



Rialtas na hÉireann  
Government of Ireland

# Spending Review 2021

## Executive Summaries – Tranche 7 Publications

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These papers has been prepared by IGEES staff across a number of Departments. The views presented in the papers do not represent the official views of each Department or Minister.

# IGEES

Irish Government Economic and Evaluation Service

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## **Analysis of Social Housing Current Expenditure Programme**

### **Executive Summary**

#### **Use of Social Housing Current Expenditure Programme (SHCEP) to Deliver/Provide Ongoing Support for Social Housing**

- Social housing acts as a vital state support for many members of society, and the SHCEP is a major component in the delivery of units for social housing use
- Leasing and P&A-CALF, which are funded under SHCEP, as mechanisms for the delivery of social housing have grown substantially over the past number of years, particularly through the Capital Advanced Leasing Facility (CALF) scheme.
- Leased/P&A units make up 23% of the social housing units delivered in the period analysed. However, this varies significantly by LA (for example in Dublin City it is over 50%, but only 4% in Sligo).

#### **SHCEP Expenditure**

- Expenditure has increased by 495% since 2015, while output funded under the programme has increased by 230% (however, it is noted that output is not claimed in the same year for all projects so expenditure does not fully align with delivery). Expenditure is a product of costs and volume. The average lease/P&A cost per month for units agreed in 2016 was €920 compared to €1,085 in 2020, reflecting increasing market rents in the period.
- Units delivered under the CALF scheme makes up 65% of the output in terms of SHCEP funded units and approximately 70% of SHCEP expenditure.

#### **Type of Units, Timing and Cost of Delivery**

- The majority of units delivered were houses, with 3 bedrooms the most common of these. However, it must be noted that some schemes deliver comparatively more apartments.
- There is some concern around timing of delivery, with a large proportion of units being agreed towards the end of the year, having a significant effect on the expenditure dynamics related to new leases. This can make forecasting and budgetary estimates challenging.
- The average monthly payment (lease or P&A) varies significantly by region. The average in the Dublin LAs is above €1300 in all cases, while it is below €600 in the likes of Donegal, Leitrim and Sligo. This is unsurprising as the lease/P&A payments are linked to market rent.

#### **Cost Efficiency and Market Interaction**

- P&A-CALF units despite being the most common, also had the highest estimated Net Present Cost (NPC). The estimated NPC of the P&A-CALF units was relatively on par with the average cost of other delivery mechanisms (i.e. build and acquisition). However, it is of note that, in contrast to units delivered under LA build or acquisition, it is the AHB and not the State/LA who

owns the asset at the end of the P&A agreement. Notwithstanding, it is evident that AHBs play a vital role in facilitating the delivery of social housing given their standing as independent, not-for-profit organisations, whose primary purpose is to provide social housing

- The interaction of SHCEP mechanisms with the wider housing market is also addressed. As was demonstrated in previous Spending Review papers, there is significant concentration of social housing in certain locations.

### **Summary and Further Issues**

The new Housing for All strategy places a focus on construction in social housing delivery and a move away from leasing. However, this increase in construction will be delivered by both the LAs directly and by AHBs through the CALF P&A. As such, it is anticipated that P&A-CALF units will become the predominant delivery mechanism funded under SHCEP in the future.

# **An Overview of the Irish Housing Market and Policy**

## **Executive Summary**

### **Context**

This paper provides an overview of the Irish housing market and housing policy. It reviews the factors that drive the supply and demand for housing in Ireland, the increasing cost of housing inputs and the impact this is having on the affordability of homeownership<sup>1</sup> and rents<sup>2</sup> for households. The dependence of viable development in the homeownership and private rental sectors on affordable house prices and rents for private households is discussed. A summary of housing policy from 2005-2021 is provided as well as a descriptive analysis of the broad set of existing social housing initiatives and associated expenditures. The paper reviews some of the literature on international models of public housing and identifies key differences between Ireland's public housing model and those of some of its European counterparts, particularly those that pursue cost rental.

### **Key Findings**

#### **Housing prices, input costs and the land trap**

- The price of dwellings has been increasing significantly since 2014, primarily driven by increases in cost of factor inputs (e.g. building materials, labour, land costs);
  - Between 2014 and 2020 new builds increased by 10% pa and existing dwellings by 5% pa. albeit from depressed asset values following the Global Financial Crisis
  - There has been a 10% increase in the CSO's Industrial Price Index for building and construction (i.e., materials and wages) for the period 2015 – 2020.
  - The price of cement, paints, oils and varnishes, fabricated metals, structural steel and plaster are between 18% - 25% greater than 2015 levels (Source: CSO).
- Speculative land hoarding by landowners and developers can restrict the supply of development land, increasing the cost of land as a housing input.
- In development land auctions, sites tends to be acquired by the most optimistic bidders (those with highest expected sale prices) therefore property tends to be developed close to the margin of viability.

#### **Affordability and viability in the homeownership and Private Rental Sectors**

- Increasing input costs erode affordability and reduce the number of private households with the financial capacity to purchase new builds for homeownership;
  - At least 50% of households that rent from a local authority and from the private market are unable to access the credit needed to purchase a property at the median price of a dwelling in Dublin based on current loan-to-income mortgage criteria (3.5 x income).

- Despite a strong preference for homeownership (87% of Irish renters; Corrigan et al. 2019), the financing/affordability barrier that exists amplifies demand for rental accommodation.
- The above, along with other factors such as urbanisation, changes in household formation (smaller units), rising rents and a supportive monetary policy environment has driven growth in institutional investment in the Private Rental Sector (PRS);
  - The institutional PRS has been an important source of housing supply such that 78% of annual total development finance for real estate between 2017 and 2019 was international debt and equity (Lyons, 2021).
  - The recent increase in the scale of the institutional PRS is further reflected by the levels of apartment acquisition within the real estate, financial and insurance sectors in 2020 (53% of non-household apartment purchases).
- Despite the significant contribution of the PRS to housing supply in recent years, increasing input costs may undermine the viability of apartment development through this sector;
  - Medium rise urban apartments from 5 to 15 stories costs between €378,600 and €479,000 (SCSI, 2021) and can run as high as €615,000 for a city centre apartment (IIP, 2020).
  - According to Lyons (2021), only one-sixth of renter households in the greater Dublin area could afford the €1,640 monthly rent that investors require to break even on an apartment with a €400,000 build cost at prevailing yields.
  - Supply will be constrained if increases in input costs excessively impact the rate of return and/or the required rent level needed to attract institutional investment in the PRS.
  - High input costs require rents high enough to deliver a sufficient rate of return to attract investment. If such rents become unaffordable for the large majority of renters, this may undermine the necessary level of investment to drive supply and meet demand.

### **Housing Policy and International Comparisons of Social Housing**

- Irish capital spend on housing demonstrates pro-cyclical characteristics;
  - In 2008 capital expenditure was over €1.5 billion before falling to less than €300 million in 2013. Since then, as economic growth, house prices and housing input costs have all rebounded strongly, capital expenditure has returned to previous levels (close to €1.4 billion in 2020).
  - The interruption of social housing development during recessionary periods undermines the long term, sustainable and timely supply of social housing.

<sup>1</sup> The Central Bank of Ireland's mortgage lending rules mean that a household's loan-to-value limit must fall between 70 and 90 per cent of the value of a property they wish to purchase, while the loan-to-income rule restricts household borrowing to 3.5 times the a household's gross income.

<sup>2</sup> In terms of affordability within the private rental sector (PRS), a common threshold for assessing affordability in Ireland is whether rental costs are within 35% of households' net monthly income.

- Alternative forms of social housing supply, such as cost rental, may have the potential to avoid the pro-cyclicality and viability issues outlined above;
  - Unlike Ireland's social housing model, supply within Austria's cost rental model of public housing delivery has proved resilient to fluctuations in the economic cycle and provided more sustainable housing delivery over time.
  - Austrian cost rental public housing operates under a self-financing model. Rents charged for public housing cover only the cost of construction, debt servicing and maintenance. Revenue generated from matured cost rental stock is also used to fund additional public housing.
  - Compared to public housing in Ireland, the financing of Austrian public housing is more diversified. Rather than acting solely as a safety net for lower income households, as has traditionally been the case in Ireland, public housing is open to a larger range of income cohorts in Austria. This, coupled with a cost rental model and large stock of municipal dwellings, has contributed to less of a reliance on demand side housing subsidies compared to Ireland.

#### **Expenditure on Social Housing Delivery Mechanisms (2020) and HFA liability (2020)**

- Total Housing spend in 2021 amounts to €3.09bn. Government expenditure on housing has been increasing annually since 2016. Projected 2021 spending is 328% increase on 2016 levels.
- Relative to the height of the boom (2006 – 2008), capital expenditure has reached comparable levels since 2018, while current expenditure has remained above boom levels since 2009.
- The HFA loan book stood at €5.18bn in 2020. The HFA is an extension of the State's own in house activity and its borrowing is effectively State borrowing. HFA loans advanced to LAs and AHBs are paid for by the exchequer.
- In 2020 approximately 79% of housing related expenditure was captured by:
  - The Housing Assistance Payment: €464.6m [40% annual average increase since 2017]
  - Local Authority Housing: €890.5m [47% annual average increase since 2014]
  - Approved Housing Body (CALF, CAS): €249.5 [34% annual average increase since 2014]
  - Social Housing Current Expenditure Programme: €197.3m (34% annual average increase since 2014]
  - Homeless Accommodation: €270.9m [26% annual average increase since 2014]

	2016	2017	2018	2019	2020	2021
Total Expenditure (€m)	835.5	1308.6	1,965.9	2,349.9	2,537	3,093.1
Annual % increase	31.2%	56.6%	50.2%	19.5%	7.9%	21.9%
Capital	55.6%	58.1%	62.7%	61.5%	54.9%	59.4%
Current	44.5%	41.9%	37.3%	38.5%	45.1%	40.6%
Social Units Delivered	19,044	25,901	27,086	28,072	24,622	28,550

### Executive Summary

This paper presents a Social Impact Assessment (SIA) of Homeless Services in Ireland. It provides an overview of the trends in numbers accessing services and trends in expenditure on these services from 2016 to 2020 with a particular focus on emergency homeless housing supports. It also presents a demographic profile of the service user in the Dublin region in 2020.

### Trends in Service Use

- The number of homeless individuals in Ireland increased each year from 2016 to 2019, before falling in 2020. Based on the annual average of monthly data, the number of homeless individuals accessing emergency accommodation increased year on year from 6,419 in 2016 to 10,255 in 2019, a growth of 60%, before falling by 11.6% in 2020 to 9,062. This fall was largely driven by families exiting homelessness while total numbers still remain above 2017 levels. Numbers of homeless families fell by 27% in 2020. In contrast, the numbers of homeless single individuals have increased each year from 2016 to 2020.
- The majority of the homeless population accessing emergency accommodation are concentrated in the Dublin region (71%).

### Expenditure

- Exchequer funding provided to the Department of Housing, Local Government and Heritage towards expenditure incurred on the provision of homeless services under Section 10 of the Housing Act, 1988 has increased each year over the period 2016-2019, from €89m to €165m, an increase of 85%. €271m was provided in 2020 although it should be noted that 2020 was an exceptional year as a result of carryover costs from 2019 and additional services provided due to the pandemic.
- The majority of this funding is provided to the Dublin Region, 76% on average each year. This is in line with homeless numbers which are concentrated in the Dublin Region.
- The majority of homelessness expenditure each year is attributed to the provision of emergency accommodation, accounting for 83% (€188m) of total homelessness expenditure (€226m) for Local Authorities' in 2019.

### Profile of the Homeless Services User

Analysing a dataset of adult homeless individuals accessing emergency accommodation in the Dublin region in 2020, the key characteristics of this group are:

- **The majority of service users are male.** 62% of adult homeless individuals accessing emergency accommodation in the Dublin region in 2020 are male.
- **The majority of services users are young with 45% under the age of 35.**
- **The majority of service users are Irish.** The majority of adults accessing emergency accommodation in the Dublin region are Irish, 59% (4,954) of total.



- **They are more likely to be single than in a couple.** The majority are single (75%: 5,626) while 25% (1,898) are in a couple. If they have children, the service user is likely to have some or all children living with them while single service users with children are predominantly female. **The most common self-reported reason for homelessness were reasons relating to family circumstances.** Family circumstance reasons account for 44% of reasons given for homelessness with the breakdown of a relationship with a parent accounting for almost one quarter (24%) of this 44%. The remaining 56% self-reported reasons related to the private rental sector, leaving care and general other reasons as their main reason for homelessness. It should be noted that multiple reasons for homelessness fall under the Leaving Care category such as leaving prison, leaving care related to mental illness, leaving hospital and leaving direct provision.

# **The Pandemic Unemployment Payment and the Employment Wage Subsidy Scheme: Trends and Interactions**

## **Executive Summary**

### **Context and Objectives**

In the context of a reopening economy and moving towards a labour market living with the ongoing impact of COVID-19, this paper presents some insights on the Pandemic Unemployment Payment (PUP) and Employment Wage Subsidy Scheme (EWSS). It also considers policy implications deriving from these insights which may inform responses to future crises.

### **General**

- The PUP and TWSS/EWSS have been key policy levers in alleviating the impact of the COVID-19 public health restrictions on households and enterprises. The introduction of these policy measures have been unprecedented in terms of the expenditure, scale, reach and format.
- Total spend across the two schemes to October 2021 is €16.7bn (€8.8bn PUP and €7.9bn TWSS/EWSS). This expenditure has had a significant impact on public finances, contributing significantly to the deficit in the general government balance and the Social Insurance Fund (SIF).
- At their peak, the schemes were supporting around 1m individuals (605,700 PUP and 407,700 TWSS) and around 37,000 enterprises; reducing to 400,000 (90,000 PUP and 310,000 EWSS) as of week ending October 22<sup>nd</sup> 2021.
- Around 59% of PUP and 54% of EWSS expenditure has gone to four sectors: Accommodation and Food, Retail, Administration and Support Services and Construction. These four sectors still account for 54% of PUP recipients and 57% of EWSS recipients.
- The Accommodation and food sector has had the largest use of these supports: the sector accounts for around a quarter of overall PUP and EWSS expenditure. Almost 70% of the sector's pre-pandemic workforce is currently being supported by the PUP and EWSS; at present. Over one third of employees (c. 108,500); around one fifth of employers (c. 5,200) on the EWSS and 17% (c. 15,500) of PUP recipients are from this sector.
- The age profile of PUP recipients has shifted markedly over the course of the pandemic. For example, following the reopening of hospitality and retail in summer 2021, and after the scheme was closed to students in September 2021, the share of those aged under 25 in receipt of the PUP dropped from one quarter to less than 10%.

### **Long duration PUP recipients**

- In October 2021, around 48,500 people had been in receipt of the PUP for 95 percent or more of the weeks since the scheme began.
- Longer term recipients have been slower to return to work than shorter duration recipients, leading to an increase in the share of PUP recipients who are long-term from 24% to 48% since March 2021.
- In early October 2021, around 64% (c. 65,000) of PUP recipients had been claiming the PUP continuously since they joined. These continuous PUP recipients are more likely than their non-

continuous counterparts to be over 40 than under 40; and to have lower pre-COVID-19 earnings than their non-continuous counterparts. Construction (56%), Accommodation and Food (59%) and Other Service Activities (60%) have the lowest proportions of continuous recipients by sector.

### **Flows and interactions between the PUP and the EWSS**

- Flows between schemes can be insightful and are needed to disentangle where labour market improvements are occurring compared to shifts from one support to another.
- While the inflows into the PUP have been instantaneous following each round of restrictions, the outflows on reopening have been gradual, suggesting that the labour market impact of restrictions is slow to unwind once restrictions are lifted.
- Strong flows from EWSS to PUP occurred during periods of greater restrictions, while flows in the opposite direction occurred during reopening phases.
- In terms of absolute numbers, flows into the PUP appear to be sensitive to public health restrictions than flows into the EWSS.
- Although numbers on the PUP have been declining steadily in recent months, a significant proportion of these flows have been to the EWSS. 77,000 moved from PUP in May 2021 to EWSS in June 2021, 52% of the flow from the PUP to employment in this period. While the return to work is positive, the EWSS support still bears an exchequer cost. These inflows from the PUP to the EWSS have been largely offsetting outflows from EWSS to non-EWSS supported employment, resulting in EWSS levels persisting at around 300,000.

### **Issues for further consideration**

While the paper does not aim to assess the efficiency and effectiveness of the schemes, it does identify a number of policy implications and areas for further research. The schemes supported household incomes, employment and the enterprise base during the pandemic. However, this was achieved at a substantial cost to the Exchequer. In addition, broad scheme eligibility has likely resulted in some deadweight loss, which should be assessed in future. Finally, as the economy reopened, it is not clear what the impact of the schemes has been on labour supply, wage levels and reallocation of resources within the economy; all of which are critical in supporting economic recovery and employment growth.

# Progressing the Development of the Costed Policing Plan and Multi-Annual Budgeting in An Garda Síochána

## Executive Summary

### Introduction

This Spending Review seeks to progress a number of priority actions relating to the further development of finance functions within An Garda Síochána, as outlined within ‘A Policing Service for our Future’ (APSFF). APSFF is the implementation plan of the “Report of the Commission on the Future of Policing in Ireland”, which the 2020 Programme for Government “Our Shared Future” committed to rapidly implement. This paper is jointly authored by officials from the Finance Directorate in An Garda Síochána, the Financial Shared Services and Criminal Justice Governance units in the Department of Justice, and the Justice Vote Section in the Department of Public Expenditure and Reform.

The Spending Review progresses these Actions by:

- **Informing the development of practices for producing annual costed policing plans** based on a desktop review of practice in other jurisdictions and taking into account current An Garda Síochána’ (AGS) practices for producing costed policing plans;
- **Identifying and reiterating the essential enablers for the implementation of multi-annual budgeting;**
- **Considering the potential impact of the Operating Model reforms** on costed policing plans, multi-annual budgeting, and the structure of the Garda Vote;
- **Considering how multi-annual budgeting might be piloted** for specific areas of current expenditure on the Garda Vote;
- **Examining the current structure of the Garda vote** - ascertaining how to further enhance expenditure transparency on the Vote, and proposing relevant amendments to the Vote 20 structure to support and optimise the delivery of the above APSFF’ actions.

## Key Findings/Recommendations

### Costed Policing Plan

- A universal definition of a costed policing plan was not found in the literature review undertaken for this paper but the following appear to be essential components:
  - linkages between objectives contained in formalised strategic documents and the funding allocations available, or required, to realise those objectives, and
  - a method of measuring outcomes achieved.
- The above elements or components should then be used to inform the decision making process and how best to utilise and prioritise available resources.
- This Group’s research has not produced evidence of fully costed policing plans in other jurisdictions.

- Police Objective Analysis is used by police forces in England, Wales, Scotland and Northern Ireland, and is a methodology of allocating an input cost and officer/staff FTE time commitment to policing activities. However, it is not used to specifically link budgetary allocations to strategic objectives.
- The costed policing plans developed in 2019-2020 and the Estimated Budget Allocations/Costings 2021 are linked to AGS's multi-year statement of strategy; they do not measure outcomes achieved or significantly inform the decision making process on how best to allocate resources.
- Following on from the findings in this Spending Review, it is recommended that the relevant stakeholders reach a clear consensus on the requirements and expectations of an annual costed policing plan.
- Factors which require further consideration by stakeholders for future costed policing plans include:
  - Whether focus should be placed on expenditure areas which drive costs rather than fully costing policing plans as jurisdictions appear to be moving towards higher level analysis and away from complete costing/analysis of all activities;
  - The completion of a costed policing plan in 2022 in accordance with the published timelines within the APSFF, the provisions of the General Scheme for Policing, Security and Community Safety Bill and annual Policing Plan requirements;
  - Consideration of how Roster Duty Management System activity data might be further used to inform costed policing plans;
  - Further potential to include linkages between inputs and outcomes.

### **Multi-Annual Budgeting**

- The introduction of multi-annual budgeting for current expenditure on a pilot or phased basis in 2023 is recommended, in accordance with existing Government' commitments and to coincide with the incremental progress being made on the pre-requisites to enable this reform. See Table 5.1 for further information.
- A framework is required to underpin the piloting of multi-annual budgeting. Key elements will include:
  - Expenditure Scope – section 5.4 sets out the expenditure areas identified as suitable for a pilot as overtime, towing and storage of vehicles, station services and vehicle maintenance costs;
  - Governance – This would need to be grounded in structured governance arrangements, such as a Working Group comprising the main stakeholders;
  - Vote Structure – Certain subhead or structural changes may be required to support multi-annual budgeting;
  - Incentives – Consideration of the incentives that may form part of the framework;
  - Risks and Controls – To be credible, spending within budget of the pilot multi-annual framework is important.

### **Operating Model**

- The new Operating Model will significantly impact and require changes to many facets of An Garda Síochána, including future developments for Costed Policing Plans, the phased implementation of multi-annual budgeting for current expenditure and potentially the structure of the Garda Vote itself.

### **Garda Vote Structure**

- A re-titling of subhead A 2.2 is recommended in the context of the Revised Estimates 2022 to enhance the transparency of the published expenditure information. See Section 6.2 for further information.
- The Garda Síochána Vote has one programme at present, it would be beneficial if additional programmes and subheads were added to report on expenditure allocated to achieve the key performance targets, at a greater level of granularity in the REV publications.
- It may be appropriate to align the Vote programme structure with the four functional areas created under the Operating Model in the medium term: Community Engagement, Crime, Performance Assurance and Business Services. A fifth programme may potentially be required in respect of the specialist and national units as these units will operate outside of the Operating Model.
- It may be beneficial if the development of additional programmes under Vote 20 was carried out in conjunction with the continued rollout of the Operating Model scheduled to be completed by end 2023.

## Review of the Programme of Work and Training in the Irish Prison Service

### Executive Summary

- Work and vocational training forms a vital component of the rehabilitation of prisoners, with training activities aiming to give as much employment as possible in prison and providing opportunities to acquire skills that help secure employment on release. Work and training fulfils a dual function in also providing essential services to the prison estate.
- A distinction exists between delivery of education and delivery of work and training in the Irish Prison Service (IPS). The former is delivered through a partnership model between the IPS and the Education and Training Board Ireland (ETBI). Work and training, on the other hand, is staffed and funded by IPS.
- Policy development in recent years, including the introduction of the Criminal Justice (Spent Convictions and Certain Disclosures) Act 2016 and the recent 'Working to Change: Social Enterprise and Employment Strategy 2021-2023', have placed an increased emphasis on the fundamental role of employment in breaking the cycle of re-offending.
- Against that background, this paper offers a timely review of the effectiveness of the work and training programme in delivering on its mission to provide opportunities for prison leavers to secure employment on release.
- This paper was produced using desk based analysis of IPS policies, IPS data and IASIO GATE Service data, and also interviews with a cross-section of key stakeholders including a sample of each of the following groups: men and women in custody, Chief Officers in Work and Training, IASIO GATE Service staff, a Department of Justice 'Working to Change' Strategy representative, Prison Officer Association (POA), and relevant staff across IPS Headquarters.
- The paper outlines the model of delivery of Work and Training and examines the labour market relevance of the programme of training available. IASIO GATE Service data illustrates employment, training and education outcomes for prisoners engaged with the GATE Service from 2016 to 2020. Key stakeholder perceptions of the efficiency and effectiveness of the Work and Training Programme are also considered, followed by a review of good practice employed in other jurisdictions. Finally, the paper includes recommendations on addressing data gaps, measuring performance and best practice from other jurisdictions on aligning delivery to labour market demand

### Key Findings

(i) In 2020, costs associated with Work and Training, including staffing costs, gratuities and consumables, accounted for **€23.85 million, or 5.8% of the IPS budget**.

(ii) Approximately **30% of the prison population take part in Work and Training** at any given time, though this is not the only structured activity available in prisons.

(iii) There are data gaps that hinder a comprehensive evaluation of the efficiency and effectiveness of Work and Training. **It is recommended that the Irish Prison Service put in place measures to ensure the systematic and centralised collation of Prisoner IDs for all persons engaged in work and training; work and training activities attended; duration of engagement; and accreditation detail, where relevant.** Furthermore, a standardised approach to data collection should be defined and communicated in order to ensure data is accurate and comparable across the prison estate. A follow-up review of the effectiveness and efficiency of Work and Training in Prisons should be commenced once the data gaps identified during this research have been addressed.

(iv) The **integration of Work and Training data with that currently captured on the Prisoner Education Management System (PEMS)** would serve to provide a complete view of prisoner engagement in accredited and/or structured activity while in custody.

(v) Previous analysis of prisoner outcomes, based on linked administrative data, demonstrates the potential policy insights to be achieved through the inclusion of IPS data in the National Data Infrastructure (NDI). **IPS should explore options to leverage existing administrative data through the NDI led by the CSO. Furthermore, the inclusion of a Work and Training indicator in the Prison Re-Offending Series published by the CSO would make it possible to explore the potential impact of engagement in Work and Training on recidivism.**

(vi) In the absence of data on outcomes for all prisoners released from custody, IASIO GATE Service data was used to identify outcomes for those who engaged with the service prior to release. **Training placements were the most common point of referral for prisoners engaged with the GATE Service,** followed by employment and education placements. **The Construction Sector was the most common sector of employment for prisoners referred to the GATE Service. Most prisoner leavers referred to employment were placed on Community Employment (CE) Schemes or CE Drug Rehabilitation Schemes,** which offer part time and temporary placements for people who have been out of the labour market.

(vii) International evidence and points to the value of aligning vocational training in prisons to labour market demand. **It is recommended that IPS leverage labour market intelligence to ensure the work and training programme in prisons is flexible and responsive to labour market need,** while also taking account of the educational and skills disadvantage and limited employment history often experienced by people in custody.

(viii) The operating framework underpinning Work and Training would need to support a shift toward creating a programme that is flexible and responsive to the labour market. There is **scope for greater integration and alignment of the Work and Training function delivered by IPS and the Prison Education Service delivered by ETBs to provide a programme of education and skills that is flexible and responsive to labour market demand,** and maximises progression opportunities for prison leavers. Furthermore, the recent engagements with SOLAS, as a provider of a range of



Further Education and Training (FET) programmes that are responsive to skills demand, marks a positive step towards improved progression pathways for prisoners.

(ix) **There is a need for clarity and alignment on performance indicators, underpinned by a clear purpose and mission of Work and Training.** While accreditation is not the only measure of success, improved oversight of accreditation, as one tangible and key outcome of the Work and Training programme is required. Stakeholders also described incremental steps required to get people to a place where they can attain and retain employment that are not currently captured as key performance indicators. Existing tools, such as IASIO's Progression Readiness Indicator, could be leveraged to measure performance in the broader sense.

(x) While acknowledging the security challenges to digital innovation within prisons, **there is a growing need to expand programmes around digital literacy and competence as core employability skills.** There is scope to co-ordinate delivery of IT skills between the Work and Training function and Education Centres, with a view to maximising the impact of these offerings for people in custody

(xi) The stakeholder narrative identified the adverse impact of prison-wide resourcing issues on the delivery of Work and Training. In making the above recommendations, it is acknowledged that these core prison-wide resourcing issues need to be addressed for Work and Training to function efficiently and effectively.