



**First Implementation Report on the
Lufthansa Technik Airmotive Ireland
European Globalisation Adjustment Fund (EGF) Programme**

31 Aug 2014 – 2 May 2015

Prepared by

**EGF Managing Authority,
Department of Education and Skills
and the SOLAS EGF Coordination Unit**

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1 INTRODUCTION

The European Globalisation Adjustment Fund (EGF) assists through its co-funding mechanism, EU Member States to provide approved programmes of active labour market supports to workers made redundant as a result of the adverse impacts of globalisation, or in certain cases, due to the effects of the global economic and financial crisis. Generally, a minimum threshold of 500 redundancies applies, over a 4 month period for a company and over a 9-month period for a sector, although an exceptional circumstances criterion may be invoked if the redundancies have a serious adverse effect on the local, regional or national economy. Both mainstream and additional supports may be provided by national authorities as part of an EGF co-funded programme.

On 19 September 2014, the EGF Managing Authority of the Department of Education and Skills as Competent Authority for the European Globalisation Adjustment Fund (EGF) in Ireland, submitted an application to the European Commission under the exceptional circumstances criterion in support of a total number of 424 workers affected by redundancy at Lufthansa Technik Airmotive Ireland (LTAI) Ireland, Naas Rd, Rathcoole, Co Dublin from late 2013 and two ancillary enterprises. The LTAI EGF programme was approved by the EU Budgetary Authority on 15 April 2015.

In addition to the 424 affected workers, the EGF programme also provides support for a cohort of up to 200 young people under 25 years of age not in employment, education or training (NEET persons). The optional provision of EGF supports to NEET persons within an approved programme is a new development which is provided for under Regulation (EU) No. 1309/2013 which governs the administration of the EGF from 2014 to 2020.

This first implementation report covers the period from the end of August 2014 when first data on EGF eligible persons was collected until 2 May 2015.

1.2 The Lufthansa Technik Airmotive Ireland EGF Programme

The LTAI EGF programme provides a range of guidance, retraining, upskilling and enterprise supports for:

- 415 workers made redundant at LTAI from late December 2013 onwards
- 9 workers made redundant at ancillary enterprises i.e. QCafé (4) and Senaca Group (5) which provided catering and security services respectively at the LTAI facility.
- up to 200 young people under 25 years of age not in employment, education or training (NEETs). The figure of 200 is based on the number of redundant workers who it is estimated will receive supports over the lifetime of the EGF programme.

The interventions being delivered to these 624 eligible persons include:

- Guidance and career planning supports;
- EGF Training Grants (flexible accredited training or further or higher education courses from private providers)
- Training and Further Education programmes;
- Higher Education programmes;
- Enterprise and self-employment supports;
- Income supports including the EGF Course Expenses Contribution (CEC) scheme.

The provision of services for the LTAI EGF programme is being co-ordinated by the local SOLAS EGF Co-ordination Unit based in the Dublin Dun Laoghaire Education and Training Board's Tallaght Training Centre in the Cookstown Industrial Estate. The national SOLAS EGF Co-ordination Unit which is based in Limerick has worked previously on a number of completed EGF programme and is currently also co-ordinating the ongoing Andersen Ireland EGF programme in Rathkeale, Co Limerick.

An outline chronology of the LTAI programme to date is set out below:

<i>Date</i>	<i>Action</i>
15 November 2013	Letter from Lufthansa Technik announcing collective redundancies to the Minister for Jobs Enterprise and innovation.
6 December 2013	First LTAI worker made redundant
January 2014	Survey of redundant workers conducted by Dept of Social Protection (DSP) to gauge interest in undertaking EGF supports.
17 January 2014	Batch of 61 LTAI workers made redundant
31 January 2014	Batch of 45 LTAI workers made redundant
14 February 2014	Batch of 100 LTAI workers made redundant
End June 2014	Batch of 87 LTAI workers made redundant
15 August 2014	All 5 Senaca Group workers made redundant
August 2014	Survey of redundant workers conducted by EGFCU to gauge interest in specific EGF supports already undertaken/foreseen
20 August 2014	Meeting between EGF Managing Authority, EGF Coordination Unit and worker representatives to discuss possible EGF programme supports
19 September 2014	EGF Managing Authority submits EGF application to EU Commission
21 November 2014	EGF LTAI Open Day in Tallaght Training Centre
January 2015	Local EGFCU office in Tallaght Training Centre opens with 2 staff
6 February 2015	European Commission approves LTAI EGF application.
19 February 2015	European Council (Budgetary Committee) approves EGF application
9 March 2015	EGFCU briefing session with NEETs, Tower Plaza Hotel, Tallaght
25 March 2015	European Parliament approves EGF application
April / May 2015	Final EU Budgetary Authority approval & transfer of EGF funds to EGF Managing Authority
19 September 2016	EGF programme ends
19 March 2017	EGF programme final report due to be sent to European Commission

2 ELIGIBLE BENEFICIARIES UNDER THE LTAI EGF PROGRAMME

The total number of EGF eligible beneficiaries on the LTAI EGF Programme is 624, of which 424 are workers affected by redundancy at LTAI and 200 are NEET persons.

2.1 Affected workers:

The profile of the workers affected by the announcement in November 2013 of redundancies at the Lufthansa Technik Airmotive Ireland plant in Rathcoole is briefly as follows:

- 415 persons employed at LTAI, 4 at QCAfe and 5 at Senaca Group
- 374 male, 50 female
- 418 EU nationals, 6 non-EU nationals
- 217 resident in Co. Dublin, 142 in Co. Kildare, 14 in Co. Wicklow, 14 in Co. Meath, with the remainder in Carlow, Laois, Kilkenny, Louth, Offaly, Roscommon, Sligo and Westmeath
- 51.89% of all workers aged 45-59

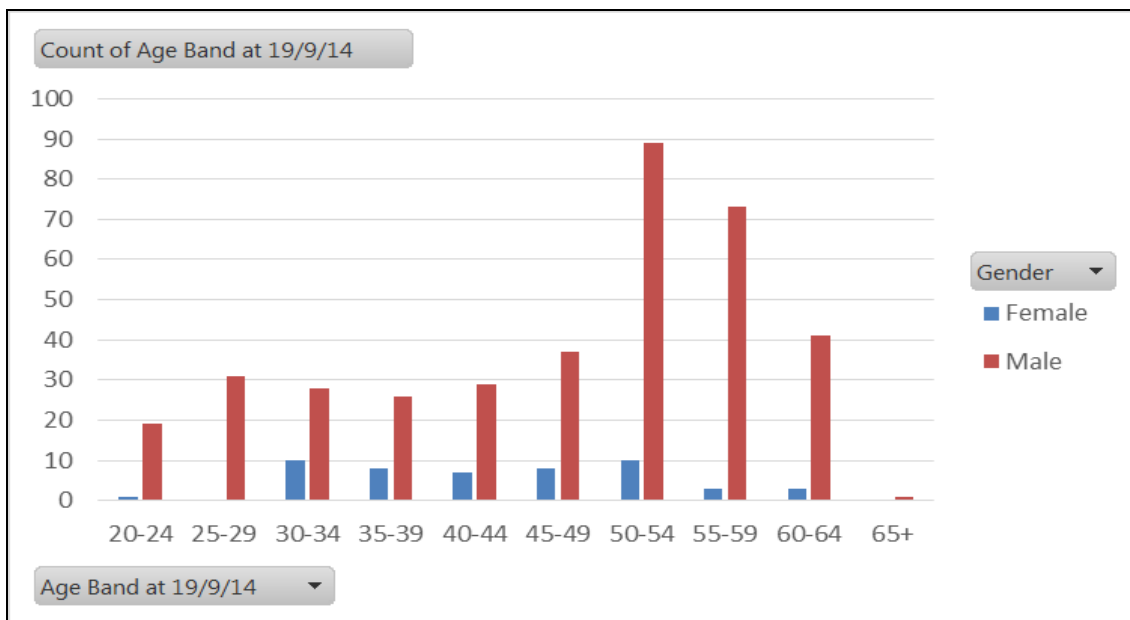


Figure 1: LTAI Affected workers – Age profile by Gender

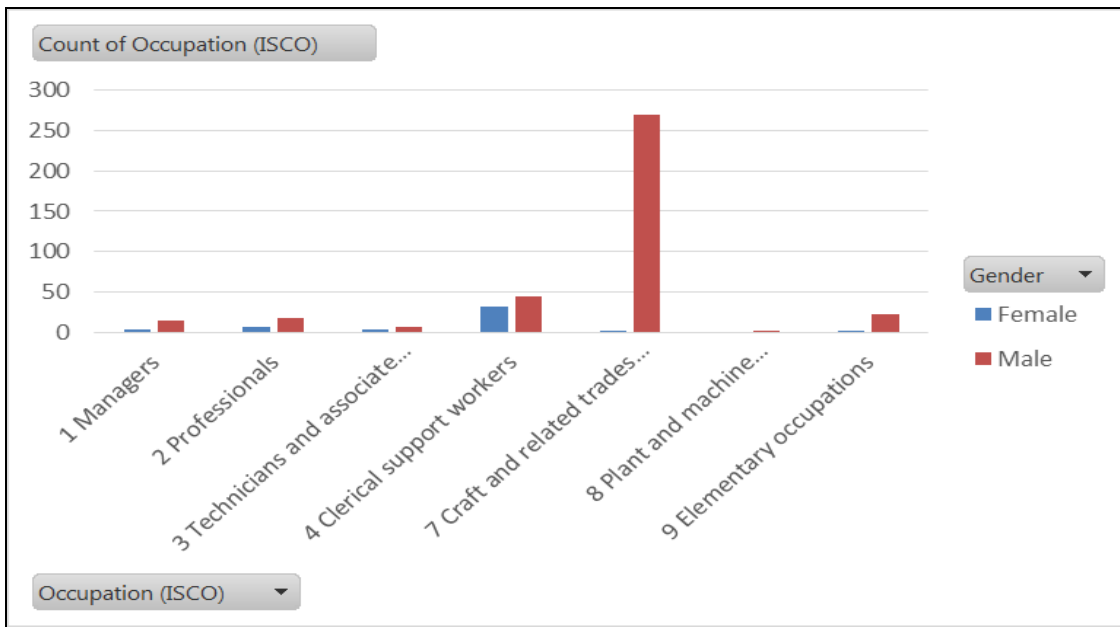


Figure 2: LTAI Affected workers – Profile by Occupation (ISCO)

2.2 NEET persons:

A listing of 200 NEET persons under 25 years of age resident in the Tallaght and surrounding area was provided by the Department of Social Protection to the EGF Managing Authority in October 2014. Almost two thirds of this initial cohort is male (63%). A total of 23% has a highest education attained level of Junior Certificate or below, 66.5% has a National Framework of Qualifications (NFQ) Level 5 Leaving Certificate while 1.5% has a NFQ Level 6 Higher Certificate qualification or above.

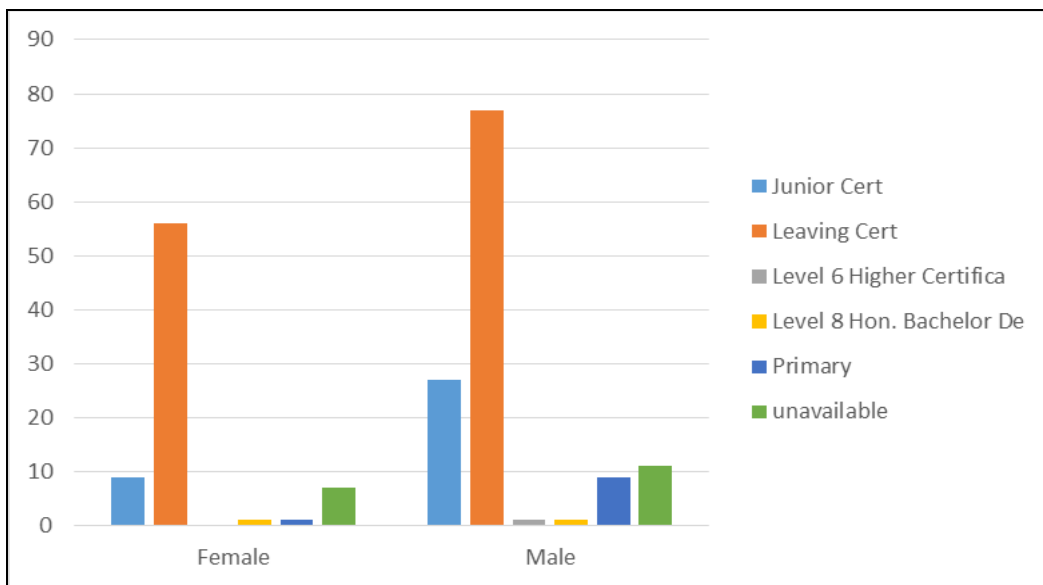


Figure 3: LTAI NEETs - Highest Educational attainment by Gender

3 EGF PROGRAMME PLANNING & COORDINATION

3.1 DSP Survey Results of LTAI workers January 2014

In January 2014, the Department of Social Protection sent a detailed questionnaire to those LTAI workers who had been made redundant. The results of the 147 replies received are set out below with preferences tending on balance to relate to experience in the aviation sector and to acquired skills in technical areas.

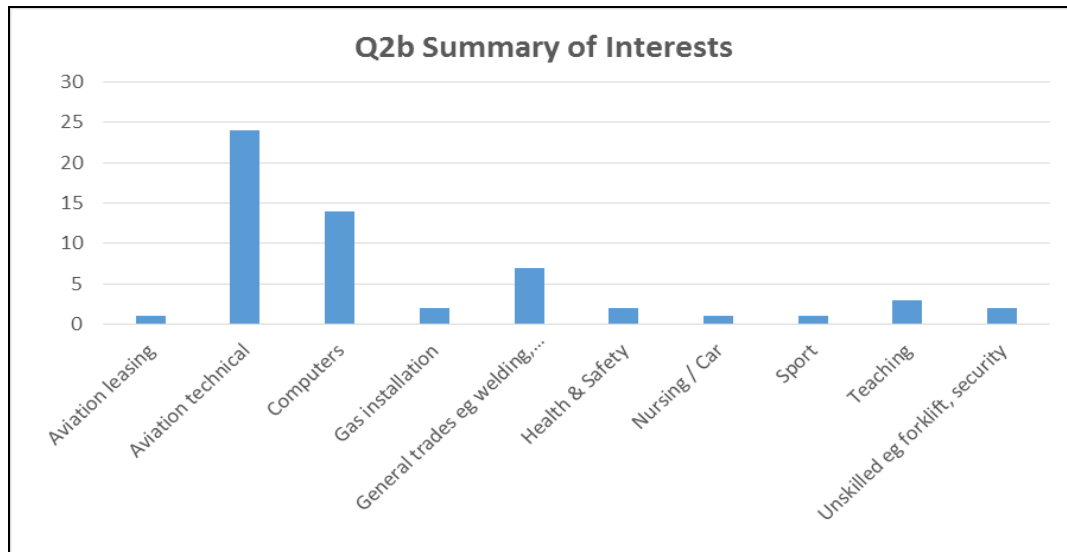


Figure 4: Summary of Interests expressed by 147 LTAI workers in DSP questionnaire

3.2 SOLAS EGF Coordination Unit Survey Results of LTAI workers August 2014

In August 2014, the SOLAS EGF Coordination Unit sent a further detailed survey to 414 LTAI workers seeking information on their retraining/upskilling preferences. An extract from the results of the 188 surveys which were returned is set out in the table under.

<i>Interest in receiving additional information / supports</i>	<i>No. of workers</i>	<i>% of Surveys returned</i>
Occupational Guidance	102	54.26%
Training Re-skilling	153	81.38%
Training Grant	133	70.74%
Education Second Level	31	16.49%
Education Third Level	88	46.81%
Enterprise / Start own Business	66	35.11%
Total surveys returned	188	

The results of these surveys, including the training preferences of individual workers, duly helped to inform the personalised range of measures which were included in the EGF application submitted by the EGF Managing Authority to the European Commission on 19 September 2014.

3.2 EGF Programme Coordination and Publicity

In order to maximise the finite 24 month programme implementation period, the EGF Managing Authority committed to offering and rolling out delivery of EGF programme measures prior to EU approval with final EU approval only being granted in April 2015.

The EGF Coordination Unit subsequently wrote to, telephoned or emailed all of the eligible cohort informing them of supports available under the programme.

An Open Day was held for both the Affected Workers and NEET persons cohorts at the Dublin Dun Laoghaire Education and Training Board (ETB), Tallaght Training Centre, Cookstown, Tallaght on 21 November 2014. Key local training, education and enterprise service providers were present to meet and discuss with the eligible cohort their particular intervention needs. Former beneficiaries of both the SR Technics and Talk Talk EGF programmes spoke about their positive experience of the EGF to the audience.



- *LTAI workers at Open Day 21 November 2014. More photographs are displayed on www.egf.ie*

Since the Open Day, various one-to-one interviews have been held and continue to be held by the EGF Coordination Unit with interested workers and NEET persons at which the range of EGF supports available are discussed.

4 EGF PROGRAMME PARTICIPATION & LABOUR MARKET OUTCOMES – AFFECTED WORKERS

4.2.1 EGF Programme Participation – Affected Workers

The table under details the number of unique worker beneficiaries as at 2 May 2015.

A cumulative number of **127** persons out of the 424 redundant worker cohort (30%) had participated in EGF programme measures as at 2 May 2015.

<i>Measure</i>	<i>Workers *</i>
EGF Training Grant – Career Guidance	48
EGF Training Grant FETAC	48
EGF Training Grant HETAC	13
Training and Further Education courses (ETBs)	7
Higher Education	11
Enterprise Supports (LEOs)	2
DSP BTEA 2nd level	1
DSP BTEA 3rd level	8
DSP Training/Internships	1
Course Expense Contributions (CEC)	82
Unique Assisted	127

*Some beneficiaries have received supports involving one or more intervention

While these figures may be viewed as somewhat low, there are a number of mitigating factors at play. Some 56.6% of the Affected workers are now back in employment (see Section 4.2.2), and while such workers are entitled to avail of supports during the EGF programme lifetime, their relative lack of availability and other factors may mitigate against this. Also, the relatively high number of workers whose labour market status was still unknown at 2 May 2015 may suggest that some of those with highly-portable skills may have emigrated, similar to anecdotal evidence from the SR Technics EGF programme (also in the aviation MRO sector).

The table indicates that the EGF Training Grant measure has been the most popular intervention to date. EGF Training Grants pay fees for approved accredited courses in private education and training companies, many in recognized skills shortages areas. Successful completion of such courses provides recognised qualifications which may increase re-employment prospects. Examples of courses undertaken by workers to date include ARC Welding, Forklift and Bosch Diagnostic Technician Programme (modules VSE1 Essential Test Procedures and VSTD9 Diagnosis using the Oscilloscope).

Many beneficiaries have undertaken career guidance courses specifically designed to assist them in recognising and developing existing skills sets and to help in identifying future career directions and planning for further appropriate education and training courses. Of particular note is the '*Dealing with Change, Challenge and Opportunity Mindfully*' guidance programme which was devised by the EGF Coordination Unit in conjunction with UCC and other academics, customized to take into the account the age, skills profiles and experience of the LTAI worker cohort and which was ultimately delivered to 21 workers up to the end of April 2015. On 6 May 2015 an awards ceremony attended by Mr. Damien English, Minister for Skills, Research and Innovation, was held in the Green Isle hotel, Clondalkin, Dublin 22 to recognise the efforts of this group of beneficiaries

who had completed the 'Dealing with Change, Challenge and Opportunity Mindfully' and to another group of 12 workers who had completed modules of the Bosch Diagnostic Technician Programme leading to Automotive Technical Accreditation. In addition, the Course Expense Contribution, which facilitates participation in private or public education or training programmes, has been availed of by almost two-thirds of all workers assisted to date.

4.2.2 EGF Programme Labour Market Outcomes – Affected Workers

Data on the welfare and employment status of the EGF eligible cohort has been provided in full compliance with data protection legislation and other relevant data exchange protocols by the Department of Social Protection and the Office of the Revenue Commissioners as at 31 August 2014 (shortly before EGF application submission), 3 January 2015 and 2 May 2015.

A chart indicating the labour market status of the Affected Workers for these three dates is set out under.

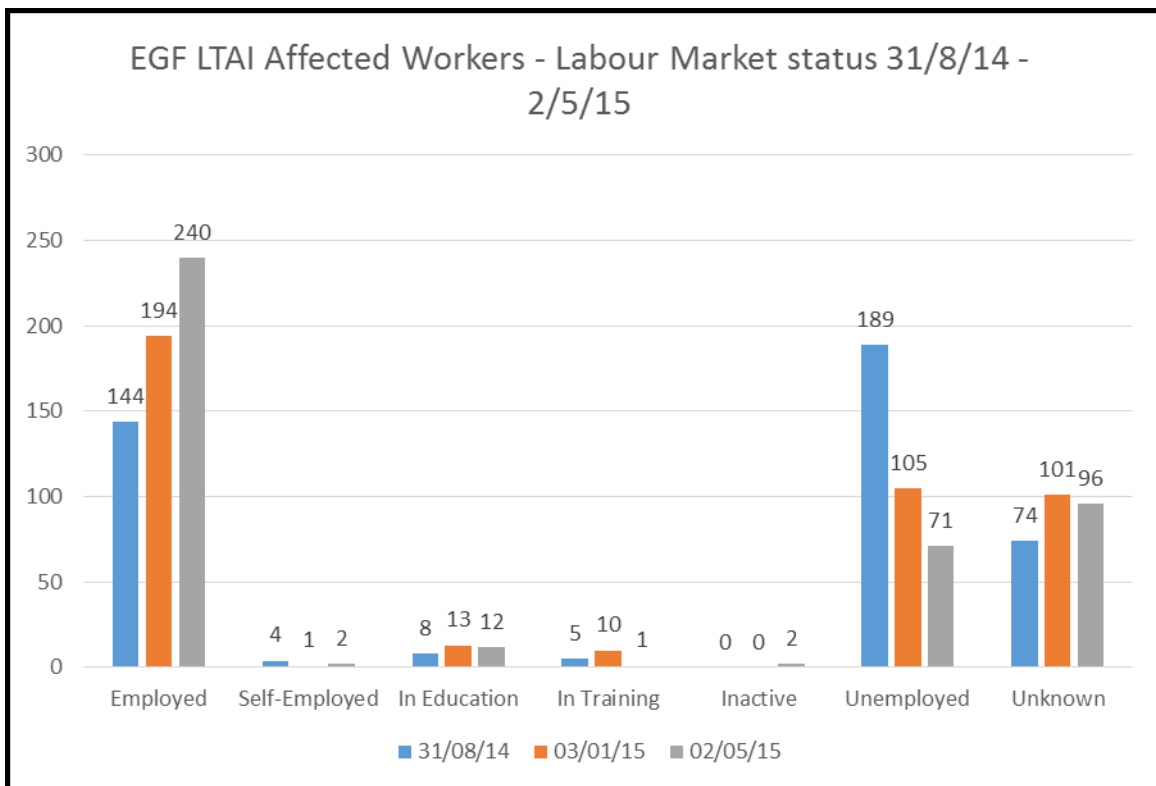


Figure 5: LTAI Affected workers – Labour Market Status 31/8/14 to 2/5/15

(Note: The 'Inactive' category includes those in receipt of Disability Benefit, Carers Allowance, pension, One Parent Family. The 'Unknown' category includes those who are not recorded by Revenue as being employed and not in receipt of DSP unemployment payment and may include those who have emigrated).

It is notable that the number of persons listed as employed has increased by two thirds (from 144 to 240) whilst the number listed as unemployed has almost halved from 189 to 105. The number of those in active labour market education and training programmes at 2 May 2015 was the same as that at end August 2014. The number of those whose status was unknown at 2 May 2015 remains significant at 96 persons, and may relate to reasons such as the exhaustion of social welfare benefits, emigration etc.

An analysis of the Affected Worker cohort by Age Band shows that 90% of those aged 20-24 were back in work on 2 May 2015 compared to 34% of those aged 60-64. The highest rate of unemployment was for those aged 40-44 (30.6%) while the highest rate of those persons engaged In Education was for the 25-29 age group (6.45%).

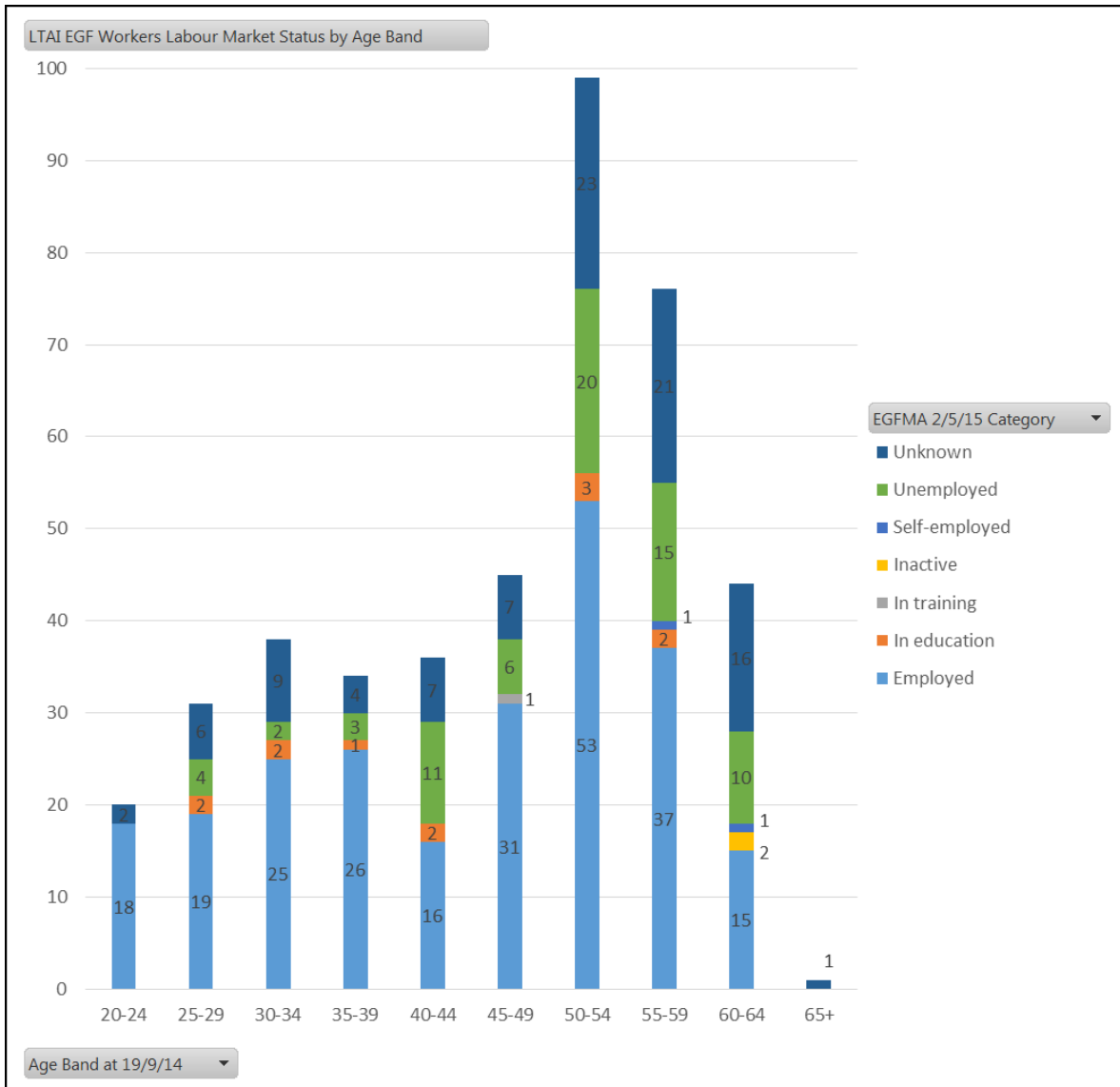


Figure 6: LTAI EGF Affected workers - Labour Market status 2 May 2015 by Age Band

4.2.3 EGF Programme Worker Beneficiary/Non-Beneficiary - Labour Market Outcomes

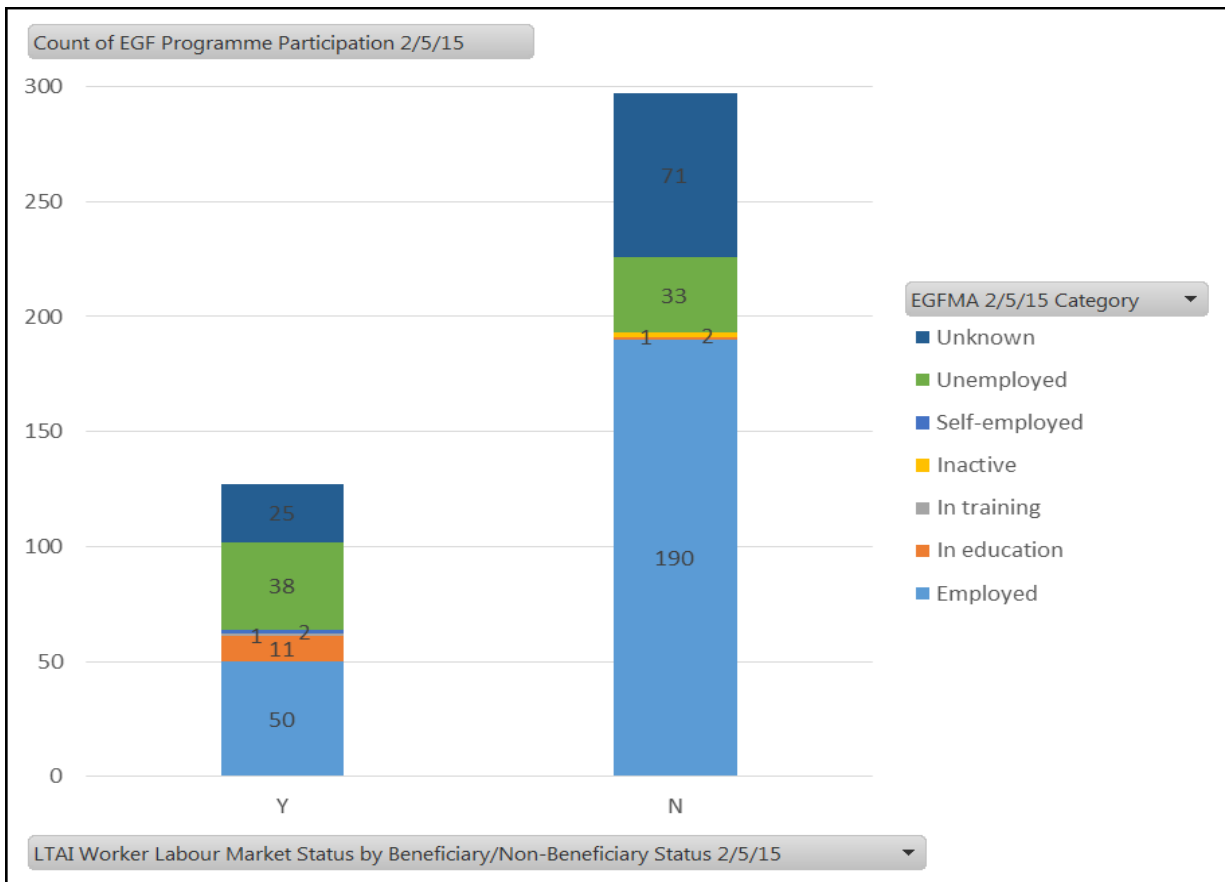


Figure 7: LTAI EGF Affected workers – Labour Market status by Beneficiary (Y) and Non-Beneficiary (N)

The figure above shows a considerably higher rate of employment (190 persons or 64%) among EGF programme Non-beneficiaries than among Beneficiaries (50 persons or 39%). This would not be unexpected and is in line with many other EGF programmes, being reflective of those persons who have managed to access alternative re-employment relatively quickly following the LTAI plant closure. However it is anticipated that the gap will continue to narrow as the EGF programme progresses.

5 EGF PROGRAMME PARTICIPATION & LABOUR MARKET OUTCOMES –NEET PERSONS

5.2.1 EGF Programme Participation – NEET Persons

A cumulative number of **54** (27%) of the 200 NEET persons cohort had participated in EGF programme measures at 2 May 2015.

<i>Measure</i>	<i>NEETs *</i>
EGF Training Grant – Career Guidance	30
EGF Training Grant FETAC	5
EGF Training Grant HETAC	1
EGF Training Grant – Reimbursements	0
Training and Further Education courses (ETBs)	2
Higher Education	2
Enterprise Supports (LEOs)	2
DSP BTEA 2nd level	1
DSP BTEA 3rd level	3
DSP Training/Internships	13
Course Expense Contributions (CEC) **	8
Unique Assisted	54

Unique LTAI NEET beneficiaries of EGF programme supports at 2 May 2015

An additional 48 NEETs individuals have engaged in one-to-one guidance interviews with the SOLAS EGF Coordination Unit and it is anticipated that many of these will take up at least a guidance measure and possibly other measures on offer. If so, this would potentially, at full take-up, bring the total up to 102 beneficiaries.

Arrangements are currently being made with the Department of Social Protection to identify, and offer EGF services to, additional NEET persons in order to maximise the reach of EGF supports.

The establishment of the EGF Coordination Unit office in Tallaght is also helping to foster an atmosphere of support and to further activate persons within the cohort.

The table above indicates that the EGF Training Grant – Career Guidance measure has been the most popular intervention to date for the NEET persons cohort. Such career guidance courses are specifically designed to assist clients in identifying future career directions and planning for further appropriate education and training courses.

5.2.2 EGF Programme Labour Market Outcomes – NEET persons

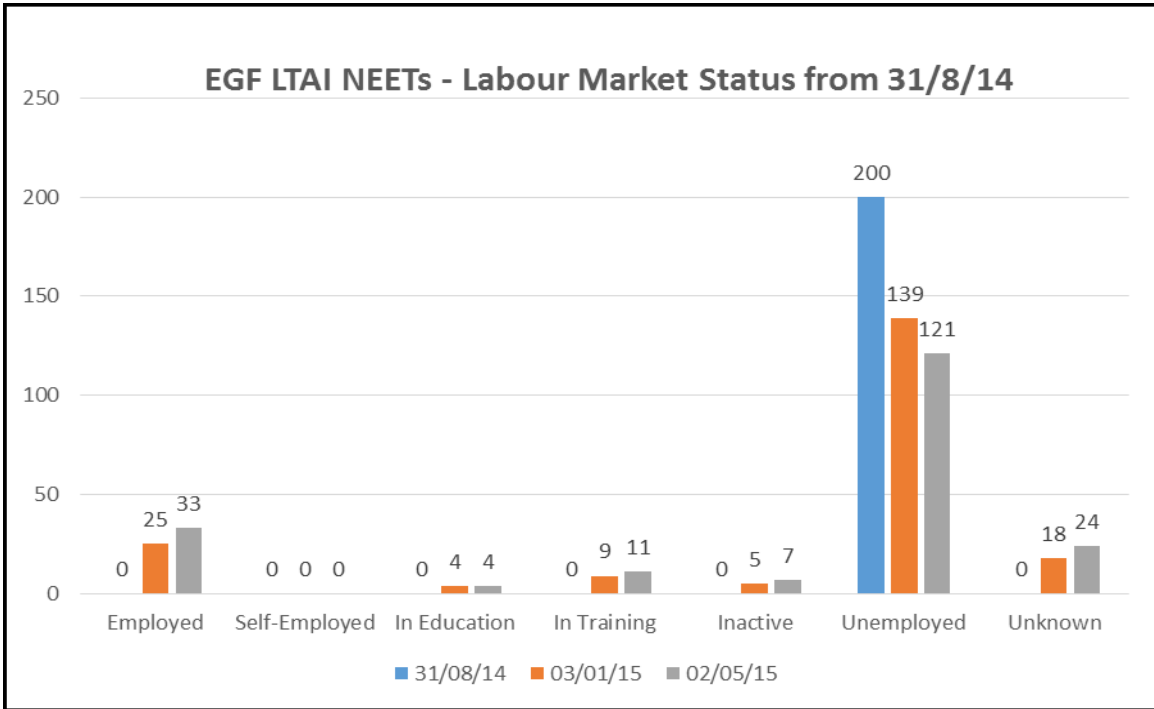


Figure 8: LTAI NEET persons – Labour Market Status 31/8/14 to 2/5/15

All 200 NEET persons were recorded by DSP as unemployed on 31 August 2014. By 2 May 2015, 33 NEET persons had become employed, 15 were in education or training, while the number of unemployed had reduced by almost 40% to 121.

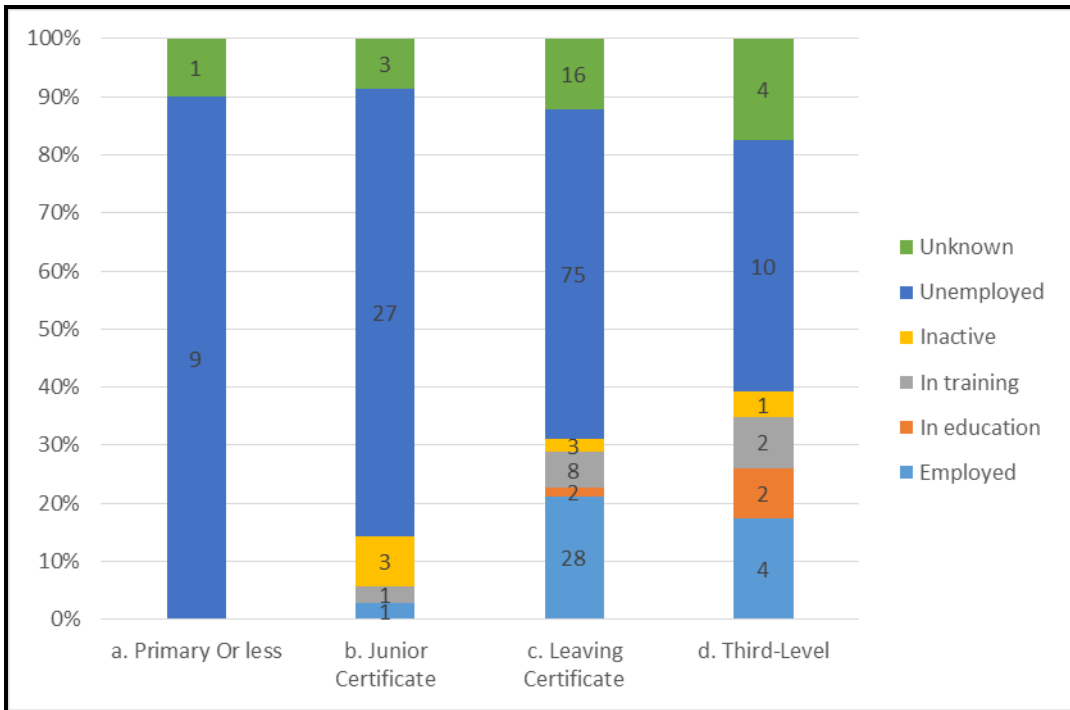


Figure 9: LTAI EGF NEETs – Highest Education Attainment by Labour Market Status 2 May 2015

The figure above shows that those with a highest educational attainment level of Leaving Certificate or above were more likely to be in employment rather than unemployed, compared to persons with a lower level of educational attainment.

5.2.3 EGF Programme NEET Beneficiary/Non-Beneficiary – Gender Profile

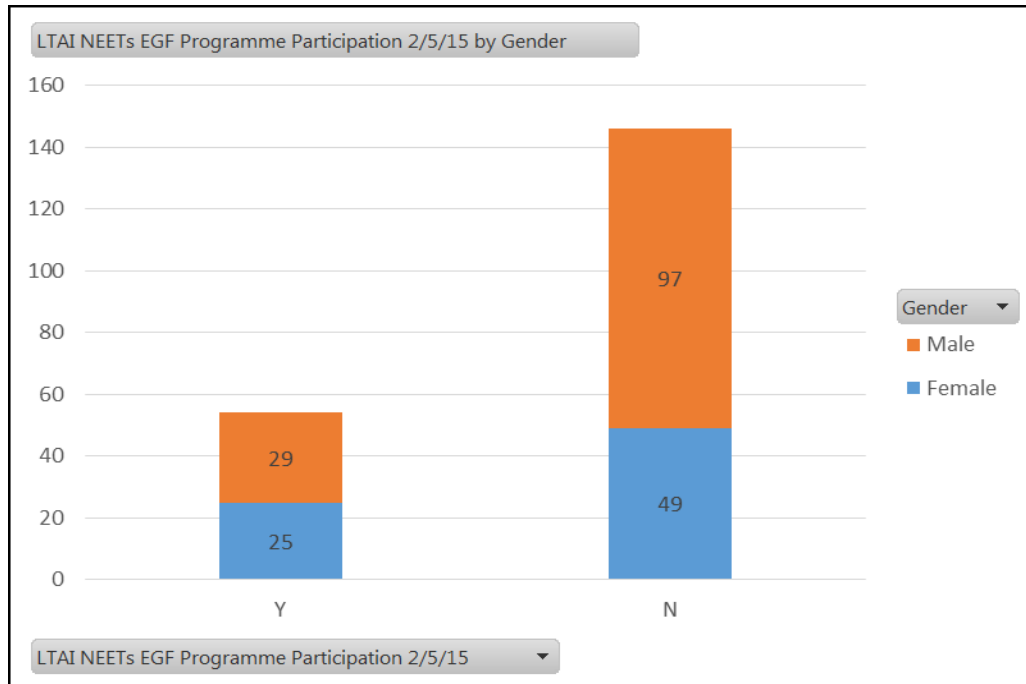


Figure 10: LTAI EGF NEET programme participation at 2/5/15 by Gender

Some 97 of the 126 Male NEET persons (77.0%) had not participated in the EGF programme as at 2 May 2015 compared to 49 of 74 Female NEET persons (66.2%).

6 CONSULTATIVE FORUM

A Consultative Forum has been established comprised of representatives from the LTAI workers, a number of persons from the NEET persons cohort, representatives of service providers such as the relevant Education and Training Boards, Department of Social Protection, Higher Education Authority, Local Enterprise Offices, Enterprise Ireland, the EGF Managing Authority and the SOLAS EGF Coordination Unit.

The Forum is being chaired by Ms. Anna Lee, former CEO of the South Dublin County (Tallaght) Partnership.

The aims of the Forum are:

- to offer advice and views on the ongoing implementation of the programme
- to exchange information on and experience of the programme
- to support the rollout of programme supports and seek to maximise participation
- to review communications to beneficiaries and to present the views of beneficiaries
- to review progress reports on programme implementation and outcomes