin South Inner City and strongly support the following proposals.

### **Summary of proposals from South Inner City Community Employment Group**

- The Department of Social Protection engage with local and community groups with experience in providing labour activation and back to work measures on policy changes to C.E. Scheme.
- Increase the participant supplement to €50 per week above their pre-existing payment.
- Remove barriers to participation in the schemes such as rent penalties and transport costs.
- Create a pathway to access further education up to FETAC Level 7, while engaged in a C.E. scheme and provide adequate resources. To increase the training budget for each participant.
- Reform the planned childcare regulations to be implemented in January 2017 requiring a FETAC Level 5 Childcare requirement for participation.
- Lift the moratorium on the creation of new C.E. schemes.

## Background

Community Employment or C.E. enables people who are aged 25 years or over (or 21 years for childcare positions) and in receipt of a DSP payment for a year or more to return to the labour market. Participants of C.E. schemes are primarily sponsored by community organisations that are active in the provision of some social service. Currently, the participant is paid an additional €20 on top of their social protection entitlement. In addition, they can receive training up to FETAC level 6 (Post Leaving Cert level) as part of the contract.

Labour activation is a key component of attaining full employment. As a stated policy of successive Governments, we believe it is imperative that resources be allocated to renewing and rebuilding Community Employment to achieve this goal. The CSO reported that in June 2016 there were 143,832 people who were long-term unemployed (individuals on the Live Register for over 12 months). This figure is a drop of 40,000 from 2014 but more could be done to help these individuals back into the labour force.

Activation does not consist in placement alone but in the developing of long-term, marketable skills, which participants can use to successfully attain further work and remain in work. C.E. schemes are a vital site for developing people's abilities, skills and enabling the acquirement of stable and sustainable work in their local communities. C.E. positions do not remove an employable position from the labour market.

Typically C.E. schemes are at the forefront of helping people to improve their own lives through work and to prepare them for the ever-changing demands of the modern labour force. As such we believe it is imperative that the Government reform payments for the C.E. schemes and resource them for expansion.

A large amount of community organisations in this state depend on C.E. Schemes to run their programmes and provide vital community services. There are 900 such sponsoring groups state wide, of which there would be a number of additional organisations that benefit from schemes under these sponsoring groups. As a cycle, it is a virtuous one.

C.E. Schemes play a vital role in enabling youth projects, breakfast clubs, subsidized childcare, rehabilitation of those in addiction and many other social services that the state apparatus does not or cannot directly provide.

For participants they provide an opportunity to attain training and experience, vital to further employment, as well as build confidence for people with limited work or educational experience or those in addiction recovery. On top of this it can provide many participants with a moderate increase in income.

## Issues

- Number of Places Available:** As the country's long-term unemployment rate began a 60% increase from 117,390 to 188,117<sup>1</sup> between 2010 and 2013, the places available on C.E. schemes were kept at its long term average of 22,000. Numbers availing of C.E. supports stayed static at circa 23,500 for 2011-2014<sup>2</sup> (the most recent figures available). In 2012, the DSP's own report on Labour Activation found C.E. schemes are particularly effective at assisting long-term unemployed individuals, the elderly, disabled and those with single-parent families, back into employment and provide a net positive effect on the labour market<sup>3</sup>. The value of training and integration to participants cannot be over-stated and renewed focus on C.E. for labour activation is encouraged for Budget 2017. An increase in places should be prioritised as well as a streamlined referral system and more support for training and job searching while on a C.E. scheme.
- The cessation of double payments:** In 2011, the Government ended the practice of dual welfare payments for those on C.E. Schemes who were claiming a disability payment or a single parent payment. A large proportion of C.E. participants were lone parent's operating out of crèches or rehabilitating addicts/mental health issues claiming disability. The ending of this payment was not matched with a general increase in the supplement payment, meaning for many, there was a huge decrease in incentive to work a 19.5 hour week for slightly over €1 per hour.

**The effect of this cut was borne primarily by women of working age who showed intent to return to the labour force.** Unnecessary impediments to a return to work meant that they had to return to the live register and were unable to access training and development offered by the C.E. schemes in their area.

- Eligibility to work in Childcare Settings:** As of January 2017, changes in childcare regulations will mean that all prospective C.E. applicants applying to work in the childcare sector will be unable to attain the position unless they hold a FETAC Level 5 Childcare award. The C.E. enables qualification to take place through work – with accredited bodies providing the certification in line with FETAC and INTREO approvals. A large number of C.E. vacancies are in the area of childcare provision and the forthcoming regulations require potential participants to have a prior FETAC Level 5 Award will greatly reduce the potential applications for roles causing massive staffing problems for services. The regulations run counter to the ethos of CE being primarily a training programme, which allows otherwise unqualified participants to achieve a recognised qualification. An

<sup>1</sup> <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?Maintable=LRH02&Planguage=0>

<sup>2</sup> <http://www.welfare.ie/en/downloads/Social-Stats-AR-2014-SectionD.pdf>

<sup>3</sup> <http://www.welfare.ie/en/downloads/Review%20of%20Employment%20Support%20Schemes.pdf> Pg.42

accommodation on this point is essential for the continued running of many Community Employment schemes.

**In addition, those who are already working in a position but have not yet attained a FETAC Level 5 Award will have to leave their position and seek alternative project employment.** For any CE childcare staff who have commenced since June 2015 but are not yet accredited, they face having to leave the position or leave the scheme if an alternative position cannot be sourced. In such instances, they will not be eligible for a C.E. position again for twelve months.

The DSP's current view is CE childcare workers are trainees, under the mentorship of room leaders. They practice skills and receive accredited training culminating in a qualification. This is not consistent with new childcare regulations and the loss of CE positions will be a major blow to the majority of community crèches throughout the country who rely on CE staff to supplement their mainstream staff.

Additionally, if services have to close due to dependency on CE Schemes, it will severely limit the amount of children that can be enrolled in childcare, further burdening parents or guardians in employment or further education. This is a particularly salient point at a time when many women's group are campaigning for additional subsidized childcare facilities, should this change occur, many are sure cut back hours or to close.

- **Welfare Traps:** Participants face a number of unforeseen costs in participating in C.E. Employment. These costs can potentially become welfare traps and include paying for transport to the site of employment or increases in local authority rent as a result of joining a C.E. scheme. The minimal supplement to the living wage of participants often does not account for such losses. A potential participant could therefore, enter a scheme, provide a public service to the state, and do so at loss in their income.
- Between 2008 and 2010 a drop in the proportion of entrants coming from Lone-Parent or Disability backgrounds was observed. The elimination of double payments will have further dropped their numbers back. While a focus on long-term unemployed is a vital part of C.E. schemes, enabling those who might otherwise fall into a welfare trap is also of equal important. We are concerned that the elderly and young women are being affected by ongoing limits to resources within C.E. schemes. This situation will be worsened with the onset of 2017 childcare regulations.
- **Progression:** Recent reviews of C.E. schemes identify progression rate of 30%. There is a necessary focus on improving these levels however, significant gaps exist in the structure to provide for meaningful progression for scheme participants.

- Many of those who take part in C.E. schemes are at a significant distance from the labour market. They tend to have lower levels of educational attainment (60% of those taking part in 2011 had lower than a leaving certificate qualification). The corollary of this is that a single year of training is unlikely to bridge the large distance between participants and the labour market. Significant resources and structure is needed to facilitate those leaving C.E. schemes engaging in further training and ultimately re-entry to the labour force. Significant numbers continue to find it difficult to access the labour market directly following C.E. scheme completion and training.
- The budget provided for individual participant's training is presently too low. A major award costs on average €1200 - €1600, depending on the provider and the time they can do it. This is a major impediment to any C.E. participant for whom the training budget is €250 per annum. Some training providers are willing to negotiate an "all in" price for a major award, once there is a minimum of 8 – 10 people however, the cheapest this can be acquired at is €1000 per person.
- Engagement with providers and supervisors is necessary to identify the needs around those who are not making the jump directly to the labour force following a C.E. scheme. Frameworks should be put in place implement a pathway to labour activation in which C.E. is a vital part and the follow on steps to further training and experience are clearly laid down and accessible to the long term unemployed who are engaged in training and skills programmes like C.E.
- There should be a shorter period of time before a former C.E. participant can become eligible once more for C.E. As outlined above, often participants do not have enough time to obtain a major award. Any module they obtain while on C.E ceases to count towards a major award after 5 years. If former participants do not get either further extensions or are allowed reapply sooner, any module they have undertaken loses its value. Additionally, if a participant wishes to attain a higher level module, something which realistically is vital to progression in the current Irish labour market, it should be possible to complete this within a C.E. framework through an extended time option.
- A better referral system needs to be put in place with greater input from the community groups and rehabilitative centres hosting the C.E. Schemes.

## **Budget 2017 Recommendations**

**Budget 2017 should provide for a rise in the supplement paid for participation in C.E. schemes to €50 per week to compensate for the loss in double payments and provide an effective incentive to participate in C.E. programmes for the long term unemployed.**

**An increase in places should be provided for in line with the higher number of long-term unemployed on the live register. A more streamlined referral system needs to be implemented to lower barriers to entry and fill vacancies quickly. More support for training and job searching while on a C.E. scheme needs to be provided.**

**Adjust the DSP rules to facilitate childcare training (either in-service or pre-service) to FETAC Level 5. This will allow C.E. employees in the childcare sector to remain in their posts and those who seek to take up positions without having a post-leaving cert qualification to do so.**

**Facilitate the placement of C.E. applicants in training up to FETAC Level 7 with adequate resourcing for courses. This will enable many recently unemployed which higher qualifications that Leaving Certificate can be helped through C.E. schemes.**

**An increase the training budget per participant to facilitate the attainment of Major Awards.**

**Extension of time available to work on C.E. toward a higher level award.**

**Lowering of wait periods before being eligible to re-apply for C.E. to avoid losing module credits.**

**Address welfare traps by providing for a transport allowance where a commute to a place of work is unavoidable for a C.E. scheme participant.**

**Support and focus given to enrolling those on DP and OPFP payments in C.E. schemes and addressing disincentives which have arisen since 2012.**

**Work with local authorities to remove the threat of rent increases for participation in C.E. schemes – instead allowing for increases upon the transition into longer term employment following the scheme.**

Engagement between the DSP and stakeholders is needed to enable a pathway for progression from C.E. employment to employment. In many cases C.E. scheme participants begin programmes a large distance from the labour market and further steps need to be put in place between C.E. and full employment to enable continued upskilling and prevent a return to long-term unemployment for users.

### About

The Dublin South Inner City Community Employment Group is comprised of Fountain Resource Group, LIR Anti-Racism Training and Education and Brí – Independent Brain Injury Support and Advocacy. These groups work in the area and feel that C.E. is a scheme whose strengthening is in the interests of those who live in the area.

More information is available by contacting Eoghan Brunkard at the Fountain Resource Group on 01 454 6753.

Prepared by:

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