

Council meeting

For information

Cash expenditure report for the financial year April 2019 to March 2020

Agenda: 19
HEFCW/20/57

Disclosable

14/05/2020

1 Issue

- 1.1 This paper informs Council of the financial monitoring of programme and running costs cash expenditure for the financial year April 2019 to March 2020.
- 1.2 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.

2 Recommendation

- 2.1 The Council is invited to:
 - i. note the fourth and final progress report on actual performance against cash profile for the 2019-20 financial year

3 Council members' interests

- 3.1 We are not aware of any Council members' interests relevant to the issues covered by this paper.

4 Further information

- 4.1 Contact Nick Williams (029 2085 9646; nick.williams@hefcw.ac.uk).

5 Programme 2019-20

- 5.1 The total grant-in-aid (GIA) available from WG in 2019-20 as at 31 March 2020 is £168.2m inclusive of £10.0m for capital. There have been increases to Annex A of the Remit letter in July, December and January to add the following:

July:

£104.5k – WHEELP II

£118k – contribution towards increased civil service pension costs

£1.3m – funding for STEMM and Welsh Medium Bursaries

£80k – funding for 60+ Bursaries

December:

£7.5m – for Research Wales Initiative Fund (RWIF)

£1.5m for Wellbeing and Equality and Diversity

£6.0m to support research development (QR and PGR)

January:

£504k - additional costs in 2019-20 due to increase in medical education places

£29k – to support Educational Research

This represents an increase from 2018-19 final GIA of £25.4m or 17.8 per cent.

- 5.2 Other income (excluding WEFO funding) is estimated at £9.6m which primarily relates to funding from BIS together with WG match funds of £7.0m and Global Challenges Research Fund (GCRF) funding of £2.5m. These incomes directly matches to cash spend and if the income is not received then the expenditure will not be defrayed.
- 5.3 As at 31 March 2020, the total of funds available net of the running costs budget is £165.1m.
- 5.4 The total cash expenditure is £161.1m (net of WEFO income). This represents an in year underspend of £73k.

6 Running Costs 2019-20

- 6.1 Running costs cash expenditure is £3,152k which is £493k below the budget of £3,645k.

7 Financial year 2019-20 cash balance

- 7.1 The total of funds available is £165.124m. The total cash expenditure is £165.051m, an in-year underspend of £73k. When the opening cash balance is taken into account, the closing cash balance, as at 31 March 2020, is £98,370.
- 7.2 This equates to 0.06 percent of the total funds available and is within the current carry forward limit set by WG.

8 Payment days

8.1 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 2019 to March 2020, HEFCW has paid 94.9 percent of invoices within ten working days, with an average payment time of 2.04 days. Prior year comparator is 94.2 percent and an average of 2.15 days.

9 Financial implications

9.1 This paper notes that the WG cash threshold target of two percent of total funds available was not exceeded during the financial year.

9.2 Throughout the financial year officers monitor the cash flow estimate for the end of the financial year to ensure that the maximum threshold set by WG is not breached.

10 Communications implications

10.1 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.

11 Impact Assessment

11.1 The issues set out in this paper do not need to be impact assessed by HEFCW as the paper is presented for information only.

12 Risk Assessment

12.1

Risk	Controls
HEFCW might exceed its maximum permitted cash balance.	If necessary, officers will bring forward proposals for additional expenditure which will enable HEFCW to remain within the maximum permitted cash balance.