

Meeting	Agenda Item	Reference No
2/07/10	26	HEFCW/10/73

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 2009 to March 2010.

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 2009-10 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

Contact Nick Williams (Tel 029 2068 2299; E-mail nickwilliams@hefcw.ac.uk)
or Michelle Morris (Tel 029 2068 2213; E-mail: michelle.morris@hefcw.ac.uk)

7 Programme costs and Running Costs

- 7.1 Programme funds cash expenditure was £483.9m which was £8.1m or 1.7 percent above the projected cash expenditure. The main areas to highlight within the cash spend are a higher spend for Capital as WAG brought forward funds from the 2010-11 allocation, a higher spend for Open University recurrent and Capital, and Clinical pay awards.
- 7.2 Running Costs cash expenditure was £2.9m which is lower than the planned cash expenditure of £3.2m by £299k or 9.3 percent. Most of the under-spend relates to committed goods and services where the invoice is still awaited. In addition, the largest single item is non-payment of the pay award for last year which was paid in May 2010.

8 Year-end cash balance

- 8.1 The actual cash balance at the end of March 2010 was £4.4m. This represented 0.92 percent of the total grant in aid available and was below the two percent carry forward limit set by WAG.

9 Average Payment Days

- 9.1 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. The cumulative figure for the financial year was 97.6 percent of all payments made within 10 working days of receipt of a valid invoice.

10 Financial implications

- 10.1 This paper notes that HEFCW's cash balance as at 31 March 2010 was within the cash threshold target of two percent of total grant as set by WAG.

11 Communications implications

- 11.1 This report has no communications implications as it is an internal report on HEFCW's Programme and running costs funds for financial year 2009-10.

12 Diversity and Equal Opportunities implications

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

13. Risk Assessment

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