

**ITEM 5: EDUCATION PORTFOLIO BUDGET MONITORING 2015/16****Further details regarding the Supplementary Estimate request for Adult Education**

- 1.1. During 2015/16, the Adult Education service has taken several actions to help contain the overspend resulting from the reduction in grant funding from the Skills Funding Agency for 2015/16, including the further in-year reduction of £68k that was announced in July 2015.
- 1.2. By keeping vacant posts unfilled and reducing the hours of admin assistants, caretakers and cleaning staff, a total saving of £119k has been achieved.
- 1.3. In additional, sessional staff hours have been reduced relating to the in-year grant reduction for ESOL, achieving a saving of £50k on staff costs and £18k on exam fees.
- 1.4. By reducing the amount of copies of the prospectus that are printed, and ceasing the distribution in local newspapers, a saving of £14k has been realised, and a further £3k saved on other miscellaneous supplies and services.
- 1.5. Poverest Nursery was closed in July 2015, and although this only achieved modest ongoing savings, it saved at least £10k in repair costs that would have had to be undertaken.
- 1.6. The recharge for use of rooms at the Widmore Centre by the Workforce Development and Governor Services teams has been increased to be more in line with the other lettings. This would not normally be seen as a saving as it just transfers the costs to another service, however in this case the service is part-funded by DSG and trading income so this does result in an overall net saving.
- 1.7. Although the above actions have been taken to address the overspend, any significant changes to the service cannot be completed in the short term. To this end a consultation paper was released on Friday 16<sup>th</sup> October 2015 detailing the proposal to effect a significant restructure of the Adult Education service from September 2016.
- 1.8. The overall proposal results in net full year savings of around £586k which will offset the majority of the grant reductions, and result in an overall full year net service budget of around Cr £400k, compared to the current Cr £600k budget i.e. this would reduce the current projected overspend of £382k in 2015/16 to around £200k in 2017/18, with part year reduction in 2016/17.
- 1.9. Full details of the proposed restructure and the results of the consultation will be reported back to members in due course.
- 1.10. As all action has been taken to reduce this in-year, a supplementary estimate is required recognising that these proposed changes cannot be implemented in the current financial year.