

2025/26 Financial Position

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Approval/Scrutiny route:	Business Executive Team
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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 31 July 2025 (M4).

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 31 July 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

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 as of 31 July 2025 (M04). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 13 August 2025 as part of the full financial monitoring return for Month 4. 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)	£0k	(£10k)	Breakeven
Capital financial spend & target	£48k	£71k	Breakeven
Public Sector Payment Policy	98.35%	97.36%	>95%
Agency Spend as % of Total Pay	1.5%	1.4%	<1.7%

The cumulative reported position at Month 4 for Public Health Wales is a net surplus of £10k.

2. Overview of Financial Performance at Month 4

2.1 Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

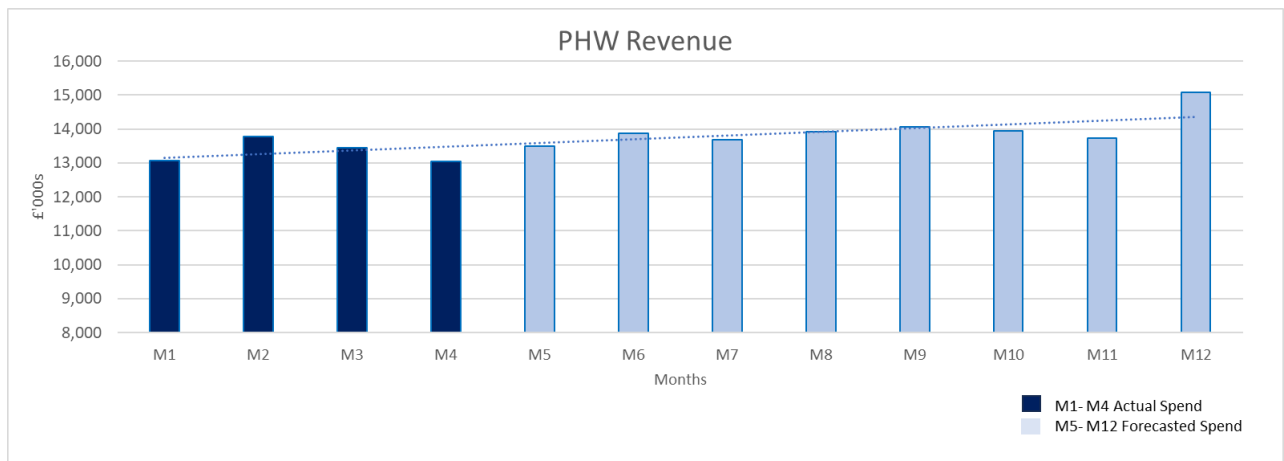
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,419	864	834	-30
Central Budgets	881	475	482	7
Covid 19	6,560	1,732	1,732	0
Operations and Finance	8,228	2,534	2,516	-19
Health Protection and Screening Services	100,235	33,169	33,168	-1
Health & Wellbeing	21,703	6,739	6,739	-0
People & Organisational Development	3,078	1,050	1,059	9
Policy and International Health	6,016	1,688	1,687	-1
Research, Data and Digital	12,100	3,883	3,914	32
Nursing, Quality & Integrated Governance	3,888	1,221	1,214	-7
Directorate Total	165,108	53,355	53,345	-10

As the table above indicates, the surplus at Month 4 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 4 is £120k.

All Directorate spending plans have now been received and reflected in the ledger. The following graph depicts actual year to date spend and forecasted spend for the remainder of the financial year. This illustrates the actual run rate to month 4 and the forecast run rate. From month 5 we will report planned spend versus actual spend.



2.2 Investments

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

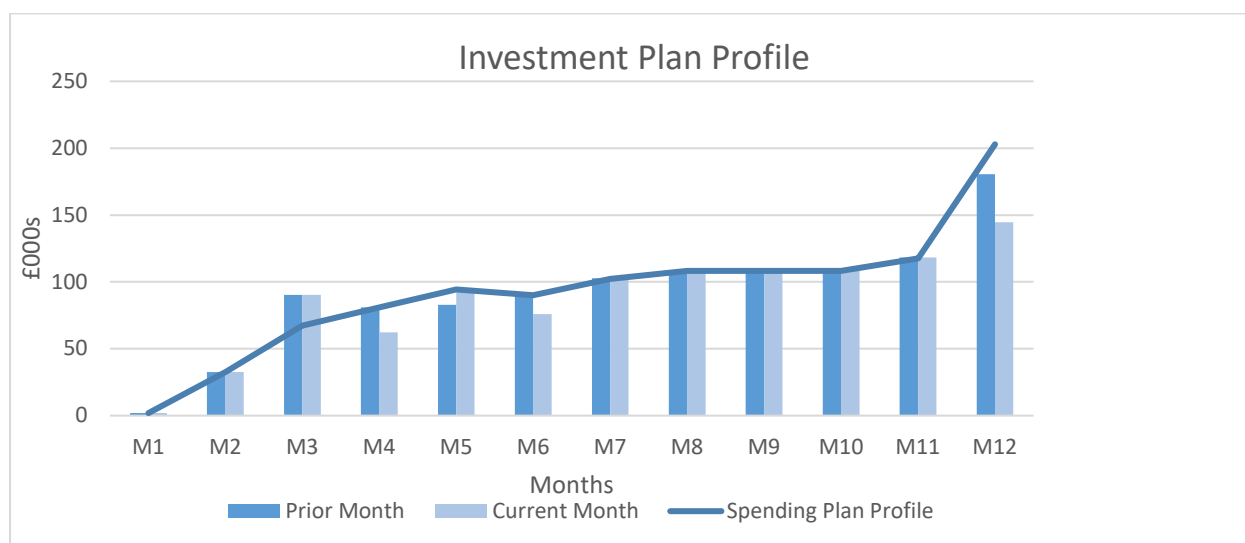
Directorates are required on a monthly basis to report actual expenditure against each scheme, demonstrating how any slippage is to be reinvested in delivering the original scheme purpose. Through the monitoring process, if the level of slippage identified is such that the purpose, aims and objectives 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 increased in Month 3 to £208k and has further increased in Month 4 to £265k. This has been used to support urgent work on Winter Pressures totalling £46k with the remaining £219k to be used to partially fund an alpha related to the Sexual Health Business case and to cover the 2025/26 National Insurance shortfall of £74k, more detail of which can be found in section 2.3. **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	173	-25
	Strengthen Delivery	263	226	-37
Digital and data, modelling and AI Total		774	679	-95
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	77	-23
	Information Governance	59	39	-20
Strengthening core areas/BAU Total		344	256	-88
Grand Total		1,315	1,050	-265
Winter Pressures Total			46	46
Revised Investment Total		1,315	1,096	-219

The following graph illustrates the original investment spending plan profile, the revised profile at Month 3 (Prior Month) and the current profile at Month 4 (Current Month). Reduction in planned spend in Month 4 and the increase in forecast underspend within the investment fund are due to recruitment delays.



2.3 Outstanding Allocations & Financial Risks

The following allocations remain outstanding:

The 2024/25 recurrent pay award uplifts are expected to be fully funded. We are currently working with Welsh Government to finalise the Pay Matrix to determine the recurrent allocation for 2024/25. This exercise is due to be completed by end of August.

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 of £74k. This shortfall will be mitigated during 2025/26 from the investment slippage referenced above. We will manage any recurring shortfall through the 2026/27 budget setting process.

Healthy Working Wales non-recurring allocation of £100k has been agreed in Month 4.

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 a potential additional risk to PHW of £0.267m. Shared Services are working on finalising the forecast and we are currently working on options to mitigate the potential financial risk.

2.4 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 (July 2025) with forecast costs for the remainder of the year.

Table D – COVID-19 financial forecast at Month 4

PHW - COVID-19 Summary	Actual Apr-25 to Jul-25 £000	Forecast Aug-25 to Mar-26 £000	TOTAL 2025/26 £000
Additional Costs			
COVID-19 Laboratory Testing	1,732	4,828	6,560
Total Gross Additional Cost	1,732	4,828	6,560
Welsh Government Non-Core Funding			
COVID-19 Laboratory Testing	-1,732	-4,828	-6,560
Total Funding	-1,732	-4,828	-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 4 was £0.550m with actual testing episodes in July totalling 7,026 tests. This is an average of 227 tests per day for July. This compares to an average of 223 per day in June. The full year forecast spend remains at £6.560m.

Testing activity for April to July is 6% 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 £58.

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 outbreaks or events 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.

3. Capital

Public Health Wales capital funding for 2025/26 totals £2.917m, which includes £1.613m of Discretionary capital and £1.304m of Strategic capital.

Strategic capital allocation includes

- £0.523m for the replacement of the DESW vehicles for 2025/26 only
- £0.291m from the Targeted Estates Fund (TEF) for several Estates improvement schemes
- £0.456k to replace the portable laptop ultrasound machines for the Wales Abdominal Aortic Aneurysm Screening Programme 2025-26, this was part of Welsh Government investment strategy for the replacement of non-radiology ultrasound scanners, and
- £0.034m for IT Hardware relating to the Targeted Lung Cancer Screening programme.

In addition, £0.206k of Strategic funding in respect of Diagnostic Equipment for the microbiology laboratories has been approved by Welsh Government and will be reflected in our strategic allocation from Month 5. The diagnostic equipment was approved via Discretionary Funds, once strategic

funding is received this will release the £0.206k back into the PHW discretionary fund.

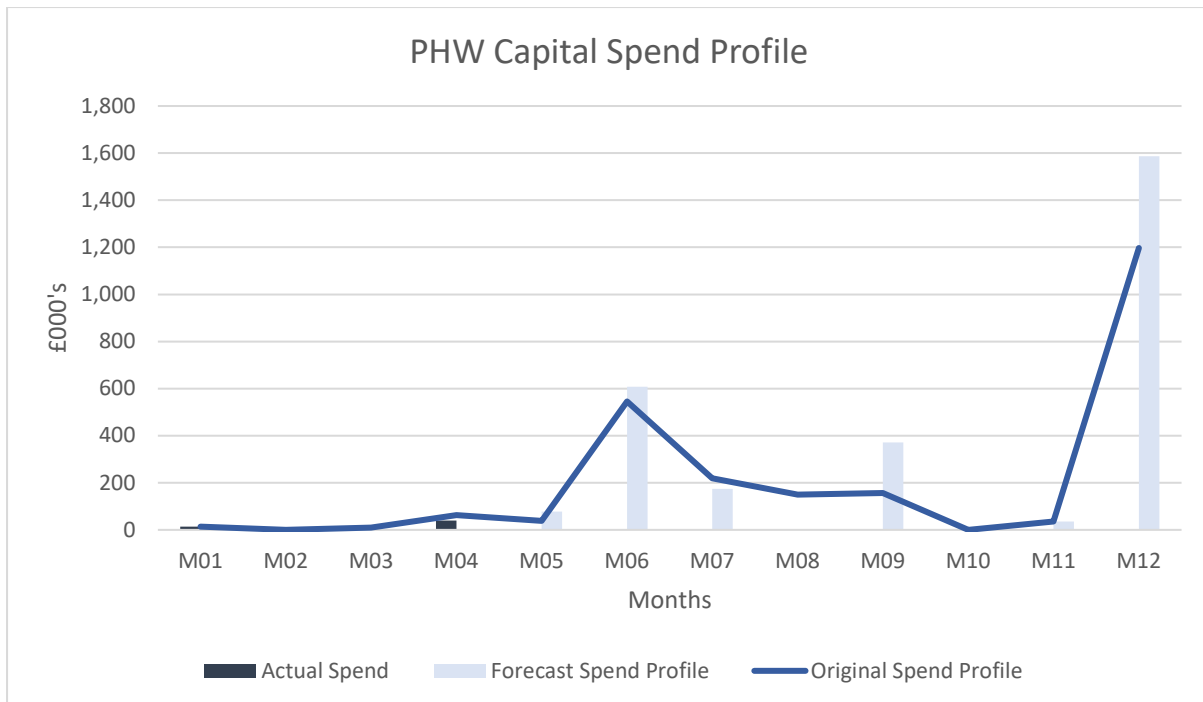
The Digital Health Protection Programme multi-year business case has been approved by the Digital Investment Panel (DIP). Cabinet Secretary approval has been secured for first year funding (FY2025/26) with Welsh Government Funding Award letter received 14 July approving £2.287m of strategic capital funding. 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	152	0	0	0	0	150
Digital Services	760	10	64	500	215	35
Estates	235	14	75	63	104	57
Infection Services	331	37	69	116	142	36
Screening Division	134	1	6	8	0	125
Total Discretionary Approved	1,613	62	213	687	461	403
Strategic Approved						
Estates	291	0	23	0	84	207
Screening Division	1,013	0	0	0	0	1,013
Total Strategic Approved	1,304	0	23	0	84	1,220
Total Public Health Wales Capital	2,917	62	236	687	545	1,623

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q2 £000s	Delivery Estimate Q3 £000s	Delivery Estimate Q4 £000s
NHS Wales Performance and Improvement	100	9	0	0	0	91
Total Discretionary	100	9	0	0	0	91
Total Hosted Discretionary	100	9	0	0	0	91
Grand Total	3,017	71	236	687	545	1,714



The graph illustrates the planned spending profile as at month 3 compared to actual spend as at month 4 and the forecast spend profile for the remainder of the year. A reduction in planned spend of £23k is predominantly due to:

- Digital Services –
 - Software licences totalling £64k planned for July slipped however have now been received in August.
- Estates
 - £6k Air conditioning units have been installed earlier than planned in BTW Swansea, bringing forward expenditure from Month 7 to Month 4.
- Infection services
 - £37k laboratory equipment was delivered in Month 4, one month earlier than planned.

The Capital Planning Group has received and approved two new capital requests for the extension of the life of the Surface Hubs £65k and new IT printers and scanners for the Microbiology laboratories relating to the new LIMS £47k. These have been funded from capital contingency and re-profiled from quarter 4 to quarter 3.

New strategic funding of £456k for the WAAASP portable ultrasound scanners replacement and £34k for IT hardware for the Targeted Lung Cancer Programme is reflected in Month 12 until a more accurate profile is received from the Division.

Work with capital scheme leads to refine the profile of spend with the aim to reduce the current Month 12 profile will continue along with scrutiny of the spending plans by the capital monitoring group to ensure a year-end breakeven position is delivered for 2025/26.

The current high level of spend profiled in month 12 is predominantly driven by strategic capital schemes, with planned discretionary capital spend being more evenly spread throughout the year.

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 F** provides a summary as of 31 July 2025.

Table F – Balance Sheet as of 31 July 2025

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 31/07/2025 £000s
Non-Current Assets			
Property, plant and equipment	29,175	47	29,222
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	-934	30,959
Current Assets			
Inventories	1,263	0	1,263
Trade and other receivables	22,557	18,367	40,924
Other financial assets	182	0	182
Cash and cash equivalents	10,722	-1,598	9,123
Current Assets sub total	34,724	16,768	51,492
TOTAL ASSETS	66,617	15,834	82,451
Current Liabilities			
Trade and other payables	-27,896	-15,742	-43,638
Borrowings	-2,099	2	-2,097
Provisions	-1,774	-1,127	-2,901
Current Liabilities sub total	-31,769	-16,867	-48,636
NET ASSETS LESS CURRENT LIABILITIES	34,848	-1,032	33,815
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	5	-4,332

Provisions	-3,553	1,038	-2,515
Non-Current Liabilities sub total	-7,890	1,043	-6,847
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

4.1 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 £18.367m. This includes the Trust's July core income invoice of £12.084m, which was billed in advance. The remaining increase is primarily attributable to an increase in outstanding invoices from other NHS Wales organisations of £3.928m, this balance includes amounts subject to timing differences, as well as overdue payments, for which active recovery efforts are currently in progress. A £0.456m rise in clinical negligence receivables due to two new claims.

Cash and cash equivalents has reduced by £1.598m since the beginning of the year. This is linked to the increase in receivables since the beginning of the year.

4.2 Current & non-current liabilities

Current trade and other payables has increased by £15.742m this is mainly due to deferred Welsh Government income of £12.084m for August which has been raised in advance. There are also amounts due to be paid over for Tax and NI £3.242m and pensions of £2.263m 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 decreased by £0.089 million, driven by the recognition of new clinical negligence claims and adjustments to existing cases.

5. Conclusion

The Board is asked to note the following:

- Month 4 reported surplus financial position of £10k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 4.
- Status of the Capital Programme, strategic and discretionary, for 2025/26, and
- Balance Sheet, or the Statement of Financial Position as of 31 July 2025.

Appendices

Appendix A:

The following Tables from our Month 4 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	Delivery Estimate Q4 £000s
PHW Discretionary:							
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	84	0	0	0	84	0
Estates	Access control system to BTW Cardiff and Magden Park	37	0	37	37	0	0
Estates	Access control system/door entry intercom, automation of main front door and associated electrical enabling works at Llys Castan Bangor	12	0	6	14	0	0
Estates	Replace CCTV system at BTW Cardiff	10	0	12	12	0	0
Estates	Improvement works to Screening and Infection Services estates	50	6	0	0	0	47
Estates	B/F from 2024/25 - Fire Compliance Works	32	2	20	0	20	10
Estates	Air conditioning units for BTW (identified after TEF bid approved)	10	6		0	0	0
Digital Services	Dell PCs & Monitors	396	0		396	0	0
Digital Services	Cloud Services	150	0		0	150	0
Digital Services	Development & DBA software Tools	35	0		0	0	35
Digital Services	Replacement Printers & Scanners	18	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		6	0	0
Digital Services	IT equipment - investment posts	16	0		16	0	0

Digital Services	B/F from 2024/25 - Network Switches	10	10		0	0	0
Digital Services	Oracle Forms/Reports software licences	64	0	64	64	0	0
Digital Services	Surface Hub replacements	65	0		0	65	0
Infection Services	Purchase of new cold room	59	0		0	59	0
Infection Services	UPS cat 3	9	0		0	9	0
Infection Services	Hettich rotina 420 centrifuge	10	0		0	10	0
Infection Services	2 x Qiagen rotor-gene q5-plex hrm machines	96	0	69	69	0	36
Infection Services	2 x automated DNA extraction machines	73	0		0	64	0
Infection Services	Qiagen rotor-gene q5 5-plex hrm	37	37		0	0	0
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	47	0		47	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	35
Screening Division	Redevelopment of NBSWS and AWNBHS clinical IT systems	90	0		0	0	90
Screening Division	Redecoration of water damaged areas at BTW, Alexandra Road Swansea	5	0	6	6	0	0
Screening Division	B/F from 2024/25 - IT Equipment lab scanners	1	1		0	0	0
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	0		1	0	0
Screening Division	2 x High spec monitors for grading dept	1	0		1	0	0
Contingency	CAT 3 sealability	150	0		0	0	150
Contingency	Contingency - For unknown and unforeseen capital Expenditure	2	0		0	0	0
Total Discretionary PHW		1,613	62	213	687	461	403

PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	0		0	0	84
Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road and BTW Swansea admin office	12	0	12	0	12	0
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	0	11	0	72	0
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	108	0		0	0	108

Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	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	523
Screening Division	Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines	456	0	0	0	456
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	0	0	0	34
Total Strategic PHW Approved		1,304	0	23	0	1,220
Total Public Health Wales Capital		2,917	62	236	687	1,623

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	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	Annual discretionary allocation for NHS Wales Executive 2024-25	100	9	0	0	0	91
Total Discretionary Hosted		100	9	0	0	0	91
Total Hosted Capital		100	9	0	0	0	91
Grand Total		3,017	71	236	687	545	1,714