

2024/25 Financial Position

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Approval/Scrutiny route:	Business Executive Team
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Purpose
The purpose of this report is to outline to the Executive Team and the Board the revenue and capital position as of 31 August 2024 (M5), which includes the position on COVID-19.

Recommendation:				
APPROVE <input type="checkbox"/>	CONSIDER <input checked="" type="checkbox"/>	RECOMMEND <input type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input type="checkbox"/>

CONSIDER the financial position of Public Health Wales as of 31 August 2024.

Link to Public Health Wales Strategic Plan	
Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.	
This report contributes to the following:	
Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives
Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives

Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives
Summary impact analysis	
Equality and Health Impact Assessment	Not Applicable
Risk and Assurance	All financial risks are reflected in the paper
Health and Care Standards	This report supports and/or takes into account the Health and Care Standards for NHS Wales Quality Themes
	Governance, Leadership and Accountability
	Theme 7 - Staff and Resources
	Choose an item.
Financial implications	Financial information included in the paper
People implications	Not applicable

1. Introduction and Context

The purpose of this report is to provide an update to the Executive Team and the Board on the revenue and capital position for Public Health Wales 31 August 2024 (M05). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 12 September 2024 as part of the full financial monitoring return for Month 5. The monitoring returns are included at **Appendix B**

The following table highlights the performance against the key revenue and capital financial targets.

Target	Current Month	Year to Date	Year-end Forecast
Revenue financial target Deficit/(Surplus)	£58k	(£65k)	Breakeven
Capital financial target	£63k	£210k	Breakeven
Public Sector Payment Policy	98.46%	97.95%	>95%
Agency Spend as % of Total Pay	1.7%	1.5%	<2.1%

The cumulative reported position for Public Health Wales is a net surplus of £65k.

Overview of Financial Performance at Month 5

Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

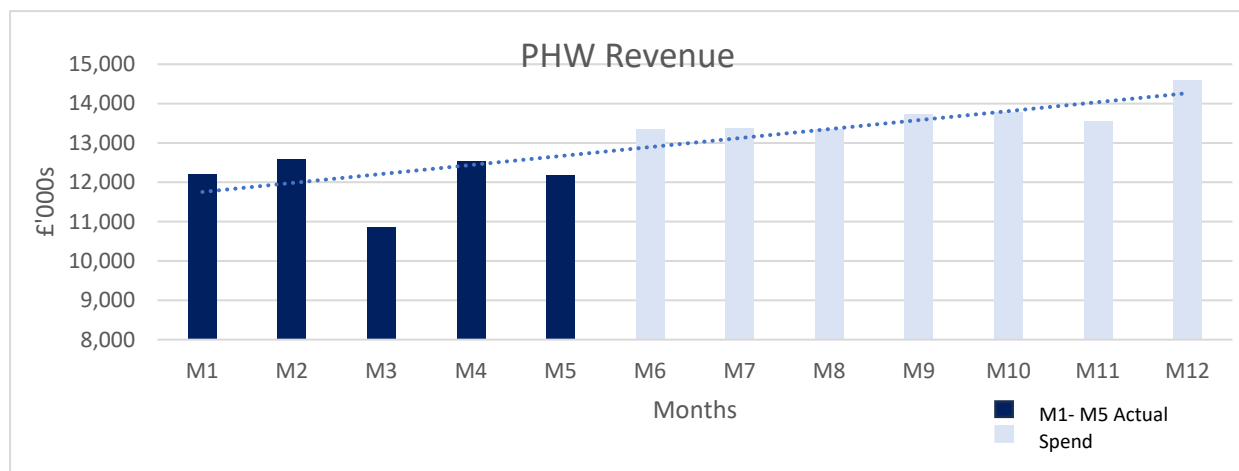
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s	% YTD Variance
Board and Corporate	2,336	1,034	1,019	-15	-1.47%
Central Budgets	1,787	-359	-369	-10	2.66%
Covid 19	6,998	3,033	3,033	0	0.00%
Operations and Finance	12,046	4,625	4,684	59	1.27%
Health & Wellbeing	21,045	7,876	7,819	-57	-0.72%
Data, Knowledge and Research	6,204	2,089	2,083	-6	-0.28%
Quality Nursing & Allied Health Professionals	3,673	1,393	1,382	-10	-0.73%
Health Protection and Screening Services	92,968	37,635	37,618	-17	-0.05%
People & Organisational Development	3,278	1,145	1,137	-7	-0.64%
Policy and International Health	5,776	1,878	1,876	-2	-0.09%
Directorate Total	156,111	60,348	60,283	-65	

As the table above indicates, the surplus at Month 5 is a combination of small underspends across a number of Directorates.

Costs associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 5 is £175k.

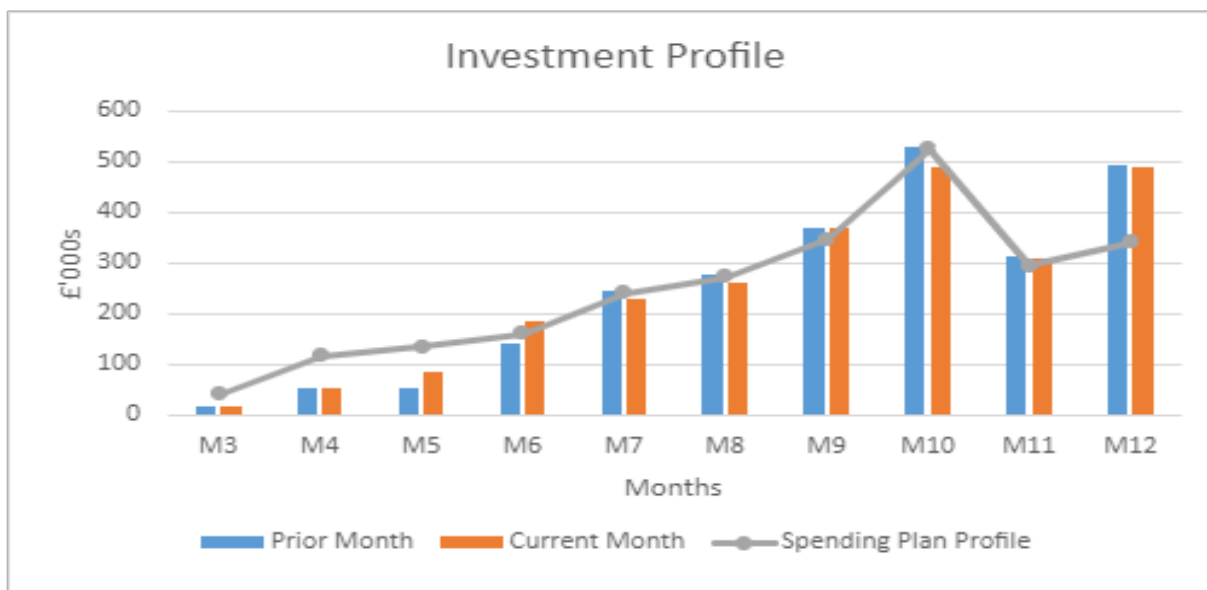
Budgets were initially profiled in twelfths. Updated spending plans were received by Directorates in Month 4 and the budgets re-profiled. The following graph illustrates actual year to date spend and forecasted spend for the remainder of the financial year. This illustrates the actual run rate to month 5 and the forecast run rate based on the break-even spending plans received. This highlights the increase in spending required in future months.



Investments

The allocation of each investment scheme has been based on plans submitted and funding allocated. Directorates are responsible for managing slippage in relation to each scheme and ensuring that any investment funding allocated is fully utilised on that scheme and within the relevant financial year.

Directorates are required on a monthly basis to report actual expenditure against each scheme, demonstrating how any slippage is to be reinvested in delivering the original scheme purpose. Through the monitoring process, if the level of slippage identified is such that the purpose, aims and objectives of the scheme are undeliverable, the investment funding will be returned centrally to be repurposed at the earliest opportunity. **Appendix A** shows actual spend against plan at Month 5 by Investment Scheme and summarised in the following graph.



The graph illustrates the original spending plan profile, as per the plan at Month 3. The revised profile at Month 4 (Prior Month) and the current profile at Month 5 (Current Month). The current profile of expenditure has changed from Month 4 to Month 5, with £78k of profiled spend in Months 7, 8 and 10 now moving to Months 5 and 6, which is predominantly due to the Tackling Diabetes Together programme. Following the Month 5 programme review, Tackling Diabetes Together Programme has a revised spending plan and budget profile.

Outstanding Allocations

Improvement Cymru transferred from Public Health Wales to the NHS Executive on 1 April 2024. The allocation transfer remains with Welsh Government for action.

The Trust received an allocation of £5.411m for 2024/25 in relation to Bowel Screening Optimisation. The allocation was based on modelling conducted by the service. The modelling has been revised following the reduction in colonoscopy demand and the full allocation is no longer required with a forecast underutilisation of £1.13m. It has previously been discussed with Welsh Government colleagues that our allocation will be adjusted to reflect the revised modelling. We will discuss this in light of the Covid pressures noted below.

Covid-19

As part of our Financial Plan for 2024/25, Welsh Government confirmed a total of £10.939m of funding for COVID-19, which includes non-recurrent funding of £7.010m to support COVID-19 testing plus £3.929m of recurrent COVID sustainability funding.

COVID-19 testing Expenditure in month 5 was £0.566m with actual testing episodes in August totalling 8,735, which was an average of 282 per day. This compares to an average of 392 per day in July.

COVID-19 forecast continues to be reviewed due to the higher than anticipated testing numbers Month 1 to Month 5. The cumulative position to Month 5 was £0.833m over the COVID-19 testing funding allocation. This is a 37% increase compared to the same period in 2023-24.

The increase in testing is due to a change in clinical pathway which can result in a single request requiring multiple tests (approx. 17% of all activity), Pertussis outbreak, Mycoplasma events, general reduction in immunity and increased epidemiology.

A review of the COVID-19 sustainability funding element at Month 5 identified slippage of £0.438m, which, as per the conditions set by Welsh Government, has been offset against the Month 5 COVID-19 testing overspend to Month 5 of £0.833m. The reported net position on COVID-19 as at Month 5 is therefore an overspend of £0.395m. We are assuming action will be taken to address the net overspend of £0.395m and this has been included as an assumed allocation from Welsh Government or Health Boards. A complete briefing has been shared with Welsh Government this month and further discussions are now planned.

Capital

Public Health Wales capital funding for 2024/25 totals £2.969m, which includes £1.580m of Discretionary capital and £1.389m of Strategic capital.

Strategic capital allocation of £1.194m is for DESW Camera Replacement. The procurement process commenced December 2023 and concluded in July 2024 with the delivery of the new cameras scheduled during September 2024. Following the outcome of the procurement process we are forecasting an underspend of c£450k against the £1.194m strategic allocation. The main reason for the underspend is the result of a new supplier entering the market with more competitive pricing for the cameras and their specification of camera being lighter and therefore not needing camera trollies. The treatment of this underspend is being discussed with Welsh Government colleagues.

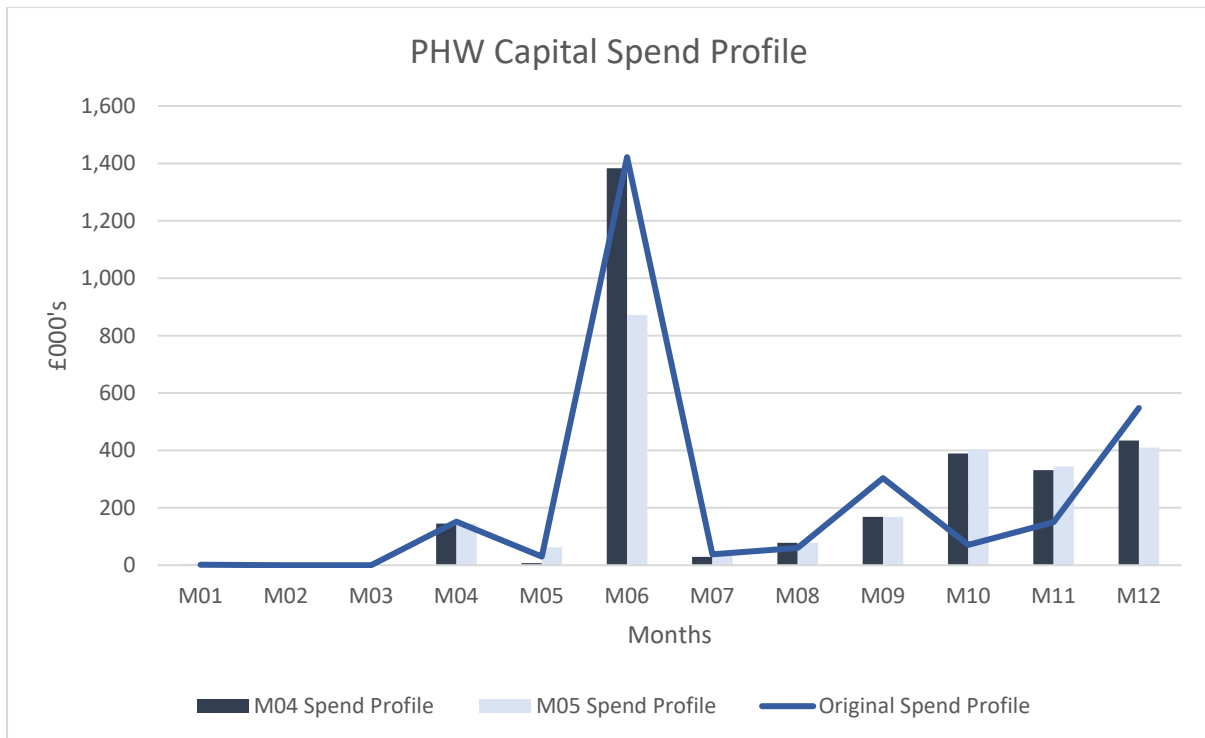
There is also Strategic funding of £0.157m for environmental and security improvements to the Breast Test Wales facility in Swansea and £0.038m relating to RISP Infrastructure.

Table C provides a summary of discretionary and strategic schemes, with a more detailed breakdown in **Appendix C**, with the graph illustrating the profile of planned spend.

Table C:

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q2	Delivery Estimate Q3	Delivery Estimate Q4
Discretionary						
Contingency	236	2	0	0	0	234
Digital Services	431	51	97	97	98	185
Estates	231	20	42	2	46	162
Infection Services	373	4	37	29	8	333
Screening Division	310	132	107	2	129	48
	1,580	209	282	129	281	962
Strategic						
Screening Division	1,194	1	727	744	0	0
Estates	157	0	0	0	0	157
Digital Services	38	0	0	0	0	38
Total Strategic	1,389	1	727	744	0	195
Total Public Health Wales Capital	2,969	210	1,010	873	281	1,157

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q2	Delivery Estimate Q3	Delivery Estimate Q4
Total Discretionary	100	0	0	0	0	100
Total Hosted Discretionary	100	0	0	0	0	100
Strategic						
Slippage on ICT Equip for NHSE	29	2	0			27
Total Strategic	29	2	0	0	0	27
Total Hosted Capital	129	2	0	0	0	127
Grand Total	3,098	212	1,010	873	281	1,284



The graph illustrates the original spending plan profile, as per the plan at Month 3. The revised profile at Month 4 and the current profile at Month 5. The profile of expenditure has changed from Month 4 due to the anticipated under spend on the Strategic DESW Camera Replacement Scheme, a delay to a scheme within Infection Services due to manufacturer issues and confirmation that a scheme within Screening Division no longer qualifies as capital expenditure.

There remains a clear finance focus to ensure a breakeven position is maintained throughout 2024/25.

Public Health Wales have submitted a bid of £700k for Strategic funding to replace network switches and backup infrastructure. We are awaiting the outcome of the bid and will need to work through the implications should total funding required not be received.

There may be potential to access slippage funding later in the financial year if strategic schemes across Wales slip.

Balance Sheet

The Balance Sheet, or Statement of Financial Position, reports the assets, liabilities, and reserves of the organisation at a specific point in time. **Table D** provides a summary as of 31 August 2024.

Table D – Balance Sheet as of 31 August 2024

	Opening Balance 1/4/2024 £000s	Movement £000s	Closing Balance 31/03/25 £000s
Non-Current Assets			
Property, plant and equipment	32,164	-103	32,061
Intangible assets	888	-0	888
Trade and other receivables	40	-40	0
Non-Current Assets sub total	33,092	-143	32,949
Current Assets			
Inventories	1,167	0	1,167
Trade and other receivables	23,273	26,807	50,080
Cash and cash equivalents	13,905	-6,205	7,700
Current Assets sub total	38,345	20,602	58,947
TOTAL ASSETS	71,437	20,459	91,896
Current Liabilities			
Trade and other payables	-29,584	-18,633	-48,217
Borrowings	-2,138	95	-2,043
Provisions	-4,040	357	-3,683
Current Liabilities sub total	-35,762	-18,181	-53,943
NET ASSETS LESS CURRENT LIABILITIES	35,675	2,277	37,952
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-6,000	267	-5,733
Provisions	-2,211	-2,480	-4,691
Non-Current Liabilities sub total	-8,211	-2,213	-10,424
TOTAL ASSETS EMPLOYED	27,464	64	27,528
FINANCED BY: Taxpayers' Equity			
PDC	22,077	-0	22,077
Retained earnings	4,221	65	4,286
Revaluation reserve	1,166	-0	1,166
TOTAL TAXPAYERS' EQUITY	27,464	65	27,529

Current Assets

Trade and other receivables has increased by £26.807m. This balance includes the Trust's September core income invoice, which is billed in advance, totalling £11.975m, £2.434m of funding for the recurrent impact of previous pay awards, income accruals of £9.957m for the NHS Executive and an increase of £2.098m for clinical negligence claims following two new claims.

Cash and cash equivalents has reduced by £6.205m since the beginning of the year. This is linked to the increase in receivables since last month and

the £4.5m of Q1 invoices that have been raised to Welsh Government from the NHS Executive but not yet paid.

Current liabilities

Current trade and other payables has increased by £18.633m this is due to deferred Welsh Government income of £11.975m for September, which has been raised in advance. There are also amounts due to be paid for Tax and NI £2.575m and pensions of £2.004m which were nil as at 31st March 2024.

Non-Current Liabilities

The overall provision for clinical negligence has increased by £2.098m since the beginning of the financial year due to two new claims. The non-current provision has increased by £2.130 due to the timing of these settlements.

Conclusion

The Board is asked to note the following:

- Month 4 reported surplus financial position of £65k;
- Directorate spending plans and the profile of spend;
- Investments status for Month 5 and
- Status of the Capital Programme, strategic and discretionary, for 2024/25, and

Appendices

Appendix A - 2024/25 Investment spending plan against Month 5 Year to date spend

Directorate	Scheme Name	Cost Item	Original Forecast Spend to M5	Actual Spend to M5	Movement	Explanation of plan movements
Board & Corporate	Governance Hub	Band 7	9,442	6,380	-3,062	Agency start date moved from July to August
Health & Wellbeing	Diabetes Programme of Prevention	Behavioural Science Specialist	16,696	0	-16,696	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Clinical Advisor	8,400	11,665	3,265	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Communications & Engagement Mgr.	16,696	0	-16,696	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Data Acquisition	1,400	0	-1,400	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Programme Director	27,107	17,787	-9,320	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Programme Management Support	10,711	0	-10,711	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Senior Practice Nurse	7,577	6,315	-1,262	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Senior Workplace Health Advisor	16,696	0	-16,696	Diabetes Programme - revised spending plan
Operations & Finance	Web Transformation	TBC	33,333	33,333	0	On track
People & OD	Business Improvement & Automation	Band 8C	17,384	8,021	-9,363	Recent update from POD this will be an 8a - temp profile until confirmed plans
People & OD	Culture and Leadership Hub	TBC	0	35,009	35,009	Budget is being rephased as expenditure incurred
People & OD	Additional POD Business Partnering for HPSS	TBC	0	3,875	3,875	Staff appointed ahead of schedule at Band 6

Policy & International Health	Climate Change	Agency	3,407	3,408	1	On track
Policy & International Health	Climate Change	Band 4	1,972	1,972	0	On track
Policy & International Health	Climate Change	Band 6	3,732	0	-3,732	Amended spending plan
Policy & International Health	Climate Change	Consultant	7,627	9,161	1,534	Amended spending plan
Policy & International Health	Climate Change	Consultancy	5,000	0	-5,000	Amended spending plan
Policy & International Health	Climate Change	Design	0	960	960	Amended spending plan
Policy & International Health	Climate Change	Travel & Subsistence	200	0	-200	Amended spending plan
Policy & International Health	Behavioural Change	Band 6	7,465	424	-7,041	Amended spending plan
Policy & International Health	Behavioural Change	Band 7	9,442	0	-9,442	Amended spending plan
Policy & International Health	Behavioural Change	Band 8A	21,674	0	-21,674	Amended spending plan
Policy & International Health	Behavioural Change	Non Pay	0	3,308	3,308	Amended spending plan
Policy & International Health	HIA Implementation	Band 6	7,464	0	-7,464	Budget rephased following revised spending plans
Policy & International Health	HIA Implementation	Band 7	5,666	7,601	1,935	Increased spend being covered using Band 8a monies in line with revised spending plans
Policy & International Health	HIA Implementation	Band 8a	5,418	0	-5,418	Amended spending plan
Policy & International Health	HIA Implementation	Agency	5,418	6,384	966	Increased spend being covered using Band 8a monies in line with revised spending plans
Policy & International Health	Influencing Legislative Context	Band 7	9,442	0	-9,442	Budget rephased following revised spending plans
Policy & International Health	Influencing Legislative Context	Band 8A	10,836	0	-10,836	Budget rephased following revised spending plans
Policy & International Health	Influencing Legislative Context	Band 8B	12,578	0	-12,578	Budget rephased following revised spending plans

Policy & International Health	Support for Health Inequality Narrative and Workstream development	Band 6	4,396	0	-4,396	Budget rephased following revised spending plans
Quality, Nursing & Allied Health Professionals (QNAPs)	DBS Checks	Audit of PHW posts to review DBS requirements	4,084	0	-4,084	Budget moved to M12 until confirmed spending plan received
Quality, Nursing & Allied Health Professionals (QNAPs)	Diabetes Engagement Officer	Band 7	4,721	0	-4,721	Start delayed until 1st October
Totals			295,984	155,603	-135,660	

Appendix B: Full financial monitoring return for Month 5. Attached.

Appendix C: Detailed discretionary and strategic capital schemes.

Service Area	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q2	Delivery Estimate Q3	Delivery Estimate Q4
Discretionary							
Contingency	Contingency - Yet to be allocated	236	2	0	0	0	234
Estates	Fire Compliance Works (b/f from 24/25 EFAB)	53	13	40	0	40	0
Estates	IT Equipment to support DESW Mid Wales Admin Office	5	3	1	2	0	0
Estates	Relocation of Help Me Quit Hub/Enquiry Room	10	4	1	0	6	0
Estates	Refurbish estate is North Wales - Llys Castan	22	0	0	0	0	22
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	70	0	0	0	0	70
Estates	Desk Booking System	70	0	0	0	0	70
Digital Services	Phone System Security	18	0	0	0	18	0
Digital Services	Endpoint Central Server Replacement & Resilience	20	0	0	0	20	0
Digital Services	Replacement of Wi-Fi infrastructure	60	0	0	0	60	0
Digital Services	Replacement PCs - Batch 1	142	45	97	97	0	0
Digital Services	Server Room Works	35	0	0	0	0	35
Digital Services	Development of Cloud Services	150	0	0	0	0	150
Digital Services	6 x New laptops to replace desktop PC	6	6	0	0	0	0
Infection Services	8 x Class II Safety Cabinets	90	0	0	0	0	90

Infection Services	QuantStudio 5 thermal cycler	32	4	29	29	0	0
Infection Services	Refurbishment of Molecular Laboratory	61	0	0	0	0	61
Infection Services	TDSI for CL3	8	0	0	0	0	8
Infection Services	Anaerobic workstation - UKARU Cardiff	52	0	0	0	0	52
Infection Services	Microscope with Camera	8	0	8	0	8	0
Infection Services	Anaerobic workstation Glan Clwyd	50	0	0	0	0	50
Infection Services	Installation of CCTV system into Microbiology dept UHW	28	0	0	0	0	28
Infection Services	New Cold Room	43	0	0	0	0	43
Screening Division	Chronos decontamination cabinets x 6	130	130	0	0	0	0
Screening Division	OptiMize Software Development work	105	0	105	0	105	0
Screening Division	Development of new Cervical Screening Wales Audit of Cervical Cancers (CSWACC) database.	24	0	0	0	0	24
Screening Division	Removal of canopy on all mobile units	24	0	0	0	24	0
Screening Division	IT equipment for a hot desk arrangement	4	1	2	2	0	0
Screening Division	Development for new online training solution for CSW sample takers	24	0	0	0	0	24
Total Discretionary PHW		1,580	209	282	129	280	962
Strategic							
Screening Division	Replacement of Camera for the Diabetic Eye Screening Wales Service	1,194	1	727	744	0	0
Estates	Backlog Maintenance 24-25 - Improvement works to BTW Swansea	157	0	0	0	0	157
Digital Services	DPIF - RISP (local infrastructure)	38	0	0	0	0	38
Total Strategic PHW		1,389	1	727	744	0	195
Total Public Health Wales Capital		2,969	210	1,010	873	280	1,157

Service Area	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q2	Delivery Estimate Q3	Delivery Estimate Q4
NHS Executive	NHS Executive	100	0	0	0	0	100
Total Discretionary Hosted		100	0	0	0	0	100
NHS Executive	Slippage on ICT Equip for NHS Executive	29	2	0	0	0	27
Total Strategic Hosted		29	2	0	0	0	27
Total Hosted Capital		129	2	0	0	0	127
Grand Total		3,098	212	1,010	873	280	1,284