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Joint Commissioning
Committee

NHS Wales Joint Commissioning Committee (JCC)

Financial Position Report

Financial Year

2025/26



Financial Month

2



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Date Produced: 10 June 2025



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Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
£1,163,743	£193,957	£195,627	£1,670	£1,164,181	£439

The reported position is based on the following:

The overall year-to-date JCC position at month 2 is an overspend of £1.670m, with a forecast year end overspend of £0.439m. The financial position is reported against the 2025/26 baselines following approval of the Foundation Plan 2025/26 by the Joint Commissioning Committee on the 18th March 2025. The remit of the JCC is to deliver a plan for health boards within an overall financially balanced position. However, the composite individual positions are important and are dealt with in this financial report, together with consideration of corrective actions as the need arises.

- NHS Wales Providers – based on month 1 data received from providers. Due to the lack of data at this point, NHS Wales contract to-date positions have been used for the year-end projections.
- NHS England Providers – based on the 2024/25 outturn position with a 1.77% inflationary uplift, or month 1 data if available.
- Mental Health & IPFR – live patient data on agreed placements as at the end of the month, plus funding approvals and purchased block bed capacity.

Risks to the position (see page 5 for further detail):

A number of risks were identified in the Foundation Plan for 2025/26, in addition to a number of service areas that reported notable overspends in 2024/25. As detailed within the plan for 2025/26, the agreed plan of 4% does not fully address all service or cost pressures, and some risks will require further mitigation and management within the period. Known financial risks include:

- NHS England growth - this includes £9m of growth/pressures in 2024/25 which was funded non-recurring by Welsh Government, and funded by a Savings target for 2025/26. In addition, NHS England activity and demand could continue to grow in 2025/26, and will be monitored
- NHS England tariff uplift for 2025/26 - the difference between the funding in the JCC ICP of 1.77% and the draft inflator of 2.15% has been anticipated from WG, but WG have not confirmed funding of the further difference to the 15% uplift for non-elective tariffs. Using 2024/25 data, this has been quantified as £4m for 2025/26.
- NICE growth - the final agreed Plan included 25% of the total £13.5m NICE drugs growth calculations. Noting that the original plan used a 50% estimate of £6.7m, the difference of £3.3m is being reported as a risk until later in the year, when this can be re-evaluated with more in-year data.

Governance & Contracting

Financial variation is distributed back to Health Boards using the established risk sharing framework which was agreed by Joint Committee and implemented from April 2019. This is based predominantly on a 2-year average utilisation calculated on the latest available complete year's data. Due to the nature of highly specialist, high cost and low volume services, a number of areas will continue to be risk shared on a population basis to avoid volatility in individual commissioner's position. Due to COVID and block contracting arrangements the current utilisation shares are based on a 2-year average of 2018/19 and 2019/20 activity. It was agreed to update the risk share during 2025/26.

The Finance Working Group has been re-established under the JCC, and Terms of Reference shared with Directors of Finance, with representatives requested. The first meeting took place on August 2nd, and will continue monthly.

JCC Finance Summary

Financial Year

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Area	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
[-] NHS Wales	£872,170	£145,362	£145,939	£577	£872,584	£413
Cardiff & Vale	£323,157	£53,860	£54,853	£994	£324,151	£994
WAST	£280,231	£46,705	£46,705	-	£280,231	-
Swansea Bay	£149,561	£24,927	£24,370	(£557)	£149,005	(£557)
Betsi Cadwaladr	£52,732	£8,789	£8,953	£164	£52,732	-
Velindre	£38,326	£6,388	£6,388	-	£38,326	-
Aneurin Bevan	£13,728	£2,288	£2,206	(£82)	£13,646	(£82)
Cwm Taf Morgannwg	£12,176	£2,029	£2,087	£57	£12,233	£57
Hywel Dda	£2,258	£376	£376	-	£2,258	-
[+] Non Welsh SLA	£158,802	£26,467	£27,094	£627	£159,773	£971
[+] IPFR	£49,450	£8,242	£10,321	£2,079	£53,619	£4,169
[+] Mental Health	£44,919	£7,487	£6,952	(£535)	£41,087	(£3,832)
[+] CIAG & Prior Year Commitments	£35,809	£5,968	£3,031	(£2,937)	£34,740	(£1,069)
[+] Direct Running Costs	£9,932	£1,655	£1,655	-	£9,932	-
[+] Renal	£4,037	£673	£635	(£38)	£3,823	(£214)
[+] Savings	(£11,377)	(£1,896)	-	£1,896	(£11,377)	-
JCC Total Expenditure	£1,163,743	£193,957	£195,627	£1,670	£1,164,181	£439

The overall year-to-date position at month 2 is **an overspend of £1.670m**, with a forecast **year end overspend of £0.439m**. This is mainly driven by pressures within Welsh providers and IPFR, along with slippage in the delivery of the planned savings target of £11.4m.

For **CVUHB, SBUHB, ABUHB and CTMUHB**, the reported position is based on M1 data but the year end forecasts have been fixed at the to-date position given the lack of data currently available. The overspend noted reflects the currently unmitigated financial risks following the mid-range 4% uplift applied through the foundation plan for 2025/26, with pressures noted in areas such as NICE/High Cost Drugs, Blood Products and PICU.

For the **non-Welsh SLA**, a forecast overspend of £0.971m is reported, which is based on the 2024/25 outturn position with month 1 data used where available. This position includes £8.9m of additional funding to mitigate pressures noted, and funded by WG non-recurrently, in 2024/25. Per the foundation plan for 2025/26, these pressures will be mitigated through the delivery of additional in-year savings.

Total **savings schemes** of £11.4m are proposed to be delivered in 2025/26, including £8.9m to mitigate non-Welsh SLA pressures. At M2, £0 of savings have been delivered with slippage of £1.9m reported.

The overall **IPFR** full-year forecast position is driven by £2.8m in relation to ERT, £1.5m on Eculizumab (AHUS) and £1.2m on Proton Beam Therapy. There is a further overspend on general IPFR approvals of £1.3m, covered by NICE drugs funding cover of £2.0m as funded in the ICP.

RISKS

In developing the 2025/26 Foundation Plan, the Joint Commissioning requested three financial modelling scenarios to be developed:

- a 6% uplift to resolve commissioning risks identified across the system
- a mid-range 4% uplift to mitigate a number of high level risks, with JCC members agreeing to tolerate some other service risks
- a 1.77% uplift.

It should also be noted that these options do not provide for additional growth in activity from 2024/25 levels. The plan was agreed by the JCC on the 18th March 2025 based on an average 4% uplift. As a result, some risks will require further mitigation and management within the period, and partners will continue to work together to ensure the plan is deliverable.

Known financial risks include:

- NHS England growth - this includes **£9m of growth/pressures in 2024/25** which was funded non-recurring by Welsh Government, and funded by a Savings target for 2025/26. In addition, **NHS England activity and demand could continue to grow in 2025/26**, and will be monitored; as **estimate of £1.1m using 2024/25 data** has been reported in the WG monitoring returns until more in-year data is received.
- NHS England tariff uplift for 2025/26 - the difference between the funding in the JCC ICP of 1.77% and the draft inflator of 2.15% has been anticipated from WG, but WG have not confirmed funding of the further difference to the 15% uplift for non-elective tariffs. **Using 2024/25 data, this has been quantified as £4m for 2025/26.**
- NICE growth - the final agreed Plan included 25% of the total £13.5m NICE drugs growth calculations. Noting that the original plan used a 50% estimate of £6.7m, the **difference of £3.3m is being reported** as a risk until later in the year, when this can be re-evaluated with more in-year data.
- National Insurance rise costs have been calculated as £165k; this is categorised as a Risk until such point as funding is confirmed.
- IPFR (Individual Patient Funding Requests) budgets show a continued growth in funding applications into 2025/26; this will need to be monitored in-year.

These will be mitigated through a collaborative efficiency and savings programme to be jointly delivered by NWJCC, health boards and WAST.

OPPORTUNITIES

Opportunities are being explored across various areas going forward, including product procurement/medicines management.

Please note the following are potential opportunities for information only, and are being worked through for 2025/26:

Clinical Immunology - audit of policy adherence. The provider has also been queried around passing through new drugs prices from April - £TBC

Repatriation of Cardiac devices as per local investment - ABUHB specifically - £TBC

Risk	Value	
NHSE - patient growth in 2025/26; reported figure reflects projections from final M12 contract monitoring	(1,100)	Low
NHSE - Savings target non achievement risk - being worked through	(8,877)	Low
NICE drugs - difference between 25% in agreed Plan and 50% of full workings as entered in the original draft JCC Plan	(3,338)	Low
NHSE - Non elective tariff increase of 15% less 2.15% already funded/anticipated	(4,013)	Low
National Insurance uplifts - JCC Payroll	(165)	Low
Individual Patient Funding Requests (IPFR) growth 2025/26	TBC	Low

Commissioner Overview

Financial Year

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Budgeted Income £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
Income	£214,423	£259,220	£160,676	£185,564	£140,759	£58,078	£145,023	£1,163,743

Share of Forecast Year-end Variance by Area £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total Forecast Variance
IPFR	£918	£892	£561	£686	£403	£237	£473	£4,169
Non Welsh SLA	£147	£730	£27	£18	£8	£65	(£24)	£971
NHS Wales	£46	£158	£135	£97	(£11)	£27	(£39)	£413
Direct Running Costs	-	-	-	-	-	-	-	-
Income								-
Savings	-	-	-	-	-	-	-	-
Renal	(£40)	(£49)	(£30)	(£32)	(£27)	(£10)	(£26)	(£214)
CIAG & Prior Year Commitments	(£235)	(£90)	(£159)	(£260)	(£132)	(£34)	(£158)	(£1,069)
Mental Health	(£916)	(£1,023)	(£367)	(£360)	(£318)	(£330)	(£518)	(£3,832)
Total Share of Year-End Variance	(£80)	£618	£166	£149	(£77)	(£45)	(£292)	£439

2025/26	£214,343	£259,838	£160,841	£185,713	£140,682	£58,033	£144,731	£1,164,181
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Share of Year-to-date Position £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
2025/26	£29	£1,766	£32	(£48)	(£144)	£301	(£265)	£1,670

This page provides a breakdown of how the JCC budget is funded by the seven Health Boards.

Any over/under spend is returned to Commissioners based on the risk sharing framework which was agreed by Joint Committee and implemented from April 2019. This is currently based predominantly on a 2-year average of **2018/19 and 2019/20 activity**. It was agreed to **update these during 2025/26 for use in-year**.

This table highlights the current trajectory to Commissioner positions, by area, based on current year-end forecasts.

This table to the left reports the position at the current month.

Welsh Provider Overview

Financial Year

Financial Month

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Provider	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Year End Outturn £'000	Forecast Variance £'000
Aneurin Bevan	£13,728	£2,288	£2,206	(£82)	£13,646	(£82)
Betsi Cadwaladr	£52,732	£8,789	£8,953	£164	£52,732	-
Cardiff & Vale	£323,157	£53,860	£54,853	£994	£324,151	£994
Cwm Taf Morgannwg	£12,176	£2,029	£2,087	£57	£12,233	£57
Hywel Dda	£2,258	£376	£376	-	£2,258	-
Swansea Bay	£149,561	£24,927	£24,370	(£557)	£149,005	(£557)
Velindre	£38,326	£6,388	£6,388	-	£38,326	-
WAST	£280,231	£46,705	£46,705	-	£280,231	-
Welsh Provider Total	£872,170	£145,362	£145,939	£577	£872,584	£413

For ref: Total Welsh Provider prior year outturn (excl. WAST) £862,437

The **Welsh SLA** provider position at month 2 is an **overspend of £0.577m**, with a forecast year end variance of **£0.413m**.

For CVUHB, SBUHB, ABUHB and CTMUHB, the reported position is based on M1 data, with the full-year forecast fixed at the YTD position given the lack of data currently available.

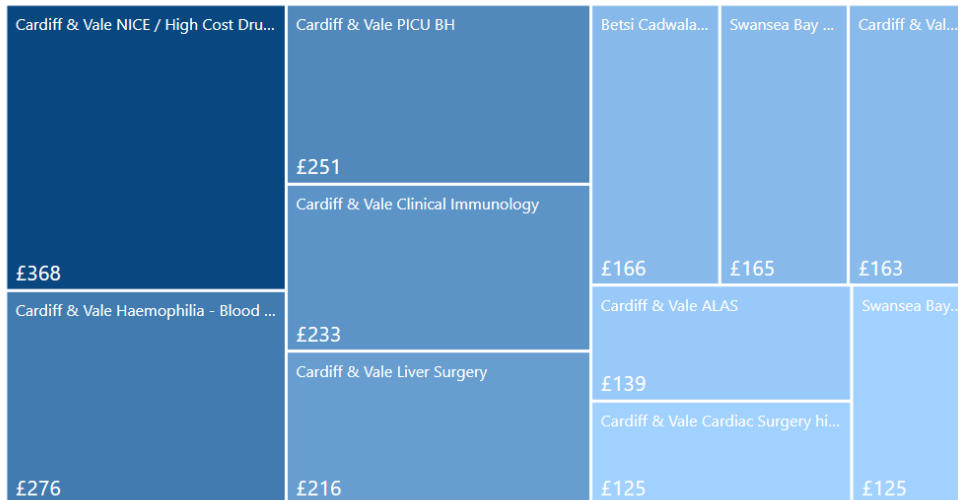
LTA Agreements:

Baseline contract values have largely been agreed across all Welsh providers.

The final HOA documents for 2025/26 are in the process of being signed in preparation for the WG June deadline.

Top 10 Drivers of Variance to date by Provider & Service £'000

- Cardiff & Vale NICE / High Cost Drugs
- Cardiff & Vale Haemophilia - Blood pr...
- Cardiff & Vale PICU BH
- Cardiff & Vale Clinical Immunology
- Cardiff & Vale Liver Surgery
- Betsi Cadwaladr Haemophilia
- Swansea Bay Renal
- Cardiff & Vale HDU
- Cardiff & Vale ALAS
- Cardiff & Vale Cardiac Surgery historic...
- Swansea Bay Cardiac Surgery historic r...



The visual to the left highlights the **main drivers of the reported overspends** to date by Provider and Service. This is based on data to month 1 and will be continually reviewed to assess the risk to the position.

Background to some of the overspends include:

- Cardiff & Vale/NICE & High Cost Drugs - spend mainly driven by Blinatumomab, Dinuximab and Evincumab.
- Cardiff & Vale/Haemophilia - Blood Products - biggest spend areas are Emicizumab, Voncento and Veyvondi.
- Cardiff & Vale/PICU BH - Actual M1 beddays exceeding baseline.
- Cardiff & Vale/Clinical Immunology - £0.7m funding increase noted for 2025/26. Increase in infusion/drugs utilisation versus the same period last year is driving the variance.

Provider Overview: Other

Financial Year

Financial Month

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Area	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
⊕ Non Welsh SLA	£158,802	£26,467	£27,094	£627	£159,773	£971
⊕ IPFR	£49,450	£8,242	£10,321	£2,079	£53,619	£4,169
⊕ Mental Health	£44,919	£7,487	£6,952	(£535)	£41,087	(£3,832)
⊕ CIAG & Prior Year Commitments	£35,809	£5,968	£3,031	(£2,937)	£34,740	(£1,069)
⊕ Direct Running Costs	£9,932	£1,655	£1,655	-	£9,932	-
⊕ Renal	£4,037	£673	£635	(£38)	£3,823	(£214)
⊕ Savings	(£11,377)	(£1,896)	-	£1,896	(£11,377)	-
Total Other Providers	£291,572	£48,595	£49,688	£1,092	£291,598	£26

Direct Running Costs:

The **DRC position** for the NWJCC team at month 2 reports a breakeven year-to-date and year-end forecast position.

The NWJCC is currently restructuring, with ongoing costings against a new proposed joint structure of the previous entities.

Non Welsh SLAs:

The **Non Welsh SLA** provider position at month 2 is an **overspend of £0.627m**, with a forecast **year-end overspend of £0.971m**. The reported position is based on 2/12th of the 2024/25 outturn position uplifted for inflation, with M1 data used where available.

Included in the 2025/26 position is additional funding of £8.9m to cover emerging NHS England pressures from 2024/25. This was funded non-recurrently by WG in 2024/25. Funding has been assumed for 2025/26, to be mitigated by a collaborative savings programme, with an £8.9m savings target included within the Foundation Plan for 2025/26.

The Risks section also include £4m in relation to the unfunded 15% tariff increase to non-elective activity.

Mental Health:

The **Mental Health** position at month 2 is a year-to-date **underspend of (£0.535m)**, with a forecast year end **underspend of (£3.832m)**.

The reported position is based on actual data available to M2.

The JCC finance team have worked extensively on the enhanced observation approvals and processes, leading to a reduced level of spend.

Individual Patient Funding Requests (IPFR):

The **IPFR position** at month 2 reports a **year-to-date overspend of £2.079m**, with a **full-year forecast overspend of £4.169m**. The reported position is based on actual data available to M1.

The year-end forecast includes £2.8m in relation to Enzyme Replacement Therapy (ERT), £1.4m on Eculizumab (AHUS) and £1.3m on general IPFR approvals.

Savings

Financial Year

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Heading	Annual Budget £'000	Budget to date £'000	Savings reported to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
<input checked="" type="checkbox"/> Savings	(£11,377)	(£1,896)	-	£1,896	(£11,377)	-
Savings / Referral Management to support NHSE pressures	(£8,877)	(£1,480)	-	£1,480	(£8,877)	-
Additional schemes to be worked through	(£2,500)	(£417)	-	£417	(£2,500)	-
Total Savings as per ICP	(£11,377)	(£1,896)	-	£1,896	(£11,377)	-

For ref: Prior year savings delivery **(£6,296)**

The savings position at M2 reports no savings delivery YTD, representing slippage of £1.9m against plan. The forecast position at M2 assumes delivery of the entire JCC savings target.

The foundation plan for 2025/26 includes a £2.5m savings target, representing 2% set against non-Welsh provider expenditure. This will be delivered across medicines management, non-Welsh contracts and NWJCC direct running costs.

In addition, £8.9m of savings to fund NHS England pressures from 2024/25 has been included.

The plan therefore reflects an overall savings and efficiency target of £11.4m. In addition, the plan is net of circa £8.5m of savings within the WAST financial plan which supports equivalent cost pressures, together with £8-10m of efficiencies within mental health services that offset additional cost.

A collaborative efficiency and savings programme is to be jointly delivered by the NWJCC, health boards and WAST, both through commissioner and provider actions, with system wide plans being developed.

INCOME/EXPENDITURE ASSUMPTIONS

There are no notified disputes regarding the income assumptions related to the JCC IMTP. Invoices over 11 weeks in age detailed to aid LHB's in clearing them before arbitration dates:

- none

PUBLIC SECTOR PAYMENT COMPLIANCE

As at the end of Q4 2024/25 WHSSC had achieved **98.7% compliance for NHS invoices paid within 30 days by value and 95.8% by number.**

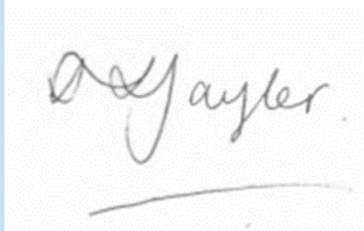
For non-NHS invoices WHSSC had achieved 97.9% in value for invoices paid within 30 days and 99.5% by number.

This data is updated on a quarterly basis; the next update will be provided following the end of Q1.

RESPONSES TO ACTION NOTES FROM WG MMR RESPONSES

Responses to the points raised within the WG MMR responses letter has been covered within a separate correspondence.

CONFIRMATION OF REPORT



Stacey Taylor
Deputy Chief Commissioner



Gwen Kohler
Deputy Director of Finance & Value

NWJCC / JCC - NHS Wales Joint Commissioning Committee
ALAS - Artificial Limbs and Appliances Services
CAMHS - Child and Adolescent Mental Health Services
CUF - Commissioning Uplift Factor
DDRC - Diving Diseases Research Centre
DRC - Direct Running Costs
EASC - Emergency Ambulance Services Committee (now part of NWJCC)
ED - Eating Disorders
EMRTS - Emergency Medical Retrieval & Transfer Service
ICD - Interventional Cardiac Devices
ICP - Integrated Commissioning Plan
IPC/IPFR - Individual Patient Commissioning / Funding Request
IVF - In Vitro Fertilisation
NCCU - National Collaborative Commissioning Unit
NHSE - NHS England
OOA - Out of Area
PETIC - Positron Emission Tomography Imaging Centre
PSPP - Public Sector Payment Compliance
SLA - Service Level Agreement
TAVI - Trans Aortic Valve Implant (Cardiology)
WAST - Welsh Ambulance Services Trust
WHSSC - Welsh Health Specialised Services Committee (now part of NWJCC)
WG - Welsh Government