

For information

Cash Expenditure Report for the Period April 2017 to March 2018

Agenda: 24
HEFCW/18/64

Disclosable

12/07/2018

1 Issue

- 1.1 This paper informs Council of the financial monitoring of programme and running costs cash expenditure for the period April 2017 to March 2018.

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:

Note the fourth and final progress report on actual performance against cash profile for the 2017-18 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)

7 Programme 2017-18

- 7.1 The grant-in-aid available from WG in 2017-18 was £120.1m, inclusive of £5.9m capital. This represented a reduction from 2016-17 of £1.5m or 1.2 per cent. In addition, £330k was available for CCC Scholarships
- 7.2 Included within the grant-in-aid sum of £120.1m was an additional amount of £13.6m received in March 2018, which resulted in £20.3m being spent in March in order to stay within the target of two percent of total funds at the end of FY 2017-18.
- 7.3 Other income (excluding WEFO funding) was £11.0m, comprising of £7m from BIS and WG match funds, £1.7m for the UKRPIF project at Cardiff University and £2.3m for the Global Challenge Research Fund. In all cases, the income directly matched the financial year cash spend and if the income was not received then the expenditure was not defrayed.
- 7.4 Total GIA funds available were £117.4m net of running costs.
- 7.5 The total GIA cash expenditure was £117.3 (net of WEFO income). This represented an in year underspend of £0.1m.

8 Running Costs 2017-18

- 8.1 Running costs cash expenditure was £2,781k, £626k lower than the budget of £3,407k.

9 Financial Year 2017-18 Cash Balance

- 9.1 The total funds available for 2017-18 was £132.1m. The total cash expenditure was £132.0m, giving an in-year under-spend of £100k. However when the opening cash balance is taken into account, the closing cash balance, as at 31 March 2018, was £2.0m.0
- 9.2 This equated to 1.6 percent of the total funds available and was within the current carry forward limit set by WG.

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 to March 2018 HEFCW paid 94.0 percent of invoices within ten working days, with an average payment time of 2.5 days. Prior year comparator is 97.5 percent and an average of 2.3 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 2017-18 was not exceeded.
- 11.2 Throughout the financial year officers monitored the cash flow estimate for the end of the financial year to ensuring the maximum threshold set by WG was not breached.

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 current 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

Risk	Action to Address Risk
HEFCW might exceed its maximum permitted cash balance.	Officers' proposals for additional expenditure were agreed for FY 2017-18 which enabled HEFCW to remain within the maximum permitted cash balance.