



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

**31 Aug 2014 – 29 August 2015**

*Prepared by*

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

**28 September 2015**

## **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 for up to a similar number of NEET persons as the number of workers targeted for assistance within an approved EGF programme is a new development which is provided for under Regulation (EU) No. 1309/2013. This Regulation governs the administration of the EGF from 2014 to 2020.

This second implementation report covers the period from the end of August 2014 when first data on EGF eligible persons was collected until 29 August 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.
December 2013 – June 2014	All 415 LTAI & 4 QCafe 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
October 2014	1st tranche of 200 NEETs identified and contact commenced
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
June 2015	2 <sup>nd</sup> tranche of 106 NEETs identified and contact commenced
11 June 2015	1st meeting of the LTAI Consultative Forum
30 September 2015	2nd meeting of the LTAI Consultative Forum
19 September 2016	EGF programme ends
19 March 2017	EGF programme final report required to be sent to European Commission

## **2 ELIGIBLE BENEFICIARIES UNDER THE LTAI EGF PROGRAMME**

The total number of potentially 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 remaining 37 in Carlow, Laois, Kilkenny, Louth, Offaly, Roscommon, Sligo and Westmeath
- 220 (51.89%) of all workers aged 45-59

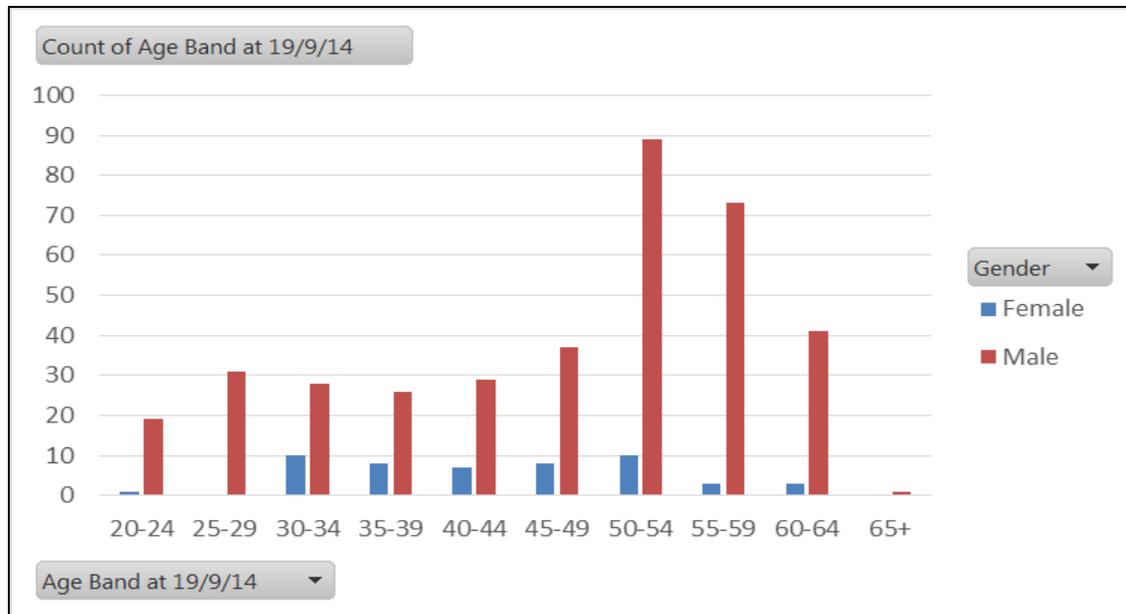


Figure 1: LTAI Affected workers – Age profile by Gender

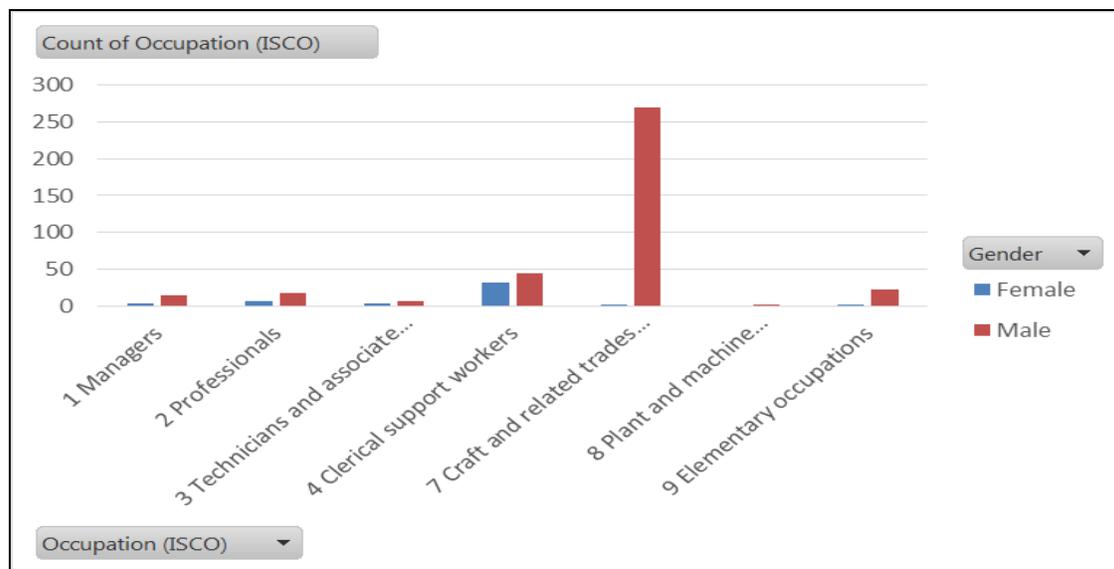
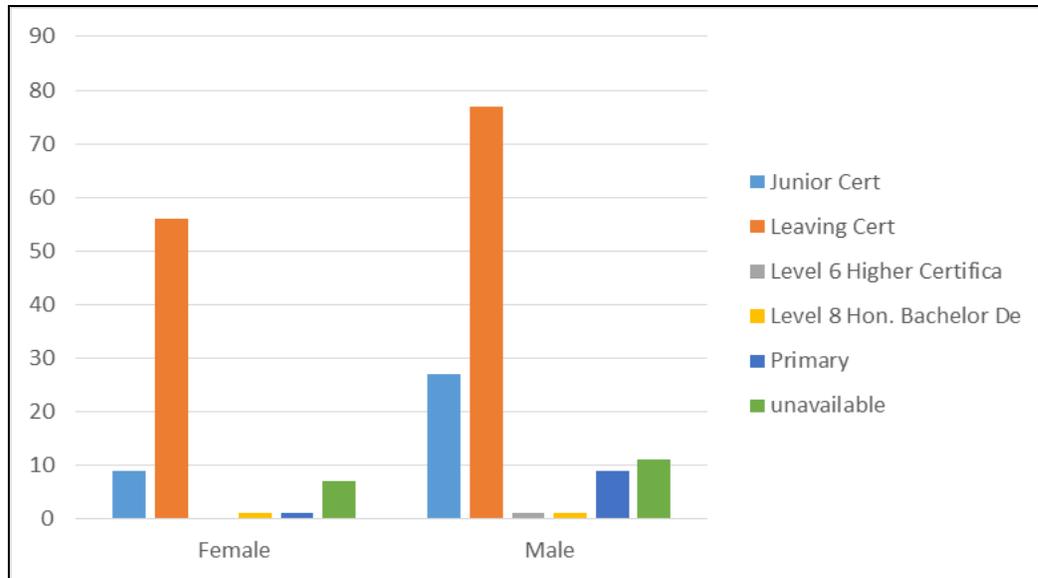


Figure 2: LTAI Affected workers – Profile by Occupation (ISCO)

## **2.2 NEET persons:**

An initial 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, 1.5% has a NFQ Level 6 Higher Certificate qualification or above while details not available for 9% of the cohort.



*Figure 3: LTAI NEETs - Highest Educational attainment by Gender*

Due to low levels of take up of EGF measures, a further listing of 150 NEET persons was sought from, and provided by the Department of Social Protection to the EGF Managing Authority in early June 2015. Of these additional 150 persons, the EGF Coordination Unit has contacted some 106 persons to date, and the labour market and EGF programme participation rates are included in this report. Further NEET persons may be added during the remainder of the EGF programme to September 2015 in light of evolving participation rates.

## **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 initial 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.

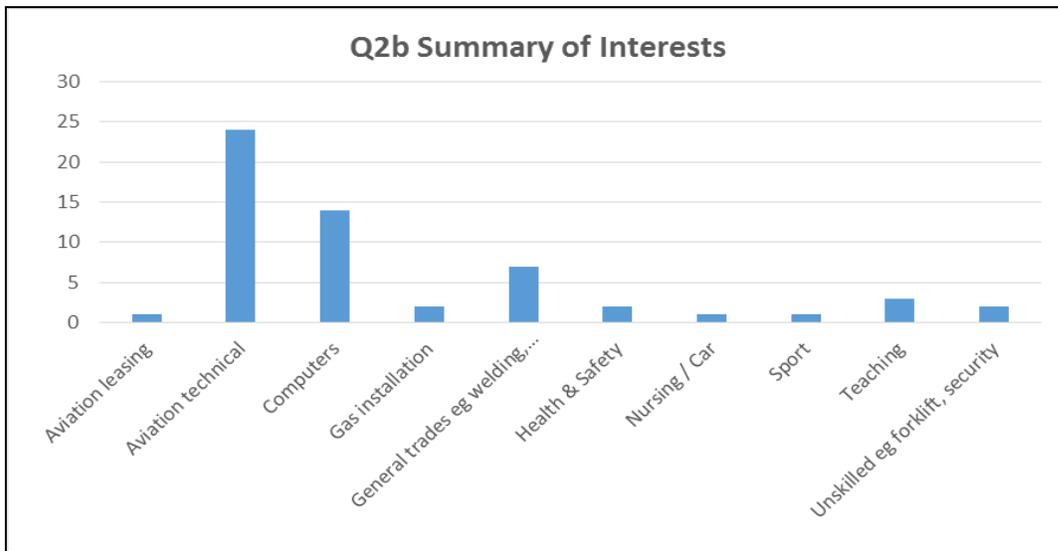


Figure 4: Summary of Interests expressed by 147 LTAI workers in DSP questionnaire

### **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 (45.4% response rate) 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.

### **3.3 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 424 eligible workers and 200 eligible NEET persons informing them of supports available under the programme. Direct contact was made with 266 Lufthansa Technik workers, of whom 179 went on to take up a costed intervention.

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.

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 as well as the individual beneficiary's progression plan.

### **3.4 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

## **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 end August 2015.

A cumulative number of **193** persons out of the 424 redundant worker cohort (45.5%) had participated in EGF-related programme measures as at end August 2015.

<i>Measure</i>	<i>Workers at 2/5/15 ^</i>	<i>Workers at 29/8/15</i>
EGF Training Grant – Career Guidance	48	73
EGF Training Grant FETAC	48	145
EGF Training Grant HETAC	13	13
Training and Further Education courses (ETBs)	7	37
Higher Education	11	25
LEO Enterprise Supports	2	12
DSP Part-Time Education Option (PTEO)	6	8
DSP BTEA 2nd level	1	1
DSP BTEA 3rd level ^	6	6
Springboard	9	9
DSP Training/Internships ^	6	6
DSP Enterprise Supports	6	7
Course Expense Contributions (CEC)	82	128
<b>Total Unique Assisted Beneficiaries*</b>	<b>127</b>	<b>193</b>
Unique beneficiaries via EGF Coordination Unit	123	179
Unique beneficiaries via DSP Schemes	4	14

*Table 1: LTAI workers EGF programme measure participation*

\*Some beneficiaries have received supports under more than one measures

^ Figures revised from 2 May report

There is a marked increase in take-up across the majority of support measures. The EGF Training Grant career guidance strand, which covers personalized guidance to a maximum value of €1,000 has been very useful to date to assist individuals in recognising and developing existing skills sets and to help in identifying future career directions and planning for further appropriate education and training courses. The EGF Training Grant FETAC which funds up to €3,000 per annum of the cost of accredited flexible training and education generally at private providers has been the most availed of measure to date with some 75% of beneficiaries taking up this measure.

On 6 May 2015 Mr. Damien English, Minister for Skills, Research and Innovation, presided at an award ceremony held in the Green Isle Hotel, Clondalkin, Dublin 22 to recognise the efforts of 21 beneficiaries who had completed the ‘*Dealing with Change, Challenge and Opportunity Mindfully*’ and another group of 12 workers who had completed modules of the Bosch Diagnostic Technician Programme leading to Automotive Technical Accreditation.

Some 10 participants in the ‘‘*Dealing with Change, Challenge and Opportunity Mindfully*’ guidance programme have now commenced an NFQ level 8 Higher Diploma in Coaching/Coaching Psychology developed by UCC Adult Continuing Education (ACE) and delivered part time at the ETB Training Centre in Tallaght.

The Course Expense Contribution scheme, which facilitates participation in private or public education or training programmes, has been availed of by 128 beneficiaries, almost two-thirds of all workers assisted to date.



- *Mr Damien English T.D., Minister for Education & Skills addressing LTAI EGF programme award ceremony in the Green Isle Hotel, 6 May 2015*

The number of participants on training and further education courses has risen over fivefold since May. This includes a range of FETAC or industry-accredited courses in Business Studies, Bookkeeping and Payroll, Digital Marketing, and Lean Systems amongst others.

The number of enterprise supports has increased six-fold since May and higher education participation has more than doubled. Courses being pursued include Certificate in Business in Aircraft Management, delivered by IT Carlow; BSc in Mechanical Engineering at IT Tallaght and BSc (Hons) Forensic Environmental Chemistry being undertaken at DIT.

It should also be pointed out that the 60% of all affected workers who are now re-employed (see Section 4.2.2) continue to be entitled to avail of supports during the EGF programme lifetime.

#### **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, 2 May 2015 and 29 August 2015.

A chart indicating the labour market status of the Affected Workers is set out under.

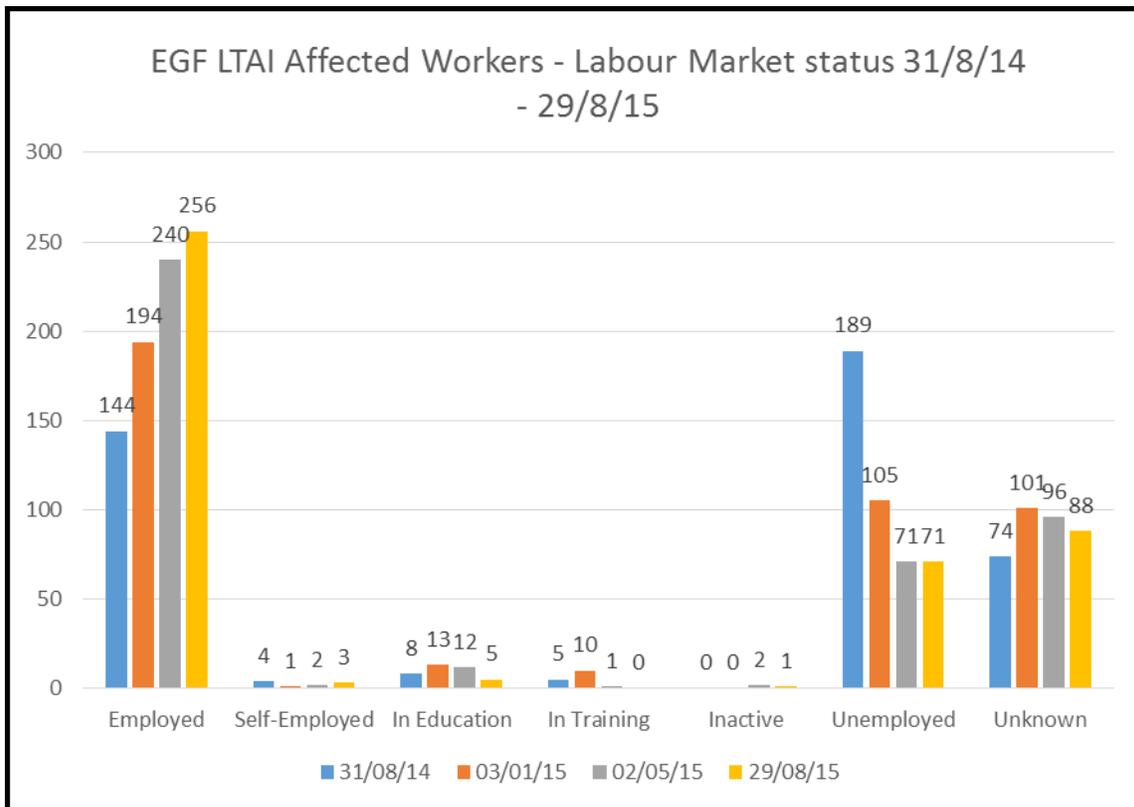


Figure 5: LTAI Affected workers – Labour Market Status 31/8/14 to 29/8/15

(Note: The 'Inactive' category includes those in receipt of Disability Benefit, Carers Allowance, pension, One Parent Family, unemployment payment disallowed. 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 persons who have emigrated).

It is notable that the number of persons listed as employed has increased by two thirds (from 144 to 256) whilst the number listed as unemployed has reduced by over 62% from 189 to 71. The 'In education' and 'Self-Employed' categorisations above are limited to schemes administered by the Department of Social Protection such as the Back to Education Allowance (BTEA), the Part-Time Education Option (PTEO), the Back to Work Enterprise Allowance (BTWEA) and the Short Term Enterprise Allowance (STEA). As at 29 August 2015 just 5 affected workers had an 'In Education' status, all of whom were on PTEO. Of the 3 persons listed as being self-employed as at 29 August 2015, two persons were in receipt of BTWEA and one in receipt of STEA. The number of those whose status was unknown at 29 August 2015 remains significant at 88 persons, and may relate to reasons such as the exhaustion of social welfare benefits, emigration etc.

It should be pointed out that the employment rate at 31/8/14 of 60.3% (roughly the mid-point of the EGF programme) already significantly exceeds the EU average of 49% of 73 EGF programmes concluded up to end 2013 included in a recent European Commission Evaluation of the EGF <sup>1</sup>.

In response to queries from worker representatives at the first Consultative Forum as to the composition of those cohorts gaining re-employment from within the affected worker population,

<sup>1</sup> <http://ec.europa.eu/social/main.jsp?catId=326&langId=en&furtherPubs=yes>

this report contains analyses of such cohorts by **Age Band**, former **Occupation** (ISCO<sup>2</sup>) as well as prior **highest Educational Attainment** (based on a limited dataset).



Figure 6: LTAI EGF Affected workers - Labour Market status 29 August 2015 by Age Band

An analysis of the Affected Worker cohort by Labour Market status and **Age Band** shows that 85% of those aged 20-24 were back in work on 29 August 2015 compared to 50% of those aged 60-64.

The highest rate of unemployment for affected LTAI workers when considered by age band is within the 40-44 age bracket at 25% (9 out of 36). It is followed by those within the 55-59 age group at 21% (16 out of 76) and those within the 45-49 age band at 20% (9 out of 45). Most other age bands show unemployment figures in or around a rate of 16% with the exception of those within 35-39 years (12%), 20-24 years (10%) and 30-34 years with the lowest unemployment rate at 8%. The highest rate of those engaged In Education was for the 25-29 age group (6.5%).

The younger age cohorts from 20 – 39 had in terms of both increased employment and reduced unemployment, better outcomes in their labour market situations than older cohorts.

<sup>2</sup> International Standard Classification of Occupations <http://www.ilo.org/public/english/bureau/stat/isco/>

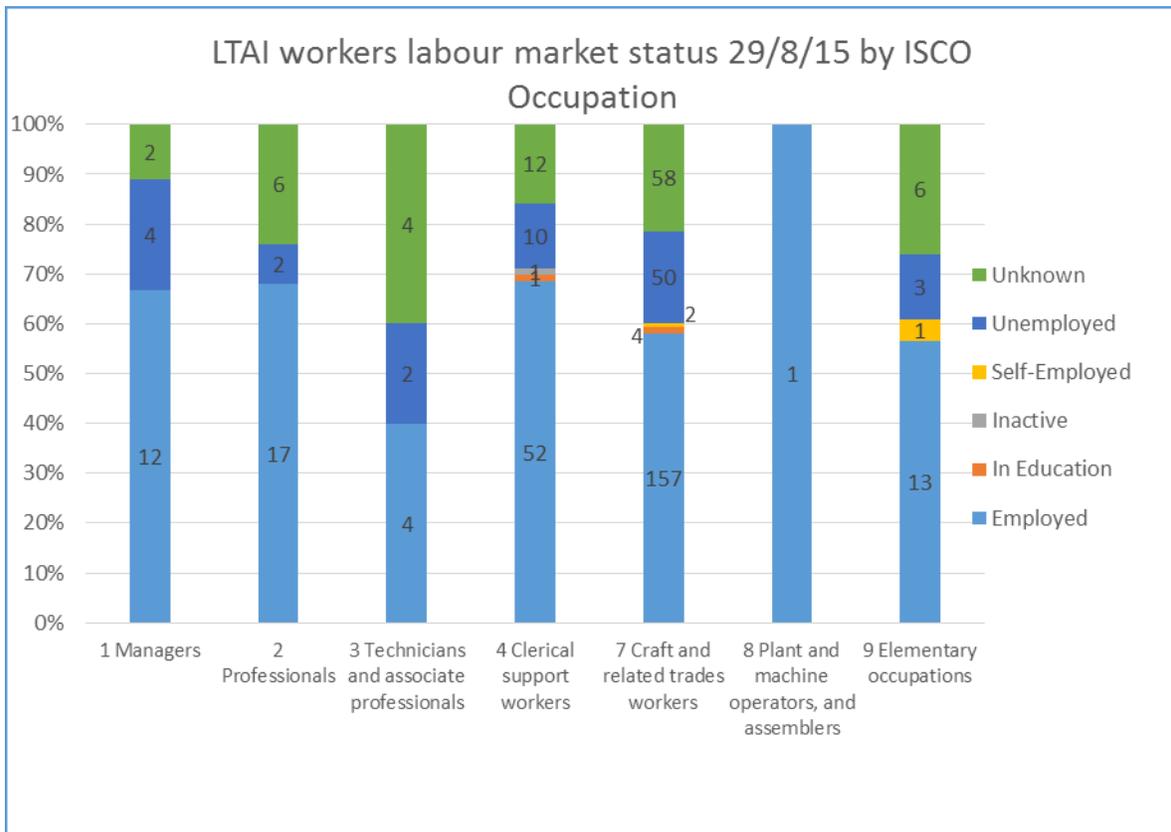


Figure 7: LTAI EGF Affected workers - Labour Market status 29 August 2015 by ISCO Occupation

An analysis of the Affected Worker cohort by Labour Market status and ISCO **Occupation** code does not necessarily indicate a conclusive relationship between former occupation level and current labour market status.

The highest rate of re-employment is recorded for Level 4 clerical workers and Level 2 Professionals at 68% with Level 1 Managers just slightly behind at 67%. The re-employment rate for Level 7 craft and related trades workers stood at 60% with Level 9 elementary occupation personnel at 57% re-employment. The rate of re-employment for Level 3 Technicians stood at 40%. As can be seen the majority of occupational categories recorded high re-employment rates of circa 60% or more.

Conversely, Level 1 managers are proportionately the worst affected by unemployment at 22%, followed by Level 3 technicians and associated professionals at 20% and Level 7 craft and related trades workers at 19%. The rate of unemployment for both Level 4 clerical support workers and Level 9 elementary occupation cohorts stood at 13% with Level 2 professionals relatively best placed at 8%.

This would seem to suggest that Level 3 technicians are finding it more difficult to source re-employment than other occupations.

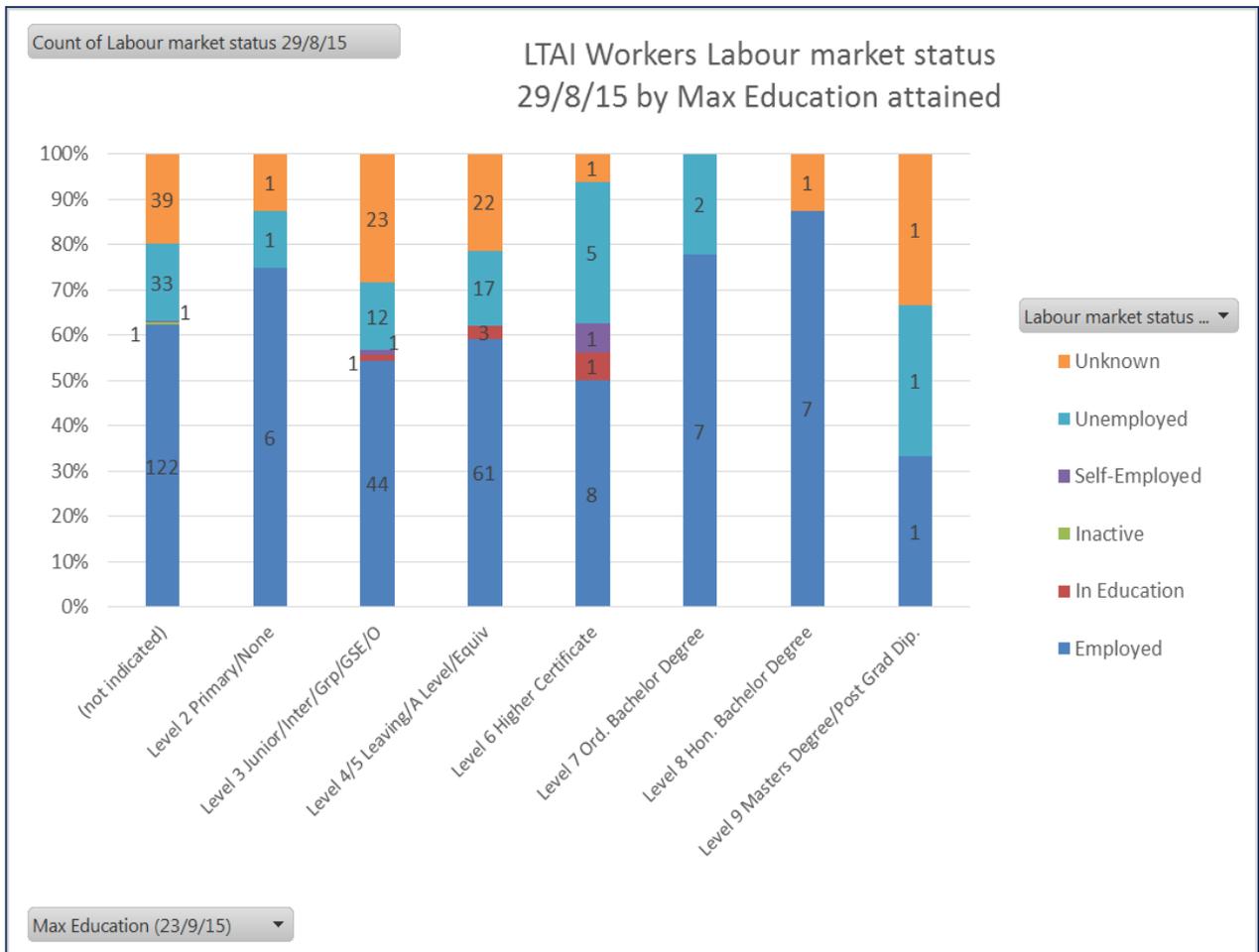


Figure 8: LTAI EGF Affected workers - Labour Market status 29 August 2015 by Highest Educational level attained

Details of the **highest level of education attained** as defined by National Framework of Qualifications (NFQ Levels 1-10) are available for 228 (53.8%) of the 424 workers.

An analysis of this cohort by Labour Market status and highest educational level attained does not necessarily show linearly increasing reemployment as related to higher education qualifications. For example, those with levels 2 (primary education) were recorded at 75% employment, those with level 3 (Junior Cert) had 54% and those with a Level 4/5 (leaving cert) were at 59%. The grouping with level 8 (honours degree) stood at 88% but Level 9 (Masters) qualifications showed a rate of only 33% in employment though this was based on a very small sample of 3 persons.

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

A total of 193 workers (45.5%) have benefited from one or more EGF interventions to end August 2015.

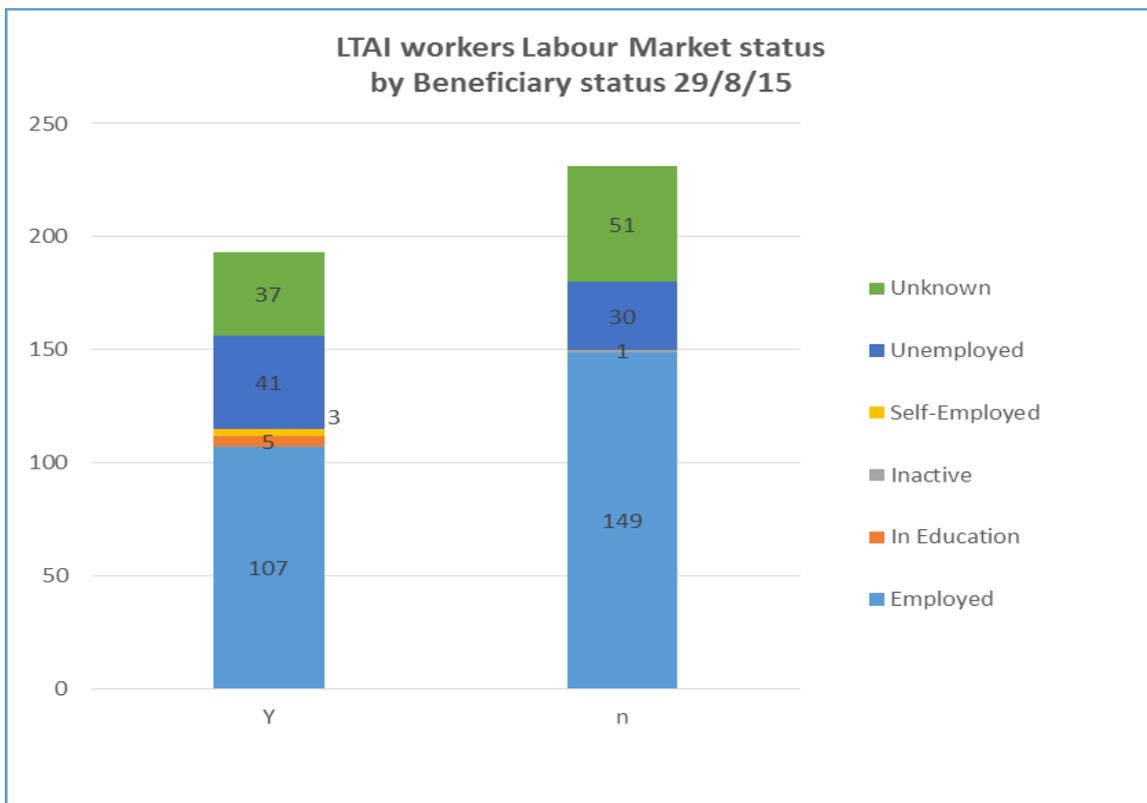


Figure 9: LTAI EGF Affected workers – Labour Market status by EGF programme Beneficiary (Y) and Non-Beneficiary (N)

The figure above shows a considerably higher rate of employment (149 persons or 64.5%) among EGF programme Non-beneficiaries than among Beneficiaries (107 persons or 55.4%). 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 should be noted that the employment rate of EGF programme beneficiaries has more than doubled since 2 May 2015 from 50 to 107 persons) and 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 **68** (34%) of the first tranche of 200 NEET persons cohort had participated in EGF programme measures at end August 2015. **8** of the second June 2015 tranche of 106 NEETS persons contacted had availed of a programme measure, giving an overall total of assisted NEET persons of **76** at end August 2015.

Measure	Tranche 1 2/5/15	Tranche 1 29/8/15	Tranche 2 29/8/15	Total at 29/8/15
EGF Training Grant – Career Guidance	30	42	1	43
EGF Training Grant FETAC	5	7	0	7
EGF Training Grant HETAC	1	1	0	1

Training and Further Education courses (ETBs)	2	9	1	10
Higher Education	2	0	0	0
LEO Enterprise Supports	2	2	0	2
DSP Part-Time Education Option (PTEO)	0	0	0	0
DSP BTEA 2nd level	1	1		1
DSP BTEA 3rd level	3	3		3
DSP Training/Internships **	13	18	5	23
DSP Enterprise Allowances	0	0	0	0
Course Expense Contributions (CEC) **	8	18	2	20
<b>TOTAL UNIQUE ASSISTED BENEFICIARIES</b>	<b>54</b>	<b>68</b>	<b>8</b>	<b>76</b>
Unique beneficiaries via EGF Coordination Unit	42	54	3	57
Unique beneficiaries via DSP schemes	12	14	5	19

*Table 2: LTAI NEET persons EGF programme measure participation*

\*Some beneficiaries have received supports involving more than one intervention

The SOLAS EGF Coordination Unit has made significant efforts to engage with individual NEET persons, using various means of communication (phone, text, email etc), arranging meetings at hours and locations convenient to the client, offering personalized support, guidance services and other services to the client. All 200 NEET persons in the first tranche have been contacted on at least 3 occasions with some individuals requiring hours of support and encouragement. However, activating NEET persons to participate in programme measures on offer is proving challenging. A total of 111 NEET persons have engaged with the EGF Coordination Unit of whom 57 have ultimately gone on to undertake a costed support.

Given the relatively low take up of programme supports, a decision was taken to seek eligible NEET clients from DSP outside the initial catchment area of Tallaght. A second tranche of 150 NEET persons resident in Clondalkin, Maynooth and Newbridge was provided to the SOLAS EGF Coordination Unit in June 2015. By end August 2015, of the 106 NEET persons contacted from this tranche only 3 had availed of services offered.

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**

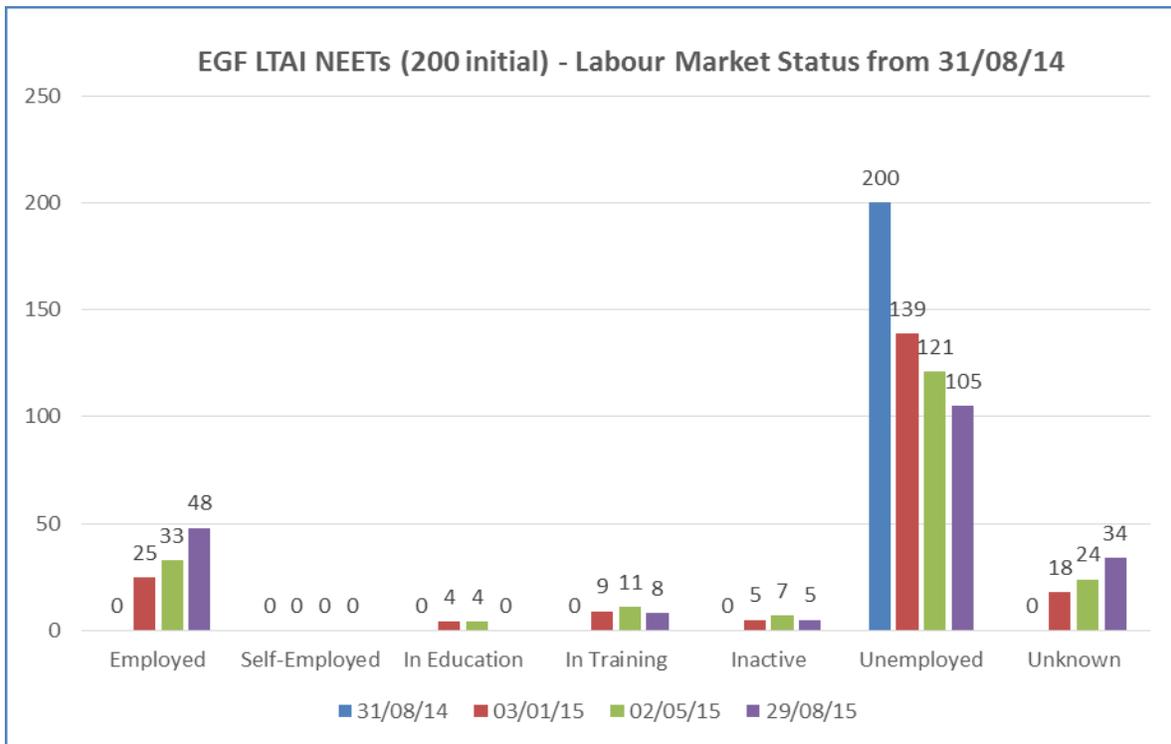


Figure 10: LTAI NEET persons (tranche 1) – Labour Market Status 31/8/14 to 29/8/15

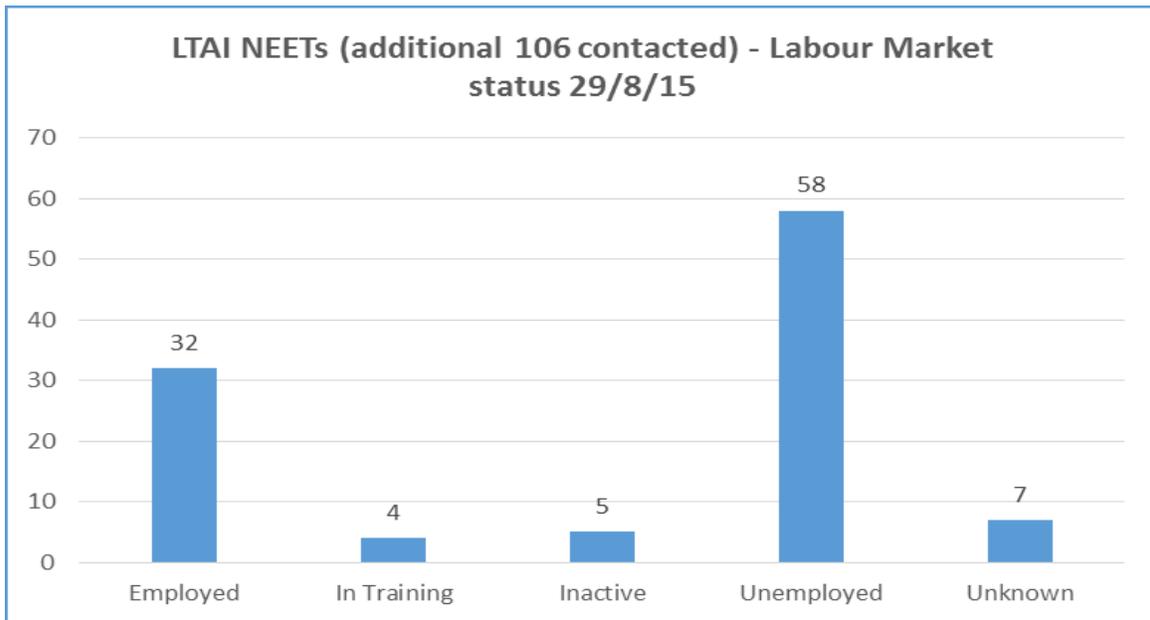


Figure 10a: LTAI NEET persons (Tranche 2) – Labour Market Status from 29/8/15

(Note: The 'Inactive' category includes those in receipt of Disability Benefit, Carers Allowance, pension, One Parent Family, unemployment payment disallowed. 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 persons who have emigrated).

All 200 NEET persons were recorded by DSP as unemployed on 31 August 2014. At 29 August 2015, 48 NEET persons had become employed, 8 were in DSP-related education or training schemes, while the number of unemployed had almost halved to 105.

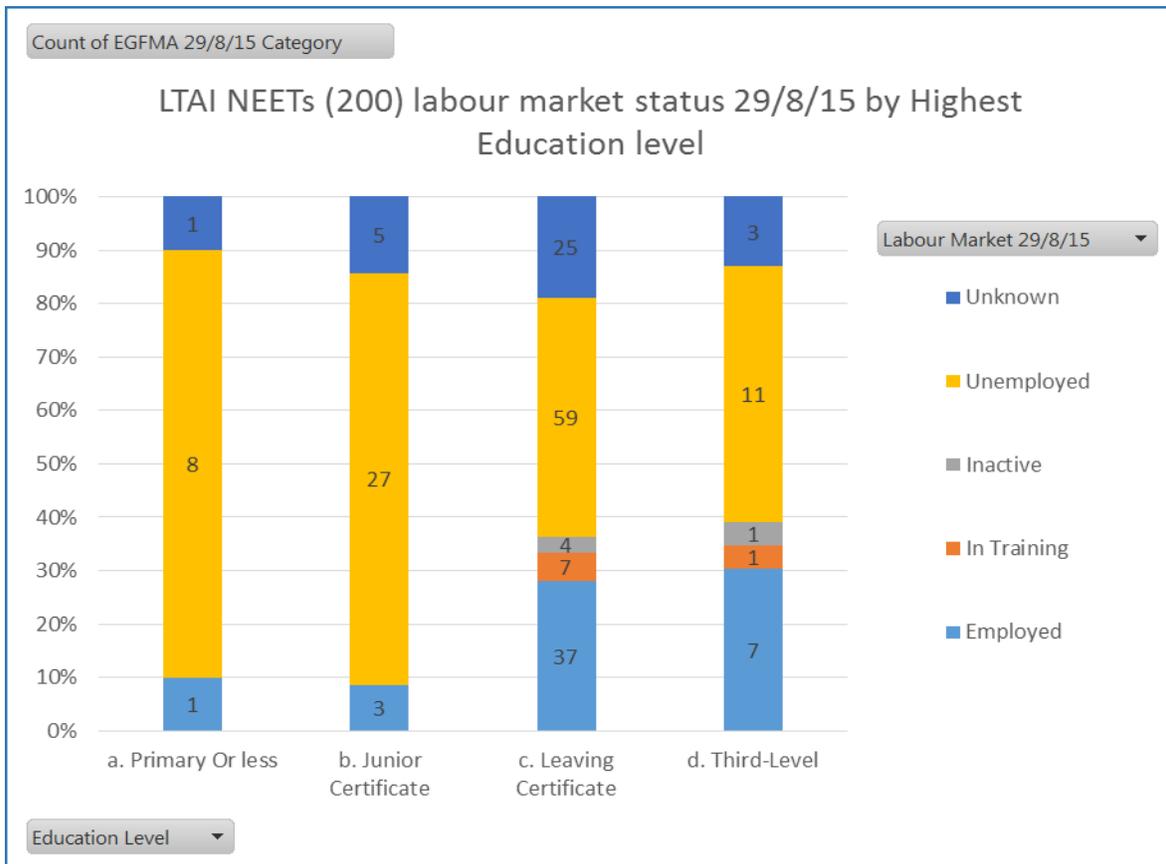


Figure 11: LTAI NEETs (initial 200) – Highest Education by Labour Market Status 29 Aug 2015

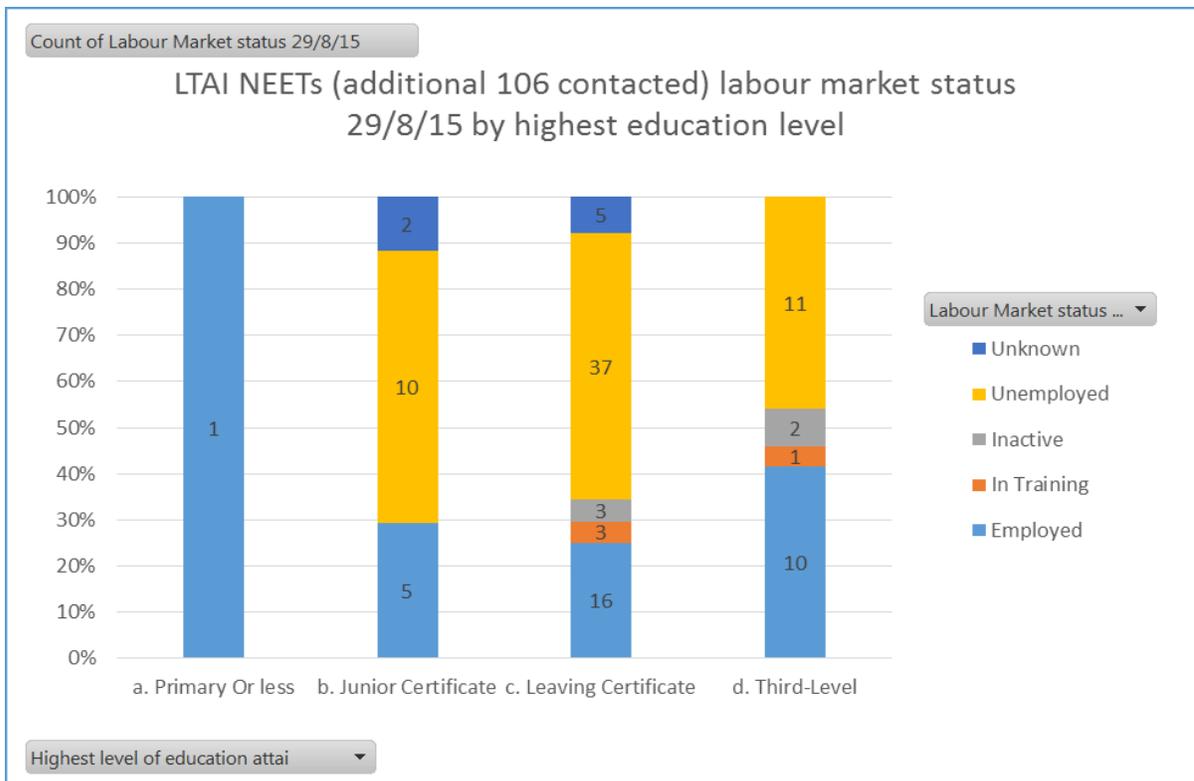


Figure 11a: LTAI NEETs (additional 106) – Highest Education by Labour Market Status 29 Aug 2015

The figures above show that generally the higher the education level, the higher the rate of employment. However, those NEET persons with third level qualifications were still experiencing almost 50% unemployment levels. A broadly similar trend can be observed in the second tranche.

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

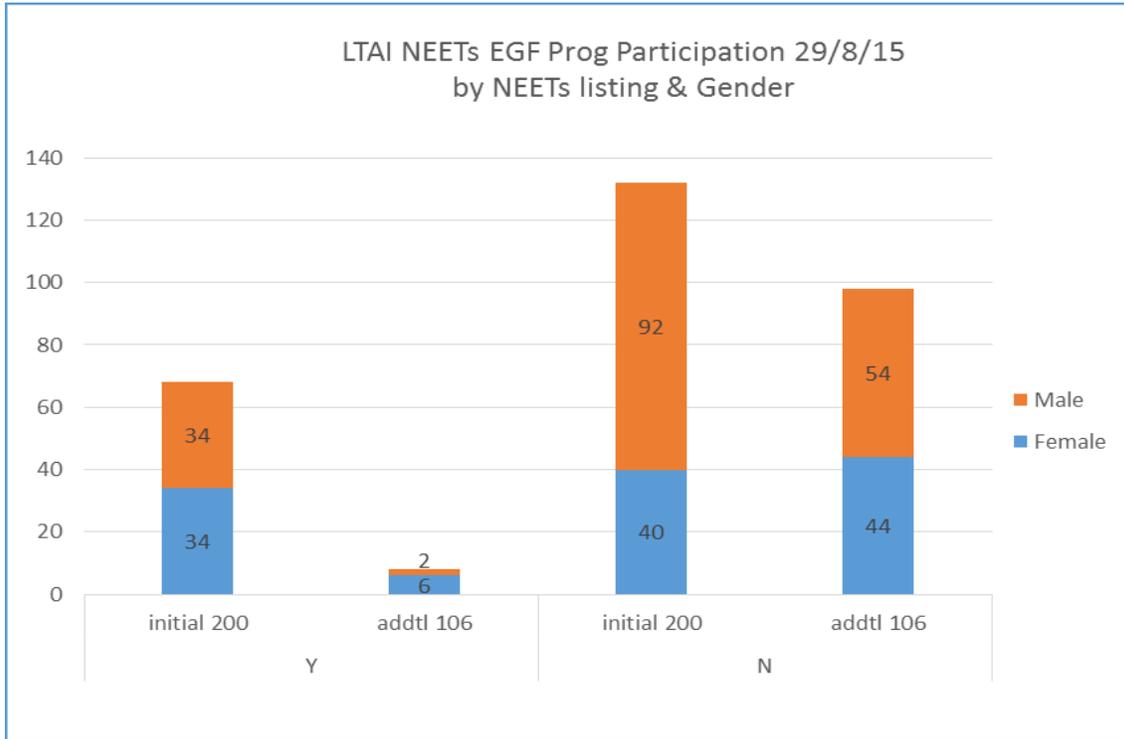


Figure 12: LTAI EGF NEET programme participation at 29/8/15 by Gender

Key: Y= EGF programme Beneficiary N= EGF programme Non-beneficiary

Some 146 of the combined 182 Male NEET persons (80%) had not participated in the EGF programme as at 29 August 2015 compared to 84 of 124 Female NEET persons (68%).