

## 2024/25 Financial Position

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<b>Approval/Scrutiny route:</b>	<b>Business Executive Team</b>
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<b>Purpose</b>
The purpose of this report is to outline to the Executive Team and the Board the draft revenue and capital position as of 31 March 2025 (M12) pending audit of the accounts by Audit Wales, which includes the position on COVID-19 testing expenditure.

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

**CONSIDER** the draft financial position of Public Health Wales as of 31 March 2025

**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:

<b>Strategic Priority/Well-being Objective</b>	All Strategic Priorities/Well-being Objectives
<b>Strategic Priority/Well-being Objective</b>	All Strategic Priorities/Well-being Objectives
<b>Strategic Priority/Well-being Objective</b>	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 <a href="#">Health and Care Standards for NHS Wales</a> 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 March 2025 (M12). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 30 April 2025 as part of the full financial monitoring return for Month 12. It should be noted that this report is based on the draft accounts for 2024/25 and is subject to audit. 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-end Actual
Revenue financial target Deficit/(Surplus)	(£23k)	(£195k)
Capital Position	£1.710m	(£113k)
Public Sector Payment Policy	97.84%	98.09%
Agency Spend as % of Total Pay	1.7%	<1.7%

Actual capital spend for Month 12 was £1.710m, resulting in a net surplus against capital allocations of £113k. This was as a result of £75k under spend against our Discretionary and Strategic allocations, and £37k relating to the net book value on disposal of four assets in year.

The cumulative reported revenue position for Public Health Wales is a net surplus of £195k against a forecasted net surplus of £200k. A £195k surplus represents 0.11% of total annual budget.

## 2. Overview of Financial Performance at Month 12

### Financial Performance by Directorate

**Table A** outlines the financial performance by Directorate.

**Table A**

Directorate	Annual Budget £000s	YTD Actual £000s	YTD Variance £000s	% YTD Variance
Board and Corporate	2,736	2,699	-37	-1.37%
Central Budgets	8,006	7,749	-257	-3.21%
Covid 19	7,812	7,812	0	0.00%
Operations and Finance	11,820	11,755	-66	-0.56%
Health Protection and Screening Services	97,277	97,464	187	0.19%
Health & Wellbeing	21,268	21,272	4	0.02%
People & Organisational Development	3,687	3,694	6	0.17%

Policy and International Health	6,121	6,118	-3	-0.05%
Research, Data and Digital	7,832	7,823	-10	-0.12%
Nursing, Quality & Integrated Governance (NQIG)	3,947	3,927	-20	-0.50%
<b>Directorate Total</b>	<b>170,508</b>	<b>170,312</b>	<b>-195</b>	<b>-0.11%</b>

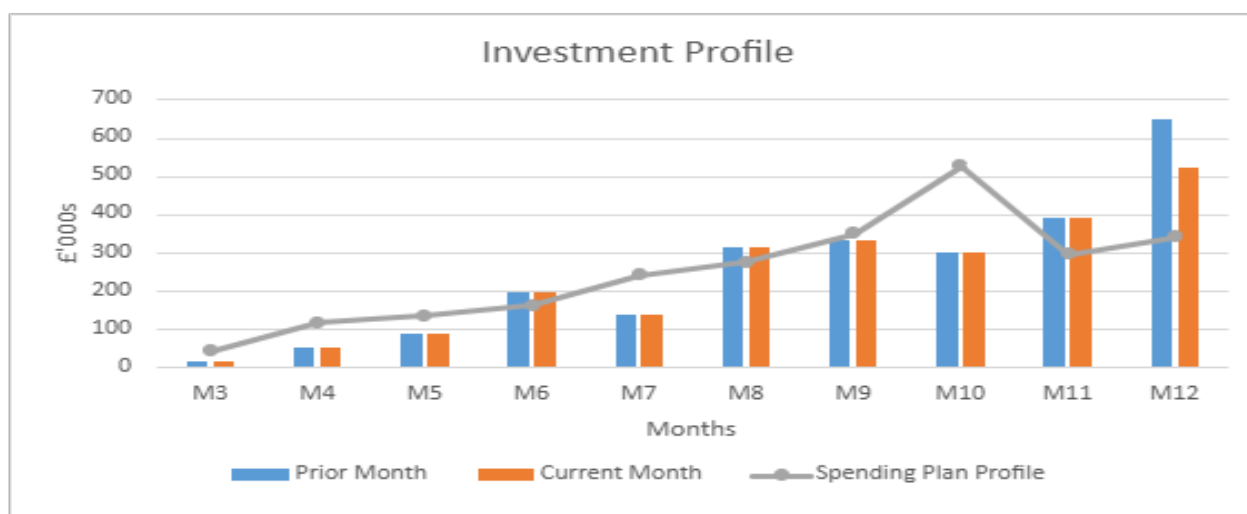
As the table above summarises, the surplus at Month 12 is a combination of variances across a number of Directorates, broadly in line with the year-end anticipated position.

The Central Budgets position, where we hold the Public Inquiry funding, is underspent by £257k. 2024/25 spend on the Public Inquiry is £465k, which is £230k less than originally planned, due to a reduction in staff costs and lower than anticipated legal fees.

The Health Protection and Screening Services £187k overspend relates to lower than anticipated activity income and use of premium temporary pay.

## Investments

Actual spend against plan by Investment Scheme is outlined in **Appendix A** and summarised in the following graph.



The graph illustrates the original spending plan profile at Month 3, the revised profile at Month 11 (Prior Month) and the current profile at Month 12 (Current Month). The total underspend against Investments was £150k, with Health & Wellbeing Investment schemes underspent by £130k and Health Protection and Screening Services by £20k.

The main underspend was within the investment scheme 'Tackling Diabetes' which was underspent by £117k. The investment monies were re-directed to cover Health Improvement Media costs of £80k within the Health and Wellbeing Directorate.

## Outstanding Allocations and Transfers

We have an agreed in year pay allocation for the 2024/25 pay award and the element of the 2023/24 pay award not previously funded of £6.770m following a detailed pay modelling exercise. We continue to work with Welsh Government to finalise the associated recurring allocation.

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 was revised following the changes in age and sensitivity criteria which has impacted on the spend profile generating a non-recurrent funding underutilisation of £1.13m in 2024/25. Following discussions with Welsh Government the £1.13m available on a non-recurrent basis in 2024/25 has been re-purposed to reduce the Covid spend noted below.

## COVID-19

Our funding for COVID-19 is £10.489m, which includes non-recurrent funding of £6.560m to support COVID-19 testing plus £3.929m of recurrent COVID sustainability funding.

COVID-19 testing expenditure in month 12 was £0.946m with actual testing episodes in March totalling 10,008 which was an average of 380 per day. This compares to an average of 354 per day in February.

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), a Pertussis outbreak, a Mycoplasma event, general reduction in immunity and increased epidemiology.

£7.812m has been incurred against respiratory testing for the 12-month period ended 31/03/25.

Against the COVID-19 testing allocation, Month 12 identified pay slippage of £0.450m, which, as per the conditions set by Welsh Government, has been offset against the Month 12 COVID-19 testing overspend. In addition, there is agreement to re-purpose FIT Optimisation funding of £1.130m. Therefore, £6.232m has been invoiced to request reimbursement for the year.

**Table B** below shows the breakdown of expenditure, budget and testing activity at Month 12.

**Table B – Year End expenditure and activity as at M12**

<b>Activity</b>	<b>137k tests</b>	<b>141k tests</b>
<b>Item</b>	<b>M1-M12 Expenditure £m</b>	<b>YE Forecast at M10 £m</b>
Testing costs (net of bulk discount)	7.114	7.098
Maintenance	0.586	0.543
NWSSP costs	0.112	0.112
<b>Testing costs</b>	<b>7.812</b>	<b>7.753</b>
FIT optimisation - repurposed funding	-1.130	-1.130
Core slippage	-0.450	-0.450
<b>Expenditure to be billed against non-core funding</b>	<b>6.232</b>	<b>6.173</b>
Non-Core funding (exc Surge Team)	-6.560	-6.560
<b>Pressure/(Surplus)</b>	<b>-0.328</b>	<b>-0.387</b>

### **3. Capital**

Public Health Wales capital funding for 2024/25 totals £3.653m. This is made up of £1.452m Discretionary capital and £2.201m Strategic capital. There was an increase in strategic funding of £0.149m from M11 to fund expenditure relating to the new Radiology Information System.

**Table D** provides a summary of discretionary and strategic schemes, with a more detailed breakdown in **Appendix C**.

<b>Service Area</b>	<b>2024/25 Allocation £000s</b>	<b>Year to date spend 2024/25 £000s</b>	<b>Variance 2024/25 £000s</b>
<b>Discretionary</b>			
Contingency	5	0	-5
Digital Services	724	720	-4
Estates	179	146	-33
Infection Services	258	257	-0
Screening Division	286	284	-3
	<b>1,452</b>	<b>1,407</b>	<b>-45</b>
<b>Strategic Approved</b>			
Digital Services	917	890	-27
Estates	124	127	3
Screening Division	1,160	1,154	-6
<b>Total Strategic Approved</b>	<b>2,201</b>	<b>2,171</b>	<b>-30</b>
<b>Total Public Health Wales Capital</b>	<b>3,653</b>	<b>3,578</b>	<b>-75</b>

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Variance 2024/25 £000s
NHS Executive	100	111	11
<b>Total Discretionary</b>	<b>100</b>	<b>111</b>	<b>11</b>
<b>Total Hosted Discretionary</b>	<b>100</b>	<b>111</b>	<b>11</b>
Strategic			0
Slippage on ICT Equip for NHSE	35	23	-12
Transfer in of IT equipment	44	44	0
<b>Total Strategic</b>	<b>79</b>	<b>67</b>	<b>-11</b>
<b>Total Hosted Capital</b>	<b>179</b>	<b>178</b>	<b>-0</b>
<b>Grand Total Per CEL</b>	<b>3,832</b>	<b>3,757</b>	<b>-75</b>
In-year disposals	37	0	-37
<b>Total Additional Funds</b>	<b>37</b>	<b>0</b>	<b>-37</b>
<b>Grand Total</b>	<b>3,869</b>	<b>3,757</b>	<b>-113</b>

PHW is showing a £75k under spend against our Discretionary and Strategic allocations. This increased to £113k following the disposal of four assets in year that had a combined net book value of £37k.

The main reasons for the under spends are:

#### **Discretionary:**

- Estates – due to supplier issues the Fire Compliance work was not able to be completed by the end of March resulting in slippage of £32k. In addition, actual costs of installing new air conditioning units in the server rooms came in less than planned by £4k.
- Screening Division - redecoration of the BTW counselling room was not able to be completed and printers were not delivered by the end of March, resulting in slippage of £2k.
- £5k of contingency that was held for the over £5k checks was not utilised.

#### **Strategic:**

- Digital Services – a small element of the replacement network switches was not delivered to the supplier warehouse by the end of March and so resulted in slippage of £10k. In addition, testing

relating to the new Radiology Information Systems (RISP) was not required and so created an under spend of £17k.

- Screening Division – actual cost of the 5 ultrasound machines came in less than planned by £6k.
- Estates – work to the BTW Swansea roof came in higher than planned by £3k. This has been off set with under spends within the strategic schemes.

Where some schemes were unable to be delivered by the end of March these schemes will need to be taken forward into the 2025/26 capital plan.

Infection Services received a Cepheid GeneXpert 2 module worth £34k, this was donated from Cardiff & Vale UHB Substance Misuse Action Fund to be used within the Hepatitis C Point of Care Testing service.

The NHS Executive is showing a breakeven position, and expenditure consists of IT equipment, video conferencing system and new PSBA network in Bocam Park.

#### **4. 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 E** provides a summary as of 31 March 2025.

**Table E – Balance Sheet as of 31 March 2025**

	Opening Balance 01/04/2024 £000s	Movement £000s	Closing Balance 31/03/2025 £000s
<b>Non-Current Assets</b>			
Property, plant and equipment	32,164	-2,989	29,175
Intangible assets	888	471	1,359
Trade and other receivables	40	941	981
Other financial assets	0	378	378
<b>Non-Current Assets sub total</b>	<b>33,092</b>	<b>-1,199</b>	<b>31,893</b>
<b>Current Assets</b>			
Inventories	1,167	96	1,263
Trade and other receivables	23,273	-716	22,557
Other financial assets	0	182	182
Cash and cash equivalents	13,905	-3,183	10,722
<b>Current Assets sub total</b>	<b>38,345</b>	<b>-3,621</b>	<b>34,724</b>
<b>TOTAL ASSETS</b>	<b>71,437</b>	<b>-4,820</b>	<b>66,617</b>
<b>Current Liabilities</b>			

Trade and other payables	-29,584	1,688	-27,896
Borrowings	-2,138	39	-2,099
Provisions	-4,040	2,266	-1,774
<b>Current Liabilities sub total</b>	<b>-35,762</b>	<b>3,993</b>	<b>-31,769</b>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>	<b>35,675</b>	<b>-827</b>	<b>34,848</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	0	0	0
Borrowings	-6,000	1,663	-4,337
Provisions	-2,211	-1,342	-3,553
<b>Non-Current Liabilities sub total</b>	<b>-8,211</b>	<b>321</b>	<b>-7,890</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>27,464</b>	<b>-506</b>	<b>26,958</b>
<b>FINANCED BY: Taxpayers' Equity</b>			
PDC	22,077	-839	21,238
Retained earnings	4,221	243	4,464
Revaluation reserve	1,166	89	1,255
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>27,464</b>	<b>-506</b>	<b>26,958</b>

## Non-Current and Current Assets

Property, plant and equipment and intangible assets have reduced in total by £2.518m. This is the net effect of depreciation charges offset by capital additions.

Non-current trade receivables have increased by £0.941m. This relates to new clinical negligence cases and changes to the estimated settlement dates of existing cases. Current trade receivables have decreased by £0.716m. This is mainly due to a reduction of £0.119m relating to clinical negligence cases, a decrease of £1.889m in income due from Welsh Health organisations, offset by an increase of £1.208m in income due from the Welsh Government.

Other Financial assets have increased by £0.560m. This is due to the recognition of a finance sub lease receivable of the fifth floor at Capital Quarter 2. Cash and cash equivalents have reduced by £3.183m, this is mainly due to the NHS Executive invoicing in arrears in 2024/25 and so month 12 income not having been received by 31 March 2025.

## Current & non-current liabilities

Trade payables has decreased overall by £1.688m. This reduction is a combination of a decrease of £3.180m in payables due to non-NHS Suppliers, a decrease of £0.414 in Non-NHS accruals and a decrease £0.135m relating to deferred income. This are offset by an increase of £2.010m payable to Welsh Health organisations and £0.032m payable to Welsh Government.

There has been movement of provisions between current and non-current due to the estimated settlement date of clinical negligence cases changing. Overall, provisions have decreased by £0.924m. This is due mainly to new clinical negligence cases and changes to existing cases, decreasing the provision by £0.913m. The dilapidations provision has increased by £0.03m due to a new leases and lease renewals. Small movements in other provisions total a £0.019m decrease.

The amount of borrowings, categorised under both current and non-current headings, has decreased by £1.702m since the start of the financial year. This is due to the reduction in the liability of right of use leased assets as payments are made

## **5. Conclusion**

The Board is asked to note the following:

- The draft surplus revenue position of £195k reported for 2024/25;
- The draft slippage against the Public Health Wales Capital Programme, strategic and discretionary, of £75k for 2024/25, and
- Balance Sheet, or the Statement of Financial Position as of 31 March 2025

## Appendices

### Appendix A - Actual Spend by Investment Scheme 2024/25.

Directorate	Scheme Name	Sum of Total	Sum of Variance
<b>Board &amp; Corporate</b>	Governance Hub	42,491	0
<b>Board &amp; Corporate Total</b>		<b>42,491</b>	<b>0</b>
<b>Data, Knowledge &amp; Research</b>	Digital Route Map, NDR, Cloud and Automation	412,782	1
	Newborn Screening Project Manager B7 FTC for 6/12	28,327	-0
	WCISU Registration Officer B5 – FTC for 6/12	17,852	0
<b>Data, Knowledge &amp; Research Total</b>		<b>458,960</b>	<b>0</b>
<b>Health &amp; Wellbeing</b>	Diabetes Programme of Prevention	426,490	-117,510
	Facilitated Coaching	16,800	-13,200
	Primary Care Prevention - Clinical Risk Factors - CVD	30,000	0
<b>Health &amp; Wellbeing Total</b>		<b>473,290</b>	<b>-130,710</b>
<b>Health Protection &amp; Screening Services</b>	Business continuity and EPRR arrangements	45,646	0
	Clinical Supervision and Preceptorship.	6,180	0
	Screening Engagement Events	3,500	0
	Screening Research Unit with Cardiff University	41,726	-20,279
<b>Health Protection &amp; Screening Services Total</b>		<b>97,052</b>	<b>-20,279</b>
<b>Operations &amp; Finance</b>	Conference facilitation	17,850	-2
	Implementation of Screening Re-Brand	20,001	1
	Web Transformation	150,002	-1
<b>Operations &amp; Finance Total</b>		<b>187,853</b>	<b>-2</b>
<b>People &amp; OD</b>	Additional POD Business Partnering for HPSS	31,000	0
	Business Improvement & Automation	128,230	0
	Culture and Leadership Hub - Reserve Funding Pending Further Detail	150,000	0
	DBS Checks	33,257	0
<b>People &amp; OD Total</b>		<b>342,487</b>	<b>0</b>
<b>Policy &amp; International Health</b>	Behavioural Change	178,615	-0
	Climate Change	200,000	0
	HIA Implementation	137,853	1
	Influencing Legislative Context	152,859	0
	Support for Health Inequality Narrative and workstream development	19,778	0
<b>Policy &amp; International Health Total</b>		<b>689,105</b>	<b>1</b>
<b>Quality, Nursing &amp; Allied Health Professionals (QNAPs)</b>	Audit and Quality Management System	12,000	0
	Diabetes Engagement Officer	37,770	1
<b>Quality, Nursing &amp; Allied Health Professionals (QNAPs) Total</b>		<b>49,770</b>	<b>1</b>
<b>Grand Total</b>		<b>2,341,007</b>	<b>-150,990</b>

## Appendix B: Full financial monitoring return for Month 12. Attached.

## Appendix C: Detailed discretionary and strategic capital schemes.

	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Variance 2024/25 £000s
Discretionary				
Contingency	Contingency - Yet to be allocated	5	0	-5
Estates	Fire Compliance Works (b/f from 24/25 EFAB)	53	21	-32
Estates	Relocation of Help Me Quit Hub/Enquiry Room	11	11	-0
Estates	Refurbish estate in North Wales - Llys Castan	27	27	0
Estates	New Boiler BTW Swansea	46	46	0
Estates	Door Automation Works at CQ2	25	25	-0
Estates	Replace Barrier	12	12	0
Estates	Phase 1 - IT Equipment to support DESW Mid Wales Admin Office	4	4	0
Digital Services	Phone System Security	16	16	0
Digital Services	Endpoint Central Server Replacement & Resilience	19	19	0
Digital Services	Replacement of Wi-Fi infrastructure	61	61	0
Digital Services	Server Room Works	26	22	-4
Digital Services	Genomics IT Equipment	5	5	0
Digital Services	Phase 2 Replacement PCs - Laptops (x97) and monitors (x100)	110	110	0
Digital Services	Increase in costs to Backup (discretionary funds)	36	36	-0
Digital Services	NBH Servers and licences	71	71	0
Digital Services	Monitors	10	10	0
Digital Services	Phase 1 - Replacement PCs - Batch 1	142	142	0
Digital Services	Phase 3 - High Spec desktop PCs for CDSC team	3	3	-0
Digital Services	Phase 3 - PC replacement plus 6 laptops for HPSS & BC	91	91	0
Digital Services	Phase 3 - Health Protection new roles B8b and B5 (IT equipment not included in BC)	3	3	0
Digital Services	Phase 3 - laptop replacement, power cables etc	115	115	0
Digital Services	IT equipment - scanners	8	8	0
Health & Wellbeing	Phase 1 - 6 x New laptops to replace desktop PC	6	6	0
Infection Services	8 x Class II Safety Cabinets	95	95	-0
Infection Services	QuantStudio 5 thermal cyclers	32	32	0

Infection Services	Anaerobic workstation - UKARU Cardiff	63	63	0
Infection Services	Microscope with Camera	8	8	0
Infection Services	Anaerobic workstation Glan Clwyd	54	54	0
Infection Services	EAZYMINI DEVICE	6	6	0
Screening Division	Chronos decontamination cabinets x 6	130	130	0
Screening Division	OptiMize Software Development work	105	105	0
Screening Division	Removal of canopy on all mobile units	22	22	0
Screening Division	IT equipment for a hot desk arrangement	3	3	0
Screening Division	Work to counselling room BTW Cardiff	5	4	-1
Screening Division	Concertina partition wall in Magden Park	8	7	-0
Screening Division	Lab water purifier	13	13	0
Screening Division	IT equipment - scanners	1	0	-1
<b>Total Discretionary PHW</b>		<b>1,452</b>	<b>1,407</b>	<b>-45</b>
Strategic Approved				
Screening Division	Replacement of Camera for the Diabetic Eye Screening Wales Service	740	740	0
Estates	Backlog Maintenance 24-25 - Improvement works to BTW Swansea (repairs to roof, new storage space and new changing are)	124	127	3
Digital Services	DPIF - RISP (local infrastructure)	167	150	-17
Digital Services	Year-end funding October 2024 - Network switches and data backup replacement	700	690	-10
Digital Services	Reinvestment of Strategic Capital – February 2025	50	50	0
Screening Division	Replace 5 ultrasound machines BTW	420	414	-6
<b>Total Strategic PHW Approved</b>		<b>2,201</b>	<b>2,171</b>	<b>-30</b>
<b>Total Public Health Wales Capital</b>		<b>3,653</b>	<b>3,578</b>	<b>-75</b>

Service Area	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Variance 2024/25 £000s
NHS Executive	NHS Executive	100	111	11
<b>Total Discretionary Hosted</b>		<b>100</b>	<b>111</b>	<b>11</b>
NHS Executive	Slippage on ICT Equip for NHS Executive	29	23	-6
NHS Executive	Reinvestment of Strategic Capital	6	0	-6

NHS Executive	Transfer in of IT equipment	44	44	0
<b>Total Strategic Hosted</b>		<b>79</b>	<b>67</b>	<b>-11</b>
<b>Total Hosted Capital</b>		<b>179</b>	<b>178</b>	<b>-0</b>
<b>Total Per CEL</b>		<b>3,832</b>	<b>3,757</b>	<b>-75</b>
In-year disposals	In-year disposals	37	0	-37
<b>Total Additional Funds</b>		<b>37</b>	<b>0</b>	<b>-37</b>
<b>Grand Total</b>		<b>3,869</b>	<b>3,757</b>	<b>-113</b>