

2025/26 Financial Position

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Approval/Scrutiny route:	Business Executive Team (16 July 2025)
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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 30 June 2025 (M3).

Recommendation:				
APPROVE ☐	CONSIDER ☒	RECOMMEN D ☐	ADOP T ☐	ASSURANC E ☐

CONSIDER the financial position of Public Health Wales as of 30 June 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:

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 our Monthly Monitoring Return to Welsh Government
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

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 as of 30 June 2025 (M03). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 July 2025 as part of the full financial monitoring return for Month 3. The monitoring returns are included at **Appendix A**

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)	£9k	(£10k)	Breakeven
Capital financial spend & target	£9k	£23k	Breakeven
Public Sector Payment Policy	97.03%	97.00%	>95%
Agency Spend as % of Total Pay	1.7%	1.4%	<1.7%

The cumulative reported position at Month 3 for Public Health Wales is a net surplus of £10k.

Overview of Financial Performance at Month 3

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
Board and Corporate	2,402	655	627	-28
Central Budgets	3,169	760	755	-5
Covid 19	6,560	1,181	1,181	-0
Operations and Finance	8,190	1,908	1,881	-27
Health Protection and Screening Services	99,904	24,994	24,976	-18
Health & Wellbeing	21,681	5,053	5,068	14
People & Organisational Development	3,037	781	810	28
Policy and International Health	6,048	1,230	1,225	-5
Research, Data and Digital	12,077	2,836	2,871	35

Nursing, Quality & Integrated

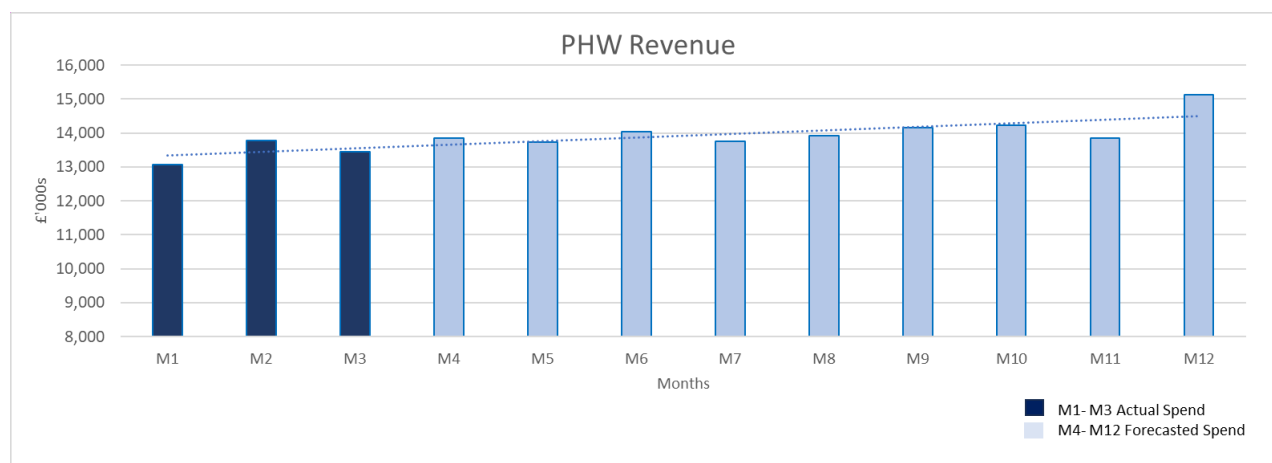
Governance

	3,886	913	908	-5
Directorate Total	166,954	40,311	40,301	-10

As the table above indicates, the surplus at Month 3 is a combination of small variances across Directorates.

Costs associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 3 is £98k.

Budgets have been profiled in line with Directorate spending plans. 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 3 and the forecast run rate based on the break-even spending plans received.



Investments

The funding allocation of each investment scheme has been based on plans submitted.

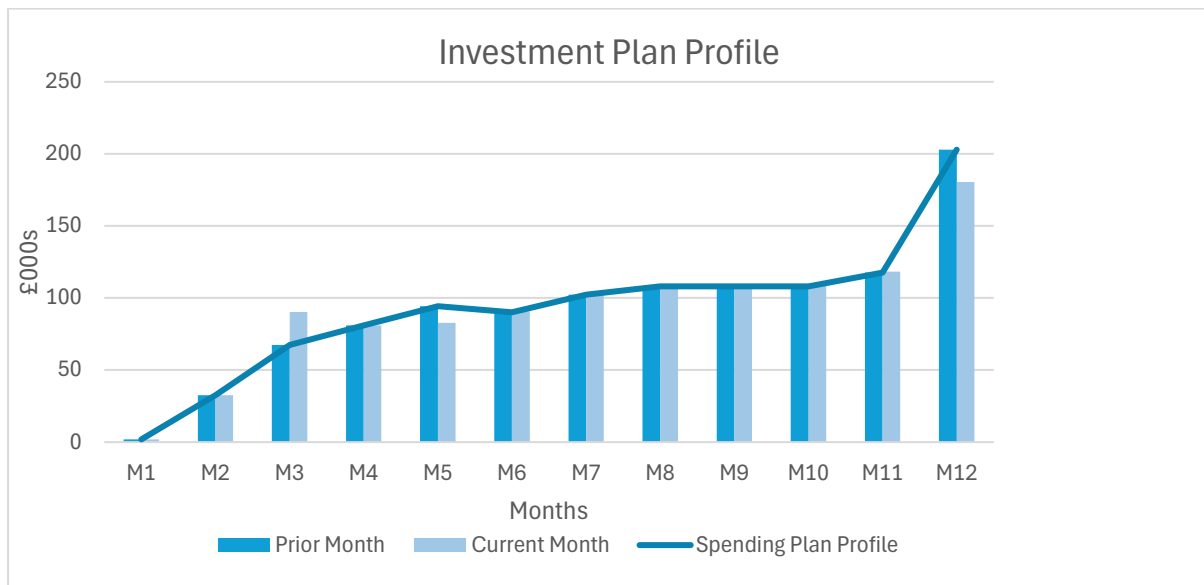
Directorates are required on a monthly basis to report actual expenditure against each scheme, demonstrating how any slippage is to be reinvested in delivering the original scheme purpose. Through the monitoring process, if the level of slippage identified is such that the purpose, aims and objectives of the scheme are undeliverable, the investment funding will be returned centrally to be repurposed at the earliest opportunity.

Spending plans were scrutinised during Month 2 resulting in a forecast underspend against the 2025/26 investment fund of £200k. This underspend has increased slightly in Month 3 to £208k and has been used to support urgent work on Winter Pressures totalling £46k with the remaining £162k to be used to partially fund an alpha related to the Sexual Health Business case. **Table B** outlines the spending plans as per original investment scheme and the forecast underspend.

Table B

Theme	Investment Title	Total Investments £000's	2025/26 Spending Plan £000s	Forecast Position £000s
Digital and Data, Modelling and AI	Breast Screening Support	100	85	-15
	Manage The Change	213	195	-18
	Strengthen Cloud	198	202	4
	Strengthen Delivery	263	242	-21
Digital and data, modelling and AI Total		774	724	-50
Strategic Change and Delivery	Effective design and delivery of key change programmes	197	116	-81
Strategic Change and Delivery Total		197	116	-81
Strengthening core areas/BAU	Apprenticeships	100	100	0
	Head of Nursing & Midwifery Quality, Workforce & Development	85	40	-45
	Health inequalities cross-organisational programme	100	88	-12
	Information Governance	59	39	-20
Strengthening core areas/BAU Total		344	267	-77
Total Investments		1,315	1,107	-208
Winter Pressures Total			46	46
Revised Investment Total		1,315	1,153	-162

The following graph illustrates the original investment spending plan profile as provided at month 2 and the current profile at Month 3. The current profile of expenditure has changed from Month 2 to Month 3 with £23k of profiled spend in M12 moving to Month 3 within the Breast Screening Support Investment Scheme.



Outstanding Allocations & Financial Risks

The following allocations remain outstanding:

The 2024/25 pay award uplifts are expected to be fully funded. Confirmation of our allocation from Welsh Government is yet to be received.

During Month 3 we have received confirmation of our allocation in relation to the increase in National Insurance by Welsh Government. This allocation is to be provided on a non-recurrent basis for 2025/26. Welsh Government will confirm the approach to the recurring allocation as part of the 2026/27 allocation process.

Welsh Government funding from the UK Government is lower than the assessment of the impact of the National Insurance increase, as a result we have received a small shortfall against expected allocation as follows:

Expected NI Allocation £	WG allocation £	Allocation shortfall £
2,047	1,973	(74)

The expectation from Welsh Government is that organisations will identify mitigating actions to offset the shortfall.

For Healthy Working Wales, we have been informed by Welsh Government that the allocation has been approved and are awaiting the formal allocation letter.

Shared Services have highlighted a risk in relation to increased Welsh Risk Pool commitments. Due to the NHS Wales risk sharing agreement in place there is an

indicative risk to PHW of £0.267m. We will work with Shared Services to finalise the value of the risk. Once confirmed we will develop mitigating actions.

Covid-19

Table D outlines the operational expenditure and funding sources of the Public Health Wales Covid-19 response. Actual costs are shown for the year to date (Jun 2025) with forecast costs for the remainder of the year.

Table D – COVID-19 financial forecast at Month 3

PHW - COVID-19 Summary	Actual Apr-25 to Jun-25 £000	Forecast Jul-25 to Mar-26 £000	TOTAL 2025/26 £000
Additional Costs			
COVID-19 Laboratory Testing	1,181	5,379	6,560
Total Gross Additional Cost	1,181	5,379	6,560
Welsh Government Non-Core Funding			
COVID-19 Laboratory Testing	-1,181	-5,379	-6,560
Total Funding	-1,181	-5,379	-6,560

Welsh Government have confirmed non-recurrent funding for 2025/26 of £6.560m to support COVID-19 testing. We will continue to invoice Welsh Government based on actual spend up to the funding level agreed of £6.560m. Spend in month 3 was £0.376m with actual testing episodes in June totalling 6,668 tests. This is an average of 223 tests per day for June. This compares to an average of 247 per day in May. The full year forecast spend remains at £6.560m.

Testing activity for April to June is 9% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is in line with baseline costs. The average cost per test is currently £52.

Although 2024/25 activity was higher than 2023/24 baseline (14% or 17k tests), this was due to increased levels of testing linked to Pertussis, Enterovirus and Mycoplasma events. At present there are no indications of similar spikes in 2025/26 and therefore we are not anticipating similar increased levels of expenditure.

Actions will be taken to help maintain expenditure within the financial envelope. We will continue to monitor and provide regular updates to Welsh Government colleagues.

Capital

Public Health Wales capital funding for 2025/26 totals £2.427m, which includes £1.613m of Discretionary capital and £0.814m of Strategic capital.

Strategic capital allocation includes £0.523m for the replacement of the DESW vehicles for 2025/26 only and £0.291m from the Targeted Estates Fund (TEF) for several Estates improvement schemes.

The Digital Health Protection Programme multi-year business case has been approved by the Digital Investment Panel (DIP). Cabinet Secretary approval has been secured for first year funding (FY2025/26) with Welsh Government Funding Award letter received 4 July approving £2.858m of capital and £0.458m of revenue. The funding will be added to our allocation once the funding letter has been approved.

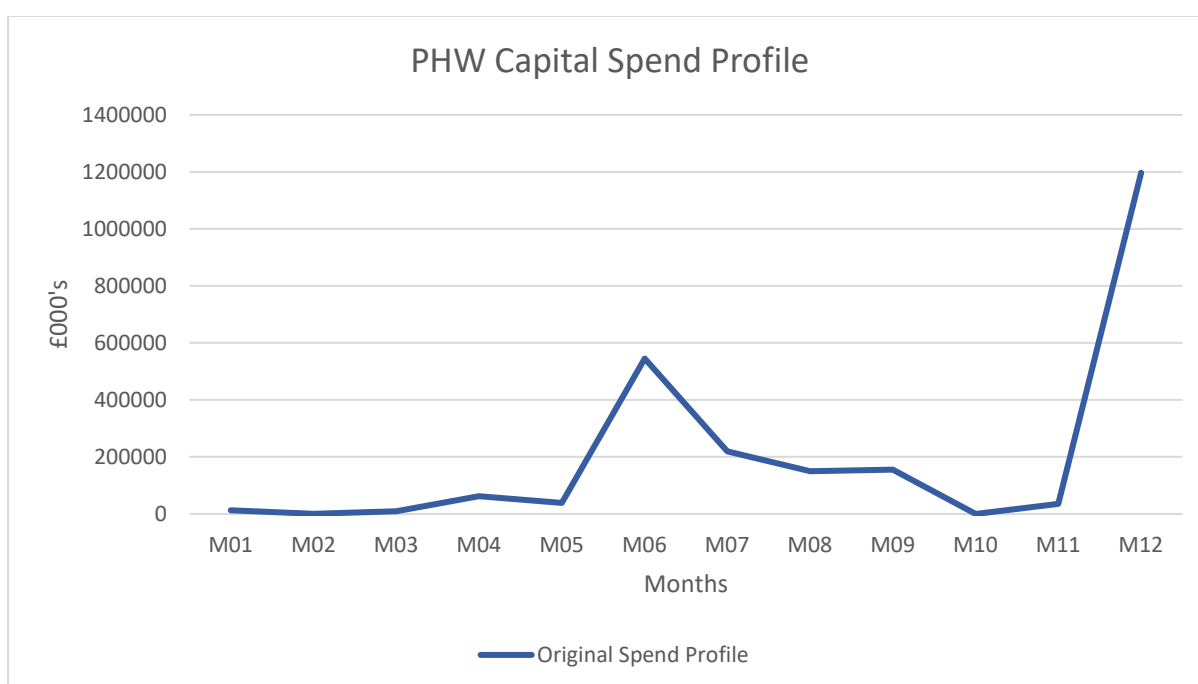
Table E provides a summary of discretionary and strategic schemes, with a more detailed breakdown in **Appendix B**.

Table E

Service Area	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q2 £000s	Delivery Estimate Q3 £000s	Delivery Estimate Q4 £000s
Discretionary						
Contingency	235	7	0	-6	0	235
Digital Services	695	10	64	500	150	35
Estates	235	5	6	49	104	77
Infection Services	284	0	37	96	188	0
Screening Division	164	1	0	7	0	155
Total Discretionary Approved	1,613	23	107	646	442	502
Strategic Approved						
Estates	291	0	0	0	84	207
Screening Division	523	0	0	0	0	523
Total Strategic Approved	814	0	0	0	84	730
Total Public Health Wales Capital	2,427	23	107	646	526	1,232

Service Area	2024/25 Allocation £000s	Year to date spend	Committed via PO £000s	Delivery Estimate	Delivery Estimate	Delivery Estimate
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		2024/25 £000s			Q2 £000s	Q3 £000s	Q4 £000s
NHS Executive	100	0	4	9	0	91	
Total Discretionary	100	0	4	9	0	91	
Total Hosted Discretionary	100	0	4	9	0	91	
Grand Total	2,527	23	111	655	526	1,323	



The graph illustrates the planned spending profile as at Month 3. Spending plans will be scrutinised regularly by the capital monitoring group to ensure a year-end breakeven position is delivered for 2025/26.

A number of capital schemes are in the early stages of procurement, which are currently reflected in M12, we will work with capital scheme leads to refine the profile of spend with the aim to reduce the current M12 profile.

Public Health Wales have submitted a bid for strategic capital of £456k as part of a 2025-26 Welsh Government investment strategy for the replacement of non-radiology ultrasound scanners, to replace the portable laptop ultrasound machines for the Wales Abdominal Aortic Aneurysm Screening Programme. A decision is expected at the end of July.

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 F** provides a summary as of 30 June 2025.

Table F – Balance Sheet as of 30 June 2025

	Opening Balance 01/04/2025 £000s	Movement £000s	Closing Balance 30/06/2025 £000s
Non-Current Assets			
Property, plant and equipment	29,175	23	29,198
Intangible assets	1,359	0	1,359
Trade and other receivables	981	-981	0
Other financial assets	378	0	378
Non-Current Assets sub total	31,893	-958	30,935
Current Assets			
Inventories	1,263	0	1,263
Trade and other receivables	22,557	24,034	46,591
Other financial assets	182	0	182
Cash and cash equivalents	10,722	-5,899	4,822
Current Assets sub total	34,724	18,135	52,859
TOTAL ASSETS	66,617	17,177	83,794
Current Liabilities			
Trade and other payables	-27,896	-16,824	-44,721
Borrowings	-2,099	1	-2,098
Provisions	-1,774	-1,384	-3,158
Current Liabilities sub total	-31,769	-18,207	-49,977
NET ASSETS LESS CURRENT LIABILITIES	34,848	-1,030	33,817
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	3	-4,334
Provisions	-3,553	1,038	-2,515
Non-Current Liabilities sub total	-7,890	1,041	-6,849
TOTAL ASSETS EMPLOYED	26,958	10	26,968
FINANCED BY: Taxpayers' Equity			
PDC	21,238	0	21,238
Retained earnings	4,464	10	4,475

Revaluation reserve	1,255	0	1,255
TOTAL TAXPAYERS' EQUITY	26,958	10	26,968

Non-Current and Current Assets

Non-current trade receivables have decreased by £0.981m, due to the reclassification of certain clinical negligence cases. These receivables have been moved to current assets, reflecting revised estimates that indicate settlement is now expected within the next 12 months.

Current trade receivables have increased by £24.034m. This includes the Trust's July core income invoice of £12.084m, which was billed in advance. The remaining increase is primarily attributable to outstanding invoices and income accruals of £10.959m related to NHS Wales Performance and Improvement, along with a £0.620m rise in clinical negligence receivables due to two new claims.

Cash and cash equivalents decreased by £5.899m, primarily due to the NHS Wales Performance and Improvement invoicing in arrears. Allocations for Months 1 and 2 have now been raised and settled as of 7 July. During June, the cash balance fluctuated between £4.822m and £19.932m.

Current & non-current liabilities

Current trade and other payables has increased by £16.824m this is mainly due to deferred Welsh Government income of £12.084m for July which has been raised in advance. There are also amounts due to be paid over for Tax and NI £3.238m and pensions of £2.267m which were nil as at 31st March 2025.

There has been a reclassification of provisions between current and non-current categories, reflecting revised estimated settlement dates for clinical negligence cases. Overall, total provisions have increased by £0.346m, driven by the recognition of new clinical negligence claims and adjustments to existing cases.

As at 8 July, the cash balance stood at £23.334m. This includes the July core income payment of £12.084m and the settlement of NHS Wales Performance and Improvement Month 1 and 2 invoices totalling £6.261m, all received on 7 July.



Conclusion

The Board is asked to note the following:

- Month 3 reported surplus financial position of £10k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 3.
- Status of the Capital Programme, strategic and discretionary, for 2025/26, and
- Balance Sheet, or the Statement of Financial Position as of 30 June 2025.

Appendices

Appendix A:

The following Tables from our Month 3 Monitoring Return to Welsh Government are attached:

A – Movement

C1 & C2 – Savings Schemes and,

C3 – Savings Tracker

Appendix B: Detailed discretionary and strategic capital schemes.

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q2 £000s	Delivery Estimate Q3 £000s	Delive ry Estim ate Q4 £000s
PHW Discretionary:							
Digital Services	Dell PCs & Monitors	396	0	0	396	0	0
Digital Services	Cloud Services	150	0	0	0	150	0
Digital Services	Development & DBA software Tools	35	0	0	0	0	35
Digital Services	Replacement Printers & Scanners	18	0	0	18	0	0
Digital Services	IT Equipment (5 x laptops - Lab Director, BTW Admin Team, DESW Reg Nurse Coord, Trainee Biomedical scientists (2) and lab scanners for LIMS)	6	0	0	6	0	0
Digital Services	IT equipment - investment posts	16	0	0	16	0	0
Digital Services	B/F from 2024/25 - Network Switches	10	10	0	0	0	0
Digital Services	Oracle Forms/Reports software licences	64	0	64	64	0	0
Estates	Access control system to BTW Cardiff and Magden Park	37	0	0	37	0	0
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	84	0	0	0	84	0
Estates	Access control system/door entry intercom, automation of main front door and associated electrical	12	0	0	12	0	0



	enabling works at Llys Castan Bangor						
Estates	Replace CCTV system at BTW Cardiff	10	0	0	0	10	0
Estates	Improvement works to Screening and Infection Services estates	50	3	0	0	0	47
Estates	B/F from 2024/25 - Fire Compliance Works	32	2	0	0	0	30
Estates	Air conditioning units for BTW (identified after TEF bid approved)	10	0	6	0	10	0
Estates	Redecoration of water damaged areas at BTW, Alexandra Road Swansea	5	0	0	5	0	0
Infection Services	Purchase of new cold room	59	0	0	59	0	0
Infection Services	UPS cat 3	9	0	0	0	9	0
Infection Services	Hettich rotina 420 centrifuge	10	0	0	0	10	0
Infection Services	2 x Qiagen rotor-gene q5-plex hrn machines	96	0	0	0	96	0
Infection Services	2 x automated DNA extraction machines	73	0	0	0	73	0
Infection Services	Qiagen rotor-gene q5 5-plex hrn	37	0	37	37	0	0
Screening Division	Integration of the e-form with LIMS2 and WCP for electronic test requesting in cervical screening Wales	35	0	0	0	0	35
Screening Division	Redevelopment of NBSWS and AWINBHS clinical IT systems	90	0	0	0	0	90
Screening Division	CSWACC redevelopment	30	0	0	0	0	30
Screening Division	B/F from 2024/25 - IT Equipment lab scanners	1	1	0	0	0	0
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	0	0	1	0	0
Screening Division	2 x High Spec monitors for grading dept	1	0	0	1	0	0
Contingency	CAT 3 sealability	150	0	0	0	0	150
Contingency	Contingency - For unknown and unforeseen capital Expenditure	85	7	0	-6	0	85
Total Discretionary PHW		1,613	23	107	646	442	502

PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	0	0	0	0	84
Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road and BTW Swansea admin office	12	0	0	0	12	0



Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	0	0	0	72	0
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	108	0	0	0	0	108
Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	0	0	0	0	15
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	523	0	0	0	0	523
Total Strategic PHW Approved		814	0	0	0	84	730
Total Public Health Wales Capital		2,427	23	107	646	526	1,232

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q2 £000s	Delivery Estimate Q3 £000s	Delive ry Estim ate Q4 £000s
NHS Wales Performance and Improvement	Annual discretionary allocation for NHS Wales Executive 2024-25	100	0	4	9	0	91
Total Discretionary Hosted		100	0	4	9	0	91
Total Hosted Capital		100	0	4	9	0	91
Grand Total		2,527	23	111	655	526	1,323