

## 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 28 February 2026 (M11).

<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 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:

<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>
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<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 28 February 2026 (M11). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 12 March 2026 as part of the full financial monitoring return for Month 11. 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)	(£20k)	(£54k)	Breakeven
Capital financial spend & target	£1,155k	£3,304k	Breakeven
Public Sector Payment Policy	96.74%	97.27%	>95%
Agency Spend as % of Total Pay	0.8%	1.0%	<1.7%

The cumulative reported position at Month 11 for Public Health Wales is a net surplus of £54k.

## **2. Overview of Financial Performance at Month 11**

### **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	2,683	2,464	2,459	-4
Central Budgets	1,271	916	836	-80
Covid 19	6,560	5,125	5,125	-0
Health & Wellbeing	22,618	19,592	19,591	-1
Health Protection and Screening Services	102,829	94,083	94,134	51
Nursing, Quality & Integrated Governance	4,097	3,702	3,685	-17
Operations and Finance	8,065	7,262	7,262	-0
People & Organisational Development	3,279	2,983	2,989	6
Policy and International Health	6,251	5,504	5,510	6
Research, Data and Digital	12,685	11,372	11,358	-14



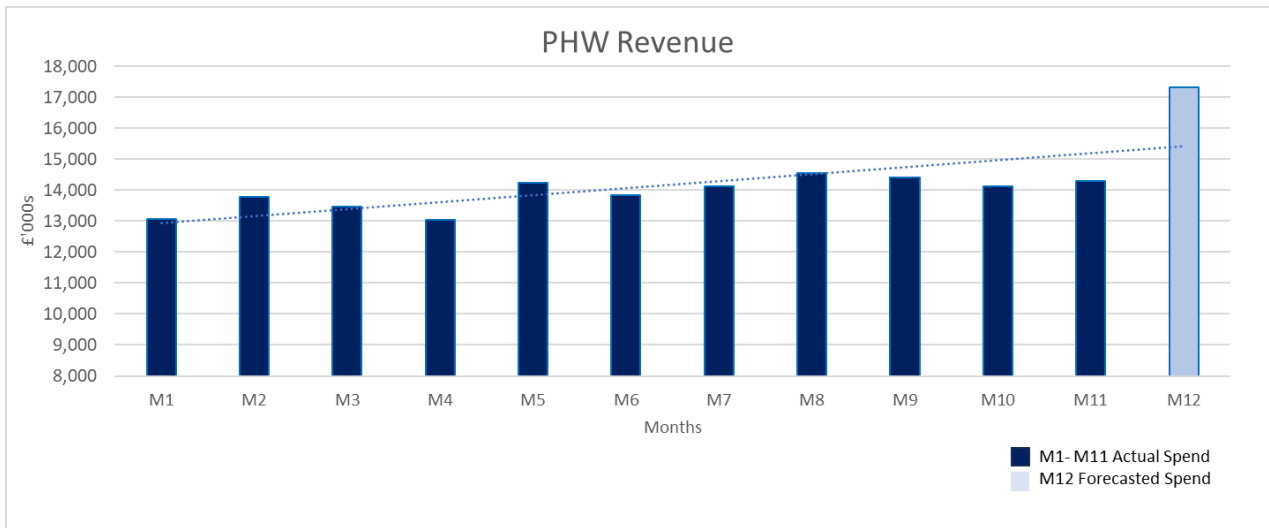
<b>Directorate Total</b>	<b>170,340</b>	<b>153,002</b>	<b>152,949</b>	<b>-54</b>
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As the table above indicates, the surplus at Month 11 is a combination of small variances across Directorates.

Costs and funding associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 11 is £391k.

## 2.2 Forecast Position

The following graph shows actual year to date spend and the forecast Month 12 pay and non-pay expenditure.



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

<b>Expenditure profiled in M12</b>	<b>£m</b>
Provisions	0.272
Non-Core Income	0.250
Non-Core Grant Income	0.517
Directorate spending plans	0.699
<b>PHW Total</b>	<b>1.738</b>

Directorate Month 12 spending plans are being monitored closely and 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 11 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** - Our agency spend has seen a small increase over recent months despite internal actions and controls being in place to reduce agency usage. This is as a result of short-term specialist digital service requirements directly linked to delivering digital aspects of our Strategic Plan. The forecast remains on course to deliver the requirement to reduce agency expenditure by 30% from 2024/25 levels.

## 2.3 Outstanding Allocations & Financial Risks

We have previously assumed recurrent allocations in respect of the 2025/26 pay award for Medical and Dental and Agenda for Change staff of £3.957m and the increase in National Insurance costs of £1.973m.

In Month 11, we have received our Welsh Government allocation letter for 2026/27. The allocation letter confirms recurring allocations for 2025/26 pay awards for Medical and Dental and Agenda for Change staff at £3.957m and the increase in National Insurance of £1.973m.

The anticipated spend and in year funding for Very Senior Manager pay award 2025/26 has been assumed from M11 for both PHW and NHSWP&I, of £0.044m and £0.030m respectively.

## 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 11

Covid-19 Summary	Actual £m	Baseline £m
Month 9 YTD	4.402	4.375
Month 10	0.297	0.795
Month 11	0.426	0.697

Month 12	TBC	0.693
<b>YTD</b>	<b>5.125</b>	<b>6.560</b>

Spend in Month 11 was £0.426m with actual testing episodes in February totalling 7,876 tests, an average of 281 tests per day. This compares to an average of 341 per day in Month 10. 94,800 tests have been provided to date, at a cost of £5.125m, an average of £54 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 has been lower than anticipated. A revised forecast has been shared with Welsh Government which estimates a £0.964m underspend against the allocation Welsh Government hold. We will invoice Welsh Government based on actual spend for M12.

### **3. Capital**

Public Health Wales capital funding for 2025/26 totals £4.669m, which includes £1.595m of Discretionary capital and £3.075m 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	9	-0		12
Digital Services	978	791	164	186
Estates	306	100	206	206
Infection Services	183	66	121	116
Screening Division	118	73	43	44
<b>Total Discretionary Approved</b>	<b>1,595</b>	<b>1,030</b>	<b>534</b>	<b>565</b>
Strategic Approved				
Digital Services	1,756	1,217	536	536
Estates	265	52	189	214
Infection Services	262	169	92	92



Screening Division	792	736	43	43
<b>Total Strategic Approved</b>	<b>3,075</b>	<b>2,174</b>	<b>860</b>	<b>885</b>
<b>Total Public Health Wales Capital</b>	<b>4,669</b>	<b>3,205</b>	<b>1,394</b>	<b>1,450</b>

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed £000s	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	100	99	0	0
<b>Total Discretionary</b>	<b>100</b>	<b>99</b>	<b>0</b>	<b>0</b>
<b>Total Hosted Discretionary</b>	<b>100</b>	<b>99</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>4,769</b>	<b>3,304</b>	<b>1,394</b>	<b>1,450</b>

## Discretionary Schemes

There is £0.565m of spend due in M12, of which, £0.534m is committed with the remaining £0.031m yet to be committed.

The uncommitted spend is due to the following:

Digital Services - £0.022m Environmental Monitoring replacement:

- Multi quote is due to close week commencing 9 March, an order will then be raised with a delivery stipulation of prior to the 31 March.

Contingency - £0.012m:

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

## Strategic Schemes

There is £0.885m of spend due in M12, of which, £0.860m is committed with the remaining £0.025m yet to be committed. The status of the Strategic capital schemes is as follows:

- All 8 vans have now been delivered and the fire detector and alarm systems installed. The EV work totalling £17k remains outstanding, there is a risk that delivery will not take place before the end of March.
- For schemes funded through the £0.258m Targeted Estates Fund, the infrastructure work has commenced, the remaining upgrade to LED

lighting will commence 13 March, and the EV work is now only progressing for one site, all are to be complete by the 31 March.

- All 16 WAAASP ultrasound machines have now been delivered along with the IT equipment and trolleys. There remain some small IT items outstanding which are expected by the end of March.
- The Digital Health Protection Programme spending plan has been profiled and is on track as per the milestones set out in the supplier contract.
- Genomics equipment funded via the Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) of £0.092m is due to be delivered 17 March.

The Finance team continue to work closely with capital scheme leads to scrutinise and monitor spending plans to ensure a year-end breakeven position is delivered for 2025/26.

#### **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 28 February 2026.

**Table D – Balance Sheet as of 28 February 2026**

	Opening Balance 01/04/2025 £000s	Movement £000s	Closing Balance 28/02/2026 £000s
<b>Non-Current Assets</b>			
Property, plant and equipment	29,175	1,998	31,173
Intangible assets	1,359	0	1,359
Trade and other receivables	981	-676	305
Other financial assets	378	0	378
<b>Non-Current Assets sub total</b>	<b>31,893</b>	<b>1,322</b>	<b>33,215</b>
<b>Current Assets</b>			
Inventories	1,263	-0	1,263
Trade and other receivables	22,557	14,468	37,025
Other financial assets	182	-138	44
Cash and cash equivalents	10,722	5,967	16,689



<b>Current Assets sub total</b>	<b>34,724</b>	<b>20,297</b>	<b>55,021</b>
<b>TOTAL ASSETS</b>	<b>66,617</b>	<b>21,619</b>	<b>88,236</b>
<b>Current Liabilities</b>			
Trade and other payables	-27,896	-21,189	-49,085
Borrowings	-2,099	466	-1,633
Provisions	-1,774	-2,489	-4,263
<b>Current Liabilities sub total</b>	<b>-31,769</b>	<b>-23,212</b>	<b>-54,981</b>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>	<b>34,848</b>	<b>-1,592</b>	<b>33,255</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	0	0	0
Borrowings	-4,337	963	-3,374
Provisions	-3,553	794	-2,759
<b>Non-Current Liabilities sub total</b>	<b>-7,890</b>	<b>1,757</b>	<b>-6,133</b>
<b>TOTAL ASSETS EMPLOYED</b>	<b>26,958</b>	<b>164</b>	<b>27,122</b>
<b>FINANCED BY: Taxpayers' Equity</b>			
PDC	21,238	0	21,238
Retained earnings	4,464	165	4,629
Revaluation reserve	1,255	-0	1,255
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>26,958</b>	<b>164</b>	<b>27,122</b>

#### 4.1 Non-Current and Current Assets

Property, plant and equipment have increased by £1.998m 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 £14.468m, primarily due to the Trust's March core income invoice of £12.643m, billed in advance. There has also been a £2.114m rise in clinical negligence and personal injury receivables following new claims submitted during the period.

Cash and cash equivalents have increased by £5.967m since the beginning of the financial 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 £21.189m, which is mainly due to deferred Welsh Government core income of £12.643m for March which has been raised in advance, and £0.281m of 2025/26 pay award funding relating to March. In addition, NHS payables have increased

by £2.313m, Tax and NI liabilities have increased by £3.414m, and pension contributions by £2.449m.

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 £1.695m, 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 £1.429m 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 11 reported revenue surplus financial position of £54k.
- Directorate spending plans and the profile of spend.
- Status of the 2025/26 Capital Programme, Strategic and Discretionary.
- Balance Sheet, also known as the Statement of Financial Position, as of 31 March 2026.

## **Appendices**

### **Appendix A:**

The following Tables from our Month 11 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	9	-0	0	12
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	22	8	14	14
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	161	0	161	161
Digital Services	Development & DBA software Tools	30	30	0	0
Digital Services	Replacement Printers & Scanners	7	7	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	53	49	4	4
Digital Services	Add Hoc IT Equipment (since Nov25) - 4 x 27" monitors (adjustment to work), High spec laptop HP (slippage)	2	2	0	0
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	11	10	0	0
Digital Services	Replacement Environmental Monitoring for server rooms	22	0	0	22
Infection Services	Hettich rotina 420 centrifuge	9	9	0	0
Infection Services	CAT 3 sealability	13	0	13	13
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	37	41	0	-5
Infection Services	Autoclave Tins	5	0	5	5
Infection Services	Eddyjet Spiral Platter	16	16	0	0
Infection Services	Miseq i100	92	0	92	92
Infection Services	Additional - Scanners and Printers for LIMS rollout (TCLE equipment)	3	0	2	2
Infection Services	Fluorescent microscope CL3	5	0	5	5
Infection Services	Lab benches (omitted from DNA extraction bid to  WG)	3	0	3	3
Screening Division	Redevelopment of NBSWS and Awnbhs clinical IT systems	83	40	43	43
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	20	0	0
<b>Total Discretionary PHW</b>		<b>1,595</b>	<b>1,030</b>	<b>534</b>	<b>565</b>

PHW Strategic:

Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	62	14	48	48
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	17	0	17	17



Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	13	3	3
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)	159	13	121	146
Digital Services	DPIF - Digital Health Protection Programme	1,506	966	536	536
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
Infection Services	Voluntary Scheme for Branded Medicines Pricing, Access and Growth (VPAG) Funding – Commercial Research Delivery Equipment Call Funding – Pathogen Genomics Unit – MiSeq i100 sequencing instrument – Tom Connor – 01 February 2026 – 31 March 2026	92	0	92	92
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	359	334	24	24
Screening Division	Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines	399	369	20	19
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	34	0	0
<b>Total Strategic PHW Approved</b>		<b>3,075</b>	<b>2,174</b>	<b>860</b>	<b>885</b>
<b>Total Public Health Wales Capital</b>		<b>4,669</b>	<b>3,205</b>	<b>1,394</b>	<b>1,450</b>

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	99	0	0
<b>Total Discretionary Hosted</b>		<b>100</b>	<b>99</b>	<b>0</b>	<b>0</b>
<b>Total Strategic Hosted</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Hosted Capital</b>		<b>100</b>	<b>99</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>		<b>4,769</b>	<b>3,304</b>	<b>1,394</b>	<b>1,450</b>