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Joint Commissioning
Committee

NHS Wales Joint Commissioning Committee (JCC)

Financial Position Report

Financial Year

2024/25



Financial Month

10



Author: Acting Assistant Director of Finance - Sandy Tallon

Executive Lead: Director of Finance & Information - Stacey Taylor

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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
£1,159,481	£966,234	£971,712	£5,478	£1,165,892	£6,411

The reported position is based on the following:

The overall year-to-date JCC position at month 10 is an **overspend of £5.5m**, with a forecast **year end overspend of £6.4m**. The financial position is reported against the 2024/25 baselines following approval of the WHSSC and EASC 2024-27 Integrated Commissioning Plans (ICP) by their Joint Committees on 19th March 2024, which are now merged into the new JCC. 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 9 and year-end forecast data received from Providers. Some adjustments to the provider year-end forecasts have been made by the JCC team in relation to specific areas requiring review during 2024/25 e.g. Cardiology TAVI's.
- NHS England Providers – based on month 9 and year-end forecast data received from Providers.
- Mental Health & IPFR – live patient data on agreed placements as at the end of the month, plus funding approvals and purchased block bed capacity.

Please note that the year-end forecast overspend is currently £6.4m. Therefore, further mitigations would be required to deliver the approved plans to break-even.

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

The adopted JCC plans were based on the Month 8 2023/24 financial position, and set in the context of a baseline plan. The movement since this presents further risk and challenge in delivering the 2024/25 plan. Outstanding risks include:

1. **NHS England - The reported position now includes £8.9m of income to cover the NHS England 2024/25 activity and £0.8m in relation to topping up the original funding of the CUF from the 3.2% collected in the plan, and the 3.67% funding received by Health boards. Welsh Government have confirmed that Health boards can anticipate income from them up to the value of £8.9m, on a non-recurrent basis.** However, NHSE activity continues to grow, and the recurring effect is being considered in IMTP discussions. Any remaining risk relates to any unanticipated growth which may transpire in in the last few weeks of the financial year.
2. **Additional TAVI activity**, in line with the reduced Cardiac Surgery activity. Cardiac Surgery savings at marginal rate have been taken against the Savings target, leaving the TAVI spend as a financial pressure until the Cardiac Review can assess the remaining fixed costs. The Cardiff and Swansea provider year-end trajectories have each been reduced by £0.3m and £0.4m respectively to reflect to-date positions.
3. In-year financial pressures in certain areas, including ALAS, Gender reassignment, HPN homecare drugs and various Nice/drug spends. The relevant providers have supplied detailed projections and spend backing.

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 2024/25.

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.

Area	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
[-] NHS Wales	£848,763	£707,302	£716,872	£9,570	£859,467	£10,704
Cardiff & Vale	£317,510	£264,592	£270,689	£6,098	£324,294	£6,784
WAST	£275,358	£229,465	£229,465	-	£275,358	-
Swansea Bay	£139,234	£116,028	£120,087	£4,059	£143,535	£4,301
Betsi Cadwaladr	£51,198	£42,665	£42,124	(£542)	£50,872	(£327)
Velindre	£37,660	£31,383	£31,383	-	£37,660	-
Aneurin Bevan	£13,489	£11,241	£11,196	(£45)	£13,436	(£54)
Cwm Taf Morgannwg	£12,094	£10,078	£10,078	-	£12,094	-
Hywel Dda	£2,219	£1,849	£1,849	-	£2,219	-
[+] Non Welsh SLA	£154,371	£128,643	£127,336	(£1,307)	£153,210	(£1,161)
[+] IPFR	£68,006	£56,671	£62,169	£5,497	£74,015	£6,010
[+] Mental Health	£44,125	£36,771	£34,611	(£2,161)	£41,816	(£2,309)
[+] Developments	£34,451	£28,709	£20,988	(£7,721)	£25,296	(£9,154)
[+] Direct Running Costs	£9,472	£7,893	£7,685	(£208)	£9,264	(£208)
[+] IVF	£5,530	£4,608	£4,312	(£296)	£5,219	(£311)
[+] Renal	£4,764	£3,970	£3,861	(£109)	£4,650	(£114)
[+] Releases	-	-	(£1,500)	(£1,500)	(£1,500)	(£1,500)
[+] Savings	(£10,000)	(£8,333)	(£4,622)	£3,712	(£5,546)	£4,454
JCC Total Expenditure	£1,159,481	£966,234	£971,712	£5,478	£1,165,892	£6,411

The overall year-to-date JCC position at month 10 is an **overspend of £5.478m**, with a forecast **year end overspend of £6.411m**. This is mainly driven by Cardiology (specifically TAVI's) and ALAS in Welsh providers.

For **CVUHB & SBUHB**, the reported position is based on December data but the year-end forecasts for TAVI has been amended from the provider returns to show the to-date position, pending the Cardiac Review.

For the **non-Welsh SLAs**, income of £8.9m and £0.8m has been included in the Month 10 position relating to the NHS England pressures.

The **Savings** schemes are currently categorised as £5.5m under green and amber schemes, including £2.5m of non-recurring balance sheet releases. **The remaining red schemes totalling £4.5m are being covered from Developments slippage.** All identified schemes have a dedicated Executive, Planning and Finance lead to monitor and track delivery throughout the year. In addition, Developments funding is continually being assessed to identify any further possible slippage e.g. recruitment to new posts.

IPFR spend is being examined as a deep dive every month. The overall IPFR position includes £3.0m on HPN homecare drugs, a £2.3m overspend on Eculizumab drugs and a £1.5m overspend on ERT. There is a further £1.3m overspend on general IPFR approvals, partially covered by £2m NICE drugs funding cover as funded in the ICP.

Route to Breakeven - work had been done internally throughout the year with full integration with Health Boards, with presentations to the JCC on September 17th, October 15th and November 12th.

The related workplan had completed various actions, but has only mitigated cost pressures to date, and has not brought any overall decrease to the bottom line.

English provider recovery has been quicker than Welsh providers in general, driving overall contract growth with English contracts.

RISKS

Risks include:

- **NHS England - The reported position now includes £8.9m of income to cover the NHS England 2024/25 activity and £0.8m in relation to topping up the original funding of the CUF from the 3.2% collected in the plan, and the 3.67% funding received by Health boards. Welsh Government have confirmed that Health boards can anticipate income from them up to the value of £8.9m, on a non-recurrent basis.** However, NHSE activity continues to grow, and the recurring effect is being considered in IMTP discussions. Any remaining risk relates to any unanticipated growth which may transpire in the last few weeks of the financial year.
- **Cardiology TAVI costs at both Cardiff & Vale and Swansea Bay providers - £0.7m has been removed from the provider year-end forecasts and kept at the to-date position pending the Cardiac Review outcomes.** There is increasing demand for this procedure, as agreed by Management Group in Dec 2023, and further work remains to be done within the overall cardiac surgery rebasing work, including work on the Cardiac Project Phase 2; this could free up significant fixed costs. The Cardiac savings have been taken against the Savings target at marginal rates, leaving the TAVI spend as a financial pressure until the Cardiac Review can assess the remaining fixed costs. The Cardiff and Swansea provider year-end forecasts have each been reduced by £0.3m and £0.4m respectively.

Please note that red Savings schemes have been mitigated by recurring and non-recurring slippage on Developments.

Other areas of risk to be closely monitored in-year where there are notable year-end forecast variances already in the position:

Top 10 Forecast Overspends by Provider & Service	EOYF Variance £'000
IPFR - Home Parenteral Nutrition (HPN) - Drugs	£3,011
Swansea Bay TAVI	£2,582
IPFR - Eculizumab (A.H.U.S)	£2,253
Cardiff & Vale Cardiac Surgery-TAVI	£2,020
Cardiff & Vale ALAS	£1,674
IPFR - Enzyme Replacement Therapy	£1,492
Cardiff & Vale NICE / High Cost Drugs	£1,245
IPFR - Paed Cancer, Blood & Plastics	£1,146
Gender Gender	£1,110
IPFR - Proton Beam Therapy	£1,039
Total	£17,571

OPPORTUNITIES

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

Please note the following are potential opportunities for information only, and are being worked through.

- Clinical Immunology - audit of policy adherence. The provider has also been queried around passing through new drugs prices from April
- Repatriation of Cardiac devices as per local investment - ABUHB specifically
- Slippage on Development monies has been utilised in the position to date - note this has now been badged against Savings scheme slippage. There may be some further small slippages against the Q4 schemes, with an estimate of £244k not yet released into the M10 position.

Commissioner Overview

Financial Year

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Financial Month

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Budgeted Income £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
Income	£212,269	£264,736	£160,237	£183,008	£138,499	£58,107	£142,625	£1,159,482

Share of Forecast Year-end Variance by Area £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total Forecast Variance
NHS Wales	£2,302	£132	£1,622	£1,550	£2,161	£307	£2,631	£10,704
IPFR	£1,376	£1,082	£978	£1,320	£485	£273	£495	£6,010
Savings	£704	£1,537	£533	£594	£461	£158	£466	£4,454
Renal	(£21)	(£26)	(£16)	(£17)	(£14)	(£5)	(£14)	(£114)
Direct Running Costs	(£38)	(£47)	(£28)	(£36)	(£23)	(£10)	(£25)	(£208)
IVF	(£107)	£233	(£76)	(£206)	(£69)	£26	(£111)	(£311)
Non Welsh SLA	(£410)	£765	(£292)	(£323)	(£219)	(£349)	(£333)	(£1,161)
Releases	(£225)	(£268)	(£170)	(£490)	(£147)	(£51)	(£149)	(£1,500)
Mental Health	(£681)	(£186)	(£285)	(£283)	(£247)	(£240)	(£388)	(£2,309)
Developments	(£1,846)	(£1,295)	(£1,413)	(£1,988)	(£1,098)	(£320)	(£1,194)	(£9,154)
Total Share of Year-End Variance	£1,054	£1,928	£852	£121	£1,289	(£210)	£1,378	£6,411

2024/25	£213,323	£266,663	£161,088	£183,130	£139,788	£57,897	£144,003	£1,165,893
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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 2024/25 for use in 2025/26**.

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	£13,489	£11,241	£11,196	(£45)	£13,436	(£54)
Betsi Cadwaladr	£51,198	£42,665	£42,124	(£542)	£50,872	(£327)
Cardiff & Vale	£317,510	£264,592	£270,689	£6,098	£324,294	£6,784
Cwm Taf Morgannwg	£12,094	£10,078	£10,078	-	£12,094	-
Hywel Dda	£2,219	£1,849	£1,849	-	£2,219	-
Swansea Bay	£139,234	£116,028	£120,087	£4,059	£143,535	£4,301
Velindre	£37,660	£31,383	£31,383	-	£37,660	-
WAST	£275,358	£229,465	£229,465	-	£275,358	-
Welsh Provider Total	£848,763	£707,302	£716,872	£9,570	£859,467	£10,704

For ref: Total Welsh Provider prior year outturn (excl. WAST) **£800,684**

The **Welsh SLA** provider position at month 10 is an **overspend of £9.570m**, with a forecast year end variance of **£10.704m**.

LTA Agreements:

All JCC/NHS Wales contracts have been agreed and signed, with all the Month 9 contract monitoring reflecting the new 24/25 currencies, excluding the 24/25 wage awards.

For CVUHB & SBUHB, the reported position is based on December data but the TAVI year-end forecasts have been amended from the provider return to reflect the to-date position, pending the Cardiac Review.

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

- Swansea Bay TAVI
- Cardiff & Vale Cardiac Surgery-TAVI
- Cardiff & Vale ALAS
- Cardiff & Vale NICE / High Cost Drugs
- Cardiff & Vale Paeds Respiratory Equip...
- Cardiff & Vale Renal Surgery
- Cardiff & Vale INR Devices
- Cardiff & Vale HDU
- Swansea Bay Major Trauma Plastics
- Cardiff & Vale Liver Surgery

Swansea Bay TAVI	Cardiff & Vale ALAS	Cardiff & ...	Cardiff & ...
£2,582	£1,395	£467	£462
Cardiff & Vale Cardiac Surgery-TAVI	Cardiff & Vale NICE / ...	Cardiff & ...	Cardiff & ...
£2,020	£1,037	£453	£434
		Swansea B...	Cardiff &...
		£430	£372

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 9 and will be continually reviewed to assess the risk to the position. Background to some of the overspends include:

- Swansea Bay and Cardiff & Vale/TAVI - overperformance against the old contracts; this will be updated in the new contract rebasing as agreed in the MG paper in December 2023.
- Cardiff & Vale/ALAS - price and activity pressures.
- Cardiff & Vale/NICE & High Cost Drugs.
- Cardiff & Vale/Paeds Respiratory Equipment.

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	£154,371	£128,643	£127,336	(£1,307)	£153,210	(£1,161)
⊕ IPFR	£68,006	£56,671	£62,169	£5,497	£74,015	£6,010
⊕ Mental Health	£44,125	£36,771	£34,611	(£2,161)	£41,816	(£2,309)
⊕ Developments	£34,451	£28,709	£20,988	(£7,721)	£25,296	(£9,154)
⊕ Direct Running Costs	£9,472	£7,893	£7,685	(£208)	£9,264	(£208)
⊕ IVF	£5,530	£4,608	£4,312	(£296)	£5,219	(£311)
⊕ Renal	£4,764	£3,970	£3,861	(£109)	£4,650	(£114)
⊕ Releases		-	(£1,500)	(£1,500)	(£1,500)	(£1,500)
⊕ Savings	(£10,000)	(£8,333)	(£4,622)	£3,712	(£5,546)	£4,454
Total Other Providers	£310,719	£258,932	£254,840	(£4,092)	£306,425	(£4,293)

Direct Running Costs:

The **DRC position** for the NWJCC team at month 9 reports a year to date **underspend of £0.208m**, with a **forecast year end underspend of £0.208m**.

There is some non-recurring project team funding to be agreed with Welsh Government; any funding not yet agreed is not reflected in the financial position.

Non Welsh SLAs:

The **Non Welsh SLA** provider position at month 10 is an **underspend of (£1.307m)**, with a forecast **year-end underspend of (£1.161m)**. Additional income of £8.9m to cover the emerging NHS England pressures is included within the position for this month, along with £0.8m to cover the top from 3.2% to 3.67%.

The reported position is based on month 9 data where received from providers, or on on 10/12ths of 2023/24 outturn positions with inflationary uplift provisions.

Included in the ICP is a **£1m savings target relating to NHS England referral management**, currently badged as Red/**unachieved** and covered from Developments slippage.

Mental Health:

The **Mental Health** position at month 10 is an **underspend of (£2.161m)**, with a forecast year end **underspend of (£2.308m)**.

The JCC finance team have worked extensively on the enhanced observation approvals and processes, leading to a reducing trajectory to year-end. It is noted that the underspend position has deteriorated by £0.2m in M10, driven by a combination of CAMHS, FACTS and Perinatal forecasts.

Included in the ICP is a **£1m savings target relating to the Mental Health strategy** (see savings section of report), which is currently reported as being **achieved**.

Individual Patient Funding Requests (IPFR):

The **IPFR position** at month 10 reports a **year to date overspend of £5.497m**, with a **forecast year end overspend of £6.015m**.

The year-end forecast includes £3.0m in relation to HPN, £1.3m in relation to general IPFR approvals and £1.5m in relation to Enzyme Replacement Therapy.

The general IPFR position includes an unusual number of high-cost individual approvals this financial year, and Health Boards have indicated similar positions locally. A deep dive reconciliation of the approval amounts across annual and one-off approvals is being completed monthly internally. The IPFR team are assessing the overall position, as well as several ideas about reducing spend.

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	(£10,000)	(£8,333)	(£4,622)	£3,712	(£5,546)	£4,454
Balance sheet releases	(£2,496)	(£2,080)	(£2,080)	-	(£2,496)	-
24/25 Medicines Management	(£2,000)	(£1,667)	-	£1,667	-	£2,000
Cardiac Surgery re-alignment South Wales	(£1,500)	(£1,250)	(£1,250)	-	(£1,500)	-
Mental Health Strategy - Reduce OOA & LOS	(£1,000)	(£833)	(£833)	-	(£1,000)	-
NHS E Referral Management	(£1,000)	(£833)	-	£833	-	£1,000
BCU Cardiac contract Rebasing	(£700)	(£583)	-	£583	-	£700
Cystic Fibrosis - New contract model S Wales	(£550)	(£458)	(£458)	-	(£550)	-
Additional schemes to be worked through	(£504)	(£420)	-	£420	-	£504
Cystic Fibrosis - New contract model N Wales	(£150)	(£125)	-	£125	-	£150
Genetics - Repatriate send out tests phase 2	(£100)	(£83)	-	£83	-	£100
Developments slippage cover	-	-	-	-	-	-
Total Savings as per ICP	(£10,000)	(£8,333)	(£4,622)	£3,712	(£5,546)	£4,454

For ref: Prior year savings delivery (£9,601)

The forecast position at month 10 **assumes delivery of the entire JCC savings target**. This includes the **£4.5m allocated to savings without specific projects at this point, which has been covered by recurring and non-recurring Developments slippage**.

Work is ongoing with commissioning teams to develop robust processes to monitor delivery; this is closely monitored with the JCC Director team and reported transparently to Health Board Commissioners.

The ICP includes a **£10m savings target**, equivalent to **3%** of £330m influenceable cost base across drugs and devices, Independent Sector and NHS England referrals.

It should be noted that the expectation from Welsh Government set out in the funding allocation letter was a minimum of 2%.

At this stage, £5.5m has been identified as green/amber, with a **further £4.5m unachieved for this year. This £4.5m is being covered by recurring and non-recurring Developments slippage**.

In addition, WAST are required to deliver a 2.2% savings target (c. £6.4m) to report a breakeven position against the funding provided (netted off against WAST contract baselines). This will be monitored closely and feedback will be provided to the Committee if there is any risk to delivery or required actions.

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 Q3 2024/25 WHSSC had achieved **98.0% compliance for NHS invoices paid within 30 days by value and 93.7% by number.**

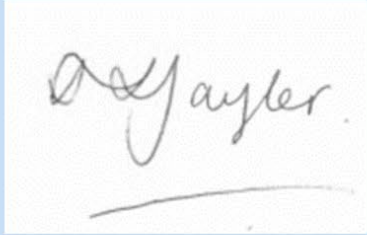
For non-NHS invoices WHSSC had achieved 97.9% in value for invoices paid within 30 days and 99.3% by number.

This data is updated on a quarterly basis; the next update will be provided following the end of Q4.

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
Interim Chief Commissioner



Gwen Kohler
Deputy Director of Finance & Information

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