



Name of Meeting
Audit and Corporate Governance
Committee
Date of Meeting
29 January 2023
Agenda item:
7.3c

Policy / Procedure Approval Report

Section 1 - Policy / Procedure Information

Policy / Procedure Title	Budgetary Control Procedure
Policy Lead	Ruth Maddern, Head of Financial Planning
Lead Executive	Huw George, Deputy Chief Executive and Executive Director of Operations and Finance
PHW / All Wales?	PHW
Date of last Review	January 2017
Is the current policy / procedure within review date?	No
Approving Body /Group	Audit and Corporate Governance Committee
Version Number	1.0

Section 2: Recommendation

That the Audit and Corporate Governance Committee

- Consider the new procedure and the Equalities Impact Assessment
- **Note** that the Leadership Team endorsed the Procedure to the Audit and Corporate Governance Committee at its meeting on 15 January 2024
- **Approves** the Budgetary Control Procedure



Section 3 – Details of the Review:	
Background:	
Reason for review	<ul style="list-style-type: none"> • review deadline due / passed
Description/Assessment	<p>The budgetary process is part of the Trust's system of internal control and financial management. Budgets form an integral part of strategic planning and ensure that resources are targeted to support the delivery of the Trust Integrated Medium Term Plan (IMTP).</p> <p>It is important to ensure that there are robust budgetary control procedures in place to make best use of the available resources.</p>
Consultation	
Has this Policy / Procedure been through the appropriate 28 day consultation process?	Yes
Date range of consultation:	28 th November 2023 – 4 th January 2024
Please provide details of any feedback received and outline what changes if any were made to the document as a result:	No feedback – no changes
Had this policy / procedure been considered by any other groups?	The Leadership Team also considered and endorsed the Procedure at its meeting on the 15 January 2024.
If so, please provide detail of any comments / feedback or amendments made to the documents as a result of this	
(Add detail)	
Section 4: Impact Assessments	
Equality and Health Impact Assessment	No issues identified in the assessment.
Welsh Language Impact	The Procedure will be translated to welsh and available on the internet bilingually. The Framework will be translated to welsh and available on the internet bilingually.



Risk and Assurance	N/A
Health and Care Standards	This Procedure supports and/or takes into account the <u>Health and Care Standards for NHS Wales</u> Quality Themes This Framework supports and/or takes into account the <u>Health and Care Standards for NHS Wales</u> Quality Themes
	Governance, Leadership and Accountability
	Choose an item.
	Choose an item.
Financial implications	There are no financial implications to this Procedure being adopted.
People implications	
Socio Economic Duty	N/A

5 - Implementation

Implementation plan (with timescales)		
Next steps	Timescale	Responsible officer(s)
This is a review and update of an existing procedure that is already implemented. Once approved, next steps will be to update the finance intranet pages	On approval	Ruth Maddern, Head on Financial Planning

6. Dissemination

The primary source for dissemination of this Budgetary Control Procedure within the organisation will be via the intranet site.



BUDGETARY CONTROL PROCEDURE

Introduction and Aim

The budgetary process is part of the Trust's system of internal control and financial management. Budgets form an integral part of strategic planning and ensure that resources are targeted to support the delivery of the Trust Integrated Medium Term Plan (IMTP).

It is important to ensure that there are robust budgetary control procedures in place to make best use of the available resources.

The Trust Standing Financial Instructions detail the financial responsibilities, policies and procedures to be adopted by the Trust. Together with the Standing Orders, Scheme of Delegation and other Financial Procedure notes, they cover all aspects of financial management and control.

Budget holders are required to review procedures for financial management to ensure that they understand their responsibilities and comply with the directions and guidance in this document. Financial performance is a key objective for senior managers within the Trust and, as such, failure to comply with budgetary control procedures may be treated as a breach of conduct.

Budget holders are required to undertake Budget Holder training in order to continue to manage a budget. Training is provided by Finance Division staff. Further details are given in section 6.

This Budgetary Control Procedure is designed to assist budget holders and managers in the discharge of their responsibilities. It describes the ground rules within which budgets are to be operated in the financial year, it clarifies roles and responsibilities in respect of budgetary control and it ensures that the budgetary processes of the Trust form part of the overall assurance framework.

The aims of the procedure are:

- To develop management understanding and capacity in relation to financial matters. This should be to enable managers to get the best possible value from their budgets.
- To provide the Trust with the necessary controls to ensure that expenditure is incurred in accordance with the Trust's approved budget.

Linked Policies, Procedures and Written Control Documents

[All corporate policies and procedures are available on the Public Health Wales website](#)

Scope

This procedure is applicable to all Public Health Wales Staff, including those with honorary contracts.

Equality and Health Impact Assessment	An Equality, Welsh Language and Health Impact Assessment has been completed and can be viewed on the policy webpages.
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Approved by	Board/Committee
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Approval Date	TBC
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Review Date	TBC
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Date of Publication:	TBC
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Accountable Executive Director/Director	Huw George, Executive Director of Operations and Finance
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Author	Ruth Maddern, Head of Financial Planning
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Disclaimer

If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or the [Board Business Unit](#).

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Summary of reviews/amendments				
Version number	Date of Review	Date of Approval	Date published	Summary of Amendments

DRAFT

Contents

1	Introduction	5
2	Roles and responsibilities	7
3	Definitions	11
4	Procedure/Process/Protocol	14
5	Appendices	23

DRAFT

1 Introduction

The budgetary process is part of the Trust's system of internal control and financial management. Budgets form an integral part of strategic planning and ensure that resources are targeted to support the delivery of the Trust Integrated Medium Term Plan (IMTP).

It is important to ensure that there are robust budgetary control procedures in place to make best use of the available resources.

The Trust Standing Financial Instructions detail the financial responsibilities, policies and procedures to be adopted by the Trust. Together with the Standing Orders, Scheme of Delegation and other Financial Procedure notes, they cover all aspects of financial management and control.

Budget holders are required to review procedures for financial management to ensure that they understand their responsibilities and comply with the directions and guidance in this document. Financial performance is a key objective for senior managers within the Trust and, as such, failure to comply with budgetary control procedures may be treated as a breach of conduct.

Budget holders are required to undertake Budget Holder training in order to continue to manage a budget. Training is provided by Finance Division staff. Further details are given in section 6.

This Budgetary Control Procedure is designed to assist budget holders and managers in the discharge of their responsibilities. It describes the ground rules within which budgets are to be operated in the financial year, it clarifies roles and responsibilities in respect of budgetary control and it ensures that the budgetary processes of the Trust form part of the overall assurance framework.

The aims of the Procedure are:

- To develop management understanding and capacity in relation to financial matters. This should be to enable managers to get the best possible value from their budgets.
- To provide the Trust with the necessary controls to ensure that expenditure is incurred in accordance with the Trust's approved budget.

A number of underlying key themes will be maintained in the Procedure:

- Budgets will be set within the Trust's expected resource.
- Budgets will be set so that they are achievable and realistic with all budget setting methodologies and assumptions being made clear.
- Expenditure will not be permitted to exceed budgets without the approval of the Executive Director of Operations and Finance.
- There will be no automatic right to receive a budget at the same level as previous years. As part of the Trust financial management process, budget holders will need to demonstrate how resources within their control are being spent and how value for money is being achieved. Budgets will also reflect the Trust's policy on management and operational cost reduction schemes and targets.
- Actual staff posts will not be permitted to exceed funded establishments.
- Directorate reports will be issued on a regular basis for appropriate review and action.
- Clear ownership / accountability of budgets by budget holder / managers will be required and evidenced through formal sign-off of budgets.
- Any proposal requiring additional funds must have appropriate finance input and sign-off, including identification of the source of funding.

2 Roles and responsibilities

This section outlines the roles and responsibility for:

- The Trust
- Budget Holders
- Finance Partners
- Finance Business Partners

2.1 Trust Financial Duties

The Trust is required to meet the following statutory financial duties and administrative requirements:-

- The Trust has a statutory duty to breakeven over a three-year rolling period.
- The Trust has a statutory duty to prepare a plan, the Integrated Medium Term Plan (IMTP), to secure compliance with the first statutory duty (above), and for that plan to be submitted to and approved by the Welsh Ministers.
- The Trust must ensure the Board approve balanced revenue and capital plans before the start of each financial year;
- The Trust has a Capital Expenditure Limit that must be met;
- External Finance Limit (EFL) – a requirement not to exceed the cash limit, i.e. do not spend more than the specified cash limit. The Trust has a combined cash limit for both revenue and capital;
- Public Sector Payment Performance (PSPP) – The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later).

2.2 Delegation of Budget Responsibility

The Chief Executive delegates, via the Director of Finance, responsibility for the management of budgets to individuals in line with the scheme of delegation to permit such managers to perform their duties.

Any delegation of budgets by the Chief Executive will be specified in

a financial scheme of delegation, which will provide a clear definition of responsibility for the control of expenditure and the limits on the authorisation of expenditure. L1 forms are used to delegate budgets, along with an expenditure authorisation level from the Chief Executive to the budget holders listed on the financial scheme of delegation.

Expenditure limits of up to £10k can be further delegated by these primary budget holders using the L2 form. Both L1 and L2 forms can be found on the Finance Intranet pages or from Finance Partners.

2.3 Definition of a Budget

A budget is a specific sum of money allocated to carry out a specific plan for a specific period. It expresses plans and intentions in resource and financial terms having regard for the quantity and quality of services to be given.

2.4 Budget Holders

Budget holders are responsible for running services or delivering specific objectives and will be accountable, for the use of resources in discharging those responsibilities.

It is recognised that an awareness of financial control should be embedded within the culture of the organisation. As such, budget holders are responsible for ensuring that they, and staff within their team, are aware of current finance issues and understand the financial implications of their decisions and actions.

2.5 Budget Holder Role and Responsibility

A nominated Finance Partner will be allocated to each directorate to help the budget holders manage their financial resources.

All budget holders have a number of responsibilities. These include:-

- Set realistic budgets in conjunction with the Finance Partner within the sum allocated.
- Managing services within the delegated budget.

- Spend funds only as required and manage resources to ensure value for money is obtained at all times.
- Work within the establishment control process to ensure that all posts are properly funded and approved.
- Timely approval and accurate coding of financial documents e.g. purchase requisitions, invoices.
- Monitor budgets on a regular basis, at least monthly.
- Work closely with Finance Partners, keeping them informed of any forthcoming financial issues, identifying risks that will affect the financial position and agreeing the likely year-end forecast outturn position.
- Investigate causes of expenditure and budget variances using information from activity, workforce and other relevant sources.
- Develop plans to address adverse budget variances, keeping the Finance Partner informed of reasons for the variance and the action taken to correct the position.
- Comply with the Trust's Standing Orders, Standing Financial Instructions, Financial Procedures and Tendering and Contracting procedures at all times.
- Budgets must be maintained in accordance with the Trust's overall IMTP and must be used only for the purpose for which they are provided except where otherwise approved by the Executive Team.

The accountable budget holder may delegate the management of a budget to a named delegated budget holder. Whilst the delegated budget holder must comply with all the above requirements, the budget holder remains accountable for the performance of the budget(s) under their control.

A comprehensive list of budget holders and budget managers will be maintained by the Finance Division.

2.6 Finance Partner Responsibility

Each budget holder will be allocated a Finance Partner whose responsibility it will be to:-

- Provide accurate, timely and relevant information to help budget holders manage their budgets;
- Make contact with budget holders on a regular basis to discuss any budgetary issues and forecasts;
- Work closely with budget holders to understand the nature and patterns of expenditure and agree the likely forecast outturn position at the year-end (i.e. the extent to which expenditure is likely to deviate from budget).
- Provide advice and assistance to budget holders in the management of their budgets. Notwithstanding this, budget holders are ultimately responsible for the consequences of their decisions.
- Provide advice and assist the budget holder in completing business case documentation for new developments or reviews of existing services.
- Maintain records to ensure that budgets accurately reflect the approved establishment levels.

2.7 Finance Business Partner Responsibility

Each Directorate will be allocated a Finance Business Partner whose responsibility it will be to:-

- Ensure financial information is processed in accordance with Standing Orders, Standing Financial Instructions and Financial Procedures.
- Ensure the highest standards of financial stewardship and actively manage the delegated financial position to achieve breakeven positions for Divisions/Directorates and collectively for the Trust.
- Provide comprehensive financial leadership and advice and ensure proactive financial management and control of the Trust resources at all levels of decision-making.

- Advise Directorate management teams on complex business planning issues, and provide financial direction and financial control of services, contributing to the delivery of strategic and operational objectives set for both the Directorate and the Trust.
- Provide financial advice to the Directorate management teams to ensure effective utilisation of resources to deliver value for money.
- Contribute to the development of the Trust Integrated Medium Term Plan (IMTP) and coordinate the production of annual financial plans and monitoring reports for the Trust to support the achievement of its objectives.
- Manage the performance and development of the Finance Partners and Finance Assistants providing effective leadership and guidance.

3 Definitions

Term	Definition
Balanced budget	A budget that delivers a break-even position
Budget	A financial and / or quantitative statement that is prepared and agreed for a specific future period – usually a financial year in PHW. It translates aims of the Directorate into a statement of the resources needed to fulfil them in monetary terms
Budget holder / manager	The single named individual responsible for a budget. They are responsible for agreeing, reviewing and monitoring their allocated budgets and taking the action necessary to ensure that income and expenditure do not exceed that planned.

Term	Definition
Budget monitoring	A continuous process of reviewing actual income and expenditure against plan
Business case	A formal process (in written form) for identifying the financial and qualitative implications of options for changing services and/ or making investments
Costing	Quantifying, in financial terms, the value of resources consumed in carrying out a particular activity/ service or producing a certain unit of output
Direct costs	Costs that can be directly attributed to a particular activity or output
Drawdown budget	The amount of money available for an agreed activity that will be requested from funding source against evidenced activity / delivery. It cannot be accessed in advance of activity.
Establishment	A staffing establishment is the number of full-time/whole-time equivalents for each grade of staff budgeted for a directorate / division / function / team. If a budget manager keeps to the agreed staffing establishment, the amount spent against the budget should stay on track throughout the year. Any recurring changes to the budgeted establishment needs to be approved by the Establishment Control Panel.
Forecast	A prediction of future financial activity / spend / performance
Non-pay	Income or expenditure not related to people resource
Non-recurrent	One-off income, expenditure or savings which

Term	Definition
	are contained in a particular financial year and will not be repeated in future years
Pay	Income or expenditure related to people resource
Collective budget	This refers to the combining of resources within a Directorate, or across a number of Directorates with the agreement of The Chief Executive.
Recurrent	On-going income, expenditure or savings that will continue into successive financial years.
Expenditure Slippage	An informal term used to describe a situation where the expenditure is less than the budgeted plan – an underspend situation giving rise to a negative variance.
Vacancy factor	A negative Pay budget - Expressed as a % this is a calculation of the anticipated whole-time equivalents (WTE) number of vacancies against budgeted WTE workforce levels
Variance	The difference between budgeted and actual income and / or expenditure. Variances are used to identify and analyse the cause of over or under spends with a view to taking action to mitigate the position
Virement	The process of transferring budget from one budget heading / line to another

4 Procedure/Process/Protocol

4.1 Budget Setting Process

The financial plans and resultant annual budgets are based on the Trust's anticipated resources, risks, efficiency targets and developments known at the time of setting the budget. Budgets setting is an intrinsic part of the IMTP process and should be in accordance with the aims and objectives set out in the approved IMTP, and focussed on delivery of safe patient centred quality services.

Annual Financial Planning principles are provided by the Executive Director of Operations and Finance each year, which set out the assumptions for that year. These will include any Cost Improvement or Efficiency targets set both nationally and locally by the Trust, along with any further savings, which may be needed to create an investment fund.

Budget holders are required to develop realistic and achievable schemes in order to meet any savings targets.

Budgets will include both financial budgets (£) and workforce establishment budgets (budgeted whole time equivalents).

In the initial stages of budget setting, recurrent budgets will be 'rolled over' to form the baseline for the following year. However, there will be no automatic right to receive this rolled forward budget in full. Budget holders may need to demonstrate how resources within their control are being spent and identify the resultant value for money benefits.

All budgets must be agreed and "signed-off" by the appropriate budget holder.

The planning cycle will ensure that all identified developments and cost pressures are assessed, prioritised and approved by the Trust with reference to local and national targets. Throughout the year, it will also serve as a tool for evaluating and potentially disinvesting in services, which are already in place.

Draft budgets will be subject to a formal scrutiny process and must be approved by the Executive team body prior to the start of the financial year and in advance of any new financial commitments being made.

Budgets must take account of the principles of Well-being of Future Generations (Wales) Act 2015 including the seven Well-being Goals and the five ways of working.

4.2 Non-recurrent Funding/Expenditure

Recurrent (on-going) and non-recurrent (current year only/time limited) budgets will be separately identified and agreed with budget holders and managers.

Under no circumstances should recurrent expenditure be committed against non-recurrent funding unless by prior written agreement of the Director of Operations and Finance.

Non-recurrent funding may only be used to meet non-recurrent expenditure and will be withdrawn at the commencement of the next financial year unless by prior written agreement of the Executive Director of Operations and Finance.

Where external funding streams are identified as being non-recurrent, a written agreement, which confirms funding arrangements, must be signed by the external stakeholder/agency prior to any financial commitment being made by the Trust (e.g. advertising posts).

No applications should be made for any additional external funding towards pilots or service developments without formal financial sign-off. This is to ensure that any projected costs submitted are validated and that the finance department is aware of the application in order to track receipt of the external funding.

No funds should be committed until allocations have been confirmed.

For non-recurring funding streams, one of the following formal agreements will need to be in place:

- Signed confirmation from Awarding body confirming funding arrangements;
- Signed secondment agreement for seconded out member of staff

4.3 Savings Plans

Cost efficiency measures will be agreed with budget holders prior to the start of each financial year and deducted from base budgets. Each measure will be monitored and reviewed on a monthly basis against the planned savings. Where actual performance is below that planned, a revised action plan must be agreed to deliver the agreed savings.

The ownership of any savings plan, along with the risk, and possible service impact, must be identified at the outset when plans are made.

4.4 Developments / Business Cases

Business Cases will be required for all proposed developments or investment requests for both internal and external funding.

All Business Cases must have appropriate input and support from the Finance Division. In particular, the source of funding must be identified and confirmed by the Finance Partner/Finance Business Partner prior to submission to the Executive Team or delegated committee for approval. This will ensure that the associated costs are accurate and provide an additional check to ensure that all financial considerations have been taken into account. It will also ensure that, for both new and existing schemes, there is absolute clarity around the reasons for and the benefits and outcomes of the schemes under review.

Any changes to commissioned activity/spend and cost pressures impacting on budgetary spend must be approved. Baseline budgets will not be automatically reset to accommodate cost pressures.

Budget holders must formally apply for additional budgetary resources under the same rules as for investments and developments through the agreed business planning process.

Approved development or investment funding will be retained within a central budget until confirmation is received that the development has commenced. At such a time the budget will be released to a designated budget holder. The amount released to the budget holder will reflect any slippage between the planned start date and the actual start date.

Further advice regarding the financial content of a business case can be obtained from the Finance Partner/Finance Business Partner.

4.5 Centrally Held Budgets

Other centrally held budgets may include sums to cover future pay awards, price inflation, unforeseen contingencies, non-recurrent spending or other specific items not yet allocated to individual budgets.

The Executive Director of Operations and Finance may exercise discretion to partly or wholly allocate reserves directly to departments.

Central budgets will be reviewed on a monthly basis to determine both their adequacy and necessity.

All changes to revenue allocations notified by Welsh Government will be reflected initially in central budgets. Budget holders do not have an automatic right to receive an allocation direct into their budgets.

Funds will only be released from reserves when the Executive Director of Operations and Finance is satisfied that:

- The appropriate approval process and procedures have been complied with;
- There is a sound financial strategy in place for spending the resource;
- The purpose is in line with the Trusts strategic objectives and demonstrates value for money;
- The proposed use of resource is not or cannot be funded from within existing budgets; and
- The commitment will not jeopardise the Trusts ability to meet its statutory duties and financial targets.

4.6 Carry forwards from previous year

Automatic carry-forwards of unused budget funds for individual budgets from the prior financial year will not be available.

Where a Trust has received 'ring fenced' income (not allocations), which would otherwise be lost to the organisation, non-recurrent budget carry forwards may be considered subject to approval by the Finance Division and with the written agreement of the funding

organisation. Generally speaking, funding from Welsh Government or other NHS Wales organisations cannot be carried forward.

4.7 Reporting Procedures

Each budget holder will have access to a monthly budget report via the financial system within 5 working days of the month end to which the report relates.

In order to provide an accurate financial position, prior to the reports being finalised:-

- Accruals (sums entered to reflect resources consumed but not yet actually paid for) will be entered by the Finance Division on a monthly basis. This includes Goods / Services Received and not paid for.
- Prepayment adjustments (sums entered to reflect payments made in advance of resources consumed) will also be entered by the Finance Division on a monthly basis.

Executive Directors will receive monthly Directorate reports identifying performance against each budget area within their remit.

Budget holders will be instrumental in underwriting the accuracy of forecasts provided in conjunction with the Finance Partner as they should have a more in-depth understanding of their budget area and be aware of any commitments (e.g. Purchase orders raised / SLAs agreed and performance to date).

A regular review will take place, involving both the Finance Partner and budget holder to ensure that the budget reports reflect a true record of the expenditure position to date and to agree the forecast position for the year-end.

The Executive Director of Operations and Finance will produce a monthly position statement for the Executive Team and Trust Board, which will:-

- highlight performance against the Trust's key financial targets;
- provide explanations for major variances against budgets and action being taken to rectify the position;

- identify major financial risks that could affect the Trust's financial position and details of any action being taken to mitigate them.

4.8 Investigation of Variances

A budget holder must manage their overall budget position within the resources available. Variances, where income or expenditure differs from the budget, during the year need to be fully understood by the budget holder in order that the underlying financial position can be determined and appropriate management action taken to bring expenditure back in line with the budget.

All significant variances should be investigated by the budget holder in conjunction with the Finance Partner.

4.9 Underspends

If a budget is forecast to be underspent, the savings will be classified into two distinct categories:

- 1) Unplanned – these are savings which accrue without the budget holder taking any specific action, e.g. staff turnover.
- 2) Planned – these are savings, which are the direct result of specific action taken by the budget holder.

The 'Management of In Year Variances' sets out a framework which proactively supports the budget management, monitoring and forecasting of the financial position for each directorate throughout the financial year to achieve a breakeven position.

The Executive Director of Operations and Finance has the right to request the use of any savings to alleviate financial pressures elsewhere within the Trust or to fund new developments.

Budget holders should note that underspends in any year are not carried forward for use in a subsequent year.

4.10 Overspends

A budget holder does not have the authority to overspend their budget(s).

Where budget holders become aware that possible significant overspends could arise, immediate action must be taken to rectify the situation. The budget holder must inform the Executive Director of Operations and Finance or a senior member of the Finance Division as quickly as possible.

4.11 Budget Virements

Budget holders must not incur expenditure, which is normally chargeable to the budgets of other budget holders without prior written authority.

Virement (transfer) of funds between budgets/reserves may be necessary during the year for a number of reasons. Budget holders may wish to vire funds from within their own budgets (budget lines) or with budgets held by others.

A record of all budget changes from initial base budgets will be maintained by the Finance Division.

Virements **cannot** be actioned for:

- Transfers between capital and revenue;
- Where it would be in breach of the rules on earmarked or ring fenced funding arrangements;

4.12 Establishment Control

Prior to starting any recruitment process for a vacant post, or undertaking any review of banding, the proper establishment control procedure must be followed.

An approved staff establishment list is produced at the beginning of each year as part of the budget setting process. This list forms an important element of control in that it represents the staff resource needed to support the objectives of the IMTP and which was agreed as part of the budget setting process.

Any potential changes in establishment will need to be discussed and formally agreed by both workforce and Finance Business Partners. Such changes in establishment will include re-bandings.

If there are financial implications of any changes to the establishment, then these need to be formally approved by the Finance Partner/Finance Business Partner. If any increase in the

pay budget is required as a result of establishment changes, this needs to be approved by the Establishment Control Panel.

Each directorate should have a formal review process to consider all establishment changes or like for like replacements.

As a minimum, the documentation and process must:-

- Identify how the full cost of the post will be funded. This will include, where applicable, costs relating to salary, travel, training, furniture, equipment, computer, mobile phone, etc.
- Explain why the post should be filled, the impact on service delivery of not filling the vacancy and the financial impact of filling/not filling the vacancy.

Establishment control forms completed in respect of all posts must be counter-signed by the Finance Partner/Finance Business Partner as additional confirmation of availability of funding for the post.

4.13 Agency Staff Budgets

Where agency staff are used, the appropriate establishment budget will be charged the actual agency/bank staff time.

The cost of agency staff is normally more expensive than NHS staff and therefore managers must ensure that sufficient funds are available within the overall budget to accommodate this additional cost.

4.14 Public Sector Payment Performance (PSPP)

The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). It is important, therefore, that those who are required to authorise invoices / or provide proof of delivery of goods or services against purchase orders should do so immediately or as soon as practicable upon receipt.

The Finance Division will actively manage performance against this target and will contact all budget holders to ensure that appropriate actions are taken in a timely manner.

4.15 Capital

Capital expenditure is expenditure on non-current assets (Property,

Plant and Equipment, Right of Use Assets or Intangible Assets) as defined by the NHS Wales Manual for Accounts (Capital).

All non-current assets are held on the Trust asset register and currently comprise the following categories of assets:

- Land and Buildings
- Plant and Machinery
- Transport equipment
- Information Technology
- Furniture and fittings
- Computer software purchased
- Computer software internally developed
- Licences and trade-marks
- Development expenditure internally generated

There is no simple definition for capital expenditure and therefore advice should be sought by the budget holder from the Trust's Finance Manager for Capital as to whether expenditure is capital or revenue.

The Trust receives an annual discretionary Capital Expenditure Limit, which is primarily used to fund replacement items on the Trust Asset Register.

In addition, the Trust receives strategic capital directly from Welsh Government for any major schemes and new developments through the submission of Business cases.

A Statement of Need is submitted by budget holders for all items, which need to be replaced using discretionary funding. The Trust Capital Planning group receives and assesses all statements at the beginning of each financial year, and sometimes during the year as more funding becomes available.

All capital schemes must clearly include and have approval for any revenue commitments arising from the scheme.

Once approved each capital scheme will have a designated budget holder who will be responsible for ensuring that expenditure does not exceed approved values.

The general rules stipulated within this budgetary control Procedure will also apply to capital expenditure.

4.16 Budget Holder Training

Budget holders are required to undertake budget management training in order to manage a budget. Budget Holder training is provided by Finance Division staff.

Please contact your Finance Partner for details of training or visit the Finance Division intranet pages. It is essential that any training requirements are raised with your Finance Partner at the regular review meetings to ensure that there are no gaps in control.

In addition to the Budget Holder training, the Trust also provides General Finance training.

4.17 Monitoring and Review

This document will be reviewed and updated every 3 years; however, any required changes that occur prior to this will be addressed in line with correct governance processes.

5 Appendices

- Equality Health Impact Assessment

Equality & Health Impact Assessment for
(Insert name of policy or business change)

Part 1

Please answer all questions:-

1.	For service change, provide the title of the Project Outline Document or Business Case and Reference Number	Budgetary Control Procedure
2.	Name of Clinical Board / Corporate Directorate and title of lead member of staff, including contact details	Operations and Finance Directorate Huw George, Deputy Chief Executive and Executive Director of Operations and Finance Email: Huw.George2@wales.nhs.uk Tel: 029 2010 4286
3.	Objectives of strategy/ policy/ plan/ procedure/ service	This procedure has been prepared by members of the Finance Team and it's intension is to assist budget holders and managers in the discharge of their responsibilities. The procedure ensures that the requirements of the Trusts Standing Financial Instructions are reflected in this procedure.
4.	Evidence and background information considered. For example <ul style="list-style-type: none"> • population data • staff and service users data, as applicable • needs assessment • engagement and involvement findings 	All Health Boards and Trusts in Wales have similar procedures in place.

	<ul style="list-style-type: none"> • research • good practice guidelines • participant knowledge • list of stakeholders and how stakeholders have engaged in the development stages • comments from those involved in the designing and development stages <p>Population pyramids are available from Public Health Wales Observatory and the 'Shaping Our Future Wellbeing' Strategy provides an overview of health need.</p>	
5.	<p>Who will be affected by the strategy/ policy/ plan/ procedure/ service</p> <p>Consider staff as well as the population that the project/change may affect to different degrees.</p>	<p>The procedure is to be used by the Finance Division and all Public Health Wales staff with budget holder responsibility.</p>

Part 2- Equality and Welsh language

6. EQIA / How will the strategy, policy, plan, procedure and/or service impact on people?

Questions in this section relate to the impact on people on the basis of their 'protected characteristics'.

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
6.1 Age For most purposes, the main categories are: <ul style="list-style-type: none"> • under 18; • between 18 and 65; and • over 65 	The procedure is to be used by all staff.	None required	
6.2 Persons with a disability as defined in the Equality Act 2010 Those with physical impairments, learning disability, sensory loss or impairment, mental health conditions, long-term	Positive – the procedure is to be used by all staff. Whilst the contents of the procedure does not have a negative impact on persons with a disability, as with all written control	Public Health Wales does have provision for the production of documents that are accessible to persons with disabilities. Large print, Braille or audio versions could be provided on request.	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
medical conditions such as diabetes	<p>documents there may be a negative impact due to the format of the control document that is available. Documents are published on the intranet in pdf format.</p> <p>Visual impairment – not all accessibility software accepts pdf format and therefore an alternative format may be required.</p> <p><u>Learning disability</u> - The documents may also not be understood by those who have difficulty deciphering or reading the written word, for example, dyslexia. Therefore further</p>	<p>The Board Secretary/ Head of Corporate Governance is available to provide advice and assistance in applying the policy and procedure.</p>	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
	explanation and support may be required.		
6.3 People of different genders: Consider men, women, people undergoing gender reassignment NB Gender-reassignment is anyone who proposes to, starts, is going through or who has completed a process to change his or her gender with or without going through any medical procedures. Sometimes referred to as Trans or Transgender	Positive – the procedure is to be used by all staff.	None Required	
6.4 People who are married or who have a civil partner.	Positive – the procedure is to be used by all staff.	None Required	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
6.5 Women who are expecting a baby, who are on a break from work after having a baby, or who are breastfeeding.	Positive – the procedure is to be used by all staff.	None Required	
6.6 People of a different race, nationality, colour, culture or ethnic origin including non-English speakers, gypsies/travellers, migrant workers	Positive – the procedure is to be used by all staff.	None Required	
6.7 People with a religion or belief or with no religion or belief.	Positive – the procedure is to be used by all staff.	None Required	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
The term 'religion' includes a religious or philosophical belief			
6.8 People who are attracted to other people of: <ul style="list-style-type: none"> • the opposite sex (heterosexual); • the same sex (lesbian or gay); • both sexes (bisexual) 	Positive – the procedure is to be used by all staff.	None Required	

<p>6.9 People according to their income related group: Consider people on low income, economically inactive, unemployed/workless, people who are unable to work due to ill-health</p>	<p>Positive – the procedure is to be used by all staff.</p>	<p>None Required</p>	
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How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
6.10 People according to where they live: Consider people living in areas known to exhibit poor economic and/or health indicators, people unable to access services and facilities	Positive – the procedure is to be used by all staff.	None Required	
6.11 Consider any other groups and risk factors relevant to this strategy, policy, plan, procedure and/or service	Positive – the procedure is to be used by all staff.	None Required	
6.12 Welsh Language			
There are 2 key considerations to be made during the development of a policy, project, programme, service to ensure there are no adverse effects and/or a positive or increased positive effect on: (please note these will continue to be reviewed to ensure Public Health Wales fulfils their duties to comply with one or more standards outlined within the Welsh Language Standards (No 7) Regulations 2018)			
Opportunities for persons to use the Welsh language	Whilst the contents of the procedure do not have a negative impact on	This procedure has been developed with due consideration of the	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
	<p>persons with a disability, as with all written control documents there may be a negative impact as existing written control documents are not routinely available in Welsh language.</p> <p>The effects of the policy and procedure under consideration on the Welsh Language will need to be considered on a case by case basis. Specifically: (i) opportunities for persons to use the Welsh language, and (ii) treating the Welsh languages no less favourably than the English language.</p>	<p>Welsh Language Scheme. This procedure may need to be reviewed in the event of Welsh Language Standards being introduced for Public Health Wales.</p>	

How will the strategy, policy, plan, procedure and/or service impact on:-	Potential positive and/or negative impacts (unintended consequences) Opportunities or gaps	Action taken by Directorate. Make reference to where the mitigation is included in the document, as appropriate This column is to be updated in future reviews	Recommendations for improvement/ mitigation/ identified gaps or opportunities
Treating the Welsh language no less favourably than the English language			

Part 3 – Health

Questions in this section relate to the impact on the health and wellbeing outcomes of the population **and** specific population groups who could be more impacted than others by a policy/project/proposal.

The part of the assessment identifies;

- which specific groups in the population could be impacted more (inequalities)
- what those potential impacts could be across the wider determinants of health framework?
- Potential gaps, opportunities to maximise positive H&WB outcomes
- Recommendations/mitigation to be considered by the decision makers

7. Identification of specific population groups

Use the WHIASU Population Groups checklist as a reference to identify the population groups who could be more impacted than others by a policy/project/proposal. The check list can be found on the PHW Integrated EqHIA guidance pages (requires link to PHW Intranet pages for additional information and resources)

The groups listed have been identified as more susceptible to poorer health and wellbeing outcomes (health inequalities) and therefore it is important to consider them in a HIA assessment. In a HIA, the groups identified, as more sensitive to potential impacts will depend on the characteristics of the local population, the context, and the nature of the proposal itself.

7.1 Groups identified	Rational/explanation

Assessment

Complete the wider determinants framework table below providing rational/evidence where appropriate:

1. Consider how the proposal could impact on the population and specific population groups identified above (positive/negative) for each of the wider determinants (the bullets under each determinant are there as a guide)
2. Record any unintended consequences (negative impacts) and/or gaps identified
3. Record any positive impacts or missed opportunities to maximise positive health and wellbeing outcomes
4. identify and record mitigation/recommendations where appropriate

Please note you may find that not all determinants are relevant to the project/plan however recording N/A is not acceptable a rational or evidence should be explained/referenced

Wider determinant for consideration	Positive impacts or additional opportunities	Unintended consequences or gaps	Population groups affected	Mitigation/recommendations
7.2 Lifestyles <ul style="list-style-type: none"> • Diet/nutrition/breastfeeding • Physical activity • Use of alcohol, cigarettes, e-cigarettes • Use of substances, non-prescribed drugs, abuse of prescription medication • Social media use • Sexual activity 	The procedure is an internal document intended to provide guidance to staff. Therefore it does			

<ul style="list-style-type: none"> Risk-taking activity i.e. gambling, addictive behaviour 	<p>not have an impact on the health and wellbeing of the population or addressing inequalities in health.</p>			
<p>7.3 Social and community influences on health</p> <ul style="list-style-type: none"> Adverse childhood experiences Citizen power and influence Community cohesion, identity, local pride Community resilience Domestic violence Family relationships Language, cultural and spirituality Neighbourliness Social exclusion i.e. homelessness Parenting and infant attachment Peer pressure Racism Sense of belonging Social isolation/loneliness Social capital/support/networks Third sector & volunteering 	<p>As above</p>	<p>As above</p>		
<p>7.4 Mental Wellbeing</p> <ul style="list-style-type: none"> Does this proposal support sense of control? Does it enable participation in community and economic life? Does it impact on emotional wellbeing and resilience? 	<p>As above</p>	<p>As above</p>		
<p>7.5 Living/ environmental conditions affecting health</p>	<p>As above</p>	<p>As above</p>		

<ul style="list-style-type: none"> • Air quality • Attractiveness/access/availability/quality of area, green and blue space, natural space. • Health & safety, community, individual, public/private space • Housing, quality/tenure/indoor environment • Light/noise/odours, pollution • Quality & safety of play areas (formal/informal) • Road safety • Urban/rural built & natural environment • Waste and recycling • Water quality 				
<p>7.6 Economic conditions affecting health</p> <ul style="list-style-type: none"> • Unemployment • Income, poverty (incl. food and fuel) • Economic inactivity • Personal and household debt • Type of employment i.e. permanent/temp, full/part time • Workplace conditions i.e. environment culture, H&S 	As above	As above		
<p>7.7 Access and quality of services</p> <ul style="list-style-type: none"> • Careers advice • Education and training • Information technology, internet access, digital services • Leisure services • Medical and health services • Other caring services i.e. social care; Third Sector, youth services, child care • Public amenities i.e. village halls, libraries, community hub • Shops and commercial services • Transport including parking, public transport, active travel 	As above	As above		

<p>7.8 Macro-economic, environmental and sustainability factors</p> <ul style="list-style-type: none"> • Biodiversity • Climate change/carbon reduction/flooding/heatwave • Cost of living i.e. food, rent, transport and house prices • Economic development including trade • Government policies i.e. Sustainable Development principle (integration; collaboration; involvement; long term thinking; and prevention) • Gross Domestic Product • Regeneration 	<p>As above</p>	<p>As above</p>		
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Stage 3

Summary of key findings and actions Please answer question 8.1 following the completion of the EHIA and complete the action plan

<p>Key findings: Impacts/gaps/opportunities</p>	<p>Actions (what is needed and who needs to do) to address the identified mitigation and recommendations</p>	<p>Lead</p>		
<p>The contents of the procedure has no disproportionate impact on the grounds of race, gender, disability, age, sexual orientation, religious belief or Welsh language.</p> <p>The Procedure is applicable to all members of staff equally and is designed to assist budget holders and managers in the discharge of their responsibilities. It describes the ground rules within which budgets are to be operated in the financial year, it clarifies roles</p>				

<p>and responsibilities in respect of budgetary control and it ensures that the budgetary processes of the Trust form part of the overall assurance framework.</p> <p>The Impact Assessment has found that, by introducing the revised policy and procedure, there may be a negative impact on individuals due to:</p> <p>Persons with a disability as defined in the Equality Act 2010</p> <p>Whilst the contents of the procedure does not have a negative impact on persons with a disability, as with all written control documents there may be a negative impact due to the format of the control document that is available. Documents are published on the intranet in pdf format.</p> <p>Visual impairment – not all accessibility software accepts pdf format and therefore an alternative format may be required.</p> <p><u>Learning disability</u> - The documents may also not be understood by those who have difficulty deciphering or reading the written word, for example, dyslexia. Therefore further explanation and support may be required.</p> <p>People who communicate using the Welsh language in terms of correspondence, information leaflets, or service plans and design. Existing documents have not been routinely translated into Welsh.</p> <p>The effects of the procedure under consideration on the Welsh Language will need to be considered on a case by case basis.</p>				
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Specifically: (i) opportunities for persons to use the Welsh language, and (ii) treating the Welsh languages no less favourably than the English language.				
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Alternatively, if appropriate, please explain the steps taken to consult with and consider the differential impact of the changes on the various protected characteristic groups (part 2) or any specific identified population groups (part 3).