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Comisiynu  
Joint Commissioning  
Committee

# NHS Wales Joint Commissioning Committee (JCC)

## Financial Position Report

Financial Year

2025/26



Financial Month

3



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**Executive Lead:** Director of Finance & Information - Stacey Taylor

**Date Produced:** 7 July 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
£1,166,015	£291,504	£292,836	£1,332	£1,169,661	£3,646

## The reported position is based on the following:

The overall year-to-date JCC position at month 3 is an overspend of £1.332m, with a forecast year end overspend of £3.646m. 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 2 data received from providers.
- NHS England Providers – based on month 2 data received from providers. Where data is not available, the figures are based on the 2024/25 outturn position with a 2.83% inflationary uplift applied.
- 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-recurrently by Welsh Government, and is 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.
- 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.
- NHS England tariff uplift for 2025/26 - the difference between the funding in the JCC ICP of 1.77% and the inflator of 2.83% 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 £3.8m for 2025/26.

## 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
[-] <b>NHS Wales</b>	<b>£872,690</b>	<b>£218,173</b>	<b>£219,829</b>	<b>£1,656</b>	<b>£876,327</b>	<b>£3,637</b>
Cardiff & Vale	£323,157	£80,789	£82,302	£1,513	£327,034	£3,877
WAST	£280,231	£70,058	£70,058	-	£280,231	-
Swansea Bay	£149,561	£37,390	£37,166	(£224)	£149,561	£0
Betsi Cadwaladr	£53,252	£13,313	£13,484	£171	£53,252	-
Velindre	£38,326	£9,582	£9,582	-	£38,326	-
Aneurin Bevan	£13,728	£3,432	£3,372	(£60)	£13,488	(£240)
Cwm Taf Morgannwg	£12,176	£3,044	£3,301	£257	£12,176	-
Hywel Dda	£2,258	£565	£565	-	£2,258	-
[+] <b>Non Welsh SLA</b>	<b>£161,074</b>	<b>£40,268</b>	<b>£38,918</b>	<b>(£1,351)</b>	<b>£161,617</b>	<b>£544</b>
[+] <b>IPFR</b>	<b>£49,450</b>	<b>£12,362</b>	<b>£15,536</b>	<b>£3,173</b>	<b>£54,768</b>	<b>£5,318</b>
[+] <b>Mental Health</b>	<b>£44,919</b>	<b>£11,230</b>	<b>£10,526</b>	<b>(£704)</b>	<b>£43,597</b>	<b>(£1,322)</b>
[+] <b>CIAG &amp; Prior Year Commitments</b>	<b>£35,809</b>	<b>£8,952</b>	<b>£4,758</b>	<b>(£4,194)</b>	<b>£31,411</b>	<b>(£4,398)</b>
[+] <b>Direct Running Costs</b>	<b>£9,932</b>	<b>£2,483</b>	<b>£2,483</b>	<b>-</b>	<b>£9,932</b>	<b>-</b>
[+] <b>Renal</b>	<b>£3,517</b>	<b>£879</b>	<b>£786</b>	<b>(£94)</b>	<b>£3,385</b>	<b>(£132)</b>
[+] <b>Savings</b>	<b>(£11,377)</b>	<b>(£2,844)</b>	<b>-</b>	<b>£2,844</b>	<b>(£11,377)</b>	<b>-</b>
<b>JCC Total Expenditure</b>	<b>£1,166,015</b>	<b>£291,504</b>	<b>£292,836</b>	<b>£1,332</b>	<b>£1,169,661</b>	<b>£3,646</b>

The overall year-to-date position at month 3 is an **overspend of £1.332m**, with a forecast **year end overspend of £3.646m**. 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 M2 data. 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 Haemophilia Blood Products, NICE/High Cost Drugs, NICU and BMT.

For the **non-Welsh SLA**, a forecast overspend of £0.5m is reported, which is based on month 2 data. 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 M3, £0 of savings have been delivered with slippage of £2.8m reported to date.

The overall **IPFR** full-year forecast position is driven by £2.8m in relation to ERT, £2.0m on HPN and £1.4m on Eculizumab (AHUS). There is a further overspend on general IPFR approvals of £1.6m, partially covered by NICE drugs funding cover of £2.0m; this will be apportioned across the relevant drugs in future months, along with the £3.3m funded in the 2025/26 ICP.

# Risks & Opportunities

Financial Year

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## 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-recurrently 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 inflator of 2.83% 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 £3.8m 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.
- 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.

Risks & Opportunities		C&V	SB	CTM	AB	HD	Po	BC
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Risks</b>								
Unachievement of NHSE Savings target (24/25 growth)	8,877	309	291	200	317	208	649	6,902
NHSE growth 24/25 - M11+12 - UH Birmingham	500	34	1	29	188	50	115	23
NHSE growth 24/25 - M11+12 - Liverpool Heart & Chest	600	0	0	0	0	0	4	595
NICE growth 25% - 50% of original estimate	3,338	529	415	474	626	410	141	744
NHSE non elective tariff funding - risk of being unfunded	3,801	265	241	229	375	208	350	2,134
<b>Opportunities</b>								
HPN - patient switching potential	(500)	(145)	(25)	(101)	(114)	(36)	(13)	(66)
<b>Total Risks &amp; Opportunities</b>	<b>16,616</b>	<b>1,052</b>	<b>922</b>	<b>832</b>	<b>1,391</b>	<b>841</b>	<b>1,245</b>	<b>10,332</b>

## 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

**Reserves and approved funding for schemed not yet started** - £TBC

**HPN - work with Cardiff & Vale around patient switching** - £0.5m

# Commissioner Overview

Financial Year

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Budgeted Income £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
Income	£214,687	£260,367	£160,850	£185,763	£140,905	£58,258	£145,185	£1,166,015

Share of Forecast Year-end Variance by Area £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total Forecast Variance
IPFR	£1,233	£978	£815	£1,094	£433	£277	£486	£5,318
NHS Wales	£546	(£286)	£554	£904	£778	£58	£1,083	£3,637
Non Welsh SLA	£139	£447	£17	£25	(£26)	£21	(£79)	£544
Direct Running Costs	-	-	-	-	-	-	-	-
Savings	-	-	-	-	-	-	-	-
Renal	(£25)	(£30)	(£19)	(£20)	(£17)	(£6)	(£16)	(£132)
Mental Health	(£99)	(£873)	(£88)	(£100)	(£76)	(£17)	(£69)	(£1,322)
CIAG & Prior Year Commitments	(£868)	(£746)	(£644)	(£866)	(£531)	(£168)	(£574)	(£4,398)
<b>Total Share of Year-End Variance</b>	<b>£927</b>	<b>(£510)</b>	<b>£635</b>	<b>£1,037</b>	<b>£561</b>	<b>£165</b>	<b>£831</b>	<b>£3,646</b>

2025/26	£215,614	£259,857	£161,484	£186,800	£141,466	£58,423	£146,016	£1,169,661
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Share of Year-to-date Position £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
2025/26	£7	£890	£118	£188	(£146)	£310	(£36)	£1,332

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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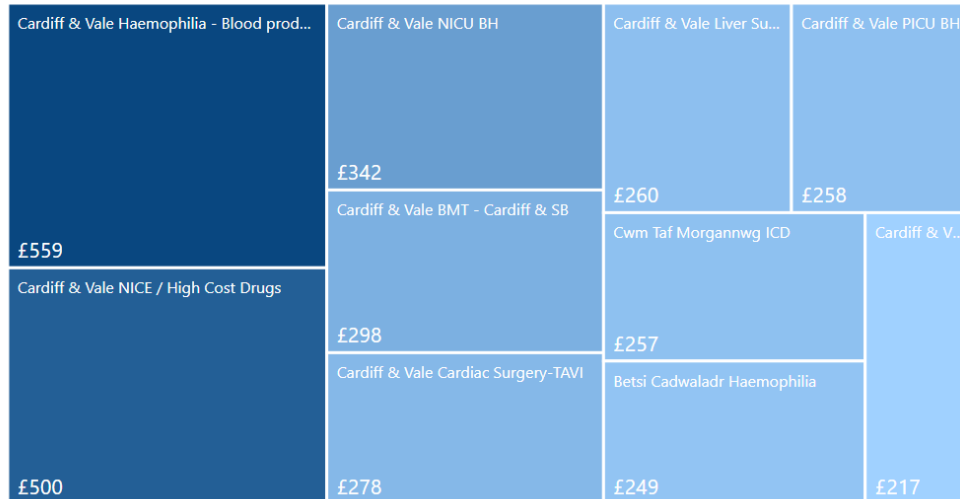
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Provider	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Year End Outturn £'000	Forecast Variance £'000
Aneurin Bevan	£13,728	£3,432	£3,372	(£60)	£13,488	(£240)
Betsi Cadwaladr	£53,252	£13,313	£13,484	£171	£53,252	-
Cardiff & Vale	£323,157	£80,789	£82,302	£1,513	£327,034	£3,877
Cwm Taf Morgannwg	£12,176	£3,044	£3,301	£257	£12,176	-
Hywel Dda	£2,258	£565	£565	-	£2,258	-
Swansea Bay	£149,561	£37,390	£37,166	(£224)	£149,561	£0
Velindre	£38,326	£9,582	£9,582	-	£38,326	-
WAST	£280,231	£70,058	£70,058	-	£280,231	-
<b>Welsh Provider Total</b>	<b>£872,690</b>	<b>£218,173</b>	<b>£219,829</b>	<b>£1,656</b>	<b>£876,327</b>	<b>£3,637</b>

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

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

- Cardiff & Vale Haemophilia - Blood pr...
- Cardiff & Vale NICE / High Cost Drugs
- Cardiff & Vale NICU BH
- Cardiff & Vale BMT - Cardiff & SB
- Cardiff & Vale Cardiac Surgery-TAVI
- Cardiff & Vale Liver Surgery
- Cardiff & Vale PICU BH
- Cwm Taf Morgannwg ICD
- Betsi Cadwaladr Haemophilia
- Cardiff & Vale Cardiology for AB



The **Welsh SLA** provider position at month 2 is an **overspend of £1.656m**, with a forecast year end variance of **£3.637m**.

For CVUHB, SBUHB, ABUHB and CTMUHB, the reported position is based on M2 data.

### LTA Agreements:

Baseline contract values have been agreed across all Welsh providers. However, there is work to follow in-year around contract rebasing, currencies, performance monitoring and Referral Management. A large part of the areas overspending relate to Drugs costs (eg. Haemophilia Blood Products, Clinical Immunology and NICE drugs), which

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 2 and will be continually reviewed to assess the risk to the position.

Background to some of the overspends include:

- Cardiff & Vale/Haemophilia - pressures driven mainly by Veyvondi and Idelvion when compared to 2024/25.
- Cardiff & Vale/NICE & High Cost Drugs - spend mainly driven by Dinuximab, Blinatumomab and Cannabidiol.
- Cardiff & Vale/NICU BH - Driven mainly by ICU bed days above baseline.
- Cardiff & Vale/BMT - Increased activity of the more expensive Allogenic Matched Unrelated Donor procedure. Health board anticipate this will not be sustained.
- Cardiff & Vale/TAVI - 49 procedures reported up to M2 2025/26 versus a baseline of 44. A straight line trajectory suggests 294 procedures to be performed in 2025/26 versus a 270 baseline.

# Provider Overview: Other

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
⊕ Non Welsh SLA	£161,074	£40,268	£38,918	(£1,351)	£161,617	£544
⊕ IPFR	£49,450	£12,362	£15,536	£3,173	£54,768	£5,318
⊕ Mental Health	£44,919	£11,230	£10,526	(£704)	£43,597	(£1,322)
⊕ CIAG & Prior Year Commitments	£35,809	£8,952	£4,758	(£4,194)	£31,411	(£4,398)
⊕ Direct Running Costs	£9,932	£2,483	£2,483	-	£9,932	-
⊕ Renal	£3,517	£879	£786	(£94)	£3,385	(£132)
⊕ Savings	(£11,377)	(£2,844)	-	£2,844	(£11,377)	-
<b>Total Other Providers</b>	<b>£293,325</b>	<b>£73,331</b>	<b>£73,007</b>	<b>(£324)</b>	<b>£293,334</b>	<b>£9</b>

## Direct Running Costs:

The **DRC position** for the NWJCC team at month 3 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 3 is an **underspend of £1.351m**, with a forecast **year-end overspend of £0.544m**. The reported position is based on month 2 data where received from providers, or 3/12th of the 2024/25 outturn position uplifted for inflation if not 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 £3.8m in relation to the ease to non-elective activity.

## Mental Health:

The **Mental Health** position at month 2 is a year-to-date **underspend of (£0.704m)**, with a forecast year end **underspend of (£1.322m)**.

The reported position is based on actual data available to M3.

The forecast year end underspend has reduced by £2.5m from M2. This is largely driven by the admission of a high cost patient in June 2025.

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 3 reports a **year-to-date overspend of £3.173m**, with a **full-year forecast overspend of £5.318m**. The reported position is based on actual data available to M2.

The year-end forecast includes £2.8m in relation to Enzyme Replacement Therapy (ERT), £2m on HPN and £1.7m 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
☑ Savings	(£11,377)	(£2,844)	-	£2,844	(£11,377)	-
Savings / Referral Management to support NHSE pressures	(£8,877)	(£2,219)	-	£2,219	(£8,877)	-
Additional schemes to be worked through	(£2,500)	(£625)	-	£625	(£2,500)	-
<b>Total Savings as per ICP</b>	<b>(£11,377)</b>	<b>(£2,844)</b>	-	<b>£2,844</b>	<b>(£11,377)</b>	-

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

The savings position at M3 reports no savings delivery YTD, representing slippage of £2.8m against plan. The forecast position at M3 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 Q1 2025/26 WHSSC had achieved **99.7% compliance for NHS invoices paid within 30 days by value and 93.9% by number.**

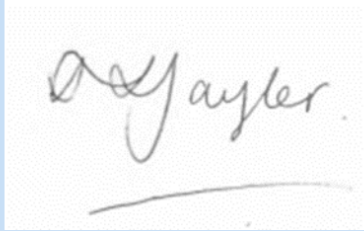
For non-NHS invoices WHSSC had achieved 93.6% in value for invoices paid within 30 days and 95.4% by number.

This data is updated on a quarterly basis; the next update will be provided following the end of Q2.


## 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



**Huw George**  
Interim Chief Commissioner

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  
HPN - Home Parenteral Nutrition  
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