

# 17 European Globalisation Adjustment Fund

- 17.1** In recent decades, the process of deregulation combined with radically improved communications technology has resulted in the globalisation of financial and investment markets, and increased international mobility of capital. International trading of services has grown strongly and the freeing up of trade restrictions has resulted in opportunities for manufacturing industry to relocate to locations where costs of production are perceived to be lower.
- 17.2** While globalisation has contributed significantly to economic growth internationally, it has also had negative consequences for less qualified workers in certain sectors and countries. In Ireland, there were a number of high-profile closures of manufacturing and service enterprises in 2009, with the businesses being relocated to other jurisdictions and substantial redundancies. In early 2009, computer manufacturer Dell closed its manufacturing plant in Limerick, resulting in around 2,000 redundancies. Waterford Crystal reduced its presence in Waterford, resulting in over 600 redundancies and SR Technics closed its operation at Dublin airport with the loss of over 1,000 jobs. In late 2011, call centre operator Talk Talk closed its Waterford premises with the loss of over 570 jobs. The companies' suppliers of goods and services were also affected by the closures, leading to further consequential redundancies.
- 17.3** The crisis in the global financial system since 2007 has also had significant sectoral impacts on the Irish labour market. This was particularly the case in the construction sector where employment fell from 280,000 in 2007 to around 150,000 by mid 2009. Employment in that sector has continued to fall and there are now just over 100,000 employed in construction.
- 17.4** In response to difficulties being experienced by workers affected by redundancies resulting from changes in world trade patterns, the European Union established a European Globalisation Adjustment Fund (referred to as the EGF) in December 2006. The aim of the EGF, which is accessible by all member states of the EU, is to provide specific, one-off support to facilitate the reintegration into employment of workers in areas, sectors or regions suffering the shock of serious economic disruption. It also aims to promote entrepreneurship, for example through provision of micro-credit or support for setting up cooperative projects.
- 17.5** Up to the end of December 2011, the European Commission provided 65% of the cost of eligible measures from the EGF, with the remaining 35% coming from local/national member state resources.<sup>1</sup> Funding is available for both existing and customised labour market activation measures, so long as they are provided to eligible target groups of workers. Income support during participation in activation measures may also be eligible for EGF funding.
- 17.6** The Department of Education and Skills (the Department) now has overall responsibility for seeking assistance under the EGF, and for its oversight and disbursement in Ireland.<sup>2</sup> Eligible labour activation measures are implemented by a number of training, education and enterprise support bodies, including FÁS, the vocational education committees (VECs), third level education bodies, county enterprise boards (CEBs) and private training providers.

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1 EGF contribution of 50% of costs applies to applications received by the EU Commission after 30 December 2011.

2 Under the Employment and Services Skills Training (Transfer of Departmental Administration and Ministerial functions) Order 2010 (SI 187 of 2010) certain functions including the management of the EGF were transferred from the (then) Department of Enterprise, Trade and Employment to the Department of Education and Skills in May 2010.

17.7 Applications for EGF funding were made in respect of measures to assist workers affected by the Dell, Waterford Crystal, SR Technics and Talk Talk closures, and certain workers in the construction sector.<sup>3</sup> To date, €61 million in EGF funding has been received in respect of these applications. This chapter examines

- monitoring of the programmes
- the take up of the programme by the targeted workers
- the extent to which activation measures have been implemented for the target groups
- the Department's evaluation of the outcomes of the intervention on the target groups
- the draw-down of the available EU funding.

## Outline of Programmes

17.8 Estimates made at the time applications were submitted for EGF support indicated a total of around 14,300 target workers (see Figure 17.1). The Department has subsequently reduced its estimates of eligible redundancies by around 3% to a total of about 13,900. Most of the decrease relates to the construction programme, where the Department now estimates the level of eligible redundancies at around 8,780.

**Figure 17.1 Irish EGF Applications by Programme 2009 to 2012**

Programme	Number of redundant workers <sup>a</sup>		
	In company/sector	In supplier companies	Total
Dell	2,000	840	2,840
Waterford Crystal	627	26	653
SR Technics	1,135	—	1,135
Construction <sup>b</sup>	9,089	—	9,089
Talk Talk	573	19	592
<b>Total</b>	<b>13,424</b>	<b>885</b>	<b>14,309</b>

Source: Department of Education and Skills – EGF Applications

Notes: a Estimates at the date of application (revised later).

b The construction programme consists of three construction-related applications. These were schemes for eligible redundant workers in construction of buildings; specialised construction activities; and architectural and engineering activities.

## Supplier and Downstream Redundancies

17.9 Cessation or large-scale reduction of operations in a company can result in redundancies in supplier or downstream companies. The EGF provides for support for these redundant workers where the link between the redundancies can be established. The largest identified linkage was in the Dell application where 840 redundant workers in eight other companies were identified. The Waterford Crystal and Talk Talk applications identified a small number of redundancies in three other companies in each case. There were no redundancies in supplier or downstream producers identified in the SR Technics application.

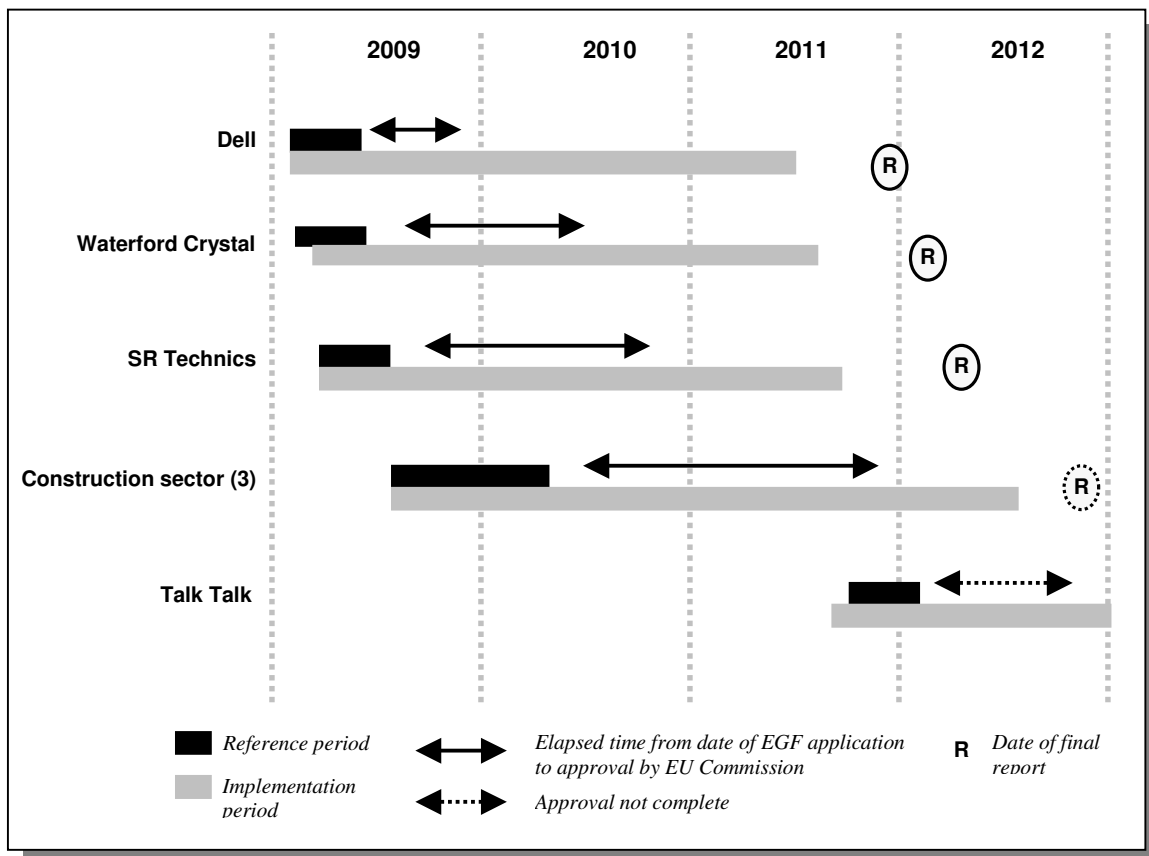
<sup>3</sup> The applications in respect of the Dell, Waterford Crystal and SR Technics programmes were made by the (then) Department of Enterprise, Trade and Employment. Following changes in departmental responsibility, the construction sector and Talk Talk applications were made by the Department of Education and Skills.

- 17.10** In the case of the construction programmes, no redundancies in supplier or downstream companies were included. However, the construction applications related to a total of 3,272 companies in the sector.
- 17.11** An EU evaluation of the EGF in 2011 noted the difficulty in including workers made redundant in supplier companies.<sup>4</sup> This was mainly due to the difficulty in identifying affected companies and workers. It also noted that fixed-term and agency workers were generally not assisted because their contracts were often not renewed prior to eventual company closures or mass redundancies.

### **Programme Timelines**

- 17.12** To be eligible for EGF funding, there must have been at least 500 redundancies in an enterprise in a period of four months, or in an eligible industry sector in a geographic area over a period of nine months (the reference period). The programme of labour activation measures can commence as soon as the redundancies occur and must be completed within two years from the date of application (the implementation period). Six months after the end of the implementation period, a final report is required to be submitted to the EU Commission. Assistance measures that have been provided to eligible redundant workers prior to EU approval can be retrospectively funded by the EGF should the application be approved. Timelines for the seven EGF programmes are set out in Figure 17.2.

**Figure 17.2 Timelines for Irish EGF Applications 2009 to 2012**



<sup>4</sup> European Commission, *Mid-term Evaluation of the European Globalisation Adjustment Fund*, December 2011.

- 17.13** In the Dell, Waterford Crystal and SR Technics cases, provision of services commenced at the time of redundancy, and prior to EU approval.
- 17.14** Construction workers made redundant between July 2009 and March 2010 were the subject of a single application made to the EU in June 2010. However, separate applications based on the industry sub-sector of the redundant workers were required. In February 2011, the Department submitted three separate applications for funding of eligible workers (including apprentices) made redundant from companies engaged in construction of buildings, specialised construction activities and architectural services. EU approval was received in November 2011. Eligible workers were only notified in December 2011, shortly after approval was confirmed. This was just six months before the programme ended in June 2012.
- 17.15** The Department commenced implementation of services for redundant Talk Talk workers in September 2011 when the redundancies were announced. The application for EGF funding was submitted in February 2012 and was approved by the European Commission in July 2012. However, approval of the European Council and Parliament is currently awaited. The programme will run to February 2014.

### **Programme Monitoring and Reporting**

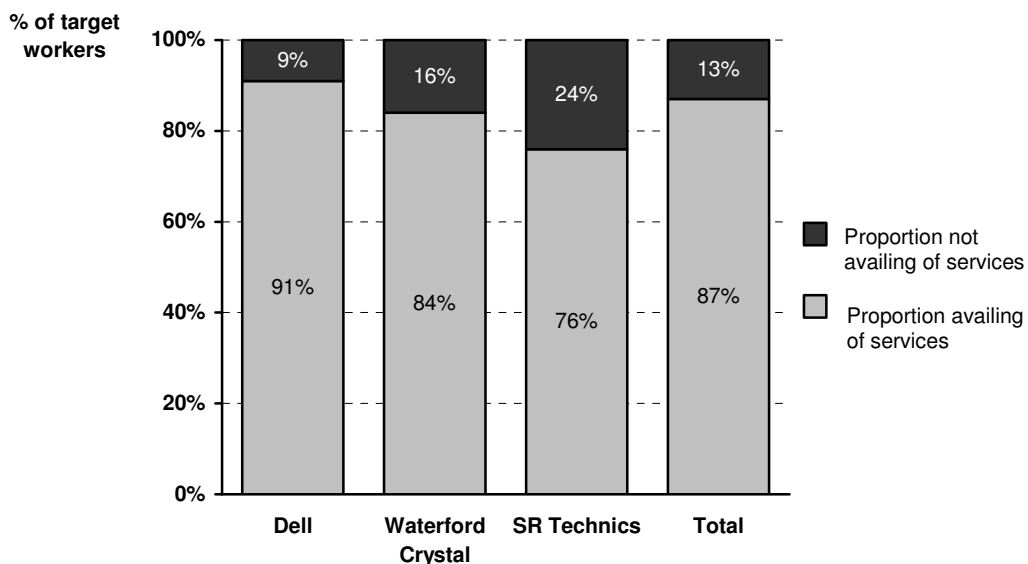
- 17.16** The Department identifies potential EGF applications through monitoring redundancy information supplied to it by the Department of Jobs, Enterprise and Innovation, reports through the media and from public representatives. When a potential application is identified, the Department creates a database of these individuals primarily using data obtained from the Redundancy Payments Section of the Department of Social Protection. As not all individuals may be eligible for State supported redundancy payments, data is also obtained from other State agencies and from company redundancy notifications.
- 17.17** During programme implementation, the Department relies on other State agencies and implementation bodies to update participants' records with appropriate intervention data. FÁS managed the Dell EGF database and engaged an independent coordinator attached to its Local Employment Service office to manage the Waterford Crystal records. FÁS currently manages the Talk Talk programme data. The records for the SR Technics programme were collated since June 2011 by a private company, sourced through a competitive tendering process, and this company is currently also managing the data for the three construction programmes.
- 17.18** As eligible redundant workers may have engaged directly with service providers, maintaining an up-to-date database of participants and costs is dependent on transfer of data from these service providers to the EGF coordination unit or other designated coordinator or data manager. These are often submitted at long intervals.
- 17.19** The EU Commission requires a final report regarding implementation of the EGF financial contribution, along with a statement justifying the expenditure, to be submitted not later than six months after the end of the implementation period. Final reports have been sent to the EU Commission for the Dell, Waterford Crystal and SR Technics programmes. The three construction programmes finished in June 2012 and final reports for each of the programmes are due by December 2012.
- 17.20** This examination relied on information in the three final reports submitted to the Commission and participation data supplied by the Department in addition to other reviews and information available.

- 17.21** The Department did not have standardised procedures in place for the compilation of regular meaningful data on the numbers of individuals participating, the interventions provided or the related costs incurred for the three construction programmes. As a result, data in relation to those programmes was not available for analysis during the examination. The Department stated that outturns data will only become available in the context of the preparation and submission of the final report to the EU Commission by December 2012.
- 17.22** While the Department outlined that reporting procedures have been instituted for the Talk Talk programme, there was only limited data available for analysis in this examination.

## Programme Engagement

- 17.23** Information included in the Department's final reports to the EU Commission sets out the number of individuals who engaged with each programme. A person is considered to have engaged if they have availed of any of the supports or measures of the programme, including occupational guidance. Figure 17.3 represents the proportion of redundant workers who engaged with the three finalised programmes.

**Figure 17.3 Engagement with Programme<sup>a</sup>**



Source: Department of Education and Skills

Note: <sup>a</sup> The data provided was revised since the Department's final reports were submitted to the EU.

- 17.24** The programme engagement rate fell from just over 90% in the case of the Dell programme to 76% for SR Technics. In the SR Technics final report to the EU, the Department noted that a dedicated coordination unit, which allows for a more coordinated approach across service providers and ensures information flow regarding programme progress, was in place for the Dell and Waterford Crystal programmes but not for the SR Technics programme. However, the Department noted that all interventions, albeit without the presence of a coordination unit, continued to be promoted by service providers for the duration of the SR Technics programme. The report concluded that clear communications between state agencies, service providers and affected workers during the application, approval and delivery stages is central to ensuring that an effective programme of personalised supports is designed and implemented.

- 17.25** The Accounting Officer stated that the Department aims to maximise uptake of programmes and has taken measures in the Talk Talk application to enhance engagement with the workers, including enhanced guidance measures as well as greater flexibility within the programme. However, the Department also respects each individual's right not to participate.

### ***Occupational Guidance***

- 17.26** Occupational guidance was identified as an intervention that was critical early in the labour activation process. It consists of a guidance interview, generally provided by FÁS, to discuss training courses, employment opportunities and other actions leading to an agreed programme to enhance the prospects of the individual returning to employment. Participation in occupational guidance is not a pre-requisite for availing of the measures and supports of a programme. However, the EU mid-term evaluation of the EGF identified early profiling of the worker and the development of an individual plan of support as a key success factor in re-employment.
- 17.27** The Department collates data on the number of occupational guidance interviews provided. However, it does not record the extent to which individuals availed of more than one guidance interview. Figure 17.4 sets out the Department's latest estimates of the number of individuals who availed of guidance across the three completed programmes.

**Figure 17.4 Occupational Guidance Uptake by Programme**

EGF Programme	Number of redundant workers (revised)	Workers who availed of guidance (one or more sessions)		Cost <sup>a</sup> €000
		Number	%	
Dell	2,883	2,585	90%	192
Waterford Crystal	639	516	81%	64
SR Technics	1,006	619	62%	25
Construction	8,779			462
Talk Talk	592			54
<b>Total</b>	<b>13,899</b>	<b>3,720</b>	<b>82%</b>	<b>797</b>

Source: Department of Education and Skills. Outturn data for the construction and Talk Talk programmes are not available.

Note: a The cost of guidance in respect of Dell, Waterford Crystal and SR Technics is as reported in final reports to the EU Commission. Budget estimates for the construction and Talk Talk programmes have been used.

- 17.28** The construction programmes closed in June 2012, two years after the original applications had been made. The construction coordination unit commenced operations only in December 2011, following EU approval of the applications. 808 eligible workers had made contact with the coordination unit by the end of April 2012 and 36 of these had participated in guidance activities while a further 19 were awaiting guidance. The Department is unable to provide statistics regarding the number of redundant construction workers who availed of occupational guidance otherwise than through the coordination unit. The Department stated that details of this and other intervention data are currently being compiled by service providers in the context of the submission of the final reports by the Department to the European Commission.
- 17.29** The Department notified redundant Talk Talk workers of possible eligibility for EGF supported measures in March 2012 and a dedicated coordination unit was set up by FÁS at that time. Up to July 2012, a total of 284 individuals had made contact with the unit.

## Delivery of Measures

- 17.30** Individual worker support plans developed during occupational guidance provide a framework for the delivery of the different supports available. The range of activation measures and supports falls into three broad categories as follows
- Training programmes and allowances – provided by FÁS, local authorities and VECs, and courses provided by private colleges that are not provided by a State agency.
  - Third level education – provided by universities and institutes of technology together with income supports, where appropriate, provided by agencies such as VECs and the Department of Social Protection.
  - Enterprise and self-employment supports – CEBs provide support to micro-enterprise start-ups by providing financial support as well as training, management development and mentoring programmes.
- 17.31** Many of the measures and supports were already available generally to those who are unemployed. Some specific measures, such as training programmes, internships, training and higher education grants were tailored to meet the needs of EGF participants. Redundant workers could avail of one or more measures within or between each category of activation measure. Each measure availed of is counted as an intervention.

### *Participation in Measures*

- 17.32** The number of individuals who participated in each category of measure is set out in Figure 17.5.

**Figure 17.5 Number Participating in Programmes by Each Measure Type<sup>a</sup>**

	Dell	Waterford Crystal	SR Technics	Total
Number of redundancies (revised)	2,883	639	1,006	4,528
Number of participants in measures	1,583	363	498	2,444
Rate of participation in measures	55%	57%	50%	54%
<b>Participation rate by type of measure<sup>b</sup></b>				
Training	45%	51%	38%	45%
Third level education	13%	5%	18%	13%
Business start-up	11%	13%	7%	10%

Source: Department of Education and Skills

Notes: a Excluding occupational guidance.

b Participants may have received more than one intervention.

- 17.33** Training measures attracted the highest proportion of participants with an average of 45% across all three programmes. A higher proportion of Dell and Waterford Crystal participants engaged in business start-up measures than in the SR Technics programme. Recourse to third level education was proportionally higher in Dell and SR Technics than in Waterford Crystal.
- 17.34** Third level programmes of study were included in EGF programmes, generally for up to 2 years, after which public funding for tuition fees was planned to cease. The Department has stated that a number of EGF eligible redundant workers under the Dell and SR Technics programme were provided with funding for tuition fees for an additional academic year out of State resources, without EGF funding.

- 17.35** The applications submitted in respect of the construction and Talk Talk programmes estimated that 5,987 and 432 individuals, respectively, would participate in measures. The estimated participation rates by measure type expressed as proportions of the total redundant workers are set out in Figure 17.6.

**Figure 17.6 Estimated Participation Rate by Measure Type – Construction and Talk Talk Programmes**

	Construction	Talk Talk
<b>Estimated participation</b>		
Training	87%	87%
Third level education	2%	19%
Business start-up	17%	63%

Source: Department of Education and Skills – EGF applications submitted to the European Commission

- 17.36** The estimated levels of participation in measures for these two programmes are generally higher than those achieved in the finalised schemes, and show a heavy concentration on training interventions. Almost two thirds of Talk Talk workers were expected to avail of business start-up supports. Only 2% of construction workers are expected to avail of third level education opportunities.
- 17.37** In relation to the three construction EGF programmes, between December 2011 and April 2012, 337 individuals engaged in training activities following communication with the dedicated coordination unit. A further 59 individuals had been referred to the Higher Education Authority, FÁS or CEBs for provision of measures. There is no information available regarding measures delivered to construction workers that have not been channelled through the coordination unit. The Department stated that data in respect of those who availed of services prior to the approval of the programmes is being compiled in the context of the submission of the final report which must be transmitted to the European Commission in December 2012.
- 17.38** Apart from information regarding grants for training in private colleges that have been approved for 39 eligible Talk Talk workers, there is limited information available centrally on the participation to date in measures under that programme. However, the Department stated that information relating to participation in measures available in the Talk Talk coordination unit will be updated on a FÁS database every two months and that the Department will receive regular activity reports from the coordination unit.

### ***Costs of Measures***

- 17.39** The cost of delivering activation measures for the three finalised programmes was just over €20 million. Figure 17.7 sets out the cost per overall measure type for the finalised programmes based on cost information in the Department's final reports submitted to the EU and participant information supplied for this examination.
- 17.40** The overall expenditure on the three finalised programmes includes €6.6 million (32%) relating to income supports, such as student maintenance grants, back-to-education and training allowances. On average, expenditure on allowances represented 60% of the total spend by 15 programmes reviewed in the 2011 EU evaluation.

**Figure 17.7 Cost of Each Measure Type - Finalised Programmes<sup>a</sup>**

	Dell	Waterford Crystal	SR Technics	Total
	€m	€m	€m	€m
Training	5.8	1.6	2.0	9.4
Third level education	4.0	0.4	1.8	6.2
Business start-up	3.2	0.9	0.6	4.7
<b>Total cost</b>	<b>13.0</b>	<b>2.9</b>	<b>4.4</b>	<b>20.3</b>
<b>Average cost per participant</b>				
Training	€4,400	€5,000	€5,200	€4,700
Third level education	€10,700	€12,700	€9,900	€10,600
Business start-up	€10,700	€10,700	€7,800	€10,200

Source: Department of Education and Skills

Note: a Excluding occupational guidance.

**17.41** Training costs represent 46% of all costs across the three programmes. The cost of training measures per participant is significantly lower than third level education or business start-up costs. Third level education costs per participant were higher for Waterford Crystal workers. Business start-up costs were lowest in the SR Technics programme.

**17.42** The construction programme applications anticipated that €51 million would be spent on measures. The Talk Talk application anticipated measure expenditure of €5 million.

## Evaluation of Programme Outcomes

**17.43** There is limited accurate data on the outcomes for the 3,930 individuals who have participated in the three finalised programmes. Surveys of participants were carried out on behalf of the Department to establish their current economic status for inclusion in the final reports. On the basis of the survey methodologies used and low survey response rates, it is not clear that any of the databases for the three finalised programmes give reliable overall indications of the outcomes for participants in the EGF programmes.

- Due to a non-response rate of 42%, the Department was unable to accurately identify the outcomes for a significant number of Dell programme participants. The database recorded that 21% of participants were either employed or self-employed, 9% were in education and 3% had left the workforce when the programme was complete (June 2011). The Department did not carry out any cross-reference checks with Department of Social Protection data to identify participants who were unemployed or had left the workforce.
- For the Waterford Crystal programme, the Department relied on local enquiries made by the EGF coordinator, in addition to data received from the Department of Social Protection that indicated participants who were unemployed or had left the workforce. Outcomes could not be determined for 40% of the participants. The Department recorded one third of Waterford Crystal programme participants as being unemployed at the end of that programme (August 2011). 15% were reported as employed while 12% were continuing in education or had left the workforce.

- In the case of SR Technics, the company hired to manage the programme database carried out a survey of targeted workers, analysed the responses and extrapolated the results to the participant population based on age and gender. However, the non-response rate was 67%. The estimated unemployment rate (34% of those who engaged with the programme) was cross-referenced with the Department of Social Protection records. Having obtained details from some education service providers, 10% were reported as continuing in education. Around 15% (about 110 individuals) of the participant population responded that they were employed or self-employed at the end of the programme (October 2011). Following extrapolation across the participant population the Department reported that 44% were employed or self-employed.
- None of the surveys identified cases where redundant workers had emigrated. Some emigrants may be included in the unknown groups or those reported as having left the workforce.

**17.44** When significant State and EU funds are used to support redundant workers' re-employment prospects, it is important that the outcomes for those workers are established and evaluated. Where the status of a large number of participants cannot be established with certainty soon after the completion of the programme, it is difficult for the Department to assess the success of the measures delivered.

**17.45** There is no information regarding the economic status of those who did not participate in any EGF measures. For programme evaluation, such information would be useful in comparing the outcomes for those who did and did not participate in an EGF programme. This may also help in understanding why some individuals may not participate in a programme.

**17.46** The Accounting Officer acknowledged that evaluation of outcomes is an area that needs to be strengthened. While the results of surveys are complemented by data from the Department of Social Protection that can confirm if an individual is unemployed, there is no database available which can confirm the current employment status of an individual. The deployment of a more sophisticated measurement benchmark such as a qualitative longitudinal survey would better inform an assessment of the long-term impacts of the interventions delivered under each programme, in addition to informing the development of subsequent programmes. Outcome measurement is a complex area involving difficulties in collecting relevant data over appropriate periods of time in such a manner that enables useful conclusions to be drawn. This is an issue that arises in education and training generally, and is one that the Department is committed to addressing.

## **Drawdown of EGF Funding**

**17.47** The Department projected that the overall cost of the Irish EGF programmes would be €99 million. The three finalised programmes were estimated to cost €38.3 million and the actual expenditure (including guidance and promotion costs) was €21.2 million. Details of the estimate and actual costs of these programmes are set out in Figure 17.8. There are no details available regarding the actual costs to date of the construction or Talk Talk programmes where the estimated costs were €54.9 million and €5.4 million respectively.

**Figure 17.8 Programme Expenditure**

EGF programme	Dell	Waterford Crystal	SR Technics	Total
	€m	€m	€m	€m
Estimated cost	22.8	4.0	11.5	38.3
Actual cost	13.6	3.1	4.5	21.2
Under spend	9.2	0.9	7.0	17.1
<i>Under spend as a proportion of estimated cost</i>	40%	22%	61%	45%

Source: Department of Education and Skills – EGF final reports to European Commission

- 17.48** Of the total underspend of €17 million on these programmes, almost two thirds (€11 million) arose because the number of interventions provided was less than had been estimated. The average cost of the interventions delivered was also less than estimated.
- 17.49** Just over €0.5 million was spent out of a budget of €1.5 million in relation to management of and publicity associated with the programmes. Less than 10% of the €500,000 publicity budget for the three programmes was utilised.

### ***Refunds to EU Commission***

- 17.50** The full amount of the EGF contribution based on estimated costs is advanced by the EU when an application is approved. Where the actual cost of a programme is less than estimated, the related EGF contribution is required to be refunded. For the three finalised programmes, €25 million was received in advance by the Department i.e. 65% of the estimated cost of €38.3 million. As a result of the underspend on these programmes, €11 million is due to be refunded to the EU.
- 17.51** Failure to use the full amount of EGF funding advanced is also a feature of programmes in other EU jurisdictions. The Commission has reported that EGF expenditure among member states in 2010 was lower than anticipated due to overestimation of the number of workers requiring assistance, some workers opting for lower cost assistance, workers exiting early to take up employment and workers who retired.<sup>5</sup> Delays in setting up measures were also cited as reasons for workers not availing of assistance.
- 17.52** The Accounting Officer noted the complexity of factors that impact on the eventual outcome including estimating difficulties and the demand-led nature of the ultimate take up of programmes which may not be fully captured in the use of the term ‘under-spend’. He stated that the financial outturn might more accurately be characterised as an over-estimate. The reimbursement of funds to the EU is common across all member states that have had EGF programmes. He emphasised that Ireland does not incur any loss, or financial penalty as a result of the refunds to the EU.

<sup>5</sup> Report from the Commission to the European Parliament and the Council on the *Activities of the European Globalisation Fund in 2010*, August 2011.

## Conclusions and Recommendations

- 17.53** Early engagement with and identification of the needs of redundant workers is important in maximising participation in the programmes thereby enhancing the prospects of re-employment and maximising the use of EU funds provided. That generally requires commencement of programmes before applications are approved. This carries the risk that, in the event an application is not approved, the State would be required to fully fund any expenditure incurred to date.
- 17.54** Engagement by redundant workers in the three completed programs was lowest for the SR Technics programme. The absence of a central coordination unit for that programme may have contributed to this. The construction programmes presented a particular challenge given the numbers eligible and the likely spread of their locations. Because of the length of the application approval process and the fact that those eligible were only contacted once approval was received, many of those eligible may only have become aware of this programme six months prior to its completion. While information is not yet available on participation in the construction programmes, this is likely to have resulted in a low level of participation.
- 17.55** Monitoring of programmes should include the identification of outcomes for all participants. The outcome for many of those who participated in the three finalised programmes has not been established. Ongoing monitoring and engagement with participants during programmes should increase the level of response to outcome surveys.
- 17.56** The reimbursement to the EU of unspent funds in respect of the three finalised EGF programmes will be €11 million. The underspend arises as the programmes did not attract the full number of targeted workers into the programmes and, in some cases, less costly measures were taken up by those who did participate. The costs of management of the programmes including publicity were also less than estimated in each case. Given the anticipated take up on the construction programmes, it seems likely that there will be an underspend on those programmes as well.
- 17.57** The Department does not monitor the participation in or cost of programmes on a regular basis and does not have a procedure in place for regular reporting of this information by external agencies.

**Recommendation 17.1:** The Department should gather data on a person-by-person basis to enable it to establish at any given point in the programme what measures have been delivered to each participant and the related costs and commitments. This should assist in identifying promptly whether there is a need to take steps to improve participation and help identify if there was scope for re-directing the focus of programme measures, thereby maximising the use of the funds available.

**Accounting Officer's Response:** Agreed. The Department will seek to ensure that intervention and related cost data on a person-by-person basis is available to the fullest extent possible. While the Department has continued its efforts to improve data collection, in some instances full data may only become available at the end of the EGF programme cycle. The limitations of service providers' systems are presenting challenges to the data collection improvement process and these challenges are being addressed. The various measures are, in the first instance, delivered in the context of the service providers' financial frameworks and are subject to their financial control procedures. Monitoring currently undertaken seeks to identify and understand the reasons for low or high uptake in measures with a view to refocusing resources appropriately. The improvements in the exchange of data between service providers and the coordination units will strengthen capacity in this area.

**Recommendation: 17.2:** Design and recording of implementation plans for individual participants based on occupational guidance, and on-going monitoring of the delivery of those plans would help ensure the effectiveness of the activation measures delivered.

**Accounting Officer's Response:** Agreed in part. It is a challenge for the Department to complete an EGF application over a ten-week period that requires formulation of plans for appropriate interventions and accurate prediction of the demand for those interventions. In the immediate aftermath of losing their jobs, many redundant workers are uncertain about the future direction they wish to take as their primary focus is on dealing with the life adjustments to be made arising out of their redundancy. Subject to available resources, the establishment of individualised plans is the approach which is sought to be followed in EGF programmes. There was an increased emphasis on this approach in the Talk Talk programme. However, this approach may prove challenging in the event that there are large scale or multiple future programmes.

**Recommendation: 17.3:** Outcomes for all participants relative to individual plans should be identified soon after programme completion and be reassessed after a longer period of time has elapsed when the re-employment rate would be expected to have increased. Comprehensive assessment of outcomes for participants and non-participants and the factors giving rise to them can assist in the design of future programmes.

**Accounting Officer's Response:** Agreed. In order to enhance evaluation capacity, the possibility of accessing data held by Revenue regarding employment status is being explored. To enable more comprehensive assessment of outcomes, post-programme longitudinal surveys of all participants will be conducted at appropriate intervals. This work will commence for the construction and Talk Talk programmes.