

LONDON BOROUGH OF HARROW

Meeting:	Cabinet
Date:	20 April 2004
Subject:	Harrow Teachers' Centre – Best Value Interim Report
Key Decision:	No
Responsible Chief Officer:	Executive Director (People First)
Relevant Portfolio Holder:	Planning, Development, Housing and Best Value Education and Lifelong Learning
Status:	Public
Ward:	All
Enclosures:	Appendix 1 – Report considered by the Best Value Advisory Panel – 25 March 2004 Appendix 2 – Recommendation from the Best Value Advisory Panel held on 25 March 2004

1. **Summary/Reason for urgency (if applicable)**

- 1.1 This report considers recommendations made by the Best Value Panel at their meeting of 25th March 2004 of the Best Value Review of Harrow Teachers' Centre and makes interim recommendations. There are financial implications from 1st April 2004.

2. **Recommendations** (for decision by Cabinet)

- 2.1 To support the approval given by the Best Value Review Panel on 25th March 2004 that the Best Value Report of Harrow Teachers' Centre is incorporated into and superseded by the feasibility study into the potential development of Harrow Council as a Work Based Learning provider that is part of the new "Harrow University" (the "HU").

REASON: Important changes, including the potential development of Harrow as a Work Based Learning provider (the "HU") may significantly affect the outcome of the recommendations of the Best Value Review report.

- 2.2 To support the approval given by the Best Value Review Panel on 25th March 2004 that there is a change to the rate of fees and charges as laid out in Appendix A of Appendix 1 to be implemented from 1 September 2004 for using the Teachers' Centre above the rate of approximately 2.8% agreed at Cabinet.

....continued

REASON: The Service Level Agreement with schools for using the Teachers' Centre will cease on 31st March 2004. Use of the Teachers' Centre (e.g. attendance at INSET sessions by school staff) will instead be on a pay-as-you-go basis for all users from 1st April 2004. An interim rate of fees and charges was approved by Cabinet based on an inflationary increase of 2.8% pending the recommendations from the Best Value Panel after their consideration of the interim report at their meeting on 25th March 2004. The rates based on a 2.8% increase of the rates formerly paid by some users, will not enable recovery of the income lost from the cessation of the Service Level Agreement with schools.

3. **Consultation with Ward Councillors**

3.1 None

4. **Policy Context (including Relevant Previous Decisions)**

4.1 Cabinet on 17 February 2004 approved an interim schedule of fees and charges for the Harrow Teachers' for 2004-2005.

5. **Relevance to Corporate Priorities**

5.1 The implementation of the interim recommendations will contribute to the Council's Lifelong Learning Priorities.

6. **Background Information and options considered**

6.1 The process of carrying out the Best Value Review of Harrow Teachers' Centre started two years ago in 2002. Since that time, and particularly recently, there have been significant changes that impact of the value of continuing the review in its current form.

6.2 The Teachers' Centre has bid successfully for funding (£32,500) from the London West Learning and Skills Council to establish a satellite Professional Development Centre for "Skills for Life" to support improvements in teacher training in adult learning in literacy, numeracy and English for speakers of other languages.

6.3 There have been important national developments in Work Based Learning. It is proposed that Harrow Council co-ordinates Work Based Learning for Harrow Council staff within the structure of the new "Harrow University" (the "HU").

6.4 The value of a HTC BVR should re-assessed in light of current changes and developments to ensure the best possible fit to current trends and innovations, including the feasibility study currently being undertaken on behalf of Harrow Council to establish the 'HU'.

6.5 Consequently it is recommended that the feasibility study currently being considered for Harrow Council becoming a Work Based Learning provider (the "HU") incorporates valuable information and recommendations from the HTC BVR process and, furthermore, supersedes it.

- 6.6 The system for funding the schools contribution for the Teachers Centre has been provided by Service Level Agreements with schools. Following a decision by the High Schools to opt out of paying the Service Level Agreement for the financial year 2003-2004, the Teachers' Centre Best Value group recommended that the Service Level Agreements with all schools should cease on 31st March 2004. This will result on a loss of income of £178,000 (using 2003/4 figures plus 2.8%) from 1st April 2004.
- 6.7 The equivalent income will instead be recovered by a pay-as-you-go system linked to level of use (rather than numbers of children in a school) for attendance at INSET sessions and meetings organised by School Development Services, Early Years, and other sections for school staff and others from 1st April 2004. This is reflected in the charge made for individuals to attend.
- 6.8 Schools have the choice of reassigning the amount that would have been paid to the Teachers' Centre (ranging from £1,000 to £6,000 per year per school depending on the numbers of children in a school) for the Service Level Agreement into their staff development budget instead. This could then be used to pay for the charge made for delegates attending sessions.
- 6.9 A schedule of charges for room use was prepared based on the pay-as-you-go system to enable the funding formerly drawn from Service Level Agreements, to instead come from room charges paid by the organisers of INSET. The Best Value Review Panel asked that these charges should first be considered at their meeting on 25th March 2004 before being presented to Cabinet. As a consequence of this, an interim rate of fees and charges was instead presented for approval by Cabinet. These rates were based on hourly rates formerly paid by both non-education departments and external users with inflationary increase of approximately 2.8% added. These charges are identical for both Priority Users (Harrow Council Internal) as for Non-Priority Users (External).
- 6.10 These interim charges were approved by Cabinet and will be used in the first instance for the period 1st April 2004 until 31st August 2004 inclusive.
- 6.11 A detailed analysis had been undertaken of the budget and projected hours of use to produce the original schedule of charges. These higher rates are set out in appendix A of the report considered by the Best Value Review Panel on 25th March 2004. It is recommended that lower rates are paid by internal Harrow Council (priority users) than by external users (non-priority users).
- 6.12 It is likely that there will be serious financial difficulties in 2004/5 as a result of the implementation of the rates based on 2.8% for the period from 1st April 2004 until 31st August 2004 (rather than the higher rates). There will, therefore, be an income achieved below the target set to recover the funding lost by the cessation of the Service Level Agreements for at least one-third of the year of approximately £24,000. If the level of charges are maintained at the 2.8% increase, then the annual budget shortfall is predicted to increase to £72,000.
- 6.13 6.13 In order to compensate for the shortfall for the period 1st April to 31st August 2004, the rates previously proposed would have to be revised for the period 1st September 2004 to 31st March 2004 to generate an additional 20% income for the two terms from September 2004 to March 2005.

7. Consultation

- 7.1 At the Best Value Panel meeting on 25th March 2004 Members considered the proposals set out in the accompanying report (Appendix 1).

8. Finance Observations

- 8.1 The 2004/05 budget sets the Teachers Centre a break even target, excluding capital charges. An interim 2.8% increase in charges was agreed. Unless there is a further price increase, it is clear that the Centre could incur a loss of £72K in 2004/05.
- 8.2 To reduce this potential loss, it is proposed to increase charges to Harrow Council users by around 25%, and to non Council users, by around 45% from September 2004. Even so, this price increase will still leave the teachers centre with a loss of £30K in 2004/05. Proposals for funding this loss will have to be developed.
- 8.3 If the fee increase is approved, then careful monitoring will be needed to ensure that there is no significant customer resistance to the charges that might lead to a failure to break even. If there is significant resistance, then other measures will be needed to achieve the budget target. If the increases are not approved, then other savings will need to be achieved elsewhere to avoid an overspending.

9. Legal Observations

- 9.1 None

10. Conclusion

- 10.1 Cabinet are requested to support the approval given by the Best Value Review Panel on 25th March 2004 that the Best Value Report of Harrow Teachers' Centre is incorporated into and superseded by the feasibility study into the potential development of Harrow Council as a Work Based Learning provider that is part of the new "Harrow University" (the "HU").
- 10.2 Cabinet are also asked to agree that there is a change to the rate of fees and charges for using the Teachers' Centre above the rate of approximately 2.8% previously agreed by Cabinet.

11. Background Papers

None

12. Author

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