GIG CYMRU NHS WALES | Iechyd Cyhoeddus Cymru Public Health Wales

Name of Meeting
Board
Date of Meeting
26 November 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 31 October 2026 (Month 7 2026/27).

Recommendation:				
APPROVE ☐	CONSIDER ☒	RECOMMEND ☐	ADOPT ☐	ASSURANCE ☐
CONSIDER the financial position of Public Health Wales as of 31 October 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

PART A

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 October 2026 (M7). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 12 November 2026 as part of the full financial monitoring return for Month 7. 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)	£0k	£0k	Breakeven
Capital financial spend & target	£523k	£2,240k	Breakeven
Public Sector Payment Policy	97.08%	96.91%	>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. This more accurately reflects the underlying financial position, demonstrating forecast break-even performance in line with our planned year-end position.

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 7

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	3,107	1,824	1,854	30
Central Budgets	-172,795	-97,613	-96,203	1,410
Covid 19	6,560	2,767	2,767	-0
Health & Wellbeing	23,615	13,276	13,038	-238
Health Protection, Infection and Environment	54,751	31,351	30,513	-839
People & Organisational Development	3,178	1,833	1,821	-12
Policy and International Health	6,313	3,311	3,295	-16
Population Screening and Quality	54,239	31,190	30,935	-255
Research, Data and Digital	13,192	7,496	7,530	34
Strategy, Finance and Performance	7,840	4,565	4,450	-114
Directorate Total	**0**	**0**	**0**	**0**

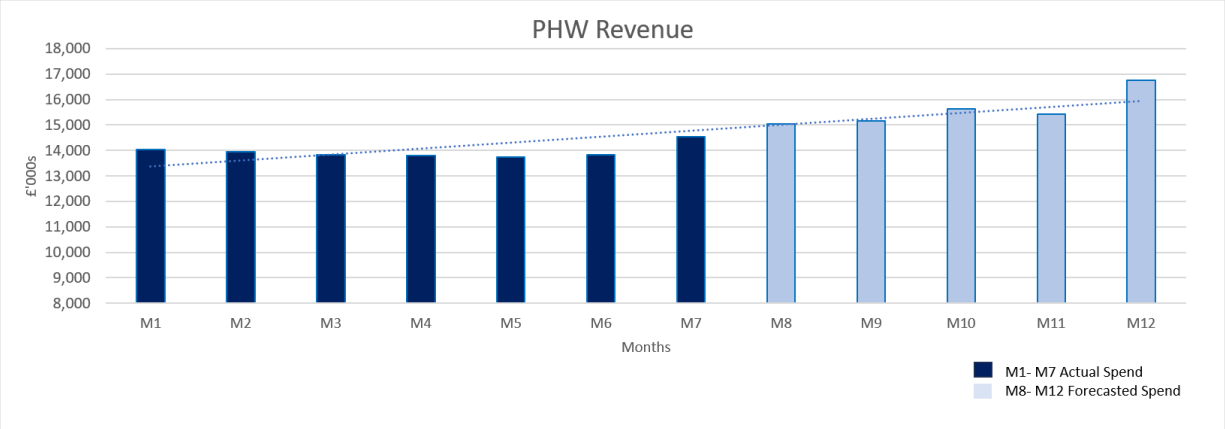
The changes to the Directorate structures were implemented in Month 7 and are reflected in the table above.

We have reported a breakeven position at Month 7. As illustrated in Table A, this outcome was achieved through underspends across Directorates, which were offset by the deferral of Welsh Government income from Month 7 into future reporting periods within central budgets. The deferred income is aligned with revised expenditure plans and supports our forecast year-end breakeven position.

The Month 7 forecast breakeven position reflects the commitment to return the non-recurrent £0.522m opportunity identified through the Quarter 1 baseline review, as agreed at the Accountability Meeting held on 14 October 2026.

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 7 and the forecast run rate based on the break-even spending plans received.



Savings Delivery

At Month 7, 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. Whilst this reflects the position at the time of forecasting, it remains subject to change. It is anticipated that some agency support will be required 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 £6.391m. This includes £1.809m of Discretionary capital and £4.582m 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, the Digital Health Protection Programme Strategic Captial funding of £3.995m and the Virtual Infrastructure Platform for PHW Breast Screening Sites of £0.496m.

Strategic funding of £0.350m has also been approved to replace the temperature monitoring system across Infection Services laboratories. Delivery is planned for 2027/28, and the scheme will be included within the 2027/28 capital programme.

Following the submission of the £3.550m business case for the replacement of the bacteriology automation equipment in the North Wales laboratory, Welsh Government has requested completion of a scrutiny grid to support the assessment of the business case.

A new Strategic Capital bid of £0.370m for Digital Immutable Storage was submitted to Welsh Government on the 20th of October.

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	-1	0
Estates	296	58	6
Digital	734	455	0
Infection Services	363	17	1
Screening Division	221	8	3
Total Discretionary Approved	**1,809**	**537**	**10**
Strategic Approved			
Screening	91	5	11
Digital	4,491	1,699	1,532
Total Strategic Approved	**4,582**	**1,704**	**1,542**
Total Public Health Wales Capital	**6,391**	**2,241**	**1,553**

Service Area	2026/27 Allocation £000s	2026/27 Year to date spend £000s	2026/27 Committed by PO £000s
NHSW Performance & Improvement	80	15	0
Total Discretionary	**80**	**15**	**0**
Total Hosted Discretionary	**80**	**15**	**0**
Grand Total	**6,471**	**2,256**	**1,553**

During October, it was confirmed that three capital schemes, with a combined value of £0.149m, would not be completed by 31 March 2027. As a result, the associated funding has been released and reallocated to the Discretionary Capital Contingency. Consequently, the Capital Planning Group has approved the following new discretionary schemes

Service Area	Details	2026/27 Bids £000s
Estates	Install 6 wall air-con units at Ysbyty Gwynedd laboratory and admin office	25
Estates	Access control and intruder alarm upgrades at BTW Swansea	10
Estates	Replacement of roller shutters for doors and windows at Mountain Ash screening centre.	30
Estates	Installation of a new fire exit door to the ground floor in Llys Castan	20
Digital	DHPP additional costs	55
Total New Approved Schemes 2026/27		**140**

The Capital Monitoring Group continues to regularly scrutinise expenditure against this plan to ensure that the capital resource is fully utilised during 2026/27.

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 October 2026.

	Opening Balance 1/4/2026 £000s	Movement £000s	Closing Balance 31/10/2026 £000s
Non-Current Assets			
Property, plant and equipment	26,704	923	27,627
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**	**575**	**30,561**
Current Assets			
Inventories	1,325	85	1,410
Trade and other receivables	20,119	18,227	38,346
Other financial assets	182	-46	136
Cash and cash equivalents	8,392	8,567	16,959
Current Assets sub total	**30,018**	**26,833**	**56,851**
TOTAL ASSETS	**60,004**	**27,408**	**87,412**
Current Liabilities			
Trade and other payables	-20,109	-27,876	-47,985
Borrowings	-2,167	430	-1,737
Provisions	-4,984	-981	-5,965
Current Liabilities sub total	**-27,260**	**-28,427**	**-55,687**
NET ASSETS LESS CURRENT LIABILITIES	**32,744**	**-1,019**	**31,725**
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-3,248	645	-2,603
Provisions	-2,944	374	-2,570
Non-Current Liabilities sub total	**-6,192**	**1,019**	**-5,173**
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 £0.923m 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.

Inventories increased by £0.085m following the completion of a mid-year stocktake exercise.

Current trade receivables have increased by £18.227m, mainly driven by Welsh Government income, comprising the Trust's November core income invoice of £13.143m, billed in advance, and a further £3.682m of accrued income including non-core and baseline depreciation funding. There has also been a £0.893m increase in prepayments due to timing differences in expenditure recognition.

Cash and cash equivalents have increased by £8.567m 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 £27.876m, which is mainly due to deferred Welsh Government income of £16.879m including the November core income invoice of £13.143m, billed in advance. There are also amounts due to be paid over for Tax and NI £3.557m and pensions of £2.451m which were nil as of 31st March 2026. NHS payables have increased by £5.556m.

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 £0.607m during the

period. This increase reflects the recognition of new clinical negligence and personal injury claims, and adjustments to the valuation of existing cases.

The value of borrowings, categorised under both current and non-current headings, has decreased by £1.075m since the start of the financial year. This is due to the reduction in the liability of right of use leased assets as payments are made.

5. Conclusion

The Board is asked to note the following:

- The revenue financial position of breakeven.
- Savings status for Month 7.
- 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 October 2026.

Appendices

Appendix A:

The following Tables from our Month 7 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	-1	0
Estates	Construction of new bin compound BTW CR	6	6	0
Estates	Automate entrance doors and clinic areas at Kimberley House	31	30	0
Estates	Kitchen improvement upgrades on the 3rd floor	16	8	0
Estates	Remedial works to address issues with external rendering. Painting of external wooden window frames.	124	1	6
Estates	Upgrade toilet facilities	20	0	0
Estates	BTW Llandudno - AC in server room	11	11	0
Estates	Install 6 wall air-con units at Ysbyty Gwynedd laboratory and admin office	25	0	0
Estates	Access control and intruder alarm upgrades at BTW Swansea	10	0	0
Estates	Replacement of roller shutters for doors and windows at Mountain Ash screening centre.	30	0	0
Estates	Installation of a new fire exit door to the ground floor in Llys Castan	20	0	0
Estates	Seasons House - PSBA installation b/f from 25/26	3	3	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
Digital	Ad hoc in year IT equipment - 1 x laptop for flexible working Mycology Glan Clwyd, PC BMS work in Swansea lab, 2 x PCs for UKARU and Mycology Cardiff	4	0	0

Digital	Digital Priorties - Virtual Infrastructure Llantrisant and DESW	455	455	0
Infection	Replacement of five end of life Microbiological Safety Cabinets (MSC) across network	83	0	0
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
Infection	Replacement autoclave at WCM Cardiff	103	0	0
Infection	Maldi	90	0	0
Infection	Replacement microscope	14	14	0
Infection	4 x -80-degree freezers for labs	55	0	0
Infection	TCLE IT equipment (zebra printers and barcode replicator) for 2 labs	4	4	1
Screening	B/F from 25/26 - Redevelopment of NBSWS and AWNBHS clinical IT systems	10	5	0
Screening	Replace otoports(over asset life)	150	0	0
Screening	DESW Demarcation and Interface to fire alarm	6	3	2
Screening	Digital Health Protection Programme - to cover additional costs on Data Migration work	55	0	0
Total Discretionary PHW		**1,809**	**537**	**10**
PHW Strategic:				
Screening Division	Targeted Lung Cancer Screening Programme 2026-2029	91	5	11
Digital	Digital Health Protection Programme	3,995	1,699	1,532
Digital	Virtual Infrastructure Platform for PHW Breast Screening Sites	496	0	0
Total Strategic PHW Approved		**4,582**	**1,704**	**1,542**
Total Public Health Wales Capital		**6,391**	**2,241**	**1,553**

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	80	15	
Total Discretionary Hosted		**80**	**15**	**0**
Total Hosted Capital		**80**	**15**	**0**
and Total		**6,471**	**2,256**	**1,553**