

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 November 2025 (M8).

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 November 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 November 2025 (M08). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 11 December 2025 as part of the full financial monitoring return for Month 8. 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)	(£38k)	(£40k)	Breakeven
Capital financial spend & target	£81k	£728k	Breakeven
Public Sector Payment Policy	97.03%	97.34%	>95%
Agency Spend as % of Total Pay	0.4%	1.1%	<1.7%

The cumulative reported position at Month 8 for Public Health Wales is a net surplus of £40k.

2. Overview of Financial Performance at Month 8

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	2,624	1,800	1,800	-0
Central Budgets	756	153	58	-95
Covid 19	6,560	3,721	3,721	0
Operations and Finance	8,228	5,250	5,250	0
Health Protection and Screening Services	102,822	68,675	68,809	133
Health & Wellbeing	22,081	13,809	13,767	-42
People & Organisational Development	3,294	2,165	2,159	-6
Policy and International Health	6,251	3,759	3,753	-6
Research, Data and Digital	12,776	8,193	8,183	-10
Nursing, Quality & Integrated Governance	4,099	2,621	2,606	-15
Directorate Total	169,491	110,147	110,107	-40

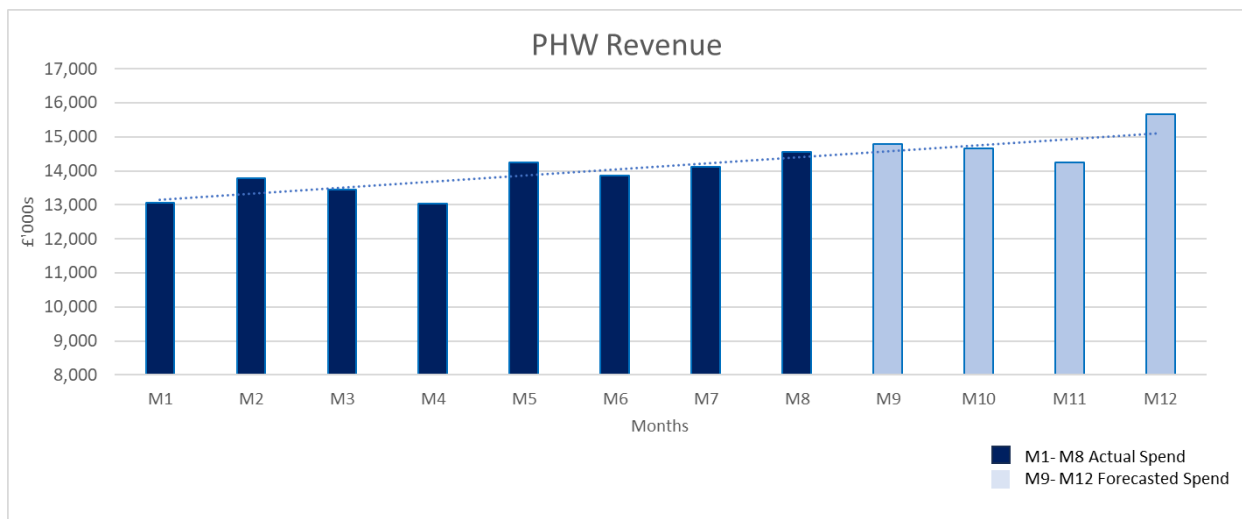
As the table above indicates, the surplus at Month 8 is a combination of small variances across Directorates.

Central Budgets is underspent by £95k. This is due to an increase in salary sacrifice benefit associated with the purchase of annual leave for the second half of the financial year more than budget.

Health Protection and Screening Services is overspent by £133k for the year to date. This includes an in-month improvement of £61k. The in-month overspend is driven by the Health Protection Locum on call arrangement, Screening pay pressures and increased consumables costs in Infection and Screening.

Costs and funding associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 8 is £310k.

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 8 and the forecast run rate month 9 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 8 was £474k, an increase of £46k from Month 7 due to delays in recruitment. This has been used to cover the urgent work required on Winter Pressures and

the 2025/26 National Insurance shortfall. The remaining underspend is being held to cover any financial risks for the remainder of the financial year. **Table B** outlines the spending plans as per original investment scheme and the forecast underspend.

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	138	-60
	Strengthen Delivery	263	228	-35
Digital and data, modelling and AI Total		774	646	-128
Strategic Change and Delivery	Effective design and delivery of key change programmes	197	118	-79
	Strategic Change and Delivery Total	197	118	-79
Strengthening core areas/BAU	Apprenticeships	100	64	-36
	Head of Nursing & Midwifery Quality, Workforce & Development	85	0	-85
	Health inequalities cross- organisational programme	100	88	-12
	Information Governance	59	30	-29
Strengthening core areas/BAU Total		344	182	-162
Grand Total		1,315	946	-369
Partial return of Lung Investment following WG funding allocation				-80
Return of Tackling Diabetes Together Slippage				-25
In Year Return of Investments				-474
Winter Pressures				
Total				46
2025/26 National Insurance in Year Shortfall				74
Revised Position M8				-354

2.3 Outstanding Allocations & Financial Risks

The following allocations remain outstanding:

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. The 2025/26 recurrent pay award is expected to be fully funded. Confirmation of our allocation in relation to the increase in National Insurance by Welsh Government has been received. 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 Public Health Wales received a £0.074m shortfall against expected allocation. This shortfall has been funded during 2025/26 from the investment slippage referenced above. Any recurring shortfall will be managed through the 2026/27 budget setting process.

Shared Services highlighted a risk in relation to increased Welsh Risk Pool commitments due to the NHS Wales risk sharing agreement. This has been confirmed as £0.270m for Public Health Wales, which was initially managed through slippage in internal investments. However, following the Welsh Government letter received on 10th December confirming this will now be funded by Welsh Government, as referenced above, the internal investment slippage will be redirected to other Trust priorities. Shared Services are continuing to assess the overall forecast and there is a risk that an additional contribution may be required. This is currently estimated at £0.073m for Public Health Wales.

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

Table D – COVID-19 financial forecast at Month 8

PHW - COVID-19 Summary	Actual Apr-25 to Nov- 25 £000's	Forecast Dec-25 to Mar- 26 £000's	TOTAL 2025/26 £000's
Additional Costs			
COVID-19 Laboratory Testing	3,721	2,839	6,560
Total Gross Additional Cost	3,721	2,839	6,560
Welsh Government Non-Core Funding			
COVID-19 Laboratory Testing	-3,721	-2,839	-6,560
Total Funding	-3,721	-2,839	-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 8 was £0.636m with actual testing episodes in November totalling 10,392 tests. This is an average of 346 tests per day for November. This compares to an average of 341 per day in October.

Testing activity for April to November is 5% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is 1% 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 £58.

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 £4.718m, which includes £1.613m of Discretionary capital and £3.106m of Strategic capital.

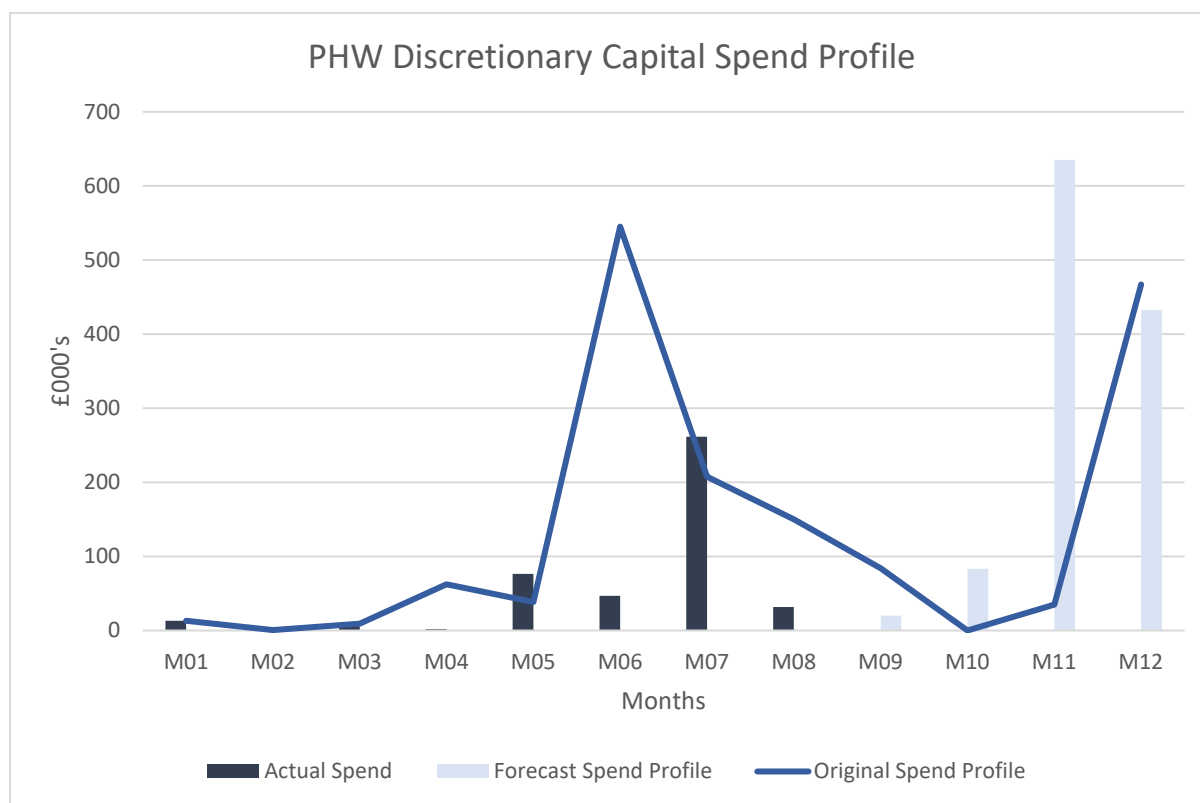
Table E provides a summary of discretionary and strategic schemes, with a more detailed breakdown in **Appendix B**.

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	29	-0	0	0	29
Digital Services	977	310	103	0	667
Estates	272	102	11	11	159
Infection Services	204	17	29	9	179
Screening Division	131	14	90	0	117
Total Discretionary Approved	1,613	442	232	20	1,151
Strategic Approved					
Digital Services	1,853	95	0	75	1,682
Estates	291	22	10	0	269
Infection Services	170	169	0	0	0
Screening Division	792	0	323	331	461
Total Strategic Approved	3,106	287	333	406	2,413
Total Public Health Wales Capital	4,718	728	565	426	3,564

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	4,818	738	565	426	3,655

Discretionary Schemes



The graph illustrates the planned spending profile as at month 3 compared to actual spend as at month 8 and the forecast spend profile for the remainder of the year.

- A net decrease of £118k in M08 is predominantly due to the purchase of cloud services being moved to M11 due to delays with the supplier.
- Planned spend in quarter 2 has moved to quarter 4. This is predominantly due to £428k of Digital Services spend relating to phase 2 of the laptop replacement and IT equipment. The order specifications and requirements are complete and are with procurement. The purchase order is expected to be raised by the end of December.
- The Capital Planning Group are recommending the approval of new schemes totalling £379k following confirmation of scheme under spends and a reclassification between capital and revenue. Expenditure has been profiled into M11 and M12. The majority of the schemes have been brought forward from 2026/27 are detailed in **Table F**.

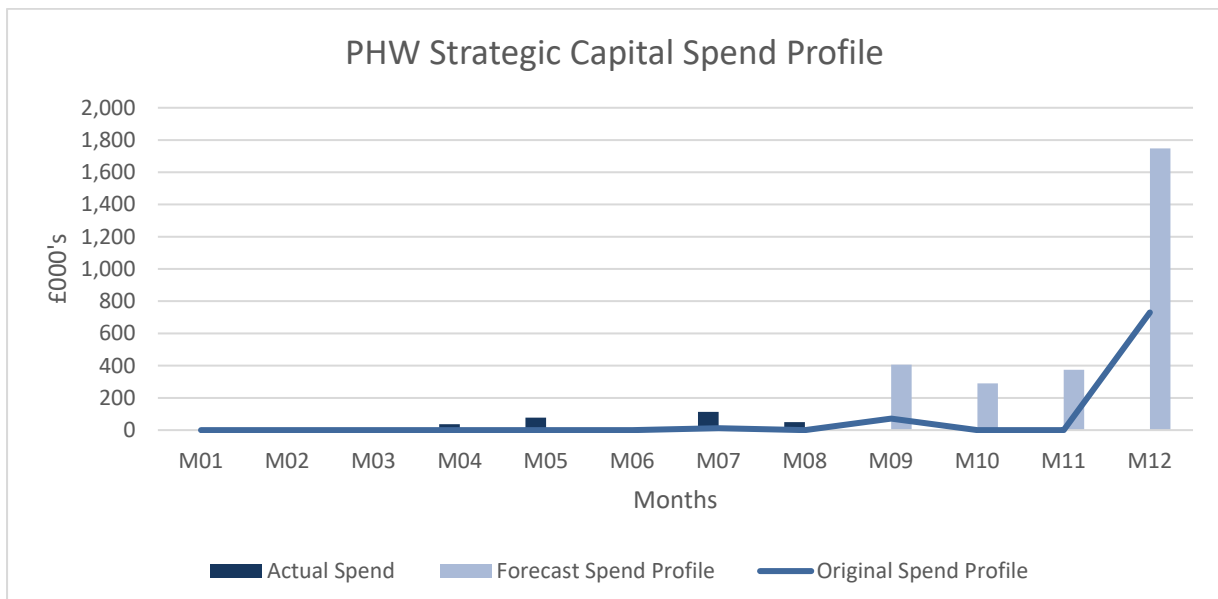
Table F – New Discretionary schemes recommended for approval

Service Area	Description of goods/services	Total £000
DIGITAL	IT replacement programme	200
DIGITAL	Replacement Environmental Monitoring for Server rooms	5
ESTATES	Additional fire stopping works	110
ESTATES	Energy Efficiency Works at CQ2.	7
HP	High spec laptop	2
INFECTION SERVICES	Autoclave tins	10
INFECTION SERVICES	Eddyjet spiral plater	18
INFECTION SERVICES	Light microscope	8
SCREENING DIVISION	2 x biopsy chairs	20
Grand Total		379

Strategic Schemes

Strategic capital allocation includes:

- £0.359m for the replacement of the DESW vehicles for 2025/26 only
- £0.291m from the Targeted Estates Fund (TEF) for several Estates improvement schemes
- £0.399m 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 and
- £1.603m for the Digital Health Protection Programme which has been approved by the Digital Investment Panel.
- £0.250m to replace core server infrastructure platform hardware.



The graph illustrates the planned spending profile as at month 3 compared to actual spend as at month 8 and the forecast spend profile for the remainder of the year.

- An increase in planned spend of £49k in month 8 is due to the re-profile of spend for the Digital Health Protection Programme.
- Planned spend in month 12 is mainly due to:
 - The DESW van replacement project funding has been reduced to £0.359m to match planned expenditure. The purchase order for the vans has been issued and the supplier has confirmed that they will be delivered by the end of December. The EV work is progressing, and work is expected to be complete by the end of March 2026.
 - Schemes funded through the Targeted Estates Fund of £0.192m are phased into M12 due to the fit out of the new North Wales building being unable to commence until the new lease has been executed which is expected to be January 2026. The EV infrastructure requirements for Clwydian House and Kimberley House can now proceed following agreement from the landlords, feasibility studies have been arranged. The tender relating to the upgrade of the LED lights in Magden Park has concluded and the contract is due to be awarded by the end of December.
 - The WAAASP ultrasound machine replacement funding has been reduced to £0.399m to match planned expenditure. The purchase order has been raised, and delivery is expected before the end of March 2026.
 - The Digital Health Protection Programme funding has been reduced to £1.603m to match planned expenditure. A more detail spending plan from the supplier will be received once the contract has been executed.
 - Additional funding of £0.250m has been received to replace core server infrastructure platform hardware. The procurement process is under way with expected delivery February 2026.

The Finance team will continue to 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.

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 G** provides a summary as of 30 November 2025.

Table G – Balance Sheet as of 30 November 2025

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 30/11/2025 £000s
Non-Current Assets			
Property, plant and equipment	29,175	48	29,223
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	-628	31,265
Current Assets			
Inventories	1,263	0	1,263
Trade and other receivables	22,557	16,206	38,763
Other financial assets	182	-92	90
Cash and cash equivalents	10,722	3,272	13,994
Current Assets sub total	34,724	19,386	54,110
TOTAL ASSETS	66,617	18,758	85,375
Current Liabilities			
Trade and other payables	-27,896	-18,826	-46,722
Borrowings	-2,099	276	-1,823
Provisions	-1,774	-1,503	-3,277
Current Liabilities sub total	-31,769	-20,054	-51,823
NET ASSETS LESS CURRENT LIABILITIES	34,848	-1,296	33,552
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	569	-3,768
Provisions	-3,553	767	-2,786
Non-Current Liabilities sub total	-7,890	1,337	-6,553
TOTAL ASSETS EMPLOYED	26,958	41	26,999
FINANCED BY: Taxpayers' Equity			
PDC	21,238	0	21,238
Retained earnings	4,464	40	4,505
Revaluation reserve	1,255	0	1,255
TOTAL TAXPAYERS' EQUITY	26,958	40	26,998

4.1 Non-Current and Current Assets

Property, plant and equipment has increased by £0.048m 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 balance has increased by £16.206m, primarily due to the Trust's December core income invoice of £12.643m (billed in advance). In addition, there has also been a £2.327m increase in prepayments, reflecting timing differences in expenditure recognition, and a further £1.144m increase in clinical negligence receivables due to new claims submitted during the period.

Cash and cash equivalents have increased by £3.272m 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 has increased by £18.826m this is mainly due to deferred Welsh Government income of £12.643m for December which has been raised in advance. There are also amounts due to be paid over for Tax and NI £3.358m and pensions of £2.384m 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 £0.736m, 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 8 reported revenue surplus financial position of £40k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 8.
- Status of the 2025/26 Capital Programme, strategic and discretionary and the recommendation to approve additional discretionary schemes.
- Balance Sheet, also known as the Statement of Financial Position, as of 30 November 2025.

Appendices

Appendix A:

The following Tables from our Month 8 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	Contingency - For unknown and unforeseen capital Expenditure	29	-0	0	0	30
Estates	Access control system to BTW Cardiff and Magden Park	37	37	0	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	0
Estates	Replace CCTV system at BTW Cardiff	12	12	0	0	0
Estates	Improvement works to Screening and Infection Services estates	50	10	11	11	29
Estates	B/F from 2024/25 - Fire Compliance Works	32	19	0	0	13
Estates	Air conditioning units for BTW Swansea (identified after TEF bid approved)	10	10	0	0	0
Estates	Energy efficient works at CQ2 (sensors in the meetings rooms)	7	0	0	0	7
Estates	Additional fire compliance works	110	0	0	0	110
Digital Services	Dell PCs & Monitors	396	182	0	0	215
Digital Services	Cloud Services	150	0	103	0	150
Digital Services	Development & DBA software Tools	35	0	0	0	35
Digital Services	Replacement Printers & Scanners	18	3	0	0	15
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	49	0	0	16
Digital Services	Add Hoc IT Equipment - 2 X High Spec Laptops (CDSC), 1 x laptop (Genomics), 2 x Apple iPad and Pencil, 1 x High Powered Laptop	9	2	0	0	7
Digital Services	Add Hoc IT Equipment (since Nov25) - 4 x 27" monitors (adjustment to work), High spec laptop HP (slippage)	2	1	0	0	2
Digital Services	Replacement Environmental Monitoring for server rooms	5	0	0	0	5
Digital Services	Additional Dell PCs (phase 2?)	200	0	0	0	200
Infection Services	Purchase of new cold room	59	0	0	0	59
Infection Services	Hettich rotina 420 centrifuge	10	0	9	9	1
Infection Services	CAT 3 sealability	53	0	0	0	53
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	47	17	20	0	30
Infection Services	Autoclave Tins	10	0	0	0	10
Infection Services	Light Microscope	8	0	0	0	8
Infection Services	Eddyjet Spiral Platter	18	0	0	0	18
Screening Division	Redevelopment of NBSWS and AWWBHS clinical IT systems	90	0	90	0	90
Screening Division	Redecoration of water damaged areas at BTW, Alexandra Road Swansea	5	0	0	0	5
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	1	0	0	0
Screening Division	2 x High spec monitors for grading dept	1	0	0	0	1
Screening Division	BTW Mobile Generator	12	12	0	0	0
Screening Division	Biopsy chair x 2	20	0	0	0	20
Total Discretionary PHW		1,613	442	232	20	1,151

PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	1	10	0	83
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	72	9	0	0	63
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	12	0	0	0
Digital Services	DPIF - Digital Health Protection Programme	1,603	95	0	75	1,432
Digital Services	End of Year Digital Funding 2025-26 - Virtual Infrastructure	250	0		0	250
Infection Services	Diagnostic Equipment Infection Services -	170	169	0	0	0
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.	359	0	323	331	28
Screening Division	Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines	399	0	0	0	399
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	0	0	0	34
Total Strategic PHW Approved		3,106	287	333	406	2,413
Total Public Health Wales Capital		4,718	728	565	426	3,564

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		4,818	738	565	426	3,655