

UNIVERSITY OF HUDDERSFIELD
FINANCIAL SERVICES DEPARTMENT

FINANCE REPORT – WEST YORKSHIRE LIFELONG LEARNING NETWORK

This paper contains a report on expenditure in the financial year 2008/09 (to 31 May 2009).

- a. The Management Board is invited to note the financial report
- b. The Management Board is invited to decide whether or not to roll forward 2008/9 Partnership Agreement funding
- c. The Management Board is invited to decide whether or not to reduce the sector curriculum development budgets of those sector groups unable to evidence the agreed expenditure amount against 2007/8 roll forwards
- d. The Management Board is invited to decide whether or not to roll forward 2008/9 sector curriculum budgets and set new expenditure evidence targets for those budgets as set out in this paper.

Denise Ogden
Manager – Bids, Contracts and Compliance Team
University of Huddersfield

Alan Spain
WYLLN Financial Administrator

17 June 2009

Budget heading	Budget (pro rata to 31/05/2009)	Actual spend (to 31/05/2009)	Under/(over)spend (to 31/05/2009)
Core activity	£483,807	£444,405	£39,402
Partnership delivery	£1,405,995	£1,055,016	£350,979
Total	£1,889,802	£1,499,421	£390,381

1. The total under spend for the 2008/09 financial year as at 31 May 2009 stands at **£390,381** against the pro rata budget. This represents a total decrease in overall under spend of **£122,073** from the figure reported at the March 2009 Board meeting (**£512,454**).
2. The core activity underspend has increased to **£39,402** but this is not an area of concern. The pro rata budget figure includes a large sum for accommodation fees payable to the University of Huddersfield that have yet to be charged (**£20,833**). Two other large items of expenditure included in the budget that have yet to be charged are for upgrades to the IAGnow system and balance payments for the WYLLN celebration event.
3. The table below sub-divides and summarises the different elements that make up the partnership delivery budget to show where underspends are:

Budget heading	Budget (pro rata to 31/05/2009)	Actual spend (to 31/05/2009)	Under/(over)spend (to 31/05/2009)
Management Board Administration (University of Leeds)	£4,167	£5,000	(£833)
General partnership agreements	£250,000	£128,750	£121,250
Sector lead funding	£717,685	£690,039	£27,646
Central allocation funding (project activity, training and development)	£136,733	£62,968	£73,765
IAG commissioning	£123,425	£70,614	£52,811
Progression commissioning	£173,985	£97,645	£76,340
Total	£1,405,995	£1,055,016	£350,979

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

Management Board Administration (University of Leeds)

5. University of Leeds have charged in full for the management board administration fees for 2008/9.

General partnership agreements

6. The *general partnership agreement* budget of **£250,000** has been profiled so that each WYLLN partner will receive a level of funding for delivering agreed outputs against the WYLLN target. This part of the budget is under spent by **£121,250**. 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.
7. 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 an element of their 2008/9 funding in 2009/10 and it is asked that 2008/9 funding for these partners can be rolled into 2009/10 for them to utilise.

Sector Funding

Budget Heading	Annual Budget	Budget (pro rata to 31/05/2009)	Actual (evidenced) spend (to 31/05/2009)
Meetings, communications and representatives	£301,816	£251,513	£251,513
Curriculum development (roll forward of 07/08 funds)	£203,120	£203,120	£192,347
Curriculum development 08/09	£253,022	£210,852	£123,886
Marketing (roll forward of 07/08 funds)	£19,061	£19,061	£16,795.
Marketing 08/09	£39,767	£33,139	£35,076
Total	£816,786	£717,685	£619,617

8. At the March 2009 Board meeting it was agreed that sector groups had to evidence a minimum of **£36,146** of expenditure against their curriculum development budget. For the majority of sectors this under spend was the full **£36,146** available for the 2007/8 financial year. The result of this has been very positive with 5 of the sector groups exceeding this target. The above table shows that, as of 31 May 2009, sector groups have evidenced **£192,347**, or 95% of the roll forward amount.
9. To monitor sector spending, WYLLN introduced a monthly financial return template for sector officers to complete. Sector officers have continued to provide this return and a breakdown has been provided for each sector.

10. Advanced Engineering and Manufacturing – University of Huddersfield

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£165,828	(£57,390)

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£54,988	£54,988	83%	100%

The sector group has achieved the expenditure target.

11. Business Services – Park Lane College

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£95,000	£13,438

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£46,433	£34,231	52%	74%

The sector group is short of the expenditure target by **£1,915**. It is proposed that the roll forward funding be reduced by this amount and that the unused funds are spent in other areas.

12. Construction and the Build Environment – Leeds College of Building

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£132,375	(£23,937)

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£74,778	£54,039	82%	72%

The sector group has achieved the expenditure target.

13. Culture, Media, Sports and the Arts; Leisure, Hospitality & Tourism – Leeds Metropolitan University

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£111,057	(£2,619)

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£51,703	£43,990	66%	85%

The sector group has achieved the expenditure target.

14. Digital Industries including Creative Digital, ICT and Print – NTI Leeds

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£113,172	(£4,734)

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£66,655	£49,361	74%	74%

The sector group has achieved the expenditure target.

15. Health Social Care & Early Years – University of Bradford

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£73,395	£35,043

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£33,011	£27,288	41%	83%

The sector group is short of the expenditure target by **£8,858**. It is proposed that the roll forward funding be reduced by this amount and that the unused funds are spent in other areas.

16. Management, Leadership, Innovation and Enterprise – Wakefield College

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£104,680	£3,758

Pro Rata Budget to 28/02/2009	Total Funding Released to 28/02/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
£66,268	£72,609	£52,335	79%	72%

The sector group has achieved the expenditure target.

17. Although 5 of the 7 sector groups have successfully achieved evidenced expenditure of **£36,146**, it is likely that there will be an under spend on the 2008/9 curriculum development budget. In order to satisfy the 2008/9 budget sector officers would need to evidence a cumulative **£72,292** by July 2009, the **£36,146** from 2007/8 plus **£36,146** for 2008/9.
18. The levels of planned activity from sector groups give us confidence that this expenditure will be achieved and it is proposed that any under spent 2008/9 funding be rolled forward to 2009/10.
19. It is requested that the Board set a new expenditure evidence target of **£72,292**. It is proposed that the target date for this is the first Board meeting in 2010.
20. WYLLN will continue to monitor sector curriculum development expenditure on a monthly basis to ensure this target will be achieved.

Central Allocation Funding

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

Budget heading	Budget (pro rata to 31/05/2009)	Actual spend (to 31/05/2009)	Under/(over)spend (to 31/05/2009)
Network training and development	£32,567	£16,937	£15,630
Project activity	£104,167	£46,031	£58,136
Total	£136,734	£62,968	£73,766

22. 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.
23. The network training and development budget is showing an under spend of **£15,630**. The staff development task group met on 30 March 2009 and allocated further expenditure of **£11,000** to staff development proposals. The task group is due to meet again on 17th June 2009 (not in time for this paper) to allocate the remainder of the 08/09 budget.
24. Project activity is showing an under spend of **£58,136** against the pro rata budget but this is not an area of concern. WYLLN have contracts with external partners for delivery of **£183,343** worth of activity to date.

Cashflow

25. The February 09 finance report showed there was a positive cashflow of **£444,805**. As at 31 May 2009, the cashflow has increased to **£542,889**.
26. A revised payment profile to HEFCE to reduce the positive cashflow will be submitted to HEFCE based on the revised 4 year budget model.