

Harrow Teachers' Centre

This paper presents a first analysis of the financial situation that the Harrow Teachers' Centre (HTC) is in due to a number of pressures. It also outlines the steps being taken to bring the budget under control, but as other services consider the impact of the budget savings on their services this is causing major secondary repercussion for the HTC.

Background

A Best Value Review of Harrow Teachers' Centre started in 2002. 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. This change in policy, together with prudent budget management, has enabled a projected overspend of £72k reported to the Lifelong Learning Scrutiny Sub-Committee in October 2004, to result in a break-even budget for 2005/2006.*

In addition to managing the budget, in the last 2 years, and in partnership with stakeholders, the site has significantly improved facilities in the following ways.

- Automatic opening doors to all main entry and exits thereby improving disabled access and the appearance of the centre.
- Fire doors held open by electromagnetic locks enabling doors to be held in the open position and linked to the fire alarm system. – this improved disabled access, safety and ventilation.
- Complete refurbishment of a suite of unused rooms enabling 30 extra desk places to be created above the Hall and Gym.
- Refurbishment of some existing offices to improve the working environment.
- New blinds in offices and training rooms to meet current fire retardant standards and have improved the appearance and comfort for users.
- Repainted signage in car park thereby improving safety.
- Improved the maintenance of the grounds

Functions and services

The Harrow Teachers Centre is:

- **An office base** for over 100 People First Staff including, Achievement & Inclusion Group, Access and Development, Curriculum Access Team, Sensory & Communication Team, Ethnic Minority Achievement Service & Traveller Education, Lifelong Learning Services & LLS Family Learning Outreach, Music Service, National Union of Teachers.
- **Training and conference centre**, the only site dedicated to providing staff development for Harrow staff and is part of Harrow Corporate University with 14 meeting/training rooms with the latest in interactive whiteboard and Internet technology.
- **Hall & Gymnasium** for Whitefriars School who share the usage during the day.
- **PlayCentre** each school holiday the Youth Service runs a successful holiday playscheme enabling parents to work while their children take part in a range of activities.
- **Sports Hall** at evenings and weekends the gymnasium is used for children and young peoples activities such as girls cricket, football, Tai Kwon Do, Harrow Mencap sports.
- **Community Venue** such as weddings, family gatherings, cultural, religious and performance events.

- **An Examination Centre** for National Council for the Training of Journalists, Guildhall, RSA, OCR, CLAIT
- **A Resource Centre** housing a range of resources and collections for Harrow.

Budget

Since 2004 the Teachers' Centre budget is based on a pay-as-you-go principle for room use, office space, catering, media resources and equipment hire with a total annual income of over £625,000 in 05/06.

Early in the financial year 2006/2007 budget pressures were identified from expenditure relating to non-controllable budgets. Since then additional budget pressures have been identified some as a result of savings offered by the Lifelong Learning Group and the rest from the impact of the required savings in other areas of the Council. The financial pressure on the Teachers Centre budget are therefore coming from:

- Non-controllable budgets
- Reduction of room bookings by major users e.g. Achievement & Inclusion
- Reduction in Conference and Community Events
- Harrow Saves – Catering
- Brent & Harrow Education Business Service

The total predicted shortfall in year from all these areas is £215K.

HTC contribution to savings from Lifelong Learning is proportionately larger because all other services in Lifelong Learning are from Grant Income that has to be claimed against expenditure from the Learning & Skills Council, Government Office, LDA etc

Non Controllable Budgets

Predicted shortfall £63K

A comparison between the budget for 2005/6 and predictions for 2006/7 show the following percentage increases for some non-controllable expenditure which are utilities and staff salaries:-

Cost Centre	Prediction 2006/7	Percentage Increase	Budget Variation
Gas	£13k	160%	£8000
Electricity	£11k	33%	£2700
Building Cleaning	£27k	30%	£6200
NNDR	£63k	47%	£20 000
Building Maintenance	£34k	42%	£10 000
Refuse Collection	£5k	13%	£ 600
Telephones	£21k	11%	£2100
Total			£49 600

Salaries:

<i>Cost Centre</i>	<i>Prediction 2006/7</i>	<i>Percentage Increase</i>	<i>Budget Variation</i>
Catering Staff	£59k	34%	£15k
Caretaking	£58k	15%	£8K
Total	£117k	24%	£23k

As a result of Single Status salary adjustments, there has been a range of salary increases ranging from 10% to 38% for caretaking and catering staff. The budget for 2006/7 is £44k for catering salaries. The predicted spend for 2006/7 is £59 showing a shortfall of £15k.

Redeployment into a post at the Teachers' Centre and Single Status salary adjustments has resulted in an increase of £8k to £58k to Caretakers Wages when comparing the budget for 2005/6 with the prediction for 2006/7.

Reduction in room bookings

Predicted Room rental Shortfall - £95K

In order to achieve identified savings, other budget holders within Harrow Council are also cancelling room bookings. The total income target for this is £342k. As a result of cancelled room bookings from the internal market within Harrow Council, our earliest prediction is that there will be a shortfall of £95k (but could be more severe) in the income target.

Reduction in Conference and Community Events

Predicted Income Shortfall £9k

Changes in community lettings due to the change in the funding criteria for Community groups and access to reduced rates means that we would be hosting less community events and conferences, this will also impact on the catering income. The loss of two recruitment fares that took place at HTC generated £22K an additional income but this was already profiled in the budget.

Harrow Saves – Catering

Predicted Catering Income Shortfall £43K

The target income for room service and conference income for 2006/7 is £83k. A significant proportion of this income is from tea/coffee etc for meetings and training. Since the introduction of the savings item that refreshments will not be served at meetings, a significant number of hirers have cancelled these items. This policy will result in this income stream being severely reduced. The actual income is £23k for periods 1 to 4 (i.e. in the period before the savings plan). Consequently the total year income is unlikely to go above £40k resulting in a shortfall of £43k in income. The income may well be significantly below this figure. For comparison, for 2005/6 the income target was *exceeded* by £3k.

Brent & Harrow Education Business Service (BHEBS)

Predicted Income Shortfall £5K

It was planned to move BHEBS into the HTC and this would have resulted in year savings of £5K with increased income and events. Brent Head teachers were not pleased with the move and alternative accommodation is being sought in Brent from Brent Council.

Savings Options

A number of options are being put in action to control the predicted shortfall but it is a very volatile situation but the best estimate at present is that we can pull back **up to £100K** if the options list here are approved.

Reprofile Salaries

Savings achieved £17 K

HTC budget was reprofile to include the increased salaries of staff so most of that £23K has been absorbed in the budget, but a shortfall in the caretaking costs of £6K remains to be covered, this is again due to change in the way salaries for as and when catering staff are now calculated.

Increase Residents Charges

Projected Increase £67K

Approximately 100 People First Staff have their office base at the Teachers' Centre. They predominantly are from teams within Achievement and Inclusion, Children's Services and Lifelong Learning Services. Desks are rented to teams. The annual rental includes desk-space, telephone calls and storage. The annual rental was originally calculated approximately 10 years ago and was based on utilities and other charges of that time. Each year rental charges were only able to be increased in line with the percentage agreed at Cabinet of approximately 2.8%. These annual increases have not kept up with the actual soaring costs.

In order to meet these expenditure items, the charges to desk space rental (that have traditionally been referred to as "Residents") will have to increase significantly:-

<i>Location</i>	<i>2005/6</i>	<i>Proposal for 2006/7</i>	<i>Amount of increase</i>	<i>% increase</i>
Main TC block	£812	£1,500	£688	85%
Hall/gym block (where telephony is not included in the unit cost)	£662	£1,250	£588	89%

Despite the significant proposed increase as compared to previous years, the Residents Charges proposed above for 2006/7 at Harrow Teachers' Centre represent excellent value for money when compared with local alternatives (see below) and are £1k lower than the cheapest local alternative and £7k cheaper than the most expensive.

Location	Price Per Person Per Annum (Minimum)	Price Per Person Per Annum (Maximum)
Harrow Teachers' Centre	£1,250	£1,500
Rayners Lane, Harrow	£2,160	£2,640
Field End Road, Ruislip	£2,400	£3,600
Imperial Drive, Harrow	£3,000	£5,100
Station Road, Harrow	£3,540	£3,540
Harrow Road, Wembley	£3,600	£3,600
Imperial Drive, Rayners Lane	£3,600	£6,000
Imperial Drive, Rayners Lane	£3,600	£3,600
Station Road, Harrow	£4,500	£8,500
Gayton Road, Harrow	£4,800	£4,800
Gayton Road, Harrow	£5,160	£6,000
Gayton Road, Harrow	£5,580	£5,580

Look for new Residents & Lets

Projected increase £8K

New community groups have been found to take up the use of the Hall for sports training for young people in four evenings at a reduced rate but at no additional cost.

It will be harder to replace the very large block bookings that Achievement & Inclusion have given up and other Council clients are hard to find as currently, committee rooms and other venues at the Civic Centre can be booked free of charge for internal users whereas in contrast, the Teachers Centre is obliged to charge as a result of the pay-as-you-go policy. This anomaly means that the Teachers' Centre is at a considerable disadvantage that is exacerbated by the savings plan currently in place across the organisation. It may be that it is the ideal venue for an event but the organisers are able to get a Civic Centre venue at no charge and choose the latter even if it is not really the most suitable option, apart for budgetary reasons.

As a result of this anomaly, in March 2004, the Best Value Panel resolved that:

'A review of the Civic Centre committee room booking system be undertaken.'

This review has yet to take place. In light of the increased pressure on budgets within the internal market for room bookings, and the disproportionate effect that the savings are having on the Teachers' Centre room bookings income as a result of a lack of a "level playing field", this review takes on an even greater urgency.

The MTBS

An initial options paper looking at a range of savings is also attached.