

# 2022/23 Overview of Financial Performance

## Introduction and Summary of Key Financial Performance

The purpose of this report is to outline to the Executive Team and the Board the revenue and capital position for Public Health Wales as at 30<sup>th</sup> April 2022 (M1), which is also circulated to the Audit and Corporate Governance Committee. The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 13<sup>th</sup> May 2022 as part of the full financial monitoring return for Month 1.

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

Target	Current Month	Year to Date	Year-end Forecast	Traffic Light
Revenue financial target Deficit/(Surplus)	(£39K)	(£39K)	Breakeven	
Capital financial target	£684k	£51k	Breakeven	
Public Sector Payment Policy	97%	96.74%	>95%	

The cumulative reported position for Public Health Wales is a net surplus of £39k.

# 2022/23 Overview of Financial Performance

## Financial Performance by Directorate

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s	Directorate	Income Cumulative Variance £000s	Pay Cumulative Variance £000s	NonPay Cumulative Variance £000s	Grand Total £000s
Central Budgets	-136,415	-9,160	-9,136	24	Central Budgets	7	52	-35	24
Operations and Finance	9,677	799	812	13	Operations and Finance	1	15	-3	13
Quality Nursing & Allied Health Professionals	2,556	179	182	4	Quality Nursing & Allied Health Professionals	-0	0	4	4
Board and Corporate	2,167	196	196	0	Board and Corporate	-0	-1	1	0
People & Organisational Development	2,109	142	142	0	People & Organisational Development	-0	0	0	0
Improvement Cymru	6,552	355	355	-0	Improvement Cymru	-0	0	0	-0
Hosted	0	-979	-979	-0	Hosted Directorate	0	-0	-0	-0
Health Protection and Screening Services	80,416	6,252	6,242	-9	Health Protection and Screening Services	-59	-9	58	-9
WHO Collaborating Centre	3,147	220	204	-16	WHO Collaborating Centre	-0	0	-16	-16
Data, Knowledge and Research	4,728	219	194	-25	Data, Knowledge and Research	1	-0	-26	-25
Health & Wellbeing	25,061	1,778	1,749	-29	Health & Wellbeing	0	0	-29	-29
<b>Directorate Total</b>	<b>0</b>	<b>0</b>	<b>-39</b>	<b>-39</b>	<b>Directorate Total</b>	<b>-50</b>	<b>58</b>	<b>-46</b>	<b>-39</b>
Covid 19	0	0	0	0	Covid 19 Directorate	-1,000	4	996	0
<b>COVID19 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>COVID19 Total</b>	<b>-1,000</b>	<b>4</b>	<b>996</b>	<b>0</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>-39</b>	<b>-39</b>	<b>Grand Total</b>	<b>-1,050</b>	<b>62</b>	<b>950</b>	<b>-39</b>

# 2022/23 Overview of Financial Performance

## Financial Performance by Directorate

The month-end position for Public Health Wales is a net surplus of £39k with a combination of small variances across a number of Directorates.

As per our financial plan and budgetary control framework 2022/23 we will continue to remove in month pay underspends from Directorate positions for Quarter 1 and redirect resources in line with agreed in year non-recurrent investments. This approach will be reviewed at the end of Quarter one. Budgets associated with pay underspends for month 1 has been removed non-recurrently as follows:

Directorate	Total Pay Budgets Removed £000s
Health & Wellbeing	8
HPSS	139
Improvement Cymru	102
Ops & Finance	23
QNAPs	37
Data, Knowledge & Research	42
P&OD	9
WHO CC	19
<b>Grand Total</b>	<b>378</b>

# 2022/23 Overview of Financial Performance

## COVID-19

PHW - COVID-19 Forecast	Actual	Forecast	TOTAL
	Apr-22	May-22 - Mar-23	2022/23
	£000	£000	£000
<b>Additional Operational Expenditure</b>			
Test	2,078	44,314	46,392
Trace	71	271	342
Vaccination Programme	61	1,429	1,490
PPE	1	89	90
<b>Total Additional Operational Expenditure</b>	<b>2,211</b>	<b>46,103</b>	<b>48,314</b>
<b>Funding</b>			
Assumed Welsh Government Funding	-2,211	-46,103	-48,314
<b>Total Funding</b>	<b>-2,211</b>	<b>-46,103</b>	<b>-48,314</b>

- We are anticipating Welsh Government Funding of £48.314m for additional expenditure incurred in respect of the Covid-19 response in 2022/23.
- Expenditure within Test includes Antigen testing, Genomics Sequencing and non-Covid Rapid Testing across Hot-labs.
- Within Trace the Covid-AWAre team is forecast to be operational until end of June 2022.

# 2022/23 Overview of Financial Performance

## Savings/Organisational Efficiencies

---

On the 25 January 2022 BET discussed and agreed a number of proposals put forward in respect of the draft financial plan and budget strategy for 2022/23. These included the following:

- That we would not set a target for additional organisational efficiency savings in 2022/23 but would continue with existing schemes and seek further opportunities as they arise. It is acknowledged that budget will be removed for those savings generated through Organisational Efficiencies.
- As the Organisation is still dealing with COVID response and recovery, directorates will not be required to deliver efficiency targets in 2022/23.
- Use 2022/23 as a reset year to utilise savings and plan for recurrent savings delivery from 2023/24

# 2022/23 Overview of Financial Performance

## Internal Investments

Directorate	22/23 Recurring Bids £	22/23 Non-Recurring Bids £	Total 22/23 Investments £
B&C	5,000	375,920	380,920
H&WB	100,000	25,000	125,000
HPSS		535,000	535,000
Improvement Cymru	100,000	70,000	170,000
Knowledge	439,258		439,258
Ops & Finance	247,000	37,000	284,000
P&OD	50,000	200,000	250,000
QNAPs	180,000	100,000	280,000
WHO CC	329,851	50,000	379,851
<b>Grand Total</b>	<b>1,451,109</b>	<b>1,392,920</b>	<b>2,844,029</b>

It was agreed that recurrent investments would need to be prioritised based on organisational risks and align with IMTP and Long-Term Strategy priorities. Investment bids were focussed on:

- Broader Harms;
- Data & Intelligence, and
- Supporting & Developing Corporate Services

The agreed Recurrent and Non-Recurrent Investments by Directorate for 2022/23 are set out in the adjacent table.

If there is a requirement to change the agreed plans the Chief Executive will need to agree the change of use of the investment fund prior to any commitments being made.

There will be no carry forward of any unused funds, if spending plans do not materialise then the allocation will be removed and added to the 2023/24 investment pot for new bids/allocation process.

# 2022/23 Overview of Financial Performance

## Capital

Public Health Wales Capital Funding for 2022/23 totals £8.212m as per table below

Fund	Service Area	2022/23	YTD Spend
		Allocations £000s	2022/23 £000s
Discretionary	Yet to be allocated	1,202	4
<b>Discretionary Total</b>		<b>1,202</b>	<b>4</b>
Strategic	Laboratory Information Network Cymru - LINC	3,618	40
Strategic	Radiology Information System Programme - RISP	317	0
Strategic	Screening Equipment Replacement (BTW)	3,075	8
<b>Strategic Total</b>		<b>7,010</b>	<b>48</b>
<b>Total Capital Allocation</b>		<b>8,212</b>	<b>51</b>

Public Health Wales Discretionary Allocation is £1.202m

The Capital-Planning Group have met to review the Statement of Needs provided by the Organisation and propose to utilise our Discretionary Allocation as follows:

Division	Discretionary Allocation	1,202
Screening	Breast Screening Select	300
Screening	Magden Park - Floor Strengthening	60
Screening	DESW - Replacement doors	7
Microbiology	Anaerobe Workstation	100
Microbiology	Benchmark Autoclave	10
IT	Clinical system printers	22
IT	Air gapped backups	200
IT	IT - new starters	50
Estates	NW Estate	250
	Contingency	205

A paper is due to be submitted to Board for approval of the proposed use of our Capital Discretionary allocation.

# 2022/23 Overview of Financial Performance

## Balance Sheet

	Opening Balance 1/4/2022 £000s	Movement £000s	Closing Balance 30/04/22 £000s
<b>Non-Current Assets</b>			
Property, plant and equipment	26,530	52	26,582
Intangible assets	3,403	(0)	3,403
Trade and other receivables	373	(240)	133
<b>Non-Current Assets sub total</b>	<b>30,306</b>	<b>(188)</b>	<b>30,118</b>
<b>Current Assets</b>			
Inventories	2,995	(586)	2,409
Trade and other receivables	20,636	(3,448)	17,188
Cash and cash equivalents	16,791	13,053	29,844
<b>Current Assets sub total</b>	<b>40,422</b>	<b>9,019</b>	<b>49,441</b>
<b>TOTAL ASSETS</b>	<b>70,728</b>	<b>8,830</b>	<b>79,558</b>
<b>Current Liabilities</b>			
Trade and other payables	(31,070)	(8,376)	(39,446)
Provisions	(4,498)	(244)	(4,742)
<b>Current Liabilities sub total</b>	<b>(35,568)</b>	<b>(8,620)</b>	<b>(44,188)</b>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>	<b>35,160</b>	<b>210</b>	<b>35,370</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	(1,437)	(259)	(1,696)
Provisions	(2,362)	244	(2,118)
<b>Non-Current Liabilities sub total</b>	<b>(3,799)</b>	<b>(15)</b>	<b>(3,814)</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>31,361</b>	<b>195</b>	<b>31,556</b>
<b>FINANCED BY: Taxpayers' Equity</b>			
PDC	29,074	156	29,230
Retained earnings	1,396	39	1,435
Revaluation reserve	891	0	891
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>31,361</b>	<b>195</b>	<b>31,556</b>

The Balance Sheet, or Statement of Financial Position, reports the assets, liabilities and reserves of the organisation at a specific point in time.

### Current Assets

Stock has reduced by £0.586m due to usage of Covid testing consumables.

Trade and other receivables has reduced by £3.448m. This is predominantly due to an overall reduction in Welsh Government income accruals following receipt of income relating to the previous financial year.

Cash and cash equivalents has increased by £13.053m. The cash balance is relative to the deferred income (held within the payables balance) which includes May core income received in advance (£11.070m).

### Current liabilities

Current trade and other payables has increased by £8.376m due mainly to deferred Welsh Government income. Core income for May that was raised in April has been deferred (£11.070m).

# 2022/23 Overview of Financial Performance

## Conclusion

---

The Board is asked to note the following:-

- Surplus financial position of £39k reported at month 1;
- Status of the Capital Programme, strategic and discretionary, for 2022/23 and
- Balance sheet, or Statement of Financial Position at month 1