

## 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 August 2025 (M5).

<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 August 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 our Monthly Monitoring Return to Welsh Government
<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

## **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 August 2025 (M05). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 September 2025 as part of the full financial monitoring return for Month 5. 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)	(£23k)	(£33k)	Breakeven
Capital financial spend & target	£71k	£225k	Breakeven
Public Sector Payment Policy	98.58%	97.56%	>95%
Agency Spend as % of Total Pay	1.1%	1.4%	<1.7%

The cumulative reported position at Month 5 for Public Health Wales is a net surplus of £33k.

## **2. Overview of Financial Performance at Month 5**

### **2.1 Financial Performance by Directorate**

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

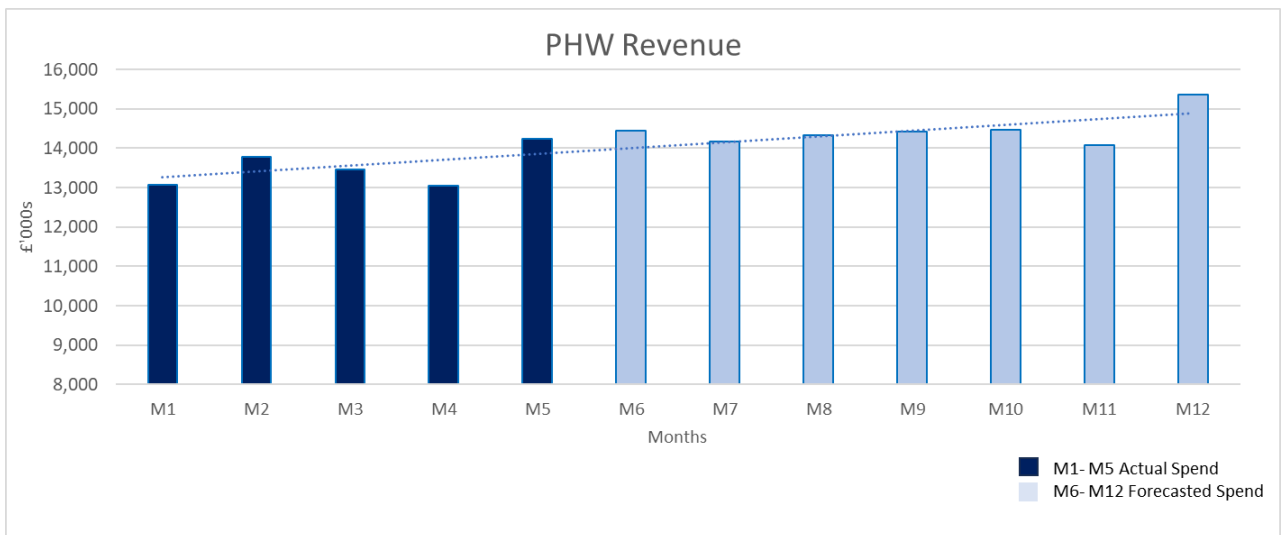
**Table A**

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,467	1,050	1,050	-1
Central Budgets	535	-23	-36	-13
Covid 19	6,560	1,978	1,978	-0
Operations and Finance	8,510	3,273	3,244	-29
Health Protection and Screening Services	102,854	42,500	42,500	-1
Health & Wellbeing	22,031	8,606	8,595	-11
People & Organisational Development	3,170	1,347	1,352	5
Policy and International Health	6,175	2,181	2,177	-4
Research, Data and Digital	12,611	5,141	5,162	21
Nursing, Quality & Integrated Governance	4,013	1,572	1,572	-1
<b>Directorate Total</b>	<b>168,925</b>	<b>67,625</b>	<b>67,593</b>	<b>-33</b>

As the table above indicates, the surplus at Month 5 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 5 is £163k.

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 5 and the forecast run rate.



## 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 has increased to £273k as at Month 5. Following the Welsh Government funding allocation in support of the Lung Programme, £79k of previously provided

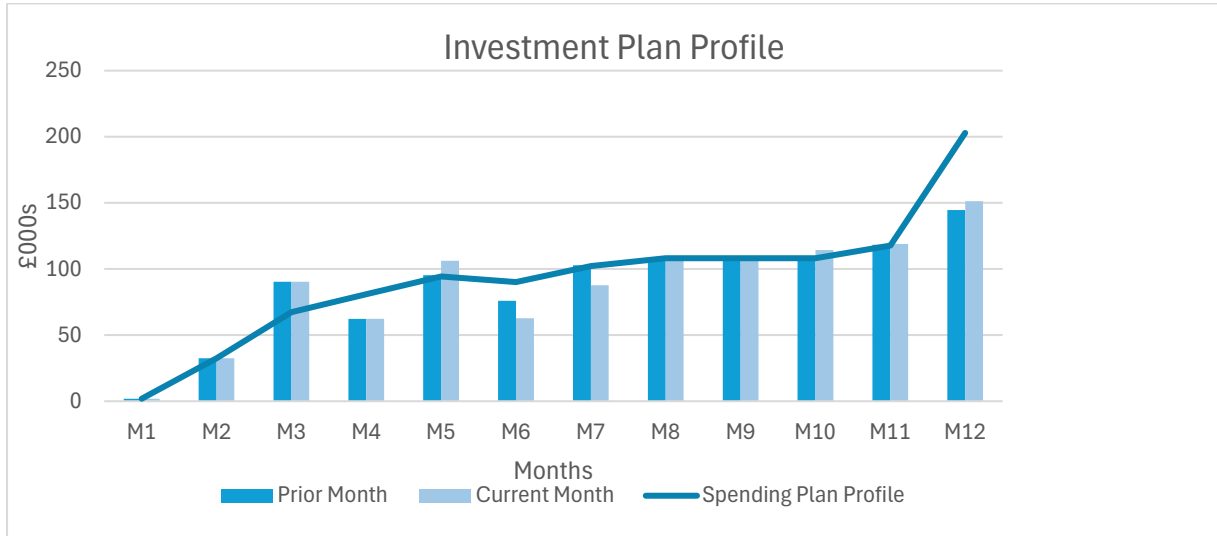


investment has been returned in Month 5 further increasing the investment slippage to £353k. This has been used to support urgent work on Winter Pressures totalling £46k, 2025/26 National Insurance shortfall of £74k, more detail of which can be found in section 2.3, with the remaining £233k required to mitigate emerging financial risks over the remainder of the year including the financial risk associated with the Welsh Risk Pool. **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
<b>Digital and data, modelling and AI Total</b>		<b>774</b>	<b>679</b>	<b>-95</b>
Strategic Change and Delivery	Effective design and delivery of key change programmes	197	122	-75
<b>Strategic Change and Delivery Total</b>		<b>197</b>	<b>122</b>	<b>-75</b>
Strengthening core areas/BAU	Apprenticeships	100	100	0
	Head of Nursing & Midwifery			
	Quality, Workforce & Development	85	24	-61
	Health inequalities cross-organisational programme	100	88	-12
	Information Governance	59	29	-30
<b>Strengthening core areas/BAU Total</b>		<b>344</b>	<b>241</b>	<b>-103</b>
<b>Grand Total</b>		<b>1,315</b>	<b>1,042</b>	<b>-273</b>
Winter Pressures Total			46	46
2025/26 National Insurance In Year Shortfall			74	74
Partial return of Lung Investment following WG funding allocation			-80	-80
		<b>1,315</b>	<b>1,082</b>	<b>-233</b>

The following graph illustrates the original investment spending plan profile, the revised profile at Month 4 (Prior Month) and the current profile at Month 5 (Current Month). Increase in planned spend in Month 5 is due to a recruitment earlier than planned. The increase in forecast underspend is partly due to recruitment delays and the partial return of investment funds associated with the lung programme.



### 2.3 Outstanding Allocations & Financial Risks

The following allocations remain outstanding:

The 2024/25 recurrent pay award allocation has been received in Month 5. The £6.604m allocation is in line with our planning assumptions.

The 2025/26 pay award was actioned in Month 5 for M&D and A4C staff, with an assumed recurrent allocation of £3.967m. The 2025/26 recurrent pay award is expected to be fully funded.

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.

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

**Table D – COVID-19 financial forecast at Month 5**

PHW - COVID-19 Summary	Actual	Forecast	TOTAL
	Apr-25 to Aug-25	Sep-25 to Mar-26	2025/26
	£000	£000	£000
<b>Additional Costs</b>			
COVID-19 Laboratory Testing	1,978	4,582	6,560
<b>Total Gross Additional Cost</b>	<b>1,978</b>	<b>4,582</b>	<b>6,560</b>
<b>Welsh Government Non-Core Funding</b>			
COVID-19 Laboratory Testing	-1,978	-4,582	-6,560
<b>Total Funding</b>	<b>-1,978</b>	<b>-4,582</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 5 was £0.246m with actual testing episodes in August totalling 5,880 tests. This is an average of 190 tests per day for August. This compares to an average of 227 per day in July.

Testing activity for April to August is 9% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is 10% lower than baseline costs. The average cost per test is currently £56. However, the forecast spend remains at £6.560m.

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 £5.409m, which includes £1.613m of Discretionary capital and £3.797m 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
- £0.456m 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
- £0.034m for IT Hardware relating to the Targeted Lung Cancer Screening programme.
- £0.206m diagnostic equipment for the microbiology laboratories and
- £2.287m for the Digital Health Protection Programme which has been approved by the Digital Investment Panel.

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

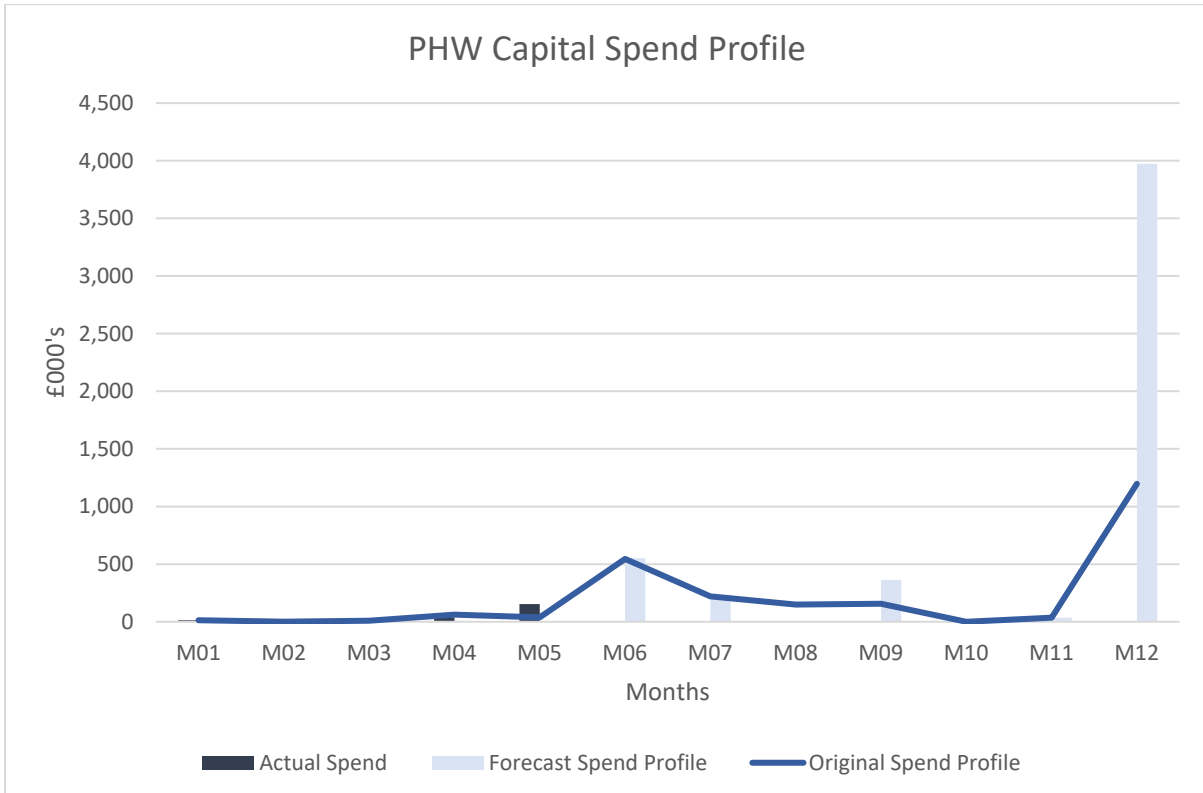
**Table E**

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	324	1	0	0	0	321
Digital Services	760	74	0	436	215	35
Estates	244	23	69	69	98	55
Infection Services	125	0		0	125	0
Screening Division	159	4	6	0	31	125



<b>Total Discretionary Approved</b>	<b>1,613</b>	<b>101</b>	<b>75</b>	<b>505</b>	<b>469</b>	<b>537</b>
Strategic Approved						
Digital Services	2,287	0	0	0	0	2,287
Estates	291	9	12	12	63	207
Infection Services	206	106	0	0	65	0
Screening Division	1,013	0	0	34	0	979
<b>Total Strategic Approved</b>	<b>3,797</b>	<b>114</b>	<b>12</b>	<b>46</b>	<b>128</b>	<b>3,473</b>
<b>Total Public Health Wales Capital</b>	<b>5,409</b>	<b>216</b>	<b>87</b>	<b>552</b>	<b>597</b>	<b>4,009</b>

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
<b>Total Discretionary</b>	<b>100</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>
<b>Total Hosted Discretionary</b>	<b>100</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>
<b>Grand Total</b>	<b>5,509</b>	<b>225</b>	<b>87</b>	<b>552</b>	<b>597</b>	<b>4,100</b>





The graph illustrates the planned spending profile as at month 3 compared to actual spend as at month 5 and the forecast spend profile for the remainder of the year. An increase in planned spend of £75.5k in month 5 is predominantly due to:

- Estates
  - £8k relating to the upgrade of the LED lighting in Llys Castan and Clwydian House, lighting was installed earlier than planned moving planned expenditure from Month 9 to Month 5.
- Infection services
  - Diagnostic laboratory equipment of £67k was delivered in Month 5, one month earlier than planned.

The Capital Planning Group has received and approved one new capital request for the purchase of a new generator to be used on the oldest BTW Mobile for £31k. This has been funded from capital contingency and re-profiled from quarter 4 to quarter 3.

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 concentration of spend in month 12 is primarily driven by strategic capital schemes, whereas planned discretionary capital expenditure is more evenly distributed across the financial year.

- The DESW van replacement project, £0.523m, is expected to complete by March 2026. The purchase order is scheduled to be raised by the end of September, with a lead time of 12–16 weeks, ensuring the final converted vans are ready by March. Information is currently being gathered regarding the EV infrastructure works, and once this is finalised, we will be able to provide a more accurate timeline.
- For schemes funded through the Targeted Estates Fund £0.192m, the spend remains profiled in month 12 due to infrastructure works being unable to commence until quarter 4. Information is currently being gathered regarding EV infrastructure requirements, and once this is complete, we will be able to provide a more accurate timeline.
- The WAAASP ultrasound machine replacement £0.453m and the Digital Health Protection Programme £2.278m will be re-profiled following completion of the initial procurement process, which will inform the detailed spending plan.



## 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 August 2025.

**Table F – Balance Sheet as of 31 August 2025**

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 31/08/2025 £000s
<b>Non-Current Assets</b>			
Property, plant and equipment	29,175	201	29,376
Intangible assets	1,359	0	1,359
Trade and other receivables	981	480	1,461
Other financial assets	378	0	378
<b>Non-Current Assets sub total</b>	<b>31,893</b>	<b>681</b>	<b>32,574</b>
<b>Current Assets</b>			
Inventories	1,263	0	1,263
Trade and other receivables	22,557	17,248	39,805
Other financial assets	182	0	182
Cash and cash equivalents	10,722	853	11,575
<b>Current Assets sub total</b>	<b>34,724</b>	<b>18,101</b>	<b>52,825</b>
<b>TOTAL ASSETS</b>	<b>66,617</b>	<b>18,782</b>	<b>85,399</b>
<b>Current Liabilities</b>			
Trade and other payables	-27,896	-18,335	-46,231
Borrowings	-2,099	2	-2,097
Provisions	-1,774	-1,127	-2,901
<b>Current Liabilities sub total</b>	<b>-31,769</b>	<b>-19,460</b>	<b>-51,229</b>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>	<b>34,848</b>	<b>-678</b>	<b>34,170</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	0	0	0



Borrowings	-4,337	5	-4,332
Provisions	-3,553	706	-2,847
<b>Non-Current Liabilities sub total</b>	<b>-7,890</b>	<b>711</b>	<b>-7,179</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>26,958</b>	<b>33</b>	<b>26,991</b>
<b>FINANCED BY: Taxpayers' Equity</b>			
PDC	21,238	0	21,238
Retained earnings	4,464	33	4,498
Revaluation reserve	1,255	0	1,255
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>26,958</b>	<b>33</b>	<b>26,991</b>

#### 4.1 Non-Current and Current Assets

Property, plant and equipment has increased by £0.201m due to in year capital purchases in line with approved plans.

Non-current trade receivables rose by £0.480m following the reclassification of specific clinical negligence cases. These amounts were transferred to non-current assets, based on updated estimates indicating that settlement is now anticipated beyond the next 12 months.

Current trade receivables balance has increased by £17.248m. This is primarily due to the Trust's September core income invoice of £12.084m, which was raised in advance but remains unpaid at the reporting date. In addition, £2.776m relates to funding expected for the recurrent impact of the 2024-25 pay award. There has also been a £1.9m increase in prepayments, reflecting timing differences in expenditure recognition, and a further £0.832m increase in clinical negligence receivables due to new claims submitted during the period.

Cash and cash equivalents have increased by £0.853m since the beginning of the year.

#### 4.2 Current & non-current liabilities

Current trade and other payables has increased by £18.335m this is mainly due to deferred Welsh Government income of £12.084m for September which has been raised in advance. There are also amounts due to be paid over for Tax and NI £3.976m and pensions of £2.720m 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 £0.420

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 5 reported surplus financial position of £33k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 5.
- Status of the Capital Programme, strategic and discretionary, for 2025/26, and
- Balance Sheet, or the Statement of Financial Position as of 31 August 2025.

## **Appendices**

### **Appendix A:**

The following Tables from our Month 5 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:							
Contingency	CAT 3 sealability	150	0	0	0	0	150
Contingency	Contingency - For unknown and unforeseen capital Expenditure	174	1	0	0	0	171
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	14	3	3	11	0	0
Estates	Replace CCTV system at BTW Cardiff	12	0	12	12	0	0
Estates	Improvement works to Screening and Infection Services estates	50	5	2	0	0	45
Estates	B/F from 2024/25 - Fire Compliance Works	32	8	14	0	14	10
Estates	Air conditioning units for BTW Cardiff (identified after TEF bid approved)	10	6	2	4	0	0
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	64	0	0	0	0
Digital Services	Surface Hub replacements	65	0	0	0	65	0
Infection Services	Purchase of new cold room	59	0	0	0	59	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	Scanners and Printers for LIMS rollout (TCLE equipment)	47	0	0	0	47	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	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	0
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	3	0	-1	0	0
Screening Division	2 x High spec monitors for grading dept	1	0	0	1	0	0
Screening Division	BTW Mobile Generator	31	0	0	0	31	0
<b>Total Discretionary PHW</b>		<b>1,613</b>	<b>101</b>	<b>75</b>	<b>505</b>	<b>469</b>	<b>537</b>

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	12	12	0	0
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	9	0	0	63	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
Digital Services	DPIF - Digital Health Protection Programme	2,287	0	0	0	0	2,287
Infection Services	Diagnostic Equipment Infection Services -	206	106	0	0	65	0
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and	523	0	0	0	0	523



	Implementation of Electric Vehicle Charging Infrastructure 2025-26.						
Screening Division	Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines	456	0	0	0	0	456
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	0	0	34	0	0
<b>Total Strategic PHW Approved</b>		<b>3,797</b>	<b>114</b>	<b>12</b>	<b>46</b>	<b>128</b>	<b>3,473</b>
<b>Total Public Health Wales Capital</b>		<b>5,409</b>	<b>216</b>	<b>87</b>	<b>552</b>	<b>597</b>	<b>4,010</b>

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
<b>Total Discretionary Hosted</b>		<b>100</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>
<b>Total Hosted Capital</b>		<b>100</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91</b>
<b>Grand Total</b>		<b>5,509</b>	<b>225</b>	<b>87</b>	<b>552</b>	<b>597</b>	<b>4,101</b>