

**UNIVERSITY OF HUDDERSFIELD**  
**FINANCIAL SERVICES DEPARTMENT**

**FINANCE REPORT – WEST YORKSHIRE LIFELONG LEARNING NETWORK**

This paper contains an expenditure report for the 2009/10 financial year.

- a. The Management Board is invited to note the financial report.
- b. The Management Board is asked to recommend that partnership activity budgets be re-allocated to other projects areas in consultation with partners that will be unable to evidence expenditure of 2009/10 partnership funding.
- c. The Management Board is asked to recommend that a revised budget is presented to the June 2010 meeting setting budget allocations for the 2010/11 financial year.

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***24 February 2010***

<b>Budget heading</b>	<b>Budget (budget to 31/01/2010)</b>	<b>Actual spend (to 31/01/2010)</b>	<b>Under/(over)spend (to 31/01/2010)</b>
Core activity	£306,024	£284,614	£21,410
Partnership delivery	£937,775	£839,552	£98,223
Total	£1,243,799	£1,124,166	£119,633

1. The table represents the WYLLN expenditure position for the 6 month period 1st August 2009 to 31<sup>st</sup> January 2010.
2. The core activity shows an under spend against the pro-rata budget of **£21,410**. The partnership delivery shows a larger under spend of **£98,223** when compared to the pro-rata budget.
3. The table below sub-divides and summarises the different elements that make up the partnership delivery budget to show where spend activity has taken place:

<b>Budget heading</b>	<b>Budget (budget to 31/01/2010)</b>	<b>Actual spend (to 31/01/2010)</b>	<b>Under/(over)spend (to 31/01/2010)</b>
General partnership agreements	£233,125	£140,213	£92,912
Sector lead funding	£347,877	£504,231	(£156,354)
Central allocation funding (project activity, training and development)	£170,951	£111,871	£59,080
IAG commissioning	£82,677	£45,401	£37,276
Progression commissioning	£103,145	£37,836	£65,309
Total	£937,775	£839,552	£98,223

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

### **General partnership agreements**

5. The *general partnership agreement* budget was profiled so that each WYLLN partner received a level of funding for delivering agreed outputs against the WYLLN target. To the 31/01/2010 this has under spent by **£92,912** against the pro rata budget.
6. At the end of the 2008/9 academic year all previous recorded under spends against partnership activity were rolled forward and consolidated. Funding for partnership activity is paid to partners quarterly on an arrears basis as expenditure is evidenced in excess of funds received.

7. The latest round of partnership activity reporting was for the quarter ending 31<sup>st</sup> January 2010. The table below presents each partner's 3 year funding allocation, the total evidenced to date against that allocation and the evidence required in the remaining 6 months of activity to meet their allocation.

Institution	3 Year Allocation	Total Evidenced to 31/01/2010	Quarterly Expenditure Report Received	Evidence required and (% remaining) to meet Allocation
Bradford College	£67,500	£57,762	Yes	£9,738 (14%)
Calderdale College	£45,000	£33,114	No	£11,886 (26%)
Huddersfield New College	£30,000	£19,917	No	£10,083 (34%)
Joseph Priestley College	£40,500	£30,061	No	£10,439 (26%)
Kirklees College	£22,500	£0	No	£22,500 (100%)
Leeds College of Art	£45,000	£40,898	Yes	£4,102 (9%)
Leeds College of Building	£45,000	£42,132	Yes	£2,868 (6%)
Leeds College of Music	£30,000	£17,241	Yes	£12,758 (43%)
LCC Technology Campus	£45,000	£31,561	No	£13,439 (30%)
Leeds Metropolitan University	£45,000	£24,884	Yes	£20,116 (45%)
Leeds Trinity University College	£45,000	£35,948	Yes	£9,052 (20%)
Open University	£51,000	£2,803	No	£48,197 (95%)
LCC – Park Lane Campus	£67,500	£47,402	No	£20,098 (30%)
Shipley College	£30,000	£19,741	No	£10,259 (34%)
LCC – Thomas Danby Campus	£45,000	£37,480	Yes	£7,520 (17%)
University of Bradford	£67,500	£49,893	No	£17,607 (26%)
University of Huddersfield	£67,500	£30,451	Yes	£37,049 (55%)
University of Leeds	£67,500	£16,368	No	£51,132 (76%)
Wakefield College	£60,000	£27,255	Yes	£32,745 (55%)

8. The table has been presented to show the financial risk of under spend in the partnership agreements. With 6 months remaining of the 36 month period the 3 year funding allocations were awarded over, institutions should have a percentage remaining evidence requirement of between 16 and 17%. Very few of the institutions have achieved this.
9. Those partners that have not submitted their quarterly return to the 31<sup>st</sup> January 2010 and those partners that have an evidence requirement of above 17% are the reason for the under spend of **£92,212** against the pro-rata budget.

10. The priority actions are to get the outstanding expenditure reports from those partners that have yet to submit them and review how this updated evidence impacts on the remaining evidence requirement for those partners. This will be done through the key WYLLN contact at each partner institution.
11. It is requested that in consultation with partners WYLLN will reduce the allocated partnership funding where it is agreed with the partner that the full 3 year budget will not be utilised. These funds will be transferred to other project areas by Executive Director and reported to the next Management Board meeting.
12. It is important for the Board to recognise that the under-utilisation of partnership funding does not reflect on partners' delivery of agreed activity. All partners are on track within agreed timescales to deliver their contracted targets.

### Sector Lead Funding

13. The *sector lead funding* pro rata budget of **£347,877** is showing an over spend of **£156,354**. Funds released to sector groups during the period 1<sup>st</sup> August 2009 to 31<sup>st</sup> January 2010 total **£504,231**. A breakdown of the funds released against activity is shown in the table below.

Budget heading	Budget (budget to 31/01/2010)	Actual spend (to 31/01/2010)	Under/(over)spend (to 31/01/2010)
Payments to Sector Groups	£145,170	£290,339	(£145,169)
Curriculum Development Funding	£173,300	£205,133	(£31,833)
Marketing Strategy Funding	£29,407	£8,759	£20,648
Total	£347,877	£504,231	(£156,354)

14. The payments to sector groups are the direct funds provided by WYLLN to partner institutions for the employment of sector officers. The total actual spend of **£290,339** represents a payment of **£41,477** to each of the 7 sector lead institutions. These funds were released in full at the beginning of the academic year because all sector lead institutions had sector officers in post. There are no further funds available for this activity and no further payments will be made. The pro-rata budget and actual spend will balance to **£0** by the year end. The Board should be made aware that the majority of the sector officers are employed on fixed-term contracts ending at the end of June 2010. Should they leave before this date, the sector leads would have to return any un evidenced expenditure on sector officers unless they were able to evidence expenditure for alternative staffing arrangements as is the case with Leeds College of Building. The level of risk is unknown at this point although it is likely to be low since the WYLLN team is aware that four sector officers will continue their employment after the end of June 2010.
15. The curriculum development budget shows an over spend of **£31,833** against the pro-rata budget of **£173,300**. Sector officers have been very active in getting claims in from their partners as curriculum development activity has increased. WYLLN releases funds to sector lead institutions in advance so that they have funding available to pay their partners as claims come in. Although curriculum development activity is over spent against the pro-rata budget all curriculum developments are being delivered in line with the actual total budget available. By the end of year there will not be no over spend and the balance will be **£0**. The marketing strategy funding is under spent by **£20,648** at this stage although it is expected through scheduled and planned end of sector dissemination events that the marketing strategy funding will be utilised.

16. A final sector by sector breakdown of expenditure against budget for the curriculum development and marketing activity will be presented to the next Board meeting.

### Central Allocation Funding

Budget heading	Budget (budget to 31/01/2010)	Actual spend (to 31/01/2010)	Under/(over)spend (to 31/01/2010)
Network training and development	£7,040	£11,002	(£3,962)
Project activity	£163,911	£100,869	£63,042
Total	£170,951	£111,871	£59,080

17. 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.
18. The network training and development budget has over spent by **£3,962** against the pro-rata budget due to a large amount of events in the early part of this year. Although network training and development is over spent against the pro-rata budget all planned activities for the year are being delivered in line with the actual total budget available. By the end of year there will not be no over spend and the balance will be **£0**.
19. Project activity is under spent by **£63,042** against the pro-rata budget. 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. To isolate the under spend against the pro-rata budget of a six month period does not accurately reflect the true position of this part of WYLLN activity. The under spend is reported in this way for consistency.
20. Project expenditure is committed to activities on a long term basis with projects running across financial years. The total project budget for the life of WYLLN is **£443,653**. This total available budget has been committed to a range of projects. It is expected that **£327,822** of funding will be released for project activity this year and it is to this fund that the reported pro-rata under spend relates. A summary of projects is shown in the table.

<b>Project Title</b>	<b>Total Approved Budget</b>	<b>2008/9 Expenditure</b>	<b>Expenditure to 30/11/2009</b>	<b>Project Status</b>
Motivational Mathematics	£70,000	£30,000	£40,863	Completed; overspend of £863
Creative Entrepreneurship	£29,493	£9,831	£19,243	Completed; underspend of £419
Training Needs Analysis	£6,000	£6,000	£0	Completed
Logistics Skills Academy	£10,000	£10,000	£0	Completed
Get Into Gear	£26,700	£0	£0	Contract agreed. First invoice (£8,900) in process
WEA	£10,660	£0	£7,000	Work in progress
XCRI Implementation	£100,800	£0	£7,857	Budget under review
School Progression Partnership	£30,000	£0	£0	Contract agreed. Work in progress. First (£5,000) and second (£5,000) invoices in process
Skills & Work Boards HE Activity	£160,000	£0	£25,906	4 in post (1 FT in Leeds, 1 FT in Kirklees 2 x 0.5 PT in Bradford),
Totals	£443,653	£55,831	£100,869	