

Meeting	Agenda Item	Reference No
3/07/09	27	HEFCW/09/65

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## **1 Issue**

- 1.1 This paper informs Council of the financial monitoring on programme and running costs expenditure for the fourth quarter in the period April 2008 to March 2009.

## **2 Corporate planning implications / rationale for paper**

- 2.1 The Financial Memorandum between WAG and HEFCW places a duty upon HEFCW to maintain financial and management accounting systems to enable a full review of costs and cash flow to be prepared against agreed budgets. This review is carried out and reported quarterly to Council.

## **3 Recommendation**

- 3.1 The Council is invited to:
- i. Note the fourth and final progress report on actual performance against cash profile for 2008-09 financial year.

## **4 Timing for decisions**

- 4.1 The Council is not required to make any decisions as this paper is for information purposes only.

## **5 Council members' interests**

- 5.1 No conflicts of interests have been declared in advance of the meeting.

## **6 Further information**

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## **7 Programme costs and Running Costs**

- 7.1 Programme funds cash expenditure was £451m which matched the projected cash expenditure.
- 7.2 Running Costs cash expenditure was £3.1m which is lower than the planned cash expenditure of £3.3m by £203k or six percent. This under-spend flows from a mixture of delays in projected cash expenditure, and genuine under-spends.

## **8 Year-end cash balance**

- 8.1 The actual cash balance at the end of March 2009 was £5.62m consisting of £5.15m of programme funds and £0.47m of running cost funds. This represented 1.24 percent of the total grant in aid funds available and was below the two percent carry forward limit set by WAG. The running cost cash balance was higher than expected by £167k which is required to cover profiled cash payments in the new financial year of expenditure that was originally planned, and in some cases committed, in 2008-09.

## **10 Average Payment Days**

- 10.1 HEFCW is required to pay 95 percent of all payments within thirty days of receipt of an invoice or request for payment. The figure achieved in the fourth quarter of financial year 2008-09 exceeded this target as the cumulative figure for the financial year was 99 percent, an improvement on the 98.5 percent achieved last year. In the autumn of 2008 the UK Government agreed to move towards paying suppliers of goods and services to the public sector within 10 working days of receiving a valid invoice.

## **11 Financial implications**

- 11.1 This paper notes that HEFCW's cash balance as at 31 March 2009 was within the cash threshold target of two percent of total grant as set by WAG.

## **12 Communications implications**

- 12.1 This report has no communications implications as it is an internal report on HEFCW's Programme and running costs funds for financial year 2008-09.

## **13 Diversity and Equal Opportunities implications**

- 13.1 This paper has no implications for age, disability, gender, race, religious belief, sexual orientation or the Welsh language.

## **14 Risk Assessment**

- 14.1 This paper has no risk implications as the cash balance was within the maximum allowed by WAG.