

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 30 September 2025 (M6).

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 30 September 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 30 September 2025 (M06). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 13 October 2025 as part of the full financial monitoring return for Month 6. 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)	£16k	(£16k)	Breakeven
Capital financial spend & target	£57k	£282k	Breakeven
Public Sector Payment Policy	96.72%	97.41%	>95%
Agency Spend as % of Total Pay	0.7%	1.3%	<1.7%

The cumulative reported position at Month 6 for Public Health Wales is a net surplus of £16k.

2. Overview of Financial Performance at Month 6

2.1 Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

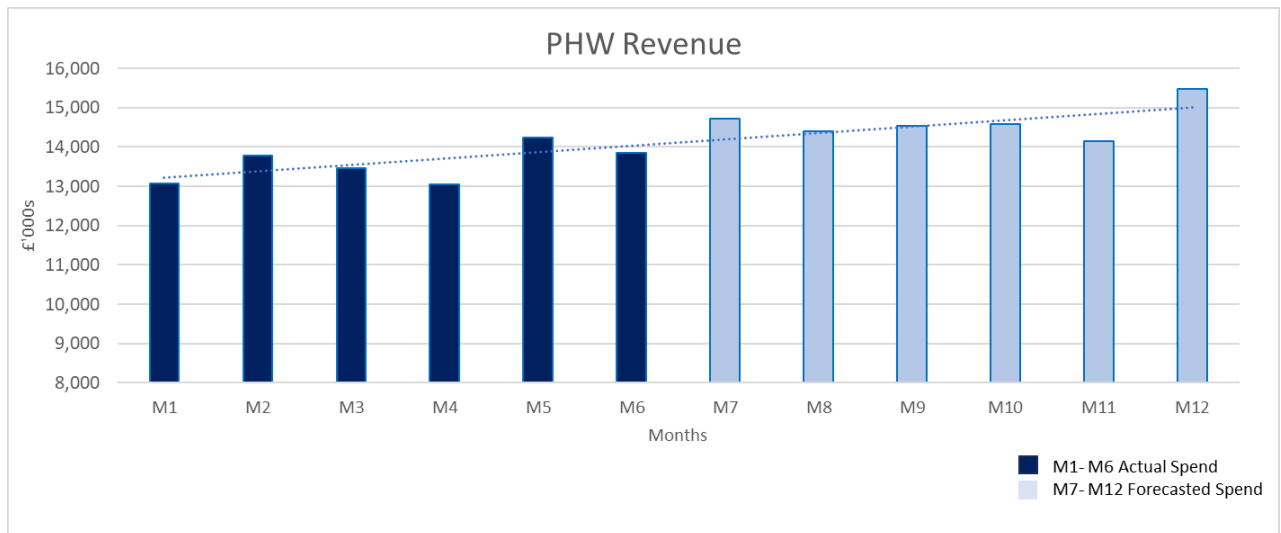
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,543	1,310	1,309	-0
Central Budgets	147	-537	-556	-18
Covid 19	6,560	2,422	2,422	0
Operations and Finance	8,523	3,942	3,915	-28
Health Protection and Screening Services	103,431	51,741	51,787	46
Health & Wellbeing	22,006	10,250	10,240	-10
People & Organisational Development	3,186	1,615	1,609	-6
Policy and International Health	6,238	2,682	2,676	-6
Research, Data and Digital	12,668	6,141	6,146	5
Nursing, Quality & Integrated Governance	4,043	1,894	1,894	-0
Directorate Total	169,345	81,459	81,442	-16

As the table above indicates, the surplus at Month 6 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 6 is £192k.

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 6 and the forecast run rate month 7 to month 12.



2.2 Investments

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

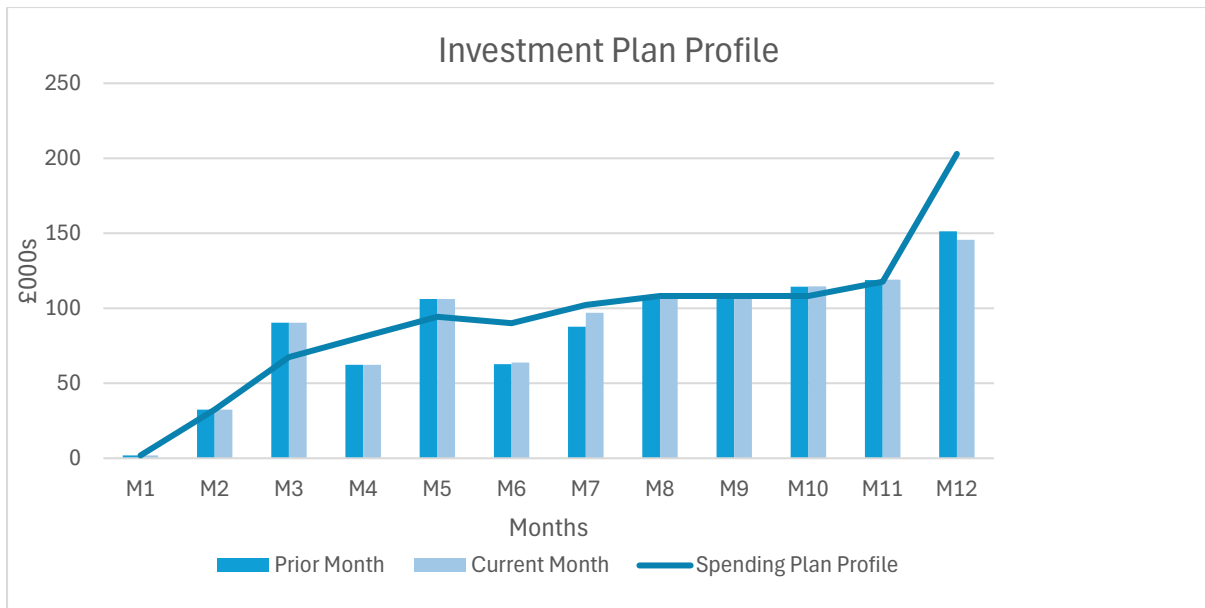
Directorates are required on a monthly basis to report actual expenditure against each scheme, demonstrating how any slippage is to be reinvested in delivering the original scheme purpose. Through the monitoring process, if the level of slippage identified is such that the purpose, aims and objectives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

Forecast underspend against the 2025/26 investment fund at Month 6 was £377k. **Table B** outlines the spending plans as per original investment scheme and the forecast underspend. 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 £257k, alongside slippage within cost pressure funding, used to offset the financial risk associated with the Welsh Risk Pool of £270k.

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	122	-75
Strategic Change and Delivery Total		197	122	-75
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	30	-29
	Strengthening core areas/BAU Total		344	242
Investment Schemes		1,315	1,043	-272
Partial return of Lung Investment following WG funding allocation				-80
Tackling Diabetes Together Slippage				-25
In Year Return of Investments				-377
Winter Pressures				46
2025/26 National Insurance in Year Shortfall				74
Revised Position M6				-257

The following graph illustrates the original investment spending plan profile, the revised profile at Month 5 (Prior Month) and the current profile at Month 6 (Current Month). There is a small £1k increase in spend in Month 6 against plan and a small movement in the profile of spend between Month 12 and Month 7.



2.3 Outstanding Allocations & Financial Risks

The following allocations remain outstanding:

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 £0.074m. This shortfall has been 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 had highlighted a risk in relation to increased Welsh Risk Pool commitments due to the NHS Wales risk sharing agreement. This has now been confirmed as £0.270m for Public Health Wales. The majority of which has been accommodated through slippage in internal investments, £0.257m with the remaining £0.023m through slippage in cost pressure funding requirements. Shared Services are continuing to assess the overall forecast and there is potentially a further request for an additional contribution. The remaining indicative risk for Public Health Wales currently stands at £0.073m.

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

Table D – COVID-19 financial forecast at Month 6

PHW - COVID-19 Summary	Actual	Forecast	TOTAL
	Apr-25 to Sep-25	Oct-25 to Mar-26	2025/26
	£000's	£000's	£000's
Additional Costs			
COVID-19 Laboratory Testing	2,422	4,138	6,560
Total Gross Additional Cost	2,422	4,138	6,560
Welsh Government Non-Core Funding			
COVID-19 Laboratory Testing	-2,422	-4,138	-6,560
Total Funding	-2,422	-4,138	-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 6 was £0.444m with actual testing episodes in September totalling 7,050 tests. This is an average of 235 tests per day for September. This compares to an average of 190 per day in August.

Testing activity for April to September is 9% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is 7% lower than baseline costs (as there have been some price increases in consumables/lower number of discounts secured). The average cost per test is currently £56.

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 maintain expenditure within the financial envelope, with the current forecast at £6.560m. We will continue to monitor and provide regular updates to Welsh Government colleagues.

3. Capital

Public Health Wales capital funding for 2025/26 totals £5.373m, which includes £1.613m of Discretionary capital and £3.761m 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.
- £0.170m diagnostic equipment for the microbiology laboratories. This was reduced by £36k in month 6 to match actual expenditure 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 Q3 £000s	Delivery Estimate Q4 £000s
Discretionary					
Contingency	348	0	0	0	347
Digital Services	764	74	231	419	272
Estates	239	70	35	116	53
Infection Services	116	0	17	116	0
Screening Division	145	4	18	17	125
Total Discretionary Approved	1,613	148	300	668	797
Strategic Approved					
Digital Services	2,287	0	0	0	2,287
Estates	291	19	0	65	207
Infection Services	170	106	64	64	0
Screening Division	1,013	0	397	0	1,013

Total Strategic Approved	3,761	125	461	129	3,507
Total Public Health Wales Capital	5,373	273	761	797	4,303

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q3 £000s	Delivery Estimate Q4 £000s
NHS Wales Performance and Improvement	100	9	0	0	91
Total Discretionary	100	9	0	0	91
Total Hosted Discretionary	100	9	0	0	91
Grand Total	5,473	282	761	797	4,394

Table E shows the quarterly spend profile. A reduction in Quarter 2 planned spend of £495k has moved to Quarters 3 and 4 and is predominantly due to:

- Digital Services
 - The spending profile of £453k relating to the laptop replacement, ad hoc IT equipment requests and hardware for the Lung Cancer Screening Programme has been rephased, with £181k moving into M07 and £271k into M10, aligning to a more accurate deployment plan of the IT kit.
 - £18k for scanner and printer replacements has been moved to M09, whilst requirements are still being finalised.
- Estates
 - £24k of expenditure has moved into M07 whilst work continues on the access control and CCTV replacement with an expectation that this work will be finalised during M07.

Finance team will work with capital scheme leads to refine the profile of spend with the aim to reduce the current Quarter 4 profile, and the capital monitoring group will continue their scrutiny of the spending plans to ensure a year-end breakeven position is delivered for 2025/26.

The current concentration of spend in Quarter 4 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, £523k, is expected to complete by March 2026. The purchase order for the vans has been issued, 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.

- Schemes funded through the Targeted Estates Fund £0.192m, have been profiled in line with infrastructure works expected to commence in 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 Tender relating to the WAAASP ultrasound machine replacement £453k has concluded and evaluation is currently taking place. There is a 12-week lead time, the purchase order will be raised before December with delivery expected in March 2026.
- The Digital Health Protection Programme £2.278m will be re-profiled in M07 following completion of the initial procurement process.

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 30 September 2025.

Table F – Balance Sheet as of 30 September 2025

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 30/09/2025 £000s
Non-Current Assets			
Property, plant and equipment	29,175	258	29,433
Intangible assets	1,359	0	1,359
Trade and other receivables	981	480	1,461
Other financial assets	378	0	378
Non-Current Assets sub total	31,893	738	32,631
Current Assets			
Inventories	1,263	0	1,263
Trade and other receivables	22,557	23,732	46,289
Other financial assets	182	0	182
Cash and cash equivalents	10,722	-2,731	7,991
Current Assets sub total	34,724	21,000	55,724
TOTAL ASSETS	66,617	21,738	88,355
Current Liabilities			
Trade and other payables	-27,896	-21,308	-49,204
Borrowings	-2,099	2	-2,097
Provisions	-1,774	-1,127	-2,901

Current Liabilities sub total	-31,769	-22,433	-54,202
NET ASSETS LESS CURRENT LIABILITIES	34,848	-694	34,153
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	5	-4,332
Provisions	-3,553	706	-2,847
Non-Current Liabilities sub total	-7,890	711	-7,179
TOTAL ASSETS EMPLOYED	26,958	17	26,974
FINANCED BY: Taxpayers' Equity			
PDC	21,238	0	21,238
Retained earnings	4,464	16	4,481
Revaluation reserve	1,255	0	1,255
TOTAL TAXPAYERS' EQUITY	26,958	16	26,974

4.1 Non-Current and Current Assets

Property, plant and equipment has increased by £0.258m 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 £23.73 m, primarily due to the Trust's October core income invoice of £15.945m (billed in advance) and £3.399m in additional Welsh Government income. In addition, there has also been a £2.435m 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 reduced by £2.731m 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 £21.308m this is mainly due to deferred Welsh Government income of £15.945m for October which has been raised in advance. There are also amounts due to be paid over for Tax and NI £3.452m and pensions of £2.387m which were nil as at 31 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 £0.421 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 6 reported surplus financial position of £16k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 6.
- Status of the Capital Programme, strategic and discretionary, for 2025/26, and
- Balance Sheet, or the Statement of Financial Position as of 30 September 2025.

Appendices

Appendix A:

The following Tables from our Month 6 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 Q3 £000s	Delivery Estimate Q4 £000s
PHW Discretionary:						
Contingency	CAT 3 sealability	150	0	0	0	150
Contingency	Contingency - For unknown and unforeseen capital Expenditure	198	0	0	0	197
Estates	Purchase of Computer Aided Facilities Management System (CAFM)	84	0	0	84	0
Estates	Access control system to BTW Cardiff and Magden Park	37	22	15	15	0
Estates	Access control system/door entry intercom, automation of main front door and associated electrical enabling works at Llys Castan Bangor	14	14	0	1	0
Estates	Replace CCTV system at BTW Cardiff	12	0	12	12	0
Estates	Improvement works to Screening and Infection Services estates	50	8	5	0	42
Estates	B/F from 2024/25 - Fire Compliance Works	32	18	3	3	10
Estates	Air conditioning units for BTW Swansea (identified after TEF bid approved)	10	8	0	2	0
Digital Services	Dell PCs & Monitors	396	0	182	182	215
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	0	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	0	0	6

Digital Services	IT equipment - investment posts	16	0	0	0	16
Digital Services	B/F from 2024/25 - Network Switches	10	10	0	0	0
Digital Services	Oracle Forms/Reports software licences	64	64	0	0	0
Digital Services	Surface Hub replacements	65	0	49	65	0
Digital Services	Add Hoc IT Equipment - 2 X High Spec Laptops (CDSC), 1 x laptop (Genomics), Apple iPad and Pencil	4	0	0	4	0
Infection Services	Purchase of new cold room	59	0	0	59	0
Infection Services	Hettich rotina 420 centrifuge	10	0	0	10	0
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	47	0	17	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	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
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	3	0	-2	0
Screening Division	2 x High spec monitors for grading dept	1	0	0	1	0
Screening Division	BTW Mobile Generator	12	0	12	12	0

Total Discretionary PHW		1,613	148	300	668	797
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PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	0	0	0	84
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	9	0	63	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
Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road	12	10	0	2	0
Digital Services	DPIF - Digital Health Protection Programme	2,287	0	0	0	2,287
Infection Services	Diagnostic Equipment Infection Services -	170	106	64	64	0

Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	523	0	397	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		3,761	125	461	129	3,507
Total Public Health Wales Capital		5,373	273	761	797	4,304

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £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	91
Total Discretionary Hosted		100	9	0	0	91
Total Hosted Capital		100	9	0	0	91
Grand Total		5,473	282	761	797	4,394