

Labour Market Advisory Council - Minutes

Thursday May 6th 2021 - 11am (Online)

In Attendance:

Minister Heather Humphreys, Pauric McPhillips (Adviser to MSP).

Council Members - John Martin (Chair), Terry Corcoran, Ger Gibbons, Frank Gleeson, Kara McGann, Bríd O'Brien, Philip O'Connell, Angela Smith, Ade Stack.

Ex-Officio Members - Geraldine Hurley, Dermot Coates, David Hegarty, Jasmina Behan, Shauna Dunlop (Alternate for Andrew Brownlee).

D/SP Officials - Ailbhe Brioscú (LMAC Secretary), Jeff Dwan O'Reilly.

Apologies:

Andrew Brownlee and Sinéad McSweeney.

1. Adoption of the Agenda and Minutes of the Last Meeting (December 18th 2020)

Council members adopted the agenda and approved the minutes of the meeting of 22nd May, subject to an amendment from Ger Gibbons. Revised minutes will be circulated in due course.

2. Opening remarks from Minister Humphreys

Minister Humphreys delivered opening remarks, welcomed Members to the meeting and thanked the Council for their work to date. The Minister noted the unprecedented trajectory taken by the pandemic since the Council's December 2020 meeting. However, courtesy of the rollout of Government's vaccine programme, the Minister highlighted that we now have a clearer way forward as public health restrictions are eased gradually over the coming months.

The Minister outlined that as we move into the recovery phase, Government must now examine the future of the various COVID-19 emergency supports, including the Pandemic Unemployment Payment (PUP). While there will be no cliff-edge to these supports, the Minister noted the need for Government to plan for the future in a balanced manner and to continue to provide supports to those that need them, in a fiscally responsible manner, while supporting business and economic recovery. For those who will not return to their pre-crisis employment, the Minister highlighted the need to ensure that activation and employment programmes are available to these individuals to assist them on this journey.

The Minister outlined that at a meeting with the Council's Chair in March, she asked that the Council re-examine the conclusions and recommendations set in its June 2020 Policy Paper on economic recovery, in light of the current circumstances and the longer than anticipated impact of the pandemic on the labour market. This will be the focus of this meeting.

Finally, the Minister thanked members for their feedback on the development of Pathways to Work 2021-2025 and for considering the Institute for Employment Studies' report on the Irish Public Employment Service and the proposals for a Work Placement and Experience Programme at its last meeting.

3. Updates from Sub-Group Chairs

Frank Gleeson provided an update on the Employer Engagement Sub-Group.

- The sub-group had its first meeting on March 25th 2021.
- An outline of the sub-group's purpose and membership was provided, with the sub-group Chair noting the breadth of membership and experience.
- The sub-group plans to meet once a month and will report back to the Council Chair in writing and provide updates to the wider Council as needed.

Philip O'Connell provided a written update on the Evaluation Sub-Group, which was read by the Chair.

- This sub-group also had its first meeting on March 25th 2021.
- The meeting covered three main items:
 - The sub-group's Terms of Reference.
 - An overview the inventory of previous evaluations of ALMPs conducted under the auspices of DSP and SOLAS.
 - Next meeting: it was decided that the group would schedule the next meeting when the work on the Community Employment evaluation has progressed to the point where preparatory material can be provided to the sub-group.

4. Update on labour market developments and PES activity

The Department's Activation and Employment Policy Unit prepared a paper to update the Council on labour market developments and PES activity. Dermot Coates presented the key themes from this paper:

- An outline of trends in the PUP was provided:
 - While PUP reached an overall peak in May 2020 at over 600,000, numbers supported by the payment have not returned to these levels despite the introduction of a third full lockdown in December/January.
 - As a result of these restrictions, numbers peaked in 2021 at over 480,000 in February and currently stand at 385,000 (as at the time of the meeting). This is the first time in 2021 that numbers supported have fallen below 400,000.
- Council Members were informed that despite fluctuations in take-up of emergency supports in line with prevailing public health restrictions, the Live Register has remained comparatively stable with traditional seasonal patterns not evident to the same extent (compared to non-pandemic years).
- Members were presented with an overview of the sectoral and regional composition of supports, along with insights into durations on the PUP.
- Looking at measures of unemployment, the inflation of the COVID-19 adjusted youth unemployment estimate due to the inclusion of students in receipt of the PUP (who

would not be traditionally be defined as unemployed as they are pursuing full-time education) was outlined.

- In addition, it was expressed that the overall COVID-19 adjusted unemployment rate overestimates the scale of the challenge, due to the fact that many PUP recipients are simply awaiting the easing of public health restrictions to return to work; as has been seen in previous reopening phases.
- An alternative estimate of unemployment was presented, using insights from DSP's PUP data (particularly regarding long-term recipients), in order to give Members a better guide in relation to the true scale of the challenge.
- Finally, the most recent economic and labour market forecasts, from the Department of Finance Stability Programme Update (April 2021), were provided to Members.

Members welcomed this paper and the relevant insights for planning for economic and labour market recovery. Among the points raised by Members in response included:

- The need to pay close attention to those sectors who have remained closed for significant periods.
- In addition, public health restrictions and COVID-19 compliance practices means that the hospitality sector faces an artificial supply constraint. This is a very significant burden for businesses in this sector, in addition to dampened demand due to reliance on external / international visitors.
- Members also noted the need to look into those who have, as a result of the pandemic and other reasons, opted out of the labour market. In addition, Members suggested the need to examine the potential additional labour force data, in order to see how this compares to previous crises.
- The Chair highlighted the need to consider what unemployment forecasts mean for PES and Case Officer caseload (for both Intreo and contracted services).

5. Review of Council Policy Paper (June 2020) recommendations.

The Council discussed and reviewed the recommendations made in its June 2020 Policy Paper, in light of the latest situation regarding the pandemic and the labour market.

The Chair advised Members that he would work with the Secretariat to produce a draft document summarising the key elements of this discussion. The draft will be circulated to Members for their observations and comments, prior to finalisation for onward transmission to the Minister.

Please see the final document for an overview of the discussion and Council recommendations (Title: *Labour Market Advisory Council review of recommendations for economic recovery from the COVID-19 pandemic*).

6. AOB and Date of Next Meeting

Ger Gibbons asked if there was an update on the potential to add a youth representative to the Council. Geraldine Hurley advised that this has been discussed and that an update will be provided at the Council's next meeting.

Jasmina Behan asked if consideration could be given to adding a construction sector representative to the Employer Engagement Sub-Group. The Sub-Group and Council Chairs will reflect on this.

The Chair closed the meeting and advised that the Secretariat would be in touch with a date for the next meeting.

Action Points

LMAC Secretariat:

- Document on the Council's review of recommendations for economic recovery from the COVID-19 pandemic to be prepared by the Secretariat and shared with Members for comment.

LMAC Chair:

- To provide an update on the suggestion to add a youth representative to the Council at the next meeting.