

**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 date).

- a. The Management Board is invited to note the financial report
- b. The Management Board is invited to decide whether or not to extend the deadline for sector curriculum development expenditure roll-forward past 30 April 2009.

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***9 March 2009***

<b>Budget heading</b>	<b>Budget (pro rata to 28/02/2009)</b>	<b>Actual spend (to 28/02/2009)</b>	<b>Under/(over)spend (to 28/02/2009)</b>
Core activity	£335,748	£307,627	£28,121
Partnership delivery	£1,050,851	£566,518	£484,333
Total	£1,386,599	£874,145	£512,454

1. The total underspend for the 2008/09 financial year as at 28 February 2009 stands at **£512,454** against the pro rata budget.
2. The core activity underspend of **£28,121** is not an area of concern. The pro rata budget figure includes large sums for an evaluation that is under tender review (**£12,000**) and accommodation fees payable to University of Huddersfield that have yet to be charged (**£14,583**).
3. The table below sub-divides and summarises the different elements that make up the partnership delivery budget to show where underspends are being experienced:

<b>Budget heading</b>	<b>Budget (pro rata to 28/02/2009)</b>	<b>Actual spend (to 28/02/2009)</b>	<b>Under/(over)spend (to 28/02/2009)</b>
Management Board Administration (University of Leeds)	£2,917	£0	£2,917
General partnership agreements	£175,000	£93,000	£82,000
Sector lead funding	£569,034	£334,975	£234,059
Central allocation funding (project activity, training and development)	£95,713	£35,345	£60,368
IAG commissioning	£86,397	£25,540	£60,857
Progression commissioning	£121,790	£77,658	£44,132
Total	£1,050,851	£566,518	£484,333

4. Key areas of underspend will be further explained below.

### **Management Board Administration (University of Leeds)**

5. An invoice is expected from University of Leeds for the management board administration charge. A purchase order has been raised and receipt of this has been confirmed. The purchase order is for the total amount budgeted for the year of £5,000.

## General partnership agreements

6. The *general partnership agreement* budget of **£175,000** 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 has underspent by **£82,000**. The **£82,000** is made up of two separate amounts. **£15,750** is spread across those partners engaged in activity and will be distributed to partners as output returns are made. There are no concerns with this part of the underspend and those engaged partners are expected to receive the rest of their funding by June 09. The remaining **£66,250** of this underspend can be accounted as follows:

Dewsbury College - £4,375 (proportion not taken up due to merger with Huddersfield Technical College – Kirklees College has been allocated £22,500)

Huddersfield Technical College - £4,375 (proportion not taken up due to merger with Dewsbury College - Kirklees College has been allocated £22,500)

Leeds College of Music - £5,000 (full allocation is £10,000)

Wakefield College - £11,250 (full allocation is £22,500)

Open University - £11,250 (full allocation is £22,500)

Kirklees College - £11,250 (full allocation is £22,500)

Leeds Trinity and All Saints - £7,500 (full allocation is £15,000)

University of Bradford - £11,250 (full allocation is £22,500)

Leeds College of Music and Wakefield College have both agreed activity and now have delivery plans in place. Payments are structured to be released as outputs are achieved and reported. The delivery plans account for the remainder of the 08/09 year and all of the 09/10 year. Open University are undertaking some research activity to identify a suitable project to utilise WYLLN funding.

Kirklees College, Leeds Trinity and All Saints and University of Bradford have yet to agree activity for the 08/09 year and represent a risk that activity will not take place this year. These three institutions would represent a total year end underspend of **£60,000** should they not deliver any activity.

## Sector Lead Funding

Budget Heading	Annual Budget	Budget (pro rata to 28/02/2009)	Actual (evidenced) spend (to 28/02/2009)
Meetings, communications and representatives	£301,816	£176,059	£176,059
Curriculum development (roll forward of 07/08 funds)	£203,120	£203,120	£139,417
Curriculum Development 08/09	£253,022	£147,596	£0
Marketing (roll forward of 07/08 funds)	£19,061	£19,061	£11,318
Marketing 08/09	£39,767	£23,198	£8,181
Total	£816,786	£569,034	£334,975

7. At the September 08 sector officer meeting the large curriculum development underspend from 07/08 was presented to sector officers. For the majority of sectors this underspend was the full £36,146 available for that year. It was agreed that sector officers would commit their 07/08 underspend to activities by December 08 and be able to evidence these committed funds as actual spend by April 09. The above table shows that, as of 28 February 2009, sector groups have evidenced £139,417 or 68.6% of the roll forward amount. It is highly unlikely that sector groups will be able to evidence expenditure of £203,120 by the April 09 cut-off point. The Board is invited to discuss whether or not to extend this deadline.
8. To monitor sector spending WYLLN introduced a monthly financial return template for sector officers to complete. A breakdown has been provided for each sector.

#### Advanced Engineering and Manufacturing – University of Huddersfield

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£85,203	£23,235

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
£57,231	£36,044	£36,044	63%	100%

9. The sector group has committed total funding of **£85,203** to date for curriculum development activity. This commitment represents 8 curriculum development activities of which 2 have been completed with 6 approved and in development. Completion of these 8 activities will exceed the sector's curriculum development target. The sector work plan submission identifies a further **£80,625** of potential expenditure against 9 further activities. **£36,044** of the 07/08 has been evidenced to date against the requirement of **£36,146** with the sector well on track to achieving this by April 09. The University of Huddersfield does not receive advance funding for curriculum development because they only allow their partners to claim on a quarterly basis.

#### Business Services – Park Lane College

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£100,933	£7,505

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
£57,231	£35,000	£16,562	29%	47%

10. The sector group has allocated **£100,933** of the available funding for curriculum development activities to date. The sector group completed 4 curriculum developments in 07/08 and have a further 9 agreed, 6 of which have started, that will exceed their targets in this area of delivery. Evidenced expenditure is low at **£16,562** and it is likely that the total evidence target of **£36,146** by April 09 will not be met. The sector group has experienced difficulty getting timely invoices and claims from partners for work completed. This information is beginning to filter through now.

### Construction and the Build Environment – Leeds College of Building

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£137,895	(29,457)

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
£57,231	£56,898	£26,391	46%	49%

11. The sector work plan has a large amount of planned activity shown by the over allocation of the total resources available. The sector group is prioritising from a menu of 11 planned activities and has started 7 of these. Completion of these 7 activities will exceed the sector's target for curriculum development. Evidenced spend to date of **£26,391** is on track to meet the required **£36,146** by April 09. The sector group has claims pending from members for work completed and has experienced some difficulty getting claims and invoices from certain members. This has reduced the total spend reported but the importance of claiming funding has been expressed to group members. The level of planned activity gives confidence curriculum development funds available will be utilised.

### 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
£57,231	£28,688	£26,015	45%	91%

12. The sector work plan identifies 13 areas of curriculum development activities in total with 7 of those incurring expenditure to date. As part of the work plan delivery schedule introduced by this sector group, it is anticipated that **£64,354** will have been paid to sector group members across 11 curriculum development activities by July 2009. This **£64,354** represents payments for delivery of agreed milestones towards final outputs. The completion of these curriculum development activities will exceed the targets required by this sector group. The payments to sector group members for delivery

of agreed milestones towards final outputs gives confidence that the April 09 spend target of **£36,146** will be achieved and that all curriculum development funding available will be utilised.

### 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	£96,702	£11,736

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
£57,231	£50,155	£17,192	30%	34%

13. The work plan for the sector group identifies 7 curriculum development activities that have been approved for delivery. Two extra project areas are in development to commit a further estimated **£19,000**. The delivery of these curriculum development activities will exceed the required target. There is concern that only **£17,192** has been evidenced to date and that NTI will fall short of evidencing the target **£36,146** by April 09. The actual evidence of **£17,192** represents expenditure against 4 of the agreed curriculum development activities. These activities were due for completion in March 09 but the completion dates have been revised and delayed until June 09. The implication of the delayed completion date is that fewer costs have been realised at this stage of the activity. It is expected that NTI will spend their curriculum development allocation based on the level of agreed activity and contribution to targets, but after the April 09 cut-off point.

### Health Social Care & Early Years – University of Bradford

3 Yr Curriculum Development Budget	Planned Activity – Work Plan Submissions	Remainder For Allocation
£108,438	£74,335	£34,103

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
£57,231	£18,200	£401.20	1%	2%

14. The work plan for the sector group has identified 10 curriculum development activities and has allocated **£73,395** of available funding to achieve this. Delivery of the planned curriculum development activities will exceed the targets required for this area of delivery. To date evidence of expenditure is low and it is not expected that the sector group will achieve the spend target of **£36,146** by April 09. The sector officer for this sector group was appointed much later than other sector officers and the work plan shows that the curriculum development activity only started in January and February 09. Confirmation has been received that expenditure of **£11,134** can be evidenced through

staff time sheets but the invoices relating to these have yet to be processed so cannot be claimed as evidenced expenditure yet.

### 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
£57,231	£45,465	£17,312	30%	38%

15. The work plan for the sector group identifies 12 curriculum development activities with 6 of these already started. Completion of the curriculum development activities already started will exceed the sector's delivery target in this area. Although the evidenced spend to date is low at **£17,312**, the total estimated costs of the 6 activities that have started is **£86,719**. There is a concern that the evidenced spend will not meet the April 09 milestone of **£36,146** but there is confidence from the level of activity that curriculum development funds available will be utilised.

### Central Allocation Funding

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

Budget heading	Budget (pro rata to 28/02/2009)	Actual spend (to 28/02/2009)	Under/(over)spend (to 28/02/2009)
Network training and development	£22,797	£10,564	£12,233
Project activity	£72,916	£24,781	£48,135
Total	£95,713	£35,345	£60,368

17. The *central allocation funding* is being 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 is showing an underspend of **£12,233**. The staff development task group is set to meet on 30 March 2009 to set a range of programmes to address this and allocate the remaining funds for 08/09.
19. Project activity is showing an underspend of **£48,135** against the pro rata budget but this is not an area of concern. WYLLN have contracts with external partners for delivery of **£103,343** worth of activity to date with a further **£70,000** at the contracting stage as presented in the earlier project activity paper.

**Cashflow**

20. The December 08 finance report showed there was a positive cashflow of £459,899. As at 28 February 2009, the cashflow has decreased to £444,805.
21. As part of the December 08 finance report it was agreed that the WYLLN team would submit a revised payment profile to HEFCE to reduce the positive cashflow based on the four year budget model approved by the Management Board. The application to HEFCE for the fourth year has yet to be made and has to be considered and approved at the June board meeting. Until this application has been approved and sent to HEFCE it is not possible to revise the existing payment profile over a fourth year.