Name of Meeting
Board
Date of Meeting
30 July 2026
Agenda item:
3.3

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 30 June 2026 (Month 3 2026/27).

Recommendation:				
APPROVE ☐	CONSIDER ☒	RECOMMEND ☐	ADOPT ☐	ASSURANCE ☐
CONSIDER the financial position of Public Health Wales as of 30 June 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 30 June 2026 (M3). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 13 July 2026 as part of the full financial monitoring return for Month 3. 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)	(£87k)	(£89k)	Breakeven
Capital financial spend & target	£134k	£266k	Breakeven
Public Sector Payment Policy	96.91%	96.70%	>95%

Public Health Wales is reporting a net surplus position of £89k.

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 3

Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

Table A

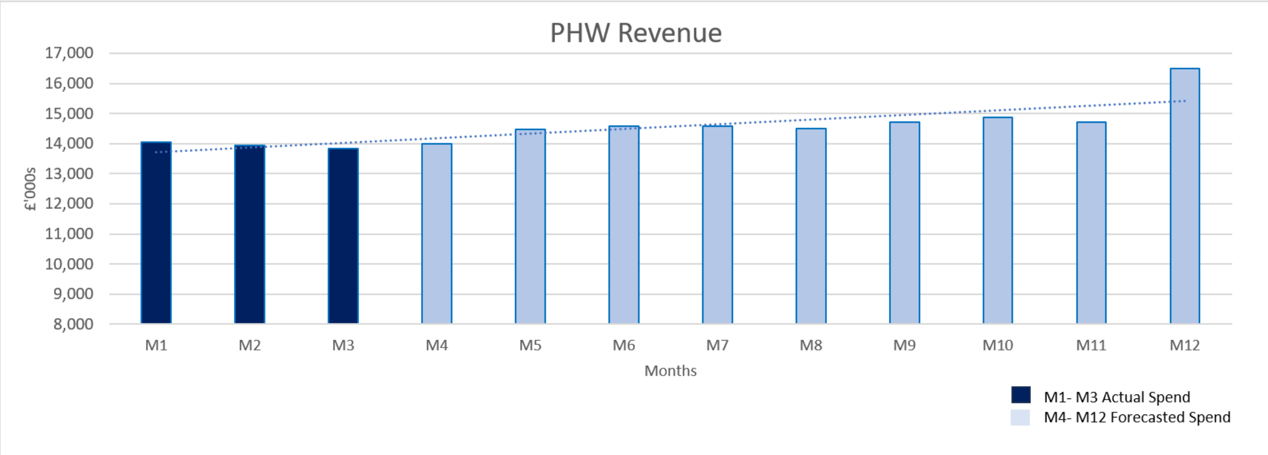
Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,397	620	609	-10
Central Budgets	3,552	660	624	-36
Covid 19	6,560	1,242	1,242	-0
Health & Wellbeing	22,520	5,546	5,544	-2
Health Protection and Screening Services	104,807	25,508	25,464	-44
Nursing, Quality & Integrated Governance	4,345	1,093	1,080	-13
People & Organisational Development	3,133	747	757	10
Policy and International Health	6,333	1,437	1,439	1
Research, Data and Digital	13,223	3,124	3,159	35

Strategy, Finance and Performance	7,998	1,947	1,916	-31
Directorate Total	**174,868**	**41,923**	**41,835**	**-89**

As the table above indicates, the surplus at Month 3 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 3 and the forecast run rate based on the break-even spending plans received.



All budgets are now considered fixed following closure of the month 3 position.

Savings Delivery

At Month 3, our position confirms that all savings plans are being delivered, except for one minor scheme resulting in a shortfall of £0.003m year-to-date and £0.006m for the full year. This variance is currently being offset through operational efficiencies and other in-year variances. 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 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.

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 but still have some pockets of use linked to delivery of IMTP milestones and delivery of our statutory functions. We are working on plans to eradicate this usage in the coming months and once these plans are developed our agency forecast will be updated accordingly.

SLA & LTA Agreements

All legal and Information Governance content in relation to Screening three-year SLAs has now been received and agreements have been finalised. Agreements are now going through the sign off process.

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,
- Gambling Harms, c£2.700m. £1.150m pass through to Health Boards for prevention test-and-learn interventions and c£0.800m has been committed through pay with the remainder yet to be committed. Discussions with Welsh Government are ongoing surrounding the allocation and
- 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	279	3	6
Estates	243	11	47
Digital	734	0	455
Infection Services	363	0	
Screening Division	160	5	2
LIMS	30	0	
Total Discretionary Approved	**1,809**	**18**	**509**
Strategic Approved			
HPSS - Screening	91	0	
Digital	3,995	248	1,220
Total Strategic Approved	**4,086**	**248**	**1,220**
Total Public Health Wales Capital	**5,895**	**266**	**1,728**

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**	**266**	**1,728**

A detailed spending plan has been undertaken, and the capital monitoring group will scrutinise regularly against the plan and to ensure our capital resource is used in full for 2026/27.

The Capital Planning Group approved an increase in scheme costs of £0.105m for the Virtual Infrastructure Platform for Llantrisant and DESW, from £0.350m to £0.455m. This is due to the significant increase in prices across the technology sector.

Several Estates schemes totalling £0.085m are no longer required or unable to take place during 2026/27, funding has been transferred back into Discretionary to cover other priorities.

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.

During Month 3 we have submitted a request for strategic capital funding of £1.446m to support Digital priorities. In addition, we are in the process of developing a business case for the replacement of the bacteriology automation equipment in the North Wales laboratory of £3m.

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 30 June 2026.

	Opening Balance 1/4/2026 £000s	Movement £000s	Closing Balance 31/05/2026 £000s
Non-Current Assets			
Property, plant and equipment	26,704	-268	26,436
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**	**-616**	**29,370**
Current Assets			
Inventories	1,325	0	1,325
Trade and other receivables	20,119	20,281	40,400
Other financial assets	182	0	182
Cash and cash equivalents	8,392	6,017	14,409
Current Assets sub total	**30,018**	**26,298**	**56,316**
TOTAL ASSETS	**60,004**	**25,682**	**85,686**
Current Liabilities			
Trade and other payables	-20,109	-25,212	-45,321
Borrowings	-2,167	216	-1,951
Provisions	-4,984	-1,291	-6,275
Current Liabilities sub total	**-27,260**	**-26,287**	**-53,547**
NET ASSETS LESS CURRENT LIABILITIES	**32,744**	**-605**	**32,139**
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-3,248	324	-2,924
Provisions	-2,944	371	-2,573
Non-Current Liabilities sub total	**-6,192**	**695**	**-5,497**
TOTAL ASSETS EMPLOYED	**26,552**	**90**	**26,642**
FINANCED BY: Taxpayers' Equity			

PDC	20,103	0	20,103
Retained earnings	4,611	90	4,701
Revaluation reserve	1,838	0	1,838
TOTAL TAXPAYERS' EQUITY	**26,552**	**90**	**26,642**

5. Conclusion

The Board is asked to note the following:

- The surplus revenue financial position of £89k.
- Savings status for Month 3.
- 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 30 June 2026.

Appendices

Appendix A:

The following Tables from our Month 3 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	279	3	6
Estates	B/F from 25/26 - Fire Suppression works	42	0	40
Estates	Construction of new bin compound BTW CR	6	0	6
Estates	Automate entrance doors and clinic areas at Kimberley House	24	0	
Estates	Provision of PODs at Seasons House (not able to fund from 25/26 available funding)	0	0	
Estates	Clinic waste room/space, which needs to be lockable/secure	0	0	
Estates	Kitchen improvement upgrades on the 3rd floor	16	0	
Estates	Remedial works to address issues with external rendering. Painting of external wooden window frames.	124	0	1
Estates	Upgrade toilet facilities	20	0	
Estates	BTW Llandudno - upgrade works to Admin office air conditioning system	0	0	
Estates	Resurface microbiology benches, window sills and replenish storage furniture with suitable non-porous, chemically resistant materials	0	0	
Estates	BTW Llandudno - AC in server room	11	11	
Digital	B/F from 2025/26 - Cloud Services	0	0	
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	0	455
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	90	0	
HPSS - Infection	Replacement microscope	14	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	
LIMS	LIMS Capital requirement 2026/27	30	0	
Total Discretionary PHW		**1,809**	**18**	**509**
PHW Strategic:				
Screening Division	Targeted Lung Cancer Screening Programme 2026-2029	91	0	0
Digital	Digital Health Protection Programme	3,995	248	1,220
Total Strategic PHW Approved		**4,086**	**248**	**1,220**
Total Public Health Wales Capital		**5,895**	**266**	**1,728**

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**	**266**	**1,728**