

An Roinn Coimirce Sóisialaí
Department of Social Protection



www.welfare.ie



Department of Social Protection

Annual Report 2013

*Our mission is to promote
active participation in society
through the provision of
income supports, employment
services and other services.*



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FOREWORD FROM THE MINISTER



Since coming into office as Minister for Social Protection, I have focused on transforming the Department from the passive benefits provider of old to an active and engaged public employment service that assists in getting people back to work. 2013 saw

further significant progress towards achieving that goal.

At the end of 2013, 61,000 more people were in work, an employment increase of 3.3% on 2012. Unemployment fell by 41,400 or 14.1% over the course of the year. These figures demonstrate that the unrelenting Government drive to create jobs and get people back to work is succeeding. The Department of Social Protection is the lead Department on the Pathways to Work strategy, which complements the Government's Action Plan for Jobs. The Action Plan is designed to accelerate the transition to a sustainable, jobs-rich economy, while the aim of Pathways to Work is to ensure that as many as possible of those newly created jobs go to people on the Live Register.

Central to this success are a series of key reforms, such as replacing the welfare offices of old with new Intreo Centres. There are now 44 Intreo Centres in operation – integrating employment services with benefit payment services in a 'one-stop shop' where jobseekers can access their income supports and employment supports to help them back to work, education or training.

In 2013, a new profiling system was put in place which assesses how likely a person is to get a job when they first claim their benefits. The key benefit of the profiling system is that it identifies those who are most likely to fall into long-term

unemployment at the point of initial engagement with the service. This means we can tailor our services specifically to support them.

I made tackling youth unemployment a priority of Ireland's EU Presidency last year, and we achieved political agreement on the Youth Guarantee. The Youth Guarantee is about providing our young people with the opportunities they need to achieve their full potential. The central aim of the Guarantee is to ensure that young jobseekers receive a good quality offer of work, training or education within a short period of becoming unemployed.

On foot of this, in October 2013 I confirmed that Ballymun, Dublin, was selected as one of the first Youth Guarantee Schemes to proceed in the EU following funding approval by the European Commission and the Government. This scheme will guarantee access to career guidance and assistance, leading to identification of an individual career plan for the young unemployed person with follow-through to training, education, work experience or full-time employment. Lessons learned from this scheme will assist in the formation of national policy regarding the future development of Youth Guarantee Schemes across Europe.

My Department is moving through a phase of significant transformation. I wish to acknowledge and thank the staff of the Department for their hard work, dedication and commitment to ensuring that we deliver more modern, efficient and dynamic services to our customers, providing both a safety net for those who need it and a springboard back to work for jobseekers, while ensuring that taxpayers' money is responsibly spent.

Joan Burton T.D.
Minister for Social Protection



INTRODUCTION FROM THE SECRETARY GENERAL



This is the third progress report to the Minister and the Government on the implementation of the Department's Statement of Strategy 2011 – 2014.

In challenging times we have been asked to respond more effectively to increased demands from a wider group of customers. We have worked hard to meet this challenge across a broad range of activity. Our mandate is threefold – Service Delivery – Activation – Control

The Department's Customer Charter and Action Plan 2013-2015, published in 2013, sets out our commitments to delivering an excellent standard of service to all our clients. It also outlines the Social Contract approach which ensures that all parties understand that with rights to supports from the Department come responsibilities to engage with the services offered.

The Department now has 44 Intreo Centres in place, which are one-stop shops for jobseekers with access to both income supports and employment supports. It is intended that the full Intreo service will be rolled out to all of the Department's offices nationwide by the end of 2014.

The Intreo service is a new way of doing business for the Department. The service offers practical, tailored employment services and supports for jobseekers and practical assistance to employers in their recruitment of staff. We have made significant efforts to develop our relationship with employers and will continue to do so over the coming years.

We have also worked to ensure that services are delivered to a high level to other customers of the Department particularly in the areas of pensions, illness and disability related payments and family income supports.

During 2013, the Department continued to focus on minimising social welfare fraud and abuse. Work in this area, generating control savings of €632m in 2013, demonstrates that the Department's intensified control focus in recent years is having a positive impact on the level of abuse in the social welfare system.

The Department's redesigned website, www.welfare.ie, which was launched in early 2013, caters better for the growing needs of today's users. The Public Services Card also has the potential to offer significant value to both citizens and Government over the coming years.

One of the challenges we face in delivering a vast range of services from various locations throughout the country, is not to lose sight of the fact that the Department is a single organisation with a true sense of purpose. In 2013, the Department launched an initiative called 'One DSP', a wide ranging programme of organisational development. This is designed to deepen integration, support staff and build our organisational and staff capability to successfully manage change, while at the same time meeting our clients' constantly evolving needs.

I wish to acknowledge the support and co-operation of all staff in our efforts to deliver and continually improve our services. It is through their ongoing commitment, co-operation and resourcefulness that the Department has successfully implemented so many positive changes to date, and is well placed to respond to the further challenges facing us in the future.

Niamh O'Donoghue
Secretary General



THE DEPARTMENT: ITS BUSINESS AND ORGANISATION

“To promote active participation in society through the provision of income supports, employment services and other services”.

MAIN FUNCTIONS OF THE DEPARTMENT

The Department supports the Minister for Social Protection in the discharge of governmental, parliamentary and departmental duties.

Our main functions are to:

- advise Government and formulate appropriate social protection and social inclusion policies;
- design, develop and deliver effective and cost efficient income supports, activation and employment services, advice to customers and other related services;
- work towards providing seamless delivery of services in conjunction with other departments, agencies and bodies; and
- control fraud and abuse.

SCALE OF THE DEPARTMENT’S BUSINESS

The Department serves a wide and diverse group of clients including families, people in employment, unemployed people, people with disabilities, carers, and older people. The Department also provides a range of services to employers who are an important client group.

The Department administers over 70 separate schemes and services which impact on the lives of almost every person in the State. Services include:

- Through the Intreo service, the integration of employment services and benefit payment services, to ensure that the payment of income supports to people who do not have a job is directly linked to the

equally important task of supporting such people in their pursuit of employment and related opportunities and improving their life chances;

- A wide range of social insurance and social assistance income support schemes such as child benefit payments, jobseeker payments, illness benefits payments and pensions;
- A range of employment supports, guidance and placement services to help jobseekers find and secure employment;
- A range of employer services including recruitment services, online vacancy publication, employment supports (e.g. wage subsidy schemes for people with disabilities) and redundancy and insolvency services;
- A range of community services to promote social inclusion and provide a pathway to employment for people who are unemployed;
- The development of appropriate social policies in areas such as pensions, child income support, activation and job seekers; and
- Coordinate the implementation of government strategies for social inclusion under the National Action Plan for Social Inclusion and the Europe 2020 Strategy.

Each week, nearly 1.5 million people receive a social welfare payment and, when qualified adults and children are included, almost 2.3 million people benefit from these payments. Some 600,000 families receive child benefit payments in respect of almost 1.2 million children each month. €20.23 billion (provisional outturn) was spent by the Department in 2013.



In 2013 the activities of the Department included:

- 2.1 million applications processed;
- 88.5 million scheme payments made;
- more than 1.1 million control reviews carried out;
- 8.3 million telephone calls answered;
- 38,500 social welfare appeals finalised;
- over 135,000 job opportunities advertised, nationally;
- over 164,000 PPS numbers allocated to clients from over 174 countries; and
- over half a million Public Services Cards issued to clients.



Intreo Centre

ORGANISATION OF THE DEPARTMENT

The Department is working with a new mandate from Government and has gone through an intensive period of integration, which resulted in almost 3,000 new staff members joining the Department, bringing the staff complement to almost 7,000 staff.

In order to position the Department to meet the challenges ahead, the **“One DSP” Changing Together** programme was initiated in 2013; a wide-ranging programme of organisational development which is designed to deepen integration, to support staff and to build organisational and staff capability to successfully manage change and provide excellent services to our clients.

In addition to headquarters offices located throughout the country, developing policy and administering the Department’s schemes and services, a new regional structure is in place since 2012. This consists of 3 regions with responsibility assigned at Assistant Secretary level and comprising 13 divisional areas. Each division is headed up by a divisional manager who has responsibility for all of the day-to-day operational issues in the division across the three streams of the Department – social protection services, Community Welfare Services and former FÁS Community and Employment Services.

Intreo, the new integrated employment service, community programmes and income support service model was launched in October 2012 and is now in place in 44 offices located throughout the country.

The General Register Office (GRO) manages the Civil Registration Service which provides for the registration of births, stillbirths, adoptions, marriages, civil partnerships and deaths in the State. Registration services are provided by Registrars at various locations across the State. The GRO also operates a genealogical research facility.

The Social Welfare Appeals Office and the social Welfare tribunal are independently responsible for determining appeals against decisions on social welfare entitlements and insurability of employment.

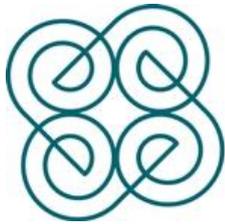
The Citizens Information Board (CIB) is the national agency responsible for supporting the provision of information, advice and advocacy on social services through the Citizens Information Services (CIS) and for the provision of the Money Advice and Budgeting Service (MABS).

The Pensions Authority provides pension information, regulation and governance in relation to occupational and private pensions.

The Office of the Pensions Ombudsman independently investigates complaints of maladministration of pension schemes.



SIGNIFICANT ACHIEVEMENTS AND KEY DEVELOPMENTS IN 2013:



Uachtaránacht na hÉireann ar
Chomhairle an Aontais Eorpaigh
Irish Presidency of the Council
of the European Union
eu2013.ie

EU PRESIDENCY JANUARY TO JUNE 2013

A particular highlight of the year was the 7th Irish Presidency of the European Union which began on January 1st.

The three overarching priorities for the Irish Presidency were stability, growth and jobs.

The Department of Social Protection achieved major successes in relation to the Youth Guarantee and the Directive on Pensions Portability; significant progress was also made in developing a new regulation on a new fund for European Aid to the Most Deprived (FEAD).

During the Presidency the Minister and the Department hosted a number of meetings in Ireland and Brussels as well as a conference on the Social Investment Package in the Irish College in Leuven, Belgium. Meetings held during the Presidency in Ireland included the Social Protection Committee, the Mutual Information System on Social Protection (Missoc) Network, Heads of the Public Employment Services and European Employment Service (EURES) advisers.

Among the key events and achievements were:

Informal Meeting of the Employment and Social Policy Ministers, 7 - 8 February 2013

The Minister for Social Protection, Joan Burton T.D. took the lead in relation to the organisation of this meeting which she co-chaired with the Minister for Jobs, Enterprise and Innovation, Richard Bruton T.D., and the Minister of State for Disability, Equality and Mental Health, Kathleen Lynch T.D.

The general theme for the meeting was “Supporting People into Employment”, with a particular emphasis on youth unemployment, the Youth Transitions Package and the associated Youth Guarantee, which had been published by the EU Commission in December 2012. The meeting also discussed an enhanced role for Public Employment Services.

Before the formal meeting, the Presidency Trio (Ireland, Lithuania and Greece) held meetings with the Social Partners and the Social Platform. The topic for the former was “getting people back to work: the contribution of skills development to finding and remaining in employment” while the latter dealt with “Pathways to Work: What can the EU do to improve access to jobs for those furthest away from the labour market?”



Commissioner Andor with Ministers Bruton and Burton
Employment, Social Policy, Health and Consumer Affairs
Council (EPSCO) Informal arrival

Agreement on Youth Guarantee at Formal Council meeting, 28 February 2013

The Council meeting on 28 February 2013 reached political agreement on a recommendation addressed to the Member States on establishing the Youth Guarantee.

The Council adopted conclusions on actions to be taken:

- partnerships between public and private employment services, employers, social partners and youth representatives;



- outreach strategies towards young people, especially the most vulnerable ones;
- support for the integration of young people into the labour market by enhancing skills, encouraging employers to offer young people jobs and promoting labour mobility;
- assessment and continuous improvement of the schemes; and
- use of the available EU funds to support the establishment of the schemes.

The conclusions called on Member States to implement the guarantee schemes as soon as possible, preferably from 2014. However, they recognised that this may be difficult in Member States with the most severe budgetary difficulties and higher rates of youth unemployment and accepted that a gradual implementation may have to be considered.

Breakfast meeting with the President of the European Council on the Social Dimension of the EMU

A unique feature of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) meeting in February 2013 was a breakfast meeting between the President of the European Council and the EPSCO Ministers, the purpose of which was to allow Ministers exchange views with the President on ways of better coordinating economic and fiscal policies as well as enhancing the social dimension of the Economic and Monetary Union. This was the start of a process which resulted in the Irish Presidency submitting a Memorandum to the President of the European Council setting out the views of Ministers on the Social Dimension of the EU as an input to his report to the European Council on the long-term architecture needed to support the EMU.

Social Investment Package and Leuven Conference

The EU Commission published its "social investment package", on the 20th February 2013 as it saw a need for action in a number of areas including:

- simplified and better targeted social policy in order to achieve sustainable and adequate social protection;
- investment in people's skills and capabilities to help them cope with social and economic challenges – this applies particularly to fields such as childcare, education and training, job-search assistance and health care; and
- support for people at critical moments throughout their lives.

The package is a policy framework to give a fresh impetus to achieving the overall Europe 2020 target of reducing the number of people at risk of poverty by 20 million and fighting social exclusion by developing policies designed to strengthen people's skills and capacities and support them to participate fully in employment and social life.

This was a major development during the Irish EU Presidency and a joint conference hosted by the Irish Presidency and the EU Commission to discuss the proposal took place in the Leuven Institute for Ireland in Europe, Belgium on 2nd and 3rd May. The conference featured speakers and contributors from the various Member States, the European Parliament and other international institutions and provided an opportunity for an audience of over 200 EU and government officials, public representatives and NGOs to discuss the package in advance of political discussions at the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) Council meeting later that June.

Directive on Pensions Portability

Significant progress was made on a Directive of the European Parliament and of the Council on minimum requirements for enhancing worker mobility by improving the acquisition and preservation of supplementary pension rights (cross-border pensions). In June 2013, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) reached agreement on a general approach on the proposal, paving the way for informal negotiations with the European Parliament. It is expected that the Directive can be adopted in quarter 2 of 2014.



Fund for European aid to the most deprived (FEAD)

Shortly before the start of the Irish Presidency the EU Commission proposed a new scheme to replace that which operated under the Common Agriculture Policy (CAP). CAP, an EU operated scheme in place since 1987, was designed to distribute agriculture intervention food stocks to those in need which might otherwise have been destroyed. The new scheme, proposed by the EU Commission, will be wider in scope and explicitly marked as a social programme. Negotiations on the proposal commenced under the Irish Presidency and a large measure of agreement was secured amongst the Member States which facilitated a final agreement under the Lithuanian Presidency.

The fund is designed to support national schemes whereby food products and basic consumer goods for homeless people or for children are distributed to the most deprived through partner organisations selected by the Member States.

The Department of Social Protection will be responsible for implementing the programme in Ireland.

In addition to Presidency activities, the Department continued to participate actively in a range of international activities, including:

- Attending and contributing to EU Ministerial Councils
- Contributing to official-level working groups and committees, both in the EU, OECD and Council of Europe.



Irish Delegation, Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) Informal

SOCIAL INCLUSION

Social Inclusion Report

The Department published the Social Inclusion Report on the implementation of the National Action Plan for Social Inclusion for the years 2011 and 2012¹.

The Department also prepared an update on the Irish contribution to the EU poverty target for the National Reform Programme under the Europe 2020 Strategy.

Role of Social Transfers in Poverty Alleviation

In 2013, the Department and the Economic and Social Research Institute (ESRI) published a joint paper on the role of social transfers in income redistribution and poverty alleviation in Ireland. The report was produced as part of the Department's research programme on monitoring poverty trends with the ESRI.

The study covers the period 2004 to 2011, a time of rapid economic change, spanning both strong economic growth and deep recession. It provides clear evidence that social transfers maintained their poverty reduction effectiveness and efficiency in the face of the economic crisis.

The report was presented at a joint Department/ESRI conference in December 2013 and can be found on the Department's website².

Social Inclusion Monitor

The Social Inclusion Monitor was developed, in consultation with the technical advisory group on poverty data and indicators, to report on progress towards the national social target and the Irish contribution to the Europe 2020 poverty target. It also reports on supporting indicators which capture key dimensions of poverty and on

¹ <http://www.socialinclusion.ie/documents/2013-11-14AnnualReportIndesignWEBCopy.pdf>

² <http://www.welfare.ie/en/Pages/Social-Transfer-and-Poverty-Alleviation-.aspx>



contextual indicators relating to life-cycle and vulnerable groups.

The Monitor is primarily based on statistics from the annual Survey on Income and Living Conditions (SILC), undertaken by the Central Statistics Office. The inaugural Social Inclusion Monitor 2011 was published in March 2013.

A copy of the Social Inclusion Monitor 2011 can be found on the Department's website³.

LEGISLATION

It is part of the Department's role to develop proposals for legislation to underpin policy developments and implementation of schemes and services in the area of social protection and support the legislative enactment process. Social protection legislation includes legislation on social welfare, pensions, civil registration, gender recognition, and redundancy and insolvency.

In recent years the Department has delivered an extensive legislative programme, including secondary legislation. The Department's legislation programme for 2013 encompassed the enactment of three pieces of primary legislation and 37 statutory instruments. A full list of legislation enacted during 2013 is available at Appendix 2.

Gender Recognition Bill

The General Scheme of the Gender Recognition Bill 2013 was published in July 2013, following Cabinet approval. The Bill provides for the recognition of the acquired gender of transgender people aged 18 and over and who are not married or in a civil partnership. The legislation will also facilitate persons with intersex conditions.

Once enacted, it will mean that a person who has been issued with a gender recognition certificate will have their acquired gender fully recognised

by the State for all purposes – including the right to marry or enter a civil partnership in the acquired gender and the right to a new birth certificate.

Following publication, the General Scheme of the Bill was referred to the Joint Oireachtas Committee on Education and Social Protection. The Committee's Report was published in January 2014 with the legislation expected to be published later in the year.

Civil Registration (Amendment) Bill

Work also commenced on the Civil Registration (Amendment) Bill. The Bill will provide for a wide range of issues relating to the registration of life events in the State. It is expected to be published in 2014.

Advisory Group on Tax and Social Welfare

The work programme of the Advisory Group on Tax and Social Welfare focuses on the production of modular reports on the priority areas identified in the Group's terms of reference. In 2013 the first three modular reports of the Advisory Group were published on the Department's website⁴.

These were related to:

- Child and family income supports;
- Budget 2012 proposals relating to Disability Allowance (DA) and Domiciliary Care Allowance (DCA);
- Extending social insurance coverage for the self-employed.

The Group found that the current system of means-tested jobseeker's allowance payments adequately provides cover to self-employed people for the risks associated with unemployment. The Group found that extending social insurance for the self-employed was warranted in cases related to long term sickness or injuries.

³ <http://www.welfare.ie/en/Pages/Social-Inclusion-Monitor.aspx>

⁴ <http://www.welfare.ie/en/Pages/Advisory-Group-on-Tax-and-Social-Welfare.aspx>



The findings of the Advisory Group on these issues and the recommendations contained in the report will be considered in terms of the future budgetary and fiscal situation.

The Advisory Group also continued to progress its final module of work. This focuses on the issue of working age income supports and the interaction of the tax and social welfare systems to determine how the social welfare system can best achieve its goals of supporting persons through periods of involuntary unemployment while incentivising work and dis-incentivising welfare dependency.

PATHWAYS TO WORK/INTREO

The development of a new approach to helping unemployed jobseekers return to work continued during the year with the roll-out of 34 new Intreo Centres bringing the total number of Intreo Centres to 44.

These centres provide an integrated 'one-stop-shop' employment and income support service to jobseekers with the service to each jobseeker being tailored in accordance with that jobseeker's individual profile. During the year the Department completed the process of developing profiles for all circa 400,000 registered jobseekers, hosted over 130,000 people in group engagements and conducted over 290,000 one-to-one advisory meetings with jobseekers.

In support of this effort the Department implemented significant process and organisational change in order to redeploy 300 additional staff to jobseeker services. The Department also set out an ambitious programme for further development of the service in the Pathways to Work 2013 policy statement which was approved by the Government and published in July 2013.

As part of this programme the Department launched a new employer recruitment incentive JobsPlus during 2013 and initial take-up of the incentive is very encouraging. The impact of these initiatives has been recognised by the EU in

its report on macro-economic imbalances, published in March 2013, which noted that "Labour market reforms contributed to a reduction in unemployment."





MANAGEMENT BOARD



MANAGEMENT BOARD, FEBRUARY 2014

Standing, left to right:

Tim Duggan, Anne Vaughan, John Conlon, Helen Faughnan,
Niall Barry, Geraldine Gleeson, Oliver Egan, Orlaigh Quinn

Seated, left to right:

Clement Leech, Simonetta Ryan, Niamh O'Donoghue,
Teresa Leonard, Kathleen Stack, John McKeon



2013 IN CONTEXT

ECONOMIC AND SOCIAL CONTEXT

Ireland successfully exited the Programme of Financial Support by the EU/IMF at the end of 2013. Whilst the global economic environment remains challenging, the outlook for the Irish economy over the short and medium term has improved, including the outlook for the labour market.

While the preliminary estimate for Gross Domestic Product (GDP) in 2013 is a marginal decline (by 0.3%) in 2013 overall, it is projected to increase by 2% in 2014. On the other hand, the domestic economy improved in 2013, with Gross National Product (GNP) growing by an estimated 3.4%. The difference in the two measures of growth is largely attributed by commentators to the “pharma cliff”.

The Seasonally Adjusted Unemployment Rate (SUR) decreased from 14.1 % at end 2012 to 12.1% at the end of 2013. The SUR has now fallen for seven consecutive quarters and this trend is continuing. The February 2014 SUR estimate has further reduced to 11.9%. The Long-term Unemployment rate in Quarter 4, 2013 was 7.2%, down from 8.2% a year earlier and 9.1% in Quarter 4 2011. The Youth Unemployment Rate fell over the same period to 24.2% in Quarter 4, 2013, down from 27.7% a year earlier and from 29.1% in Quarter 4 2011.

Employment increased by 61,000 or 3.3% in the year to Quarter 4 2013. This continues the upward trend since Quarter 4 2012 and is the fifth consecutive quarter where employment has grown on an annual basis. The employment recovery is broadly based, with all sectors of activity either showing growth or marginal declines.

The latest Central Statistics Office (CSO) data show the rate of consistent poverty, the indicator used to set the national social target for poverty reduction, was 6.9% in 2011. This reflects a continuing but modest upward trend following the economic crisis. In 2011, the at-risk-of-poverty rate was 16% and the rate of basic deprivation was 24.5%, both of which are higher than the 2010 levels.

Data on income and living conditions in 2012 (EU-Survey on Income and Living Conditions (SILC)) is expected to be published by the CSO in April 2014.

The level of jobless households also increased significantly over the period from 2008, but recent evidence from the Quarterly National Household Survey/Labour Force Survey suggests that the rate turned in 2013 and is now falling in line with unemployment levels.





EXPENDITURE 2013 AND 2014

The expenditure provided for the Department in the Revised Estimates Volume (REV) 2014, to provide for all schemes, services and administration is €19.6 billion. This level of expenditure reflects projected trends in recipient numbers and payment values as well as the

impact of changes announced in Budget 2014 and the ongoing impact of some budgetary changes announced over the period from 2009.

The Department's expenditure is spread across seven programme areas, as follows:

Programme	2013 Provisional Outturn	2014 REV	Programmes % of Total Expenditure in 2014 REV
	€'m	€'m	%
Administration	562	575	2.9%
Pensions	6,447	6,507	33.2%
Working Age - Income Supports	5,500	4,883	24.9%
Working Age - Employment Supports	993	1,078	5.5%
Illness, Disability and Carers	3,404	3,334	17.0%
Children	2,269	2,301	11.7%
Supplementary Payments, Agencies and Miscellaneous	1,051	926	4.7%
Total Expenditure	20,228	19,604	-

Table 1: Total Department Expenditure by Programme, 2013 and 2014

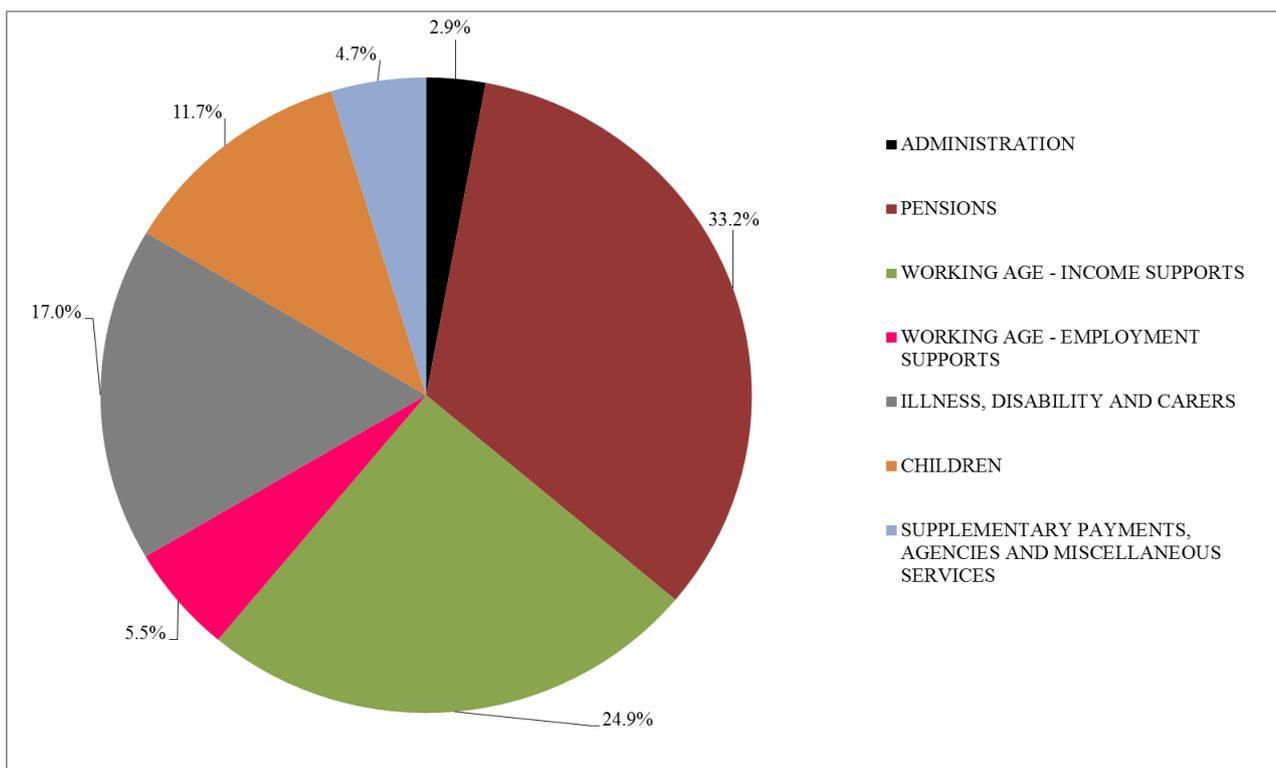


Chart 1: 2014 Department Expenditure by Programme



BUDGET 2014

Budget 2014 continued the process of returning Ireland's public finances to a sustainable path while protecting progress made in key social and economic areas.

Investment in social protection will, in 2014, promote active participation in society through the provision of income supports, employment supports and other services. In this regard, a wide range of supports were maintained at 2013 levels for 2014, including:

- The level of weekly pensions and other payments to people aged 66 years and over, including payments for qualified adults and children.
- The level of the extra allowances paid to pensioners and people with disabilities who live alone and those who are aged 80 years and over.
- The Free Travel Pass available to people aged 66 or over and people aged under 66 who are getting Disability Allowance, Blind Pension, Carer's Allowance or Invalidity Pension.
- The level of weekly payments to all existing recipients aged under 66 years, including payments for qualified adults and children.
- The weekly value and duration of the Fuel Allowance was maintained⁵.
- Half-rate payments of Carer's Allowance to persons in receipt of another welfare payment.
- The Family Income Supplement scheme which benefits lower income working families with children.
- The Widowed or Surviving Civil Partner Grant.

⁵ The Fuel Allowance season was extended, on a once-off basis, by one week in April 2013 due to the persistent severe weather conditions at that time.

The following changes were introduced in Budget 2014 in order to adhere to the 2014 expenditure ceiling.

Pensions

- Payment of the €850 Bereavement Grant was discontinued in respect of deaths on or after 1 January 2014.

Working age – income supports

- The reduced €100 rate of Jobseeker's Allowance and Supplementary Welfare Allowance (SWA) (which had been applicable to 18 to 21 year olds) was applied to persons without children who reach the age of 22 from January 2014 and to new claimants aged 23 and 24 also from January 2014.
- The reduced €144 rate of Jobseeker's Allowance and SWA (which had been applicable to 22 to 24 year olds) was applied to persons without children who reach the age of 25 from Jan 2014. The lower rates of Jobseeker's Allowance now apply to those who have exhausted their entitlement to Jobseeker's Benefit.
- The Back to Education Allowance maximum rate for 25 year olds was reduced to €160 per week for relevant new entrants.
- The minimum and maximum rates (€217.80 and €262, respectively in 2013) of Maternity & Adoptive Benefit were standardised at €230 per week. The measure applied to new claimants only from January 2014.
- Reductions in expenditure in certain supplementary welfare payments, principally exceptional needs payments.
- Savings in activation.

Working age – employment supports

- Savings in increased employment support efficiencies.
- Additional funding for the Youth Guarantee – labour market initiatives for young people.



Illness, disability and carers

- Welfare benefits paid during periods of illness arising from an accident or injury will be repaid in those cases where the insured person has also been compensated via a settlement.
- The number of waiting days for entitlement to Illness Benefit was increased from 3 days to 6 days, from January 2014.
- In line with the abolition of the State Pension Transition from Jan 2014, the personal weekly rate of €230.30 payable to Invalidity Pensioners at age 65 was discontinued and aligned with the personal weekly rate of €193.50 which had been payable to Invalidity Pensioners aged under 65. This measure applies to persons reaching their 65th birthday from Jan 2014. Analogous changes were also made to the qualified adult weekly rate payable to persons aged 66 or over. This measure applies to qualified adults reaching their 66th birthday from January 2014.

Children

- The payment of the Back to School Clothing and Footwear Allowance (BSCFA) for children over the age of 18 years was discontinued, other than those attending secondary school, for 2014 and subsequent years.

Supplementary payments

- The monthly Telephone Allowance element of the Household Benefits package was discontinued from 1 January 2014.
- The Mortgage Interest Supplement scheme was discontinued for new applicants from 1 January 2014. A winding down of the current recipient base will take place over a four year period.
- The minimum contribution for couples was increased by €5 from €35 to €40 further aligning Rent Supplement contributions with the Local Authority rents structure, for new and existing recipients. This also applies to Mortgage Interest Supplement, from Jan 2014.

- The annual payment to RTÉ for the Free TV Licence was reduced from €59.17 million to €54.17 million.

PAY RELATED SOCIAL INSURANCE (PRSI)

Employer PRSI

The 4.25% employer PRSI rate which applied to employees with weekly earnings of €352 or less will revert to the original 8.5% rate from 1 January 2014. The halving of the 8.5% employer rate to 4.25% was implemented on a 2 ½ year time limited basis to apply from 1 July 2011 until the end of 2013. There are no changes in the higher 10.75% employer PRSI rate.

Broadening of the income base on which PRSI is charged

From 1 January 2014, PRSI at the Class K rate of 4% is chargeable on the additional unearned income:

- of employees or occupational pensioners under 66 years (whether that pension arises from that person's own employment or the employment of his or her spouse or civil partner)
- where the unearned income is their only additional source of income and it is taxable under the Revenue Commissioners' self-assessed system and
- the individual is a "chargeable person" for income tax purposes (as defined by Revenue).

Note: This measure will not affect those who have already reached pension age and are therefore exempt from PRSI.

SOCIAL IMPACT ASSESSMENT

BUDGET 2014

The Department is responsible for the welfare component of the Budget and has prepared and published a social impact assessment of the main welfare and tax measures for 2014.

Social impact assessment is an evidence-based methodology to estimate the likely distributive effects of policy proposals on income and social



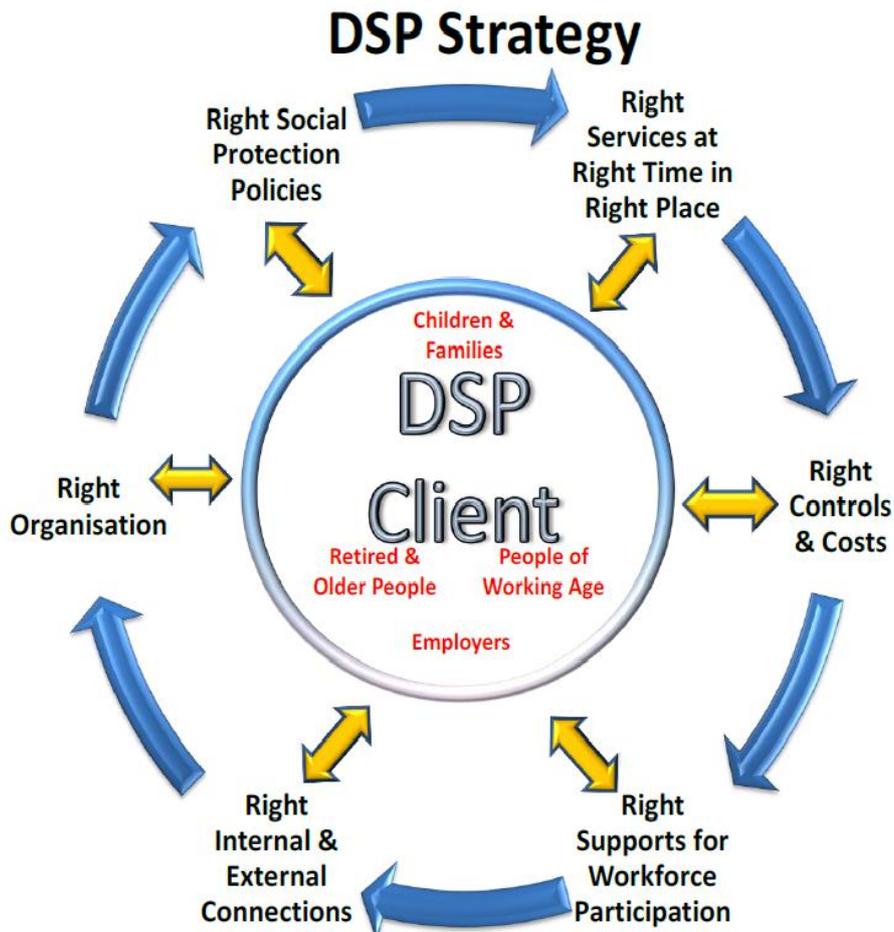
inequality. Assessing the social consequences of budgetary policy is of particular importance in order to protect the most vulnerable in society and to monitor the crucial role of social transfers in preventing welfare and other recipients from falling into poverty.

The principal finding of the assessment was that the main welfare and tax measures in 2014 will lead to no significant change in the at-risk-of-poverty rate. This confirmed the ongoing strong poverty reduction effect of social transfers during the period of fiscal consolidation. The full report is available on the Department's website⁶.

⁶ <http://www.welfare.ie/en/Pages/Social-impact-assessment-of-the-main-.aspx>



THE DEPARTMENT'S STRATEGIC OBJECTIVES



The Department's Statement of Strategy 2011-2014 identifies three strategic objectives:

Department Services and Policies

Objective 1: Put the Client at the Centre of Services and Policies

Efficiency and Effectiveness

Objective 2: Drive Cost Efficiency and Effectiveness

Operational Capabilities

Objective 3: Develop Staff, Structures and Processes



DEPARTMENT SERVICES AND POLICIES

OBJECTIVE 1 - PUT THE CLIENT AT THE CENTRE OF SERVICES AND POLICIES

The Department aims, at all times, to put the client at the centre of its services and policies in an effort to provide:

- Customer services;
- Reduced poverty rates;
- Improvement in employability and engagement with employers;
- Reduction in welfare dependency.

In order to achieve this, the Department administers over 70 separate schemes and services which impact on the lives of almost every person in the State. €20.23 billion (provisional outturn) was spent by the Department in 2013.

During the course of the year, in excess of 2 million customer claims were processed in the various scheme areas. The Department is committed to ensuring that claims are processed as expeditiously as possible. As part of the programme of service delivery modernisation, a range of initiatives aimed at streamlining the processing of claims, supported by modern technology, have been implemented in recent years. Operational processes, procedures and the organisation of work are continually reviewed to ensure that processing capability is maximised.

SIGNIFICANT ACHIEVEMENTS AND KEY DEVELOPMENT IN 2013

CHILDREN AND FAMILIES

Child Income Supports

The Department continues to provide a range of child income supports to assist families with the costs of child rearing.

In 2013, the number of working families in receipt of Family Income Supplement (FIS) increased by almost 30% to 42,000 families, supporting over 90,000 children.

School Meals Programme

The school meals programme provides funding towards the provision of food services for disadvantaged school children. The schemes currently benefit some 205,000 children across some 1,600 schools and organisations. There is clear evidence that good nutrition improves the concentration levels of students. Funding the provision of food services in schools guarantees ongoing positive returns on a public investment in the health and educational performance of future generations.

Budget 2013 provided an additional €2m for the school meals programme in 2013, bringing the total allocation to €37m. Priority for funding is given to schools in the Department of Education and Skills' initiative for disadvantaged schools – "Delivering Equality of Opportunity in Schools" (DEIS). The additional €2 million was used to extend the scheme to over 90 DEIS and special schools in the school year 2013/2014.

Back to School Clothing and Footwear Allowance

The Back to School Clothing and Footwear Allowance (BSCFA) provides assistance in respect of certain qualifying school-going children. The scheme operates from June to September each year and provides a once-off lump sum payment in respect of eligible children. In 2013, approximately 180,000 families with some 325,000 children benefitted from the scheme at a cost of almost €48 million.

The 2013 allowance was payable at the rate of €100 for children aged 4 – 11 years and €200 in



respect of children aged 12 - 22 years.

In 2013, the majority of BSCFA entitlements were fully automated with no application form required from clients. The automated process identified approximately 115,000 qualified households on the basis of the information already available and these payments were made in July 2013.

PEOPLE OF WORKING AGE

Roll-out of Intreo

Changes to how the Department engages with unemployed jobseekers continued during the year with the roll-out of the Intreo service.



Eoin Brown, An Taoiseach, Minister Burton and Micheál Ó Méalóid at official opening of Loughrea Intreo Centre

There are now 44 Intreo Centres in operation, an increase of 34 centres at the end of 2012.

These centres provide an enhanced 'one-stop-shop' service to jobseekers and in addition to processing income supports provide employment advice in the form of Group Engagements, one-to-one advisory meetings and referral to appropriate employment and training interventions such as Momentum, JobsBridge and TÚS. The nature and frequency of engagement and the type of interventions offered are informed by each jobseeker's individual profile. The Department will continue to roll-out this approach during 2014.

One Parent Family Payment

Changes to reduce the maximum age threshold of the youngest child for receipt of the One Parent Family Payment (OFP) were contained in the Social Welfare and Pensions Act 2012. These changes reduced the maximum age threshold of the youngest child, on a phased basis to 7 years of age between now and 2015. These changes move the OFP scheme closer to the jobseeker schemes. This will ensure that over time an individual will only be categorised as an OFP recipient until their youngest child turns 7 years of age.

The first reduction in the age of the youngest child for receipt of OFP took place in July 2013 with the age reducing to 17, 12 and 10 depending on the date the client commenced on the OFP scheme.

In preparation for the changes in July 2013, the Department formed an implementation group to define and implement all the steps necessary to ensure that OFP clients who lost entitlement to their OFP payment as a result of these reforms, were fully informed of their options, and taken through the necessary steps to ensure they received continued income support where appropriate. Where feasible, automatic processes were put in place in order to minimise the actions required by the client. Applications for new payments were fast-tracked. Amendments were also made to other Departmental schemes, such as the Family Income Supplement and Jobseeker's Allowance (JA) in order to ease the transition of affected clients from the OFP scheme.

The JA transitional arrangement was implemented in legislation in the Social Welfare and Pensions (Miscellaneous Provisions) Act 2013. This arrangement caters for the caring responsibilities of previous OFP recipients with young children (up to 14 years of age) who move to the JA scheme when their entitlement to OFP ceases. The arrangement exempts these clients from the criteria that JA recipients must be available for and genuinely seeking full time employment. These criteria would be difficult for lone parents with young children to meet.



All previous OFP recipients who lose entitlement to OFP and move to a Jobseeker's Allowance payment, including the JA transitional arrangement, have access to the Intreo activation services.

The After-School Childcare Scheme

The After-School Childcare Scheme (ASCC) announced in Budget 2013 was developed and rolled out on a phased pilot basis during 2013. The scheme provides subsidised after-school childcare for certain clients of the Department who commence employment or increase their days of employment.

The scheme was designed and implemented in conjunction with the Department of Children and Youth Affairs (DCYA). The €14 million funding for the scheme was provided from savings within this Department on the basis that the scheme would be administered by the DCYA.

- The first phase was implemented in April 2013 with after-school places becoming available in 7 of the Department's Local Office areas.
- The second phase was implemented in July 2013 with an additional 20 offices coming on stream.
- The scheme was rolled out nationwide to all Local Offices in October 2013.

The Childcare Education and Training Support Programme for Community Employment Schemes

Budget 2014 allocated €7.5m to expand the existing Childcare Education and Training Support (CETS) Programme to participants on Community Employment (CE) schemes. Feedback from CE Sponsors is that lack of access to affordable childcare is a barrier to participation for parents with young children, particularly lone parents. This measure is an important provision in their engagement.

REFORM OF JOBSSEEKER'S SCHEMES

Sunday Working

Budget 2012 provided for the inclusion of Sunday working when calculating the amount of Jobseeker's Benefit (JB)/Jobseeker's Allowance (JA) payable. This measure came into effect in February 2013.

The change impacted on jobseeker recipients where Sunday is either one of the days worked or the only day worked. Clients who work on a Sunday now lose one day of payment (JB) or have means (JA) in respect of the day's employment deducted from their weekly payment.

The main effect of the change is to increase equity across the jobseeker schemes and make them more suitable to the modern labour market.

Revised treatment of Retained Fire-Fighters under the Jobseeker's schemes

The Social Welfare and Pensions (Miscellaneous Provisions) Act 2013 carried amendments to both Jobseeker's Benefit and Jobseeker's Allowance in relation to retained fire fighters. The legislation and associated regulations allow retained fire-fighters a reasonable and fair level of access to both schemes.



Intreo Centre

Jobseeker's Benefit

In Budget 2013 the duration of payment for Jobseeker's Benefit was reduced from (a) 12 months to 9 months for recipients with 260 or



more social insurance contributions paid and (b) from 9 months to 6 months for recipients with less than 260 social insurance contributions paid. This change took effect from 3 April 2013.

Revised Arrangements for Older Jobseekers

Budget 2014 introduced new provisions for older persons who have left the workforce in advance of pension age. Certain compulsory criteria were relaxed for persons aged 62 and over, while they retained the option of availing of Departmental supports should they wish to return to work, training or education.

New operational arrangements have been introduced whereby such clients are only required to register with their local office once a year and can have their jobseeker's payments paid directly into their account in a financial institution. In this way the Department continues to support longer working while acknowledging the contribution of those moving towards retirement.

Reduced Rates for Younger Jobseekers

Budget 2014 provided for the changes made to Jobseeker's Allowance rates in 2009 to be extended so that young jobseekers who are 25 years of age and under will have a financial incentive to engage in education, training or employment. Jobseekers aged 18-24 years of age will receive €100 per week and jobseekers aged 25 years of age will receive €144 per week. These revised rates came into effect on 15 January 2014. Jobseekers with child dependents are not affected by the reduced rates.

Local Employment Service

In 2013, the Department put contracts in place for the provision of the local employment service (LES) with 22 local development/community companies. The LES service is delivered in parallel with the Department's Intreo and Employment services.

Approximately two thirds of those who registered (c 40,000) with the service were activation clients sent by the Department. The remainder (c

20,000) were clients who engaged directly with the service.

The contractors deliver the employment service through a network of local contact points and/or outreach services. The LES provide services for both jobseekers who are referred through the Department's activation processes for supports, and jobseekers identified as being most distant from the labour market.

The total budget allocated for the LES contracts in 2013 was €19.1m. This allocation has been maintained for 2014.

Job Clubs

The Department put contracts in place for the provision of 50 Job Clubs with local development/community companies and other organisations in 2013.

Job Clubs provide structured support to job-ready job-seekers to secure and retain paid employment in the open labour market and serves as a final transitional mechanism for job-seekers.

Services are provided through:

- Individualised support;
- Drop-in service, which allows jobseekers to avail of the facilities of the Job Club; and
- Formal workshops, which can vary from 1 to 4 weeks depending on the needs of the jobseekers.

In 2013 Job Clubs provided a capacity for formal workshops of almost 9,000 clients and a capacity for over 8,000 one to one engagement sessions.

The total budget allocated for Job Club contracts in 2013 was €6m and this has been maintained for 2014.



JobBridge, the National Internship Scheme



Ministers Burton and Deenihan at the launch of the new arts sector internship under JobBridge

JobBridge, the National Internship Scheme, provides internship opportunities of either 6 or 9 months for unemployed individuals on the Live Register, in the private, public and community voluntary sectors.

In 2013, JobBridge has resulted in:

- 24,600 internships having commenced since the inception of the scheme in 2011 to end 2013;
- 6,500 jobseekers engaging in internship opportunities at end 2013; and
- Over 1,800 internship opportunities available at www.jobbridge.ie

A recent independent evaluation conducted by Indecon Economic Consultants found that 61% of interns progress to paid employment after completing their internship. The 61% progression rate for JobBridge is among the best in Europe, where progression rates for similar internship schemes average just 34%⁷.

Based on the strong successes of the JobBridge scheme Government increased the number of JobBridge placements from 6,000 to 8,500 as part of the 2013 budget.

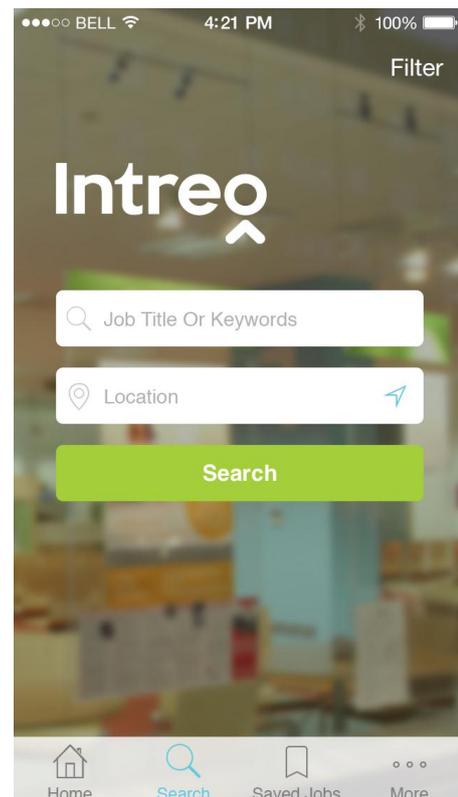
JobBridge has been involved in a number of successful collaborations in 2013 with leading bodies such as the FAI, Arts Council and Craft Council of Ireland.

Jobseeker Information Pack

In 2013, the Department updated and redesigned the Jobseeker Information Pack, outlining the services and supports available to jobseekers. A total of 105,000 were printed and distributed to Intreo and Employment Services Centres throughout the country.

Jobseeker App for IOS and Android

The Jobseeker app continues to grow in popularity and had 80,000 downloads for IOS and 40,000 downloads for Android smartphones and tablets during 2013. The App was redesigned and updated for Apple IOS 7 in late 2013.



⁷ Interns Revealed – A survey on internship quality across Europe – European Youth Forum 2011



Benefit of Work Ready Reckoner

A Benefit of Work Ready Reckoner web tool was developed and launched in December 2013.

Based on the information inputted by the jobseeker – such as current weekly Jobseekers payment; potential gross weekly pay from employment; relationship status; and current weekly rent/mortgage interest supplement – the Benefit of Work Ready Reckoner gives a rough indication of the total amount the Jobseeker would receive on taking up fulltime work. It also indicates any potential entitlement to Family Income Supplement.

The Benefit of Work Ready Reckoner is available for use by jobseekers via www.welfare.ie and is also used by Case Officers in Intreo and Employment Services in the course of their one-to-one interviews with jobseekers.

Services for Employers

The Client Services Unit completed several successful campaigns matching people on the live register to jobs, including matches for small local companies and large well established companies. These efforts are on-going and will continue in 2014.

JobsPlus

JobsPlus, the new incentive scheme to replace the previous PRSI exemption scheme, was launched in quarter 3 2013.

The new incentive operates on a simple cash-back basis which returns an amount of either €7,500 or €10,000 to an employer who recruits a person who has been long-term unemployed from the Live Register. The higher incentive is paid in respect of people who were unemployed for 2 years or more at the time of recruitment.

Feedback has been very positive and to date over 1,600 jobs have been supported by the scheme, of which circa 60% were in respect of people who were unemployed for two years or more.

Employer Engagement initiatives

During 2013, to support the development of the employer engagement strategy, a protocol was agreed with enterprise agencies and bodies, including IDA Ireland, Enterprise Ireland, County and City Enterprise Boards, in relation to a collaborative approach to employer related activities. On the basis of this agreement, the Department has been providing IDA with skills analysis in specific areas to support their activities to encourage companies to establish/expand their operations. This has resulted in two recruitment projects for large, multinational employers and work is ongoing in relation to other potential projects.

In addition, the team has been working closely with employers on the development and implementation of programmes to support the skills development of young unemployed people. These included the pilot of the Advantage Programme which provided participants with skills in retail and distribution. An initiative with the Food and Grocery sector to enhance the employability skills of young people will culminate in 'Skills for Work' Week held in March, 2014.

The divisional employer engagement teams have been participating at Enterprise Ireland's National Development Finance Agency (NDFA) "Meet the Contractor" events, Chambers events etc., while also organising job fairs and information sessions around the country.

Jobs Ireland National Contact Centre

JobsIreland.ie is the Department's National Employment portal. It is administered by the National Contact Centre (NCC) and provides a service for employers who wish to advertise job vacancies, Community Employment (CE) Schemes, Work Placement Programme and JobBridge internships on the jobsireland.ie website. Jobseekers can use the portal to search for vacancies and to upload their CV's.

In 2013 JobsIreland:

- Dealt with almost 53,000 telephone calls from employers and 22,000 telephone calls from jobseekers;



- Advertised a total of 106,000 job vacancies and 22,000 JobBridge internships; and
- Processed over 18,000 UP51c Forms (Eligibility form for JobBridge internship).

The Department is currently engaged in a significant project to redevelop the JobsIreland service through the provision of a new high specification job match and job search facility.

Protocol with Skillnets established

In March 2013 the Department signed a protocol of cooperation with Skillnets⁸, which is funded by the National Training Fund (NTF), through the Department of Education and Skills (DES), to fund groups of companies in the same region/sector, and with similar training needs, through 'training networks' that deliver subsidised training to Irish businesses.

Skillnets works with employers to identify current and future skills needs, develop courses that meet these needs and then offer training courses and work placements to employed and unemployed people in areas of potential employment.

The protocol established will create more structured links between the two organisations at national, divisional and local level, to increase and maintain awareness of the services offered by the two organisations to unemployed people.

European Employment Services

European Employment Service (EURES) provides an international recruitment service to employers, who experience difficulties in recruiting staff in Ireland, and assist Irish based jobseekers interested in employment opportunities in Europe. Specially trained EURES Advisers provide advice, guidance and counselling to mobile workers in Ireland and to those intending to move to Ireland.

In 2013, EURES Ireland worked together with the construction and engineering sectors of Norway, UK and Canada sourcing numerous vacancies of

interest to relevant unemployed Irish workers. Also, despite the current difficulties in the Irish Labour Market, EURES worked closely with a number of Irish based companies to meet their specific skills needs which included ICT and language skills.

Momentum

The Department played a key role in the implementation and support of Momentum, which is delivered under the Labour Market Education & Training Fund (LMETF) and funded through the Department of Education & Skills. Momentum, as part of the Government's *Action Plan for Jobs* and the National Skills Strategy, represented a significant labour market activation opportunity.

It provided 6,500 free education and training projects for long-term unemployed jobseekers and included on-the-job training in the form of work experience modules, as well as the development of the workplace skills required to obtain and retain employment. The Regional Support Unit, in conjunction with the Department's Activation and Employment Support Services, designed and implemented an income support model and recruitment processes for Momentum and participated in independent evaluation of the programme.

OLDER PEOPLE

OECD Review of the Irish Pensions System

In March 2012, on behalf of the Government, the Organisation for Economic Co-operation and Development (OECD) was requested to undertake a review of the Irish pensions system taking economic conditions into consideration, and to provide recommendations for long-term reform.

The terms of reference for the review called for a comprehensive analysis, covering all parts of Ireland's retirement income provision (the State pension and other public benefits, personal and occupational pensions and schemes for public-sector workers).

⁸ www.skillnets.ie



In April 2013, the OECD published its Review of the Irish Pension System. Whilst endorsing pension policy reforms undertaken to date, the report also makes a number of recommendations for future reform. The OECD's key recommendation is to improve the adequacy of pensions by increasing coverage in the funded part of the pensions system through a universal mandatory or quasi mandatory employment based pension system.

Figures indicate that only 50% (40% excluding public sector workers) of workers aged between 20 and 69 years have a supplementary pension and this relatively low coverage is of major concern. It is a priority for the Government to increase supplementary pension coverage, particularly amongst the lower paid and those with gaps in their employment. The achievement of universal pension coverage is a key aim in the Programme for Government.

The report noted that, compared to other OECD Member States, Ireland is in a relatively favourable position. In particular, it is noted that the economic situation of pensioners in Ireland is comparatively good, both in respect to other age groups in the population and in international comparison.

The key recommendations of the report were as follows:

- Private pension coverage, both in occupational and personal pensions, is uneven and needs to be increased urgently. Increasing coverage can be achieved through:
 - Compulsion;
 - soft-compulsion;
 - automatic enrolment; and/or
 - improving the existing financial incentives.
- Ireland should consider a structural change of the State pension scheme, by moving to a flat rate benefit, a means tested payment or as a minimum ensure all contributions should be honoured in calculation of pension benefits.
- The State pension scheme could be modernised to encourage working longer in line with the prevailing international trend.

- At age 68 in 2028, Ireland is in the group of the more advanced countries when it comes to increasing the pensionable age. The pensionable age could be linked to life expectancy after 2028.
- Strengthen Irish legislation regarding the protection of Defined Benefit (DB) plan members when plans wind up and remove the priority order.

These recommendations will be considered further to inform future developments in the area of pension policy.

State Pension Reforms

In recent years there has been a particular focus on the sustainability of the pension system because of:

- the demographic issues Ireland faces and the associated increases in pension (and other age related) costs; and
- the deterioration in the public finances since the recession.

Demographic challenges facing the Irish pension system include:

- The number of older people is increasing - 12% of the population were over 65 in 2013 and this is projected to increase to 23% in 2050 (numbers will more than double).
- Life expectancy is increasing. In the mid-1990s, life expectancy for males was 73 and for females, 78.5. For those aged 65 today life expectancy for males is 82 years for men and 85 for women. By 2030 this will have risen to 84.1 and 87.4 respectively.
- It is estimated that State expenditure on pensions (including public sector occupational pensions) will increase from approximately 7.5% of GDP in 2010 to 11.7 % in 2060.
- Labour force participation rates drop dramatically at 65 years of age. The CSO's Quarterly National Household Survey (Q2 2013) showed that 78.0% of people aged 45-54 years were in the labour force. This drops to 67.1% for 55-59 year olds, to 45.4% for 60-64 year olds and to just 9.4% for people aged 65 years or older.



With the changing demographics and sustainability issues in mind, a number of significant reforms to State pensions have recently been introduced and more will be implemented in the years ahead.

Abolition of State Pension (Transition)

Encouraging longer working is part of the strategy to address the issues of adequacy and sustainability of the State pension.

State pension (transition), abolished for people reaching 65 years of age on or after 1 January 2014, has an associated retirement condition which is a barrier to working after retirement. The existence of the transition pension is historical and relates to the qualifying age for State pension (contributory) which, up until the early 1970s, was 70 years of age.

State pension (transition) is no longer payable to people who reach 65 years of age on or after 1 January 2014. People who qualified for the payment in 2013 will continue to receive the payment for the duration of their claims (up to 12 months). New applicants aged 65 after January 2014 continue to be eligible for all short term social welfare schemes.

Supplementary and Private Pensions

The Pensions Act was amended in 2013; to provide for changes to the governance structure of the Pensions Board and to provide the Pensions Board with power to wind up a pension scheme in certain circumstance (Social Welfare and Pensions (Miscellaneous Provisions) Act 2013; to respond to issues arising in some occupational pension scheme as a result of the abolition of the State pension (transition) (Social Welfare and Pensions Act 2013); to change the scheme wind up priority rules and the provisions for the restructure of scheme benefits (Social Welfare and Pensions (No.2) Act 2013).

Progress was also made on the development of a pensions tracing service through the development of facilities to link the pension scheme reference number with the Personal Public Services Number.

Pension Charges Report 2012

In October 2012 the Pension Charges Report 2012, which had been commissioned by the Department, was published. The purpose of the report, which was the first comprehensive Government report on this subject, was to gather information on the level of pension charges levied, to assess whether charges are reasonable and transparent, to report on the findings and make recommendations. The report obtained information from occupational pension scheme trustees, pension providers, pension advisors and investment managers.

Following publication, interested individuals and bodies were given the opportunity to consider the report and respond over a 3 month period. 17 submissions were received during the consultation process. There was a broad range of observations both critical and supportive of the report as detailed in the submissions received, as well as a range of suggestions and proposals aimed at improving various aspects of the pension charging environment. Submissions were considered in full by the Department, Pensions Board and Central Bank and a report was prepared and submitted to Government outlining the practical steps to be taken to address the recommendations.

Following the consultation process, the Minister announced in April 2013 that the recommendations in the 2012 Report on Pension Charges will be fully implemented.

OTHER POLICY DEVELOPMENTS

Youth Guarantee

During the Irish Presidency of the EU a Council Recommendation to Member states on a Youth Guarantee was adopted.

The Recommendation encourages Member states to:

“ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of



becoming unemployed or leaving formal education”.

The Youth Guarantee is a formal recognition at EU level that the level of youth unemployment requires a concerted EU response, supported by EU funds in the form of the €6 billion Youth Employment Initiative (2014- 2020). Ireland will be able to call on funds under this initiative to support its own efforts to help young unemployed people secure employment.

Ireland transmitted our Youth Guarantee Implementation Plan to the EU Commission at the end of 2013. The plan brings together all Government measures in 2014 across a range of Departments that contribute to the transition of young people from education to work, and from unemployment to work. In keeping with the Government’s broader focus on tackling long-term unemployment, the plan will in the first instance target interventions at those young people most at risk of long-term unemployment as the Guarantee is introduced on a phased basis.

Funding was also secured for a Youth Guarantee pilot in Ballymun, Dublin. It is intended that the nationwide rollout of the Youth Guarantee will benefit from the lessons learned from the Ballymun Pilot.

Child Income Policy

In February 2013 the first report of the Advisory Group on Tax and Social Welfare, on the issue of child and family income supports, was published.

Given the range of complex issues involved, including fiscal, operational and legal considerations, as well as the implications for reforms in terms of child poverty and employment incentive outcomes, the core recommendations contained in the Advisory Group’s report on child and family income supports remain under the consideration of the Minister.

Domiciliary Care Allowance

The report of the review of the Domiciliary Care Allowance scheme was published in April 2013. Work commenced shortly thereafter on

implementing the administrative changes recommended by the review group in the report.

This work includes the redesign of application forms, information guidelines, client communications, etc. along with the system changes required to support the new process and is overseen by an Implementation Group constituted for this purpose in May 2013. The membership of the Implementation Group comprises representatives of the Department, other relevant Government Departments, the National Disability Authority and Parent and Advocacy Group representatives.

Copies of the report are available on the Department’s website⁹.

Closed Certification

The Department initiated a research project, with the cooperation of the Irish Medical Organisation, in relation to the use of new Closed Certification medical guidelines by General Practitioners (GPs).

The project was initiated to counteract people, with acute common health problems from which they should reasonably be expected to recover, progressing to a state of chronic disability and dependence on long term illness benefits. To assist GPs in appropriate certification, to provide better health outcomes for their patients, the Department’s Chief Medical Adviser and his team developed international evidence-based guidelines called ‘Closed Certification’. This refers to the concept of having evidence-based, defined periods of recovery for common medical conditions, and common surgical procedures. These guidelines have been approved by the Quality in Practice and Ethical Standards Committees of the Irish College of General Practitioners.

A research project on their use in general practice has recently commenced with the cooperation of the Irish Medical Organisation. It is intended to

⁹

http://www.welfare.ie/en/downloads/Review_DA_Do_mCare.pdf



analyse the outcomes of the research project group after a six month period, to measure the effect of the use of the guidelines on claim durations. A variety of control groups will also be analysed at this stage.

Rent Supplement

The rent supplement scheme provides support to approximately 80,000 eligible people living in private rented accommodation whose means are insufficient to meet their accommodation costs and who do not have accommodation available to them from any other source. Expenditure on the scheme in 2013 was nearly €373 million.

Revised maximum rent limits for the rent supplement were implemented from 17th of June 2013. The revised rent limits were determined following an extensive review of the private rental market based on the most up-to-date data available.

The Department's strategic policy direction is to return rent supplement to its original purpose of a short term income support. In July 2013 the Government approved the introduction of the Housing Assistance Payment (HAP). Under HAP, responsibility for recipients of rent supplement with a long-term housing need will transfer from the Department of Social Protection to local authorities. One of the key benefits that HAP will bring is the removal of barriers for people currently in receipt of rent supplement in returning to employment which is consistent with the Government's commitments under the Pathways to Work programme.

Exceptional Needs Payments

Under the Supplementary Welfare Allowance (SWA) scheme, the Department may make a single exceptional needs payment (ENP) to help meet essential, once-off and unforeseen expenditure which a person could not reasonably be expected to meet out of their weekly income. A total of 133,000 ENPs were paid during 2013 at a cost of approximately €36 million.

In January 2013 guidelines were issued to all staff administering the SWA scheme outlining

recommended maximum amounts payable under the ENP scheme for a variety of household and personal items including kitchen appliances, furniture, clothing and children's buggies and cots. These guidelines ensure that the approaches taken in different locations of the country are standardised to ensure consistency in the delivery of the scheme.

The recommended maximum amounts do not affect the discretion available to officers administering the scheme in issuing an ENP to assist an individual or household in any particular hardship situation which may arise.

INFORMATION AND CUSTOMER SERVICE

The Department is committed to providing a professional, efficient and courteous service that is responsive to the needs of all our clients. The Department places great emphasis on customer service and greatly values the input and feedback received from the various consultative fora and channels.

Customer Charter and Action Plan 2013-2015

Among the more significant achievements in the customer service area in 2013 was the publication of the Customer Charter and Action Plan 2013-2015. This builds on the progress achieved under previous strategies and sets out the Department's commitment to improving customer service over the next three years.

The Customer Charter outlines the standards of service that people can expect to receive in their dealings with the Department, and the contact channels for clients who wish to make a complaint are clearly set out. Alongside the Customer Charter, a Customer Code of Conduct has been developed to support and facilitate a more efficient and friendly service by protecting clients, staff and the general public in our public offices.



Redesign of the Department's Website

The Department's website¹⁰ was redesigned to reflect the full range of services the Department now delivers.

This new design has improved navigation features for all users, as well as a dedicated Intreo area, through which employers and jobseekers can access all existing information and services in relation to supports, training and entitlements. The website received over 4 million visits during 2013.

A mobile version of www.welfare.ie is also available.



Minister Burton with staff at the launch of the redesigned website

Customer Representative Groups

In line with commitments in the Customer Action Plan 2013-2015, briefing was provided for customer representative groups on issues including the following:

- Elder abuse;
- Public Services Card and its Free Travel application;
- JobsPlus;
- Intreo;
- Payments Strategy; and
- Changes to State pension (contributory)

Migrant Consultative Forum

During 2013, work continued in the Migrant Consultative Forum (MCF). The MCF was set-up in 2012 following publication of the *Person or Number?* report which raised issues faced by immigrants in accessing social protection in Ireland.

The Forum consists of representatives of Nasc, Crosscare, Doras Luimní, FLAC and New Communities, along with various representative areas of the Department dealing with the concerns raised.

During 2013 significant progress was made in relation to improvements in training, information provision, scheme guidance, decision making, customer service and redesign of forms.

A report is being compiled on the actions taken to deal with the issues raised, and a review of the MCF will take place in 2014.

Comments and Complaints

The Department's Comments and Complaints system facilitates the processing of complaints in a timely and efficient manner. During 2013, over 1,200 comments and complaints were processed, with 90% resolved within 15 working days.

Providing Services through Irish

The Department continued to provide a service through Irish in 2013 in line with the requirements of the Official Languages Act, 2003.

Translations and Interpretations

In 2013, the Department arranged for the translation of 330 documents to and from Irish. In addition, there were almost 3,500 translations into some 50 other languages; 500 clients were provided with assistance from language interpretation services; and 16 clients were provided with the services of sign language interpreters.

¹⁰ www.welfare.ie



Freedom of Information

During 2013, the Department of Social Protection handled some 2,164 Freedom of Information (FOI) requests. 2,060 (96%) of requests received were from members of the public requesting copies of their personal details held by the Department, whilst 84 FOI requests were of a non-personal nature.

Volumes have increased substantially over the last few years i.e. in 2012 a total of 1,703 and 1,106 in 2011.

In 2013 72% of FOI requests dealt with by the Department were granted in full, with only 0.05% of requests refused. The balance of requests were either withdrawn or partially granted as the records may have contained other information belonging to third parties.

With the increased size and functions of the Department a review of FOI training requirements was completed and some 74 staff members received training in 2013, with further training planned for 2014.



EFFICIENCY AND EFFECTIVENESS

OBJECTIVE 2 - DRIVE COST EFFICIENCY AND EFFECTIVENESS

BETTER BUSINESS PROCESSES

The Department continues to strive to provide excellent customer service whilst making the best use of the resources available to it.

Over the last number of years the Department's role and the demand for the services it provides has changed significantly. To meet this demand, there is a continuous stream of work on-going to transform the organisation and improve the way the Department does its business.

This has involved re-organisation of staff and sections, the design, build and implementation of a new computer system, the introduction of new phone systems and the provision of new services to our clients using modern technologies.

The Pathways to Work Programme includes the provision of opportunities, support and assistance to unemployed people by intensifying the Department's level of engagement with them, in particular, those who are, or become, long-term unemployed. The Intreo service delivery model offers practical, tailored employment services and supports for jobseekers and this new service model, which is more efficient in its delivery, was rolled out to 44 offices during 2013 and roll-out is due to be completed for all offices by end 2014. The model facilitates the rationalisation of the Department's offices, extended opening hours, and the integration of staff. As part of this programme over 370 community welfare service satellite clinics were closed over the last 2 year period facilitating the redeployment of some 300 staff as activation case workers.

Also, during 2013, following the rollout of the service delivery modernisation programme, new claim backlogs were eliminated in the invalidity pension, carer's allowance and disability allowance areas. Backlogs of new and renewal

Family Income Supplement claims were also eliminated during 2013. In addition, significant work was completed in invalidity pension and carer's allowance to deal with increased volumes of requests for reviews and appeals arising from the high number of new claims decided. This work on appeals is still ongoing in the disability allowance area.

BUSINESS PROCESS IMPROVEMENT TRAINING

During 2013, a joint initiative between the Department's Business Improvement Unit (BIU) and Staff Development Unit (SDU) has resulted in an integrated approach to Business Process Improvement (BPI) training which will provide participants with the necessary skills and supports to encourage them to undertake improvement projects in the workplace. The approach also offers external expertise where required, further enhancing the likelihood of successful outcomes for some projects.

Some 45 managers received BPI training and 29% of attendees completed a BPI project following the training course.

BIU plan to continue to provide tailored BPI courses upon request, which result in a saving to the Department and a direct return on the investment made in staff within the BIU area.

REGIONAL SUPPORT UNIT (RSU)

During 2013, the RSU co-ordinated and provided on-going support for the implementation of a significant range of changes to the Jobseeker, Farm Assist and One Parent Family Payment (OFP) schemes.



This programme of work involved:

- Implementation of changes in assessment of means in respect of the Department's Farm Assist clients.
- Implementation of Budget changes in relation to Sunday working on jobseeker's benefit and allowance schemes.
- Implementation of Budget changes in relation to OFP and the introduction of the Jobseeker's Allowance Transitional arrangement.
- Reduction in the duration of Jobseeker's Benefit.
- Development of operational procedures; and
- Delivery of training to some 1,000 staff.



IDENTITY MANAGEMENT AND SECURE ACCESS TO SERVICES

The Department's client identity services (CIS) unit continues to provide a range of identity management functions internally to the Department and to other public bodies. During the year some 164,000 PPS numbers were allocated.

Changes to Personal Public Service Numbers in 2013

The Department extended the current stock of PPS Numbers from January 2013. The extension was necessary because of the exhaustion of the remaining stock of usable numbers. The format of the new numbers is 9 characters: 7 numbers followed by 2 letters. For individuals, the second letter in the new PPS Number is 'A' (for example, 1234567FA) and for non-individual cases, such as limited companies, trusts, partnerships and unincorporated bodies, it is 'H' (for example, 1234567WH).

Public Services Card Project / SAFE Registration

The Public Services Card (PSC) has been introduced to enable individuals gain access to public services more efficiently and to minimise duplication, while at the same time preserving their privacy to the greatest extent possible.

Deployment of the PSC continues to expand, with over half a million PSCs issued at the end of 2013. A person who holds a Public Services Card does not need to provide any additional proof of their identity when collecting a social welfare payment at the Post Office. It also, through the inclusion of a photograph and signature and better security features, considerably reduces the potential for identity theft, forgery and fraudulent use.

During 2013 a number of variants of the PSC were launched including PSC Free Travel (PSC FT) and the Juvenile variant.

The PSC FT replaces both the current free travel pass and the social services card. The introduction of the PSC FT marks a significant improvement on existing cards as it provides enhanced access to travel services.

Uptake of 'Postal' Registration Process

Over 117,000 passport holders over 66 years of age were contacted in writing in the second half of 2013, requesting consent to use the photograph already supplied in connection with their respective applications for a passport, for the purposes of issuing a PSC. By the end of



2013, over 100,000 people had consented which facilitated the issue of in excess of 100,000 PSC FTs.

Facial Matching Software

To further strengthen the identity registration process the Department utilises facial image matching software to help detect and deter duplicate registrations. A number of suspected cases of identity fraud have been referred to the Department's Special Investigation Unit (SIU) for further investigation.

Data Matching for Agencies

During 2013 over 100,000 data matches were carried out for external agencies.

The 'Single Customer View' application operated by the Department of Public Expenditure and Reform on behalf of this Department also provides standard data matching services for specified external bodies.

CONTROL AND SAVINGS

A strategic approach to combating social welfare fraud was put in place through the Department's Fraud Initiative 2011 – 2013.

The vast majority of people on social welfare are claiming the correct entitlement due to them. However, a small minority is not and a range of measures are employed by the Department to ensure that social welfare fraud and abuse is minimised and that its control activity is appropriately focused.

Approximately 1.1 million reviews were carried out in both 2012 and 2013. The control savings achieved in 2012 were €669m and in 2013 were €632m. This outcome demonstrates that the Department's more intense control focus in recent years is having a positive impact on the level of fraud and error in the social welfare system.

Control activity is also focused on the prevention of fraud and error at new claim stage. This is the most cost effective mechanism of reducing losses

through fraud and error in social welfare schemes. Savings made from the prevention of fraud and error at application stage cannot be estimated as the claims in question will not go into payment.

Measures that have enhanced control in 2013 include:

- INTREO, the now integrated employment and support service provides a more integrated approach to fraud control;
- The Public Services Card, which gives significant assurance as to the identity of the cardholder and reduces the opportunity for a person to fraudulently claim to be someone else;
- Ongoing systematic and regular data matching exercises with external agencies;
- The ongoing receipt of anonymous reports, almost 25,000 in 2013, which act as a trigger for an investigation;
- Measures in place to improve the Department's ability to recover overpayments. These include a provision allowing the Department to make a recovery from an individual's social welfare payment up to 15% of their weekly personal rate. More recently, mainly for people who are no longer dependent on social welfare, the Department obtained power of attachment which allows the Department to attach amounts held in financial institutions or income from employment;

It is the Department's policy to consider for prosecution cases of fraud against the social welfare system. The Department ensures that all cases that merit prosecution are forwarded for consideration of legal proceedings and that all necessary evidential proofs are available. 674 cases were in the courts system during 2013.

A new fraud initiative will be launched in 2014. It will build on the strategic measures in the Fraud Initiative 2011-2013.



SPECIAL INVESTIGATION UNIT (SIU)

The Department's Special Investigation Unit (SIU) carries out a wide range of control activities and projects to investigate social welfare fraud and abuse. In particular it concentrates on individuals in the hidden economy - which remained a key priority in 2013 - and in sectors where social welfare fraud is most prevalent, with an emphasis on direct intervention and engagement. There is also a very active multi agency and joined up agency approach to some of the more specialised activities.

Among the outcomes that were achieved in 2013 were:

- Control savings of €73.5 million were generated from the Unit's fraud control activities in 2013 representing an increase of 17 % over 2012;
- A total of 4,385 detections were made where payments were ceased or reduced in 2013;
- Officers from the Unit collected overpayment recoveries of €7 million in respect of one national project;
- A total of 122 detections were made at airports involving persons not habitually resident in the State yielding savings of €1.6 million; and
- A project focusing on identity and multiple claiming of social welfare payments yielded €1.4 million in savings.

OTHER CONTROL AND SAVINGS MEASURES

Internal Control

The role of the Department's Internal Control Support Unit (ICSU) is to:

- Monitor compliance with internal control procedures and investigate any suspected breaches of these procedures;
- Investigate possible internal fraud in the Divisions and any reported possible breaches of data protection in the Department;

- Carry out Civil Service Disciplinary Code investigations at the request of the Personnel Officer.

During 2013, 8 inspections were completed. Any internal control issues identified were highlighted to local management, and where necessary, recommendations were made to strengthen control measures. Internal Control Awareness seminars were delivered to staff at 6 locations.

During 2013, ICSU received 22 new complaints for investigation which together with 37 cases open at the beginning of 2013 brought the total to 59. At end of 2013, 36 cases were closed, and 12 of the remaining 23 were pending investigation.

Reduced rates of payment for Jobseekers (Penalty Rates):

During 2013, new legislation was enacted to introduce additional penalty sanctions and extend the range of circumstances in which such sanctions can be applied. Strengthened sanctions now include a disqualification from payment for a period of up to 9 weeks, where a jobseeker already on a reduced rate, continues to fail to engage with activation measures. Failure to engage in Community Employment is also covered by the new legislation. The RSU produced comprehensive new operational guidelines to staff to reflect the legislative provisions.

From January to December 2013, a total of more than 3,000 penalties were imposed, bringing the total applied since their inception (April 2011) to almost 5,000.

Profiling

Profiling estimates a person's Probability of Exit (PEX) from the Live Register within 12 months. All new jobseekers are profiled and the results inform how the Department tailors its interventions and supports to meet the client's needs. Under *Pathways to Work*, the Department committed to profile, by end 2013, all jobseekers on the live register, including Long Term Unemployed. The RSU, in conjunction with



the ESRI, developed a new model which was used to profile all current claimants using administrative data and this target was achieved.

Personal injuries awards

The Social Welfare Act 2013 included provisions for the recovery of the value of social welfare payments from personal injuries awards made to individuals in relation to loss of earnings. This provision ensures that any welfare payments made by the Department on foot of an accident or injury in respect of which a personal injuries award (including an amount for loss of earnings) is subsequently made are repaid to the Department by compensators.

This measure follows the principle that a person should not be compensated twice over in respect of the same accident or injury and is in line with Law Reform Commission recommendations.



OPERATIONAL CAPABILITIES

OBJECTIVE 3 - DEVELOP STAFF, STRUCTURES AND PROCESSES

Throughout 2013, work continued on the transformation of the Department to position it better to deliver on its wider remit. In order to support staff and to build organisational and staff capability to successfully manage change and provide excellent services to our clients, a number of important initiatives were undertaken.

HUMAN RESOURCE MANAGEMENT

Staff Survey Report

The staff survey report in 2011/2012, which captured the experiences of staff, in relation to communications, participation, teamwork and trust in the organisation, and their views on how they manage and cope with change, identified many positive aspects about the engagement and motivation of staff across the Department. It also identified key areas where improvements can be made to enhance the working environment for staff and build staff capability to successfully manage change.

Following the Staff Survey an Action Plan to deal with the issues raised was agreed by the Management Board, with regular updates provided throughout 2013. The Action Plan links to a number of related strands including: the Engagement and Innovation programme; development of a new HR Strategy; Workforce planning and implementation of a new Learning and Development Strategy.

One DSP Programme

All of these initiatives were combined into a new programme, with a strategic focus on organisational development. This was established in 2013 called *One DSP*. The *One DSP* programme is a wide-ranging programme of organisational development which is designed to deepen the integration of the Department's substantially increased workforce.

The One DSP programme provides opportunities for our large and diverse workforce to come together and forge a common new identity, which better supports our new mandate and helps make the Department a truly rewarding place to work. The One DSP programme coordinates a number of important initiatives currently underway in the Department and progress in each of the areas in 2013 is summarised below.

Organisational Development Programme – Culture and Values Review

A key strand of the Programme is an initiative to better understand and articulate the Department's culture and values. The Department is working to a new mandate from Government and has gone through an intensive period of integration, which saw almost 3,000 new staff members join the Department. It is therefore essential that the Department's culture and values are aligned with its new operating environment. Clearly stated values can help guide the decision-making process and the areas the Department prioritises during challenging and changing times.

The review of the current culture and values involved a large number of engagements with staff from different backgrounds, locations, and grades. The outputs from this survey when analysed, will help forge a common new identity, which better supports the Department's mandate and enhances the working environment for all staff.

Engagement & Innovation Programme

An Engagement and Innovation Programme has been developed to engage and empower staff and to facilitate organisation-wide innovation. The programme aims to encourage and support staff to become involved and to contribute to the changes that affect their everyday work.



The Leadership Structures of the Programme, including the Strategic Leadership Team, and the six Regional and Headquarter Leadership teams, met quarterly during 2013 to provide guidance and leadership to the Programme. Part of their role is to encourage the establishment of local Project Leadership Teams (PLTS) around the Department.

By the end of 2013, almost 50 PLTS were established around the Department, examining a wide range of business and/or staffing issues which are leading to efficiencies and improvements in local working environments. The outcomes have resulted, not just in practical improvements and efficiencies in work areas, but have also ensured that a wide range of staff have had the opportunity to participate and areas for cross-functional working and development can be identified.

The project reports and recommendations, when published, will have important and wide ranging implications across the Department.

Peoplepoint HR and Pensions Shared Service

A Transition Team was set up in late 2013 to manage a major project involving the transition of HR transactional work to PeoplePoint HR and Pensions Shared Service.

Staff Training and Development

The Department's Staff Development Unit has responsibility for the planning and provision of training and development programmes to staff and management in the Department. The unit develops, delivers and oversees high quality training provision in all business areas in order to ensure that staff are fully equipped to perform their functions effectively.

A total of 13,100 formal training days were delivered to Department staff in 2013, an increase of over 60% on the 8,000 days delivered in 2012.

Pathways to Work Case Officer Training

As part of the rollout of the Department's new Intreo service nationwide, a project to train 300 newly identified case officers as part of an in-

house developed ten-day intensive programme commenced in 2013.

The programme consists of a combination of technical skills, key areas of knowledge required for case officers, and soft skills such as communication techniques and adult guidance.

Develop and Publish HR and Training Strategies

A Departmental Training Strategy was completed in 2013.

The Department's new HR strategy is currently being developed, which includes widespread consultation and input from staff and management.



Participants on the Leadership 20/20 course

Design and provision of professional development training for managers

Newly developed, in-house management and leadership training programmes have been introduced in 2013 for all management grades within the Department.

In response to current and future challenges facing the Department, Staff Development Unit has developed a specific Leadership Programme (entitled 'Leadership 20/20') at Assistant Principal level, but also including Higher Executive Officers with large numbers of staff reporting to them. The 20/20 Leadership programme is based on a continuous modular development model and is currently being rolled out to new and existing managers in the Department.



In addition, a Principal Officer professional development programme was delivered throughout 2013 to a group of recently appointed Principals.

This programme is being extended to all Principals.

Progress the design and delivery of accredited training for staff at all grades.

The Department undertook a procurement process to acquire an external business partner to assist the Department in reviewing and redesigning the Department's frontline learning and development programmes, with a view to preparing these programmes for future accreditation.

This project will be a key element of reform of the Department's learning and development function throughout 2014.

Ensure Department-wide compliance with PMDS

Staff Development Unit designed and delivered a tailored training programme to 1,700 former FÁS and HSE Community Welfare Service staff in relation to PMDS policy and procedures in preparation for their initial year of PMDS within the Department.

Deliver on SDU commitments made in Staff Survey Action Plan

Following the outcomes of the staff survey carried out in 2011/2012, the Department committed to undertake specific training and development initiatives in response to issues raised by staff.

In delivering on these commitments in 2013, the Department:

- Established a one-day tailored Business Process Improvement (BPI) course for managers with a structured follow-up support commitment from the Department's Business Improvement Unit to encourage successful BPI projects;
- Prepared a one-day Human Resource Management information course for managers; and

- Put in place Action Learning networks for divisional staff to support the rollout of Case Officer training in Intreo Centres.



Dr Olaigh Quinn presenting certificates at the Leadership 20/20 course

Examine and develop methods of addressing learning and development needs including increased use of technology

Staff Development Unit is improving its in-house capability to develop e-learning and other on-line training/information tools.

In 2013, the unit made the following progress:

- Upskilling of SDU staff to prepare online training solutions;
- Produced online videos to support Intreo Case officer training;
- Developed on-line tutorials for PMDS/Underperformance guidelines for managers and staff; and
- Produced video messages to staff regarding corporate issues/goals/change via the Department's intranet.

Further work on developing a blended learning approach to staff training will form part of review and redesign of frontline learning and development programmes in 2014.



PUBLIC SERVICE REFORM PLAN

The Department is committed to meeting the objectives of the Public Service Reform Plan¹¹.

The Department's high level integrated reform delivery plan outlines the key Departmental milestones under the various reform programmes and contains a wide range of organisational specific reform commitments, as well as cross-cutting elements of Government's reform agenda. The integrated plan aligns key elements from the Programme for Government, the Comprehensive Review of Expenditure, the Public Service Agreement and the 2013 Haddington Road Agreement.

Full implementation of the Department's action plan requires major organisational change, involving changes in structures; business processes; administrative, operating and governance systems; practices and procedures; and is supported by significant human resource and Information Communication Technology (ICT) changes.

The Public Service Reform plan was published by the Department of Public Expenditure & Reform in November 2011. The First Progress Report¹² on the Public Service Reform Plan 2011 was published by D/PER in September 2012. The Second Progress Report¹³ was published in January 2014.

Department of Social Protection key achievements noted were:

- The successful integration of staff and services from FÁS employment services, and community welfare service of the HSE, which involved redeployment of c.2000 staff.
- Intreo, the new integrated employment services, community programmes and income support service model was

launched in October 2012 and is being rolled out across the country.

- The roll out of the Public Services Cards which will facilitate easier access to public services.
- The continued roll out of new IT systems and business processes including the introduction of electronic signing in public offices, form scanning in claim processing centres and online claiming for certain schemes.
- The Departments redeveloped website¹⁴ which went live in January 2013 and includes dedicated Jobseeker and Employer areas.
- The control savings target for 2012 was €645m and savings of €669m were achieved.

A new Public Service Reform Plan 2014-2016 was launched by Department of Public Expenditure & Reform in January 2014. The Department's key targets on reform to 2016 are set out in the new Integrated Reform Delivery Plan.

INFORMATION AND COMMUNICATION TECHNOLOGIES DEVELOPMENT



Minister Burton with Staff in Sligo Social Welfare Services

Service Delivery Modernisation Programme

The Department's business transformation and modernisation initiatives continue to provide opportunities for the development and expansion of the skills and capacity of its staff. Department staff are involved in all aspects of

¹¹ <http://reformplan.per.gov.ie/>

¹² <http://per.gov.ie/wp-content/uploads/Statement-on-Public-Service-Reform-Plan-6th-Sept-2012.pdf>

¹³ <http://reformplan.per.gov.ie/downloads/files/Progress%20Report%202014.pdf>

¹⁴ www.welfare.ie



the development of new systems and on the migration of schemes from legacy systems.

A number of projects were implemented to provide functionality on the Department's modern integrated system, the business object model implementation (BOMi), with the aim of delivering key business benefits and supporting the delivery of quality services to our clients. It is envisaged that the BOMi will encompass all schemes and services administered by the Department. Schemes currently on the BOMi represent about 80% of the Department's claim load, with the BOMi currently responsible for directly issuing payments to over 2 million clients, amounting to approximately €10 billion per year.

Expenditure on all SDM related projects in 2013 amounted to approximately €12.4 million. During 2013, the following key milestones were achieved:

- The new Payment Object and functionality to pay all Department schemes was implemented in June 2013. The Payment Object also includes functionality to allow deductions to be made from payments in respect of Local Property Tax on behalf of the Revenue Commissioners.
- Work to support the changing role of Front Desk staff in Intreo Centres continues. The first iteration went live in July 2013 in Arklow with functionality that provides an officer with a summary (dashboard) view of all available information relating to a client to assist the officer identify the services most suited to the client's own circumstances. It also provides the facility to make appointments.

In addition, progress was made on the development of an "intelligent" electronic Jobseeker's Benefit (JB) claim form. This functionality lays the foundation for the development of other electronic claim forms, e.g. JA/ SWA.

The efficiency of the casual certification process has been improved by the introduction of a scannable docket which

eliminates the need for manual data entry. This also enables the employer to be brought into the certification loop thereby increasing the control element in the certification process. 25 local offices implemented this process during 2013, processing 32,000 approx. casual dockets per week (38% of total amount). This initiative will be rolled out to remaining local offices in 2014.

- **Activation: Customer Profiling & Case Management (APCM)**

- **Group Engagement:**

From October 2010 to end October 2013, approximately 178,000 people have been referred by the Department to Employment Services (formerly FÁS) under the group engagement process.

Almost 66% of those referred have attended the group session, with 34% not attending. Those who do not attend after 2 referrals are systematically followed up by the Department which has resulted in some people signing off the Live Register, some claims being disallowed and reduced rates of payment being imposed in other cases. However, over 90% of those referred to a one-to-one interview with an Employment Services Officer following attendance at a GE session, attended the interview. This compares to 66% under the previous arrangements.

An evaluation of the group engagement process found, amongst other things, that feedback on the sessions from jobseekers was positive. They stated that they were more aware of what supports are available to them while Employment Services Officers reported that jobseekers were found to be better prepared for the one-to-one meeting and that the meetings were more constructive and productive.

New EAP System: A new IT system was developed by the Department to replace the National Employment Action Plan Selection and Referral System. This new system includes the facility to schedule



individual or group appointments with Employment Services and the Local Employment Service. This new facility will assist in providing for ever better and targeted interventions for jobseekers.

- In July 2013, the Means Information Sharing Service (MISS) Project commenced, the objective of which is to share with other public service bodies client means information the Department has collected. The service was released into production in January 2014, with further enhancements of the service anticipated in 2014.
- The illness & disability schemes enhancement (IDSE) project launched in September 2013. The project consists of 4 main strands:
 - to automate as far as possible the transfer of suitable claimants from illness benefit to invalidity pension and to enhance automation within the invalidity pension scheme with a focus on a more comprehensive end-to-end view of the client's information;
 - to enhance the Medical Review and Assessment System (MRAS) to improve control and audit procedures and the referral and scheduling functionality;
 - to allow for external providers to be contracted with an initial focus on facilitating the potential outsourcing of some medical assessment work; and
 - to enhance the administrative capacity of the domiciliary care allowance system in line with the recommendations of the 2012 review of the scheme.

The project is scheduled to be complete by the end of Quarter 1 2014.

Workforce Planning and Building In-House Capacity

The Department's business transformation and modernisation initiatives continue to provide opportunities for the development and expansion of the skills and capacity of Departmental staff.

As part of the implementation of the Department's workforce planning strategy and to provide opportunities for the development and expansion of the skills and capacity of Departmental staff, the Information Systems Division (ISD) has a dedicated training and development unit that organises information and communications technology (ICT) specific training courses and seminars, maintains a comprehensive technical library and provides access for ISD staff to research services and events.

Some 35 different training courses were arranged on 47 occasions for 196 ISD staff, totalling 485 training days. The ISD staff development unit also supports system training for frontline staff and in 2013 facilitated 58 events for some 564 people, including public services card and case officer training.

The annual conference for all ISD staff was held in November 2013 and focussed on the 'Digital and Physical worlds colliding' with the Department's Secretary General, Niamh O'Donoghue, opening the conference and an address by Bill McCluggage, Government Chief Information Officer.

Department of Social Protection Intranet (STÓR)

During 2013 the Department's corporate portal – Stór – continued to be enhanced to support communication across the organisation and provide a space for shared work and collaboration.

Stór has been a key communication tool for the Department's transformation programme and the successful integration of staff from FÁS and the HSE. This included new communication spaces for the Department's *One DSP* Changing Together programme, continued use of video presentations from senior management to all staff, engagement by staff and managers on discussion boards, and new design and new collaboration features on each staff members 'my site' and team sites. Stór has also continued to provide a robust platform for the development of line of business applications.



The developments in 2013 included:

- Upgrade of the portal infrastructure and migration of sites and business applications to the new infrastructure;
- Further enhancements of the in-house PQ tracking application;
- A new application integrated with www.welfare.ie which supports online registration and processing of applications for the JobsPlus Initiative;
- A new application to process representations (REPS) made to the Department;
- A new application to process freedom of information (FOI) requests;
- Upgrade of the business planning and risk management (BPRM) application to the new infrastructure with enhanced functionality; and
- Additional customised team sites with report libraries and associated document templates.

FINANCIAL MANAGEMENT

Payment Strategy

In 2013, the Department's Payment Strategy was published on the Department's website. The overall objective of the Payment Strategy is to modernise the Department's payment delivery approach by delivering payments to clients electronically and in a way that facilitates onward ePayments by the client. The Strategy is a multi-phase approach and will be implemented on a phased basis.



Minister Burton and Donal Connell, CEO, An Post at signing of contract with An Post

A contract for the provision of over the counter cash services was signed with An Post following a publicly advertised procurement competition. The contract which commenced on 2 January 2014 is for a period of two years - up to 31 December 2015. The contract may be extended for one or more period(s) of 12 months each, up to a maximum of 6 years in aggregate. This will ensure continuity of payments to clients at Post Offices whilst the Department progressively increases levels of electronic payments and consequently enhances levels of financial inclusion.

Prompt Payments

During 2013 there were 474 late payments which amounted to 6% of payments. Prompt payment interest and compensation amounted to €19,975.22.

Payment by Electronic Information Transfer/Electronic Funds Transfer

Clients can choose from a wide range of payment options offered by the Department including electronic payment to a local post office, bank or building society account and credit unions which have financial regulatory approval.

Some 44% of clients received their scheme payment electronically by the end of 2013.

Project Governance and Procurement Policy

The Project Governance Committee (PGC), a committee of the Management Board, approves and prioritises programmes and projects and monitors project progress and expenditure. Project proposals are evaluated and prioritised, and budgets and resources assigned in line with the Department's Statement of Strategy and business plans. Particular focus is given to aligning priorities to the Programme for Government and the Public Service Reform agenda. The PGC exercises an oversight role to ensure best practice is applied in the management of programmes and projects and in all procurement matters.

The Department aims to achieve value for money in the procurement of goods and services and is committed to participating fully in the



public procurement reform initiatives of the Office of Government Procurement. Further information about the Department's procurement policy and contracts is available on www.welfare.ie.

ENERGY EFFICIENCY AND AWARENESS

In 2013, the Department continued to participate in the energy efficiency campaign being run by the Office of Public Works (OPW) called "Optimising Power @ Work."

In 2013 this campaign focused on 33 of the larger Department offices. It includes energy

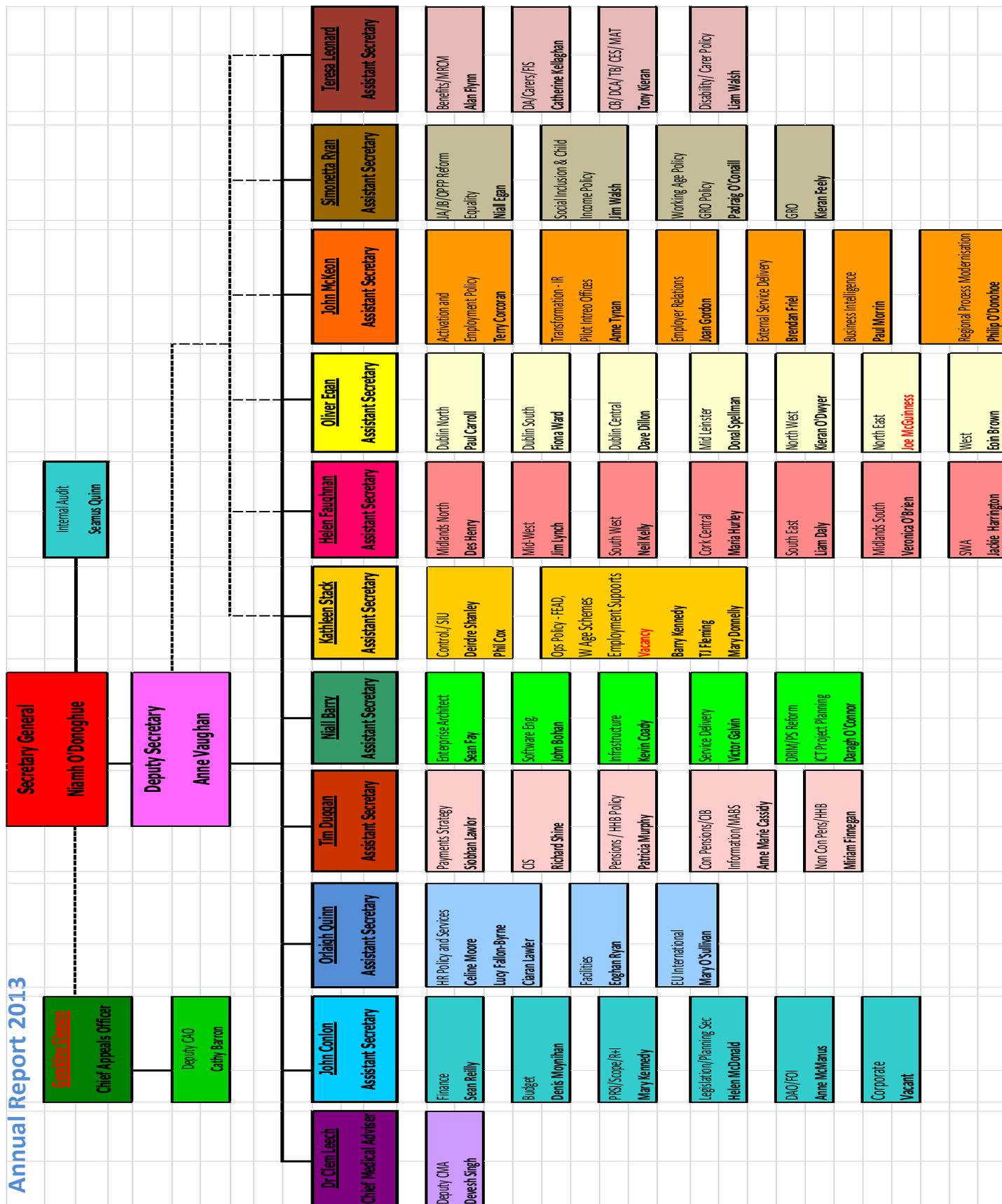
audits of buildings and raising energy efficiency awareness among the staff working in those buildings.

To maintain staff awareness, Energy Efficiency notices and reminders were posted on the Department's intranet home page, accessible to all staff.

Procurement policies in the Department include provisions for Green Procurement. Energy efficiency criteria are included in Requests for Tenders (RFTs) where relevant, including IT equipment and non-IT equipment. Energy including electricity is procured centrally through the Office of Government Procurement.



APPENDIX 1 ORGANISATION STRUCTURE – FEBRUARY 2014





APPENDIX 2 LEGISLATION ENACTED IN 2013

SOCIAL WELFARE ACTS 2013

Social Welfare and Pensions (Miscellaneous Provisions) Act 2013 - No. 20 of 2013

Social Welfare and Pensions Act 2013 – No. 38 of 2013

Social Welfare and Pensions (No. 2) Act 2013 – No. 49 of 2013

STATUTORY INSTRUMENTS 2013

S.I. No. 16/2013	Civil Registration (Amendment) Act 2012 (Commencement) Order 2013
S.I. No. 17/2013	Civil Registration (Births, Deaths, Marriages and Civil Partnerships) (Fees) Regulations 2013
S.I. No. 24/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 1) (Overpayments) Regulations 2013
S.I. No. 25/2013	Social Welfare Act 2012 (Section 13) (Commencement) Order 2013
S.I. No. 56/2013	Occupational Pension Schemes (Revaluation) Regulations 2013
S.I. No. 58/2013	Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations, 2013
S.I. No. 61/2013	Social Welfare Act 2012 (Sections 16 and 17) (Commencement) Order 2013
S.I. No. 62/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 2) (Night Workers) Regulations 2013
S.I. No. 102/2013	Social Welfare (Employers' Pay-Related Social Insurance Exemption Scheme) (Amendment) Regulations 2013
S.I. No. 121/2013	Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 1) (Excepted Emoluments) Regulations 2013
S.I. No. 129/2013	Social Welfare and Pensions Act 2010 (Section 33) (Appointment Day) Order 2013
S.I. No. 130/2013	Social Welfare and Pensions Act 2010 (Section 38) (Appointment Day) Order 2013
S.I. No. 135/2013	Occupational Pension Schemes (Funding Standard) (Amendment) Regulations 2013



S.I. No. 139/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 1) (Rent and Mortgage Supplement) Regulations 2013
S.I. No. 175/2013	Occupational Pension Schemes (Funding Standard Reserve) Regulations 2013
S.I. No. 215/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 2) (Rent Supplement) Regulations 2013
S.I. No. 235/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 3) (Family Income Supplement) Regulations 2013
S.I. No. 236/2013	Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 2) (Contributions by Certain Employed Contributors) Regulations 2013
S.I. No. 243/2013	Social Welfare (Consolidated Contributions and Insurability) (Amendment) (No. 3) (Credits) Regulations 2013
S.I. No. 244/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 4) (Jobseeker's Allowance Transition) Regulations 2013
S.I. No. 254/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 6) (Retained Fire Fighters) Regulations 2013
S.I. No. 258/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 3) (Prescribed Activation Measures) Regulations 2013
S.I. No. 259/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 5) (Prescribed Activation Measures) Regulations 2013
S.I. No. 339/2013	Social Welfare and Pensions (Miscellaneous Provisions) Act 2013 (Section 8) (Commencement) Order 2013
S.I. No. 340/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 7) (Partial Capacity Benefit) Regulations 2013
S.I. No. 369/2013	Social Welfare and Pensions (Miscellaneous Provisions) Act 2013 (Section 15) (Commencement) Order 2013
S.I. No. 388/2013	Social Welfare and Pensions Act 2010 (Section 37) (Transfer Day) Order 2013
S.I. No. 404/2013	Social Welfare and Pensions (Miscellaneous Provisions) Act 2013 (Section 3) (Commencement) Order 2013
S.I. No. 422/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 4) (Rent and Mortgage Interest Supplement) Regulations 2013



S.I. No. 492/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 10) (Homemakers) Regulations 2013
S.I. No. 513/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 6) (Mortgage Interest Supplement) Regulations 2013
S.I. No. 514/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 9) (Maternity and Adoptive Benefit) Regulations 2013
S.I. No. 515/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 8) (Pre-retirement Allowance) Regulations 2013
S.I. No. 516/2013	Social Welfare (Consolidated Supplementary Welfare Allowance) (Amendment) (No. 5) (Rent and Mortgage Interest Supplement) Regulations 2013
S.I. No. 578/2013	Social Welfare (Section 290A) (Agreement) Order 2013
S.I. No. 579/2013	Social Welfare Act 2012 (Section 15) (Commencement) Order 2013
S.I. No. 580/2013	Social Welfare (Consolidated Claims, Payments and Control) (Amendment) (No. 11) (Budgeting in Relation to Social Welfare Payments) Regulations 2013



APPENDIX 3 MINISTERS OF THE DEPARTMENT SINCE 1947

	FROM	TO
James Ryan	22 January 1947	18 February 1948
William Norton	18 February 1948	14 June 1951
James Ryan	14 June 1951	2 June 1954
Brendan Corish	2 June 1954	20 March 1957
Patrick Smyth	20 March 1957	27 November 1957
Sean McEntee	27 November 1957	24 June 1959
Sean McEntee	24 June 1959	12 October 1961
Kevin Boland	12 October 1961	21 April 1965
Kevin Boland	21 April 1965	16 November 1966
Joseph Brennan	16 November 1966	2 July 1969
Kevin Boland	2 July 1969	6 May 1970
Joseph Brennan	6 May 1970	14 March 1973
Brendan Corish	14 March 1973	5 July 1977
Charles J Haughey	5 July 1977	12 December 1979
Michael Woods	12 December 1979	30 June 1981
Eileen Desmond	30 June 1981	9 March 1982
Michael Woods	9 March 1982	14 December 1982
Barry Desmond	14 December 1982	14 February 1986
Gemma Hussey	14 February 1986	10 March 1987
Michael Woods	10 March 1987	18 July 1989
Michael Woods	18 July 1989	13 November 1991
Brendan Daly	13 November 1991	11 February 1992
Charlie McCreevy	11 February 1992	12 January 1993
Michael Woods	12 January 1993	15 December 1994
Proinsias De Rossa	15 December 1994	26 June 1997
Dermot Ahern	26 June 1997	17 June 2002
Mary Coughlan	17 June 2002	29 September 2004
Seamus Brennan	29 September 2004	15 June 2007
Martin Cullen	15 June 2007	7 May 2008
Mary Hanafin	7 May 2008	23 March 2010
Éamon Ó Cuív	23 March 2010	9 March 2011
Joan Burton	9 March 2011	