

Name of Meeting

Board

Date of Meeting

Insert meeting date

Agenda item:

Board or Committee

Secretariat to insert

2024/25 Financial Position

Executive lead:	Huw George, Deputy Chief Executive and Executive Defector of Finance and Operations			
Author:	Angela Williams, Deputy Director, and Head of Finance Ruth Maddern, Head of Financial Planning			
Approval/Scrutiny route:	Business Executive Team			
Purpose				
The purpose of this report is to outline to the Executive Team and the Board the revenue and capital position as of 30 September 2024 (M6), 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 30 September 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			
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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 30 September 2024 (M06). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 October 2024 as part of the full financial monitoring return for Month 6. 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)	(£100k)	(£165k)	Breakeven
Capital financial target	£853k	£1,063k	Breakeven
Public Sector Payment Policy	98.03%	97.97%	>95%
Agency Spend as % of Total Pay	1.4%	1.5%	<2.1%

The cumulative reported position for Public Health Wales is a net surplus of £165k.

Overview of Financial Performance at Month 6

Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

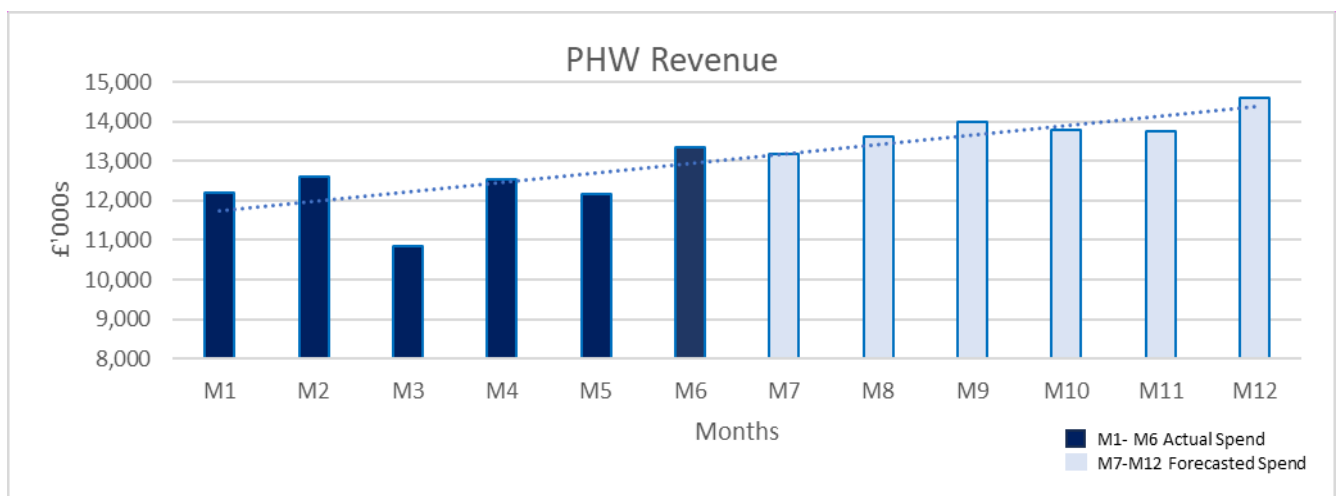
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s	% YTD Variance
Board and Corporate	2,366	1,251	1,233	-18	-1.41%
Central Budgets	1,576	-294	-324	-29	10.02%
Covid 19	6,976	3,619	3,619	0	0.00%
Operations and Finance	12,125	5,603	5,606	3	0.06%
Health Protection and Screening Services	93,540	45,911	45,906	-6	-0.01%
Health & Wellbeing	21,066	9,563	9,506	-57	-0.59%
Improvement Cymru	0	0	-0	-0	0.00%
Data, Knowledge and Research	6,218	2,565	2,556	-9	-0.36%
Quality Nursing & Allied Health Professionals	3,678	1,672	1,654	-18	-1.06%
People & Organisational Development	3,317	1,457	1,432	-25	-1.70%
Policy and International Health	5,792	2,358	2,351	-7	-0.30%
Directorate Total	156,653	73,704	73,539	-165	0.00%

As the table above indicates, the surplus at Month 6 is a combination of small underspends across several Directorates.

Costs associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 6 is £214k.

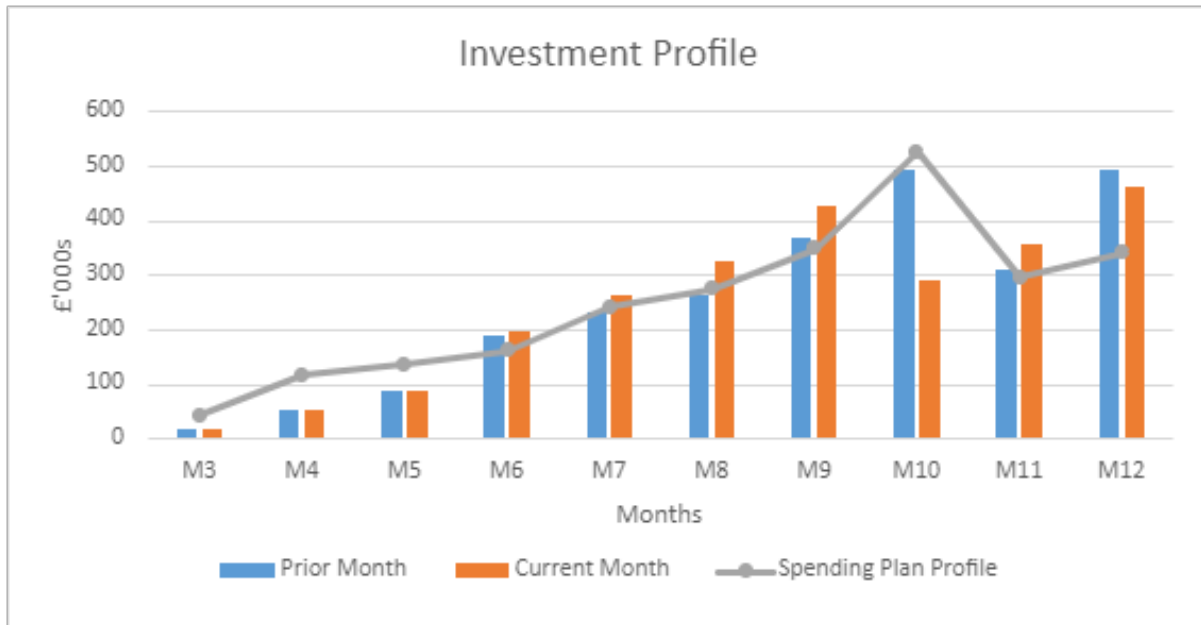
Budgets were initially profiled in twelfths. Updated spending plans were received by Directorates in Month 4 and the budgets re-profiled. The following graph illustrates actual year to date spend and forecasted spend for the remainder of the financial year. This illustrates the actual run rate to month 6 and the forecast run rate based on the break-even spending plans received.



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 6 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 5 (Prior Month) and the current profile at Month 6 (Current Month). The current profile of expenditure has changed from Month 5 to Month 6, predominantly due to the Health Protection primary user research investment scheme in Data, Knowledge and Research, with £250k of profiled spend in Month 10 reprofiled between M6 to M12. In addition, Health Protection and Screening Services have declared an underspend in month of £20k, due to delays in recruitment start dates within the Screening research unit investment scheme.

Outstanding Allocations

Improvement Cymru transferred from Public Health Wales to the NHS Executive on 1 April 2024. The allocation transfer will be completed by Welsh Government in October.

We have an anticipated year to date allocation for the Medical and Dental pay award of £573k as we work with Welsh Government on the full year requirement in 2024/25 and the recurrent allocation.

The 2024-25 pay awards for Agenda for Change and Executive Senior Pay were confirmed in September. The financial impact of these pay awards are not yet included in our position. We await information from Welsh Government on how funding will be allocated.

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. Following discussions

with Welsh Government the £1.13m underspend will be re-purposed to reduce 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 6 was £0.418m with actual testing episodes in September totalling 8,992, which was an average of 300 per day. This compares to an average of 282 per day in August.

COVID-19 forecast continues to be reviewed due to the higher than anticipated testing numbers Month 1 to Month 6. The cumulative position to Month 6 was £0.856m over the COVID-19 testing funding allocation. This is a 31% 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 6 identified slippage of £0.416m, which, as per the conditions set by Welsh Government, has been offset against the Month 6 COVID-19 testing overspend to Month 6 of £0.856m. The reported net position on COVID-19 as at Month 6 is therefore an overspend of £0.440m.

The COVID-19 Forecast to year end has been discussed with Welsh Government. The following table summarises the position based on the likely case; this includes the re-purposing of the in-year underspend on FIT optimisation of £1.130m. Further mitigating actions to address the current net overspend forecast of £0.506m have been discussed with Welsh Government.

Programme	M1-M6 Variance £m	Likely Case £m
Respiratory Testing	0.856	2.200
Core Sustainability	-0.416	-0.564
COVID-19 Forecast	0.440	1.636
FIT Optimisation	Nil (assumed), 1.130 assumed hand back	-1.130
Revised COVID-19 Forecast	0.440	0.506

Capital

Public Health Wales capital funding for 2024/25 totals £2.519m, which includes £1.580m of Discretionary capital and £0.939m of Strategic capital.

Strategic capital allocation for DESW camera replacement has reduced from £1.194m to £0.744m to reflect actual spend. 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 cameras have been delivered and now in use.

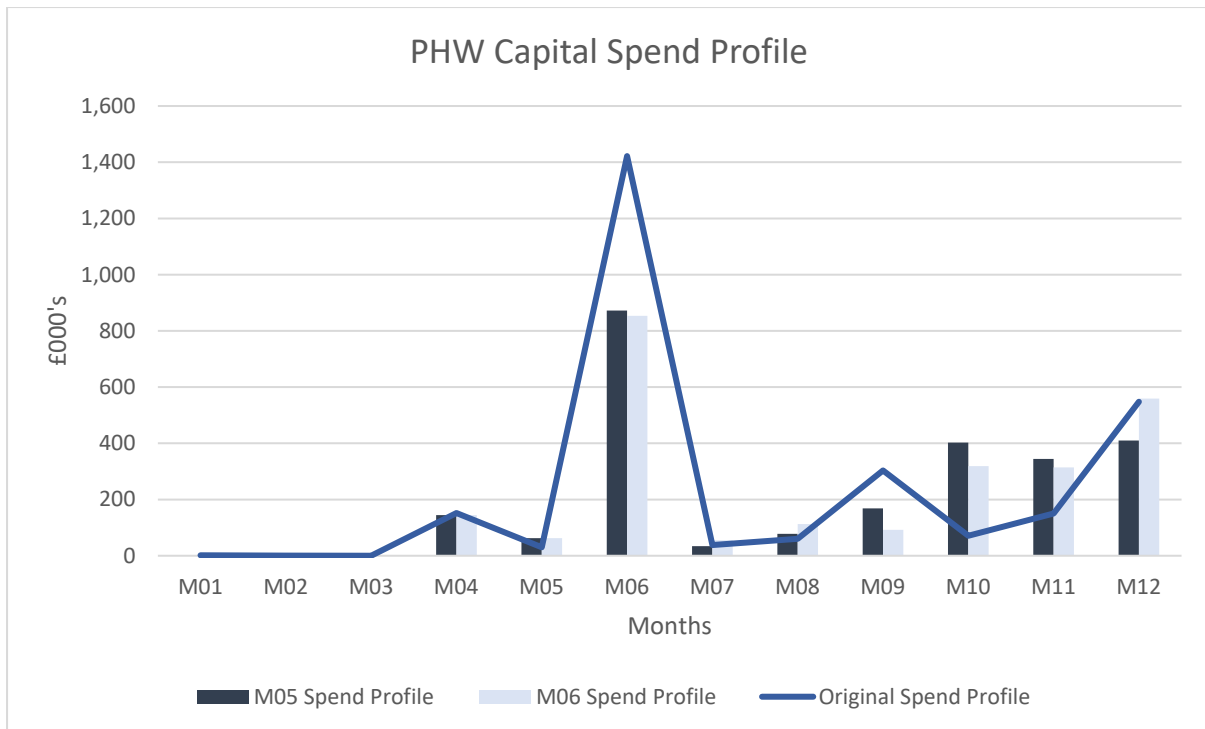
There is also Strategic funding of £0.157m for environmental and security improvements to the Breast Test Wales facility in Swansea and £0.038m relating to RISP Infrastructure.

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 Q3	Delivery Estimate Q4
Discretionary					
Contingency	199	2	0	0	197
Digital Services	437	148	0	104	185
Estates	254	20	48	72	162
Infection Services	400	32	8	8	360
Screening Division	290	133	127	27	130
	1,580	335	183	211	1,034
Strategic					
Screening Division	744	728	0	13	0
Estates	157	0	36	36	121
Digital Services	38	0	0	0	38
Total Strategic	939	728	36	49	159
Total Public Health Wales Capital	2,519	1,063	219	260	1,192

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q3	Delivery Estimate Q4
Total Discretionary	100	0	0	0	100
Total Hosted Discretionary	100	0	0	0	100
Strategic					
Slippage on ICT Equip for NHSE	29	2	0		27
Total Strategic	29	2	0	0	27
Total Hosted Capital	129	2	0	0	127
Grand Total	2,648	1,065	219	260	1,319



The graph illustrates the original spending plan profile, as per the plan at Month 3. The revised profile at Month 5 and the current profile at Month 6. The profile of expenditure has changed from the previous month due to a delay in a Screening Division scheme as a result of supplier capacity to commence the work as originally planned, and an Estates scheme which is with Digital and Data Design Authority for review. Expenditure has been re-profiled to the end of quarter 4.

The Capital Planning group has received and approved new capital requests for additional IT equipment and accessibility works to Capital Quarter 2. These schemes have been funded from capital contingency and the expenditure re-profiled from quarter 4 to quarter 3. A replacement for a condemned boiler in BTW Swansea has also been approved and awaiting confirmation of costs.

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, in line with our digital priorities in the IMTP, 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.

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 30 September 2024.

Table D – Balance Sheet as of 30 September 2024

	Opening Balance 01/04/2024 £000s	Movement £000s	Closing Balance 30/09/2024 £000s
Non-Current Assets			
Property, plant and equipment	32,164	750	32,914
Intangible assets	888	0	888
Trade and other receivables	40	3,249	3,289
Non-Current Assets sub total	33,092	3,999	37,091
Current Assets			
Inventories	1,167	0	1,167
Trade and other receivables	23,273	32,086	55,359
Cash and cash equivalents	13,905	-10,190	3,715
Current Assets sub total	38,345	21,896	60,241
TOTAL ASSETS	71,437	25,895	97,332
Current Liabilities			
Trade and other payables	-29,584	-23,997	-53,581
Borrowings	-2,138	95	-2,043
Provisions	-4,040	-2	-4,042
Current Liabilities sub total	-35,762	-23,903	-59,665
NET ASSETS LESS CURRENT LIABILITIES	35,675	1,991	37,666
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-6,000	267	-5,733
Provisions	-2,211	-2,093	-4,304
Non-Current Liabilities sub total	-8,211	-1,826	-10,037
TOTAL ASSETS EMPLOYED	27,464	165	27,629
FINANCED BY: Taxpayers' Equity			
PDC	22,077	0	22,077
Retained earnings	4,221	165	4,386
Revaluation reserve	1,166	0	1,166
TOTAL TAXPAYERS' EQUITY	27,464	165	27,629

Non-Current Assets

Trade and other receivables has increased by £3.249m since the beginning of the year. This is due to a new non-current clinical negligence case and the change in settlement date for an existing case.

Current Assets

Current trade and other receivables has increased by £32.086m. This balance includes the Trust's October core income invoice (billed in advance) totalling £15.382m, which includes pay award funding due for April - September. In addition, there is an increase of £2.404m for the Welsh Risk Pool receivable due to changes to clinical negligence claims.

The increase in current trade and other receivables is also driven by significant Welsh Government income accruals of £13.381m for the NHS Executive.

Cash and cash equivalents has reduced by £10.190m since the beginning of the year. This is partly linked to pay award funding of £3.4m due for April - September as mentioned above.

The cash position is also largely impacted by unbilled income within the NHS Executive, who currently have £13.381m of accrued income. Expenditure to date exceeds income received. This will be raised as a priority with the NHS Executive in October to ensure any outstanding income is billed to improve our cash position. We are currently seeking payment from Welsh Government of aged Q1 invoices raised by the NHS Executive. Settlement of these will help improve our cash position.

Current liabilities

Current trade and other payables has increased by £23.997m. This is due to deferred Welsh Government income of £12.462m for October which has been raised in advance. There are also £3.375m of accrued capital (depreciation) charges and amounts due to be paid over for Tax, NI and pension of £5m which were nil as at 31 March 2024.

Current trade and other payables within the NHS Executive include NHS expenditure accruals totalling £4m, an increase of £2.2m since the beginning of the year.

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 £2.093m due to the timing of these settlements.

Conclusion

The Board is asked to note the following:

- Month 6 reported surplus financial position of £165k;
- Directorate spending plans and the profile of spend;
- Investments status for Month 6 and
- Status of the Capital Programme, strategic and discretionary, for 2024/25, and

Appendices

Appendix A - 2024/25 Investment spending plan against Month 6 Year to date spend

Directorate	Scheme Name	Cost Item	Original Forecast Spend to M6	Actual Spend to M6	Movement	Explanation of plan movements
Board & Corporate	Governance Hub Diabetes	Band 7 Behavioural	14,164	12,760	1,404	Agency start date moved from July to August
Health & Wellbeing	Programme of Prevention Diabetes	Science Specialist	22,262	0	22,262	Confirmed start date of 4th Nov due to 8 week notice period and prebooked A/L
Health & Wellbeing	Programme of Prevention Diabetes	Clinical Advisor Commissioned	11,200	13,998	-2,798	Diabetes Programme - revised spending plan
Health & Wellbeing	Programme of Prevention Diabetes	Qualitative insights Comms and Engagement Strategy - Agency Communication s & Engagement Mgr.	0	0	0	Diabetes Programme - revised spending plan
Health & Wellbeing	Programme of Prevention Diabetes	Agency Communication s & Engagement Mgr.	10,429	0	10,429	Diabetes Programme - revised spending plan
Health & Wellbeing	Programme of Prevention Diabetes	Data Acquisition	22,262	3,787	18,475	Diabetes Programme - revised spending plan
Health & Wellbeing	Programme of Prevention Diabetes	Programme Director Programme Management Support	2,800	643	2,157	Recharge confirmed as 0.2wte for 3 months wef Sept (as per NHSE info) Now looking to recruit a full time 8d (possible secondment for 18 months while longer term recruitment happens etc) so 8d full time built into costs from Dec
Health & Wellbeing	Programme of Prevention Diabetes	Programme Director Programme Management Support	36,143	22,525	13,618	Start Date 18/09/2024
Health & Wellbeing	Programme of Prevention Diabetes	Scheme - AB HB - Cardio Renal	14,282	1,289	12,993	-
Health & Wellbeing	Programme of Prevention Diabetes	Scheme - AB HB - Cardio Renal	0	18,250	18,250	As per grant allocation schedule
Health & Wellbeing	Programme of Prevention Diabetes	Scheme - BC HB -	0	15,000	15,000	As per grant allocation schedule
Health & Wellbeing	Programme of Prevention Diabetes	Scheme - C&V HB - PBMA	0	2,500	-2,500	As per grant allocation schedule
Health & Wellbeing	Programme of Prevention Diabetes	Scheme - CTM HB - Co-produce intervention to optimise patient activation	0	10,000	10,000	As per grant allocation schedule

Health & Wellbeing	Diabetes Programme of Prevention	Senior Practice Nurse	10,102	8,420	1,682	Diabetes Programme - revised spending plan
Health & Wellbeing	Diabetes Programme of Prevention	Senior Workplace Health Advisor	22,262	1,051	21,211	Start Date 23/09/2024
Health & Wellbeing	Diabetes Programme of Prevention	Travel	500	640	-140	Diabetes Programme - revised spending plan
Health & Wellbeing	Facilitated Coaching	(blank)	10,000	0	10,000	Reprofile of spending plan
Health Protection & Screening Services	Business continuity and EPRR arrangements	Band 4	2,788	2,788	0	On Track. New appointments commenced Sept 24
Health Protection & Screening Services	Business continuity and EPRR arrangements	Band 6	3,732	3,732	0	On Track. New appointments commenced Sept 24
Health Protection & Screening Services	Clinical Supervision and Preceptorship.	180 hrs of Band 7	883		883	This will sit in screening and will commence Nov 24
Health Protection & Screening Services	Screening Engagement Events	(blank)	500		500	Change in profile M5 as per Liz Cooper (Aug 24)
Health Protection & Screening Services	Screening Research Unit with Cardiff University	Dedicated Analytical support	167	167	-0	On Track. New appointments to commence Oct 24
Operations & Finance	Web Transformation Additional POD	TBC	50,000	53,133	-3,133	Need to re-profile based on new plans received in M5
People & OD	Business Improvement & Automation	HPSS (blank)	0	7,750	-7,750	More likely to be a band 6 Forecasting from July for now but likely to be re-profile once had update on plans.
People & OD	Business Improvement & Automation	Band 8C	26,077	16,713	9,364	
People & OD	Culture and Leadership Hub - Reserve Funding Pending Further Detail	TBC	0		0	
People & OD Policy & International Health	Behavioural Change	TBC	0	81,832	81,832	Phasing in as expenditure incurred
Health		Band 6	11,197	3,659	7,538	phased as Inv request M4 to M12

Policy & International Health	Influencing Legislative Context Support for Health Inequality	Band 8B	18,867	0	18,867	phased as Inv request M4 to M12
Policy & International Health	Narrative and workstream development	Band 6	6,594	2734	3,860	Band 6 cost for 9 MThs
Quality, Nursing & Allied Health Professionals (QNAPs)	DBS Checks	Audit of PHW posts to review DBS requirements	6,127	0	6,127	This will sit in POD. All moved to M12 as only now going through procurement
Quality, Nursing & Allied Health Professionals (QNAPs)	Diabetes Engagement Officer	Band 7	9,442	0	9,442	Starting 1st Oct - 8A 0.6wte, remainder being used for Agency to assist
Grand Total			458,631	345,630	113,001	

Appendix B: Full financial monitoring return for Month 6. 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 Q3	Delivery Estimate Q4
Discretionary						
Contingency	Contingency - Yet to be allocated	199	2		0	197
Estates	Fire Compliance Works (b/f from 24/25 EFAB)	53	13	40	40	0
Estates	IT Equipment to support DESW Mid Wales Admin Office	4	4		0	0
Estates	Relocation of Help Me Quit Hub/Enquiry Room	10	2	7	7	0
Estates	Refurbish estate is North Wales - Llys Castan	22	0		0	22
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	70	0		0	70
Estates	Desk Booking System	70	0		0	70
Estates	Door Automation Works at CQ2	25	0		25	0
Digital Services	Phone System Security	18	0		18	0
Digital Services	Endpoint Central Server Replacement & Resilience	20	0		20	0

Digital Services	Replacement of Wi-Fi infrastructure	60	0		60	0
Digital Services	Replacement PCs - Batch 1	142	142		0	0
Digital Services	Server Room Works	35	0		0	35
Digital Services	Development of Cloud Services	150	0		0	150
Digital Services	Genomics IT Equipment	6	0		6	0
Health & Wellbeing	6 x New laptops to replace desktop PC	6	6		0	0
Infection Services	8 x Class II Safety Cabinets	90	0		0	90
Infection Services	QuantStudio 5 thermal cyclers	32	32		0	0
Infection Services	Refurbishment of Molecular Laboratory	61	0		0	61
Infection Services	TDSI for CL3	8	0		0	8
Infection Services	Anaerobic workstation - UKARU Cardiff	63	0		0	63
Infection Services	Microscope with Camera	8	0	8	8	0
Infection Services	Anaerobic workstation Glan Clwyd	50	0		0	50
Infection Services	Installation of CCTV system into Microbiology dept UHW	28	0		0	28
Infection Services	New Cold Room	59	0		0	59
Screening Division	Chronos decontamination cabinets x 6	130	130		0	0
Screening Division	OptiMize Software Development work	105	0	105	0	105
Screening Division	Development of new Cervical Screening Wales Audit of Cervical Cancers (CSWACC) database.	24	0		0	24
Screening Division	Removal of canopy on all mobile units	22	0	22	22	0
Screening Division	IT equipment for a hot desk arrangement	4	3		0	0
Screening Division	Work to counselling room BTW Cardiff	5	0		5	0
Total Discretionary PHW		1,580	335	183	211	1,034
Strategic						
Screening Division	Replacement of Camera for the Diabetic Eye Screening Wales Service	744	728	0	13	0
Estates	Backlog Maintenance 24-25 - Improvement works to BTW Swansea	157	0	36	36	121
Digital Services	DPIF - RISP (local infrastructure)	38	0	0	0	38
Total Strategic PHW		939	728	36	49	159

Total Public Health Wales Capital	2,519	1,063	219	260	1,192
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Service Area	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q3	Delivery Estimate Q4
NHS Executive	NHS Executive	100	0	0	0	100
Total Discretionary Hosted		100	0	0	0	100
NHS Executive	Slippage on ICT Equip for NHS Executive	29	2	0	0	27
Total Strategic Hosted		29	2	0	0	27
Total Hosted Capital		129	2	0	0	127
Grand Total		2,648	1,065	219	260	1,319