

2025-26 Finance Report

Month 7



Summary



Situation

This Finance report outlines our financial performance for Month 7 (i.e. the period to 31st October 2025).

This Finance report is discussed at the Board, the Operational Delivery Committee (ODC) and the Executive Management Board (EMB) meetings.

A separate Finance Performance report has been prepared which sets out the financial performance of the individual Care Groups and directorates as at Month 7 (i.e. the Delegated budget position). This report is discussed at the ODC and EMB meetings.

Background

Section 175 of the National Health Service (Wales) Act 2014 places two financial duties on Local Health Boards:

- A duty under section 175 (1) to secure that its expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years
- A duty under section 175 (2A) to prepare a plan in accordance with planning directions issued by the Welsh Ministers, and for that plan to be submitted to and approved by the Welsh Ministers.

Our draft financial plan for 25/26 was submitted to Welsh Government (WG) at the end of March 2025. This plan showed a breakeven position with a net risk to the plan of £41.8m. This plan has subsequently been approved by WG.

As the Health Board has an approved plan and has achieved a breakeven position over the last 2 financial years (2023/24 & 2024/25), delivering the breakeven plan in 2025/26 would allow the Health Board to meet its financial duties.





Summary



Assessment

Overall Revenue position - 2025/26:

- The M7 position reported a breakeven position for the period with a year to date deficit of £4.3m against our plan.
- The current year forecast break-even position has been maintained at M7.
- The risks to the breakeven forecast are significant (M7: £14.5m), there remain a number of risks and opportunities that may impact the breakeven forecast and these are summarised on Page 22.

Recurrent Revenue position:

- The submitted IMTP for 2025/26 planned for an underlying recurrent surplus of £1.7m by the end of 2025/26.
- As at M7 we are reporting a forecast underlying deficit at the end of 2025/26 of £4.2m. This deterioration in the recurrent deficit reflects lower than anticipated allocations for 24/25 pay awards and 25/26 national insurance changes.

Cashflow:

- The cash balance at the end of M7 was £2.0m.

Capital Position:

- The capital resource limit is currently £84.8m and the forecast is to achieve a breakeven position.



Summary



Assessment

Forecast Revenue Position Risk - 2025/26:

At present the forecast breakeven position is predicated upon a number of key assumptions:

- Anticipated allocations for the following material items will be confirmed in full:
 - 2025/26 pay awards of £28.6m.
 - POW Roof financial support £9.1m.
- WG will provide non recurrent revenue allocations for Band 2/3 framework if a provision is deemed to be required for 2025/26 accounts.
- NWSSP Welsh Risk Pool risk does not materialise as a resource allocation adjustment.

If these key assumptions are not confirmed, then the Health Board would not achieve the forecast breakeven position and an accountable officer letter would have to be submitted to WG.

Recommendation

The Board, the Operational Delivery Committee (ODC) and the Executive Management Board (EMB) are asked to **DISCUSS** and **NOTE** the Finance Report of the Health Board for the period to 31st October 2025.





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Overall Revenue Position

- The M7 reported a breakeven position with a year to date deficit of £4.3m.
- The forecast current year break-even position has been maintained at M7.
- The forecast recurrent position has been retained at £4.2m deficit at M7.
- The net opportunities/risks to the forecast break even position have improved at M7 at £14.5m (IMTP: £41.8m) which are summarised on Page 19.

Savings Position

- Actual savings in M7 was £2.4m which was £0.2m below the M7 target of £2.6m.
- The M7 forecast In year savings is £25.3m, which is £6.0m below the £31.3m target.
- The M7 forecast Recurrent savings is £29.2m, which is £2.1m below the £31.3m target

Cash

- The cash balance at the end of M07 was £2.0m, this is below our target balance of keeping cash balances below £6m.
- The current cash flow forecast is showing a deficit of £10.0m.

Capital

- The Capital Resource Limit for 2025-26 of £84.8m was issued on the 7th November 2025.
- Expenditure to M7 amounted to £39.6m.
- The outturn capital position is breakeven.

Summary Income & Expenditure Account



	M7 Actual	M7 YTD	Year End Forecast
	£m	£m	£m
01. Revenue Resource Limit	(130.8)	(892.4)	(1528.3)
02. Capital Donation / Government Grant Income	(0.0)	(0.1)	(0.2)
03. Welsh NHS Local Health Boards & Trusts Income	(6.4)	(43.1)	(74.1)
04. WHSSC Income	(1.3)	(8.4)	(14.6)
05. Welsh Government Income (Non RRL)	(0.7)	(1.6)	(2.2)
06. Other Income	(4.6)	(30.4)	(51.6)
Total Allocations & Income	(143.7)	(976.1)	(1671.1)
08. Primary Care Contractor	14.3	98.0	168.3
09. Primary Care - Drugs & Appliances	8.3	61.3	103.4
10. Provided Services - Pay	65.0	447.5	770.0
11. Provider Services - Non Pay	9.5	69.5	120.3
12. Secondary Care - Drugs	5.9	35.9	62.0
13. Healthcare Services Provided by Other NHS Bodies	25.9	176.7	303.4
14. Non Healthcare Services Provided by Other NHS Bodies	0.0	0.0	0.0
15. Continuing Care and Funded Nursing Care	6.9	44.2	79.4
16. Other Private & Voluntary Sector	1.3	8.2	15.6
17. Joint Financing and Other	2.0	11.1	19.3
18. Losses Special Payments and Irrecoverable Debts	0.5	2.7	3.8
22. DEL Depreciation\Accelerated Depreciation\Impairments	4.1	24.8	40.5
23. AME Donated Depreciation\Impairments	0.1	0.3	(14.9)
25. Profit\Loss Disposal of Assets	(0.0)	(0.0)	(0.0)
Total Expenditure	143.7	980.4	1671.1
Grand total	(0.0)	(4.3)	0.0

Key Points:

- The Summary I&E account shows the Health Board's Income & Expenditure by the categories used in the Monthly Monitoring Returns submitted to WG.
- The M7 year to date position is reporting a deficit of £4.3m.
- We are currently forecasting a year end break-even position.
- With the exception of DEL Depreciation there are no material changes to future expenditure levels compared to the year to date average monthly expenditure.





Year to Date Performance and Forecast



	Current Month	YTD	Year end Forecast
	£m	£m	£m
Month 1	1.7	1.7	0.0
Month 2	2.0	3.7	0.0
Month 3	1.1	4.8	0.0
Month 4	1.5	6.3	0.0
Month 5	0.1	6.3	0.0
Month 6	(2.0)	4.3	0.0
Month 7	0.0	4.3	0.0

Key Points:

- The M7 YTD overspend of £4.3m includes a £7.5m shortfall in savings.
- Following confirmation of lower than anticipated allocations for the 24/25 pay award (£1.7m lower than anticipated), the YTD position has recognised a £1.0m adverse impact.
- Following confirmation of lower than anticipated allocations for the 25/26 national insurance changes (£2.1m lower than anticipated), the YTD position has recognised a £1.2m adverse impact.
- As at M7 the Health Board has confirmed accountancy gains of £5.3m which has been recognised.
- Following a M5 review of original planning assumptions, £1.7m of reserves have been released giving a year to date benefit of £1.0m.
- Further details of the key drivers for the YTD are provided overleaf.



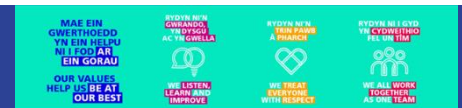
Year to Date Performance and Forecast



	Delegated Year to Date £m	Non Delegated Year to Date £m	Total M7 Year to Date £m	M7 forecast £m	M6 forecast £m	IMTP £m
Savings Shortfall	7.1	0.4	7.5	6.0	7.4	0.0
Operational Variances	4.5	(7.8)	(3.3)	(0.7)	(1.7)	0.0
Plan Phasing adjustments	0.0	4.2	4.2	0.0	0.0	0.0
Financial Plan Improvements	0.0	(1.0)	(1.0)	(1.7)	(1.7)	0.0
Additional Financial Allocation	0.0	2.2	2.2	3.8	3.8	0.0
Accountancy Gains	0.0	(5.3)	(5.3)	(5.3)	(5.3)	0.0
Other Mitigating Actions	0.0	0.0	0.0	(2.1)	(2.5)	0.0
Grand Total	11.6	(7.3)	4.3	0.0	0.0	0.0

Key Points:

- The M7 position is reporting a £4.3m deficit (Overspend) against the plan, of which £11.6m relates to delegated budgets with a £7.3m surplus position within non delegated budgets and reserves.
- The Main driver of the deficit position is the £7.5m shortfall in savings delivery compared to the straight-line target of £18.3m.
- The YTD accountancy gain recognised at M7 is £5.3m.
- There remains a requirement of £2.1m of mitigating actions to achieve our break even forecast. It is important to recognise that without the unplanned reduction in WG financial allocations of £3.8m for pay award and NI shortfalls, the Health Board would have been on track to deliver its original IMTP position without any further mitigating actions required.
- A separate Finance Performance report has been prepared which sets out the Delegated financial performance of the individual Care Groups and directorates as at Month 7 (i.e. the Delegated budget position). This report is discussed at the Operational Delivery Committee (ODC) and Executive Management Board (EMB) meetings.



Forecast Underlying Position



Underlying Position	Plan £m	Delegated Recurrent @ M7	Non Delegated Recurrent @ M7 £m	Total Recurrent @ M7 £m	Total Recurrent @ M6 £m
Initial Financial Plan	(1.7)	0.0	(1.7)	(1.7)	(1.7)
Savings Variances	0.0	2.4	(0.3)	2.1	3.6
Operational Variances	0.0	6.3	(5.7)	0.6	0.5
Financial Plan Variances	0.0	0.0	(1.7)	(1.7)	(1.7)
Additional Financial Allocations	0.0	0.0	5.9	5.9	5.9
Accountancy Gains	0.0	0.0	0.0	0.0	0.0
Other Mitigating Actions	0.0	0.0	(1.0)	(1.0)	(2.4)
Grand Total	(1.7)	8.7	(4.5)	4.2	4.2

Key Points:

- The B'fwd recurrent deficit at the end of 2024/25 was £7.9m, the submitted IMTP for 2025/26 planed for an in year recurrent surplus of £9.6m giving an underlying surplus of £1.7m by the end of 2025/26.
- The latest savings returns have indicated recurrent savings of £29.2m compared to the plan of £31.3m, giving rise to a recurrent shortfall of £2.1m. At M7 we are anticipating this shortfall will be partially met by year end through £1.0m of further mitigating actions.
- The recurrent adverse impact of lower than anticipated allocations for 24/25 pay awards and 25/26 national insurance changes is £5.9m
- As at M7 the underlying position has been retained at a recurrent deficit of £4.2m (£4.2m at M6).





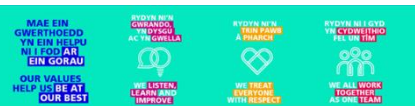
Non Delegated Reserves



Reserves	Plan £m	Issued @ M7	Balance Remaining £m	Anticipated Commitments £m	Current Year Forecast £m	Recurrent Forecast £m
Brought Forward Commitments	3.2	(4.4)	(1.2)	2.0	(0.8)	(0.7)
Brought Forward Planned Care	11.9	(11.1)	0.8	(0.8)	0.0	0.0
Recurrent Investment Plans	6.3	(2.9)	3.4	(3.4)	0.0	0.0
Non Recurrent Investment Plans	1.0	0.2	1.2	(0.5)	(0.7)	0.0
Cost Pressures – Inflation	3.8	(3.1)	0.7	0.0	(0.7)	1.4
Cost Pressures – Growth/Demand	3.2	(0.9)	2.3	(1.5)	(0.8)	(0.8)
Cost Pressures – POW Non Rec	10.0	(8.8)	1.2	(1.2)	0.0	0.0
Savings Target yet to be identified	(9.6)	6.3	(3.3)	4.0	(0.7)	(0.3)
Planned Deficit/Surplus	0.0	1.4	1.4	0.0	(1.4)	(3.1)
Grand Total	29.8	(23.3)	6.5	(1.5)	(5.1)	(3.5)

Key Points:

- The approved plan identified £39.4m of reserves yet to be issued to delegated budgets, as at M7 £29.6m has been issued with £9.8m remaining. As at M7, there has been £5.8m of favourable variances forecast for the year end.
- The Savings target of £31.3m identified £21.7m to be issued to Delegated budgets with the remaining £9.6m to be issued as central executive led programmes to be identified as opportunities for the care groups/directorates to deliver. As at M7 £6.3m has been issued, with a further £4.0m identified to be actioned giving a £0.7m over achievement.



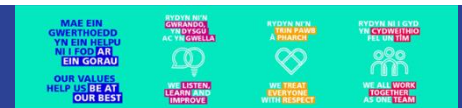
IMTP Discretionary Investment Plans



Investment Plans	Plan £m	Issued @ M7	Balance Remaining £m	Anticipated Commitments £m	Current Year Forecast £m	Recurrent Forecast £m
Health Protection	1.1	(1.1)	0	0	0	0
PCH ITU	0.3	(0.3)	0	0	0	0
Fracture Liaison Service	0.2	(0.2)	0	0	0	0
Consultant Recruitment	0.3	(0.3)	0	0	0	0
NICE Diabetes (CLPS)	0.5	0	0.5	(0.5)	0	0
PMVA Training	0.1	0	0.1	(0.1)	0	0
Speak Out Guardians	0.1	(0.1)	0	0	0	0
Childrens Weight Management	0.4	0	0.4	(0.4)	0	0
Digital Investment	1.0	(0.1)	0.9	(0.9)	0	0
Velindre Business Cases	0.6	(0.6)	0	0	0	0
Strategies Support	0.3	(0.3)	0	0	0	0
Other Not Yet Committed	1.5	0	1.5	(1.5)	0	0
Grand Total	6.3	(2.9)	3.4	(3.4)	0.0	0.0

Key Points:

- The approved plan identified £6.3m of new investments, as at M7, £2.9m has been confirmed and issued with £3.4m remaining unallocated of which £1.5m remains uncommitted.



IMTP Discretionary Investment Plans



Key Points:

- The approved plan identified £6.3m of new investments, £1.1m related to additional WG funding for Health Protection and the remaining £5.3m was predicated upon delivery of the £31.3m savings plan. Given the WG funding settlement for 2025/26, the delivery of the £31.3m savings plan was essential to support the investment fund.
- As at M7, the savings delivery is forecast to be £6.0m less than plan, this creates a pressure if the full investment plan is committed and delivered.
- As at M7, £1.8m of the £5.3m discretionary local investment plan has been confirmed and issued with £3.4m remaining unallocated of which £1.5m remains uncommitted. The committed plans yet to be issued include:
 - NICE Diabetes £0.5m – The plan includes £0.5m of investment in Diabetes closed loop pumps which have been approved by NICE, the service is currently identifying the priority patients to initiate treatment with the aim to remain within the identified funding.
 - PMVA Training £0.1m – Plans have been agreed with procurement progressing to award a contract and commence training in 2025/26.
 - Childrens Weight Management Service £0.4m – Initial plans submitted have been unaffordable, revised plans which remain within the funding identified have been requested from the service.
 - Digital Investment Plans £0.9 – Plans have been progressing but remain at procurement stage, a revised plan has been requested to reflect realistic timeframes of the financial commitments.
- Given the forecast underachievement of the savings plan, the uncommitted £1.5m remains unallocated pending further assurance upon achieving the forecast breakeven position.





Pay Expenditure Trends



Staff Group	Jul-25 £'m	Aug-25 £'m	Sep-25 £'m	Qtr2 Ave £'m	Oct-25 £'m
Administrative & Clerical	8.4	9.7	8.7	8.9	8.8
Medical And Dental	17.3	19.9	17.9	18.3	18.4
Nursing And Midwifery Registered	19.6	22.8	20.0	20.8	20.7
Add Prof Scientific And Technical	1.9	2.3	2.0	2.1	2.0
Additional Clinical Services	8.3	9.0	8.5	8.6	8.4
Allied Health Professionals	4.0	4.6	4.1	4.2	4.1
Healthcare Scientists	1.2	1.3	1.2	1.2	1.2
Estates And Ancillary	3.7	3.8	3.6	3.7	3.5
Students	.0	.0	.0	.0	.0
Grand Total	64.3	73.5	66.1	67.9	67.1

Spend category	Jul-25 £'m	Aug-25 £'m	Sep-25 £'m	Qtr2 Ave £'m	Oct-25 £'m
Core	56.8	66.1	58.9	60.6	59.1
Agency	2.2	2.2	2.2	2.2	2.3
Overtime	1.6	1.8	1.8	1.7	1.7
ADH	1.5	1.5	1.5	1.5	2.1
Bank	1.5	1.7	1.5	1.5	1.6
WLI	0.7	0.2	0.2	0.4	.2
Grand Total	64.3	73.5	66.1	67.9	67.1

Key Points:

- Total pay expenditure in M7 was £67.1m. This is an increase of £1.0m compared to M6 and 1.4m greater than forecast.
- When compared with the M6 actual, the following variable pay movements occurred:
 - Increase in Core costs of £0.2m
 - Increase in ADH of £0.6m
 - All other variable pay has remained consistent with M6
- The level of retrospective payments for ADHs were concerning and reflect adverse impact of the changes in medical workforce systems implemented at the end of June. It is essential that going forward systems reflect commitments to variable workforce resources on a timely basis.
- M7 has experienced an unexpected adverse impact upon the commencement of new streamline nursing trainees. It is essential that this additional registered nursing resource is utilised to reduce variable pay via bank or agency.

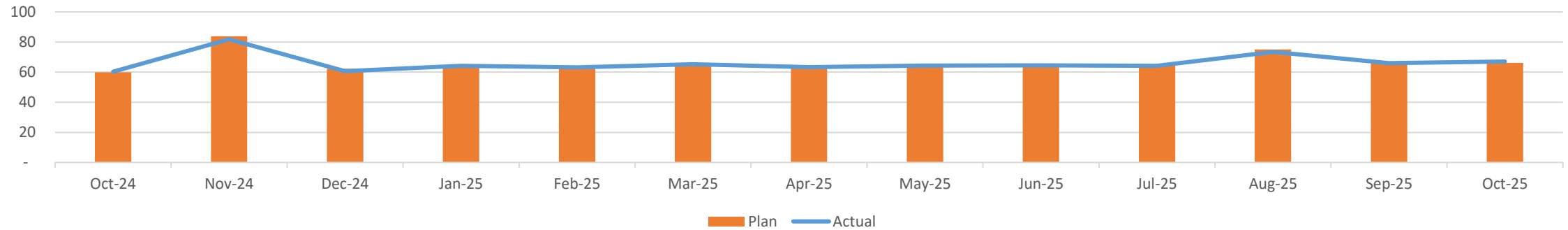




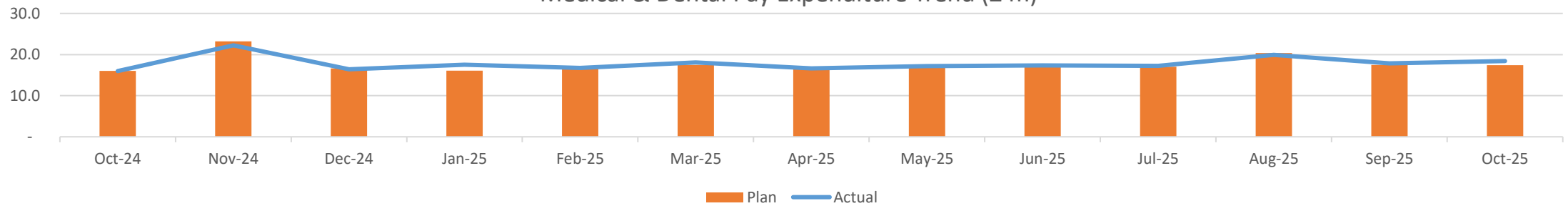
Pay Expenditure Trends



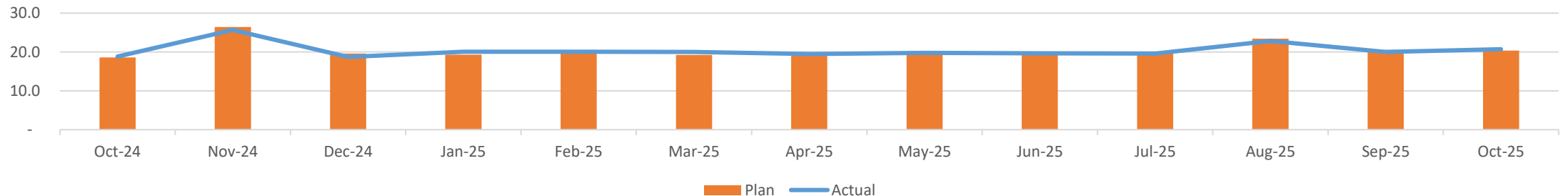
Total Pay Expenditure Trend (£'m)



Medical & Dental Pay Expenditure Trend (£'m)



Nursing & Midwifery Pay Expenditure Trend (£'m)

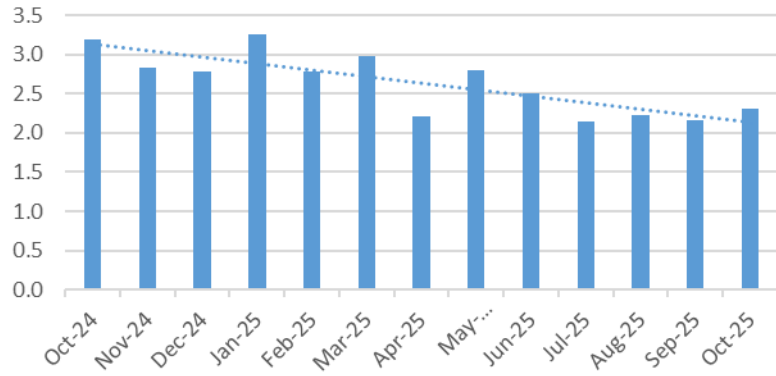




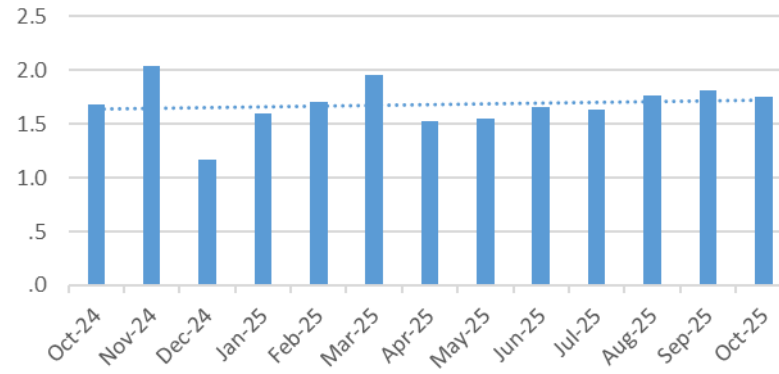
Variable Pay Expenditure Trends



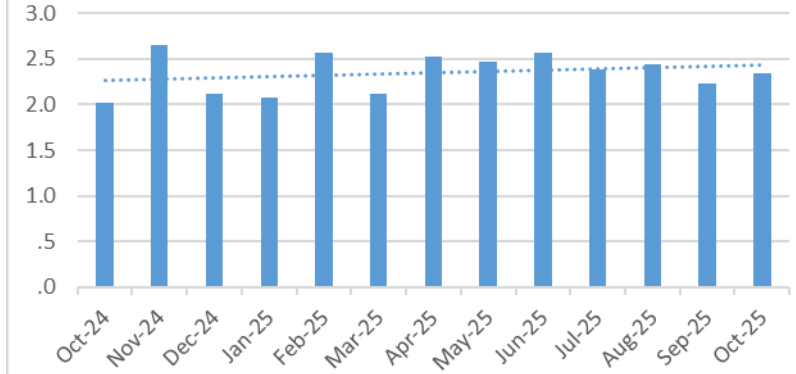
Total Agency Expenditure (£'m)



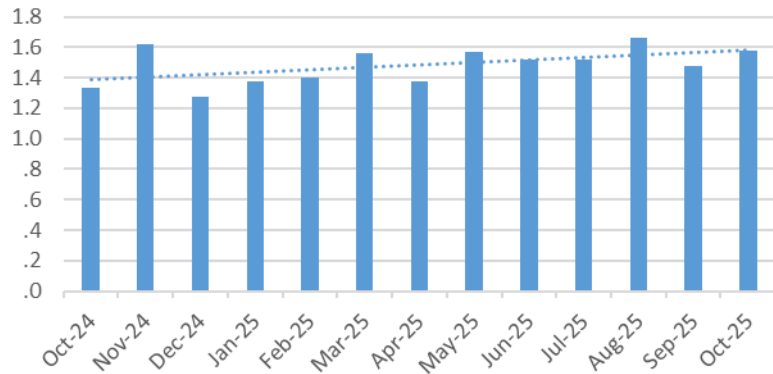
Total Overtime (£'m)



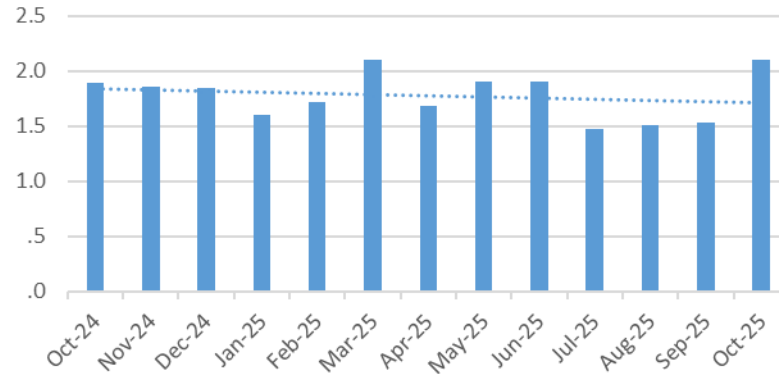
Core Enhancements Expenditure (£'m)



Total Bank Expenditure (£'m)



Total ADH (£'m)



Key Points :

- Agency spend – No material change but overall a downward trend.
- Overtime payments- No material change but overall an increasing trend.
- Core enhancements – M6 has increased when compared to M6 by £0.1m, with an increasing trend.
- Bank – Has decreased in M6 by £0.1m with an increasing trend.
- ADH spend – Has increased by £0.6m but overall a downward trend.





Non Pay Expenditure Trends

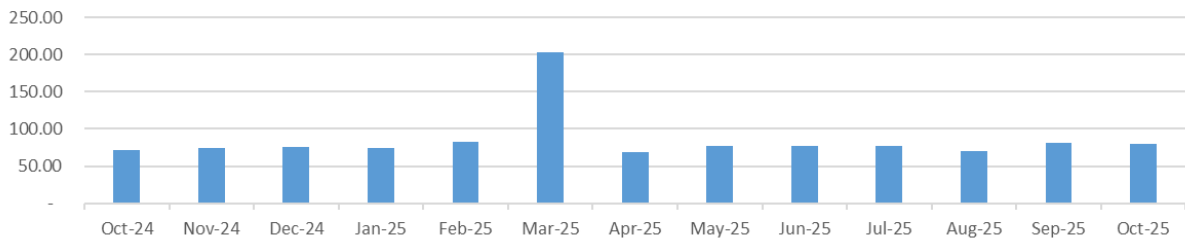


Non Pay Group	Jul-25 £'m	Aug-25 £'m	Sep-25 £'m	Qtr2 Ave £'m	Oct-25 £'m
Primary Care Contractors	13.2	13.2	13.3	13.2	13.8
Primary Care Drugs	8.7	8.9	8.3	8.7	8.3
Provider Non Pay	10.6	10.4	9.8	10.3	11.1
Secondary Care Drugs	5.3	4.7	5.0	5.0	5.9
Healthcare Commissioning	24.7	24.5	29.2	26.1	25.9
CHC & FNC	7.0	3.3	8.7	6.4	7.4
Other	7.1	5.7	6.5	6.4	7.6
Total Expenditure	76.7	70.6	80.9	76.1	79.9

Key Points:

- The total spend in M7 of £79.9m was £1.0m lower than M6. The main movements were:
 - Increase of Provider Non-Pay of £1.3m due to increased M&SE supplies and higher than anticipated energy costs.
 - Increase in Secondary Care Drugs of £0.9m, due to higher than anticipated spend across Rheumatology, Respiratory, Dermatology & AMD treatments.
 - Decrease CHC/FNC of £1.3m which returns in month spend to prior months levels after the impact of inflationary uplifts being applied with arrears in M6.
 - Decrease of Health Care Commissioning of £3.6m, due to the prior months increase of £3.8m relating to 24/25 pay awards processed to providers via LTAs. M7 is more in line with prior months after adjusting for the pay award.
 - Increase Other of £1.1m – Recognition of revised RIF plan including ICRF.

Non Pay Expenditure Trend (£'m)





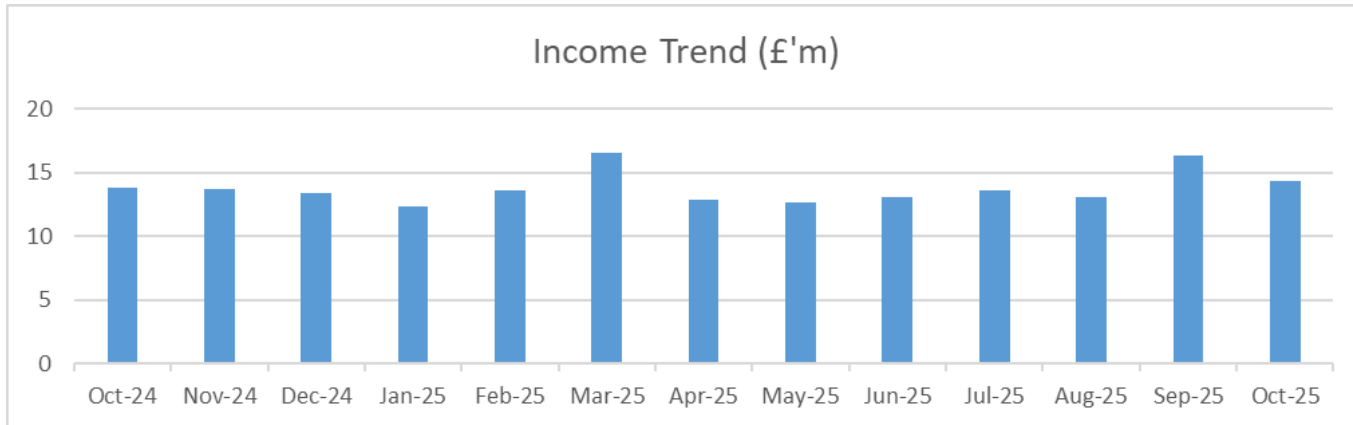
Income Trends



Income Group	Jul-25 £'m	Aug-25 £'m	Sep-25 £'m	Qtr2 Ave £'m	Oct-25 £'m
Welsh NHS Income	6.1	6.0	7.2	6.4	6.4
JCC Income	1.3	1.1	1.3	1.2	1.3
Primary Care Contractor Income	1.2	1.1	1.3	1.2	1.3
CHC Income	0.7	0.7	0.8	0.7	0.7
Other Income	4.3	4.1	5.8	4.7	4.7
Total Income	13.6	13.1	16.4	14.3	14.3

Key Points:

- The total Income in M7 of £14.3m is £2.1m lower than M6.
- The main movements are:
 - Welsh NHS Income - £0.8m decrease as a result of HEIW pay award increase in M6. This has returned it to prior months levels after adjusting for the pay award.
 - Other Income - £1.1m decrease, this returns M7 back to prior months levels after M6 movements due to the HEIW pay award income and WG RIF Capital for Healthy Homes, this is offset with a corresponding increase in other income to recognise the WG receipt as the HB act as a passthrough



Income Assumptions WG



	REVENUE RESOURCE LIMIT				Resource Limit £'m
	HCHS £'m	Pharmacy £'m	Dental £'m	GMS £'m	
Confirmed Welsh Government Allocations	1,346.8	31.2	26.5	89.4	1,493.8
Anticipated Allocations:					
Pay award funding 25/26	28.6				28.6
POW Roof	9.1				9.1
Capital	(9.9)				(9.9)
Outpatient National Programme	2.9				2.9
WG Funded Medical Trainees	1.9				1.9
Same Day Urgent Care	1.4				1.4
Planned Care Outpatient Support 25/26	1.4				1.4
Discovering a Digital Solution	1.0				1.0
RTT Waiting Times - Phase 5	1.0				1.0
Planned Care Plan Phase 4 Diagnostics	0.9				0.9
NWSSP Risk Pool Contribution Risk Share	(5.3)				(5.3)
Other	1.6				1.9
Total Allocations	1,381.3	31.2	26.5	89.4	1528.3

Key Points:

- As at M7 the confirmed Revenue Resource Limit (RRL) allocation was £1,493.8m.
- We are anticipating a further £34.5m of funding.
- The Risks & Opportunities table on page 19 indicates a number of risks in respect to anticipated allocations yet to be confirmed.



Income Assumptions - NHS



	Contracted Income	Non Contracted Income	Total Income
	£'m	£'m	£'m
Swansea Bay University	24.5	(4.1)	20.5
Aneurin Bevan University	17.8	1.5	19.3
Betsi Cadwaladr University	0.0	0.4	0.4
Cardiff & Vale University	18.4	(1.2)	17.2
Cwm Taf Morgannwg University	0.0	0.0	0.0
Hywel Dda University	0.5	0.4	0.9
Powys	5.1	2.9	8.1
Public Health Wales	1.2	3.7	4.9
Velindre	0.0	9.3	9.3
DHCW	1.8	0.2	2.0
Wales Ambulance Services	0.0	0.1	0.1
JCC	13.7	(0.1)	13.6
HEIW	0.0	19.1	19.1
NHS Wales Executive	0.0	0.0	0.0
Total	83.0	32.1	115.2

Key Points :

- Income assumptions have been agreed with the corresponding organisations.
- All LTAs have been agreed with both commissioners and providers.

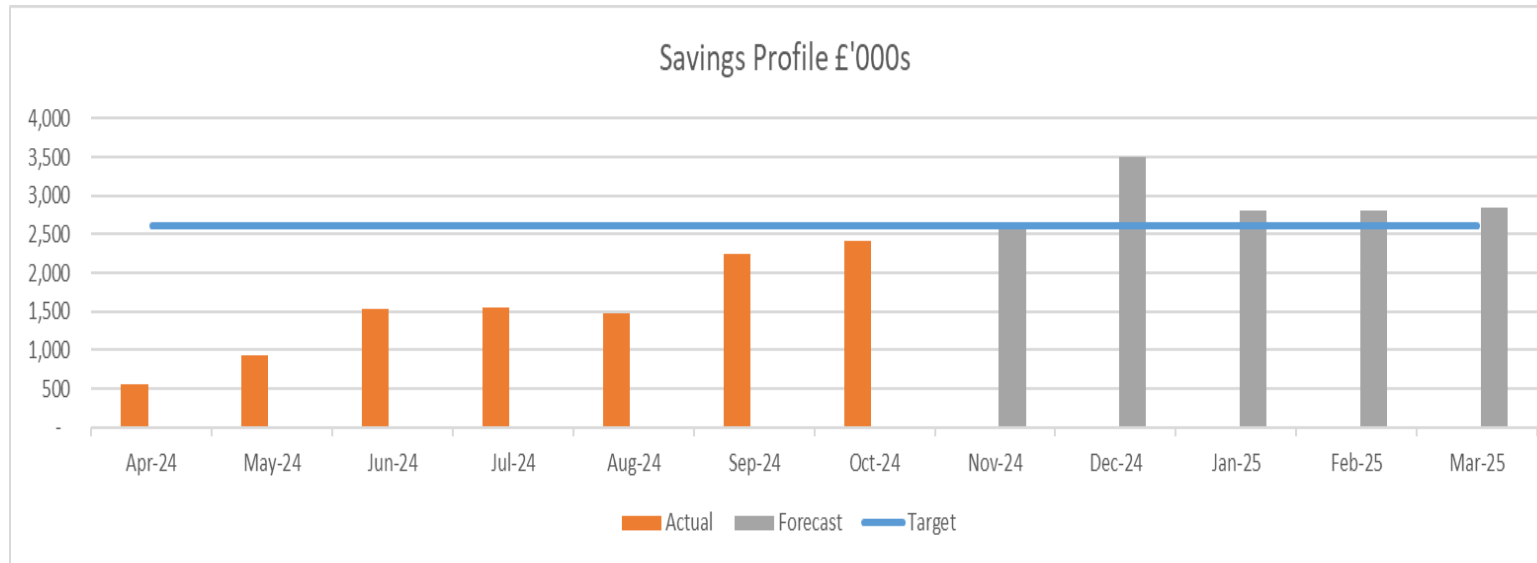




Savings

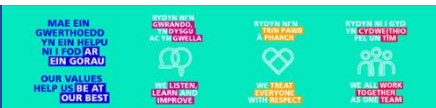


	Month 7			Month 6		
	YTD	24/25	Rec	YTD	24/25	Rec
	£m	£m	£m	£m	£m	£m
Savings target as at M7	18.3	31.3	31.3	15.7	31.3	31.3
Actual and Forecast Savings	(10.8)	(25.3)	(29.2)	(8.4)	(23.9)	(27.7)
Total	7.5	6.0	2.1	7.3	7.4	3.6



Key Points:

- The M7 YTD savings is reporting £10.8m of identified savings, which is £7.5m below the YTD target of £18.3m.
- The forecast In year savings of £25.3m is £6.0m below the £31.3m target.
- The M7 forecast Recurrent savings of £29.2m is £2.1m below the £31.3m target.
- It is crucial that the level of savings achievement increases significantly if the Health Board is to meet its forecast both in year and recurrently.



Risks & Opportunities



	M7 £m	M6 £m	Comment
Funding risks:			
Risk of the 2025/26 pay award not being fully funded – WG funding principles risk	1.5	1.5	Further clarification needed on funding assumptions for 25/26.
Risk of POW Critical Incident –	0.0	0.0	Verbal confirmation received of intention to support.
Other risks:			
Delivery Risk on Identified Savings Plans	0.1	0.2	
Delivery Risk on Mitigating Actions yet to be identified	0.9	2.5	
Delegated Risk Assessments – High Risk	2.9	1.8	Revised assessment
Delegated Risk Assessments – Medium Risk	0.6	0.7	Revised assessment
WRP Forecast Risk Share	6.1	6.1	NWSSP estimate @ M6
WRP Forecast Additional Risk Share	1.7	1.7	NWSSP estimate @ M6
NWJCC Risks not included in Forecast	0.9	0.9	NWJCC risks @M7
National Pay & Employment disputes	Tbc	Tbc	
Further industrial action in 25/26.	Tbc	Tbc	
Total Risks	14.7	15.4	
Opportunities			
Balance sheet opportunities in 25/26	Tbc	Tbc	
Further VAT opportunities in 25/26	Tbc	Tbc	
Primary Care Prescribing Growth lower than plan	Tbc	Tbc	Only 3 months data received, awaiting Q2 data.
Internal NICE costs lower than plan	Tbc	Tbc	
Further IMTP Planning slippage	Tbc	Tbc	To be reviewed
JCC Opportunities	(0.4)	(0.4)	NWJCC opportunities @M6
Total Opportunities	(0.4)	(0.4)	
Net Risk	14.3	15.0	

Key Points:

- As at M7 we have material risks to the forecast, amounting to £14.3m.
- Of these risks £1.5m relate to anticipated allocation risks where WG are yet to confirm the funding for 2025/26.
- There is a small number of potential opportunities that can help mitigate the identified risks by £0.4m.





Risks & Opportunities



• **Key Points:**

- The Confirmed 2024/25 pay award funding estimate from WG of £48.5m is £1.6m less than planned. This shortfall in funding may also apply to the 2025/26 pay settlement funding anticipated to be £28.6m, therefore a risk of £1.5m has been incorporated into the risk table to reflect this until the actual funding allocation has been confirmed
- Following a positive discussion regarding our correspondence detailing the impact of the POW critical incident, the risk of the anticipated allocation was removed for M5 on the basis that costs incurred will be supported. Written confirmation in response to the POW Critical Incident support funding has not yet been received from WG. It is important to recognise that the forecast position relies upon a full allocation of £9.1m to be released by WG, confirmation of this allocation is critical to maintaining our breakeven forecast.
- NWSSP Welsh Risk Pool Contributions – NWSSP shared a September forecast report for the Welsh Risk Pool which highlighted that additional funding will be required for 2025/26 to support the level of settlements incurred to date and forecast to occur before year end. This report indicates a forecast shortfall of £42m for the Risk Pool with a further risk of £11.4m. Using the latest risk shares, the impact of this shortfall for CTM would be £6.1m with a further risk of £1.7m.

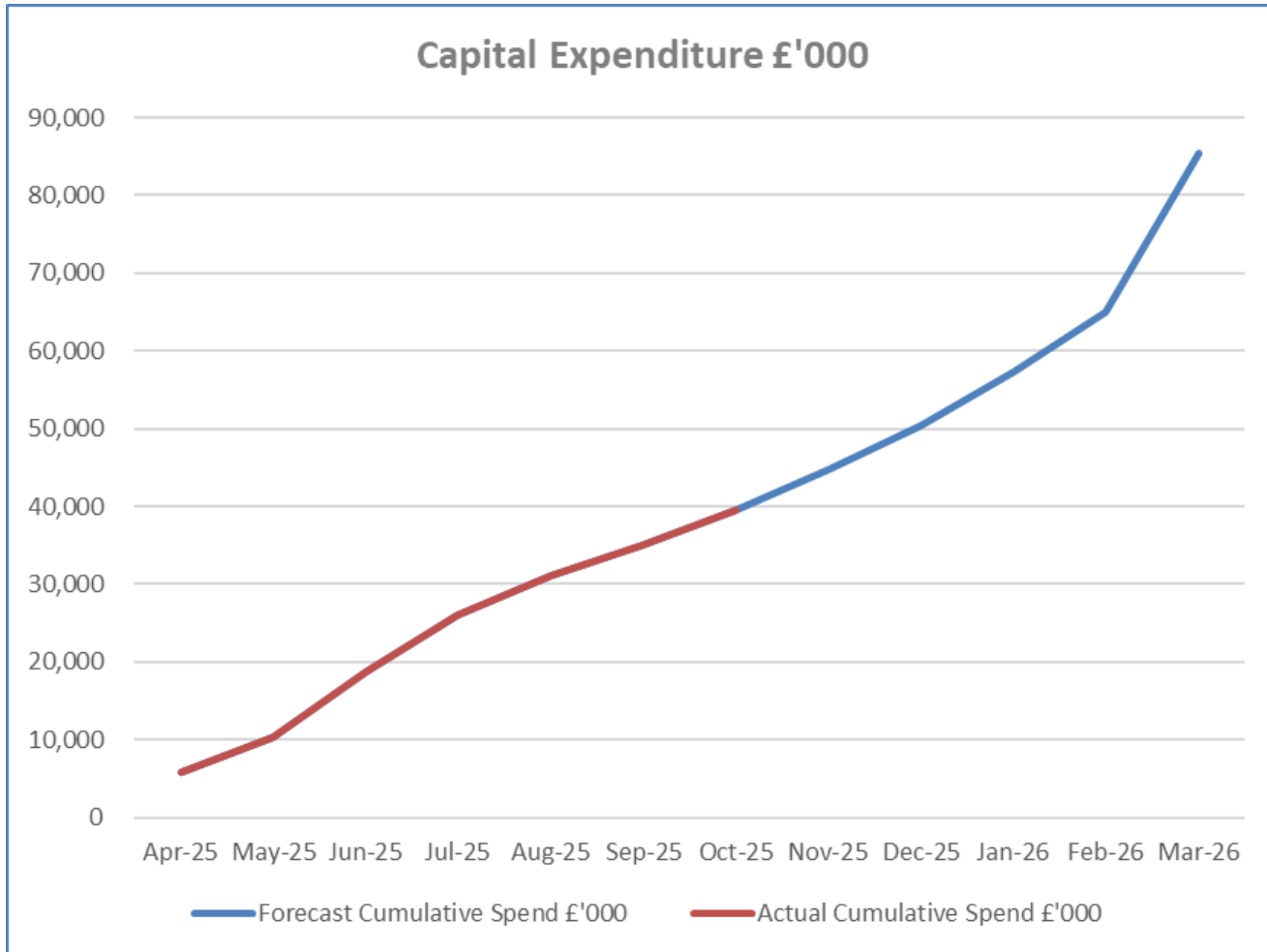
Further updates from NWSSP have highlighted that the forecast impact remains volatile with a final forecast due to be presented in December. At M7, this position continues to be reported as a risk and has not been reflected in our forecast pending the December forecast and subsequent allocation adjustment from WG. It is important to note that if this position does not improve there is unlikely to be sufficient mitigating opportunities to maintain a breakeven position.

- National Pay & Employment Disputes - There are a number of national pay disputes being nationally led by NHS Wales Employers which include:
 - Band 2/3 health care support workers framework
 - GP Out of Hours contract and employment status
 High level assessments indicate that these disputes could result in a significant financial impact in 2025/26.
- Further to recent discussions on Band 2/3 framework it is assumed that if a provision is required for 2025/26, WG will provide sufficient non recurrent allocations to neutralise the provision and hence will not adversely affect our current year forecast.





Capital Expenditure



Key Points:

- The latest Capital Resource Limit (CRL) for 2025-26 of £84.8m was issued on the 7th November 2025
- Expenditure to M7 was £39.6m.
- The outturn capital position is balanced against the CRL target.





Statement of Financial Position



Balance Sheet	Closing Balance as at M06 £'000	Closing Balance as at M07 £'000	F/Cast Closing Balance as at M12 £'000
Non Current Assets			
Property, Plant & Equipment	701,205	704,915	704,915
Intangible Assets	2,010	2,010	2,010
Trade and Other Receivables	94,247	94,247	94,247
Total Non-Current Assets	797,462	801,172	801,172
Current Assets			
Inventories	7,525	4,111	7,300
Trade and Other Receivables	122,935	134,436	109,436
Cash and Cash Equivalents	14,278	1,964	(9,991)
Non Current Assets Classified as Held for Sale	0	0	0
Total Current Assets	144,738	140,511	106,745
Current Liabilities			
Trade and Other Payables	190,924	190,924	190,924
Provisions	44,210	44,210	44,210
Total Current Liabilities	235,134	235,134	235,134
Non-Current Liabilities			
Trade and Other Payables	19,546	6,377	10,500
Provisions	92,378	97,821	97,821
Total Non-Current Liabilities	111,924	104,198	108,323
TOTAL ASSETS EMPLOYED	595,142	602,351	564,462
Financed By:			
General Fund	494,301	501,510	463,621
Revaluation Reserve	100,841	100,841	100,841
TOTAL	595,142	602,351	564,462

Key Points :

The main changes in the balance sheet figures from M5 to M6 include the following::

- Provisions have increased by £5.4m since M6, this is due to an increase in the level of provision required for clinical negligence cases, for which there is a corresponding increase in the debtor due from the Welsh Risk Pool.
- Trade and Other Receivables have increased by £11.5m. £7.4m is due to the increase in the debtor for clinical negligence cases from the Welsh Risk Pool as detailed above. The remaining increase of £4.8m is due to a debtor for the nursing home pooled fund. We anticipate a reduction in the trade receivables balance in future months as we receive reimbursement of claims paid from WRP.
- Creditors have decreased by £13.2m from M6, £9.2m of this decrease is due to a decrease in the pharmacy accrual and £5.2m of the decrease is due to a reduction in Non-NHS accruals.





Cash Flow Forecast



Cashflow	Actual / Forecast												
	Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000	Total £'000
Receipts													
WG Revenue Funding	125,821	129,267	109,434	135,697	144,727	136,034	134,274	113,600	126,118	123,900	124,900	110,985	1,514,757
WG Capital Funding	11,000	5,000	4,700	5,100	6,600	6,400	6,100	5,300	2,600	6,500	6,700	21,468	87,468
Sale of Assets	0	0	0	0	11	0	8	0	0	0	0	0	19
Welsh NHS Org'ns	11,825	12,178	12,971	9,690	10,199	10,124	14,105	12,000	27,000	13,000	12,000	13,000	158,092
Other	5,152	8,326	2,908	2,147	4,511	2,306	6,299	6,000	6,000	6,000	6,000	6,000	61,649
Total Receipts	153,798	154,771	130,013	152,634	166,048	154,864	160,786	136,900	161,718	149,400	149,600	151,453	1,821,985
Payments													
Primary Care Services	20,053	30,973	11,632	18,986	19,660	21,566	29,677	8,837	32,402	20,735	20,303	10,224	245,048
Salaries and Wages	55,847	62,858	62,476	63,219	67,868	68,374	65,703	66,000	66,000	66,000	66,000	66,000	776,345
Non Pay Expenditure	66,690	54,927	52,665	60,239	69,891	51,318	75,281	57,000	57,000	57,000	57,000	67,299	726,310
Capital Payments	8,289	8,474	6,383	6,282	8,087	6,320	2,437	5,232	5,248	6,463	6,775	19,508	89,498
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments	150,879	157,232	133,156	148,726	165,506	147,578	173,098	137,069	160,650	150,198	150,078	163,032	1,837,202
Net Cash In/Out	2,919	(2,461)	(3,143)	3,908	542	7,286	(12,312)	(169)	1,068	(798)	(478)	(11,578)	
Balance B/F	5,225	8,144	5,683	2,540	6,448	6,990	14,276	1,964	1,795	2,863	2,065	1,587	
Balance C/F	8,144	5,683	2,540	6,448	6,990	14,276	1,964	1,795	2,863	2,065	1,587	(9,991)	

Key Points within the Cash Flow Forecast :

- Cash has decreased by £12.3m from M6 as planned, the aim is for the cash balance to be below £6m at month end. The month end balance was £2.0m.
- At year end we are projecting a cash deficit of £10m for which there will be a requirement of working balances cash, which we will put in a request in line with guidance from WG.

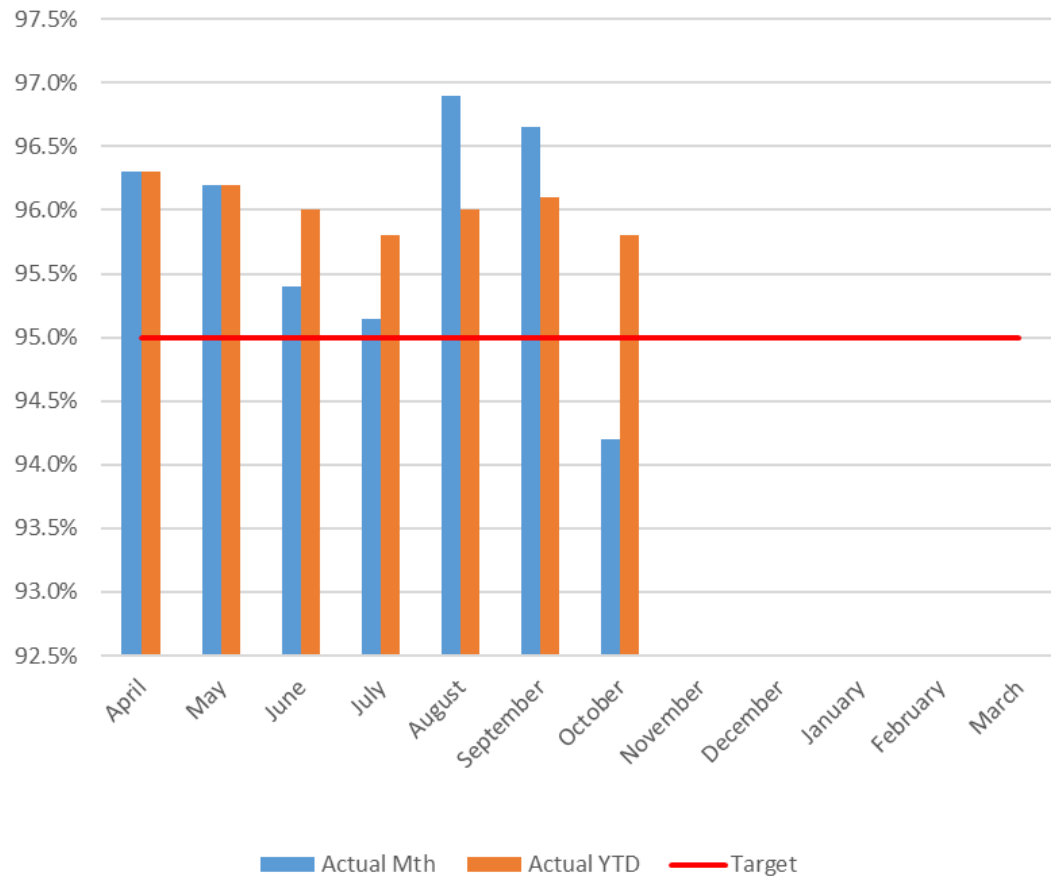




Public Sector Payment Policy



30 Day Public Sector Payment Policy



Key Points:

- The percentage for the number of non-NHS invoices paid within the 30 day target in October was 94.2%.
- The cumulative percentage year to date is 95.8%, which is above the target of 95%. We anticipate this will be achieved by the end of the financial year.

