

## 2025/26 Financial Position

|                        |  |
|------------------------|--|
| <b>Executive lead:</b> | Angela Williams, Interim Executive Director of Operations and Finance  |
| <b>Author:</b>         | Neil Stoodley, Interim Deputy Director of Finance, and Head of Finance<br>Ruth Maddern, Head of Financial Planning |

|                                 |                                |
|---------------------------------|--------------------------------|
| <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 31 March 2026 (M12). |

|                                     |   |                                       |                                   |                                       |
|-------------------------------------|---|---------------------------------------|-----------------------------------|---------------------------------------|
| <b>Recommendation:</b>              |   |                                       |                                   |                                       |
| APPROVE<br><input type="checkbox"/> | CONSIDER<br><input checked="" type="checkbox"/> | RECOMMEND<br><input type="checkbox"/> | ADOPT<br><input type="checkbox"/> | ASSURANCE<br><input type="checkbox"/> |

**CONSIDER** the financial position of Public Health Wales as of 31 March 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>               |   |
| <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 31 March 2026 (M12). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 28 April 2026 as part of the full financial monitoring return for Month 12. It should be noted that this report is based on the draft accounts for 2025/26 and is subject to audit. 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-end Actual |
|--|---------------|-----------------|
| Revenue financial target Deficit/(Surplus) | (£34k)        | (£88k)          |
| Capital financial spend & target           | £1,401k       | (£84k)          |
| Public Sector Payment Policy               | 97.42%        | 97.29%          |
| Agency Spend as % of Total Pay             | 0.6%          | 0.9%            |

The cumulative reported position at Month 12 for Public Health Wales is a net surplus of £88k.

## **2. Overview of Financial Performance at Month 12**

### **2.1 Financial Performance by Directorate**

**Table A** outlines the financial performance by Directorate.

**Table A**

| Directorate                              | Annual Budget<br>£000s | YTD Budget<br>£000s | YTD Actual<br>£000s | YTD Variance<br>£000s |
|--|------------------------|---------------------|---------------------|-----------------------|
| Board and Corporate                      | 232                    | 2,696               | 2,663               | -32                   |
| Central Budgets                          | 8,481                  | 9,397               | 9,362               | -35                   |
| Covid 19                                 | 224                    | 5,348               | 5,348               | -0                    |
| Health & Wellbeing                       | 2,803                  | 22,395              | 22,377              | -18                   |
| Health Protection and Screening Services | 9,199                  | 103,281             | 103,247             | -35                   |
| Nursing, Quality & Integrated Governance | 395                    | 4,097               | 4,065               | -31                   |
| Operations and Finance                   | 717                    | 7,979               | 7,993               | 14                    |
| People & Organisational Development      | 353                    | 3,335               | 3,358               | 22                    |
| Policy and International Health          | 767                    | 6,271               | 6,283               | 12                    |
| Research, Data and Digital               | 1,339                  | 12,711              | 12,726              | 15                    |
| <b>Directorate Total</b>                 | <b>24,509</b>          | <b>177,512</b>      | <b>177,423</b>      | <b>-88</b>            |

As the table above indicates, the surplus at Month 12 is a combination of small variances across Directorates, broadly in line with the year-end anticipated position.

Costs and funding associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 12 is £414k.

**Investments** - Underspend against the 2025/26 investment fund at Month 12 is confirmed as £331k. This underspend is accounted for in the overall year-end position.

**Savings** – All saving schemes identified are rated green and reflect savings as per our IMTP. The organisation has delivered its total savings target of £1.309m for 2025/26.

**Agency Usage** - PHW agency expenditure increased against forecast in Month 12. This variance is attributable to a retrospective recoding from substantive subjectives. Internal actions and control measures remain firmly in place to continue driving reductions in agency usage.

In response to the Cabinet Secretary’s enabling actions PHW has met and exceeded the requirement to deliver a 30% reduction in agency expenditure against 2024/25 baseline levels, achieving a reduction of 41%.

## 2.2 Outstanding Allocations & Financial Risks

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. Whilst the recurring allocation is yet to be agreed we are expecting to be fully funded.

## 2.3 Covid-19

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

**Table B – COVID-19 expenditure compared to baseline at Month 12**

| 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         | 0.224        | 0.693        |
| <b>YTD</b>       | <b>5.348</b> | <b>6.560</b> |

Spend in Month 12 was £0.224m with actual testing episodes in March totalling 8,211 tests, an average of 265 tests per day. This compares to an

average of 281 per day in Month 11. 103,011 tests have been provided to date, at a cost of £5.348m, an average of £52 per test.

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

Of the £6.560m non-core allocation we have invoiced Welsh Government £5.348m based on actual spend. The underspend of £1.212m is due to reduced activity levels and costs per test less than baseline.

### **3. Capital**

Public Health Wales capital funding for 2025/26 totals £4.662m, which includes £1.586m 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<br>£000s | Year to date spend<br>2025/26 £000s | Variance 2025/26<br>£000s |
|--|-----------------------------|-------------------------------------|---------------------------|
| Discretionary                            |                             |                                     |                           |
| Contingency                              | 17                          | -0                                  | -17                       |
| Digital Services                         | 976                         | 972                                 | -4                        |
| Estates                                  | 309                         | 293                                 | -17                       |
| Infection Services                       | 166                         | 165                                 | -1                        |
| Screening Division                       | 118                         | 118                                 | 0                         |
| <b>Total Discretionary Approved</b>      | <b>1,586</b>                | <b>1,548</b>                        | <b>-38</b>                |
| Strategic Approved                       |                             |                                     |                           |
| Digital Services                         | 1,756                       | 1,752                               | -4                        |
| Estates                                  | 265                         | 266                                 | 1                         |
| Infection Services                       | 262                         | 262                                 | -0                        |
| Screening Division                       | 792                         | 779                                 | -13                       |
| <b>Total Strategic Approved</b>          | <b>3,075</b>                | <b>3,059</b>                        | <b>-16</b>                |
| <b>Total Public Health Wales Capital</b> | <b>4,662</b>                | <b>4,607</b>                        | <b>-54</b>                |

| Service Area                      | 2025/26 Allocation<br>£000s | Year to date spend<br>2025/26 £000s | Variance 2025/26<br>£000s |
|-----------------------------------|-----------------------------|-------------------------------------|---------------------------|
| NHSW Performance & Improvement    | 100                         | 99                                  | -1                        |
| <b>Total Discretionary</b>        | <b>100</b>                  | <b>99</b>                           | <b>-1</b>                 |
| <b>Total Hosted Discretionary</b> | <b>100</b>                  | <b>99</b>                           | <b>-1</b>                 |
| <b>Grand Total per CEL</b>        | <b>4,762</b>                | <b>4,706</b>                        | <b>-55</b>                |
| In year disposals                 | 29                          | 0                                   | -29                       |
| <b>Total In Year Disposals</b>    | <b>29</b>                   | <b>0</b>                            | <b>-29</b>                |
| <b>Grand Total</b>                | <b>4,791</b>                | <b>4,706</b>                        | <b>-84</b>                |

PHW is showing a £0.055m under spend against our Discretionary and Strategic allocations. This increased to £0.084m following the disposal of six owned assets in year that had a combined net book value of £0.013m and a loss on disposal of a lease of £0.016m.

The main reasons for the under spends are:

### **Discretionary Schemes**

Digital Services - £0.004m

- Due to supplier issues the microphones as part of the Surface Hub Replacement scheme were not supplied and installed by the 31<sup>st</sup> of March.

Estates – £0.017m

- British Telecom was unable to install the PSBA in Seasons House by the 31<sup>st</sup> of March, £0.012m, with the remaining £0.005m the result of VAT reclaims.

Contingency - £0.017m

- Contingency was held for the over £5k checks and was not utilised.

### **Strategic Schemes**

WAAASP Ultrasound Replacement machines - £0.012m

- IT laptops, ultrasound equipment and static trollies were less than anticipated.

Digital Health Protection Programme - £0.004m

- Slippage on recruitment plus actual expenditure less than planned.

Where some schemes were unable to be delivered by the end of March these schemes will need to be taken forward into the 2026/27 capital plan.

## **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 March 2026.

**Table D – Balance Sheet as of 31 March 2026**

|  | Opening<br>Balance<br>01/04/2025<br>£000s | Movement<br>£000s | Closing Balance<br>28/02/2026<br>£000s |
|--|---|-------------------|--|
| <b>Non-Current Assets</b>                  |   |                   |  |
| Property, plant and equipment              | 29,175                                    | -2,471            | 26,704                                 |
| Intangible assets                          | 1,359                                     | 1,362             | 2,721                                  |
| Trade and other receivables                | 981                                       | -633              | 348                                    |
| Other financial assets                     | 378                                       | -165              | 213                                    |
| <b>Non-Current Assets sub total</b>        | <b>31,893</b>                             | <b>-1,907</b>     | <b>29,986</b>                          |
| <b>Current Assets</b>                      |   |                   |  |
| Inventories                                | 1,263                                     | 61                | 1,325                                  |
| Trade and other receivables                | 22,557                                    | -2,438            | 20,119                                 |
| Other financial assets                     | 182                                       | 0                 | 182                                    |
| Cash and cash equivalents                  | 10,722                                    | -2,330            | 8,392                                  |
| <b>Current Assets sub total</b>            | <b>34,724</b>                             | <b>-4,706</b>     | <b>30,018</b>                          |
| <b>TOTAL ASSETS</b>                        | <b>66,617</b>                             | <b>-6,613</b>     | <b>60,004</b>                          |
| <b>Current Liabilities</b>                 |   |                   |  |
| Trade and other payables                   | -27,896                                   | 7,787             | -20,109                                |
| Borrowings                                 | -2,099                                    | -68               | -2,167                                 |
| Provisions                                 | -1,774                                    | -3,210            | -4,984                                 |
| <b>Current Liabilities sub total</b>       | <b>-31,769</b>                            | <b>4,509</b>      | <b>-27,260</b>                         |
| <b>NET ASSETS LESS CURRENT LIABILITIES</b> | <b>34,848</b>                             | <b>-2,103</b>     | <b>32,744</b>                          |
| <b>Non-Current Liabilities</b>             |   |                   |  |
| Trade and other payables                   | 0   | 0                 | 0                                      |
| Borrowings                                 | -4,337                                    | 1,089             | -3,248                                 |
| Provisions                                 | -3,553                                    | 609               | -2,944                                 |
| <b>Non-Current Liabilities sub total</b>   | <b>-7,890</b>                             | <b>1,698</b>      | <b>-6,192</b>                          |
| <b>TOTAL ASSETS EMPLOYED</b>               | <b>26,958</b>                             | <b>-406</b>       | <b>26,552</b>                          |
| <b>FINANCED BY: Taxpayers' Equity</b>      |   |                   |  |
| PDC  | 21,238                                    | -1,135            | 20,103                                 |
| Retained earnings                          | 4,464                                     | 147               | 4,611                                  |
| Revaluation reserve                        | 1,255                                     | 583               | 1,838                                  |
| <b>TOTAL TAXPAYERS' EQUITY</b>             | <b>26,958</b>                             | <b>-406</b>       | <b>26,552</b>                          |

#### 4.1 Non-Current and Current Assets

Property, plant and equipment decreased by £2.471m, mainly due to depreciation exceeding capital investment.

Intangible assets have increased by £1.362m, due to the Digital Health Protection Programme project which is currently recognised as an asset under construction.

Non-current trade receivables have decreased by £0.633m, 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 decreased by £2.438m. This is mainly due to a reduction in Welsh Government receivables of £5.371m compared to a year earlier, offset by a £2.092m rise in clinical negligence and personal injury receivables driven by new claims submitted during the period.

Cash and cash equivalents have reduced by £2.330m, reflecting a fall in working capital.

#### **4.2 Current & non-current liabilities**

Current trade and other payables have reduced by £7.787m, mainly driven by a fall in Welsh NHS and Welsh Government payables of £5.163m. Non-NHS payables have also fallen by £1.384m.

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 £2.600m during the period. This increase reflects the recognition of new clinical negligence and personal injury claims, adjustments to the valuation of existing cases, and the recognition of new provisions for a potential VAT liability, a final pay control charge, and two employment tribunal cases.

The amount of borrowings, categorised under both current and non-current headings, has decreased by £1.021m. This is due to the reduction in the right of use assets liability as payments are made.

#### **5. Conclusion**

The Board is asked to note the following:

- The draft surplus revenue position of £88k reported for 2025/26.
- The draft slippage against the Public Health Wales Capital Programme, strategic and discretionary, of £84k for 2025/26 and
- Balance Sheet, also known as the Statement of Financial Position, as of 31 March 2026.

## **Appendices**

### **Appendix A:**

The following Tables from our Month 12 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<br>£000s | Year to date spend<br>2025/26<br>£000s | Variance<br>2025/26<br>£000s |
|--------------------|---|-----------------------------|--|------------------------------|
| PHW Discretionary: |   |                             |  |                              |
| Contingency        | Contingency - For unknown and unforeseen capital Expenditure  | 17                          | -0                                     | -17                          |
| Estates            | Access control system to BTW Cardiff and Magden Park  | 37                          | 37                                     | 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                            |
| Estates            | Replace CCTV system at BTW Cardiff  | 12                          | 12                                     | 0                            |
| Estates            | Improvement works to Screening and Infection Services estates   | 22                          | 19                                     | -2                           |
| Estates            | B/F from 2024/25 - Fire Compliance Works  | 19                          | 17                                     | -3                           |
| Estates            | Air conditioning units for BTW Swansea (identified after TEF bid approved)  | 10                          | 10                                     | 0                            |
| Estates            | Energy efficient works at CQ2 (sensors in the meetings rooms)   | 7                           | 7                                      | 0                            |
| Estates            | Additional fire compliance works  | 84                          | 84                                     | 0                            |
| Estates            | Discretionary contribution towards Seasons House fit out  | 101                         | 89                                     | -12                          |
| Estates            | Discretionary contribution - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED                  | 4                           | 4                                      | 0                            |
| Digital Services   | Dell PCs & Monitors   | 397                         | 398                                    | 0                            |
| Digital Services   | Cloud Services  | 161                         | 161                                    | 0                            |
| Digital Services   | Development & DBA software Tools  | 30                          | 30                                     | 0                            |
| Digital Services   | Replacement Printers & Scanners   | 7                           | 7                                      | 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                                      | -1                           |
| Digital Services   | IT equipment - investment posts   | 16                          | 16                                     | 0                            |
| Digital Services   | B/F from 2024/25 - Network Switches   | 10                          | 10                                     | 0                            |

|                                |   |              |              |            |
|--------------------------------|---|--------------|--------------|------------|
| Digital Services               | Oracle Forms/Reports software licences  | 64           | 64           | 0          |
| Digital Services               | Surface Hub replacements  | 53           | 49           | -4         |
| Digital Services               | Add Hoc IT Equipment (since Nov25) - 4 x 27" monitors (adjustment to work), High spec laptop HP (slippage)  | 2            | 2            | -0         |
| Digital Services               | Additional Dell PCs (phase 2?)  | 200          | 200          | 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           | 10           | 0          |
| Digital Services               | Replacement Environmental Monitoring for server rooms   | 20           | 20           | 0          |
| Infection Services             | Hettich rotina 420 centrifuge   | 9            | 9            | 0          |
| Infection Services             | Scanners and Printers for LIMS rollout (TCLE equipment)   | 37           | 36           | -0         |
| Infection Services             | Eddyjet Spiral Platter  | 16           | 16           | 0          |
| Infection Services             | Miseq i100  | 92           | 92           | 0          |
| Infection Services             | Additional - Scanners and Printers for LIMS rollout (TCLE equipment)  | 3            | 2            | -1         |
| Infection Services             | Fluorescent microscope CL3  | 5            | 5            | 0          |
| Infection Services             | Lab benches (omitted from DNA extraction bid to  WG)  | 3            | 3            | 0          |
| Screening Division             | Redevelopment of NBSWS and AWINBHS clinical IT systems  | 83           | 84           | 1          |
| Screening Division             | B/F from 2024/25 - IT Equipment lab scanners  | 1            | 1            | 0          |
| Screening Division             | B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)   | 1            | 1            | 0          |
| Screening Division             | 2 x High spec monitors for grading dept   | 1            | 1            | 0          |
| Screening Division             | BTW Mobile Generator  | 12           | 12           | 0          |
| Screening Division             | Biopsy chair x 2  | 20           | 20           | -1         |
| <b>Total Discretionary PHW</b> |   | <b>1,586</b> | <b>1,548</b> | <b>-38</b> |

PHW Strategic:

|         |   |     |     |    |
|---------|---|-----|-----|----|
| Estates | TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED | 62  | 62  | 0  |
| Estates | TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House               | 17  | 17  | -0 |
| Estates | TEF – Mental Health (Repurposing of former Help Me Quit)  | 15  | 16  | 1  |
| Estates | TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road                             | 12  | 12  | 0  |
| Estates | TEF - Infrastructure (Improvement works to NW accommodation Seasons House)                          | 159 | 159 | 0  |

| Digital Services                         | DPIF - Digital Health Protection Programme   | 1,506                       | 1,502                                  | -4                           |
|--|--|-----------------------------|--|------------------------------|
| Digital Services                         | End of Year Digital Funding 2025-26 - Virtual Infrastructure   | 250                         | 250                                    | 0                            |
| Infection Services                       | Diagnostic Equipment Infection Services -  | 170                         | 169                                    | -1                           |
| 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                          | 92                                     | 0                            |
| Screening Division                       | Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and Implementation of Electric Vehicle Charging Infrastructure 2025-26.  | 359                         | 357                                    | -2                           |
| Screening Division                       | Non-Radiology Ultrasound Replacement - Replacement of WAAASP U/S machines  | 399                         | 388                                    | -12                          |
| Screening Division                       | Targeted Lung Cancer Programme - IT Hardware   | 34                          | 34                                     | 0                            |
| <b>Total Strategic PHW Approved</b>      |  | <b>3,075</b>                | <b>3,059</b>                           | <b>-16</b>                   |
| <b>Total Public Health Wales Capital</b> |  | <b>4,662</b>                | <b>4,607</b>                           | <b>-54</b>                   |
|  |  | <b>4,662</b>                | <b>4,607</b>                           |                              |
| Service Area                             | Details  | 2025/26 Allocation<br>£000s | Year to date spend<br>2025/26<br>£000s | Variance<br>2025/26<br>£000s |
| NHSW Performance & Improvement           | Annual discretionary allocation for NHS Wales Executive 2024-25  | 100                         | 99                                     | -1                           |
| <b>Total Discretionary Hosted</b>        |  | <b>100</b>                  | <b>99</b>                              | <b>-1</b>                    |
| <b>Total Hosted Capital</b>              |  | <b>100</b>                  | <b>99</b>                              | <b>-1</b>                    |
| <b>Grand Total per CEL</b>               |  | <b>4,762</b>                | <b>4,706</b>                           | <b>-55</b>                   |
| In year disposals                        | In year disposals  | 29                          | 0                                      | -29                          |
| <b>Total In Year Disposal</b>            |  | <b>29</b>                   | <b>0</b>                               | <b>-29</b>                   |
| <b>Grand Total</b>                       |  | <b>4,791</b>                | <b>4,706</b>                           | <b>-84</b>                   |