



GIG  
CYMRU  
NHS  
WALES

Cyd-bwyllgor  
Comisiynu  
Joint Commissioning  
Committee

# NHS Wales Joint Commissioning Committee (JCC)

## Financial Position Report

Financial Year

2024/25



Financial Month

5



**Author:** Acting Assistant Director of Finance & Information - Sandy Tallon

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

**Date Produced:** 6 September 2024



# Report Contents

| <b>Area</b>                   | <b>Page Number(s)</b> |
|-------------------------------|-----------------------|
| Background/Introduction       | 3                     |
| Finance Summary               | 4                     |
| Risks/Opportunities           | 5                     |
| Commissioner Overview         | 6                     |
| Welsh Provider Overview       | 7                     |
| Other Provider Areas Overview | 8                     |
| Savings                       | 9                     |
| Income/PSPP/Actions Notes     | 10                    |
| Confirmation of Report        | 11                    |
| Glossary                      | 12                    |



| Annual Budget £'000 | Budget to date £'000 | Spend to date £'000 | Variance to date £'000 | Forecast Outturn £'000 | Forecast Variance £'000 |
|---------------------|----------------------|---------------------|------------------------|------------------------|-------------------------|
| £1,142,165          | £475,902             | £479,651            | £3,746                 | £1,146,681             | £4,516                  |

## The reported position is based on the following:

The overall year-to-date JCC position at month 5 is an **overspend of £3.746m**, with a forecast **year end overspend of £4.516m**. 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 4 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 eg. Cardiac Surgery / TAVI's.
- NHS England Providers – based on month 4 data where received from providers, or on on 5/12ths of 2023/24 outturn positions with inflationary uplift provisions.
- 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 while the year-end forecast is currently £4.5m. Therefore, further mitigations are 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. These include:

1. Additional TAVI activity, in line with the reduced Cardiac Surgery activity. The Cardia savings have been taken against the Savings target, leaving the TAVI spend exposed until the Cardiac Review can release fixed costs. The provider year-end forecasts have been reduced by £2.5m.
2. Within the £10.0m savings target, £5.5m is categorised as green and amber with £4.5m categorised as red, and therefore at risk.
3. Home Parenteral Nutrition - new Homecare costs of £0.9m potentially. Mitigation is ongoing.
4. Swansea Bay Plastic Surgery - long waiters over 104 weeks which would cost between £1-1.5m to clear.
5. In-year financial pressures in certain areas, including ALAS, Gender reassignment, Welsh Kidney Network and various Nice/drug spends. The relevant providers have been asked for detailed projections and spend backing. Developments schemes slippage has been used against the position to date, and are being assessed for potential start dates, which would reduce this avenue of support.

## 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.

# JCC Finance Summary

Financial Year

Financial Month

Multiple selecti... ▾

5 ▾

| Area  | Annual Budget<br>£'000 | Budget to date<br>£'000 | Spend to date<br>£'000 | Variance to<br>date £'000 | Forecast<br>Outturn £'000 | Forecast<br>Variance £'000 |
|---|------------------------|-------------------------|------------------------|---------------------------|---------------------------|----------------------------|
| <input type="checkbox"/> NHS Wales            | £870,718               | £362,799                | £366,646               | £3,845                    | £878,709                  | £7,991                     |
| Cardiff & Vale                                | £312,515               | £130,215                | £133,343               | £3,128                    | £318,623                  | £6,108                     |
| WAST  | £276,766               | £115,319                | £115,319               | -                         | £276,766                  | -                          |
| Swansea Bay                                   | £139,198               | £57,999                 | £59,445                | £1,445                    | £141,424                  | £2,226                     |
| Velindre                                      | £63,334                | £26,389                 | £26,046                | (£343)                    | £62,991                   | (£343)                     |
| Betsi Cadwaladr                               | £51,102                | £21,293                 | £20,908                | (£385)                    | £51,102                   | -                          |
| Aneurin Bevan                                 | £13,489                | £5,621                  | £5,621                 | -                         | £13,489                   | -                          |
| Cwm Taf Morgannwg                             | £12,094                | £5,039                  | £5,039                 | -                         | £12,094                   | -                          |
| Hywel Dda                                     | £2,219                 | £925                    | £925                   | -                         | £2,219                    | -                          |
| <input type="checkbox"/> Non Welsh SLA        | £145,013               | £60,422                 | £60,920                | £495                      | £145,195                  | £182                       |
| <input type="checkbox"/> IPFR                 | £44,873                | £18,697                 | £20,782                | £2,087                    | £48,606                   | £3,733                     |
| <input type="checkbox"/> Mental Health        | £43,928                | £18,303                 | £17,735                | (£567)                    | £40,689                   | (£3,239)                   |
| <input type="checkbox"/> Developments         | £28,232                | £11,764                 | £7,919                 | (£3,847)                  | £24,589                   | (£3,643)                   |
| <input type="checkbox"/> Direct Running Costs | £9,540                 | £3,975                  | £3,753                 | (£221)                    | £9,320                    | (£220)                     |
| <input type="checkbox"/> IVF                  | £5,526                 | £2,303                  | £2,299                 | (£4)                      | £5,074                    | (£452)                     |
| <input type="checkbox"/> Renal                | £4,335                 | £1,806                  | £1,889                 | £82                       | £4,499                    | £164                       |
| <input type="checkbox"/> Savings              | (£10,000)              | (£4,167)                | (£2,292)               | £1,876                    | -£10,000                  | -                          |
| <b>JCC Total Expenditure</b>                  | <b>£1,142,165</b>      | <b>£475,902</b>         | <b>£479,651</b>        | <b>£3,746</b>             | <b>£1,146,681</b>         | <b>£4,516</b>              |

The overall year-to-date JCC position at month 5 is an **overspend of £3.746m**, with a forecast **year end overspend of £4.516m**. This is mainly driven by Cardiac Surgery and Cardiology (specifically TAVI's) and ALAS in Welsh providers.

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

For the **non-Welsh SLAs**, the position is based on month 4 data where received from providers, or on on 5/12ths of 2023/24 outturn positions with inflationary uplift provisions.

The **savings** reported to date are less than anticipated but the JCC is working on detailed projections and schemes. At this stage £5.5m are categorised as green and amber schemes, with **£4.5m categorised as red, and therefore are at risk**. All identified schemes have a dedicated Executive, Planning and Finance lead to monitor and track delivery throughout the year. In addition, **work is under way to examine all recent Funding Releases** to identify possible slippage eg. recruitment to new posts.

**Development funding** is also being examined to identify what may be available as slippage for this financial year.

**Route to Breakeven** - please see the timeline to the left. This summarises the work being done internally with full integration with Health Boards, with a final presentation to the JCC on September 17th.

## Route to Breakeven



## RISKS

### Risks include:

- **Cardiology TAVI costs at both Cardiff & Vale and Swansea Bay providers - £2.5m has been removed from the provider year-end forecasts pending the Cardiac Review outcomes.** There is increasing demand for this procedure, as agreed by Management Group in December 2023, and further work remains to be done within the overall Cardiac Surgery rebasing work. The commissioning team continue to explore options, including work on the Cardiac project Phase 2; this could free up significant fixed costs of around £5m.
- **Savings non-performance (£4.5m)** relating to red schemes to be identified in-year.
- **Home Parenteral Nutrition - homecare contracts have been re-procured. There is a risk of overspending if all patients were placed on the most expensive framework of £0.9m.** The commissioning team has developed a plan to mitigate risk and seek efficiency opportunities, particularly in the nursing support costs, and this will be monitored.
- **Plastic Surgery costs (£1-1.5m) relating to treating patients waiting over 104 weeks**, in line with recent WG correspondence. Please note £300k as approved for a partial clearance was approved and is in the reported position.
- **Gender reassignment costs continue to rise, as part of the UK service.** This risk is a further £0.5m at this point.
- **The Welsh Kidney Network has increased costs in relation to growth and inflation.** This risk is a further £0.5m at this point.
- **Significant increase in IPFR approval numbers and values**; this includes some falling through from 2023/24.
- **Overspends have been covered by temporary slippage on Developments** from 2023/24 and 2024/25, resulting in underspends on various Development schemes. This poses a risk if/when these start to be spent later in the year.
- **NHS England** - confirmation has been requested from Welsh Government around fully funding the 24/25 wage award of English contracts.
- **Velindre - Health Boards are reminded to report their full Velindre risk** pending the non-specialist funding transfer back to them. The paper will be taken through the Finance Working Group on Sept 16th, and then to Management Group on Sept 26th.

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 |
|---|---------------------|
| ERT   | £1,937              |
| Cardiff & Vale ALAS                                     | £1,900              |
| Walton Centre NHS Foundation Trust                      | £1,835              |
| Eculizumab (AHUS)                                       | £1,723              |
| NCA / IPFR / Prior Approvals                            | £1,395              |
| Gender Gender (Surgery & CYP)                           | £1,142              |
| Liverpool Heart and Chest Hospital NHS Foundation Trust | £1,119              |
| Swansea Bay TAVI  | £1,050              |
| Cardiff & Vale NICE / High Cost Drugs                   | £805                |
| Cardiff & Vale Cardiac Surgery-TAVI                     | £785                |
| <b>Total</b>  | <b>£13,691</b>      |

## OPPORTUNITIES

Opportunities are being explored across various areas, including product procurement/medicines management. An update will be provided in future reports.

- Clinical Immunology - audit of policy adherence
- Repatriation of Cardiac devices as per local investment - ABUHB specifically
- Mental Health Out of Area placements have a forecast year-end saving, particularly in Eating Disorders and Perinatal areas.
- Slippage on Development monies has been utilised in the position to date, and the continuation of this would help reduce pressures in established services.
- Work is under way to examine all recent Funding Releases to identify possible slippage eg. recruitment to new posts.
- Cardiac Surgery Phase 2 project - potential to free up fixed costs of around £5m

# Commissioner Overview

Financial Year

Multiple selecti... ▾

Financial Month

5 ▾

| Budgeted Income £'000 | ABUHB    | BCUHB    | CTMUHB   | CVUHB    | HDUHB    | PTHB    | SBUHB    | Total      |
|-----------------------|----------|----------|----------|----------|----------|---------|----------|------------|
| Income                | £216,425 | £249,265 | £160,723 | £184,988 | £135,277 | £56,600 | £138,887 | £1,142,166 |

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

| Share of Forecast Year-end Variance by Area £'000 | ABUHB       | BCUHB       | CTMUHB      | CVUHB       | HDUHB       | PTHB        | SBUHB       | Total Forecast Variance |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| NHS Wales   | £1,698      | £565        | £1,393      | £1,331      | £1,265      | £244        | £1,505      | £7,991                  |
| IPFR  | £841        | £751        | £514        | £656        | £345        | £219        | £411        | £3,733                  |
| Non Welsh SLA                                     | (£85)       | £388        | (£111)      | (£122)      | (£85)       | £292        | (£97)       | £182                    |
| Renal   | £30         | £38         | £26         | £26         | £20         | £8          | £20         | £164                    |
| Savings   | -           | -           | -           | -           | -           | -           | -           | -                       |
| Direct Running Costs                              | (£40)       | (£50)       | (£30)       | (£38)       | (£25)       | (£11)       | (£27)       | (£220)                  |
| IVF   | (£113)      | £90         | (£83)       | (£176)      | (£73)       | £6          | (£102)      | (£452)                  |
| Mental Health                                     | (£816)      | (£645)      | (£358)      | (£360)      | (£310)      | (£281)      | (£468)      | (£3,239)                |
| Developments                                      | (£732)      | (£505)      | (£571)      | (£813)      | (£434)      | (£125)      | (£464)      | (£3,643)                |
| <b>Total Share of Year-End Variance</b>           | <b>£783</b> | <b>£632</b> | <b>£780</b> | <b>£504</b> | <b>£703</b> | <b>£352</b> | <b>£778</b> | <b>£4,516</b>           |

**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 utilisation for 2020/21 and 2021/22 activity would be too volatile given the downturn in activity due to COVID-19, but the intention is to **update these during 2024/25**.

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

|         |          |          |          |          |          |         |          |            |
|---------|----------|----------|----------|----------|----------|---------|----------|------------|
| 2024/25 | £217,208 | £249,897 | £161,503 | £185,492 | £135,980 | £56,952 | £139,665 | £1,146,682 |
|---------|----------|----------|----------|----------|----------|---------|----------|------------|

| Share of Year-to-date Position £000 | ABUHB | BCUHB | CTMUHB | CVUHB | HDUHB | PTHB | SBUHB | Total  |
|-------------------------------------|-------|-------|--------|-------|-------|------|-------|--------|
|                                     | £559  | £883  | £322   | £273  | £533  | £511 | £673  | £3,747 |

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

# Welsh Provider Overview

Financial Year

Financial Month

Multiple selecti... ▾

5 ▾

| Provider                    | Annual Budget<br>£'000 | Budget to date<br>£'000 | Spend to date<br>£'000 | Variance to<br>date £'000 | Forecast Year<br>End Outturn<br>£'000 | Forecast<br>Variance £'000 |
|-----------------------------|------------------------|-------------------------|------------------------|---------------------------|---------------------------------------|----------------------------|
| Aneurin Bevan               | £13,489                | £5,621                  | £5,621                 | -                         | £13,489                               | -                          |
| Betsi Cadwaladr             | £51,102                | £21,293                 | £20,908                | (£385)                    | £51,102                               | -                          |
| Cardiff & Vale              | £312,515               | £130,215                | £133,343               | £3,128                    | £318,623                              | £6,108                     |
| Cwm Taf Morgannwg           | £12,094                | £5,039                  | £5,039                 | -                         | £12,094                               | -                          |
| Hywel Dda                   | £2,219                 | £925                    | £925                   | -                         | £2,219                                | -                          |
| Swansea Bay                 | £139,198               | £57,999                 | £59,445                | £1,445                    | £141,424                              | £2,226                     |
| Velindre                    | £63,334                | £26,389                 | £26,046                | (£343)                    | £62,991                               | (£343)                     |
| WAST                        | £276,766               | £115,319                | £115,319               | -                         | £276,766                              | -                          |
| <b>Welsh Provider Total</b> | <b>£870,718</b>        | <b>£362,799</b>         | <b>£366,646</b>        | <b>£3,845</b>             | <b>£878,709</b>                       | <b>£7,991</b>              |

For ref: Total Welsh Provider prior year outturn (excl. WAST) £800,681

The **Welsh SLA** provider position at month 5 is an **overspend of £3.845m**, with a forecast year end variance of **£7.991m**.

### LTA Agreements:

All JCC/NHS Wales contracts have been agreed, with all the Month 4 contract monitoring reflecting the new 24/25 currencies.

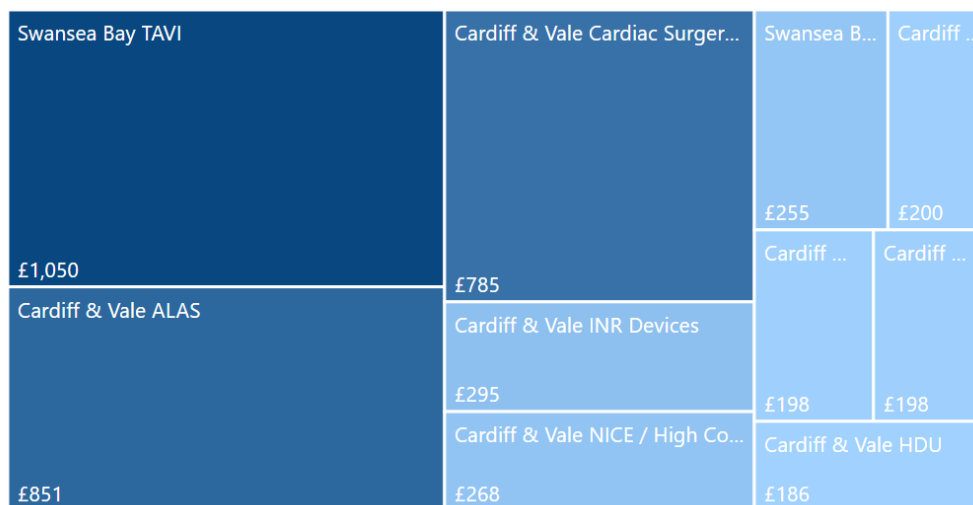
For CVUHB & SBUHB, the reported position is based on July data but the TAVI year-end forecasts for have been amended from the provider return to reflect the to-date position, pending the Cardiac Review.

To note:

- The transfer from the JCC to Health Boards of the non-specialist activity and NICE drugs through Velindre has been agreed in principle for some time, but not actioned yet; a formal paper will be taken through the Finance Working Group on Sept 16th, and taken to Management Group on Sept 26th.

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

- Swansea Bay TAVI
- Cardiff & Vale ALAS
- Cardiff & Vale Cardiac Surgery-TAVI
- Cardiff & Vale INR Devices
- Cardiff & Vale NICE / High Cost Drugs
- Swansea Bay Plastics
- Cardiff & Vale Cystic Fibrosis
- Cardiff & Vale Home TPN
- Cardiff & Vale Percutaneous Mitral valv...
- Cardiff & Vale HDU



The visual to the left highlights the **main drivers of the reported overspends** to date by Provider and Service. This is only based on data to month 4 and will be reviewed during the remainder of Q2 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 - stock adjustments and contract mechanisms; further detail awaited.
- Cardiff & Vale/INR Devices - considered a volatile area, with an increase in average cost per patient noted.
- Cardiff & Vale/NICE & High Cost Drugs - costs above baseline particularly within Tobi (Cystic Fibrosis).
- Swansea Bay Plastics - partial clearance of patients waiting >104w.
- Cardiff & Vale/Cystic Fibrosis - this service is currently being reviewed in relation to the significant drugs funding through WG.

# Provider Overview: Other

Financial Year

Financial Month

Multiple selecti... ▾

5 ▾

| Area                                 | Annual Budget<br>£'000 | Budget to date<br>£'000 | Spend to date<br>£'000 | Variance to<br>date £'000 | Forecast<br>Outturn £'000 | Forecast<br>Variance £'000 |
|--------------------------------------|------------------------|-------------------------|------------------------|---------------------------|---------------------------|----------------------------|
| ⊕ Non Welsh SLA                      | £145,013               | £60,422                 | £60,920                | £495                      | £145,195                  | £182                       |
| ⊕ IPFR                               | £44,873                | £18,697                 | £20,782                | £2,087                    | £48,606                   | £3,733                     |
| ⊕ Mental Health                      | £43,928                | £18,303                 | £17,735                | (£567)                    | £40,689                   | (£3,239)                   |
| ⊕ Developments                       | £28,232                | £11,764                 | £7,919                 | (£3,847)                  | £24,589                   | (£3,643)                   |
| ⊕ Direct Running Costs               | £9,540                 | £3,975                  | £3,753                 | (£221)                    | £9,320                    | (£220)                     |
| ⊕ IVF                                | £5,526                 | £2,303                  | £2,299                 | (£4)                      | £5,074                    | (£452)                     |
| ⊕ Renal                              | £4,335                 | £1,806                  | £1,889                 | £82                       | £4,499                    | £164                       |
| ⊕ Savings                            | (£10,000)              | (£4,167)                | (£2,292)               | £1,876                    | -£10,000                  | -                          |
| <b>Total Non-NHS Wales contracts</b> | <b>£271,447</b>        | <b>£113,103</b>         | <b>£113,006</b>        | <b>(£99)</b>              | <b>£267,972</b>           | <b>(£3,475)</b>            |

## Direct Running Costs:

The DRC position for the NWJCC team at month 5 reports a year to date **underspend of £0.221m**, with a forecast year end variance of £0.221m.

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 5 is an **overspend of £0.495m**, with a forecast **year-end overspend of £0.182m**.

The reported position is based on month 4 data where received from providers, or on on 5/12ths of 2023/24 outturn positions with inflationary uplift provisions.

To note, included in the ICP is a **£1m savings target relating to NHS England referral management** (see savings section). This is currently badged as red.

The JCC will work collaboratively with Health Boards in the coming months to provide information enabling discussions around options and choices.

## Mental Health:

The **Mental Health** position at month 4 is an **underspend of (£0.567m)**, with a forecast year end **underspend of (£3.239m)**.

The JCC finance team have worked extensively on the enhanced observation approvals and processes, leading to a reducing trajectory to year-end. However pressures have been reported in M5 around forensic MH and CAMHS.

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 5 reports a **year to date overspend of £2.087m**, with a forecast year end **overspend of £3.733m**.

The year-end forecast includes £1.9m in relation to Enzyme Replacement Therapy drugs, and £1.4m in relation to general IPFR approvals.

**The general IPFR position includes an unusual number of high-cost individual approvals within the first few weeks of this financial year.** 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<br>£'000 | Budget to date<br>£'000 | Savings reported<br>to date £'000 | Variance to date<br>£'000 | Forecast<br>Outturn £'000 | Forecast Variance<br>£'000 |
|--|------------------------|-------------------------|-----------------------------------|---------------------------|---------------------------|----------------------------|
| <input checked="" type="checkbox"/> Savings  | (£10,000)              | (£4,167)                | (£2,292)                          | £1,876                    | -£10,000                  | -                          |
| Additional schemes to be worked through      | (£3,000)               | (£1,250)                | (£808)                            | £442                      | -£3,000                   | -                          |
| 24/25 Medicines Management                   | (£2,000)               | (£833)                  | (£213)                            | £621                      | -£2,000                   | -                          |
| Cardiac Surgery re-alignment South Wales     | (£1,500)               | (£625)                  | (£625)                            | -                         | -£1,500                   | -                          |
| Mental Health Strategy - Reduce OOA & LOS    | (£1,000)               | (£417)                  | (£417)                            | -                         | -£1,000                   | -                          |
| NHS E Referral Management                    | (£1,000)               | (£417)                  | -                                 | £417                      | -£1,000                   | -                          |
| BCU Cardiac contract Rebasing                | (£700)                 | (£292)                  | -                                 | £292                      | -£700                     | -                          |
| Cystic Fibrosis - New contract model S Wales | (£550)                 | (£229)                  | (£229)                            | -                         | -£550                     | -                          |
| Cystic Fibrosis - New contract model N Wales | (£150)                 | (£63)                   | -                                 | £62                       | -£150                     | -                          |
| Genetics - Repatriate send out tests phase 2 | (£100)                 | (£42)                   | -                                 | £42                       | -£100                     | -                          |
| <b>Total Savings as per ICP</b>              | <b>(£10,000)</b>       | <b>(£4,167)</b>         | <b>(£2,292)</b>                   | <b>£1,876</b>             | <b>-£10,000</b>           | <b>-</b>                   |

*For ref: Prior year savings delivery*      -£9,601

The forecast position at month 5 **assumes delivery of the entire JCC savings target**. As there are **£4.5m allocated to savings without specific projects at this point, this has been highlighted as a Risk at this point**.

Work is ongoing with commissioning teams to develop robust processes to monitor delivery; all identified savings schemes have a dedicated Executive, Planning and Finance lead to monitor and track delivery throughout the year. This will be closely monitored with the JCC Director team and reported transparently to Health Board Commissioners.

Whilst the full Savings target is expected to be achieved, the achievement to date is slipping, and therefore further work is necessary. An Action Route to Breakeven has been produced with strands of work including analysing recent Funding Releases and Developments funding to identify any potential slippage, with Management Group and Joint Committee meetings to follow (please see the timeline on Page 4). Work will also continue in-year to mitigate overspends, and work towards a break-even position.

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 to be developed throughout the year**.

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 Q1 2024/25 WHSSC had achieved 97.9% compliance for NHS invoices paid within 30 days by value and **92.6% by number**. The dip in achievement is due to several NHS Wales drug recharges, which needed various levels of approval sign off before payment. This will be investigated before the next quarter's reporting to see how these can be improved.

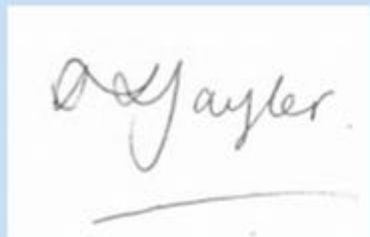
For non-NHS invoices WHSSC had achieved 96.1% in value for invoices paid within 30 days and 98.8% by number.

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

- 1.4 Ensure a single signed narrative is provided as part of the MMR submissions - noted
- 2.3 Please ensure all orange highlighted in month and annual forecast variances on Table B1 are explained - the movement for M5 relates to the 23/24 wage award funding being both received as Income and and Spend passed over to the NHS Wales providers.
- 3.4 C&VUHB contract - please note the Cardiff contract is agreed between JCC/C&VUHB, and should be signed by their Board within their September meeting
- 4.1 Provide details of the actions around the Savings gap - please see page 7

## CONFIRMATION OF REPORT



**Stacey Taylor**

Director of Finance & Information

NWJCC / JCC - NHS Wales Joint Commissioning Committee  
ALAS - Artificial Limbs and Appliances Services  
CAMHS - Child and Adolescent Mental Health Services  
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)

## ABUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £216,425              | £783       | £217,208    |

EOYF Variance as a % of Budgeted Income 0.36%

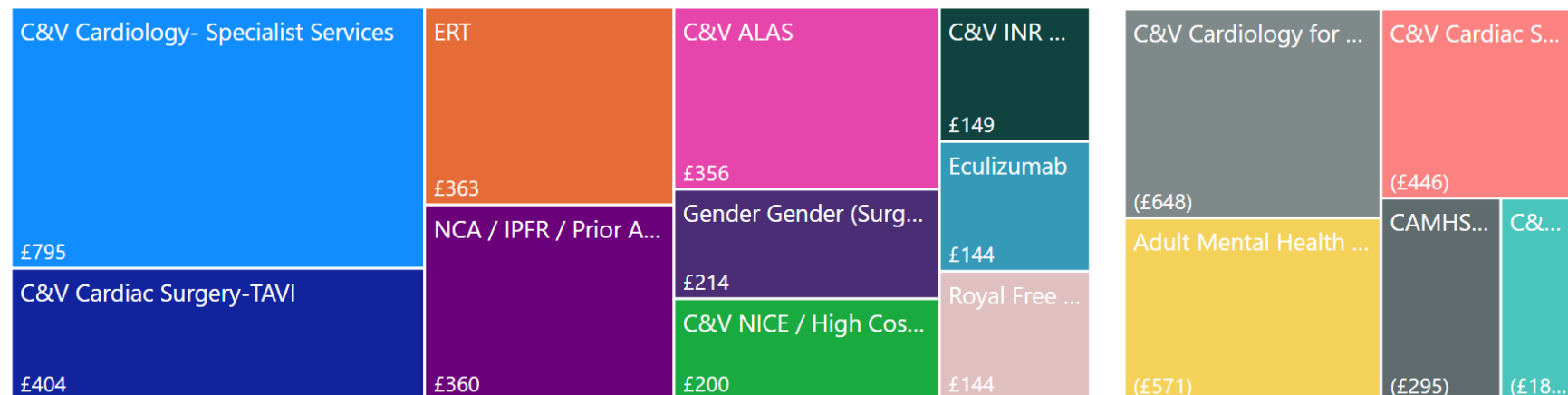
## NHS Wales Breakdown

|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Cardiff & Vale    | £969                  | £1,670                 |
| Swansea Bay       | £52                   | £163                   |
| Betsi Cadwaladr   | £17                   | -                      |
| Aneurin Bevan     | -                     | -                      |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| WAST              | -                     | -                      |
| Velindre          | (£135)                | (£135)                 |
| <b>Total</b>      | <b>£903</b>           | <b>£1,698</b>          |

## Breakdown of EOYF Variance by Area:

| NHS Wales | IPFR | Renal | Savings | Direct Running Costs | Non Welsh SLA | IVF    | Developments | Mental Health | Total       |
|-----------|------|-------|---------|----------------------|---------------|--------|--------------|---------------|-------------|
| £1,698    | £841 | £30   | -       | (£40)                | (£85)         | (£113) | (£732)       | (£816)        | <b>£783</b> |

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



## Comments/Notes:

Aneurin Bevan residents services come primarily from Cardiff & Vale UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £783k overspent includes the following main components:

- Cardiology through Cardiff & Vale - £147k overspent in total, made up of £795k on general Specialist Cardiology, and an underspend of £648k on AB Cardiology
- TAVI activity through Cardiff & Vale - £2404k overspent in total, from a projected over-activity from the provider. A detailed SBAR and projections have been requested from the provider.
- Individual Patient Funding Requests - general overspend of £360k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £356k overspent; more detail has been requested from the provider
- Mental Health - overspends on Gender have been covered by significant underspends on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding in the agreed ICP.

Please see the NWJCC risk-share tables for more details by individual lines.

## BCUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £249,265              | £632       | £249,897    |

EOYF Variance as a % of Budgeted Income 0.25%

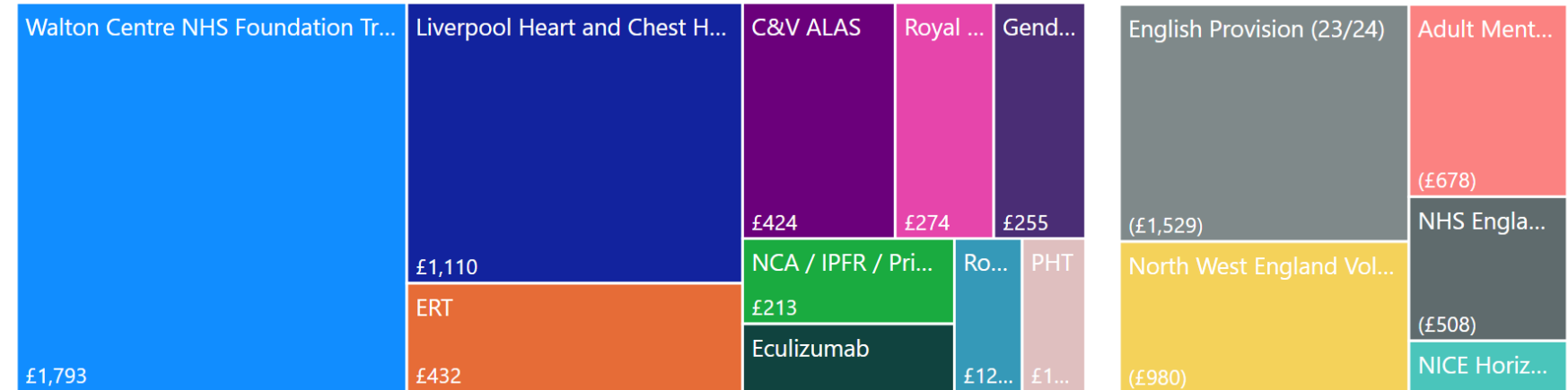
## NHS Wales Breakdown

|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Aneurin Bevan     | -                     | -                      |
| Betsi Cadwaladr   | (£454)                | -                      |
| Cardiff & Vale    | £217                  | £418                   |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| Swansea Bay       | £39                   | £147                   |
| Velindre          | -                     | -                      |
| WAST              | -                     | -                      |
| <b>Total</b>      | <b>(£198)</b>         | <b>£565</b>            |

## Breakdown of EOYF Variance by Area:

| IPFR | NHS Wales | Non Welsh SLA | IVF | Renal | Savings | Direct Running Costs | Developments | Mental Health | Total |
|------|-----------|---------------|-----|-------|---------|----------------------|--------------|---------------|-------|
| £751 | £565      | £388          | £90 | £38   | -       | (£50)                | (£505)       | (£645)        | £632  |

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Betsi Cadwaladr residents services come primarily from their own Health Board, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £632k overspent includes the following main components:

- Walton - overspend of £1.8m forecast, from reverting back to a Cost & Volume basis.
- Liverpool Heart & Chest - overspend of £1.1m forecast, from increasing activity. Increasing Cardiology activity is following the trend in South Wales providers as well.
- Individual Patient Funding Requests - general overspend of £213k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £424k overspent; more detail has been requested from the provider as this line is risk-shared across all Health Boards, and therefore affecting BCUHB's financial position
- Mental Health - overspends on Gender have been covered by significant underspends on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding currently held in Developments. This budget may be moved out against the spend in future months.

Please see the NWJCC risk-share tables for more details by individual lines.

## CVUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £184,988              | £504       | £185,492    |

EOYF Variance as a % of Budgeted Income 0.27%

## NHS Wales Breakdown

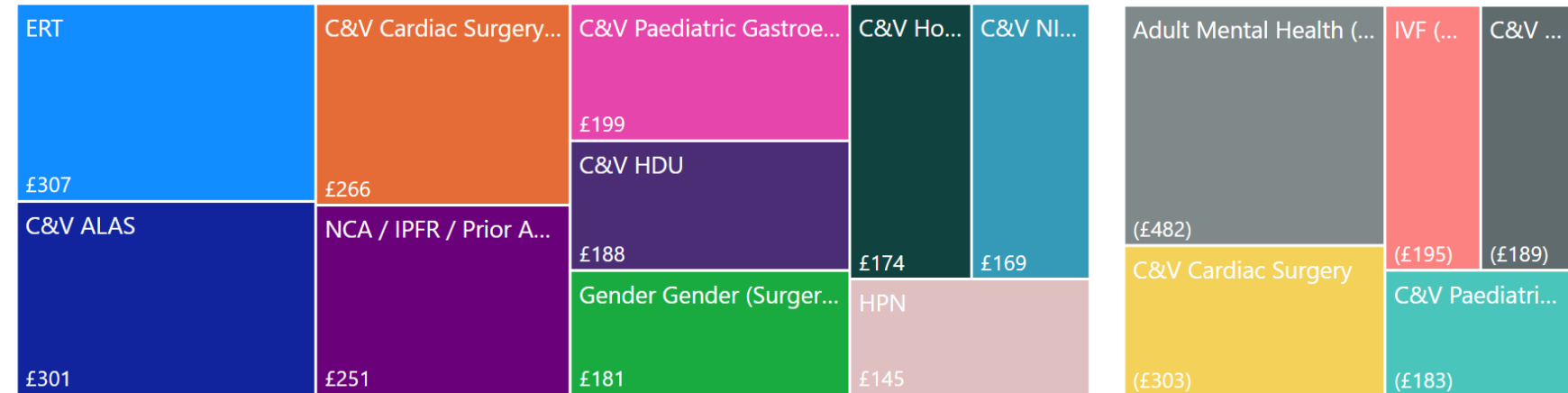
|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Aneurin Bevan     | -                     | -                      |
| Betsi Cadwaladr   | £14                   | -                      |
| Cardiff & Vale    | £707                  | £1,300                 |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| Swansea Bay       | £51                   | £129                   |
| Velindre          | (£98)                 | (£98)                  |
| WAST              | -                     | -                      |
| <b>Total</b>      | <b>£674</b>           | <b>£1,331</b>          |

## Breakdown of EOYF Variance by Area:

| NHS Wales | IPFR | Renal | Savings | Direct Running Costs | Non Welsh SLA | IVF    | Mental Health | Developments | Total       |
|-----------|------|-------|---------|----------------------|---------------|--------|---------------|--------------|-------------|
| £1,331    | £656 | £26   | -       | (£38)                | (£122)        | (£176) | (£360)        | (£813)       | <b>£504</b> |

All ▾

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Cardiff & Vale residents services come primarily from Cardiff & Vale UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £504k overspent includes the following main components:

- TAVI activity through Cardiff & Vale - £266k overspent in total, from a projected over-activity from the provider. A detailed SBAR and projections have been requested from the provider.
- Individual Patient Funding Requests - general overspend of £251k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £301k overspent; more detail has been requested from the provider
- Mental Health - overspends on Gender have been covered by significant underspends on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding in the agreed ICP.

Please see the NWJCC risk-share tables for more details by individual lines.

## CTMUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £160,723              | £780       | £161,503    |

EOYF Variance as a % of Budgeted Income 0.49%

## NHS Wales Breakdown

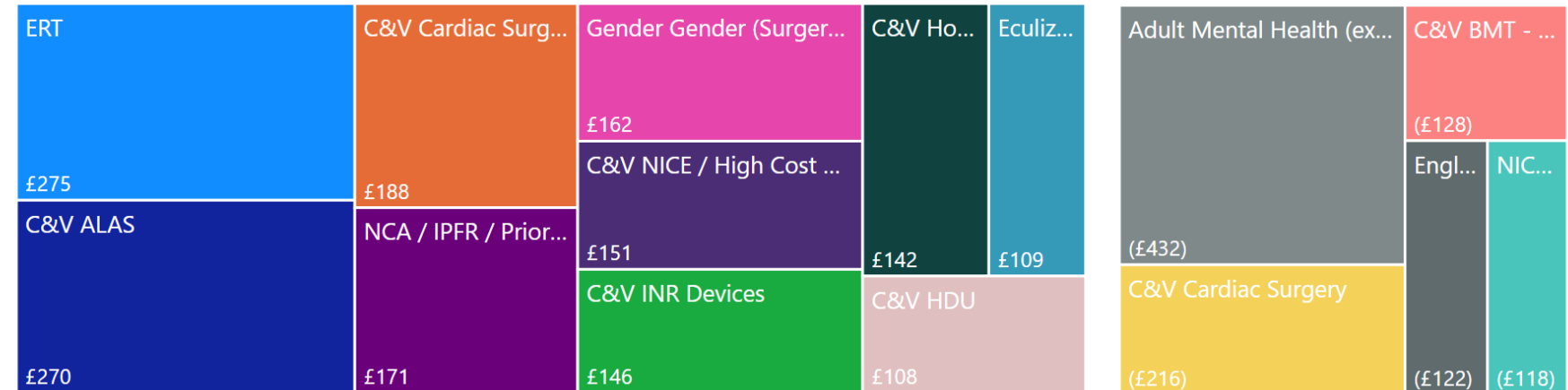
|                   | YTD Variance | EOYF Variance |
|-------------------|--------------|---------------|
| Aneurin Bevan     | -            | -             |
| Betsi Cadwaladr   | £13          | -             |
| Cardiff & Vale    | £576         | £1,240        |
| Cwm Taf Morgannwg | -            | -             |
| Hywel Dda         | -            | -             |
| Swansea Bay       | £116         | £248          |
| Velindre          | (£95)        | (£95)         |
| WAST              | -            | -             |
| <b>Total</b>      | <b>£610</b>  | <b>£1,393</b> |

## Breakdown of EOYF Variance by Area:

| NHS Wales | IPFR | Renal | Savings | Direct Running Costs | IVF   | Non Welsh SLA | Mental Health | Developments | Total       |
|-----------|------|-------|---------|----------------------|-------|---------------|---------------|--------------|-------------|
| £1,393    | £514 | £26   | -       | (£30)                | (£83) | (£111)        | (£358)        | (£571)       | <b>£780</b> |

All ▾

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Cwm Taf Morgannwg residents services come primarily from Cardiff & Vale UHB, Swansea Bay UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £780k overspent includes the following main components:

- Individual Patient Funding Requests - general overspend of £171k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £270k overspent; more detail has been requested from the provider
- Mental Health - £432k underspend on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs , partially covered by drugs funding agreed in the ICP.

Please see the NWJCC risk-share tables for more details by individual lines.

## HDUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £135,277              | £703       | £135,980    |

EOYF Variance as a % of Budgeted Income 0.52%

## NHS Wales Breakdown

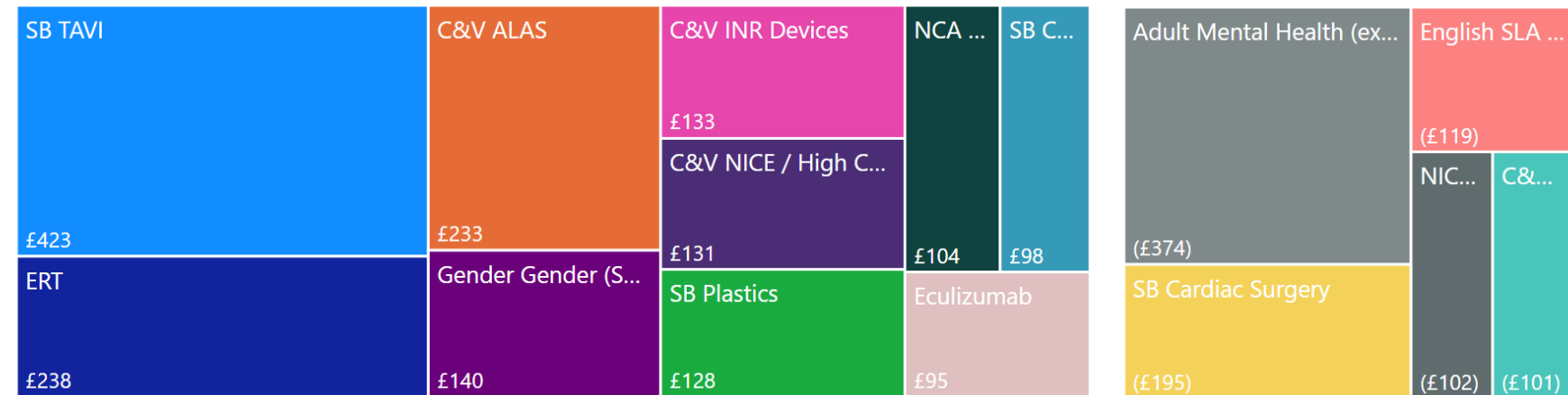
|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Aneurin Bevan     | -                     | -                      |
| Betsi Cadwaladr   | £11                   | -                      |
| Cardiff & Vale    | £251                  | £602                   |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| Swansea Bay       | £515                  | £668                   |
| Velindre          | (£5)                  | (£5)                   |
| WAST              | -                     | -                      |
| <b>Total</b>      | <b>£772</b>           | <b>£1,265</b>          |

## Breakdown of EOYF Variance by Area:

| NHS Wales | IPFR | Renal | Savings | Direct Running Costs | IVF   | Non Welsh SLA | Mental Health | Developments | Total       |
|-----------|------|-------|---------|----------------------|-------|---------------|---------------|--------------|-------------|
| £1,265    | £345 | £20   | -       | (£25)                | (£73) | (£85)         | (£310)        | (£434)       | <b>£703</b> |

All ▾

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Hywel Dda residents services come primarily from Cardiff & Vale UHB, Swansea Bay UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £703k overspent includes the following main components:

- TAVI activity through Swansea Bay - £423k overspent in total, from TAVI contract increases as agreed through Management Group in December 2023. Savings from the Cardiac Surgery rebasing are expected to help cover this spend, but is currently tied up in fixed costs and will be considered in the Phase 2 part of this project. Projections have been requested from the provider for the 24/25 forecasts.
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £233k overspent; more detail has been requested from the provider
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding agreed in the ICP.

Please see the NWJCC risk-share tables for more details by individual lines.

## PTHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £56,600               | £352       | £56,952     |

EOYF Variance as a % of Budgeted Income 0.62%

## NHS Wales Breakdown

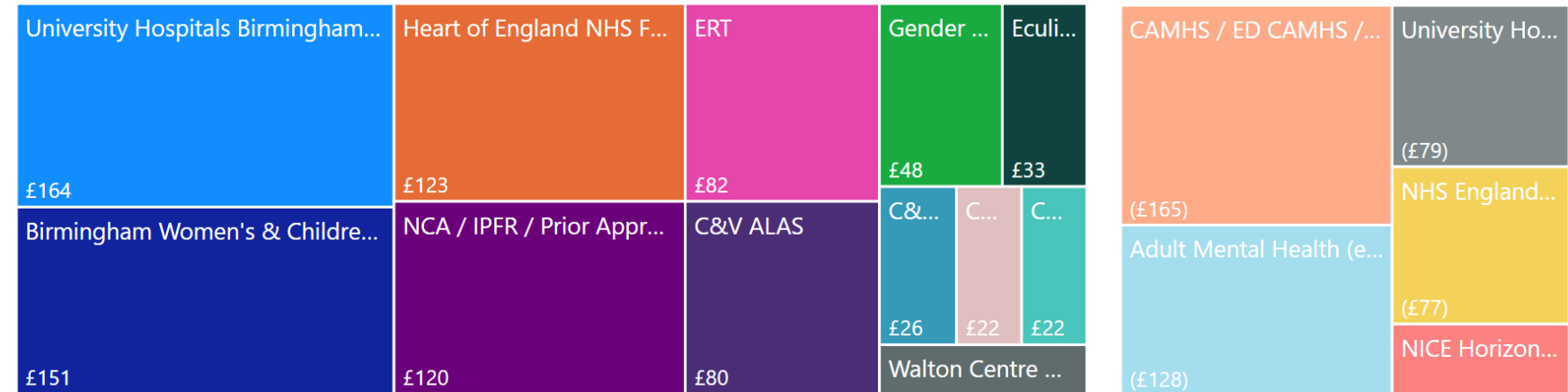
|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Aneurin Bevan     | -                     | -                      |
| Betsi Cadwaladr   | £4                    | -                      |
| Cardiff & Vale    | £106                  | £194                   |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| Swansea Bay       | £26                   | £57                    |
| Velindre          | (£7)                  | (£7)                   |
| WAST              | -                     | -                      |
| <b>Total</b>      | <b>£129</b>           | <b>£244</b>            |

## Breakdown of EOYF Variance by Area:

| Non Welsh SLA | NHS Wales | IPFR | Renal | IVF | Savings | Direct Running Costs | Developments | Mental Health | Total |
|---------------|-----------|------|-------|-----|---------|----------------------|--------------|---------------|-------|
| £292          | £244      | £219 | £8    | £6  | -       | (£11)                | (£125)       | (£281)        | £352  |

All ▼

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Powys residents services come primarily from Cardiff & Vale UHB, Swansea Bay UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £352k overspent includes the following main components:

- NHS England - University Hospitals Birmingham overspend of £164k.
- NHS England - Birmingham Women & Children overspend of £151k.
- Individual Patient Funding Requests - general overspend of £120k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £80k overspent; more detail has been requested from the provider
- Mental Health - overspends on Gender have been covered by significant underspends on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding agreed in the ICP.

Please see the NWJCC risk-share tables for more details by individual lines.

## SBUHB Commissioner Contribution to JCC

| Budgeted Income £'000 | EOYF £'000 | Total £'000 |
|-----------------------|------------|-------------|
| £138,887              | £778       | £139,665    |

EOYF Variance as a % of Budgeted Income 0.56%

## NHS Wales Breakdown

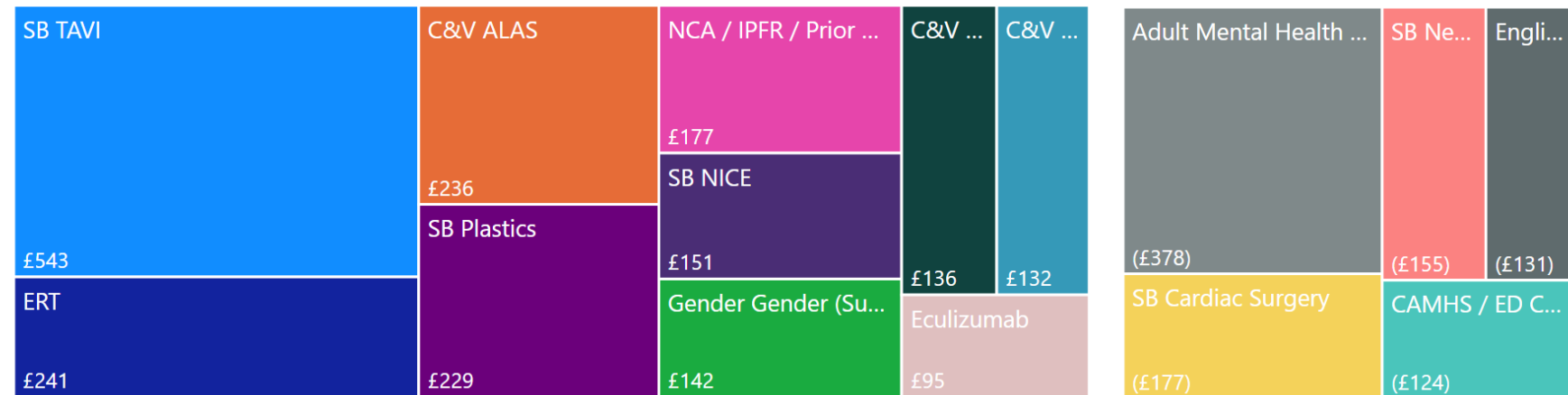
|                   | YTD Variance<br>£'000 | EOYF Variance<br>£'000 |
|-------------------|-----------------------|------------------------|
| Aneurin Bevan     | -                     | -                      |
| Betsi Cadwaladr   | £11                   | -                      |
| Cardiff & Vale    | £306                  | £690                   |
| Cwm Taf Morgannwg | -                     | -                      |
| Hywel Dda         | -                     | -                      |
| Swansea Bay       | £646                  | £817                   |
| Velindre          | (£2)                  | (£2)                   |
| WAST              | -                     | -                      |
| <b>Total</b>      | <b>£961</b>           | <b>£1,505</b>          |

## Breakdown of EOYF Variance by Area:

| NHS Wales | IPFR | Renal | Savings | Direct Running Costs | Non Welsh SLA | IVF    | Developments | Mental Health | Total       |
|-----------|------|-------|---------|----------------------|---------------|--------|--------------|---------------|-------------|
| £1,505    | £411 | £20   | -       | (£27)                | (£97)         | (£102) | (£464)       | (£468)        | <b>£778</b> |

All ▾

## Top 15 Services by EOYF Variance £'000 - top 10 overspends and top 5 underspends



### Comments/Notes:

Swansea Bay residents services come primarily from Cardiff & Vale UHB, Swansea Bay UHB, NHS England and private providers in relation to Mental Health individual placements.

### The current year-end forecast variance of £778k overspent includes the following main components:

- TAVI activity through Swansea Bay - £543k overspent in total, from TAVI contract increases as agreed through Management Group in December 2023. Savings from the Cardiac Surgery rebasing are expected to help cover this spend, but is currently tied up in fixed costs and will be considered in the Phase 2 part of this project. Projections have been requested from the provider for the 24/25 forecasts.
- Individual Patient Funding Requests - general overspend of £177k. This includes specific high-cost patients which will be monitored against activity
- ALAS services (wheelchairs and prosthetics) through Cardiff & Vale - £236k overspent; more detail has been requested from the provider
- Mental Health - overspends on Gender have been covered by significant underspends on Medium Secure Mental Health savings on enhanced observations and placements
- High cost drugs including ERT and NICE drugs, partially covered by drugs funding agreed in the ICP.

Please see the NWJCC risk-share tables for more details by individual lines.