

LONDON BOROUGH OF BRENT

EXECUTIVE MEETING

23.06.03

FROM THE DIRECTOR OF EDUCATION, ARTS & LIBRARIES

NAME OF WARD(S)

ALL

**REPORT TITLE: WELSH HARP ENVIRONMENTAL EDUCATION CENTRE
BUDGET, 2003/4**

1.0 SUMMARY

- 1.1 This report provides details of a shortfall in the Welsh Harp Environmental Education Centre (WHEEC) budget, and updates Members on the latest position regarding the operational partnership with the London Borough of Barnet.

2.0 RECOMMENDATIONS

- 2.1 To note that £13,500 will be found from the EAL budget allocation in 2003/4 as additional funding for the Welsh Harp Environmental Education Centre (WHEEC), to enable the continued operation of its services and activities in the current year.
- 2.2 That Members note that growth of £40, 000 in the WHEEC base budget will be required in the financial year 2004/5 in order to ensure its continued viability in future years; and therefore agree to review the budget for WHEEC as part of the budget setting process for 2004/5.
- 2.3 That the budget and line management of WHEEC is transferred from Roe Green Junior School directly into the Lifelong Learning and Cultural Services division of Education, Arts and Libraries from April 1st 2004.
- 2.4 That the items of equipment identified as belonging to the London Borough of Barnet are returned to it, but that no action is taken to pursue any contributions or liabilities in respect of the end of a jointly run WHEEC.
- 2.5 That the second phase application for the development of PE, sports and outdoor education facilities is submitted to the New Opportunities Fund as part

of Brent's portfolio bid, in order to repair and re-furbish the existing buildings to basic standards.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Council budget allocation to WHEEC in 2003/4 is £14,000. A realistic projection of income during the year would be £12,100. In addition, WHEEC has a carry forward balance at 31st March 2003 of £29,000, resulting from unfilled posts during the previous financial year, making the total amount of money available £55,100. Minimum projected expenditure during the year is estimated as £68,600, leaving a shortfall of £13,500. It is expected that there will be some slippage in the new growth approved for EAL in 2003/4 as a result of delayed appointments. Much of the growth has been phased in over two years (2003/4 and 2004/5) to reflect this, but further slippage is likely. It is therefore proposed that the additional £13,500 required for WHEEC in 2003/4 be contained within this slippage, although the exact areas concerned cannot be identified this early in the financial year. This is, however, a one-off stop-gap position and real growth will be required to fund the Centre in 2004/5 if it is to remain viable.
- 3.2 In order to ensure the Centre's viability in 2004/5 and beyond, and assuming a realistically achievable level of income of approximately £15,000, a Council subsidy of £54,000 p.a. would be required, meaning growth in the base revenue budget for 2004/5 of £40,000 p.a.
- 3.3 Should members decide in the future that this level of subsidy is unaffordable and that they do not wish to support an environmental education centre, there would be potential liabilities for redundancy payments. Should the site be disposed of, it would of course realise a capital receipt, and there would be legal and valuation costs relating to the sale of the property, and for ensuring the site's security prior to sale.
- 3.4 The transfer of the budget for WHEEC from Roe Green Junior School's devolved funding formula allocation to the LEA Block budget will be a change to the funding formula that will require the approval of the Schools Forum. This will be sought in July. Because the school is in favour of the change and the intention is to make the budget more transparent and secure, there is not expected to be any objection to the change.

4.0 STAFFING IMPLICATIONS

- 4.1 There are no immediate staffing implications. However, should members decide that the Centre is to be closed in the financial year 2004/5, the existing staff member would be made redundant.

5.0 LEGAL IMPLICATIONS

- 5.1 Barnet and Brent were engaged in extensive negotiations on the terms of a written agreement to set out the respective rights and obligations of each authority in relation to a jointly run centre. However, this was never finally agreed and therefore there is no written agreement defining the authorities' respective obligations.
- 5.2 The Scheme of Transfers and Virements sets out the circumstances in which officers may agree virements between budgets or parts of budgets. Officers may agree a virement within a budget line in their service area which increases the budget of a unit that is overspending by reducing that of a budget that is underspending provided that:
- a) it does not result in a commitment that would itself lead to an increased overspend in the current financial year or give rise to unfounded expenditure in future years
 - b) it is consistent with the Service Development Plan
 - c) it does not conflict with any previous decision made or policy or plan or strategy adopted by the Executive; and
 - d) it is reported to the Director of Finance.
- 5.3 There is no statutory requirement for the Council to provide an environmental education centre such as WHEEC.

6.0 DETAIL

Background

- 6.1 The Welsh Harp Environmental Education Centre (WHEEC) delivers environmental education programmes for primary and secondary schools linked to the National Curriculum; and outdoor physical education activities, including orienteering trails.
- 6.2 Its services and facilities are valued by schools, but it has suffered a number of setbacks in recent years, with several incidents of vandalism, a spate of break-ins, a major fire in January 2002, and high staff turnover. The budget has been under pressure for some time, staffing levels have been insufficient to fulfil its potential as a wider community environmental resource, and the physical condition of the buildings and security of the general site is extremely poor. In order to maintain a service following the fire, it has been necessary to provide temporary toilet portakabins at an additional cost of £300 per month.
- 6.3 At the present time, the Centre's budget is channelled through Roe Green Junior School and the Centre Manager is line-managed by the school's headteacher. One effect of this has been that the centre has not been fully integrated into the Education, Arts and Libraries management structure and has suffered a degree of marginalisation as a result. Officers therefore recommend that the budget and line management of the Centre are transferred to the Lifelong Learning and Cultural Services Division of Education, Arts and Libraries.

- 6.4 At the Education, Arts and Libraries Deciding Committee of 17th April 2002, members were informed that WHEEC was operating under a newly formed partnership between Brent and Barnet Councils. By pooling the resources of both Councils, and opening up use to schools from Barnet as well as from Brent, the intention of this arrangement was to put WHEEC's operations onto a firmer footing. Members also agreed to the submission of a joint Brent and Barnet bid to the New Opportunities Fund (NOF) for enhanced facilities and a broader range of activities at the Centre, linked with those of the Welsh Harp Youth Sailing Base, run by Barnet Council.
- 6.5 When WHEEC was first transferred to the management of Roe Green Junior School in 1999/2000, the subsidy was £31,000. This was increased to £49,000 in 2000/01. However, as part of the 2001/02 budget process, Members decided to reduce the subsidy in annual stages to its current level of £14,000. The intention was that the remainder of expenditure should be met through income derived from pupil participation on a term time weekday basis, together with income generated from holiday and other activities.

Recent developments

- 6.6 In October 2002, Barnet Council announced its intention to withdraw immediately from jointly operating WHEEC. Although Barnet and Brent had been operating a joint centre since 1st April 2001, the parties had not agreed the final wording for an agreement defining their respective obligations. Nor had a joint bank account been established. Each Council paid for and employed its own staff. In the intervening period, complete changes of responsible personnel took place in Barnet, in Education, Arts and Libraries, and at WHEEC itself. This has made it difficult to establish precisely the exact nature of the financial agreements and contributions made by each authority to the running of WHEEC. Investigations into the implications of Barnet's withdrawal have additionally been hampered by the loss and damage of equipment caused by the fire and by a number of thefts. Officers have analysed inventories and financial records, and have met with officers from Barnet. It has been possible to identify certain items of equipment that belonged to Barnet, but it has not been possible to establish with any certainty whether there are ongoing liabilities that Brent would wish Barnet to pay for. It has been agreed in principle with Barnet that the identified items of equipment will be returned, but that neither will pursue the other for outstanding payments. Brent and Barnet will continue to work together on the Welsh Harp area as a whole through the Welsh Harp Joint Consultative Committee. Councillors from both authorities are members of this body. Barnet is pursuing its NOF bid for the Welsh Harp Youth Sailing Base, and officers from the two authorities continue to liaise and cooperate over the two bids to ensure their complementarity.
- 6.7 The first stage bid to NOF for £187,000 was successful. A second stage bid is due to be submitted in late summer 2003. However, the level of matched funding available from the insurance claim for the fire that took place in January 2002 is likely to be less than anticipated and this may affect the extent of the capital improvements that can be made to the site.

- 6.8 A centre manager was appointed in October 2002, but the post of part-time general assistant is still vacant.
- 6.9 Overall strategic responsibility for WHEEC has transferred from the School Improvement Service to the Lifelong Learning and Cultural Services Division of Education, Arts and Libraries, but the budget currently remains the responsibility of Roe Green Junior School.
- 6.10 A comparison of minimum necessary expenditure with realistic projected income demonstrates a shortfall of £13,500 in 2003/4 (see Appendix 1). The key factors leading to the shortfall are:
- additional expenditure of £3,600 p.a. for toilet portakabins
 - reduced income from school visits due to hospitalisation of the Centre manager
 - the time taken to re-build custom after the hiatus caused by the fire and by a period without key staff in post
 - unrealistic income projections for holiday activities and birthday parties. The Centre's staffing is insufficient for such activities, and the quality and condition of the buildings make it a less appealing prospect than other comparable providers.
- 6.11 Without additional subsidy from the Council, the Centre will be unable to operate for the remainder of the financial year. It is therefore intended that in accordance with the Scheme of Transfers and Virements the Director of Education, Arts and Libraries vire £13,500 from the EAL budget allocation in 2003/4 to the WHEEC budget so that the Centre can continue to open its doors to schools.
- 6.12 In subsequent years, the Centre is unlikely to be able to operate on anything like the current subsidy level of £14,000. Members must therefore decide, as part of the budget-setting process for 2004/5 onwards, whether or not they wish the Council to provide an environmental education centre. If so, and for the Centre to have a viable future, it must have a revenue budget that covers at least basic operational costs. This would be £54,000 in total. The bid to NOF for capital funds of £187,000, coupled with insurance monies from the fire of £64,000, provides an opportunity to improve the physical fabric of the Centre, thus ensuring a solid base from which to move forward. In the longer term, there may be options for sustaining the Centre as part of the broader proposals for the development of a Welsh Harp Eco-park that are being developed by the Welsh Harp Environmental Education Action Group. The Action Group is currently commissioning a feasibility study from appropriate consultants.
- 6.13 If Members do not wish to support an environmental education centre financially, the most realistic alternative would be to close the Centre completely. The current situation, where the Centre limps from year to year on an inadequate budget with inadequate staffing, is unsustainable and cannot continue indefinitely. Should the Centre be closed, redundancy costs would be attached to the existing staff member. In these circumstances, the Council

would need to consider the future of the Centre site and buildings. If Members wish to consider closure of the Centre, a further report will be presented setting out the options and their implications.

7.0 BACKGROUND INFORMATION

The following papers were used in the compilation of this report:-

- i) Report no. 0149R to the Education, Arts and Libraries Deciding Committee, 17th April 2002, "Welsh Harp Environmental Education Centre – Update on financial position and proposals for development"

Any person wishing to inspect the above papers should contact Karen Tyerman, Assistant Director, Education, Arts and Libraries, Chesterfield House, 9 Park Lane, Wembley, Middx HA9 7RW. 020 8937 3146. karen.tyerman@brent.gov.uk.

EXEC-23.06.03/0056R/Karen Tyerman/Lead Officer J. CHRISTIE

**WELSH HARP ENVIRONMENTAL EDUCATION CENTRE
BUDGET 2003/4**

	Income		Expenditure
LB Brent	14,000	Employees	49,808
Carry-over	29,000	Premises	13,987
School visits	10,600	Office costs	1,855
Other	1,500	Grounds	800
		Equipment	2,150
<i>Total</i>	55,100	Total	68,600