

<b>Agenda Item</b>
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<b>Joint Commissioning Committee</b>
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<b>2025/26 Specialised Commissioning Financial Recovery - Managing Activity</b>
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<b>Dyddiad y Cyfarfod / Date of Meeting</b>	16/12/2025
<b>Statws Cyhoeddi / Publication Status</b>	Open/ Public
	Not Applicable
<b>Awdur yr Adroddiad / Report Author</b>	Deputy Director for Specialised Services Deputy Director of Finance Assistant Director for Specialised Services Finance Manager
<b>Cyflwynydd yr Adroddiad / Report Presenter</b>	Director of Commissioning for Specialised Services
<b>Noddwr yr Adroddiad / Report Sponsor</b>	Director of Commissioning for Specialised Services

<b>Pwrpas yr Adroddiad / Report Purpose</b>	For Approval Choose an item.
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<b>Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/Group)</b>		
<b>Committee / Group / Individuals</b>	<b>Date</b>	<b>Outcome</b>
Senior Leadership Team	10/12/2025	Noted

<b>Acronyms / Glossary of Terms</b>	
BCUHB	Betsi Cadwaladr University Health Board
FSSA	Federation of Surgical Speciality Associations
JCC	Joint Commissioning Committee
LHB	Local Health Board
PbR	Payment by Results
PTHB	Powys Teaching Health Board
QIA	Quality Impact Assessment

## 1. SITUATION / REPORT PURPOSE

The NHS Wales Joint Commissioning Committee (JCC) financial position for 2025-2026 reported at Month 7 was an overspend of £4.4m, with a forecast overspend position of £7.7m to the end of the financial year.

On the 25<sup>th</sup> of November the Committee discussed arrange of options for consideration to support an improvement in this financial position in year. The committee agreed to take forward the following opportunities:

- To reduce elective activity through the **management of activity through English provider contracts during quarter 4.**
- To find mitigating Savings through:
  - **Early cessation of the Salford Obesity Surgery Contract,** and
  - **Understanding Local Health Boards (LHBs) pass through costs, identifying any efficiency opportunities.**

The Committee asked that a paper be brought back to the December meeting providing further financial detail, detail of risks and a plan of action for the three areas.

Committee members are asked to:

- **Consider** the additional financial and service information provided;
- **Review** the workplan set out within the paper;
- **Consider** each element of the plan, and
- **Agree** to move forward with the proposed workplan.

## 2. OUTLINE OF PROPOSALS

### 2.1 To reduce elective activity through the management of activity through English provider contracts during quarter 4

This seeks the support of English providers to work with the JCC to manage activity for elective care patients during quarter 4.

Key exclusions would be applied to reduce the overall impact on patient outcomes including **continuing to prioritise cancer, paediatrics and urgent care** cases and the principles of best practice guidance such as the FSSA prioritisation guidance set out in [Prioritisation - Master 240720](#) would be agreed with provider teams.

### 2.2 Find Mitigating Savings Elsewhere

Two further opportunities for savings within 2025/26 were supported by the committee for further exploration these were:

#### 2.2.1 Salford Obesity Surgery

Northern Care Alliance (Salford), the current commissioned north Wales Obesity Service provider, has served notice on their current contract with the JCC. This provides the opportunity to enact a cessation of this service more quickly. In

effect ceasing additional referrals into the service with immediate effect with patients transferred to the South Wales service where appropriate.

### 2.2.2 Work to identify and analyse Local Health Board’s pass-through costs for any savings opportunities

The JCC commissions English specialised activity on behalf of the Health Boards. In addition, the JCC administers sizable pass-through costs within its budget, associated with secondary care provision, which are the commissioning responsibility of the border Health Boards. This would see JCC colleagues work with Betsi Cadwaladr University Health Board (BCUHB) and Powys Teaching Health Board (PTHB) to identify and review these costs, allowing appropriate scrutiny to identify any saving opportunities.

### 3. PROPOSED ACTION PLAN

To enable the options above to go ahead the following plan is proposed. Where actions have already been undertaken to support the workup of the options, this is highlighted in blue.

Table 1

Action	Planned timeframe	Lead Team(s)
<b>Restrict elective activity through the management of activity of English provider contracts during quarter 4</b>		
Refine the list of providers and specialties to be included to maximise potential savings: <ul style="list-style-type: none"> <li>- Remove providers whose main activity falls outside of adult elective care</li> <li>- Remove small activity value providers</li> <li>- Refine the list of specialised activity to be included</li> </ul>	01/12/2025	<ul style="list-style-type: none"> <li>• Specialised Commissioning</li> <li>• Finance</li> </ul>
Analysis of elective activity to determine scope and quantum of the opportunity	05/12/2025	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Information</li> </ul>
Determine high level quality impacts and risks (see QIA <b>Appendix 1</b> )	08/12/2025	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Specialised Commissioning</li> </ul>
Letter sent to providers asking for support on publishing the public papers – response required by the 19 <sup>th</sup> December	11/12/2025	<ul style="list-style-type: none"> <li>• Specialised Commissioning</li> <li>• Finance</li> </ul>
JCC Committee sign off	16/12/2025	<ul style="list-style-type: none"> <li>• JCC Committee</li> </ul>
Providers to respond	19/12/2025	<ul style="list-style-type: none"> <li>• Providers</li> <li>• Specialised Commissioning</li> </ul>
Meetings with providers to agree principles of activity management (maintain the principles of excluding cancer, paediatric, emergency and urgent elective activity)	22/12/2025-09/01/2026	<ul style="list-style-type: none"> <li>• Specialised Commissioning</li> <li>• Finance</li> <li>• Medical</li> </ul>
Work with providers to agree revised activity levels and further quantify savings opportunities	09/12/2025-16/01/2026	<ul style="list-style-type: none"> <li>• Specialised Commissioning</li> <li>• Finance</li> <li>• Medical</li> <li>• Quality</li> </ul>

Action	Planned timeframe	Lead Team(s)
Enact agreed capacity reductions and monitor the impact	19/01/2026 onwards	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> <li>Medical</li> <li>Quality</li> </ul>
<b>Salford obesity surgery</b>		
Discussion with south Wales provider to ensure capacity	19/12/2025	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> <li>Quality</li> </ul>
Formally agree early cessation of elective activity with Salford	02/01/2026	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> </ul>
Work with Salford and South Wales provider to safely transfer patient care <ul style="list-style-type: none"> <li>- Transfer of current patients</li> <li>- Confirmation to Health Boards of new arrangements</li> </ul>	02/01/2026 – 28/02/2026	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> <li>Providers</li> </ul>
Monitor financial impacts	02/01/2026 onwards	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> </ul>
<b>Identify and analyse pass through costs for border LHBs</b>		
Refine our financial understanding of the pass-through costs to highlight priority areas	10/12/2025	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> </ul>
Agree in principle a work programme and support border Health Boards to take forward key areas	22/12/2025	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> <li>Quality</li> </ul>
LHBs to confirm their representative to lead the work and timescales for JCC support and engagement	19/12/2025	<ul style="list-style-type: none"> <li>LHBs</li> </ul>
Understand what could be provided locally/repatriated in border Health Boards in the future and develop a programme of work	IMTP	<ul style="list-style-type: none"> <li>Specialised Commissioning</li> <li>Finance</li> <li>Quality</li> <li>BCU</li> <li>Powys</li> </ul>

## 4. REFINED POTENTIAL SAVINGS

### 4.1 Reduction of elective activity through the management of activity through English provider contracts during quarter 4

Options discussed in November included a high-level overview of savings opportunities totalling c.£587k in quarter 4, to be made through the management of activity.

#### 4.1.1 Methodology

Since the November discussion the methodology used to determine the size of any potential savings has been refined based on our knowledge of previous spend, activity and waiting lists by provider to determine a potential savings target.

We have:

- Included those providers identified as having a potential 10% saving of over £100k for the quarter, expanding this list to include all providers where there is significant activity from border Health Boards;
- Identified and excluded activity known to involve emergency, cancer, urgent and paediatric care and other high priority specialities such as:
  - Renal dialysis and vascular access;
  - Cancer, emergency care and paediatric specialties from providers with a wider portfolio of commissioned services;
  - Intestinal failure
  - Specialities where patients are particularly vulnerable to respiratory illnesses that are expected to be higher this year including:
    - Cardiac surgery
    - Cardiology
    - Adult Cystic Fibrosis
- Reviewed the risk share and spread of spend and opportunity across Health Boards.
- Added additional detail to the risks to understand the potential differential impact by specialty.

The next section of this paper details the outputs of this refined methodology through the different stages of the work.

#### **4.1.2 Refined Potential Savings**

Table 2 below, shows the potential savings (assuming a 10% reduction in activity), set against the reviewed list of providers. This data has been refined in terms of speciality and removal of agreed out-of-scope activity.

The NHS England activity is managed at a provider level through Heads of Terms that are based on the Payment by Results (PbR) tariff and agreed activity levels.

These figures assume an 80:20 split of specialised versus secondary activity as this is the basis on which the commissioning arrangements have been established.

As per previously agreed assumptions, there will be a 50% achievability factor applied to the total figure in table 2 bringing the reasonably achievable savings for the quarter to **£414,484.00**.

Table 2

Provider	10% of Quarter	80% Specialised Activity
GUY'S AND ST THOMAS' NHS FOUNDATION TRUST	51,122	40,897
LIVERPOOL HEART AND CHEST HOSPITAL NHS FOUNDATION TRUST	270,669	216,535
MANCHESTER UNIVERSITY NHS FOUNDATION TRUST	32,932	26,345
SALFORD ROYAL NHS FOUNDATION TRUST	45,082	36,065
THE WALTON CENTRE NHS FOUNDATION TRUST*	322,587	193,552
UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST	129,136	103,309
UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST	165,907	132,725
UNIVERSITY HOSPITALS OF NORTH MIDLANDS NHS TRUST	99,424	79,539
<b>Grand Total</b>	<b>1,116,857</b>	<b>828,969</b>

\*The Walton centre assumes 60:40 split of specialist vs. secondary and this is reflected in the above table (resulting from recent contractual analysis).

Table 3 below, shows this risk share across the seven Health Boards of the potential savings shown in table 2 for the quarter.

Table 3

Provider	C&V	SB	CTM	AB	HD	Po	BC	Total
	%	%	%	%	%	%	%	%
GUY'S AND ST THOMAS' NHS FOUNDATION TRUST	4,630	816	10,400	11,841	4,814	728	7,669	40,897
LIVERPOOL HEART AND CHEST HOSPITAL NHS FOUNDATION TRUST	59	72	5	5	90	1,578	214,726	216,535
MANCHESTER UNIVERSITY NHS FOUNDATION TRUST	240	799	374	331	591	399	23,611	26,345
SALFORD ROYAL NHS FOUNDATION TRUST	435	91	315	77	522	998	33,627	36,065
THE WALTON CENTRE NHS FOUNDATION TRUST*	181	433	36	53	1,344	2,356	189,149	193,552
UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST	19,065	19,354	10,431	13,938	14,581	7,310	18,631	103,309
UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST	8,953	9,773	6,289	18,006	7,550	69,817	12,337	132,725
UNIVERSITY HOSPITALS OF NORTH MIDLANDS NHS TRUST	804	984	911	1,205	2,112	73,439	84	79,539
	34,367	32,323	28,761	45,457	31,603	156,625	499,834	828,969

Mersey and West Lancashire (previously St Helens and Knowsley) have been excluded from the above as BCUHB are in escalation for plastic surgery waiting times with the Welsh Government and there has been significant work done with the provider to reduce the waiting times and move the service to a sustainable model. Reducing activity for this provider would undo work that has been undertaken through the year where the provider has been running waiting list initiatives to support waiting time reductions. Given the status of the service, it is felt that this is a BCUHB decision rather than a JCC one until such a time that the service is de-escalated by Welsh Government.

Table 4

Provider	10% of Quarter	80% Specialised Activity
ST HELENS AND KNOWSLEY HOSPITAL SERVICES NHS TRUST	79771	63817

A full table of the total split of spend across service level activity delivered by the above providers is shown in **Appendix 2**.

Table 5 below displays the total spend across in scope NHS England providers over £100k per annum taking into account the methodology in section 4.1.1. Annually this is a total of £28,632,937, one quarter's spend will be c.£7,158,234. Applying a 10% reduction to this figure would equal £715,823. Utilising the agreed assumption of 50% achievability factor, potential in quarter savings would be a maximum of **£357,911**.

Table 5

Activity Type	GUY'S AND ST THOMAS' NHS FOUNDATION TRUST	LIVERPOOL HEART AND CHEST HOSPITAL NHS FOUNDATION TRUST	MANCHESTER UNIVERSITY NHS FOUNDATION TRUST	SALFORD ROYAL NHS FOUNDATION TRUST	THE WALTON CENTRE NHS FOUNDATION TRUST	UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST	UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST	UNIVERSITY HOSPITALS OF NORTH MIDLANDS NHS TRUST	Total
Neurosurgery				168,864	6,070,974	270,601	501,499	465,261	7,477,199
Neurology	16,798			31,002	4,536,417	479,808	63,245	393,314	5,520,584
Urology	46,432		30,261	23,787		3,021,419	79,130	108,363	3,309,391
Thoracic Surgery	62,493	1,897,536	46,688				249,146	173,968	2,429,831
Rehabilitation Service	1,881				1,313,699				1,315,580
Hepatology			866				975,339		976,205
Respiratory Medicine	113,308	23,395	12,673	12,208		8,434	32,787	384,832	587,637
Trauma & Orthopaedics	152,726		4,080	13,513		130,558	59,507	151,815	512,199
Breast Surgery			477,403			629	2,253	226	480,512
Spinal Surgery Service				3,319	384,271			57,193	444,783
Pain Management	18,167		1,012	1,501	357,359	32,232	1,101	208	411,580
Clinical Haematology	53,219		20,965	302		283,112	12,690	15,143	385,431
Gastroenterology	43,886		33,044	19,840		58,387	32,143	128,013	315,313
Hepatobiliary & Pancreatic Surgery			6,984			2,748	223,223	81,577	314,531
Clinical Neurophysiology				704	236,000	29,103		39,894	305,702
Congenital Heart Disease	33,176	213,636				658	46,693		294,164
Plastic Surgery	40,758		4,444	9,534			164,896	67,722	287,353
General Surgery	7,413		3,916	18,857		7,155	236,121		273,463
Interventional Radiology	729		2,910			255,134			258,773
Ear Nose & Throat (ENT)	13,060		45,438	11,234		30,060	146,277	1,287	247,356
Ophthalmology	22,889		18,730		4,755	6,054	55,346	123,239	231,013
Maxillo-Facial Surgery						8,844	46,714	174,746	230,304
Gynaecology			58,596	1,911		63,767	2,991	91,746	219,011
NULL							136,134	53,380	189,514
Anaesthetics		7,046	24,546	1,554			84	150,053	183,282
Vascular Surgery			3,472			13,656	153,569	996	171,693
Orthodontics	6,773		4,481	308		5,209		136,063	152,835
Clinical Genetics	37,134		3,435			109	111,123		151,801
Respiratory Physiology	58,780	77,029	446	1,963		6,063	4,735		149,016
Other				107,556		19,404			126,960
Endocrinology	9,108		515	9,822		7,355	37,524	57,189	121,512
Dermatology	57,501			11,592		12,220	39,683		120,995
Colorectal Surgery	45,861		602	24,118		2,701		43,292	116,574
Diagnostic Imaging	29,156		3,603			9,660		73,313	115,731
HIV & AIDS - Out-Patients							103,043		103,043
Bariatric Surgery				102,068					102,068
Total	871247	2218643	809109	575556	12903476	4765080	3516995	2972831	28,632,937

The figure above includes Salford Obesity Surgery, however more than 10% could be achievable as detailed below.

## 4.2 Salford Obesity Surgery

If Salford were to cease all obesity surgery from the 1<sup>st</sup> of February 2026 a cost saving of **£49,655** could be expected, this is within the potential savings of **£357,911** detailed above.

## 4.3 Identify and analyse LHB's pass through costs

For the NHS England providers, there is up to 20% secondary care activity included within the NWJCC contracts that is routine activity for the border Health Boards and managed as part of their pathways. This paper takes account of that in the assumptions around the opportunities and further work on these flows will be shared as part of the Referral Management strategic priority that is included within the Foundation Plan. The current financial position will include under and over-performance against the planned activity in these areas.

There have been specific opportunities identified in relation to Health Boards secondary care pass through costs. On further analysis there is further potential for savings in the following areas:

Specifically within BCUHB, the following areas have been identified:

- Potential to switch MS Drugs to biosimilars;
- Pain management at the Walton Centre.

**£325k per annum** were previously identified as potential savings for the switch to biosimilars. Assuming 50% of the potential savings were achievable in quarter 4, this would be **£40,625**. However, this may already be included within BCUHB savings plans and they would need to ensure this is not double counted. In reviewing the breakdown of the specialties within the contract, there may also be an opportunity around pain management

Future opportunities that will be developed through the 2026/2027 plan include Hepatology and General Surgery at Birmingham University Teaching Hospitals and Trauma & Orthopaedics at Staffordshire, which affect border Health Boards.

This will enable discussions with Health Boards in relation to opportunities for efficiencies, for example reviewing specific services and implementing strategies to reduce cost without affecting patient care.

## 5. RISKS AND IMPACTS

In analysing this opportunity high level risks and impacts have been considered in detail. Consideration has been given to the overall **financial impact**, the effect on **equity of access** to care for our populations, the potential impact on **patient quality outcomes** and the **reputational impact** for the JCC, with our patients, key provider partners and stakeholders.

**Appendix 1** includes high level Quality Impact Assessment (QIA) of undertaking these actions detailed in this paper. A summary of pros and cons of this work are shown below.

### **Pros**

- Potential for short term cost savings to mitigate the JCC budget deficit.

### **Cons**

- Reputational risk to the JCC with the Providers who have contracts and plans agreed to year end.
- Legal risk if in breach of contract.
- Potential for disruption to patient care where procedures are already planned to go ahead.
- Increased waiting times and associated challenges with recovery of that position in the future.
- Patients may already be booked up to the end of year in some providers.
- Risk that the capacity is filled with NHS England activity and not able to be re-instated in the future.
- Potential for increased emergency admissions due to patients not receiving timely elective care and decompensating.
- Potential for harm where patients are waiting for time sensitive procedures or require emergency treatment, noting the anticipation that this might be a challenging 'flu season.
- Potential increase in inequalities as this would be a blanket approach and not compare waiting times and access rates across Wales.
- Increased costs in future years as providers 'catch up' activity to meet waiting times targets.

This impact assessment will continue to be refined in further detail as we move forward with decision making and actions, so specific impacts on patient cohorts can be considered and monitored.

## **6. RECOMMENDATIONS FOR DISCUSSION**

This section summaries the revised financial potential, and proposed workplan for Committee consideration.

The table below summarises the refined savings which could be made in quarter 4 of 2025/26 following further analysis of activity and refinement of the methodology as outlined in section 4.1.1, which is designed to maintain safety whilst maximising savings.

<b>Opportunity</b>	<b>Potential Saving in Quarter 4</b>
To restrict elective activity through the management of activity for English provider contracts during quarter 4	<b>£357,911</b> (Includes a proportion of Salford Obesity Contract)
Early cessation of the Salford Obesity Surgery Contract	<b>£49,655</b>
Health Boards pass through cost efficiency opportunities	<b>£40,625</b>
<b>Total</b>	<b>£448,191</b>

To enable these savings to be made, the Committee is asked to approve the actions outlined in section 3, which would see the JCC begin urgent discussions with providers before the Christmas break. Next steps would include:

- Following up on the formal letter to providers to agree restrictions on activity.
- Formal discussions with Salford and the South Wales Obesity services to cease activity in Salford.
- Joint working with border Health Boards to enable savings against pass through costs.
- Regular monitoring of waiting times and impacts with updates brought back to Committee as appropriate.

## 7. ASSESSMENT

<b>Objectives / Strategy</b>	
<b>Dolen i Amcan (au) Strategol CBC / Link to JCC Strategic Objectives(s)</b>	Maximise Value
	This paper links to the objective of maximising value and stabilising the JCC financial position.
<b>Dolen i Ddeddf Llesiant Cenedlaethau'r Dyfodol – Nodau Llesiant / Link to Wellbeing of Future Generations Act – Wellbeing Goals</b> <a href="#">150623-guide-to-the-fg-act-en.pdf</a> <a href="#">(futuregenerations.wales)</a>	Not Applicable
	The decisions taken by the Joint Committee as an outcome of this paper, should be considered in line with the Future Generations Act
<b>Dolen i Hwyluswyr Ansawdd</b>	Not Applicable

<p><i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) /</i>  <b>Link to Enablers of Quality</b>  <i>(<a href="#">Duty of Quality Statutory Guidance (gov.wales)</a>)</i></p>	<p>The decisions taken by the Joint Committee as an outcome of this paper, should be considered in line with the Enablers of Quality Statutory Guidance.</p>
<p><b>Dolen i Feysydd Ansawdd</b>  <i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) /</i>  <b>Link to Domains of Quality</b>  <i>(<a href="#">Duty of Quality Statutory Guidance (gov.wales)</a>)</i></p>	<p>Efficient</p> <p>The decisions taken by the Joint Committee as an outcome of this paper should consider the Duty of Quality Statutory Guidance to ensure health care is as sustainable as possible and avoids waste, making the most effective use of resources to achieve best value in an efficient way.</p>
<p><b>Effaith Amgylcheddol/ Cynaliadwyedd (5R) / Environmental /Sustainability Impact (5Rs)</b></p>	<p>No - Not Applicable</p>

Impact Assessment		
<p><b>Ansawdd</b>  <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Ansawdd? /</i>  <b>Quality</b>  <i>Have you undertaken a Quality Impact Assessment Screening?</i></p>	<p>Yes: <input checked="" type="checkbox"/></p>	<p>No: <input type="checkbox"/></p>
<p><b>Cydraddoldeb</b>  <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Gydraddoldeb? /</i>  <b>Equality</b>  <i>Have you undertaken an Equality Impact Assessment Screening?</i></p>	<p>Yes: <input type="checkbox"/></p>	<p>No: <input type="checkbox"/></p>
<p><b>Cyfreithiol / Legal</b></p>	<p>Yes (Include further detail below)</p> <p>There may be legal consequences and challenge associated with the proposals within this paper.</p>	
<p><b>Enw da / Reputational</b></p>	<p>Yes (Include further detail below)</p> <p>There may be reputational impacts to the JCC if the restriction of activity affects equity of access</p>	

	to care, impacts on disadvantaged groups, and those with protected characteristics or adversely affect existing contractual relationships.
<b>Effaith Adnoddau</b> <i>(Pobl / Ariannol) /</i> <b>Resource Impact</b> <i>(People / Financial)</i>	Yes (Include further detail below)
	The paper sets out steps to reduce the JCC's predicted overspend at year end.

## 8. RECOMMENDATIONS

The members of the Joint Commissioning Committee are asked to:

- **Consider** the additional financial and service information provided;
- **Review** the workplan set out within the paper;
- **Consider** each element of the plan, and
- Provide **Approval** to move forward with the proposed workplan.