

**UNIVERSITY OF HUDDERSFIELD
FINANCIAL SERVICES DEPARTMENT**

FINANCE REPORT – WEST YORKSHIRE LIFELONG LEARNING NETWORK

This paper contains an end of year report on expenditure for the 2008/09 financial year.

- a. The Management Board is invited to note the financial report
- b. The Management Board is invited to accept the reconciled year end project budget for 2008/09 and ratify the presentation of the 2009/10 and 2010/11 budgets reflecting the previously agreed roll forwards.

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Budget heading	Budget (budget to 31/07/2009)	Actual spend (to 31/07/2009)	Under/(over)spend (to 31/07/2009)
Core activity	£580,568	£571,029	£9,539
Partnership delivery	£1,637,758	£1,102,692	£535,066
Total	£2,218,326	£1,673,721	£544,605

- The total under spend for the 2008/09 financial year is **£544,605**. It is important to remember that this under spend figure has been calculated against the original 3 year budget profile for accuracy and consistency of reporting. This total under spend figure has been anticipated for some time and has provided the funding for the extension of the project into the previously agreed fourth year and an increase in funding for project activity.
- The core activity under spend for the 2008/09 financial year was **£9,539**. This final figure represents a decrease in under spend of **£29,863** from 31/05/2009 (pro rata) and the under spend position of **£39,402** reported to the June Board.
- The table below sub-divides and summarises the different elements that make up the partnership delivery budget to show where underspends were experienced:

Budget heading	Budget (budget to 31/07/2009)	Actual spend (to 31/07/2009)	Under/(over)spend (to 31/07/2009)
General partnership agreements	£300,000	£141,250	£158,750
Sector lead funding	£816,786	£673,386	£143,400
Central allocation funding (project activity, training and development)	£164,080	£74,306	£89,774
IAG commissioning	£148,110	£116,020	£32,090
Progression commissioning	£208,782	£97,730	£111,052
Total	£1,637,758	£1,102,692	£535,066

- Key areas of expenditure against budget will be further explained below.

General partnership agreements

- The *general partnership agreement* budget of **£300,000** was profiled so that each WYLLN partner received a level of funding for delivering agreed outputs against the WYLLN target. This part of the budget under spent by **£158,750**. It is important to understand how this funding is being managed to understand the under spend figure. Partner institutions have a set of deliverables for either progression activity, IAG activity or a combination of both. Some partners were paid 50% of their funding for 2008/9 in advance with the balance of funding due in July when those targets have been achieved. These balances have been paid.

6. Those partners that struggled to deliver targets in 2007/8 have been set deliverables with clear milestone achievement dates with their 2008/9 and 2009/10 funding viewed as 1 larger amount spread across 2 years rather than individual year payments. Advance payments were not made to these partners and their deliverables stretch to June 2010. Payments are staggered against the milestone dates. For this reason, these partners will receive some or all of their 2008/9 funding in 2009/10 depending on their individual partnership activity. At the June 2009 Board meeting it was agreed that 2008/9 funding for these partners can be rolled into 2009/10 for them to utilise.
7. The total amount rolled forward for general partnership agreements is **£128,750**. The full under spend figure of **£158,750** is not required because Kirklees College did not agree or undertake any activity against their 2008/9 funding allocation.

Sector Lead Funding

8. The *sector lead funding* budget of **£816,786** has under spent by **£143,400** shown in the table below.

Budget heading	Budget (budget to 31/07/2009)	Actual spend (to 31/07/2009)	Under/(over)spend (to 31/07/2009)
Payments to Sector Groups	£301,816	£301,816	£0
Curriculum Development Funding	£253,022	£131,806	£121,216
2007/8 Curriculum Development Funding Roll Forward	£203,120	£199,984	£3,136
Marketing Strategy Funding	£39,767	£27,869	£11,898
2007/8 Marketing Strategy Funding Roll Forward	£19,061	£11,911	£7,150
Total	£816,786	£673,386	£143,400

9. The sector groups carried a large curriculum development under spend of **£203,120** from the 2007/8 financial year through to 2008/9. The total under spend against curriculum development for the 2008/9 financial year is **£124,352** including the roll forward from 2007/8. This represents a decrease in under spend for total curriculum development of **£78,786**. However, a more significant figure from the table above demonstrates total curriculum development expenditure of **£331,790** which is an increase of **£281,888** when compared to the reported expenditure of **£49,902** for the 2007/8 financial year.
10. The 2009/10 curriculum development budget has been reduced from **£253,022** to **£222,249** which reflects the Board decision at the June meeting to claw-back funding of **£7,150** from those sector groups that did not meet their set expenditure targets. The remainder of the reduced budget is from those sector groups where previously budgeted activity is not going ahead and these funds will not be re-allocated within their sector groups. The revised 2009/10 budget of **£222,249** together with the 2008/9 roll forward of **£124,352** gives a total curriculum development budget of **£346,601**. This is a realistic total curriculum development budget for 2009/10 when the actual expenditure of **£331,790** for 2008/9 is considered.

Central Allocation Funding

11. The *central allocation funding*, like the *sector lead funding*, is sub-divided as follows:

Budget heading	Budget (budget to 31/07/2009)	Actual spend (to 31/07/2009)	Under/(over)spend (to 31/07/2009)
Network training and development	£39,080	£18,475	£20,605
Project activity	£125,000	£55,831	£69,169
Total	£164,080	£74,306	£89,774

12. The *central allocation funding* is managed by WYLLN and provides partners with an opportunity to seek funds for activity outside of their set funding amounts received through the *general partnership agreement* or *sector lead funding* budgets.
13. The network training and development budget for the 2008/9 financial year has under spent by **£20,605**. Through information provided by the staff development task group the budget for 2009/10 has been set at **£14,080**. While this budget is below the actual expenditure recorded in 2008/9 it reflects the planned activities of the staff development task group.
14. Project activity under spent by **£69,169** in the 2008/9 financial year. The project activity budget is similar to the sector curriculum development budget in that it is being managed over the life of the WYLLN project. The 2008/9 under spend has been rolled forward to 2009/10. Further allocations of the overall WYLLN under spend have been added to the project activity budget for 2009/10 and 2010/11 to deliver the full menu of agreed projects. A breakdown of funding and agreed projects has been provided in the following tables.

Expenditure Year	Source of Funds	Budget Available
2007/8	2007/8 Budget	£0
2008/9	2008/9 Reconciled Budget	£55,831
2009/10	2009/10 Budget	£125,000
	2008/9 Roll Forward	£69,169
	Re allocation of WYLLN under spend	£133,653
2010/11	Re allocation of WYLLN under spend	£60,000
Total WYLLN Project Activity Fund		£443,653

Project Title	Approved Budget	Expenditure to Date
Motivational Mathematics	£70,0000	£30,000
Creative Entrepreneurship	£29,493	£9,831
Training Needs Analysis	£6,000	£6,000
Logistics Skills Academy	£10,000	£10,000
Get Into Gear	£26,700	£0
WEA	£10,660	£0
XCRI Implementation	£100,800	£0
School Progression Partnership	£30,000	£0
Skills & Work Boards HE Activity	£160,000	£0
Totals	£443,653	£55,831

Cashflow

15. At the 2008/9 year end there was a positive cashflow of **£698,959**.
16. Following the approval of a 4th year for WYLLN following the June Board meeting a revised payment profile has been agreed with HEFCE. This will reduce the positive cash flow. The large amount of expenditure expected from sector curriculum development and project activity will accelerate the reduction in positive cash flow to a realistic level during 2009/10.