

DEPARTMENT FOR EMPLOYMENT AND LEARNING (DEL)

SAVINGS DELIVERY PLAN 2011-15 UPDATE TO MARCH 2014

1. Introduction

- 1.1 The Department's Savings Delivery Plan was published in March 2013 and outlined DEL's plan for delivering the savings required to maintain essential service delivery in light of the Executive's Budget 2011-15.
- 1.2 The Department needs to make resource savings totalling **£66.5m/£91.2m/£109.3m/£129.4m** across the four budget years. In order to provide assurance and to facilitate scrutiny of the implementation of the delivery plans by Assembly Committees and others, this document sets out the Department's progress in 2013-14 to achieve the required level of savings.

2. Summary of the Proposed Savings

- 2.1 The measures identified include optimising the use of resources, reducing corporate services costs and improved programme efficiencies. This alone will not be enough, and we will also have to make some reductions to staff numbers over the period. An indication of proposed savings measures are summarised in the table below:

£m	2011-12	2012-13	2013-14	2014-15
Measures	£m	£m	£m	£m
1. Procurement (B/7 & B/8)	20.0	32.5	34.2	35.3
2. Redundant Programmes (B/6)	8.0	8.0	8.0	8.0
3. Lower Priority Programmes (B/1, B/2 & B/3)	13.5	15.5	15.5	15.5
4. Other (B/4, B/5, B/9 & B/10)	25.0	35.2	51.6	70.6
Total	66.5	91.2	109.3	129.4

3. Position as at 31 March 2013

- 3.1 The Department's savings were delivered in full in 2012-13. Details of these savings can be found on the DEL Website at the link below:

<http://www.delni.gov.uk/es/savings-delivery-plan-2011-2015-update-to-march-2013.pdf>

4. Position as at 31 March 2014

- 4.1 The Department's savings were delivered in full in 2013-14. A breakdown against the planned measures is outlined in the Table below:

Measures	Forecast Savings in SDPs (£m) 2013-14	Savings in SDPs (£m) 2013-14
Procurement	34.2	34.2
Redundant Programmes	8.0	8.0
Lower Priority Programmes	15.5	15.5
Other	51.6	51.6
Total	109.3	109.3

5. Content of this Delivery Plan

- 5.1 Appendix A sets out in more detail each of the components of the overall savings delivery plan:

Measure 1: DEL Procurement

Measure 2: DEL Redundant Programmes Savings

Measure 3: DEL Lower Priority Programmes

Measure 4: DEL Other Savings

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 1 (B/7)

Department	Department for Employment and Learning
Savings Measure	Procurement: College Block Grant Efficiencies
Senior Responsible Officer	Dr Mary McIvor
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	4.0	4.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	4.0	
Forecast Savings	Admin: Resource: Capital:		4.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
2013/14 Implementation of £4m efficiency.	31/03/14	Existing targets to be maintained and achieved through implementation of efficiency plans. Savings achieved.
2014/15 Implementation of £4m efficiency.	31/03/15	Existing targets to be maintained and achieved through implementation of efficiency plans.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Appendix A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
Colleges are dependent on the block grant for the major part of their income (average 61%). Two colleges in particular may not be in a position to sustain further cuts in their funding, but all six colleges, could find it very difficult to deliver existing levels of services.	Performance is monitored on an ongoing basis. Regular meetings are held with each college and detailed statistical data is collated and analysed to measure performance and outcomes.
The FE Sector aims to increase the number of people qualified to level 2 and above and to Level 3 and above. This saving may indirectly impact the capacity of the sector to deliver on this.	Targets are set and agreed through the College Development Plan (CDP) process. Performance against targets is continually monitored.
Any possible reduction in funding may generate negative publicity and proposed savings may lead to political resistance.	Targets set do not impact on service delivery and mitigate against any potential political opposition.

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
N/A		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 1 (B/8)

Department	Department for Employment and Learning
Savings Measure	Procurement: Operational efficiency – Higher Education Sector
Senior Responsible Officer	Nuala Kerr
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	30.2	31.3
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	30.2	
Forecast Savings	Admin: Resource: Capital:		31.3

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
Adjust annual block grant allocations to the HEIs.	31/3/14	Higher education budget allocation for year adjusted to reflect the savings of £30.2m. Annual block grant for 2013/14 academic year has been adjusted accordingly. Savings achieved.
Adjust annual block grant allocations to the HEIs.	31/3/15	Higher education budget allocation for year adjusted to reflect the savings of £31.3m. Annual block grant for 2014/15 academic year has been adjusted accordingly.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A
Explanation of how savings will be achieved to ensure budget allocation is not exceeded N/A
Impact of failure to achieve target N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 2 (B/6)

Department	Department for Employment and Learning
Savings Measure	Redundant Programmes: Budgetary Easements – Higher Education Division
Senior Responsible Officer	Nuala Kerr
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	8.0	8.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	8.0	
Forecast Savings	Admin: Resource: Capital:		8.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
Cessation of various programmes and initiatives has led to a baseline reduction in funding.	31/3/14	The affected programmes and initiatives have ceased, therefore savings achieved.
Cessation of various programmes and initiatives has led to a baseline reduction in funding.	31/3/15	The affected programmes and initiatives have ceased.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 3 (B/1)

Department	Department for Employment and Learning
Savings Measure	Lower Priority Programmes: 2010-11 savings carried forward
Senior Responsible Officer	Heather Cousins
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	3.0	3.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	3.0	
Forecast Savings	Admin: Resource: Capital:		3.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
The £3.0m is to be removed from the 2013-14 baseline as it is a carry forward of 2010/11 efficiencies.	31/3/14	The baseline has been adjusted and the funding removed. Savings achieved.
The £3.0m is to be removed from the 2014-15 baseline as it is a carry forward of 2010/11 efficiencies.	31/3/15	The baseline has been adjusted and the funding removed.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 3 (B/2)

Department	Department for Employment and Learning
Savings Measure	Lower Priority Programmes: Central Budget Reduction
Senior Responsible Officer	Heather Cousins
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	8.5	8.5
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	8.5	
Forecast Savings	Admin: Resource: Capital:		8.5

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
The £8.5m is to be removed from the 2013-14 baseline.	31/3/14	The baseline has been adjusted and the funding removed. Savings achieved.
The £8.5m is to be removed from the 2014-15 baseline.	31/3/15	The baseline has been adjusted and the funding removed.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 3 (B/3)

Department	Department for Employment and Learning
Savings Measure	Lower Priority Programmes: Reduced commitments re Employment provision
Senior Responsible Officer	Colum Boyle
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	4.0	4.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	4.0	
Forecast Savings	Admin: Resource: Capital:		4.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
1. Reducing the Back to Work Strand of the Steps to Work Programme from 13 to 8 weeks. This removes any “lock in” effects (8 weeks is sufficient to prove if the work is the right work for the client). Savings £3.2m	31/3/14 31/3/15	Change was introduced on 1 October 2011. Savings at end March 2013 £3.202m. Savings achieved.
2. Reducing the fee limit for Short Accredited Training Courses with Steps to Work to £1,000 (although exceptionally amounts above this may be paid if a specific client barrier to work has to be addressed). Savings £0.2m	31/3/14 31/3/15	Change was introduced on 1 January 2012. Savings at end March 2013 £161k. Savings Achieved.
3. Introducing greater flexibility into the Core Gateway offering within	31/3/14 31/3/15	Change was introduced on 1 October 2011.

Appendix A

Steps to Work. This removes any deadweight (not all participants need the full 10 days provision). Savings £0.6m.		Savings at end March 2013 £637k. Savings achieved.
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4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
<p>Extent of shortfall from SDP target</p> <p>The total amount to be saved remains unchanged. However, the delivery method has changed from the original SDP in respect of Step Ahead (Measure 4).</p> <p>A pause on recruitment to Step Ahead was introduced with effect from 1 November 2011 due to budgetary pressures. There are no plans to recommence Step Ahead as these pressures continue to impact on the Department. Therefore no savings can be secured from this Measure in 13/14. Measures 1-3 will deliver savings of £4m in 13/14.</p> <p>Changes were introduced in October 2011 and January 2012 and are on track to deliver agreed savings.</p>
<p>Explanation for non-achievement of target</p>
<p>Explanation of how savings will be achieved to ensure budget allocation is not exceeded</p>
<p>Impact of failure to achieve target</p>

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
The Steps to Work (StW) contracts have been extended until 31 March 2014.	StW will be replaced by Steps 2Success.

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
Impact considered to be neutral		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 4 (B/4)

Department	Department for Employment and Learning
Savings Measure	Other: Reduced Commitments re Training
Senior Responsible Officer	June Ingram & Colin Jack
Impact on Frontline Services?	Yes

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	7.5	7.5
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	7.5	
Forecast Savings	Admin: Resource: Capital:		7.5

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
SEERD savings of £0.6m 2013-14 £0.6m 2014-15	31/3/14 31/3/15	Savings achieved £0.6m 2013-14
0% funding rate applied to Adults Aged 25+		50% funding rate for all adult apprenticeships implemented wef 30/9/2011
Revised policy change 50% funding retained for adult apprentices		
Proposed savings 2013-14 £3.10m 2014-15 £4.70m	31/3/14 31/3/15	Savings achieved 2013-14 £3.10m
Further policy change 50% funding for adult apprentices following a priority sector		Further 50% reduction for adult apprentices in non- priority sectors applied

Appendix A

<p>apprenticeship</p> <p>Proposed savings 2013-14 £2.04m 2014-15 £0.44m</p>		<p>wef 27/08/12.</p> <p>Savings achieved 2013-14 £2.04m</p>
<p>Savings iro Workforce Development Forums (WDFs), Skills Sector Councils (SSCs), Educational Guidance Service for Adults (EGSA), Future Skills Action Groups (FSAGs) and STEM through Alliance of Sector Skills Councils realised.</p> <p>Savings 2013-14 £0.95m 2014-15 £0.95m Additional savings realised from Bridge to Employment and Customised Training. 2013-14 £0.50m 2014-15 £0.50m</p>	<p>31/3/14 31/3/15</p>	<p>Completed, continue to provide savings in 2013/14.</p> <p>Savings achieved 2013-14 £0.95m</p> <p>Savings achieved 2013-14 £0.50m</p>
<p>Savings</p> <p>Cessation of funding for 'Leaders for Tomorrow' and 'Meridian Funding'. Reduction in funding for MAP and MDLP. Reduction in funding to the Office of NI advisor on Employment and Skills. 2013-14 £0.31m 2014-15 £0.31m</p>	<p>31/3/14 31/3/15</p>	<p>Savings achieved 2013-14 £0.31m</p>

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target
N/A
Explanation for non-achievement of target
N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
In October 2011 demand for adult apprenticeships increased to highest ever level.	The review of adult training has been completed and a further policy change implemented. 50% funding is now available only to adult apprentices in priority sectors, with effect from 27 August 2012.

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
A reduction in the Department's capacity to provide training and skills development provision to industry.

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NIL		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 4 (B/5)

Department	Department for Employment and Learning
Savings Measure	Other: Pay and Price Restraint
Senior Responsible Officer	Heather Cousins
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	34.0	46.1
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	34.0	
Forecast Savings	Admin: Resource: Capital:		46.1

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
The £34.0m has been removed from the 2013-14 baseline.	31/3/14	The baseline has been adjusted and the funding removed. Savings achieved.
The £46.1m has been removed from the 2014-15 baseline.	31/3/15	The baseline has been adjusted and the funding removed.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 4 (B/9)

Department	Department for Employment and Learning
Savings Measure	Other: Adjustments to HE funding/Notional Loans Subsidy
Senior Responsible Officer	Nuala Kerr
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	7.0	12.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	7.0	
Forecast Savings	Admin: Resource: Capital:		12.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
The £7.0m is to be removed from the 2013-14 baseline.	31/3/14	The baseline has been adjusted and the funding removed. Savings achieved.
The £12.0m is to be removed from the 2014-15 baseline.	31/3/15	The baseline has been adjusted and the funding removed.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green

SAVINGS DELIVERY PLANS REPORTING PRO – FORMA

1. Savings Measure 4 (B/10)

Department	Department for Employment and Learning
Savings Measure	Other: Staffing & accommodation efficiencies
Senior Responsible Officer	Heather Cousins
Impact on Frontline Services?	No

2. Latest Projections/Actual Savings Accruing from Savings Measure
£000

		2013-14	2014-15
Published SDP Amount (As per website)	Admin: Resource: Capital:	3.1	5.0
Actual Savings Achieved (To End Mar 2014)	Admin: Resource: Capital:	3.1	
Forecast Savings	Admin: Resource: Capital:		5.0

3. Progress against the timetable of actions set out in SDP

Key Action	Target Date	Progress to Date
The £3.1m is to be removed from the 2013-14 baseline.	31/3/14	The baseline has been adjusted and the funding removed. Savings achieved.
The £5.0m is to be removed from the 2014-15 baseline.	31/3/15	The baseline has been adjusted and the funding removed.

4. Explanation for failure to deliver SDP targets in 2013-14.

Explanation for non-achievement of SDP targets in 2013-14
Extent of shortfall from SDP target N/A
Explanation for non-achievement of target N/A

Appendix A

Explanation of how savings will be achieved to ensure budget allocation is not exceeded
N/A
Impact of failure to achieve target
N/A

5. Detail any Key Risks that have materialised for savings planned in future years and the contingent actions that have been taken as a result.

Key Risks	Contingent Actions
NONE	

6. Impact on front-line services

Detail any adverse impact on front-line services arising from implementation of the Savings Measure
N/A

7. Summary of Equality impact from implementing SDP to date and mitigating actions taken

Equality Impact	S75 Groups Affected	Mitigating Actions
NONE		

8. Departmental Overall Assessment of Savings Delivery Plan

Departmental Assessment (Red/Amber/Green)
Green