

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 asked to recommend that partnership activity budgets remain unaltered and that the partnership review paper be circulated to institutional WYLLN Champions.
- c. The Management Board is asked to recommend that the Health, Social Care and Early Years sector group curriculum development budget remains unaltered.
- d. The Management Board is asked to recommend that the WYLLN central team consult with sector officers and re-allocate expected marketing strategy under spends to other activities.

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02 December 2009

Budget heading	Budget (budget to 30/11/2009)	Actual spend (to 30/11/2009)	Under/(over)spend (to 30/11/2009)
Core activity	£205,683	£206,319	(£636)
Partnership delivery	£625,184	£716,039	(£90,855)
Total	£830,867	£922,358	(£91,491)

1. The table represents the WYLLN expenditure position for the 4 month period 1st August 2009 to 30th November 2009.
2. The core activity shows a small over spend against the pro-rata budget of **£636**. The partnership delivery shows a larger over spend of **£90,855** when compared to the pro-rata budget. The large over spend for partnership delivery has been caused by the continued release of advance funding to sector groups so that payments can be made to their partners on receipt of claims.
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:

Budget heading	Budget (budget to 30/11/2009)	Actual spend (to 30/11/2009)	Under/(over)spend (to 30/11/2009)
General partnership agreements	£155,417	£110,115	£45,302
Sector lead funding	£231,918	£492,810	(£260,892)
Central allocation funding (project activity, training and development)	£113,967	£54,314	£59,653
IAG commissioning	£55,118	£20,964	£34,154
Progression commissioning	£68,764	£37,836	£30,928
Total	£625,184	£716,039	(£90,855)

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 30/11/2009 this part of the budget has under spent by **£45,302**.
6. Partner institutions have a set of deliverables for either progression activity, IAG activity or a combination of both. For the 2009/10 academic year the funding is being paid in arrears based on the achievement of delivery targets and the expenditure that has been evidenced against the allocated funding. A full partner by partner breakdown has been provided in the partnership review paper.

7. The partnership review paper considers both the risk of achievement of targets and the risk of under spend for each partner. The overall risk for both achievement of targets and under spend is low however the following partners are brought to the attention of the Board.
- Calderdale College - The first partnership monitoring return for 2009/10 has not been received. The concern is that the manager responsible for overseeing the previous partnership delivery has left and it is not yet clear who will now be delivering the activity.
 - Kirklees College - This is the first year that Kirklees College have agreed some partnership delivery. The concern is that it is hard to assess the risk of target delivery and expenditure evidencing because there is no track record of previous activity.
 - Leeds City College, Technology Campus – The employee at Leeds City College, Technology Campus responsible for delivering the high volume of partnership activity in previous years has left. The concern is similar to Calderdale College in that it is not yet clear who will be delivering the activity.
 - Shipley College – The first partnership monitoring return for 2009/10 has not been received. The concern with Shipley College is the capacity to deliver agreed targets because there is a shortfall from previous activity that needs addressing.
 - University of Leeds – There is a large amount of expenditure to evidence in the 2009/10 academic year. A forecast of planned expenditure has been provided. The concern is that the planned expenditure will not happen in year leaving an under spend.
 - Wakefield College – There are a large amount of delivery targets and expenditure to evidence in the 2009/10 academic year. A problem between Wakefield College's data input and WYLLN's IAGnow system is holding up the evidencing of previous years targets. The 2009/10 delivery and expenditure profiles are based on the recruitment of a dedicated project worker. The concern is that delays in the recruitment process will lead to a shortfall in the delivery of targets and an under spend.
8. It is recommended that current partnership funding allocations remain in place to allow partners the opportunity to address the concerns and risks specific to their institutions highlighted in the partnership review paper. The content of the partnership review paper was circulated to partners in attendance at the SAF meeting. It is recommended that the final version of the partnership review paper presented to this management board meeting be circulated to the WYLLN champions at each institution for information and action.

Sector Lead Funding

9. The *sector lead funding* pro rata budget of **£231,918** is showing an over spend of **£260,892**. Funds released to sector groups during the period 1st August 2009 to 30th November 2009 total **£492,810**. A breakdown of the funds released against activity is shown in the table below.

Budget heading	Budget (budget to 30/11/2009)	Actual spend (to 30/11/2009)	Under/(over)spend (to 30/11/2009)
Payments to Sector Groups	£96,778	£290,339	(£193,561)
Curriculum Development Funding	£115,534	£195,580	(£80,046)
Marketing Strategy Funding	£19,606	£6,891	£12,715
Total	£231,918	£492,810	(£260,892)

10. 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 unevidenced expenditure on sector officers unless they were able to evidence expenditure for alternative staffing arrangements. 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.
11. The curriculum development budget shows an over spend of **£80,046** against the pro-rata budget of **£115,534**. 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 **£12,715**. A breakdown of each sector is provided.

Advanced Engineering and Manufacturing – University of Huddersfield

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£108,438	£84,341	£86,199	£72,605	86%	84%
Marketing Strategy	£17,043	£13,256	£12,493	£12,493	94%	100%

12. At the June 2009 board meeting it was agreed that sector groups evidence curriculum development expenditure of **£72,292** by the December 2009 meeting. The **£72,292** represents sector groups 2007/8 and 2008/9 curriculum development budgets. The advanced engineering and manufacturing sector group has achieved this target. It is expected that the marketing strategy budget will be utilised.

Business Services – Park Lane College

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£82,523	£64,185	£62,865	£54,376	85%	87%
Marketing Strategy	£17,043	£13,256	£2,584	£2,584	20%	100%

13. The target expenditure figure of **£72,292** has been revised to **£55,015** to reflect the reduced 3 year total curriculum development budget agreed with the sector officer. The evidenced expenditure of **£54,376** is short of this target but the difference is minimal. Of greater concern is the utilisation of the marketing strategy budget which has a projected underspend of £14,459. The WYLLN team is in consultation with the College as to whether this will be spent by 30 June 2010.

Construction and the Build Environment – Leeds College of Building

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£108,438	£84,341	£93,278	£79,759	95%	86%
Marketing Strategy	£17,043	£13,256	£11,933	£12,433	94%	104%

14. The sector group has achieved the expenditure target and it is expected that the marketing strategy budget will be utilised.

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

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£108,438	£84,341	£89,737	£83,874	99%	94%
Marketing Strategy	£17,043	£13,256	£16,346	£16,346	123%	100%

15. The sector group has achieved the expenditure target and it is expected that the marketing strategy budget will be utilised.

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

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£112,438	£87,452	£95,415	£82,428	94%	86%
Marketing Strategy	£17,043	£13,256	£14,903	£14,961	113%	101%

16. The sector group curriculum development budget has been increased with the transfer of some curriculum development budget from the Business Services Sector Group. The budget transfer has taken place so that one sector lead institution is responsible for all the payments on a joint initiative. The increase in budget increases the expenditure requirement for the sector group to **£74,959** and the sector group has achieved the increased expenditure target. It is expected that the marketing strategy budget will be utilised.

Health Social Care & Early Years – University of Bradford

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£108,580	£84,451	£69,011	£55,707	66%	81%
Marketing Strategy	£17,043	£13,256	£1,668	£1,668	13%	100%

17. The sector group has a revised curriculum development budget with a revised expenditure target of **£72,387**. This expenditure target has not been achieved. It is requested that the total curriculum development budget is not reduced in this case. The sector group have agreed a curriculum development for a flexible framework in health and social care with a contract value of **£40,000**. This will account for the majority of the remaining curriculum development budget and the sector group would be unable to deliver this activity if the total budget was reduced. Work has already started on this activity with **£20,000** of the **£40,000** budget subcontracted to a consultant. The situation will be closely monitored to ensure the planned expenditure takes place. Of greater concern is the utilisation of the marketing strategy budget which has a projected underspend of £15,375. The WYLLN team is in consultation with the College as to whether this will be spent by 30 June 2010.

Management, Leadership, Innovation and Enterprise – Wakefield College

Activity	3 Year Total Budget	Pro Rata Budget to 30/11/2009	Total Funding Released to 30/11/2009	Evidenced Spend	% Spend against Pro Rata Budget	% Spend against Funding Released
Curriculum Development	£99,438	£77,341	£86,229	£72,164	93%	84%
Marketing Strategy	£17,043	£13,256	£6,484	£4,166	31%	64%

18. The total curriculum development budget has been reduced with the transfer of some curriculum development budget to the Health, Social Care & Early Years sector group. The budget transfer has taken place so that one sector lead institution is responsible for all the payments on a joint initiative. The decrease in budget decreases the expenditure requirement for the sector group to **£66,292** and the sector group has achieved the expenditure target. Of greater concern is the utilisation of the marketing strategy budget which has a projected underspend of £12,877. The WYLLN team is in consultation with the College as to whether this will be spent by 30 June 2010.

19. In summary it is the marketing strategy budgets that WYLLN need to focus on for those sector groups that are not utilising the resource available. It is requested that after consultation with the relevant sector officers, potential under spends from marketing strategy budgets be re-allocated to other activities.

Central Allocation Funding

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

Budget heading	Budget (budget to 30/11/2009)	Actual spend (to 30/11/2009)	Under/(over)spend (to 30/11/2009)
Network training and development	£4,693	£6,001	(£1,308)
Project activity	£109,274	£48,313	£60,961
Total	£113,967	£54,314	£59,653

21. 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.
22. The network training and development budget has over spent by **£1,308** 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**.
23. Project activity is under spent by **£60,961** 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 four 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.
24. 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.

Project Title	Total Approved Budget	2008/9 Expenditure	Expenditure to 30/11/2009	Project Status
Motivational Mathematics	£70,000	£30,000	£863	Completed. Awaiting invoices from Leeds Metropolitan University.
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 in process
WEA	£10,660	£0	£7,000	Work in progress
XCRI Implementation	£100,800	£0	£3,947	Budget under review
School Progression Partnership	£30,000	£0	£0	Contract agreed. Work in progress. Awaiting first invoice from Leeds Trinity University College.
Skills & Work Boards HE Activity	£160,000	£0	£17,260	1 in post (Kirklees), 0.5 starts January 2010 (Bradford); two awaited in Leeds.
Totals	£443,653	£55,831	£48,313	

Cashflow

25. At the 30th November 2009 there was a positive cashflow of **£388,982**. This is a reduction in positive cashflow of **£309,977** from the 2008/9 year end position of **£698,959**.