
S U B O R D I N A T E L E G I S L A T I O N

NWSI 2026 No. 4

**THE NATIONAL HEALTH SERVICE (WALES) ACT
2006**

**Directions to Local Health Boards as to the Statement of
Financial Entitlements (Amendment) (No. 2) Directions 2026**

Made

16 January 2026

Coming into force

17 January 2026

The Welsh Ministers, in exercise of the powers conferred on them by sections 45, 203(9) and (10) and 204(1) of the National Health Service (Wales) Act 2006^(a) and after consulting in accordance with section 45(4) of that Act with the bodies appearing to them to be representative of persons to whose remuneration these Directions relate, give the following Directions.

Title, application and coming into force

1.—(1) The title of these Directions is the Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2026.

(2) These Directions are given to Local Health Boards. They relate to the payments to be made by Local Health Boards to a GMS contractor under a GMS contract.

(3) These Directions are made on 16 January 2026 and come into force on the day after they are made.

Amendment to the Statement of Financial Entitlements

2. The Directions to Local Health Boards as to the Statement of Financial Entitlements Directions 2013^(b) which came into force on 11 June 2013, as amended by Directions listed in Annex K in the Schedule to these Directions, are further amended as follows.

Amendment of Part 1, Section 2 – GLOBAL SUM PAYMENTS

3. After paragraph 2.3, insert—

“2.3A. The Resilience Fund comprises £10 million and is to be added to the global sum, to be distributed from the beginning of the 2026 financial year proportionate with the most recently established CRP of the contractor, which is established quarterly.”

Amendments to Part 4 — PAYMENTS FOR SPECIFIC PURPOSES

4. After section 8 (ROTAVIRUS VACCINE) insert—

(a) 2006 c. 42.

(b) 2013 No. 8.

General

8A.1. This Workforce Fund of approximately £10 million (represents one third of the total allocation). The total quantum will be finalised using the population factor and allocation totals as at January 2026.

8A.2. Beginning with 1 April 2026, this Fund incorporates the existing £4m Additional Capacity Fund, in addition to the new allocation, as a recurrent 100% allocation which will not be subject to match-funding requirements.

8A.3. The Workforce Fund is ringfenced for GMS and allocated directly to Local Health Boards without application of the Global Sum Allocation formula to it.

8A.4. The Workforce Fund is to be administered by Local Health Boards to support practices to participate in the future Directed Collaborative Services model enabling wider system reform through the Community by Design transformation work.

Application and eligibility requirements

8A.5. A contractor wishing to access funding from the Workforce Fund from 1 April 2026 must submit to the Local Health Board by 31 January 2026—

- (a) baseline staffing statistics setting out the contractor's current workforce composition as at 31 December 2025 (making use where applicable of PCWIS reports), including—
 - (i) the number and type of staff employed or engaged by the contractor,
 - (ii) the hours worked by each category of staff,
 - (iii) the existing vacancies within the current workforce, and
 - (iv) any other information or evidence reasonably required by the Local Health Board to approve the application; and

8A.6. A contractor must submit to the Local Health Board by 27 February 2026—

- (a) a workforce plan which demonstrates—
 - (i) the baseline position as described in sub-paragraph (a),
 - (ii) the planned expansion or refinement of the contractor's workforce,
 - (iii) the additional staff and/or hours required,
 - (iv) how the workforce proposals show sustainability, additionality and supports practices in preparing for participation in Directed Collaborative Services.

8A.7. The Local Health Board must assess each application submitted under paragraph 8A.6 to determine whether—

- (a) the workforce plan represents a sensible and appropriate claim having regard to—
 - (i) the sustainability and appropriateness of the proposed workforce model,
 - (ii) the Community by Design principle of shifting care delivery to community settings, and
 - (iii) value for money;
- (b) the contractor has provided sufficient evidence to support the application;
- (c) where the Local Health Board receives an application under paragraph 8A.6 after 27 February 2026 but before 31 December 2026 and there remains unallocated funding within the Workforce Fund, the Local Health Board may consider and approve such applications, provided that—

- (i) applications submitted by 27 February 2026 have been prioritised and determined first,
- (ii) the application otherwise meets the requirements set out in paragraph 8A.6 and
- (iii) sufficient unallocated funding remains available to meet the application;
- (d) a contractor may notify the Local Health Board of a material change to an approved workforce plan at any time before 31 December 2026, and such notification—
 - (i) must set out the nature and extent of the material change,
 - (ii) must explain the reasons for the material change,
 - (iii) must include any revised costings or workforce requirements, and
 - (iv) may result in an upwards or downwards adjustment to the funding allocated to the contractor;
- (e) the Local Health Board must assess any notification of material change submitted under sub-paragraph (d) and may approve an adjustment to funding where—
 - (i) the material change is justified and reasonable,
 - (ii) in the case of an upwards adjustment, sufficient unallocated funding remains available,
 - (iii) in the case of a downward adjustment, the funding released is returned to the fund and becomes available for new applications under sub paragraph (c), and
 - (iv) the revised workforce plan continues to meet the requirements set out in paragraph 8A.6; and
- (f) no applications under paragraph 8A.6 or notifications of material change under sub-paragraph (d) may be considered if received by the Local Health Board after 31 December 2026.

Payment provisions

8A.8. Where the Local Health Board is satisfied that the conditions in paragraph 8A.6 are met, the Local Health Board must provide funding to the contractor from April 2026 in such amounts and monthly in arrears in accordance with a claim made against a workforce plan that has been approved by the Local Health Board.

8A.9. Funding provided under this Section is subject to the contractor—

- (a) implementing the workforce plan as approved by the Local Health Board,
- (b) notifying the Local Health Board of any material changes to either the workforce plan or the contractor's circumstances that may affect delivery of the plan,
- (c) providing such monitoring information and reports as the Local Health Board may reasonably require to assess progress against the workforce plan,
- (d) demonstrating ongoing alignment with the Community by Design transformation work and the Directed Collaborative Services model, and
- (e) complying with any other reasonable requests for additional information or evidence to support the Local Health Board to approve the payment.

Guidance and requirements

8A.10. In administering the Workforce Fund and assessing applications under this Section, the Local Health Board must have regard to—

- (a) any guidance issued by Welsh Ministers or Local Health Boards in relation to the Workforce Fund, including requirements for applications and payment claims, and

- (b) the need to support system-wide transformation and the shift of care delivery to community settings.

8A.11. Funding provided under this Section is not subject to match-funding requirements and represents 100% funded support for approved workforce enhancement

8A.12. The Local Health Board may withhold or recover funding provided under this Section where—

- (a) the contractor has breached any of the conditions set out in paragraph 8A.9,
- (b) the contractor has provided false or misleading information in support of an application, or
- (c) the Local Health Board reasonably determines that the funding is not being applied in accordance with the approved workforce plan or the purposes of this Section.

Underspend transfer provisions

8A.13. Where, as at 31 March 2027, post deadline for applications or adjustments (31 December 2026), there remains any underspend in the Workforce Fund that has been allocated to a Local Health Board, the Local Health Board must apply any remaining funds in accordance with paragraphs 8A.14.

8A.14.—(1) Where there is an underspend in the Workforce Fund, the Local Health Board must transfer the underspent funds to contractors as a one-off payment for 2026-27, to be paid before 30 June 2027, with the total being allocated between contractors based on their unweighted CRP as at the last available list size prior to 1 April 2027.

(2) For the purposes of paragraph (1)—

“underspend” means the amount by which the expenditure from the relevant scheme funds in a financial year is less than the amount allocated to that scheme for that financial year.

Section 8B: CHANGE FUND

General

8B.1. This Fund comprises transformation preparation and change enablement funding of approximately £10 million (representing one third of the total allocation).

8B.2. The Change Fund is ringfenced for GMS and allocated directly to Local Health Boards without application of the Global Sum Allocation formula to it.

8B.3. The Change Fund is to be administered by Local Health Boards as a payment for specific purposes in accordance with this Section.

8B.4. The Change Fund is divided into the following sub-elements—

- (a) support for legal structures for the Directed Collaborative Services model,
- (b) administration costs,
- (c) administrative workforce costs,
- (d) technology, infrastructure and training and development costs associated with the Directed Collaborative Service model,
- (e) reimbursement of Partners strategic planning and service development activity in support of the Directed Collaborative Service model that is not undertaken as part of the current GMS Collaborative arrangements, and
- (f) initial service provision limited to agreed Directed Collaborative Services specifications in line with Community-By-Design work principles and relevant guidance documents.

Allocation and phasing

8B.5. In the first year of operation, the Local Health Board must allocate funding from the Change Fund sequentially/by prioritising applications in the following order in accordance with the following distribution—

- (a) legal administration,
- (b) administration of Directed Collaborative Services model at practice level,
- (c) reimbursement of Partners strategic planning and service development activity in support of the Directed Collaborative Services model, and
- (d) for lead contractors, the initial services limited to agreed directed collaborative services specifications in line with Community-By-Design work principles and relevant guidance documents.

8B.6. In the second year of operation, funding previously allocated to fixed one-off legal administration costs under paragraph 8B.5(a) must be reallocated to service delivery, thereby creating a fund to be utilised in service delivery.

8B.7. Subsequent and additional service shifts beyond those funded under this Section must be funded by Local Health Boards by reallocation of funding and resource outside of GMS budget lines.

Application and eligibility requirements

8B.8. A contractor wishing to access funding from the Change Fund must submit to the Local Health Board before 30 June 2026 an application setting out—

- (a) the specific purpose for which funding is sought, being one or more of—
 - (i) support for legal structures for Community Diagnostic and Support Services,
 - (ii) administration costs,
 - (iii) administrative workforce costs,
 - (iv) the lead contractor applying for delivery of initial service shifts limited to agreed directed collaborative services specifications in line with Community-By-Design work principles and relevant guidance documents;
- (b) the amount of funding required,
- (c) a detailed breakdown of the costs to be met from the funding,
- (d) the timescales for implementation and expenditure,
- (e) how the proposed use of funding supports the establishment and operation of the Directed Collaborative Services model,
- (f) how the proposed use of funding aligns with transformation objectives and the shift of care delivery to community settings, and
- (g) any other information or evidence reasonably required by the Local Health Board to approve the application.

8B.9.—(1) Where an application is received after 30 June 2026 or an upwards material change notification is received after 30 June 2026 and there remains unallocated funding, Local Health Boards may support those practices, and such applications may be considered after those submitted by the deadline have all been resolved.

(2) The cut-off for any applications or material change notifications (upwards or downwards adjustments) as described in paragraph (1) will be 31 December 2026.

(3) Calculation with respect to any underspend (see section 8B.14) must be carried out after 31 March 2027 and any remaining funding retrospectively allocated as a one-off payment to practices before 30 June 2027.

8B.10. The Local Health Board must assess each application submitted under paragraph 8B.8 or 8B.9, as the case may be, to determine whether—

- (a) the proposed use of funding falls within one or more of the sub-elements set out in paragraph 8B.4,
- (b) the application represents value for money and is appropriately costed,
- (c) the proposed use of funding will effectively support Directed Collaborative Services objectives,
- (d) the contractor has provided sufficient evidence to support the application, and
- (e) having regard to the allocation principles in paragraphs 8B.5 and 8B.6, funding is available within the relevant sub-element to meet the application.

Payment provisions

8B.11. Where the Local Health Board is satisfied that the conditions in paragraph 8B.10 are met, the Local Health Board must provide funding to the contractor in such amounts and monthly in arrears in accordance with a claim made against the Change Fund that has been approved by the Local Health Board.

8B.12. Funding provided under this Section is subject to the contractor—

- (a) applying the funding solely for the purpose approved by the Local Health Board,
- (b) notifying the Local Health Board of any material changes to the approved purpose or the contractor's circumstances that may affect delivery,
- (c) providing such monitoring information and reports as the Local Health Board may reasonably require to assess progress and expenditure,
- (d) demonstrating ongoing alignment with transformation objectives and the establishment and operation of the Directed Collaborative Services model, and
- (e) providing any other information or evidence reasonably required by the Local Health Board to approve the application.

8B.13. The Local Health Board may withhold or recover funding provided under this Section where—

- (a) the contractor has breached any of the conditions set out in paragraph 8B.12,
- (b) the contractor has provided false or misleading information in support of an application,
- (c) the contractor has applied funding for purposes other than those approved by the Local Health Board, or
- (d) the Local Health Board reasonably determines that the funding is not being applied in accordance with the approved purpose or the objectives of this Section.

Underspend transfer provisions

8B.14.—(1) Where, as at 31 March 2027, post deadline for applications or adjustments (31 December 2026), there remains an underspend in the Change Fund allocated to a Local Health Board, the Local Health Board must apply a one-off payment for 2026-27, to be paid before 30 June 2027 distributing the remaining funds to all contractors proportionate to their unweighted CRP as at the last available list size prior to 1 April 2027.

(2) For the purposes of paragraph (1)—

“underspend” means the amount by which the expenditure from the relevant scheme funds in a financial year is less than the amount allocated to that fund for that year.”

Amendment to the ANNEX A – GLOSSARY, PART 2 – DEFINITIONS

5. In ANNEX A (GLOSSARY), PART 2 (DEFINITIONS), in the appropriate place insert—

“Change Fund” means the fund provided to Local Health Boards to support legal structures for Directed Collaborative Services (DCS), administrative costs, administration workforce, and initial service shifts;

“Community-By-Design work” is defined as the developing work led by the Chief Medical Officer that aims to transform how health and care services are delivered by prioritising care closer to home;

“Directed Collaborative Services (DCS)” refers to a mechanism for commissioning and delivering GP-led services in the community at a scale greater than individual practice level. This mechanism seeks to build on existing GP Collaborative structures and aims to enhance the delivery of specialised services that may not need to be provided by every GP practice but should be accessible locally to all patients within a specific area;

“Resilience Fund” means the fund added by each Local Health Board to the global sum for financial year 2026;

“unweighted CRP” means the Contractor Registered Population before adjustment by the Global Sum Allocation Formula;

“Workforce Fund” means the fund provided to Local Health Boards inclusive of the Additional Capacity Fund (ACF) which supports increased workforce needs for wider system transformation.”

Amendment of Annex K

6. For ANNEX K (AMENDMENTS) substitute ANNEX K (AMENDMENTS) in Schedule 1 to these Directions.



Signed by Paul Casey, Deputy Director of Primary Care under the authority of the Cabinet Secretary for Health and Social Care, one of the Welsh Ministers

Date: 16 January 2026

SCHEDULE 1

“ANNEX K – AMENDMENTS

Direction 13

Amendments to the Directions to the Local Health Boards as to the Statement of Financial Entitlements Directions 2013, which came into force on 11 June 2013

- (a) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2013 (2013 No.60), which were made on 30 September 2013,
- (b) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2014 (2014 No.3), which were made on 16 June 2014,
- (c) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2014 (2014 No.17), which were made on 27 June 2014,
- (d) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2014 (2014 No.24), which were made on 30 September 2014,
- (e) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2015 (2015 No.7), which were made on 31 March 2015,
- (f) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment No 2) Directions 2015 (2015 No.14), which were made on 01 April 2015,
- (g) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment No 3) Directions 2015 (2015 No.15), which were made on 20 April 2015,
- (h) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment No 4) Directions 2015 (2015 No.19), which were made on 25 June 2015,
- (i) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.5) Directions 2015, which were made on 30 September 2015,
- (j) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2016, which were made on 30 March 2016,
- (k) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2016, which were made on 11 April 2016,
- (l) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2016, which were made on 13 July 2016,
- (m) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2016 (2016 No.19), which were made on 16 August 2016,
- (n) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.5) Directions 2016 which were made on 15 December 2016,
- (o) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 6) Directions 2017 which were made on 31 January 2017,

- (p) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2017 which were made on 27 April 2017,
- (q) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.2) Directions 2017 which were made on 9 August 2017,
- (r) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2017 which were made on the 28 September 2017,
- (s) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2018 which were made on the 14 June 2018,
- (t) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2018 which were made on 19 November 2018,
- (u) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2019 which were made on 29 March 2019,
- (v) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2019 which were made on 28 June 2019,
- (w) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2019 which were made on 29 August 2019,
- (x) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2019 which were made on 30 September 2019,
- (y) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 5) Directions 2019 which were made on 14 October 2019,
- (z) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2020 which were made on 24 March 2020,
- (aa) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2020 which were made on 22 June 2020,
- (bb) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2020 which were made on 15 July 2020,
- (cc) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2020 which were made on 16 September 2020,
- (dd) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 5) Directions 2020 which were made on 2 November 2020,
- (ee) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2021 which were made on 19 April 2021,
- (ff) The Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2021 which were made on 31 August 2021,
- (gg) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2021 which were made on 1 December 2021,
- (hh) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2022 which were made on 29 March 2022,
- (ii) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2022 which were made on 8 June 2022,

- (jj) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2022 which were made on 4 November 2022,
- (kk) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2022 which were made on 29 November 2022,
- (ll) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2023 which were made on 20 February 2023,
- (mm) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2023 which were made on 29 March 2023,
- (nn) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2023 which were made on 3 August 2023,
- (oo) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2024 which were made on 8 February 2024,
- (pp) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 2) Directions 2024 which were made on 18 April 2024,
- (qq) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 3) Directions 2024,
- (rr) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 4) Directions 2024 which were made on 26 November 2024,
- (ss) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2025 which were made on 6 February 2025,
- (tt) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.2) Directions 2025 which were made on 22 April 2025,
- (uu) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.3) Directions 2025 which were made on 6 June 2025,
- (vv) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No.4) Directions 2025 which were made on 22 July 2025,
- (ww) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No 5) Directions 2025 which were made on 6 August 2025, (xx) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No 6) Directions 2025 which were made on 2 December 2025;;
- (yy) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) Directions 2026 which were made on 3 December 2025, and
- (zz) Directions to Local Health Boards as to the Statement of Financial Entitlements (Amendment) (No. 7) Directions 2025 which were made on 16 December 2025.