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CLERK TO COMMITTEE FOR SOCIAL DEVELOPMENT

Mr John Simmons
Room 412
Parliament Buildings
BELFAST
BT4 3XX

20 June 2011

Dear *John*

RE: UPDATE TO SOCIAL DEVELOPMENT COMMITTEE ON ISSUES RAISED AFTER THE BRIEFING ON 2 JUNE

1. Following the meeting mentioned above, the Committee sought further information via your letter to the Department's Assembly Liaison Officer (DALO) on 6 June 2011. The information requested is set out in the following paragraphs.

Department's 2011-12 to 2014-15 Savings Delivery Plan

2. A copy of the Department's 2011-12 to 2014-15 Savings Delivery Plan proformas is attached for the committee's information at Annex A.

Proposed Mortgage Rescue Scheme

3. Following the publication of the Semple Report into Affordable Housing Final Report in Spring 2007 and the deteriorating economic climate in 2008, the then Minister, Margaret Ritchie, asked Housing Division to bring forward proposals for the introduction of a Mortgage Rescue Scheme for Northern Ireland. Appropriate proposals were drafted and public consultation was undertaken from 26 September to 21 November 2008. The majority of responses generally supported the proposals although reservations were expressed about the funding being provided for the scheme. On 3 March 2009 the Social Development Committee was provided with briefing on the outcome of the consultation which was also published on the Department's website. Following this, the Committee responded to the consultation and their comments were considered prior to the preparation of the policy, which has now been developed.

The proposed Mortgage Rescue Scheme will provide help through both preventative measures (advice), and direct intervention (becoming a tenant of, or a joint homeowner with, a Housing Association).

The first element relates to assistance offered by an Advice Service which is currently operational and is open to every member of the general public, including people who have mortgage arrears as well as those who fear that they might not be able to meet mortgage payments in the near future. In absence of funding for a full Mortgage Rescue Scheme, the Department launched the pilot Mortgage Debt and Advice Service in May 2009. This service, operated by the Housing Rights Service, is preventing, where possible, people here from becoming homeless as a consequence of housing related debt. The pilot is due to complete in June. A service contract commencing on the 14 June will enable the service to operate up to March 2015 at a cost of £150,000 per annum.

The second section relates to the part of the Scheme which would provide direct intervention through a Scheme Administrator supported by participating Housing Associations. This element of the Scheme would be used as a last resort and is designed to help a small number of people who find it impossible to meet mortgage payments and who meet a number of other criteria. This part of the scheme would offer two options:

- Mortgage-to-rent: an eligible homeowner could sell his house to a housing association. Under the rules applicants would have the option to be able to buy back their home on the same basis as tenants purchasing their homes under the House Sales Scheme.
- Flexible Tenure (shared equity): In order to be eligible for the Flexible Tenure element of the Scheme, an applicant would be required to demonstrate that they could finance a share of a minimum of 25 per cent in their existing property, either through a mortgage or equity. This would allow the applicant to purchase further shares in the property as their financial situation improved. The shares would be purchased at the prevailing market value and as determined by a suitably qualified valuer appointed by the participating Housing Association.

The Mortgage Relief Scheme has been listed as a Private Members' Business Motion on Monday 20th June 2011 when it shall be debated in the Assembly. You may wish to note that the Department has not to date, been able to secure the necessary resources to launch the second element of the scheme. A revised economic appraisal is currently being considered by the Department of Finance and Personnel.

Information on plans by the Department to review the efficiency of the appeals process

4. Responsibility for the operational running of The Appeals Service has transferred to the Department of Justice. As advised it is proposing a review of the Appeals process to focus on making it operate more efficiently. This review has not started yet and the Committee will be kept advised of its progress.

Information on plans by the Department to make the Appeals Service situated at Cleaver House more accessible to the public

5. It is now likely that alternative accommodation will be sought upon expiry of the current lease of Cleaver House in June 2012. Accessibility issues will be taken into account as part of any relocation considerations in the wider Tribunal context under the Department of Justice transfer.

Further information on the Green New Deal scheme and proposed pilots

6. The inter-Departmental Group tasked with examining the Green New Deal proposal met with the Green New Deal Steering Group chaired by the Permanent Secretary, Will Haire. He has asked them to produce a robust and properly costed business model. The Group is currently working on this Business Plan.

A copy of the Northern Ireland Housing Executive's Efficiency Plan

7. The Northern Ireland Housing Executive's Efficiency Plan forms part of the Department's 2011-12 to 2014-15 Savings Delivery Plan a copy of which has been attached at Annex A.

Further clarification on the Housing Executive's budget, in respect of the reduction of loan charges and its impact on the reducing expenditure budget over the 4 year period.

8. The Northern Ireland Housing Executive has outstanding debt of almost £700 million which primarily relates to historic borrowing to support new build and maintenance programmes. The outstanding loans are largely repayable to the NI Consolidated fund or local Councils with an average rate of interest of over 9%.

In the 2010/11 financial year repayments of principal and interest totalled £155m and based on the repayment profile, the annual repayment amounts decrease each year until 2037 when they are fully repaid.

The Budget 2010 funding for The Northern Ireland Housing Executive includes a revenue deficit grant allocation which is set to cover the shortfall between the income generated and the costs of the organisation. The reduction to the funding provided to the Northern Ireland Housing Executive takes into account the reduced loan repayments and also reflects the budget reductions which have been applied across the public sector.

Clarification on which areas of the Housing Executive's work will be most affected by any potential staff cuts. A number of Members expressed concern about the Department's suggestion that the cuts may come from natural wastage or posts no longer required such as architects. Given that the Housing Executive had not built houses in recent times, Members were concerned that cuts may have to come from the administrative side.

9. The Housing Executive does retain a body of technical staff to deal with areas such as adaptations and ongoing scheme work. This group has been significantly reduced in recent years and therefore is unlikely to contribute to the efficiency savings required in this year. These savings will be found from other groups including administrative grades. However, the reductions will be achieved through efficiency and business process improvement review, natural wastage, non filling of posts and voluntary redundancy where this is deemed to be appropriate.

Neighbourhood Renewal

10. During the oral briefing I undertook to confirm the levels of Neighbourhood Renewal funding over the next four years. This is set out in the table below:

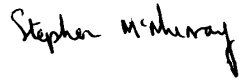
	Resource Budget £m	Capital Budget £m
2011-12	20.00	6.20
2012-13	20.00	6.00
2013-14	20.00	8.00
2014-15	20.00	8.00

The above figures reflect an increase in funding, since resource expenditure in 2010-11 was approximately £17.8m and capital spend was approximately £3.5m.

Conclusion

11. I trust the above provides the Committee with all the information required.

Yours sincerely

A handwritten signature in black ink that reads "Stephen McMurray". The script is cursive and somewhat informal.

STEPHEN McMURRAY

cc: Stephen Brimstone
Margaret Sisk
Billy Crawford
Gillian Burns
Sheila Maguire

1. Title of Savings Measure

Department	Department for Social Development – Social Security Agency
Savings Measure	Procurement
Spending Area & UoB	UOS A01, UOB A0102
Senior Responsible Officer	Tommy O'Reilly
Date of Latest Version of Delivery Plan	March 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	1,058	2,983	3,966	3,966
Total	1,058	2,983	3,966	3,966

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

Social Security Benefits are delivered in Northern Ireland using the Legacy Computer Systems developed and maintained by the Department for Work and Pensions in Great Britain. NI and the wider taxpayer benefits from this cost effective arrangement. Recognising the parity of benefit regimes and the attendant IT systems necessary to administer, calculate and pay benefits, NI only pays for NI specific developments and ongoing running costs. The annual costs for Department for Work and Pensions' systems is a significant component of the Agency general administration costs and are unavoidable as they are critical for the delivery of benefit payments to NI customers. As part of their Budget 2010 savings measures, the Department for Work and Pensions are reviewing contract terms with their IT providers and are anticipating an important contribution to the Department for Work and Pensions' required savings from this area. If successful, the Agency would benefit from a 'read-across' of these savings through reduced running costs for system usage. Negotiations on this are ongoing and the Agency will continue to liaise with the Department for Work and Pensions, reflecting savings which accrue. The Agency will be reliant on the timescale and success of the Department for Work and Pensions' negotiations to deliver these savings. The Agency will ensure that progress is monitored on a regular basis. The Agency will continue to work with the Department for Work and Pensions to ensure that annual charges are value for money and in line with the Agency requirements, within the overarching Department for Work and Pensions supplier contract.

Recognising the effectiveness and improved security of electronic methods of payment, the Agency will continue to pursue direct payment to bank account and post office card account as the primary way of paying our customers. The Agency will ensure that appropriate payment methods are available for vulnerable customers. The Agency will continue to work with the Department for Work and Pensions on the replacement of cheques with Simple Money Transmission Service. The Agency is also pursuing improved procurement savings from its Northern Ireland suppliers. The quantum of savings will develop as we progress through the Spending Review period depending on the outcome of negotiations.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	
<p>Provided that savings can be delivered without a reduction or renegotiation of major elements within the contracts which would impact on the quality of benefit administration, processing and payment, there should be no impact on the standard of public services. Using more direct methods of payment will enable customers to have increased security and access to their benefit payments and will reduce the potential for payment instrument fraud benefitting the customer and wider public expenditure.</p>	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Department for Work and Pensions to liaise with suppliers regarding contract terms. Discussions have commenced and this is part of the Department for Work and Pensions' response to Budget 2010 requirements from HM Treasury	pending Department for Work and Pensions' negotiations	
New Department for Work and Pensions contract terms come into force	pending Department for Work and Pensions' negotiations	
Consultation with Agency Trade Union and local representatives through the established structures as required	ongoing	
Agency commercial staff to engage with Department for Work and Pensions to keep informed of progress and content of negotiations as appropriate and to continue ongoing evaluation of Department for Work and Pensions' charges to NI.	From April 2011	
Cheque conversion to direct payment activities	Ongoing	
Promotion of direct payment methods as primary means for new claims	Ongoing	
Implement Simple Money Transmission Service as replacement to cheque payment in line with Department for Work and Pensions timescales	Pending Department for Work and Pensions' timescales	

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.

At this time it is not envisaged that there will be any material implementation costs, as negotiations will primarily be taken forward by the Department for Work and Pensions as the contract signatory. However depending on Department for Work and Pensions' contract negotiations there may be an element of cost, for example 'contract buy out' type costs, a relevant proportion of which could potentially fall to Northern Ireland.

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Department for Work and Pensions unable to re-negotiate contract terms	4	2	None, Agency is totally reliant on Department for Work and Pensions due to dependency on Department for Work and Pensions' systems and Department for Work and Pensions' negotiations as the Department for Work and Pensions are the main contract signatory; the Agency is not a contract signatory
Significant implementation costs apply which substantially reduce savings	4	2	As Agency only incurs NI specific and NI running costs it is anticipated that these costs will be minimal
NI unable to benefit from revised terms	4	2	Concordat with the Department for Work and Pensions applies
Department for Work and Pensions' renegotiations result in changes to IT systems which negatively impact on customer service within NI or lead to an additional cost of processing benefits within NI.	5	1	Agency will continue to liaise with the Department for Work and Pensions to ensure that systems changes do not negatively impact NI services
NI customers are unwilling to accept more direct secure and cost effective methods of payment	4	2	The Agency will seek to ensure that direct methods of payment are recommended to new customers and for customers who currently use alternative methods of

			payment where bank account details have been provided and will help customers to understand the benefits of more secure methods of payment.
Potential Impact on other departments and public bodies.			Mitigating Action(s)

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
<p>No negative impacts</p> <p>Cheque payment and its impending replacement the simple money transition service will still be made available to vulnerable customers as required</p> <p>Improved secure payment method will reduce the risk of instrument of payment fraud protecting the wider public finances and the customer.</p>	

1. Title of Savings Measure

Department	Department for Social Development – Social Security Agency
Savings Measure	Corporate Services
Spending Area & UoB	UOS A01, UOB A0102
Senior Responsible Officer	Tommy O'Reilly
Date of Latest Version of Delivery Plan	March 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	1,471	1,661	1,891	2,161
Total	1,471	1,661	1,891	2,161

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

The majority of Corporate Services costs incurred by the Agency are as a result of charges applied by the NI Civil Service Shared Service organisations. However, the Agency does still administer retained corporate service functions and in order to deliver savings which will have least impact on its front line statutory function of benefit payment, the Agency is proposing to reduce costs in this area.

In Spending Review 2007 the Agency's budget was reclassified from Admin to Programme in recognition of the front line service delivery nature of its business. To deliver its business the Agency has a range of supporting corporate services such as commercial services, training, IT support and accommodation-related services such as security and finance. These functions provide essential support enabling the payment of benefits, the delivery of welfare reform and securing the cost benefits from utilising Department for Work and Pensions' systems for the administration, payment and calculation of benefits within NI.

Under the proposed measures spend in these areas would be reduced.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	
<p>It is not expected that this will impact on the standard of services to the public, however reductions in these functions may increase the risk that:</p> <ul style="list-style-type: none"> • NI needs are not appropriately included within Department for Work and Pensions' procurements leading to additional costs of correction; • robust negotiations for NI costs are not in place leading to increased costs from the Department for Work and Pensions; • Reduced corporate service functions could lead to a risk that changes to the business are not subjected to an appropriate assessment leading to non Value For Money option selection and delivery. • Reduced training resources could impact front line service delivery as staff will not be subject to a comprehensive training regime for new systems and benefit regimes. This is important moving forward given the fundamental and significant changes to Welfare Reform envisaged over the Spending Review 2010 period. • Reduction in finance functions may mean that appropriate and sufficient resources are not in place to evaluate and understand the impacts, or deliver the proposed changes to the benefits (Annually Managed Expenditure) public expenditure regime, which are expected to be announced in the summer. Annually Managed Expenditure (Benefit expenditure) is approximately £4.2bn per annum for the Agency. 	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Review of retained Corporate Services functions.	11-12 onwards	
Consultation with Agency Trade Union and local representatives through the established structures as required	As required	

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.

None anticipated.

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
The Agency is unable to scale back its retained corporate service functions due to the demands of delivering business as usual and an aggressive welfare reform and modernisation programme.	3	3	Resources will be targeted to priority areas as far as possible.
Reducing resources in these areas will diminish the service provided to the Agency's core business delivery and lead to a risk that future commercial negotiations and testing of project options will result in systems and solutions that do not best fit NI customer needs and ensure that NI costs are minimised.	4	3	The Agency will use risk targeting to focus resources on highest risk activities.
Inadequate training on new benefit systems and regimes leading to increased levels of error negatively impacting Annually Managed Expenditure (Benefit Expenditure).	4	2	The Agency will focus resources on high priority areas; however the welfare reform programme will require significant training across a range of complex benefits.
The Agency is not able to provide sufficient/accurate financial information to the Core Department / Department of Finance and Personnel.	4	2	
The Agency is not able to evaluate or deliver the proposals for the new treatment of Annually Managed Expenditure (benefit expenditure), resulting in a financial risk to the wider public finances in NI. The impact of the risk will be better understood as further information on the proposals is known	3	2	The Agency will continue to work with Core, the Department of Finance and Personnel and the Department for Work and Pensions. This includes highlighting the wider importance of Departmental Expenditure Limit budget funded measures and activities in protecting Annually

			Managed Expenditure (benefit expenditure) and the wider public finances.
Potential Impact on other departments and public bodies.			Mitigating Action(s)

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
No negative impacts	

1. Title of Savings Measure

Department	Department for Social Development – Social Security Agency
Savings Measure	Productive Time
Spending Area & UoB	UOS A01, UOB A0102
Senior Responsible Officer	Tommy O'Reilly
Date of Latest Version of Delivery Plan	March 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	1,131	2,066	5,713	10,943
Total	1,131	2,066	5,713	10,943

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

The Agency's main business is to assess and pay a range of social security benefits. Under Spending Review 2007 the Agency's budget was reclassified from admin to programme recognising the front line nature of its business and the actions and functions necessary to deliver this. The statutory function of benefit calculation, administration and payment is delivered through a number of centralised benefit centres and a network of 35 local offices located throughout Northern Ireland.

Over the Budget 2010 period and beyond the Agency will be required to implement significant Welfare Reforms such as Income Support/Incapacity Benefit reassessment, Universal Credit, Disability Living Allowance reforms and other changes to pension and working age benefits. This will present a significant challenge in continuing to deliver the current benefits regime and in designing, implementing and delivering this expansive programme of welfare reform.

The Agency has defined processes in place for delivery of each of these benefits. The Agency will review its current customer service delivery mechanisms aiming to improve their sustainability freeing up more time for the delivery of benefit payment services, ultimately protecting this statutory function and the required reform of the benefits regime.

The Agency will continue to build on the modernisation projects and initiatives started in Spending Review 2007, which recognised that change was needed to ensure long term business viability. This includes looking at structures, processes and infrastructure providing long-term viability and a platform for consolidating and improving benefits delivery for our customers

The Agency will continue to embed a culture which ensures that processes are improved, focussed on customer requirements and delivered in the most appropriate cost effective manner.

The Agency will look at new initiatives such as the further consolidation and alignment of working age and pension age services driving out the most appropriate structures having due regard to the new financial and operating environment for Spending Review 2010, where necessary working with stakeholders including the Department for Employment and Learning.

The Agency also delivers important functions such as programme protection, debt assessment and recovery which are funded within the NI Block Grant but protect the wider public finances contributing to the Coalition government's proposals for deficit reduction. The Agency will continue to look at improved ways of delivering these activities.

The Agency will continue to ensure that: modernisation projects are designed and delivered to take advantage of the improvements in service delivery offered by technology and new project delivery techniques; that processes and service mechanisms are designed to deliver customer service needs in the most efficient and effective and affordable manner for the tax payer; and that modernisation initiatives are consistent with the future Welfare Reform landscape ensuring value for money.

The Agency recognises the vital and important role that staff play in the effective delivery of customer services, and action will continue to improve staff absences.

Given the nature of the Agency business changes to service delivery, processes and structures in combination with the modernisation and welfare programme these will inevitably mean that there will be changes to ways of working.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	Yes
If yes, provide a clear justification as well as any mitigating actions.	
<p>The current structures and levels of resources invested have led to good performance against the non statutory qualitative targets (clearance time and financial accuracy) related to benefit processing set within the Agency's business plan.</p> <p>The Agency will be faced with a significant challenge in delivering the expansive programme of modernisation and welfare reform, whilst sustaining the existing benefits service to customer and working within the financial constraints of the Spending Review 2010. This may increase the risk that service delivery will be impacted.</p> <p>Changes in organisation structures and the increasing use of technology for the delivery of the benefits regime will impact the customer access options available. This may be perceived as less accessible for customers who decide to travel to alternative locations rather than use other access channels (e.g. telephony services) offered by the Agency or avail of services offered by the Advice Sector. The availability of new technology may also result in more immediate delivery giving the customer enhanced control over the benefit service they receive and the ability to avail of the latest methods of delivery available in other service sectors. Given the wider public expenditure environment and the direction of welfare reform, it may not be viable to continue to deliver the range of physical access to locations within the wider NI network. Mitigations will be sought through the design of long term sustainable and affordable delivery models, which look to customer and stakeholder needs and proven measures used in the public and private sectors in service design and in the delivery of end to end customer services. New access channels and delivery methods will be supported by actions which will enable customers to use these. Future service design will seek to ensure that the most vulnerable of our customers have access to the help that they are entitled to and require.</p> <p>To protect public services, resources will be targeted to priority areas ensuring that Modernisation programmes and initiatives are delivered as efficiently as possible. This carries the risk that limited flexibility will be available to deal with unforeseen issues and could ultimately impact on the final service models designed and implemented to meet customer needs. Mitigations will be available through robust planning and assessment and risk targeting of the available skills and resources.</p> <p>Controlling and delivering further reductions in Annually Managed Expenditure (Benefit Expenditure)</p>	

spend by sustaining measures relating to quality, ensuring that people receive the assistance to which they are entitled and delivering welfare reform would positively impact the wider public finances and deficit reduction plans. This will mitigate the risk of future public spending cuts.

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Consultation with Agency Trade Union and local representatives through the established structures as required	Ongoing	
Review of structures, processes and delivery methods across benefit delivery services, including consultation and working with stakeholders	From April 2011	
Continued delivery of staff absence management measures across the Agency	From April 2011 onwards	
Engagement with Department for Work and Pensions on key modernisation initiatives	From April 2011 onwards	
Evaluation of modernisation requirements and prioritising resources to deliver the programme	From April 2011 onwards as required	

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
<p>There may be project type costs associated with the review of existing processes, technology & structures in order to implement the proposed measures. To mitigate the impact of outdated network structures, funding will need to be made available to progress structural reform, process and system improvement initiatives as appropriate. The current arrangements with the Department for Work and Pensions ensures that NI costs are minimised, as NI will only pay for NI specific changes and running costs.</p> <p>Costs will be incurred in re-educating customers to support them in accessing new delivery methods and channels.</p>

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk	Impact of risk	Contingent Action(s)
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	occurring (1-5)*	(1-5)*	
Reduced customer service through increased clearance times and reduced financial accuracy resulting in under and overpayments and leading to increased Annually Managed Expenditure (Benefit Expenditure).	3	2	Risk targeting of resources to mitigate the long term impact on Annually Managed Expenditure (Benefit Expenditure).
Inability for the business to cope with and absorb changes arising from an intensive Welfare Reform and Modernisation programme.	3	1	The Agency has a long and proven record of delivering Welfare Reform and modernisation projects. The Agency will continue to ensure that robust project management processes are in place, working closely with Department for Work and Pensions. Concordat applies to working with the Department for Work and Pensions.
Adverse political/public interest and publicity.	2	3	Consultation on modernisation and reform initiatives
Resistance from staff	1	4	Active engagement with staff as appropriate and in line with NI Civil Service requirements.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
Modernisation initiatives and Welfare reform will impact other departments including Department for Work and Pensions for parity measures and other NI departments on Welfare reform initiatives.			Concordat applies for engagement with the Department for Work and Pensions. Action will be taken to engage with affected NI Departments on welfare reform measures.

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
Changes to how services are delivered to and accessed by customers particularly customers in Pensions, Employment and Support Allowance/Incapacity Benefit/Disability Living Allowance and Income Support could negatively impact older, disabled and lone parent groups respectively.	The Agency will take steps to ensure that vulnerable customers have access to services

1. Title of Savings Measure

Department	Department for Social Development – Child Maintenance & Enforcement Division.
Savings Measure	Child Maintenance service
Spending Area & UoB	UOS A02 UOB A0202
Senior Responsible Officer	Mary Quinn
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	360	660	1,140	1,680
Total	360	660	1,140	1,680

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

Savings delivery measures already achieved in 2010/11 will be further realised during the Budget 2010 period. These savings together with further rationalisation of the Division's accommodation costs will mean that the impact of efficiencies on staff numbers will not occur until year four of the Review. The reductions will have a direct impact on the number of staff providing child maintenance services.

In order to deliver savings required in 2014/15, staff numbers need to reduce by 23, which equates to a 6% reduction in the current workforce.

The Child Maintenance and Enforcement Division's ability to realise savings from staff reductions is wholly dependent on surplus staff being redeployed throughout the NI Civil Service.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	Yes
If yes, provide a clear justification as well as any mitigating actions.	
<p>The Child Maintenance and Enforcement Division delivers an end to end frontline service which is legislatively driven. A reduction of service in one area will have a direct impact on the service provided in other areas; consequently in order to achieve the level of efficiencies proposed for year 4, cuts will have to be applied across the business in year 4.</p> <p>A reduction in staff numbers will have a proportionate impact on the level of services provided. This will impact directly on the amount of child maintenance collected and arranged and the number of children benefiting as a result. It will also impact directly on the Child Maintenance and Enforcement Division's ability to reduce the level of child maintenance arrears.</p> <p>The Child Maintenance and Enforcement Division collected and arranged £24.7million of child maintenance in 2009/10. With a reduction in staff numbers, the amount of child maintenance collected and arranged is likely to fall by £1.4 million in 2014/15. The impact on the number of children benefiting in 2014/15 is 1,700. These estimates do not take into account the impact of additional work generated from a reduction in service levels. Increased time spent on handling customer complaints and enquiries as a result of a reduced service will impact on the Child Maintenance and Enforcement Division's ability to progress cases. This will inevitably lead to increased backlogs, generating further complaints and enquiries not only from clients but also from MPs, MLAs, stakeholder groups and the media. The associated cost of handling this will impact further on Child Maintenance and Enforcement Division's ability to progress cases, reducing the amount of maintenance collected/arranged and the number of children benefiting.</p> <p>These reductions will also severely restrict Child Maintenance and Enforcement Division's ability to reduce the level of child maintenance arrears, which are likely to grow at an increased rate.</p> <p>The collection and arrangement of child maintenance is undertaken by caseworker activity. There is therefore no mitigation for the impact on public services. Caseworkers will simply not be able to process as many cases and will have to handle increased complaints and enquiry activity generated from a reduced service.</p>	

5. Timetable for Actions to Deliver Savings. To be completed

Action	Target Date	Outcome
Review of non staff costs	31 Dec 11	Measures Identified to reduce Non staff costs
To reduce non staff costs including rationalisation of accommodation costs	31 Mar 12	Non staff costs reduced in 2011/12
To reduce non staff costs including rationalisation of accommodation costs	31 Mar 13	Non staff costs reduced further in 2012/13
To reduce non staff costs including rationalisation of accommodation costs	31 Mar 14	Non staff costs reduced further in 2013/14
To reduce staff in post by 23	01 Apr 14	Staff costs reduced in 2014/15
To reduce non staff costs including rationalisation of accommodation costs	31 Mar 15	Non staff costs reduced further in 2014/15

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
<p>No implementation costs have been identified for implementing these savings measures.</p> <p>Savings are dependent on the redeployment of Child Maintenance and Enforcement Division staff in year 4 throughout the NI Civil Service. If this is not possible, Child Maintenance and Enforcement Division would be wholly reliant on NI Civil Service-wide early retirement/redundancy provisions but has no budget to cover any associated costs.</p>

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
If Child Maintenance and Enforcement Division is unable to achieve staff reductions through redeployment to the wider civil service in year 4 it will not be able to reduce staff numbers in 2014/15	1	1	<p>There are no further actions that Child Maintenance and Enforcement Division could take in isolation if this risk is realised.</p> <p>Child Maintenance and Enforcement Division is wholly reliant on NI Civil Service-wide provisions for early retirement/redundancy, but has no budget to cover any associated cost.</p>
Potential Impact on other departments and public bodies.			Mitigating Action(s)
The requirement to redeploy staff could be hindered by other public bodies and Departments also being required to redeploy staff.			

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
<p>A reduction in Child Maintenance services will have a disproportionate impact on females as 95% of parents with care are female.</p> <p>The Child Maintenance service is used by some of the most disadvantaged in society. A reduction in Child Maintenance and Enforcement Division's ability to collect or arrange child maintenance will result in fewer women being supported with a consequential impact on the ability to lift more families and children out of poverty.</p> <p>Similarly, a reduction in Child Maintenance services will have a disproportionate impact on children and people with dependents.</p> <p>The impact of the required level of efficiencies on Child Maintenance services in 2014/15 will be £1.4 million per annum less maintenance collected or arranged, impacting around 1700 children per annum.</p> <p>These estimates do not take into account the impact of additional work generated from a reduction in service levels. Increased time spent on handling customer complaints and enquiries as a result of a reduced service will impact on Child Maintenance and Enforcement Division's ability to progress cases. This will inevitably lead to increased backlogs, generating further complaints and enquiries not only from clients but also from MPs, MLAs, stakeholder groups and the media. The associated cost of handling this will impact further on Child Maintenance and Enforcement Division's ability to progress cases, reducing the amount of maintenance collected/arranged and the number of children benefiting.</p> <p>Such significant reductions will also severely restrict Child Maintenance and Enforcement Division's ability to reduce the level of child maintenance arrears, which are likely to grow at an increased rate.</p>	<p>The collection and arrangement of child maintenance is undertaken by caseworker activity. There is therefore no mitigation for the impact on public services, women in separated families or their children.</p> <p>Caseworkers will simply not be able to process as many cases and will have to handle increased complaints and enquiry activity generated from a reduced service.</p>

1. Title of Savings Measure

Department	Department for Social Development
Savings Measure	Housing Division Resource Costs
Spending Area & UoB	UOS B01 & B02 UOB B0102 & B0202
Senior Responsible Officer	Heather Cousins
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	90	170	280	410
Total	90	170	280	410

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

- Reduction in funding for supported services (technical staff from the Department of Finance and Personnel) seconded to Housing Division
- Reduction in funding for Sponsorships
- Reductions to other discretionary administration and programme expenditure

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Termination of funding for Sponsorships	2011-15	Reduced costs in line with available budget
Release posts in Housing Advisory Unit	2011-15	Recharge from the Department of Finance & Personnel reduced
Reduced discretionary expenditure		Reduced costs in line with available budget

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.

None.

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Potential Impact on other departments and public bodies.			Mitigating Action(s)
Reduction in Housing Advisory staffing will impact on recharges recovered by the Department of Finance & Personnel			

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
None.	

1. Title of Savings Measure

Department	Department for Social Development – NI Housing Executive
Savings Measure	Reduction in staff costs and overheads, Maintenance & Other costs
Spending Area & UoB	UOS B01 UOB B0103
Senior Responsible Officer	Heather Cousins
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	10,743	18,255	25,123	30,691
Total	10,743	18,255	25,123	30,691

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

Running Costs

Within the Housing Executive there has been an ongoing programme of service modernisation and rationalisation and it is planned to implement further phased reductions, initially for Grants Management and Design and Technical staff with the programme extended to other areas in later years. Staff reductions of this scale cannot be achieved without significant restructuring and reprioritisation of services. In addition indirect staff costs saving will be realised through reductions to General Running Costs. Reducing operational changes to IT, fewer advertising / marketing initiatives and stock surveys will also contribute to the necessary savings. The ongoing NI Housing Executive Review may recommend changes to existing structures and could affect future staffing requirements.

Resource

Resource savings would come from a number of maintenance and related schemes including disabled adaptations; alleygating; grounds maintenance; reactive maintenance and certain procurement/Health & Safety programmes.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	Yes
If yes, provide a clear justification as well as any mitigating actions.	
<p>Running Costs While all efforts will be made to protect frontline services the scale of the savings required may have some adverse impact on certain areas eg. processing of Housing Benefit claims. Restructuring of the present geographical configuration of Housing Executive services may mean that for some tenants access to local services may be reduced. Reduction in operational expenditure may have a limited impact on the standard of service to the public as more efficient systems may be delayed.</p> <p>Resource In the current economic climate there is already evidence to suggest that tender prices for maintenance programmes are coming in lower than previously experienced. Accordingly, while there may be some impact on frontline services, the effect is likely to be reduced by virtue of the lower tender prices.</p>	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Strategic staff reduction plan to be developed during 2010/11 with implementation and further work ongoing throughout the Budget 2010 period.	April 2011	Staff costs agreed in accordance with agreed plan
Indirect staff savings – Following consultation with trade unions the planned measures will be implemented with effect from 1 April 2011.	April 2011	Indirect staff costs reduced in accordance with agreed plan.
Maintenance Programmes	April 2011	Programmes maintained/continued at reduced costs through achievement of lower tender prices.

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
<p>Running Costs The estimated requirement for a voluntary early retirement scheme is £3m per year, a total of £12m over the Budget 2010 period.</p> <p>Resource None – all schemes/programmes already in existence</p>

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7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Tenders are returned at higher than anticipated prices.	4	3	Retendering could be considered
Higher than anticipated demand for this service	4	3	On going monitoring of expenditure in this area / robust appraisal of options
Adverse public reaction if unable to meet demand	4	4	Contribute towards priority areas only
Increased demand for services / impact of biodiversity strategy	4	4	Ongoing monitoring of expenditure in this area
Contractors unable to deliver service at tendered prices	4	2	Contract will be reviewed on regular basis.
Backlog of work from current financial year impacts on ability to make all savings	3	3	Current programme will be closely monitored
Changes in legislation / building control requirements or increase in costs (e.g. no's of smoke detectors required in each dwelling / building control applications may be required)	5	3	Legislative / policy changes will be closely monitored.
Funding not available to meet costs of voluntary early retirements.	2	3	Housing Executive would seek approval to transfer funds from other expenditure areas.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
None identified.			

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
None identified.	

1. Title of Savings Measure

Department	Department for Social Development – NI Housing Executive
Savings Measure	Rental Increases – Maintained at 3.75% Uplift per annum
Spending Area & UoB	UOS B01 UOB B0103
Senior Responsible Officer	Heather Cousins
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	9,200	17,800	26,700	35,900
Total	9,200	17,800	26,700	35,900

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

Annual rental increases maintained at current rate of increase of 3.75%.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	
This proposal will not have any adverse impact on frontline services and will avoid having to make further significant cuts to other areas of the housing budget. It will therefore help maintain the standard of service being provided to tenants. For those tenants not on Housing Benefit the proposed increase equates to about £2 per week which would be below forecast levels of inflation. Currently 75% of tenants are eligible for Housing Benefit and would not therefore be personally responsible for meeting the proposed rent increases.	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Proposed rental increases can be managed through existing Annual Budget Submission process.	By 31 January 2011	NI Housing Executive Board and Ministerial approval to apply rental increase obtained.

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
None

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
NI Housing Executive Board approval not obtained	5	2	Additional cuts to frontline services will be required, probably in maintenance services.
Ministerial approval not obtained	3	2	Additional cuts to frontline services will be required, probably in maintenance services.
Actual official inflation is less than proposed increase of 3.75%	4	3	Additional cuts to frontline services will be required, probably in maintenance services.
Potential Impact on other departments and public bodies.			Mitigating Action(s)

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
No significant impact identified.	

1. Title of Savings Measure

Department	DSD – Urban Regeneration and Community Development Group
Savings Measure	Reduction in Urban Regeneration and Community Development Group Programmes
Spending Area & UoB	UOS C01
Senior Responsible Officer	D. Ferguson
Date of Latest Version of Delivery Plan	16 February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	100	215	330	468
Resource	1060	1915	3330	4932
Total	1,160	2,130	3,660	5,400

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

The savings are £5.4m on the Urban Regeneration and Community Development Group 2010-11 baseline budget. The neighbourhood renewal budget of £20m is entirely protected going forward. The Charity Commission budget is also protected to allow it to deliver its statutory obligation. The statutory obligation. The statutory obligations on the Lagan Weir have been protected for 2011/12 and savings applied thereafter to the Laganside legacy programme. Discretionary expenditure such as consultancy, maintenance, Professional and Technical costs along with Promotions has been targeted in conjunction with a reduction in Ilex's baseline activity that is redirected to the City of Culture programme. In administration a review will identify opportunities for redeployment in programmes that have come to an end and a further streamline of back-office activities.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	Yes
If yes, provide a clear justification as well as any mitigating actions.	
<p>The savings of £5.4m mean that not all front line programmes can be protected with some reduction in community development programmes, consultancy exercises, maintenance, Laganside legacy, promotions, professional and technical support and Ilex programmes. As approximately £4.1m of the savings are within the physical programme area these are deemed discretionary in nature and the reduction will have a lesser impact on front-line services. Mitigating action proposed would be to use funding from the savings to fund the Children's and Young People programmes for a further 4 years, make a contribution to the Special Olympics, provide additional funding for the neighbourhood renewal investment fund over its historic baseline and provide resource funding to Ilex to deliver City of Culture programmes. In addition, capital funding secured in the ISNI III exercise will be targeted to invest more capital in disadvantaged areas to compensate for the savings in programmes.</p>	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Reduction of £1,160k in 2011-12.	March 2011	Reduction in administration and resource budgets.
Reduction of £2,130k in 2012-13.	March 2012	Reduction in administration and resource budgets.
Reduction of £3,660k in 2013-14.	March 2013	Reduction in administration and resource budgets.
Reduction of £5,400k in 2014-15	March 2014	Reduction in administration and resource budgets.

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
It is anticipated that staff may require redeployment and this will be managed within the NI Civil Service.

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Savings do not occur in respective years as anticipated.	2	2	An agreed plan will be in place and monitored throughout the financial years. Discretionary savings may be brought forward from later years.
Staff savings identified cannot be redeployed	1	2	Early engagement with the Department of Finance and Personnel on a redeployment policy and consideration of a voluntary redundancy package.

Failure to obtain Minister, Social Development Committee and external stakeholder acceptance of the savings plan.	3	1	A draft plan will be produced and consulted with the relevant interested parties.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
Any reduction in the urban regeneration and community development programmes will impact negatively on the extent of work being undertaken to address inequalities and encourage economic development.			The Department will seek to place additional capital bids to improve the physical landscape of communities.

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
The savings in the physical programmes will impact on the sustainability of existing and new regeneration opportunities, private sector investment will be lost if public investment is reduced significantly.	The Department will seek to target capital funding to improve the physical landscape of communities.

1. Title of Savings Measure

Department	Department for Social Development
Savings Measure	Closure of Independent Living Fund to new applicants
Spending Area & UoB	UOS: A01 UOB: A0115
Senior Responsible Officer	Stephen McMurray
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	100	200	300	400
Total	100	200	300	400

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

The Independent Living Fund (2006) is a national resource providing financial support to enable disabled people to live independently. It operates on a UK basis and is administered by the Independent Living Fund, a Non-Departmental Public Body of the Department for Work and Pensions. The Department meets the costs of NI recipients of the Fund and a share of administration costs. Due to escalating costs a decision was taken in GB to close the Fund to new applicants from June 2010. As a result of this savings will be achieved in the budget due to reducing caseload (attrition) and a reduction in administration costs. The Independent Living Fund have provided a cost profile covering the period 2010-2015.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	
<p>The Independent Living Fund works in partnership with Local Authorities (the Health & Personal Social Services in N.Ireland) and in order to be eligible for an Independent Living Fund award, a candidate must be receiving from their Local Authority (Health & Personal Social Services) a minimum level of service per week known as a 'Threshold Sum'. Consequently the Independent Living Fund does not typically receive new applications from candidates, rather from Local Authorities (Health & Personal Social Services) who have the primary responsibility for meeting the needs of disabled people in their areas. Therefore a change in the ability of Independent Living Fund to accept applications does not impact directly on candidates, rather on Local Authorities (Health & Personal Social Services) which may or may not alleviate the position through their own decisions.</p>	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Closure Independent Living Fund to new applicants	June 2010	Achieved
Reduction in administration costs.	March 2012	£100k
Reduction in administration costs Reduction in programme costs	March 2013 March 2013	£120k £ 80k
Reduction in administration costs Reduction in programme costs	March 2014 March 2014	£150k £150k
Reduction in administration costs Reduction in programme costs	March 2015 March 2015	£170k £230k

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
None

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Reduction in caseload (attrition rate) may be slower than predicted	5	5	Bigger reductions will have to be made to administration costs.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
The change in the ability of Independent Living Fund to accept applications impacts on Local Authorities in GB (the Health and Personal Social Services in NI)			Local Authorities (HPSS) may or may not be in a position to alleviate the position through their own decisions.

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
The decision to reject applications and to make no new offers of funding, and to restrict increases will necessarily have an adverse effect on people in all equality groups.	The impact on any one individual is likely to be mitigated to the extent that their Local Authority (HPSS) is able to address the need that the individual sought to have met by the Independent Living Fund.

1. Title of Savings Measure

Department	Department for Social Development
Savings Measure	National Insurance Fund Accommodation Charges
Spending Area & UoB	UOS: A01 UOB: A0110
Senior Responsible Officer	Stephen McMurray
Date of Latest Version of Delivery Plan	February 2011
Date Assembly committee consulted on Delivery Plan	

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	-	-	-	-
Resource	100	200	300	400
Total	100	200	300	400

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

This is a statutory obligation on the National Insurance Fund to meet the costs incurred in administering Fund (contributory) benefits. With the cessation of Incapacity Benefit for new claimants from October 2008 and the ongoing reassessment of existing Incapacity Benefit claimants to Employment and Support Allowance, savings will arise in Nat Ins Fund accommodation charges paid to the Department of Finance and Personnel, as there is no liability on the fund to reimburse costs associated with administering Employment and Support Allowance.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	No
If yes, provide a clear justification as well as any mitigating actions.	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
Cessation of Incapacity Benefit for new claimants	Oct 2008	Ongoing
Reassessment of existing Incapacity Benefit claimants to Employment and Support Allowance	June 2011 To 2014-15	Plans in place

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
None

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Slippage in reassessment process.	5	5	Unlikely savings, which are modest in early years, will be heavily impacted upon.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
Reduction in accommodation receipts to Department of Finance and Personnel from the Nat Ins Fund.			Reduction in overall Department of Finance and Personnel accommodation costs.

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
This measure in itself will have no impact on equality, good relations or sustainable development.	

1. Title of Savings Measure

Department	Department for Social Development
Savings Measure	Corporate Service Reductions
Spending Area & UoB	Core Department (CO1)
Senior Responsible Officer	Stephen McMurray
Date of Latest Version of Delivery Plan	April 2011
Date Assembly committee consulted on Delivery Plan	May 2011

2. Forecast of Savings Accruing from Savings Measure (£000's)

	2011-12	2012-13	2013-14	2014-15
Admin	20	140	400	680
Resource	100	50	-	-
Total	120	190	400	680

3. Summary of Savings Measure.

Provide summary details of the savings measure including supporting evidence for the forecast level of savings.

The two main directorates within the **Core Department** are Human Resources Division and Financial Management Directorate, which, together, account for over 75% of the overall Core budget. In protecting funding for frontline services, steps will be taken to achieve ongoing reductions in administration expenditure in these areas.

Within the Human Resources Division there are a number of fixed costs under the current delivery model, including those for Accommodation and HR Connect contract charges. The bulk of the remaining budget that can be directly controlled is staff costs and, while savings measures proposed may involve adjustment to staffing levels where possible, it is intended that there would be no redundancies. Other areas being assessed for savings are cessation of secondments (where the Department remains responsible for costs); and reductions in overtime, hospitality costs, consultancy costs, support for further education, conference fees, travel costs and car parking costs. A similar approach will be used for non-frontline costs in the Financial Management Directorate since over 70% of the total Directorate budget relates to the Appeals Service and Decision Making Services, key areas impacting on service delivery.

4. Impact on Frontline Services of Savings Measure.

Will the savings measure have an impact on the standard of public services provided to the public?	Yes
If yes, provide a clear justification as well as any mitigating actions.	
<p>No impact on frontline services as these are being protected. However the following impacts should still be noted:</p> <ul style="list-style-type: none"> - reduced funding for secondments may attract adverse reaction from both staff and bodies seeking secondments; - reduced funding for further education may attract adverse reaction from staff, particularly in an liP accredited organisation; - reducing staff travel costs may take time to materialise as the culture of using alternative means of contact (eg. teleconferencing) are embedded. <p>Mitigating actions in all cases will be proper and timely communication about the need for reductions in these areas.</p>	

5. Timetable for Actions to Deliver Savings.

Action	Target Date	Outcome
General administrative expenditure reduced where possible year-on-year	March 2011 March 2012 March 2013 March 2014	Sufficient resources left to live within new baselines

6. Summary of Implementation Costs for Savings Measure.

Please provide details of any implementation costs and how they will be funded.
None

7. Key risks and interdependencies to implementation of Savings Measure and details of contingencies.

Key risks	Probability of risk occurring (1-5)*	Impact of risk (1-5)*	Contingent Action(s)
Inability of Branches to live within their reduced budget allocations owing to other unforeseen pressures emerging & position in rest of the Department.	3	3	Redistribution of resources within & around the Department and bids submitted to the Department of Finance and Personnel where no other alternative available.
Potential Impact on other departments and public bodies.			Mitigating Action(s)
The need for efficiencies in DSD will impact on the level of available resources for transfer to the Department of Justice for The Appeals Service and the Office of the President.			Discussion with Department of Justice colleagues to determine true requirements and bids submitted to the Department of Finance and Personnel at in-year monitoring rounds if necessary.

* 1 is the highest and 5 the least

8. Summary of assessment of potential impact in respect of Equality, Good Relations and Sustainable Development as well as details of any mitigating actions.

Impact	Mitigating Action(s)
None identified.	