Iechyd Cyhoeddus Cymru
Public Health Wales

Name of Meeting
Board
Date of Meeting
24 September 2026
Agenda item:
4.3

2026/27 Financial Position

Executive lead:	Zoe Pietrzak, Executive Director of Strategy, Finance and Performance
Author:	Neil Stoodley, Deputy Director of Finance, and Head of Finance Ruth Maddern, Head of Financial Planning

Approval/Scrutiny route:	**Business Executive Team**

Purpose
The purpose of this report is to outline to the Executive Team and the Board the revenue and capital position as of 31 August 2026 (Month 5 2026/27).

Recommendation:

APPROVE	CONSIDER	RECOMMEND	ADOPT	ASSURANCE
☐	☒	☐	☐	☐

CONSIDER the financial position of Public Health Wales as of 31 August 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 August 2026 (M5). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 September 2026 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)	£312k	£0k	Breakeven
Capital financial spend & target	£464k	£1,027k	Breakeven
Public Sector Payment Policy	96.88%	96.86%	>95%

Public Health Wales is reporting a year-to-date breakeven position. In Month 4, we reported that budgets had been fixed for the remainder of the year and that the monthly monitoring return forecast would be based on forecast actuals rather than budget. This approach was further refined in Month 5 following feedback from Welsh Government, which indicated that organisations should not report a year-to-date surplus or month-to-month fluctuations where a full-year breakeven position is planned. As a result, the £312k surplus reported in Month 4 has been adjusted, and the reported Month 5 position has been restated as breakeven.

Public Health Wales hosts the NHS Performance and Improvement (NHS P&I) which is reporting a breakeven position.

2. Overview of Financial Performance at Month 5

Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

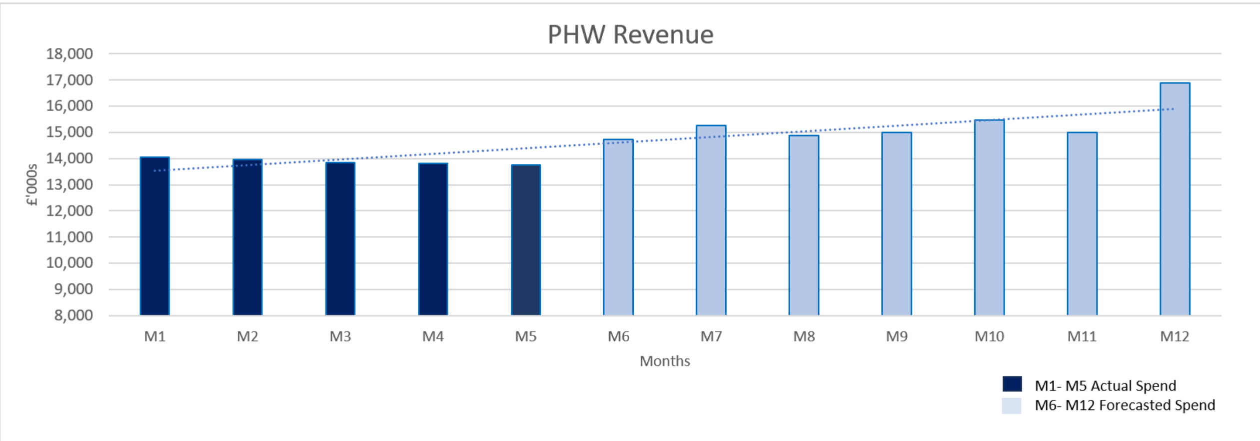
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,392	1,011	1,022	10
Central Budgets	-172,658	-69,448	-68,571	877
Covid 19	6,560	2,186	2,186	0
Health & Wellbeing	23,640	9,355	9,252	-103
Health Protection and Screening Services	105,004	42,863	42,218	-645
Nursing, Quality & Integrated Governance	4,342	1,844	1,817	-27
People & Organisational Development	3,148	1,271	1,268	-3
People & Organisational Development	6,327	2,266	2,273	7
Research, Data and Digital	13,208	5,346	5,332	-13
Strategy, Finance and Performance	8,037	3,306	3,203	-103
Directorate Total	**0**	**0**	**0**	**0**

We have reported a breakeven position at Month 5. As illustrated in the table above, this outcome was achieved through underspends across Directorates, which were offset by the deferral of Welsh Government income from Month 5 into future reporting periods within the central budgets. The deferred income is aligned with revised expenditure plans and supports our forecast year-end breakeven position.

Budget Profiling and Virements

Budgets have been profiled in accordance with Directorate spending plans as at Month 3. The following graph illustrates 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 based on the break-even spending plans received.



Savings Delivery

At Month 5, our position confirms that all savings plans are being delivered. We will continue to monitor and develop mitigating actions as required.

Agency Usage

Our performance against the Cabinet Secretary Workforce Enabling Action to reduce admin and clerical agency use to zero by the end of September 2026 is reported as a workforce performance indicator within the Public Health Wales Performance Report and as a financial indicator through our Monthly Monitoring Returns to Welsh Government.

In relation to the requirement to reduce admin and clerical agency to zero by September 2026, PHW continues to work towards delivery of this goal. We have managed to deliver a significant reduction in admin and clerical agency usage over the past 12 months, and our latest forecasts show a reduction in forecast spend over the remainder of the year. It is expected that there will continue to be some ongoing agency requirement for specialist roles linked to delivery of IMTP milestones and delivery of our statutory functions.

SLA & LTA Agreements

Screening three-year SLAs have been signed by PHW's Chief Executive and issued to Health Boards for service provider sign off during July. These agreements are now going through Health Board governance arrangements for sign off.

Plans have been put in place to ensure an earlier and more robust approach to LTA and SLA sign off for next year and this has been written into the refreshed Screening SLAs

Outstanding Allocations

The following allocations remain outstanding:

- Very Senior Manager 2025/26 wage award, £0.044m,
- A4C 2026/27 wage award, £3.426m,
- M&D 2026/27 wage award, £0.476m,
- Band 3 Pay Correction, £0.050m,
- Women's Health Hub, £0.100m not yet fully committed.

3. Capital

Public Health Wales Capital funding for 2026/27 totals £5.895m. This includes £1.809m of Discretionary capital and £4.086m Strategic capital.

The Strategic capital includes Lung Cancer Screening Programme, the multi-year Strategic capital funding of £7.502m has been approved for the period 2026-2029, of which £0.091m is allocated to 2026/27 plus the Digital Health Protection Programme Strategic Captial funding of £3.995m. The Capital Discretionary Plan was approved by the Board on 18th March 2026.

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

Table B

Service Area	2026/27 Allocation £000s	2026/27 Year to date spend £000s	2026/27 Committed by PO £000s
Discretionary			
Contingency	195	3	6
Estates	262	19	52
Digital	734	210	245
Infection Services	422	12	
Screening Division	166	5	5
LIMS	30	0	
Total Discretionary Approved	**1,809**	**248**	**308**
Strategic Approved			
HPSS - Screening	91	0	4
Digital	3,995	778	813
Total Strategic Approved	**4,086**	**778**	**817**
Total Public Health Wales Capital	**5,895**	**1,027**	**1,125**

Service Area	2026/27 Allocation £000s	2026/27 Year to date spend £000s	2026/27 Committed by PO £000s
NHSW Performance & Improvement	100	0	0
Total Discretionary	**100**	**0**	**0**
Total Hosted Discretionary	**100**	**0**	**0**
Grand Total	**5,995**	**1,027**	**1,125**

A detailed spending plan has been developed, and the Capital Monitoring Group continues to regularly scrutinise expenditure against this plan to ensure that the capital resource is fully utilised during 2026/27.

During Month 5, the Capital Planning Group approved the following new Discretionary fund schemes:

Service Area	Details	2026/27 Bids £000s
HPSS - Infection	Replacement of 4 laboratory freezers	55
HPSS - Screening	Bay demarcation lines and an interface between the EV charging points and the fire alarm system (DESW Van replacement scheme)	6
HPSS - Infection	TCLE IT laboratory equipment for LIMS 2.0	4
Total New Approved Schemes 2026/27		**65**

Following the submission of Public Health Wales strategic capital bids totalling £1.796m to Welsh Government, funding of £0.350m has been approved for the replacement of the temperature monitoring system across Infection Services laboratories, together with £0.496m to support Digital priorities. Signed funding acceptance letters were returned to Welsh Government in early September, and we are currently awaiting the updated Capital Expenditure Limit (CEL).

We are also progressing the development of a business case for the replacement of the bacteriology automation equipment within the North Wales laboratory, with an estimated capital investment requirement of £3.550m.

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 E provides a summary as of 31 August 2026.

	Opening Balance 1/4/2026 £000s	Movement £000s	Closing Balance 31/08/2026 £000s
Non-Current Assets			
Property, plant and equipment	26,704	159	26,863
Intangible assets	2,721	0	2,721

Trade and other receivables	348	-348	0
Other financial assets	213	0	213
Non-Current Assets sub total	**29,986**	**-189**	**29,797**
Current Assets			
Inventories	1,325	-83	1,242
Trade and other receivables	20,119	22,996	43,115
Other financial assets	182	-46	136
Cash and cash equivalents	8,392	5,809	14,201
Current Assets sub total	**30,018**	**28,676**	**58,694**
TOTAL ASSETS	**60,004**	**28,487**	**88,491**
Current Liabilities			
Trade and other payables	-20,109	-28,396	-48,505
Borrowings	-2,167	229	-1,938
Provisions	-4,984	-1,037	-6,021
Current Liabilities sub total	**-27,260**	**-29,204**	**-56,464**
NET ASSETS LESS CURRENT LIABILITIES	**32,744**	**-717**	**32,027**
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-3,248	343	-2,905
Provisions	-2,944	374	-2,570
Non-Current Liabilities sub total	**-6,192**	**717**	**-5,475**
TOTAL ASSETS EMPLOYED	**26,552**	**0**	**26,552**
FINANCED BY: Taxpayers' Equity			
PDC	20,103	0	20,103
Retained earnings	4,611	0	4,611
Revaluation reserve	1,838	0	1,838
TOTAL TAXPAYERS' EQUITY	**26,552**	**0**	**26,552**

Non-Current and Current Assets

Property, plant and equipment have increased by £0.159m due to in year capital expenditure in line with approved plans.

Non-current trade receivables have decreased by £0.348m, due to the reclassification of certain clinical negligence cases. These receivables have been moved to current assets, as settlement is now expected within the next 12 months.

Current trade receivables have increased by £22.996m. This movement is primarily driven by a £19.778m rise in Welsh Government receivables, including the Trust's September core income invoice of £13.143m (billed in advance), a £1.565m increase in NHS Performance & Improvement receivables, £806k of accrued funding for capital charges, and accrued non-core income of £3.398m. There has also been a £1.712m increase in NHS receivables, a £1.431m increase in prepayments due to timing differences in expenditure recognition, and a further £0.778m rise in clinical negligence and personal injury receivables following new claims submitted during the period.

Cash and cash equivalents have increased by £5.809m since the beginning of the year, and this reflects the reduction in working capital requirements driven by the increase in payable balances (see below).

Current & non-current liabilities

Current trade and other payables have increased by £28.396m, which is mainly due to deferred Welsh Government income of £17.570m including the September core income invoice (billed in advance). There are also amounts due to be paid over for Tax and NI £3.496m and pensions of £2.450m which were nil as at 31st March 2026. NHS payables have increased by £7.037m.

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 increased by £0.663m during the period. This increase reflects the recognition of new clinical negligence and personal injury claims, and adjustments to the valuation of existing cases.

5. Conclusion

The Board is asked to note the following:

- The revenue financial position of breakeven.
- Savings status for Month 5.
- The position on LTA/SLA Agreements.
- Status of the Capital Programme, strategic and discretionary, for 2026/27, and

- Balance Sheet, also known as the Statement of Financial Position, as of 31 August 2026.

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	2026/27 Allocation £000s	2026/27 Year to date spend £000s	2026/27 Committed by PO £000s
PHW Discretionary:				
Contingency	Contingency	195	3	6
Estates	B/F from 25/26 - Fire Suppression works	60	0	40
Estates	Construction of new bin compound BTW CR	6	0	6
Estates	Automate entrance doors and clinic areas at Kimberley House	26	0	
Estates	Kitchen improvement upgrades on the 3rd floor	16	8	
Estates	Remedial works to address issues with external rendering. Painting of external wooden window frames.	124	0	6
Estates	Upgrade toilet facilities	20	0	

Estates	BTW Llandudno - AC in server room	11	11	
Digital	Replacement of UPSes (Uninterruptible Power Supplies)	35	0	
Digital	Replacement of PCs	160	0	
Digital	Refresh of Windows Server Licensing across estate	80	0	
Digital	Ad hoc in year IT equipment - 1 x laptop for flexible working Mycology Glan Clwyd, PC BMS work Swansea lab, 2 x PCs for UKARU and Mycology Cardiff	4	0	
Digital	Digital Priorities - Virtual Infrastructure Llantrisant and DESW	455	210	245
HPSS - Infection	B/F from 25/26 - Replacement of Cold Room, Bacteriology, Cardiff Lab	59	0	
HPSS - Infection	Replacement of five end of life Microbiological Safety Cabinets (MSC) across network	83	0	
HPSS - Infection	Purchase of four in-situ DS2 instruments which are currently part of Serology MSC but will not be supported under new 3-year contract	14	0	
HPSS - Infection	Replacement autoclave at WCM Cardiff	103	0	
HPSS - Infection	Maldi equipment	90	0	
HPSS - Infection	Replacement microscope	14	12	
HPSS - Infection	4 x -80-degree freezers for labs	55	0	
HPSS - Infection	TCLE IT equipment (zebra printers and barcode replicator) for 2 labs	4	0	
HPSS - Screening	B/F from 25/26 - Redevelopment of NBSWS and AWNBHS clinical IT systems	10	5	2
HPSS - Screening	Replace otoports(over asset life)	150	0	
HPSS - Screening	DESW Demarcation and Interface to fire alarm	6	0	3
LIMS	LIMS Capital requirement 2026/27	30	0	
Total Discretionary PHW		**1,809**	**248**	**308**
PHW Strategic:				
Screening Division	Targeted Lung Cancer Screening Programme 2026-2029	91	0	4
Digital	Digital Health Protection Programme	3,995	778	813
Total Strategic PHW Approved		**4,086**	**778**	**817**
Total Public Health Wales Capital		**5,895**	**1,027**	**1,125**

Service Area	Details	2026/27 Allocation £000s	2026/27 Year to date spend £000s	2026/27 Committed by PO £000s
NHSW Performance & Improvement	Annual discretionary allocation for NHS Wales Executive 2026/27	100	0	0

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Total Discretionary Hosted	**100**	**0**	**0**
Total Hosted Capital	**100**	**0**	**0**
Grand Total	**5,995**	**1,027**	**1,125**