

Name of Meeting

Board

Date of Meeting

Insert meeting date

Agenda item:

Board or Committee

Secretariat to insert

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
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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 May 2026 (Month 2 2026/27).

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 May 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

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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 May 2026 (M2). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 June 2026 as part of the full financial monitoring return for Month 2. 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)	£3k	(£2k)	Breakeven
Capital financial spend & target	£68k	£132k	Breakeven
Public Sector Payment Policy	95.96%	96.55%	>95%

Public Health Wales is reporting a net surplus position of £2k.

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 2

Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

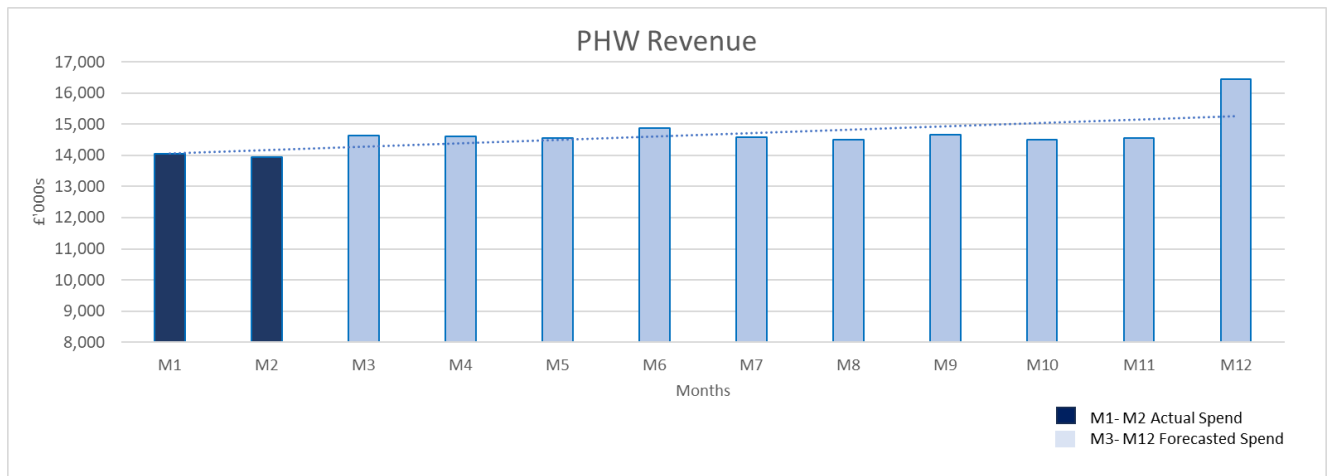
Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,398	412	400	-12
Central Budgets	3,865	677	666	-11
Covid 19	6,560	818	818	-0
Health & Wellbeing	22,412	3,746	3,729	-17
Health Protection and Screening Services	105,380	16,942	16,942	-0
Nursing, Quality & Integrated Governance	4,341	720	704	-16
People & Organisational Development	3,125	482	499	17
Policy and International Health	6,327	849	848	-1
Research, Data and Digital	13,092	2,008	2,074	65
Strategy, Finance and Performance	8,403	1,339	1,312	-27
Directorate Total	175,901	27,994	27,993	-2

As the table above indicates, the surplus at Month 2 is a combination of small variances across Directorates.

Budget Profiling and Virements

Budgets have been profiled in line with Directorate spending plans. The following graph illustrates actual year to date spend and forecasted spend for the remainder of the financial year based on the budgeted spend per period. This illustrates the actual run rate to month 2 and the forecast run rate based on the break-even spending plans received.



All budget profiles will be locked down following closure of the month 3 position. This will allow directorates a final opportunity to adjust budget profiles to represent expected spending profiles as accurately as possible prior to the reporting of the month 3 position.

Savings Delivery

All savings schemes planned to be delivered by month 2 have been reported as fully delivered by directorates. This equates to £401k of savings delivery. A detailed review of savings delivery is being undertaken by the finance team.

Agency Usage

Our performance against the Cabinet Secretary Workforce Enabling Action to reduce admin and clerical agency use to nil 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.

Month 2 financial forecasting indicates a failure to meet this target by month 6, increasing the importance of regularly reviewing the robustness of our plans to deliver and taking forward mitigating actions where required.

SLA & LTA Agreements

Public Health Wales is still concluding final sign off for all Service Level Agreements and although the outstanding agreements are in the final stage of internal approval the target deadline set by Welsh Government of 14 May 2026 has been missed. These agreements will need to be finalised and issued to Health Boards as soon as possible to avoid any further non-compliance with Welsh Government requirements.

Outstanding Allocations

The following allocations remain outstanding:

- Very Senior Manager 2025/26 wage award, £0.044m,
- A4C 2026/27 wage award, £3.426m,
- Gambling Harms, c£2.700m and
- Women's Health Hub, £0.100m

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 Capital 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	300	3	6
Contingency - Digital Priorities	350	0	0
Estates	331	0	57
Digital	275	0	0
Infection Services	363	0	0
Screening Division	160	5	2
LIMS	30	0	0
Total Discretionary Approved	1,809	7	65
Strategic Approved			
Screening Division	91	0	0
Digital	3,995	125	24
Total Strategic Approved	4,086	125	24
Total Public Health Wales Capital	5,895	132	89

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	132	89

Work to provide a more detailed spending plan will be undertaken throughout June, and the capital monitoring group will scrutinise regularly to ensure our capital resource is used in full for 2026/27.

Public Health Wales have submitted a bid for strategic capital of £0.350m to Welsh Government to replace the temperature monitoring system throughout the Infection Services laboratories. We are awaiting a decision.

We are also currently progressing the development of business cases with a view to submission to access strategic capital funding for Digital priorities of £850k and the replacement of the bacteriology automation equipment in the North Wales laboratory of £3m.

During the 2026/27 Capital Planning process, a number of submitted bids were considered but not approved, table C provides a breakdown of those bids.

Table C

Service Area	Details	2026/27 Bids £000s
Digital	120 x Monitors (new and replacement)	18
Digital	Replacement of PCs	260
Digital	Replacement of Printers and Scanners	10
Estates	2 x Surface Hubs 50"	23
Estates	Access control and intruder alarm upgrades at BTW Swansea	10
Estates	Install 6 wall air-con units at Ysbyty Gwynedd laboratory and admin office	25
Estates	Replacement of Kitchen Facilities in BTW Swansea	0
Estates	Replacement of roller shutters for doors and windows at Mountain Ash screening centre.	30
HPSS - Health Protection	5 x Tablets for Engagement	6
HPSS - Health Protection	Digital Health Improvement	0
HPSS - Health Protection	Sexual Health Management System	0
HPSS - Infection	Second refrigeration plant cooler system into the 1st floor shared walk in cold room at Singleton Microbiology	6
HPSS - Infection	Replacement autoclave at Bangor and Singleton Labs	206
HPSS - Infection	Seegene Equipment	0
HPSS - Infection	Various laboratory developments/modernisation	0
HPSS - Screening	Handheld cameras x 3 for trial	0
HPSS - Screening	Reinforced floor CSW Self sampling testing	15
HPSS - Screening	Strategic Approach to Screening Digital	0
Total Unapproved Bids 2026/27		609

These were not approved as they were either of low priority or not ready to progress and further review was required.

4. Balance Sheet

There is no requirement to report the balance sheet as part of our monthly monitoring return to Welsh Government for Month 2. To provide assurance to the Board on our cash position, the balance at close of Month 2 was £8.879m compared to the year-end cash balance of £8.392. This balance was sufficient to cover costs until we received our core income for Month 3 on the 8 June.

5. Conclusion

The Board is asked to note the following:

- The surplus revenue financial position of £2k.
- The position on LTA/SLA sign off and need to finalise and sign off Screening Services agreements as soon as possible.
- Status of the Capital Programme, strategic and discretionary, for 2026/27, and
- No requirement to report Balance Sheet at Month 2, updated on closing cash position at Month 2 provided for assurance.

Appendices

Appendix A:

The following Tables from our Month 2 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	300	3	6
Estates	B/F from 25/26 - Fire Suppression works	42	0	40
Estates	Construction of new bin compound BTW CR	10	0	6
Estates	Automate entrance doors and clinic areas at Kimberley House	24	0	0
Estates	Provision of PODs at Seasons House (not able to fund from 25/26 available funding)	30	0	0
Estates	Clinic waste room/space, which needs to be lockable/secure	10	0	0
Estates	Kitchen improvement upgrades on the 3rd floor	15	0	0
Estates	Remedial works to address issues with external rendering.	124	0	1
Estates	Painting of external wooden window frames.			
Estates	Upgrade toilet facilities	20	0	0
Estates	BTW Llandudno - upgrade works to Admin office air conditioning system	15	0	0
Estates	Resurface microbiology benches, windowsills and replenish storage furniture with suitable non-porous, chemically resistant materials	30	0	0
Estates	BTW Llandudno - AC in server room	11	0	11
Digital	B/F from 2025/26 - Cloud Services	0	0	0
Digital	Replacement of UPSes (Uninterruptible Power Supplies)	35	0	0
Digital	Replacement of PCs	160	0	0
Digital	Refresh of Windows Server Licensing across estate	80	0	0
Contingency - Digital Priorities	Digital Priorities	350	0	0
HPSS - Infection	B/F from 25/26 - Replacement of Cold Room, Bacteriology, Cardiff Lab	59	0	0
HPSS - Infection	Replacement of five end of life Microbiological Safety Cabinets (MSC) across network	83	0	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	0
HPSS - Infection	Replacement autoclave at WCM Cardiff	103	0	0
HPSS - Infection	New Maldy	90	0	0

HPSS - Infection	Replacement microscope	14	0	0
HPSS - Screening	B/F from 25/26 - Redevelopment of NBSWS and AWWNBHS clinical IT systems	10	5	2
HPSS - Screening	Replace otoports(over asset life)	150	0	0
LIMS	LIMS Capital requirement 2026/27	30	0	0
Total Discretionary PHW		1,809	7	65
PHW Strategic:				
Screening Division	Targeted Lung Cancer Screening Programme 2026-2029	91	0	0
Digital	Digital Health Protection Programme	3,995	125	24
Total Strategic PHW Approved		4,086	125	24
Total Public Health Wales Capital		5,895	132	89

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
Total Discretionary Hosted		100	0	0
Total Hosted Capital		100	0	0
Grand Total		5,995	132	89