

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 January 2026 (M10).

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 January 2026.

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 January 2026 (M10). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 12 February 2026 as part of the full financial monitoring return for Month 10. 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)	£35k	(£34k)	Breakeven
Capital financial spend & target	£1,134k	£2,149k	Breakeven
Public Sector Payment Policy	97.32%	97.19%	>95%
Agency Spend as % of Total Pay	0.8%	1.0%	<1.7%

The cumulative reported position at Month 10 for Public Health Wales is a net surplus of £34k.

2. Overview of Financial Performance at Month 10

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	2,647	2,229	2,215	-13
Central Budgets	813	375	330	-45
Covid 19	6,560	4,699	4,699	0
Health & Wellbeing	22,597	17,601	17,602	0
Health Protection and Screening Services	103,022	85,947	85,993	46
Nursing, Quality & Integrated Governance	4,097	3,336	3,319	-17
Operations and Finance	8,242	6,587	6,587	-0
People & Organisational Development	3,266	2,691	2,690	-1
Policy and International Health	6,251	4,938	4,937	-2
Research, Data and Digital	12,676	10,286	10,284	-2
Directorate Total	170,172	138,690	138,656	-34

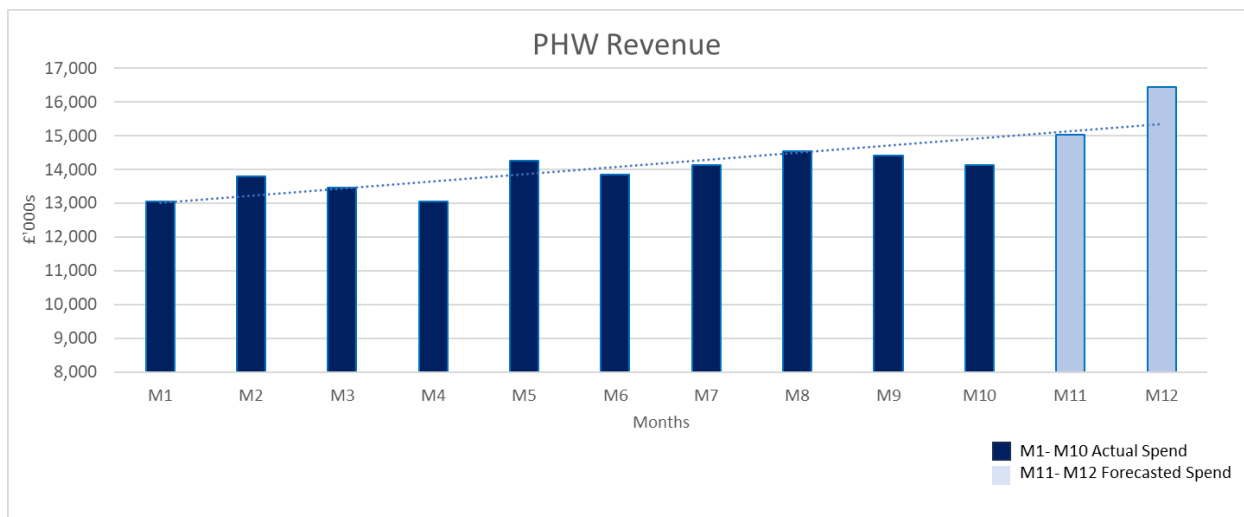
As the table above indicates, the surplus at Month 10 is a combination of small variances across Directorates.

Health Protection and Screening Services is overspent by £46k for the year to date. This includes an in-month improvement of £37k where the directorate have continued to manage down their overspend position in-year. This is being offset by small underspends across the rest of the organisation.

Costs and funding associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 9 is £368k.

2.2 Forecast Position

The following graph shows actual year to date spend and forecasted spend for the remainder of the financial year. This is based on the Directorate spending plans received and illustrates the actual run rate to month 10 and the forecast run rate month 11 to month 12.



There is an increase in non-pay planned expenditure from Month 11 to Month 12 the majority of which is as follows:

Expenditure profiled in M12	£m
Provisions	0.272
Non-Core Income	0.151
Non-Core Grant Income	0.371
Directorate spending plans	0.131
PHW Total	0.925

Directorate spending plans continue to be monitored closely and discussed in detail with Executive Directors to ensure that Public Health Wales delivers a breakeven position in accordance with its financial plan and the financial planning assumptions within the IMTP.

Investment underspend against the 2025/26 investment fund at Month 10 is confirmed as £331k. This underspend is accounted for in the overall year-end forecast break-even position.

Savings – All saving schemes identified are rated green and reflect savings as per our IMTP. The organisation is on course to deliver its total savings target of £1.309m by the end of the year.

Agency Usage - Internal actions to reduce agency usage have resulted in a continued decrease in agency spend over recent months, although 10 has seen a small increase in monthly agency spend. The forecast will deliver the requirement to reduce agency expenditure by 30% from 2024/25 levels. Work is ongoing to monitor Admin and Clerical usage and to disaggregate specialist agency roles from traditional Admin and Clerical to provide a clearer picture of our agency staffing model.

2.3 Outstanding Allocations & Financial Risks

The 2025/26 pay award was actioned in Month 5 for Medical and Dental and Agenda for Change staff, with an assumed recurrent allocation of £3.957m. Confirmation of our in-year allocation in relation to the increase in National Insurance by Welsh Government has also been received. These allocations have been provided on a non-recurrent basis for 2025/26.

The anticipated spend and in year funding for Very Senior Manager pay award 2025/26 will be assumed from M11 for both PHW and NHSWP&I.

Welsh Government will confirm the approach to the recurring allocations as part of the 2026/27 allocation process. Until the allocation letter is received, this remains a recurrent risk.

2.4 Covid-19

Table B outlines the operational expenditure to date compared to baseline (2023/24) of the Public Health Wales Covid-19 response.

Table B – COVID-19 expenditure compared to baseline at Month 10

Covid-19 Summary	Actual £m	Baseline £m
Month 9 YTD	4.402	4.375
Month 10	0.297	0.795
Month 11	TBC	0.697
Month 12	TBC	0.693
YTD	4.699	6.560

Spend in Month 10 was £0.297m with actual testing episodes in January totalling 10,583 tests, an average of 341 tests per day. This compares to an average of 410 per day in December. 86,924 tests have been provided to date, at a cost of £4.699m, an average of £55 per test.

Welsh Government have provided non-core funding of £6.560m for 2025/26 as part of the agreed Covid sustainability plan and is expected to cover the costs of 120,000 tests (2023/24 outturn), at an average of £55 per test.

A forecast year end underspend of £0.138m against the £6.560m non-core allocation was shared with Welsh Government on 23 January 2026. However, actual spend in Month 10 was lower than anticipated indicating that the year-end underspend could be greater than the current forecast. We will provide a revised forecast and liaise with Welsh Government colleagues accordingly. We will continue to invoice Welsh Government based on actual spend.

3. Capital

Public Health Wales capital funding for 2025/26 totals £4.712m, which includes £1.613m of Discretionary capital and £3.100m of Strategic capital.

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

Table C

Service Area	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed £000s	Delivery Estimate Q4 £000s
Discretionary				
Contingency	29	-0	0	30
Digital Services	962	782	94	180
Estates	319	96	209	224
Infection Services	184	45	109	139
Screening Division	118	33	84	85
Total Discretionary Approved	1,613	956	495	657
Strategic Approved				
Digital Services	1,853	467	1,386	1,386
Estates	285	22	263	263
Infection Services	170	169	0	0
Screening Division	792	525	240	268
Total Strategic Approved	3,100	1,183	1,889	1,917
Total Public Health Wales Capital	4,712	2,139	2,384	2,573

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed £000s	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	100	9	90	90
Total Discretionary	100	9	90	90
Total Hosted Discretionary	100	9	90	90
Grand Total	4,812	2,149	2,474	2,663

Discretionary Schemes

As at M10 there is £0.657m of spend due in the last two months of quarter 4, of which, £0.495m is committed with the remaining £0.161m yet to be committed.

The majority of uncommitted spend is due to the following:

Digital Services - £0.066m Cloud services:

- Procurement of the firewalls is due to complete in February with delivery expected in March.

Contingency - £0.039m:

- A small amount of discretionary capital remains to cover urgent repairs, replacements and the other £5k expenditure review for the remaining two months of the year.

Strategic Schemes

As at M10 there is £1.909m of spend due in the last two months of quarter 4, of which, £1.889m is committed with the remaining £0.020m yet to be committed. The status of the Strategic capital schemes is as follows:

- All 8 vans have now been delivered. The EV work is progressing, with the remaining uncommitted £0.020m of strategic capital anticipated to be complete by the end of March 2026.
- For schemes funded through the £0.258m Targeted Estates Fund, the spend remains profiled in month 12 due to infrastructure work commencing mid-February, the EV work is progressing and the upgrade to LED lighting is still anticipated to be complete by the end of March 2026.
- All 16 WAAASP ultrasound machines have now been delivered along with the IT equipment. The trollies are expected by the end of March.

- The Digital Health Protection Programme spending plan has been re-profiled across quarter 4 from M12 as per the milestones set out in the supplier contract.

The Finance team continue to work closely with capital scheme leads to continue their scrutiny of the spending plans to ensure a year-end breakeven position is delivered for 2025/26, with weekly updates requested from Month 10.

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 D** provides a summary as of 31 January 2026.

Table D – Balance Sheet as of 31 January 2026

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 31/01/2026 £000s
Non-Current Assets			
Property, plant and equipment	29,175	1,459	30,634
Intangible assets	1,359	0	1,359
Trade and other receivables	981	-676	305
Other financial assets	378	0	378
Non-Current Assets sub total	31,893	783	32,676
Current Assets			
Inventories	1,263	-0	1,263
Trade and other receivables	22,557	19,949	42,506
Other financial assets	182	-92	90
Cash and cash equivalents	10,722	374	11,096
Current Assets sub total	34,724	20,231	54,955
TOTAL ASSETS	66,617	21,014	87,631
Current Liabilities			
Trade and other payables	-27,896	-19,764	-47,660
Borrowings	-2,099	276	-1,823
Provisions	-1,774	-2,745	-4,519
Current Liabilities sub total	-31,769	-22,233	-54,002
NET ASSETS LESS CURRENT LIABILITIES	34,848	-1,218	33,629
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	569	-3,768

Provisions	-3,553	794	-2,759
Non-Current Liabilities sub total	-7,890	1,363	-6,527
TOTAL ASSETS EMPLOYED	26,958	144	27,102
FINANCED BY: Taxpayers' Equity			
PDC	21,238	0	21,238
Retained earnings	4,464	145	4,609
Revaluation reserve	1,255	-0	1,255
TOTAL TAXPAYERS' EQUITY	26,958	144	27,102

4.1 Non-Current and Current Assets

Property, plant and equipment have increased by £1.459m due to in year capital purchases in line with approved plans.

Non-current trade receivables have decreased by £0.676m, 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 £19.948m. This movement is primarily driven by a £14.951m rise in Welsh Government receivables, largely reflecting the Trust's February core income invoice of £12.643m, billed in advance. There has also been a £1.544m increase in NHS receivables, a £1.533m increase in prepayments due to timing differences in expenditure recognition, and a further £1.368m rise in clinical negligence and personal injury receivables following new claims submitted during the period.

Cash and cash equivalents have increased by £0.374m since the beginning of the year, and this reflects core income received but not yet required due to the expenditure profile.

4.2 Current & non-current liabilities

Current trade and other payables have increased by £19.764m, which is mainly due to deferred Welsh Government income of £12.643m for February which has been raised in advance, and £0.562m of 2025/26 pay award funding relating to m11-12. There are also amounts due to be paid over for Tax and NI £3.378m and pensions of £2.436m 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 £1.951m, driven by the recognition of new clinical negligence and personal injury claims and adjustments to existing cases.

The amount of borrowings, categorised under both current and non-current headings, has decreased by £0.845m since the start of the financial year. This is due to the reduction in the liability of right of use leased assets as payments are made.

5. Conclusion

The Board is asked to note the following:

- Month 10 reported revenue surplus financial position of £34k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 10.
- Status of the 2025/26 Capital Programme, Strategic and Discretionary.
- Balance Sheet, also known as the Statement of Financial Position, as of 31 January 2026.

Appendices

Appendix A:

The following Tables from our Month 10 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 £000s	Delivery Estimate Q4 £000s
PHW Discretionary:					
Contingency	Contingency - For unknown and unforeseen capital Expenditure	29	-0	0	30
Estates	Access control system to BTW Cardiff and Magden Park	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	14	0	0
Estates	Replace CCTV system at BTW Cardiff	12	12	0	0
Estates	Improvement works to Screening and Infection Services estates	35	4	17	31
Estates	B/F from 2024/25 - Fire Compliance Works	19	19	0	0
Estates	Air conditioning units for BTW Swansea (identified after TEF bid approved)	10	10	0	0
Estates	Energy efficient works at CQ2 (sensors in the meetings rooms)	7	0	7	7
Estates	Additional fire compliance works	84	0	84	84
Estates	Discretionary contribution towards Seasons House fit out	101	0	101	101
Digital Services	Dell PCs & Monitors	397	398	0	0
Digital Services	Cloud Services	150	0	87	150
Digital Services	Development & DBA software Tools	30	27	0	3
Digital Services	Replacement Printers & Scanners	7	6	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	5	0	0
Digital Services	IT equipment - investment posts	16	16	0	0
Digital Services	B/F from 2024/25 - Network Switches	10	10	0	0
Digital Services	Oracle Forms/Reports software licences	64	64	0	0
Digital Services	Surface Hub replacements	65	49	0	16

Digital Services	Add Hoc IT Equipment (since Nov25) - 4 x 27" monitors (adjustment to work), High spec laptop HP (slippage)	2	1	1	1
Digital Services	Replacement Environmental Monitoring for server rooms	5	0	0	5
Digital Services	Additional Dell PCs (phase 2?)	200	200	0	0
Digital Services	Add Hoc IT Equipment - 2 X High Spec Laptops (CDSC), 1 x laptop (Genomics), 2 x Apple iPad and Pencil (HP and Sumina Azam), 1 x High Powered Laptop	10	6	5	5
Infection Services	Hettich rotina 420 centrifuge	9	9	0	0
Infection Services	CAT 3 sealability	13	0	0	13
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	37	36	0	0
Infection Services	Autoclave Tins	10	0	0	10
Infection Services	Light Microscope	8	0	0	8
Infection Services	Eddyjet Spiral Platter	16	0	16	16
Infection Services	Miseq i100	92	0	92	92
Screening Division	Redevelopment of NBSWS and AWINBHS clinical IT systems	83	19	64	64
Screening Division	B/F from 2024/25 - IT Equipment lab scanners	1	1	0	0
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	1	0	0
Screening Division	2 x High spec monitors for grading dept	1	0	0	1
Screening Division	BTW Mobile Generator	12	12	0	0
Screening Division	Biopsy chair x 2	20	0	20	20

Total Discretionary PHW	1,613	956	495	657
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PHW Strategic:

Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	62	9	53	53
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	62	0	62	62
Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	0	15	15
Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road	12	12	0	0
Estates	TEF - Infrastructure (Improvement works to NW accommodation Seasons House)	134	1	133	133
Digital Services	DPIF - Digital Health Protection Programme	1,603	217	1,386	1,386
Digital Services	End of Year Digital Funding 2025-26 - Virtual Infrastructure	250	250	0	0
Infection Services	Diagnostic Equipment Infection Services -	170	169	0	0
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	359	248	92	111

Screening Division	Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines	399	243	148	156
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	34	0	0
Total Strategic PHW Approved		3,100	1,183	1,889	1,916
Total Public Health Wales Capital		4,712	2,139	2,384	2,573

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed £000s	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	Annual discretionary allocation for NHS Wales Executive 2024-25	100	9	90	90
Total Discretionary Hosted		100	9	90	90
Total Hosted Capital		100	9	90	90
Grand Total		4,812	2,149	2,474	2,663