

## 2025/26 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 revenue and capital position as of 31 May 2025 (M2), which includes the position on COVID-19.

<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 financial position of Public Health Wales as of 31 May 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
<b>Summary impact analysis</b>	
<b>Equality and Health Impact Assessment</b>	Not Applicable
<b>Risk and Assurance</b>	All financial risks are reflected in the paper
<b>Health and Care Standards</b>	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.
<b>Financial implications</b>	Financial information included in the paper
<b>People implications</b>	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 31 May 2025 (M02). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 12 June 2025 as part of the full financial monitoring return for Month 2. 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)	(£11k)	(£19k)	Breakeven
Capital financial spend & target	£1k	£14k	Breakeven
Public Sector Payment Policy	96.61%	96.98%	>95%
Agency Spend as % of Total Pay	1.4%	1.3%	<2.1%

The cumulative reported position at Month 2 for Public Health Wales is a net surplus of £19k.

## **Overview of Financial Performance at Month 2**

### **Financial Performance by Directorate**

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

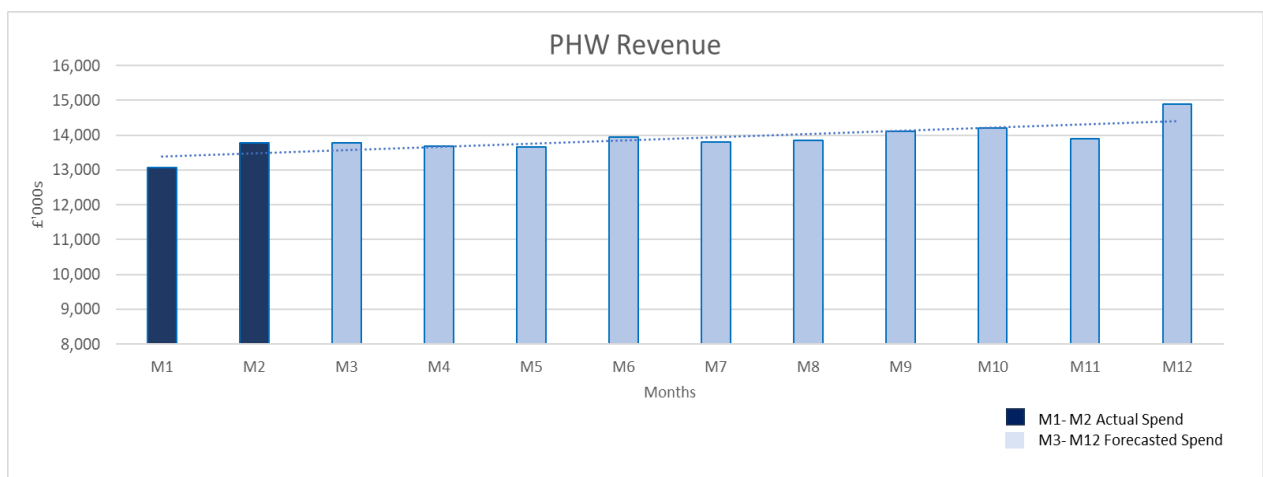
**Table A**

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,369	427	409	-18
Central Budgets	3,919	588	601	13
Covid 19	6,553	806	806	0
Operations and Finance	7,990	1,319	1,293	-26
Health Protection and Screening Services	99,359	16,520	16,560	40
Health & Wellbeing	21,676	3,429	3,404	-25
People & Organisational Development	3,011	515	527	12
Policy and International Health	5,992	800	795	-6
Research, Data and Digital	11,925	1,819	1,844	25
Nursing, Quality & Integrated Governance	3,886	642	608	-34
<b>Directorate Total</b>	<b>166,680</b>	<b>26,864</b>	<b>26,846</b>	<b>-19</b>

As the table above indicates, the surplus at Month 2 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 2 is £53k.

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 2 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.

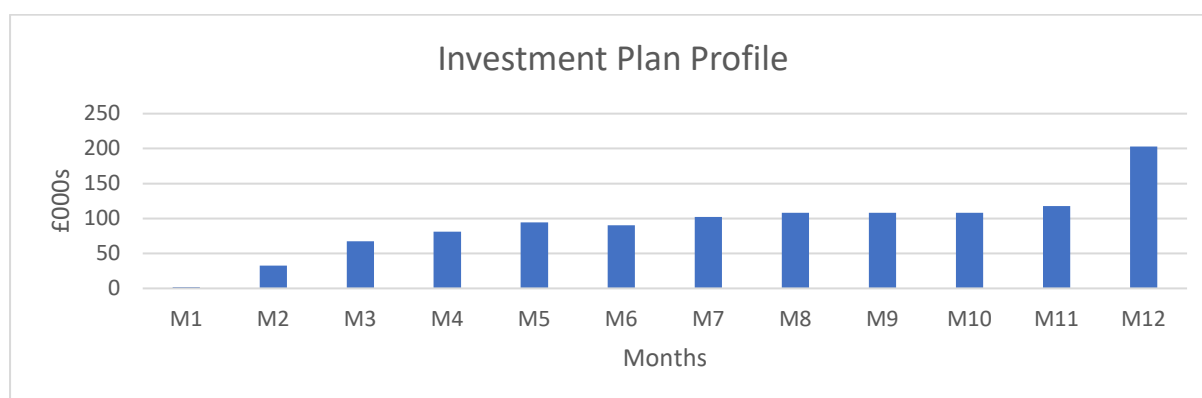
Directorates are required on a monthly basis to report actual expenditure against each scheme, demonstrating how any slippage is to be reinvested in delivering the original scheme purpose. Through the monitoring process, if the level of slippage identified is such that the purpose, aims and objectives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

Spending plans have been scrutinised during Month 2 resulting in a forecast underspend against the 2025/26 investment fund of £200k. This underspend will now be used to support urgent work on Winter Pressure and partial funding for an alpha related to the Sexual Health Business case. **Table B** outlines the spending plans per original investment scheme and the forecast underspend.

**Table B**

Theme	Investment Title	Total £000's	2025/26 Spending Plan £000s	Forecast Position £000s
Digital and data, modelling and AI	Strengthen Cloud	198	202	4
	Strengthen Delivery	263	242	-21
	Manage The Change	213	195	-18
	Breast Screening Support	100	85	-15
<b>Digital and data, modelling and AI Total</b>		<b>774</b>	<b>724</b>	<b>-50</b>
Strategic Change and Delivery	Effective design and delivery of key change programmes	197	123	-74
<b>Strategic Change and Delivery Total</b>		<b>197</b>	<b>123</b>	<b>-74</b>
Strengthening core areas/BAU	Health inequalities cross-organisational programme	100	88	-12
	Head of Nursing & Midwifery Quality, Workforce & Development	85	39	-46
	Information Governance	59	40	-19
	Apprenticeships	100	100	0
<b>Strengthening core areas/BAU Total</b>		<b>344</b>	<b>267</b>	<b>-77</b>
<b>Total Investments</b>		<b>1,315</b>	<b>1,114</b>	<b>-201</b>

The following graph illustrates the investment plan profile as provided at month 2. Future reports will monitor actual investment spend against investment plan profile.



In addition to the investments outlined above for 2025/26, there are Year 2 investments agreed as part of the IMTP for 2024/25. Year 2 investments per Directorate are set out in **Table C** below. These investments will now be monitored through Directorate financial reports.

**Table C**

Directorate	2025/26 £	2026/27 £	Recurrent £
Policy and International Health	712,431	712,431	712,431
Health & Wellbeing	721,323	773,000	0
People & OD	154,307	50,000	50,000
Ops & Finance	521,493	245,704	245,704
Research, Data & Digital	279,054	208,077	157,379
Board & Corp	56,654	56,654	56,654
Nursing, Quality, and Integrated Governance	88,709	32,055	44,810
Health Protection and Screening Services	337,098	173,098	173,098
<b>Grand Total</b>	<b>2,871,069</b>	<b>2,251,019</b>	<b>1,440,076</b>

**Outstanding Allocations**

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. We are also anticipating the increase in National Insurance to be fully funded by Welsh Government.

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

**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 (May 2025) with forecast costs for the remainder of the year.

**Table D – COVID-19 financial forecast at Month 2**

PHW - COVID-19 Summary	Actual Apr-25 to May- 25 £000	Forecast Jun-25 to Mar-26 £000	TOTAL 2025/26 £000
<b>Additional Costs</b>			
COVID-19 Laboratory Testing	808	5,752	6,560
<b>Total Gross Additional Cost</b>	<b>808</b>	<b>5,752</b>	<b>6,560</b>
<b>Welsh Government Non-Core Funding</b>			
COVID-19 Laboratory Testing	-808	-5,752	-6,560
<b>Total Funding</b>	<b>-808</b>	<b>-5,752</b>	<b>-6,560</b>

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 2 was £0.444m with actual testing episodes in May totalling 7,668 tests. This is an average of 247 tests per day for May. This compares to an average of 278 per day in April. The full year forecast spend remains at £6.560m.

Testing activity for April to May is 11% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is 16% lower. This indicates that the average cost per test is reducing from an average of £53 per test to an average of £51.

To note 137,000 tests were provided in 2024/25 at a cost of £7.812m. If this level of activity occurred in 2025/26 then it would create an overspend. We are currently working to update the forecast for assumptions on predicated activity and on expected 2025/26 prices.

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). The funding will be added to our allocation in June.

The Capital Discretionary Plan was approved by the Board on the 29 May 2025. **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
Discretionary		
Contingency	300	1
Digital Services	631	10
Estates	235	2
Infection Services	284	0
Screening Division	162	1
<b>Total Discretionary Approved</b>	<b>1,613</b>	<b>14</b>
Strategic Approved		
Estates	291	0
Screening Division	523	0
<b>Total Strategic Approved</b>	<b>814</b>	<b>0</b>
<b>Total Public Health Wales Capital</b>	<b>2,427</b>	<b>14</b>

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s
NHS Executive	100	0
<b>Total Discretionary</b>	<b>100</b>	<b>0</b>
<b>Total Hosted Discretionary</b>	<b>100</b>	<b>0</b>
<b>Grand Total</b>	<b>2,527</b>	<b>14</b>

Work to provide a more detailed spending plan will be undertaken throughout June, and the capital monitoring group will scrutinise regularly to ensure a year-end breakeven position is delivered for 2025/26.

Public Health Wales have submitted a bid for strategic capital of £456k as part of a 2025-26 WG 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 in mid July.

### **Balance Sheet**

There is no requirement to report the balance sheet as part of our monthly monitoring return to Welsh Government for Month 2 (May). To provide assurance to the Board on our cash position, the balance at close of Month 2 (May) was £6.608m compared to the year-end cash balance of £10.722m. This balance was sufficient to cover costs until we received our core income for Month 3 (June) on the 9th June. The movement since year-

end reflects that NHS Wales Performance and Improvement (NHSWP&I) had not yet started drawing down their core income from Welsh Government totalling £7.333m year to date. The NHSWP&I core allocations invoices for Months 1 and 2 were raised on the 13th June, with subsequent allocations to follow on a monthly basis.

### **Conclusion**

The Board is asked to note the following:

- Month 2 reported surplus financial position of £19k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 2.
- Status of the Capital Programme, strategic and discretionary, for 2025/26, and
- No requirement to report Balance Sheet at Month 2, updated on closing cash position at Month 2 provided for assurance.

## **Appendices**

### **Appendix A:**

The following Tables from our Month 2 Monitoring Return to Welsh Government are attached:

A – Movement

C1 & C2 – Savings Schemes and,

C3 – Savings Tracker

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

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s
PHW Discretionary:			
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	84	0
Estates	Access control system to BTW Cardiff and Magden Park	37	0
Estates	Access control system/door entry intercom, automation of main front door and associated electrical enabling works at Llys Castan Bangor	12	0
Estates	Replace CCTV system at BTW Cardiff	10	0
Estates	Improvement works to Screening and Infection Services estates	50	0
Estates	B/F from 2024/25 - Fire Compliance Works	32	2
Estates	Air conditioning units for BTW (identified after TEF bid approved)	10	0
Digital Services	Dell PCs & Monitors	396	0
Digital Services	Cloud Services	150	0
Digital Services	Development & DBA software Tools	35	0
Digital Services	Replacement Printers & Scanners	18	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
Digital Services	IT equipment - investment posts	16	0
Digital Services	B/F from 2024/25 - Network Switches	10	10
Infection Services	Purchase of new cold room	59	0
Infection Services	UPS cat 3	9	0
Infection Services	Hettich rotina 420 centrifuge	10	0
Infection Services	2 x Qiagen rotor-gene q5-plex hrm machines	96	0

Infection Services	2 x automated DNA extraction machines	73	0
Infection Services	Qiagen rotor-gene q5 5-plex hrn	37	0
Screening Division	Integration of the e-form with LIMS2 and WCP for electronic test requesting in cervical screening Wales	35	0
Screening Division	Redevelopment of NBSWS and Awnbhs clinical IT systems	90	0
Screening Division	CSWACC redevelopment	30	0
Screening Division	Redecoration of water damaged areas at BTW, Alexandra Road Swansea	5	0
Screening Division	B/F from 2024/25 - IT Equipment lab scanners	1	1
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	0
Contingency	Contingency - CAT 3 sealability	150	0
Contingency	Contingency - For unknown and unforeseen capital Expenditure	150	1
<b>Total Discretionary PHW</b>		<b>1,613</b>	<b>14</b>

PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	0
Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road and BTW Swansea admin office	12	0
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	0
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	108	0
Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	0
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	523	0
<b>Total Strategic PHW Approved</b>		<b>814</b>	<b>0</b>
<b>Total Public Health Wales Capital</b>		<b>2,427</b>	<b>14</b>

Service Area	Details	2024/25 Allocation £000s	Year to date spend 2024/25 £000s
NHS Executive	Annual discretionary allocation for NHS Wales Executive 2024-25	100	0
<b>Total Discretionary Hosted</b>		<b>100</b>	<b>0</b>
<b>Total Hosted Capital</b>		<b>100</b>	<b>0</b>
<b>Grand Total</b>		<b>2,527</b>	<b>14</b>