

*For information*

**Cash expenditure report for the period April 2016 to March 2017**

Agenda: 26  
**HEFCW/17/63**

Disclosable

**13/07/2017**

**1 Issue**

- 1.1 This paper informs Council of the financial monitoring of programme and running costs cash expenditure for the period April 2016 to March 2017.

**2 Corporate Planning Implications / Rationale for paper**

- 2.1 HEFCW's Framework Document with the Welsh Government (WG) places a requirement 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 to Council quarterly.

**3 Recommendations**

- 3.1 The Council is invited to:
- i. note the fourth and final progress report on actual performance against cash profile for the 2016-17 financial year.

**4 Timing for decisions**

- 4.1 The Council is not required to make any decision 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**

- 6.1 Contact Nick Williams (029 2085 9646; [nick.williams@hefcw.ac.uk](mailto:nick.williams@hefcw.ac.uk))

## **7 Programme 2016-17**

- 7.1 Programme funds cash expenditure between April 2016 and March 2017 was £136.0m which was £1.6m or 1.2 percent higher than the previous forecast. The higher level arose as £4.37m of payments that are available in the Academic Year 2016/17, were brought forward into Financial Year 2016-17 in order to stay within the permitted year-end cash threshold following receipt of additional GIA funds allocated by Welsh Government of £4.178m in March 2017.

## **8 Running Costs 2016-17**

- 8.1 Cash spend in FY 2016-17 was £2,604k which was £107k or 3.9 percent lower than the previous re-profile. Some of this under-spend has been regarded as committed funds and has been carried forward into FY 2017-18. The outcome is that the actual cash balance held at 31 March 2017 was £1,280k which was higher than predicted in the previous re-profile.

## **9 Financial year 2016-17 closing cash balance**

- 9.1 The total closing cash balance at 31 March 2017 was £1.8m. This represented 1.5% of our total GIA funding for the year.

## **10 Payment days**

- 10.1 HEFCW is operating under the WG target to pay suppliers of goods and services within ten working days of receiving a valid invoice. In the period April 2016 to March 2017 HEFCW has paid 95.0 percent of invoices within ten working days, with an average payment time of 2.3 days. Prior year comparator is 95.1 percent and an average of 2.1 days.

## **11 Financial implications**

- 11.1 This paper notes that the WG cash threshold target of two percent of total funds available at the end of FY 2016-17 was not exceeded.

## **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 the prior financial year.

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

- 13.1 This paper has no implications for age, disability, marital/civil partnership, maternity/pregnancy, race, religion or belief, sex, sexual orientation, any other protected characteristic or the Welsh language.

## **14 Risk Assessment**

<b>Risk</b>	<b>Action to address risk</b>
HEFCW might exceed its maximum permitted cash balance.	Officers' proposals for additional expenditure were agreed for FY 2016-17 which enabled HEFCW to remain within the maximum permitted cash balance.