



**PWYLLGOR CYLLID A PHERFFORMIAD
FINANCE AND PERFORMANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 October 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Balance Sheet Analysis
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Tim John, Head of Accounting and Statutory Reporting

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Er Sicrwydd/For Assurance

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u> The purpose of the report is to outline the Health Board's Balance Sheet position as at the end of Quarter 2 2025/26 (M6), to provide an explanation for any key movements and to provide assurance to the Committee that robust, routine and effective monitoring is in place. The report also outlines the monthly scrutiny of the Balance Sheet and any further developments.
<u>Cefndir / Background</u> The Health Board's Financial Accounts team, on behalf of the Director of Finance, and as part of a monthly review process and sign off, will ensure scrutiny and completeness of the Health Board's Balance Sheet.
<u>Asesiad / Assessment</u> <u>Quarter 3 2025-26 Balance Sheet Review</u> The Month 6 Balance Sheet, with explanation of key variances, is shown in Appendix 1 . The movement of £13m from the opening position can be summarised as follows:

	2025-26 Opening balance £m	30 Sep 2025 £m	Movement £m
Non-Current assets			
Fixed Assets	379	378	-1
Other non- current assets	60	69	9
	439	447	8
Current Assets			
Inventories	12	13	1
Trade and other Receivables	69	78	9
Cash	4	11	7
Total Assets	524	549	25
Liabilities			
Trade and other Payables	-169	-164	5
Provisions	-95	-112	-17
Total Liabilities	-264	-276	-12
Net Assets less Liabilities	260	273	13
Financed by:			
General Fund	199	209	10
Revaluation Reserve	61	64	3
Total Funding	260	273	13

Appendix 2 shows the Power BI platform for Balance Sheet analysis.

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to **NOTE** the Balance Sheet as at the end of Quarter 2 2025/26

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.2 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	2086. Current Risk Score = 20.
Parthau Ansawdd:	Not Applicable

Domains of Quality Quality and Engagement Act (sharepoint.com)	
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	1 Workforce Stabilisation 2 Financial recovery and route map 6 Clinical services plan
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on the Health Board's financial reporting system.
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included in the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team

Effaith: (rhaid cwblhau) Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable

Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	The Health Board has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
Enw Da: Reputational:	Adverse variance against the Health Board's financial plan will affect its reputation with Welsh Government, Audit Wales and with external stakeholders.
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

APPENDIX 1: Statement of Financial Position as of 30 September 2025

Statement of Financial Position as of 30 September 2025	Opening Balance 1 April 2025 £'000	Closing Balance 30 September 2025 £'000	Movement £'000
Non-Current Assets			
Property, plant and equipment (PP&E)	377,071	376,718	(353)
Intangible assets	1,952	1,589	(363)
Trade and other receivables	59,122	68,015	8,893
Other financial assets	826	826	0
Non-Current Assets sub total	438,971	447,148	8,177
Current Assets			0
Inventories	12,475	12,800	325
Trade and other receivables	68,508	78,245	9,737
Cash and cash equivalents	3,943	10,637	6,694
Other financial assets	148	148	0
TOTAL CURRENT ASSETS	85,074	101,830	16,756
TOTAL ASSETS	524,045	548,978	24,933
Current Liabilities	(162,040)	(158,689)	3,351*
Provisions	(33,839)	(39,647)	(5,808)^
NET CURRENT ASSETS / (LIABILITIES)	(110,805)	(96,506)	14,299
Non-Current Liabilities			
Trade and other Payables	(6,837)	(5,914)	923*
Provisions	(61,742)	(72,339)	(10,597)^
TOTAL ASSETS EMPLOYED	259,587	272,389	12,802

There has been an increase in the total for Non-Current Assets of £8.2m since the end of 2024/25. Trade and other receivables have increased by £8.9m. This is mainly due to the increase in the Welsh Risk Pool debtor.

There has been an increase of £16.7m in the total amount of Current Assets since the end of 2024/25, of which an increase of £9.7m relates to Trade and other receivables. Cash and cash equivalents accounted for £6.7m of the increase. This increase is mainly due to cash drawdown in anticipation of losses payments that are yet to be made.

*There has been a net decrease in Total Liabilities (excluding Provisions) of £4.3m since the end of 2024/25. This decrease relates to Trade and Other Payables – further details are provided below**

^Total provisions have increased by £16.4m since the end of 2024/25. The movement was mainly due to an increase in the provision for clinical negligence cases from the end of 2024/25. This is due to a increase in the provision across multiple cases.

FINANCED BY:			
Taxpayers' Equity			
General Fund	198,951	208,525	9,574
Revaluation Reserve	60,636	63,864	3,228
TOTAL TAXPAYERS' EQUITY	259,587	272,389	12,802

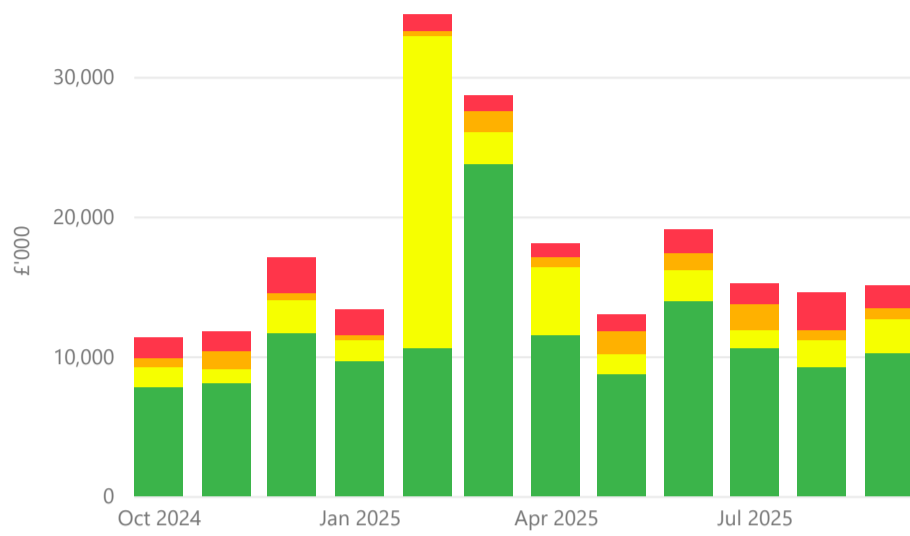
**Additional information in respect of the decrease in Trade and Other Payables:

The main movements in Trade and Other payables are as follows :

Trade Payables (£35.9m) decrease	(£28.7m) Timing of year end reversals (£9.2m) Timing of invoices processed through AP (£8.3m) Timing of Month 5 primary care contractor payments £11.7m Timing of CHC invoices
NHS Payables £29.4m increase	£9.8m English NHS/PCT £9.7m Health Commission Wales £6.6m Healthcare Contracting - Other £2.4m Velindre

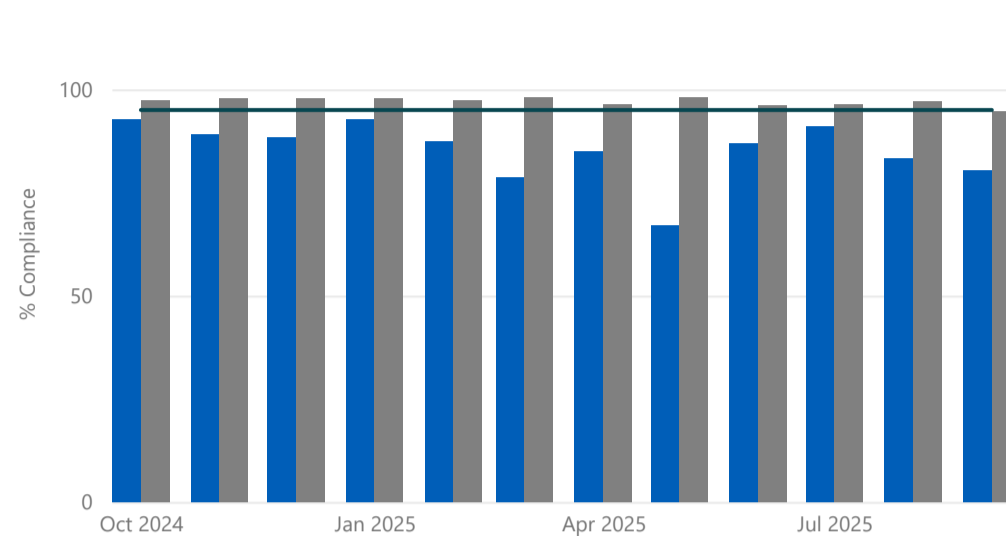
Aged Payables

Under 30 days 30-60 days 60-90 days Over 90 days



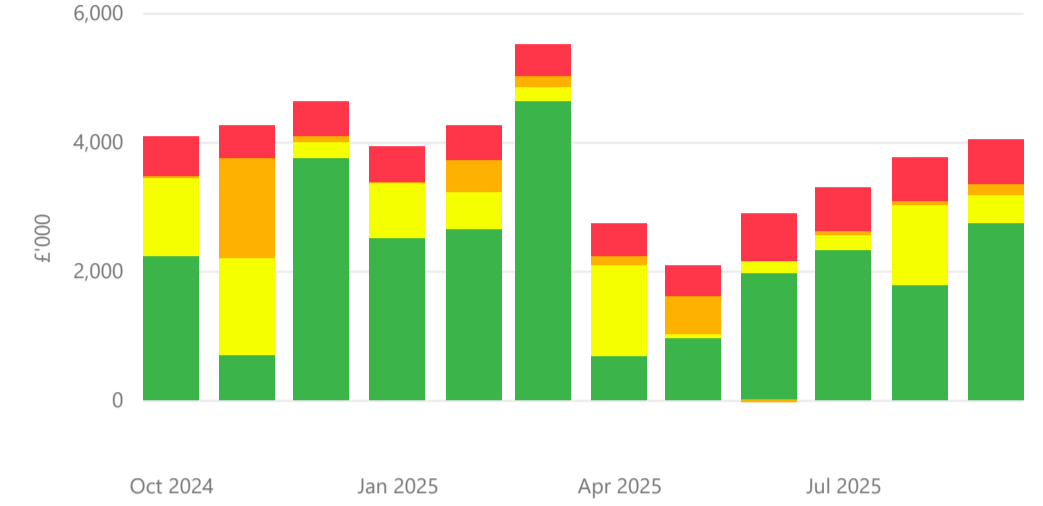
Public Sector Payment Policy (PSP)

NHS Non NHS 95% Target

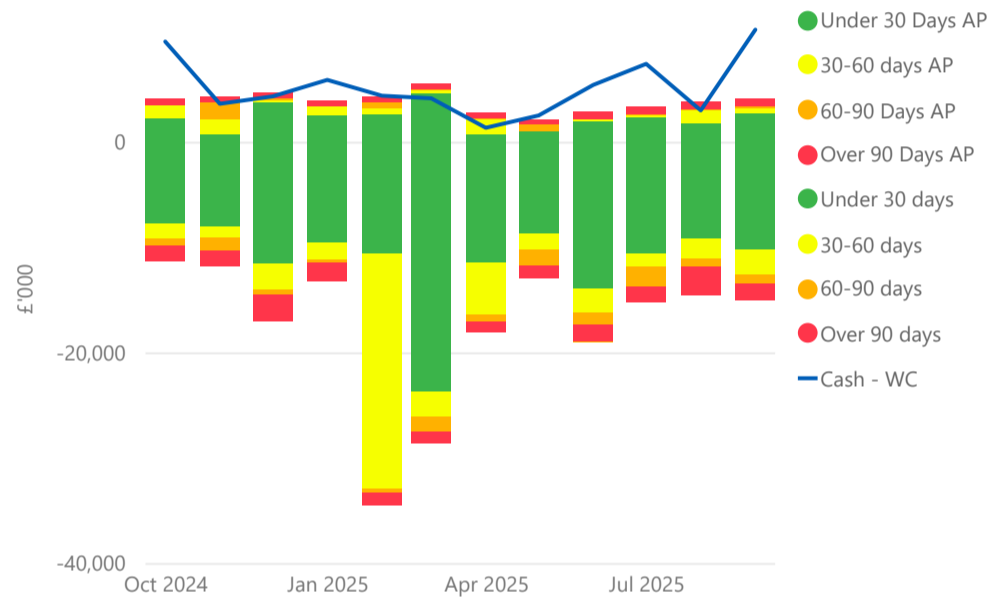


Aged Receivables

Under 30 days 30-60 days 60-90 days Over 90 days

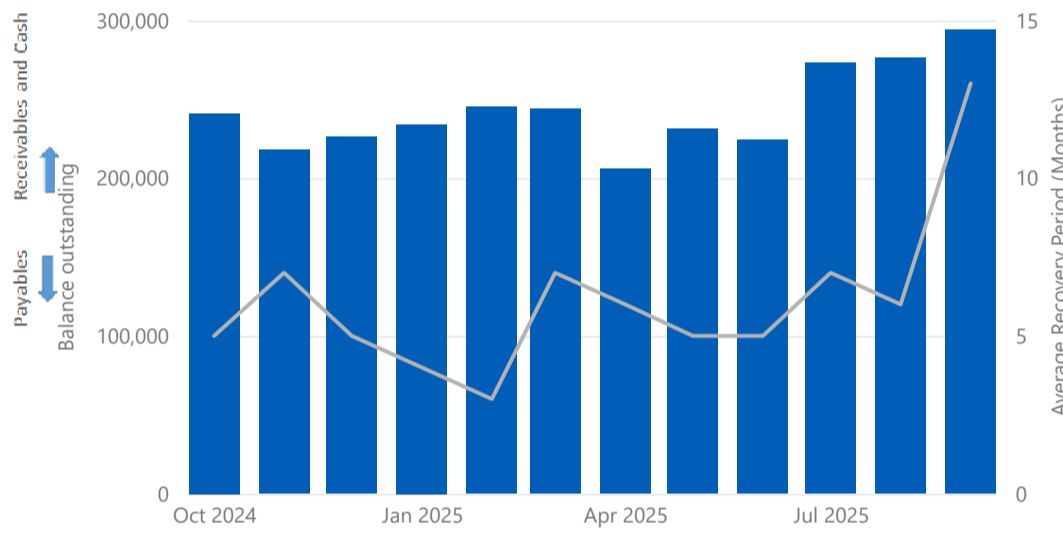


Working Capital



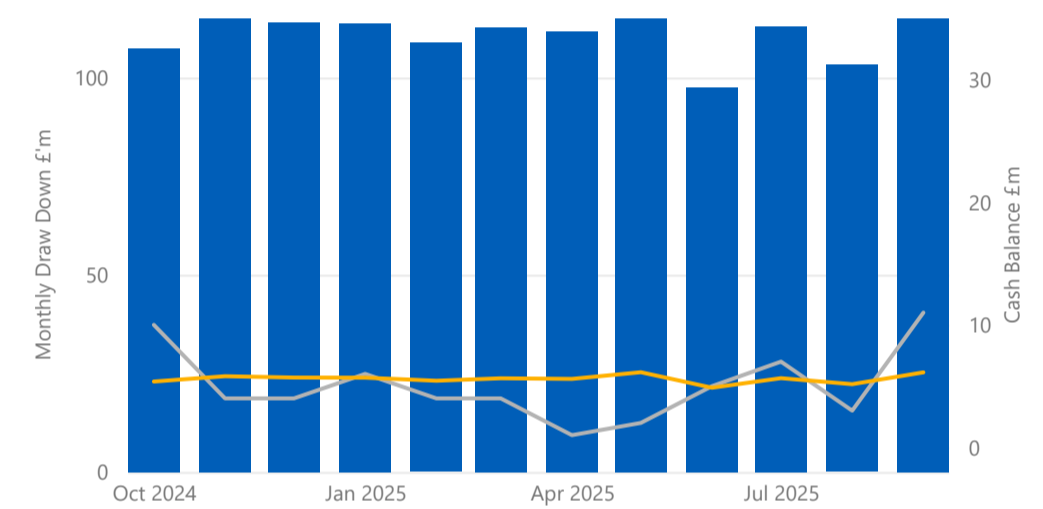
Overpayments of Salaries

Balance outstanding Average recovery period



Cash WG Allocation

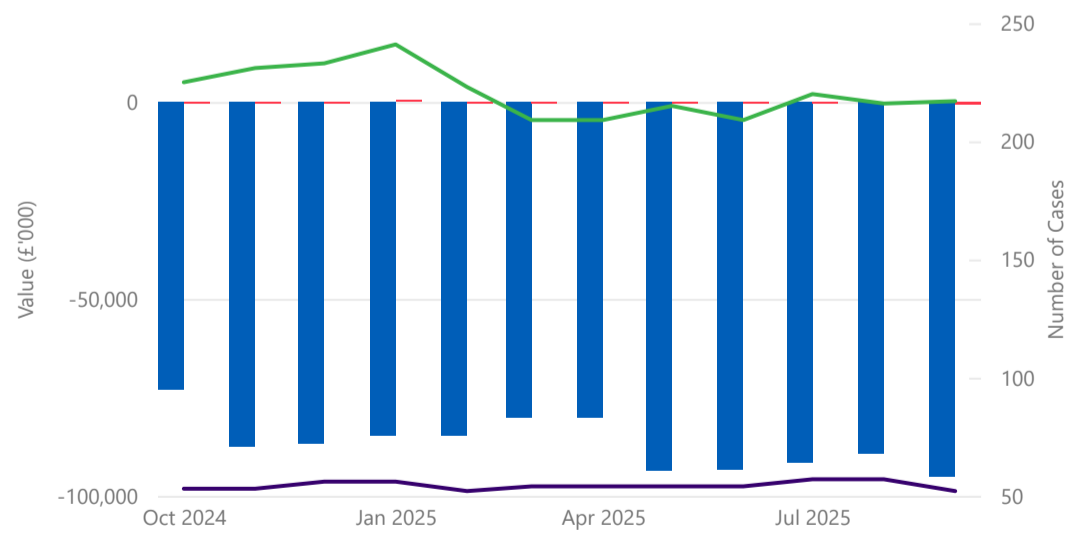
Drawdown Cash 5% of drawdown









Summarised	Opening Balance £'000	Month 6 £'000	Movement M6 £'000
Fixed assets	377,071	376,718	-353
Other non current assets	61,900	70,430	8,530
Total Non Current Assets	438,971	447,148	8,177
Cash	3,943	10,637	6,694
Inventories	12,475	12,800	325
Other financial assets	148	148	0
Trade and other receivables	68,508	78,245	9,737
Total Current Assets	85,074	101,830	16,756
Total Assets	524,045	548,978	24,933
Provisions	33,839	39,647	5,808
Trade and other payables	162,040	158,689	-3,351
Total Current Liabilities	195,879	198,336	2,457
Total Net Assets less Liabilities	328,166	350,642	22,476
Provisions	61,742	72,339	10,597
Trade and other payables	6,837	5,914	-923
Total Non-current liabilities	68,579	78,253	9,674
Total Assets Employed	259,587	272,389	12,802
General Fund	198,951	208,525	9,574
Revaluation reserve	60,636	63,864	3,228
Total Taxpayers' equity	259,587	272,389	12,802

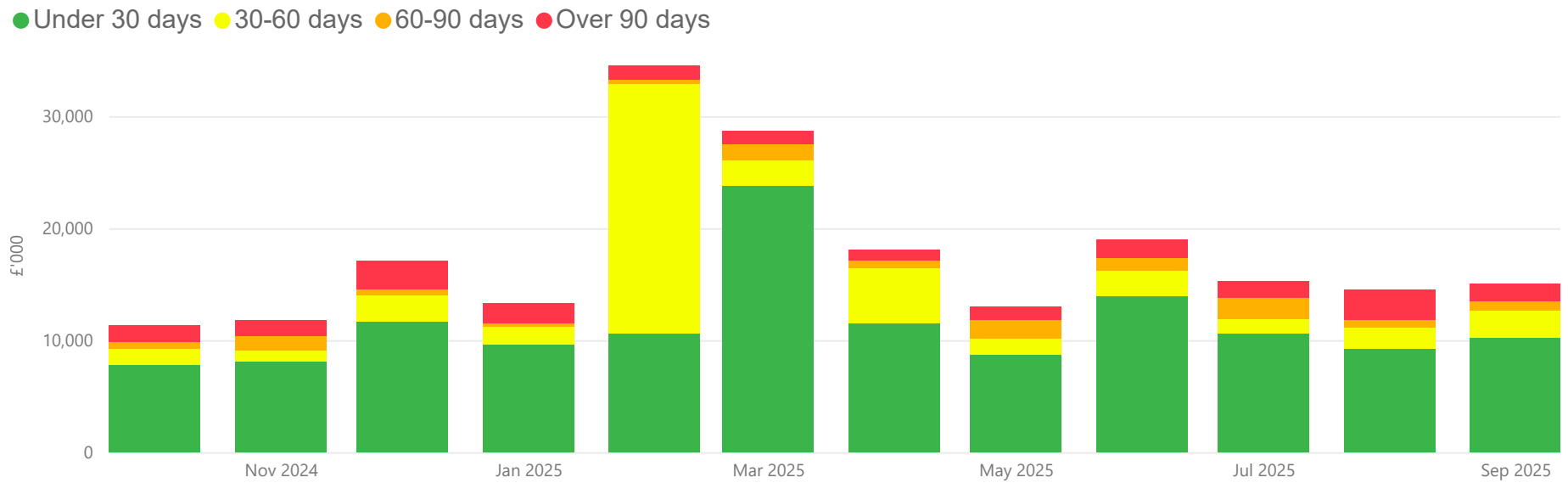
Medical Negligence & Personal Injury

MN Provision PI Provision PI Cases MN Cases



-  Aged Payables
-  Aged Receivables
-  PSPP
-  Cash
-  Working Capital
-  Medical Negligence

Aged Payables



As at the end of September there were £15.0m of unpaid supplier invoices in the Oracle financial ledger (£19.1m at the end of June). Of these, £4.8m were over 30 days old, representing 32% of the overall outstanding number of invoices (28.68% at the end of June).



Aged Payables



Aged Receivables



PSPP



Cash



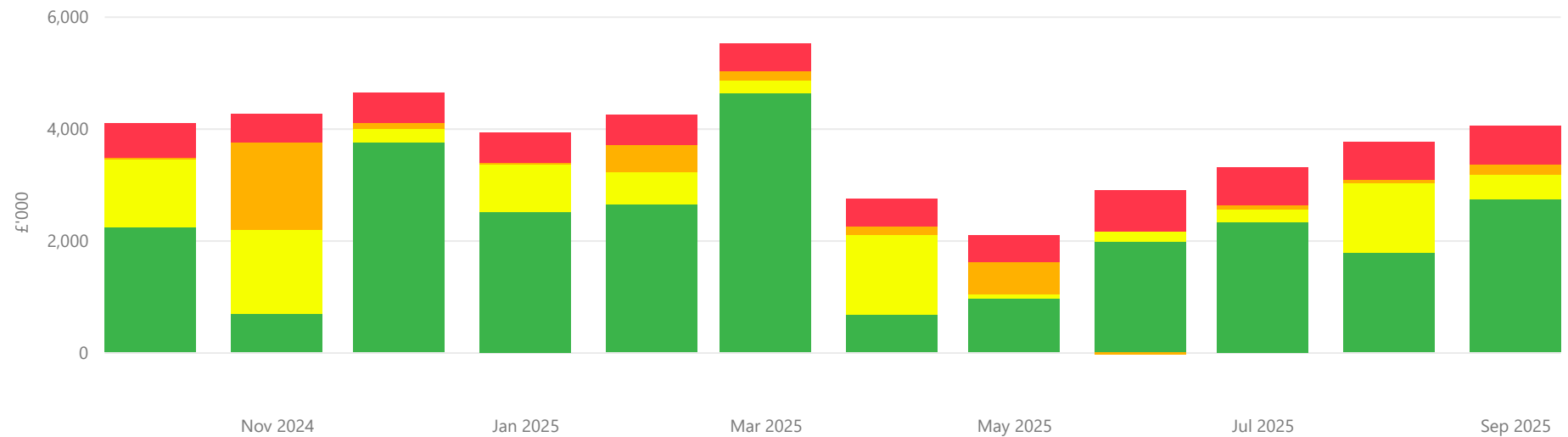
Working Capital



Medical Negligence

Aged Receivables

● Under 30 days ● 30-60 days ● 60-90 days ● Over 90 days



A sum of £108k is being repaid directly to the Health Board by instalment or salary deduction.

A sum of £243k is currently being managed on our behalf by our debt recovery agency, CCI.

As at the end of September there was £4.0m (£2.8m at the end of June) of debt owed to the Health Board, of this £2.7m, (68%) (corresponding September figure was £2.0m, 69%) was under 30 days old.



Aged Payables



Aged Receivables



PSPP



Cash



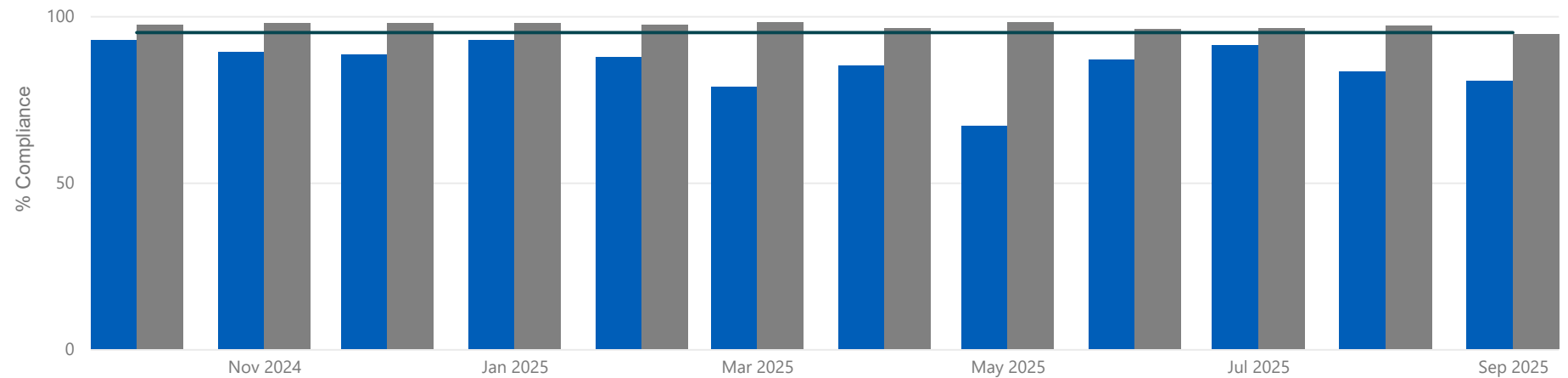
Working Capital



Medical Negligence

Public Sector Payment Policy (PSPP)

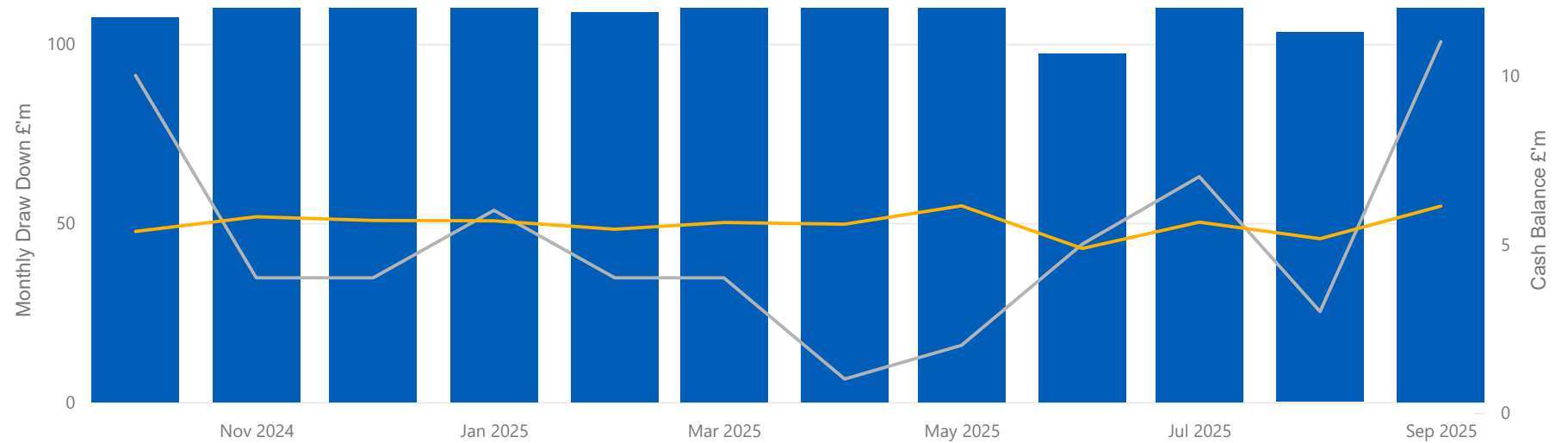
● NHS ● Non NHS ● 95% Target



The Health Board has achieved its PSPP target of paying 95% of its non-NHS invoices within 30 days on a cumulative basis to 30 September (96.4%). Compliance for Quarter 2 was 95.9% (96.8% for Q1).

Cash WG Allocation

● Drawdown ● Cash ● 5% of drawdown



The Health Board has a cash limit of £1,326.1m split between revenue £1,287.2m and capital £38.9m. The amount of cash drawn down in total up to the end of September is £670.6m. The closing balance as at 30th September was £10.6m



Aged Payables



Aged Receivables



PSPP









Cash

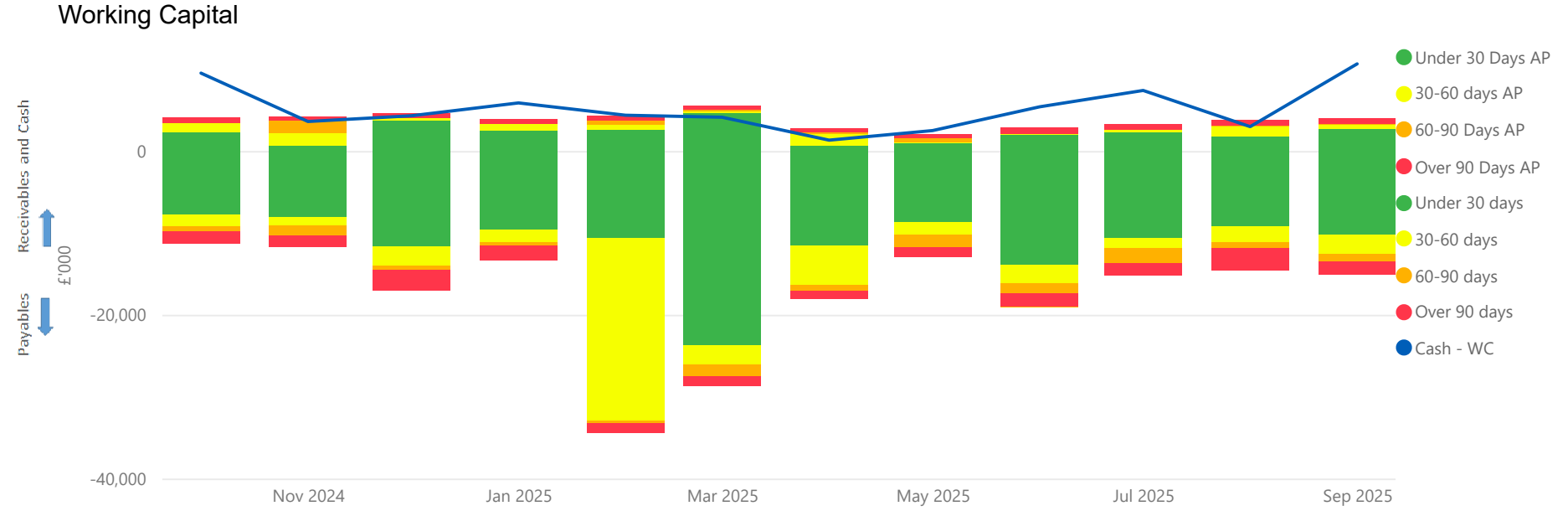


Working Capital



Medical Negligence

-  Aged Payables
-  Aged Receivables
-  PSPP
-  Cash
-  Working Capital
-  Medical Negligence



As at the end of September, the cash balance is £10.6m (£5.4m at the end of June). Balances owed to the Health Board at the end of September are £4.0m (£2.8m in June). It is imperative that this is collected promptly to reduce reliance on cash support from WG. Balances owed to suppliers at the end of December are £15.1m (£19.0m in June).



Aged Payables



Aged Receivables



PSPP



Cash



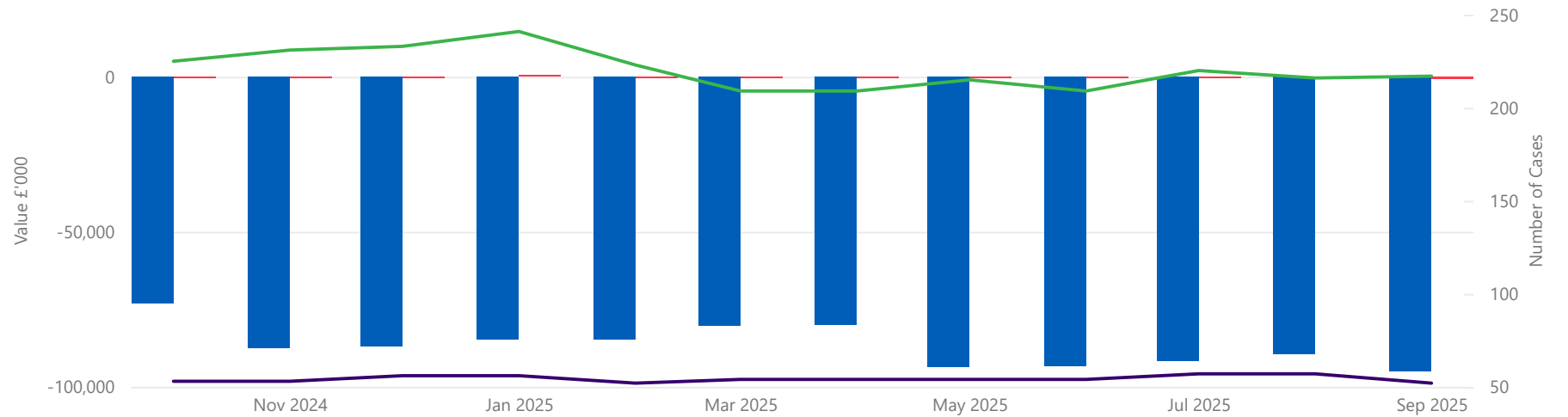
Working Capital



Medical Negligence

Medical Negligence & Personal Injury

● MN Provision ● PI Provision ● PI Cases ● MN Cases



The movement in the provision for medical negligence cases from the end of 2024/25 is £14.8m increase. This is due to an increase in the number of cases and increases in the provision across a number of cases.