

Dear Peredur,

**Date**

11/11/2025

**Scrutiny of the Welsh Government Draft Budget 2026-27:  
Inflationary pressures**

**For the attention of**

Peredur Owen Griffiths  
MS, Chair of the Finance  
Committee  
Senedd Cymru,  
Cardiff Bay,  
CF99 1SN

We're writing to the Senedd Finance Committee following your letter dated the 30 October requesting further information from the Welsh NHS Confederation around the impact of inflation on the cost of delivering NHS services in 2026-27.

Following engagement with our members, NHS leaders in Wales, we have been informed that at this stage of the financial year it is very difficult to specifically quantify the impact of inflation on the cost of delivering NHS services next year on an individual NHS organisation or at an all-Wales level.

Each Health Board will commence the financial planning process at different times, but the overall deadline for the submission is set by Welsh Government. Part of the financial planning process will be quantifying the impact of inflation on the cost of delivering NHS services into the new financial year. This assessment is then run through the internal governance processes of each Health Board and is then formally submitted as part of the wider Integrated Medium Term Plan (IMTP) for each NHS organisation at the end of March.

Within the finance community (Executive Directors of Finance/ Assistant Directors of Finance etc) they undertake a 'check and challenge review' of other Health Board's assumptions, through the sharing of key information regarding growth and inflation. This element of the process is normally undertaken during January, to allow time for all Health Boards and other NHS Wales organisations to undertake the initial work on assessing the financial impact for the next financial year (2026-27).

Until all organisations have completed this, it would be difficult to provide a robust assessment of the impact of inflation and growth on the cost of delivering NHS services in Wales in 2026-27.


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There is currently a high-level review being undertaken, but this is only to support discussions on the challenges ahead for NHS Wales and not a detailed assessment of all aspects of a Financial Plan.

Whilst NHS Wales will be assessing the impact of inflation/growth, this will be produced to meet the requirements of the IMTP as per the 2026-27 Planning Guidance and would not be available from all organisations at the moment.

I hope the information is useful for the Senedd Finance Committee and the work that you are undertaking in scrutinising the Welsh Government Draft Budget 2026-27.

Yours sincerely,



Nesta Lloyd – Jones

Assistant Director,

Welsh NHS Confederation