

## **ANEURIN BEVAN UNIVERSITY HEALTH BOARD**

### **MONITORING RETURN FOR MONTH 1 2026/27**

#### **Finance Commentary for the Period Ended 30<sup>th</sup> April 2026**

##### **Introduction**

This narrative will provide commentary relating to the financial monitoring returns being submitted to the Welsh Government (WG) by the Aneurin Bevan University Health Board (ABUHB) for the period to 30<sup>th</sup> April 2026 (Month 1, 2026/27). This commentary will provide an overview of the financial position and performance of the Health Board as at month 1 of the 2026/27 financial year. It will also provide a detailed narrative, where required, on each of the tables within the accompanying returns, in the format prescribed by WG.

Following a robust and detailed review, the Health Board submitted an Annual Plan on the 31<sup>st</sup> March with a 26/27 forecast deficit of £43.7m. The plan sets out how this will impact the Health Boards performance against Ministerial targets. The Health Board acknowledges the challenge this puts on the Welsh Government central budget, and the requirement to de-risk and reduce this forecast.

As at 30<sup>th</sup> April 2026, the year to date budget performance at month 1 is a deficit position of **£4.743m**, with an annual forecast deficit of **£43.7m** as per plan.

The forecast includes a number of significant risks that will need to be managed by the Health Board.

##### **Key messages for Month 01**

The year to date deficit of £4.743m is £3.2m greater than the plan MDS submitted on the 31<sup>st</sup> March (which was predominantly presented as even for the year as requested). This is the result of refinement in the profiling of the spend and savings in year.

- MDS £1.5m
- Plus reprofile financial planning assumptions for savings delivery £2.6m
- Reprofiled Digital Income £0.5m
- YTD actual £4.7m

The monthly profiles have been updated to reflect a more accurate spend plan, and the Health Board will report against this refined profile going forward. Profile will be reviewed monthly, movement in profile at month 1 is explained in the table below:

Reprofiling from MDS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	PLAN YEAR- END POSITION 2026/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
MDS Variance	- 1.54	- 1.94	- 2.55	- 1.83	- 1.66	- 1.41	- 1.35	- 1.09	- 0.95	- 1.52	- 1.83	- 26.03	- 43.70
Month 1 profile variance	- 4.74	- 4.34	- 5.05	- 4.29	- 4.15	- 3.89	1.14	1.40	1.54	1.38	1.03	- 23.72	- 43.70
<b>Movement</b>	<b>- 3.20</b>	<b>- 2.40</b>	<b>- 2.50</b>	<b>- 2.46</b>	<b>- 2.49</b>	<b>- 2.48</b>	<b>2.48</b>	<b>2.48</b>	<b>2.48</b>	<b>2.90</b>	<b>2.87</b>	<b>2.32</b>	<b>-</b>
Savings reprofile	- 2.52	- 2.40	- 2.50	- 2.46	- 2.49	- 2.48	2.48	2.48	2.48	2.90	2.87	1.63	-
Reprofile Digital Income	- 0.50	-	-	-	-	-	-	-	-	-	-	0.50	-
Reprofile Expenditure	- 0.18	-	-	-	-	-	-	-	-	-	-	0.18	-
<b>Total Movement</b>	<b>- 3.20</b>	<b>- 2.40</b>	<b>- 2.50</b>	<b>- 2.46</b>	<b>- 2.49</b>	<b>- 2.48</b>	<b>2.48</b>	<b>2.48</b>	<b>2.48</b>	<b>2.90</b>	<b>2.87</b>	<b>2.32</b>	<b>-</b>

The forecast position assumes full Welsh Government funding for all pay awards and associated pay uplifts in 2026/27, consistent with previous funding arrangements, along with receipt of all anticipated income included in the plan. An estimate has been included for A4C wage award of £26.6m but the Medical and Dental wage award recently announced is currently not reflected in the position (spend or income). This will be modelled in the coming month. **The impact of the new resident doctors contract is also excluded from this position.**

At this stage the WRP remains profiled into month 12 as a cost pressure. Following queries on the Annual Plan submission confirmation has been sought from the NHS DoF regarding the WRP value to be included, this is related to the risks previously quoted associated with the value. Once confirmed the health Board will be able to anticipate the allocation adjustment and profile accordingly.

### **Actual YTD and Forecast Under / Overspend (Tables A, A1, A2, B, B1, B2 & B3)**

#### **Movement (Table A)**

The Board developed a plan for 2026/27 that was ambitious and focused on delivery (as reinforced by Welsh Government) and is forecasting a deficit of £43.7m in 2026/27. The plan assumed elements of specific additional funding related to national digital initiatives, wage awards, and with an ambitious level of savings and delivery of opportunities at £45m.

The Annual Plan is shown in the table below:

ABUHB 2026/27	Forecast £m
Starting Deficit	18.3
UL Adjustments	19.9
<b>OPENING UL DEFICIT</b>	<b>38.2</b>
Savings plans & opportunities (2+%)	- 44.9
<b>TOTAL SAVINGS</b>	<b>- 44.9</b>
<b>FUNDING UPLIFT (&amp;DPIF)</b>	<b>- 24.7</b>
Demand & Inflation	37.6
National Pressures	4.4
Local Quality Priorities	1.2
Performance Delivery	4.1
Winter/ONP	3.0
<b>TOTAL COSTS</b>	<b>50.2</b>
<b>FORECAST DEFICIT (BEFORE WRP)</b>	<b>18.7</b>
Welsh Risk Pool (WRP)	25.0
<b>Forecast DEFICIT 26/27</b>	<b>43.7</b>

The Health Board will give significant priority to de-risking and improving the financial position. Financial governance arrangements, staff awareness, training and tools have been developed to help improve financial decision making across the Health Board, including refreshing the Chief Executive led ABUHB Value & Sustainability Board with Executive Leads for each workstream area. This will be in conjunction with the Performance Management Framework triangulated with budgetary delegation responsibilities to improve assurance and provide an escalation route for performance variation.

The Health Board's aim for 2026/27 is to deliver the forecast plan and wherever possible an improved revenue position.

#### **In Year Recurring Analysis (Underlying Movement) (Table A1)**

The underlying position c/f into 2026/27 remains at £38.2m, this is summarised by themes in the table below.

Underlying position timeline	Planned 25/26 Opening ULD	25/26 In Year cost pressure Recurrent	25/26 Closing ULD
Workforce	-	13.40	13.40
Nursing pressures - due to nurse staffing act, additional capacity resulting from DTOCs, Acuity	2.00		2.00
CHC	2.60	2.50	5.10
Medicines management (prescribing and acute drug costs)	4.80	2.80	7.60
Joint Commissioning Committee (WHSSC / EASC - service growth in excess of funded levels)	5.00		5.00
Digital - Unavoidable business continuity systems	-	5.10	5.10
<b>Total</b>	<b>14.40</b>	<b>23.80</b>	<b>38.20</b>

There is no change to report in this table for month 1. Recurrent savings are expected to improve this position as the year progresses as reflected in the IMTP.

## Risks (Table A2)

Identified in the Annual Plan:

- **Resident Doctors – as a result of the contract reform change in pay – this is emerging as a real cost pressure with final impact tbc.**
- Managed Practices – the risk that the current managed practices will continue under Health Board control or require sustainability payments
- Full receipt of DPIF funding – this funding was assumed at risk
- JCC developments >1.11% uplift, expected to be managed through JCC savings plans – the Health Board only built into the plan the 1.11% uplift for JCC, any developments will be a cost pressure
- Change in Utilities pricing – this was from an email from NWSSP
- Full achievement of savings plans and identification and delivery of opportunities

Other risks not listed in the table due to lack of financial values include:

- Inflation
- Operational pressures
- Full receipt of all wage award pay and terms & conditions funding

## Monthly Positions (Table B) & SOCNE Movement (B1)

The year to date position is a deficit of £4.743m with a full-year deficit position reported at month 1 of **£43.7m**; this is presented on the face of **Table B – Monthly Positions**.

Total provider services pay expenditure for the Health Board in month 1 amounted to £75.9m, this is greater than the MDS due to the A4C wage award and the reprofiling of financial planning saving assumptions.

Total non-pay across the various SOCNE lines was broadly in line with the MDS, with subsequent reprofiling of financial planning saving assumptions where appropriate.

CHC, and Prescribing expenditure is substantially in line with the MDS.

Secondary Care - Drug expenditure is substantially in line with the MDS.

Small number of reserves are being held for specific areas of expenditure, these will be delegated following the usual internal processes but are committed to plan spend.

The depreciation figures included in Table C are currently based on the baseline DEL depreciation allocation and anticipated AME depreciation allocations required for existing donated assets and IFRS16 leases. The Health Board will work through the forecast indexation and approved 2026/27 capital programme impacts in May and will report the anticipated baseline shortfall / strategic support required in the month two monitoring return and June non-cash return.

Estimates for AME impairments/ reversals of impairments are not included in the month one position. The reversals of impairment funding required is dependent on the effect of indexation. Both will be confirmed in the month two monitoring return and June non-cash return. The anticipated allocations included at month one are detailed in the table below:

	<b>M1 Anticipated</b>
<b>Allocations</b>	<b>£000</b>
Owned Asset Baseline Depreciation Shortfall/ (Surplus)	TBC
Owned Asset Strategic depreciation Support	TBC
Owned Asset Accelerated Depreciation	TBC
Donated Asset Depreciation	330
IFRS16 Leases Depreciation	3,448
IFRS16 Peppercorn Depreciation	62
<b>Total Depreciation Funding</b>	<b>3,840</b>
Owned Asset Impairments	TBC
Owned Asset Reversals of Impairment	TBC
<b>Total Impairments Funding</b>	<b>TBC</b>
<b>Donated &amp; Granted Assets Credit</b>	<b>TBC</b>
<b>Total Allocations (excluding DEL Baseline)</b>	<b>3,840</b>

## **Expenditure Movements (Table B2)**

The table has been completed in line with the guidance.

Movements from plan in Month 1 primarily reflect additional expenditure associated with in-year funding allocations.

Within Primary Care Contractor, this includes:

- £0.192m relating to GMS list size growth
- £0.158m for Direct Delivery Vaccines

Within Pay, the variance of £29.8m is driven by:

- £29.236m relating to the 2026/27 Pay Award allocation
- £0.539m for NDIP funding

Within Non-Pay, the movement reflects:

- £1.657m anticipated allocation for the ESR system

These variances are aligned with corresponding in-year allocations.

Categorisation of spend between categories has been reviewed and refined.

Any minor validation discrepancies are due to minor roundings.

## **Pay & Agency (Table B3)**

This table has been completed in line with the guidance.

## **Savings Schemes (Tables C, C1, C2, C3 & C4)**

The 2026/27 plan submitted by the Health Board to Welsh Government (March 2026), identified £45m savings and opportunities to support the forecast position for 2026/27. The savings schemes were shown as three categories:

- Identified savings schemes - £13.3m
- Identified Health Board level savings opportunities with work to be undertaken to attribute to specific Divisional schemes - £14.6m
- Pipeline opportunities not yet identified - £17m

At this stage schemes that are yet to be identified have been apportioned between pay and non-pay for the purposes of MMR reporting.

**At month 01, the full year savings achievement delivery is planned to achieve £45m.**

Savings delivery has been adjusted to meet expectations compared to the MDS which was in twelfths.

### **Welsh NHS Assumptions (Table D)**

This table has been completed in line with the guidance.

### **Revenue Resource Limit (Table E)**

Total allocations at month 1 for 2026/27 are £1,967.816m. This is made up of confirmed allocations of £1,936.628m and anticipated allocations of £31.187m.

Welsh Risk Pool increased contribution is currently being treated as a cost pressure rather than an allocation adjustment.

The Health Board would appreciate timely receipt of the anticipated allocations or any queries associated with them, as any discrepancies could impact the annual forecast deficit.

### **Statement of Financial Position (Table F)**

This table is not required until Month 3.

### **Cash Flow (Table G)**

This table is not required until Month 2.

The cash balance held at the end of April is £4.498m which is made up of £3.717m relating to revenue and £0.782m relating to Capital. The balance is within the advisory figure set by Welsh Government of £6m.

### **Public Sector Payment Compliance (Table H)**

This table is not required until Month 3.

### **Capital Schemes & Other Developments (Tables I, J & K)**

Table I & J have been completed in line with the latest Capital Resource Limit (CRL) issued on 29<sup>th</sup> April 2026.

The approved Capital Resource Limit (CRL) as at Month 1 totalled £30.903m including disposal proceeds totalling £0.001m. The forecast outturn at Month 1 is breakeven.

### **AWCP Schemes**

### **NHH Satellite Radiotherapy Centre – Main Scheme**

The NHH Satellite Radiotherapy unit opened to patients on the 30th June 2025. The final account for the building works is being agreed with the contractor. A slippage request of £0.324m has been approved to allow associated smaller works and expenditure against the arts budget to continue in 2026/27.

### **RGH Blocks 1 & 2 Demolition and Car Park**

Slippage of £0.258m into 2026/27 has been agreed against this allocation due to delays in obtaining planning and SAB approvals. Final approval is still awaited.

### **Ty Gwent**

Part of this spend will be incurred in May. The cost related to EV parking will be incurred once legal approval has been given to proceed.

### **Centralised Decontamination Unit**

The Centralised Decontamination Unit at RGH works completed in March and the commissioning of the unit commenced. Slippage of £0.221m into 2026/27 has been approved to manage costs associated with the commissioning period. The unit is currently anticipated to be opened in May.

### **Reinforced Aerated Autoclave Concrete Management, Nevill Hall Hospital**

A brokerage request totalling £0.413m was approved in relation to slippage on the Reinforced Aerated Autoclaved Concrete works at Nevill Hall. The slippage relates to works costs and fees which are continuing into 2026/27.

### **TEF National Programmes – Fire/ Infrastructure/ Decarbonisation/ Mental Health/ Infection Control/ Decontamination**

The Targeted Estates Funding (TEF) programme continues into 2026/27 with an approved allocation of £9.961m. Expenditure is expected to progress quickly in the new financial year as most procurements have concluded and orders have already been placed. The project team are currently reviewing where schemes are underspending to request reallocation of funds to other high priority estates schemes.

### **REFIT – Decarbonisation Programme**

The two-year REFIT Decarbonisation programme works are on-going. Contract completion is currently December 2026, however, the project team are working through potential delays to the solar installation workstream due to the delay in obtaining planning permission for the related Llanfrechfa Grange Carpark scheme.

### **IRCF - Monmouth Health and Wellbeing Centre and Dixton Surgery**

The allocation of £104k is slippage agreed from 2025/26. The project team are currently working to determine the next steps and most appropriate direction for the scheme.

### **IRCF - Aber Valley Health and Wellbeing Centre and Aber Practice Development**

The Outline Business Case (OBC) preparation is on-going. Surveys are ongoing and professional fee costs are continuing to be incurred. The 2026/27 allocation of £842k is made up of £418k slippage from 2025/26 and additional funding of £424k to complete the OBC.

### **Housing with Care Fund**

Slippage of £0.048m has been agreed against this scheme. The funding will be drawn as and when requests for equipment are received.

### **DPIF - Medicines and Prescribing: Electronic Prescribing and Medicines Administration (ePMA)**

Slippage of £0.702m has been agreed for this scheme. The orders for this element are expected to be complete by September. The Health Board is also awaiting confirmation of a further allocation for 2026/27 of £0.540m.

### **DPIF - RISP**

Slippage of £24k was agreed which relates to the go live support costs that will be expended in 2026/27. The go live date for the system is expected to be June 2026.

### **Backlog Maintenance 2024/25**

Slippage of £0.047m has been agreed against this allocation in relation to one lift and associated remedial works which will now complete in 2026/27.

### **End of Year Funding 2025-26**

This slippage allocation is now fully spent.

### **Digital End of Year Funding 2025-26**

WG agreement has been received to confirm a funding reallocation to reinstate the Transit Link scheme. Procurements will proceed urgently to ensure this allocation is spent in this financial year.

### **Commercial Research Delivery Equipment (VPAG)**

Slippage of £6k has been carried forward due to an underspend in 2025/26. The Health Board is awaiting confirmation on whether this funding needs to be returned.

### **RGH Gamma Camera Replacement (SPECT CT)**

Detailed design is being undertaken on this project, with the new machine expected to be delivered by December 2026. Spend of £2.646m is forecast against the allocation of £2.738m, with £0.092m being used to reimburse the Discretionary Programme for fee and asbestos removal expenditure incurred on the scheme last year.

### **Mental Health Quality & Safety Schemes**

A new allocation has been received this month in relation to the Phase 2 installation of anti-ligature bedroom doors across the Health Board. This scheme will be part funded via the Health Board's discretionary programme. The procurement is underway to complete the scheme within the current financial year with the AWCP allocation being expended first.

### **Discretionary Capital Programme**

The Health Board Discretionary Capital Programme (DCP) forecast for 2026/27 is £10.027m at Month 1 made up of:

- 2026/27 DCP Funding - £14.456m
- Less 30% TEF contribution - (£2.501m)
- Less 2025/26 AWCP scheme brokerage - (£2.021m)
- Plus reimbursement of fees re: RGH Gamma Camera Replacement - £0.092m
- Plus disposal proceeds 2026/27 - £0.001m

The Health Board agreed an opening DCP programme in January 2026 totalling £11.805m, which contained an unallocated contingency of £0.912m. The unallocated contingency at the end of Month 1 has decreased to £0.507m. The main reason for the decrease relates to the approval of new schemes totalling £0.396m including additional funding towards the St Cadoc's Duct scheme (£0.122m) for asbestos related costs, urgent estates schemes (£0.109m) and high priority equipment replacements (£0.165m).

### **Aged Welsh Debtors (Table L)**

At the end of April 2026, the Health Board had one invoice outstanding with other Welsh Health Bodies older than 10 weeks, totalling £21,156.

Cardiff & Vale University Health Board – one invoice totalling £21,156 which has since been paid.

### **General Medical Service (Table M)**

This table is not required until Month 3.

### **General Dental Services (Table N)**

This table is not required until Month 3.

### **Ringfenced (Table O)**

This table is not required until Month 3

### **IFRS16 & CAME - Dilapidations (Table P)**

This table is not required until Month 3

## Other Issues

### Healthcare Agreements and Major Contracts

As of 12<sup>th</sup> May 2026, ABUHB have final signed documents CTM and Hywel Dda. ABUHB CEO has signed all other HB's documents and have agreed them, counter signatures are expected in line with the timetable.

### Risk Management

In April 2026, the Health Board has received reimbursement of £0.817m from the Welsh Risk Pool in relation to Clinical Negligence or Personal Injury cases where the Health Board had originally made payment.

At the end of April 2026, the Health Board holds a debtor of £39.616m in relation to payments made, but not received reimbursement from the Welsh Risk Pool. Claims submitted to the Welsh Risk Pool awaiting reimbursement at the end of March 2026 total £12.891m.

	£m
<b>Brought Forward WRP Debtor 01.04.26</b>	41.046
Arising Debtors in 2025/26	-0.613
<b>Total Reserve Debtor</b>	40.433
<b>Payments Received from WRP in 2025/26</b>	-0.817
<b>Health Board Outstanding Debtor – 31.03.26</b>	39.616
Claims Submitted for Reimbursement to WRP	12.891
Remaining Claims yet to be Submitted	26.725

## Authorisation

Financial Performance is reported consistently in Board papers and external reporting, albeit in a more user-friendly format. The MMR Narrative and tables are placed on the intranet each month under key documents for transparency.

The dates for the Board meetings in 2026/27 are as follows: -

20 <sup>th</sup> May 2026	24 <sup>th</sup> June 2026	15 <sup>th</sup> July 2026
16 <sup>th</sup> September 2026	18 <sup>th</sup> November 2026	20 <sup>th</sup> January 2027
17 <sup>th</sup> March 2027		

The dates for the Finance and Performance Committee meetings in 2026/27 are as follows: -

10 <sup>th</sup> June 2026	22 <sup>nd</sup> September 2026	3 <sup>rd</sup> November 2026
26 <sup>th</sup> January 2027		

In accordance with the MMR guidance, the Health Board will endeavour to ensure that the MMR submission is agreed, and the narrative signed by two parties, by the Chief Executive and the Director of Finance. Where timescales and availability prevent this the Deputy Chief Executive will sign on behalf of the Chief Executive and the Deputy / Assistant Director of Finance will sign on behalf of the Director of Finance.



**Robert Holcombe**

Director of Finance, Procurement and Value  
Cyfarwyddwr cyllid a chaffael



**Nicola Prygodzicz**

Chief Executive  
Prif Weithredwr

Submitted with this report are:

- Monthly Monitoring return Tables at 30<sup>th</sup> April 2026
- All outstanding creditors we currently have identified with other Welsh Health bodies as of 12<sup>th</sup> May 2026.
- Response to the Month 12 list of creditors circulated on the 21<sup>st</sup> April.

**Attachments:**

Appendix 1 – Monitoring returns action point responses 26/27



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Appendix 2 – Monitoring returns action point responses closing down 25/26



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