

Meeting:	Lifelong Learning Scrutiny Sub-Committee
Date:	19 th October 2005
Subject:	Harrow Teachers' Centre (HTC)
Responsible Officer:	Anita Luthra-Suri, Group Manager, Lifelong Learning Services
Contact Officer:	Melvyn Leach, Teachers' Centre Manager
Portfolio Holder:	Education and Lifelong Learning
Key Decision:	No
Status:	Public

Section 1: Summary

This report provides a response to the request for a follow-up report requested by the Lifelong Learning Scrutiny Sub-Committee at their meeting of 19th April 2005.

Decision Required

- To note and comment on the report.

Reason for report

- It was not possible to present the final outturn figures to the meeting of the Lifelong Learning Scrutiny Sub-Committee of 19th April 2005 as these were not available at that time. Instead, predictions were used. The meeting resolved to request a further update on the 2004-2005 budget once all figures were known.

Benefits

The financial year 2004-2005 was the first where the funding of the Teachers' Centre changed from Service Level Agreements with Schools to a pay-as-you-go system for room use. It is appropriate to review this with a full picture of the first financial year where this new system was in place.

Cost of Proposals

Not applicable.

Risks

- The new funding structure, together with increased prices, may have caused instability resulting in an unviable situation.

Implications if recommendations rejected

Not applicable.

Section 2: Report

Brief History

As part of the Best Value process, Cabinet approved the change of funding from a Service Level Agreement with Schools to a “pay-as-you-go” system for room use that commenced on 1st April 2004. The hourly rate for room use for the first five months of the 2004-2005 financial year was set at approximately 2.8% increase over previous hourly rates. It was proposed to Cabinet that the rates would have to be increased in order to meet income targets. Higher hourly rates representing increases of approximately 30% to 40% were charged from 1st September 2004 for the remaining 7 months of the financial year. As a result of the lower rates during the first five months of the financial year, it was initially predicted that there would be a loss of £72,000. This was subsequently reduced to a prediction of £55,000 and then to £26,000.

Current Position

As a result of careful budget management and a one-off income of £27,000 from an externally funded project, it is pleasing to be able to report that the final outturn figures show a reduction of the loss to £15,000.

Comments for 2005-2006

It has already been reported that the final outturn for 2004 – 2005 benefited from a one-off income of £27,000. This will not be available for 2005-2006.

There have been some significant changes since the report was presented on 19th April 2005 that merit additional comments to those previously made.

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- Following major internal refurbishment, an additional 25 office-based People First officers now work from the top floor of the hall/gym block. This accommodation had not previously been used. This use will incur additional utilities and caretaker costs. Although this expenditure will be balanced against additional rental income, it is unclear at this stage whether the additional expenses will be covered by the rental. This will be monitored.
- As a result of the change to Single Status, as well as a review and re-evaluation of Job Descriptions for catering, administrative and caretaking posts, there has been an increase in expenditure on salaries. For some posts, the increase has been in the order of 35%.
- Significantly higher than inflation rises in utilities charges, as well as the increased use of utilities as a result of the refurbishment already mentioned, will be a pressure on the budget.

There is a risk that the total additional expenditure for 2005 – 2006 could exceed the additional income generated from the increase in the numbers of users. This will be monitored, discussed and reported at the regular meetings with the Group Accountant (People First Strategy and Resources). Steps will be taken to reduce the impact of this risk by minimising expenditure and maximising income.

As a result of the increased costs, it may be necessary to recommend above inflation rate increases in the unit charges made for services provided by the Teachers' Centre (e.g. hourly rooms rates, desk rates for office-based staff, Media Resources services, catering). These factors will be taken into account when calculating rates for 2006-2007.

Options considered

Not applicable.

Consultation

Not applicable.

Financial Implications

The Council's MTBS is based upon the expenditure at the Teachers' Centre being offset by income. Steps, therefore, need to be taken to contain expenditure within the income available for 2005/2006. The increase in costs will need to be taken in account when setting the level charges for 2006/2007. This is likely to result in above inflation increases for the next financial year.

Legal Implications

None.

Equalities Impact

By ensuring that Harrow Teachers' Centre is financially stable, the facility will be available to support learning and training for Harrow's workforce. It is expected that HTC will play a key role in the development of the HCU (Harrow Corporate University) as well as ensuring that important facilities, including training rooms, ICT suites, a function hall and gymnasium (shared use with Whitefriars School), are available for Adult & Community Learning, Family Learning, local Colleges as well as for cultural, religious and community use. Increase in prices may impact adversely on some users and this will continue to be monitored.

Section 3: Supporting Information/ Background Documents

Appendices

None