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Joint Commissioning
Committee

NHS Wales Joint Commissioning Committee (JCC)

Financial Position Report

Financial Year

2025/26

Financial Month

5

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Date Produced: 11th September 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
£1,195,739	£498,225	£500,623	£2,398	£1,199,439	£3,701

The reported position is based on the following:

The overall year-to-date JCC position at month 5 is an overspend of £2.398m, with a forecast year end overspend of £3.701m. 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 4 data received from providers.
- NHS England Providers – based on month 4 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 £8m 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 pro-rata difference of £2.2m is being reported as a risk** until later in the year, when this can be re-evaluated with more in-year data.
- **Assumption of £1.4m to be refunded from Swansea Bay UHB**, in regards to the Caswell unit currently including non-specialist occupancy.
- Reduction of the UH Bristol NHS Trust position from a straight extrapolation of the activity to date (M4 data), whilst more analysis is examined on the Neonatal / Paeds ICU positions.

There has been a focus on reducing the level of risk reported, which has resulted in a £6.0m reduction since Q1. Identification and delivery of savings is a key priority with actions being taken through formal NWJCC Board meetings and strategy sessions. A separate paper outlining this will be provided which will be discussed in detail at the NWJCC in committee board meeting on the 16th September. This will hopefully provide the level of assurance requested by Welsh Government in Judith Paget's correspondence of 18th August.

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 was re-established under the JCC in 2024/25, and meets monthly. Terms of Reference are being re-evaluated in August 2025, given the inception of various newer JCC sub-committees and groups.

JCC Finance Summary

Area	Annual Budget £'000	Budget to date £'000	Spend to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
- NHS Wales	£895,588	£373,162	£375,355	£2,194	£899,857	£4,269
Cardiff & Vale	£333,469	£138,946	£139,808	£862	£336,489	£3,019
WAST	£292,201	£121,750	£121,750	-	£292,201	-
Swansea Bay	£150,155	£62,565	£63,354	£789	£150,885	£730
Betsi Cadwaladr	£53,274	£22,198	£22,339	£142	£53,420	£145
Velindre	£38,326	£15,969	£15,961	(£8)	£38,318	(£8)
Aneurin Bevan	£13,728	£5,720	£5,701	(£19)	£13,682	(£46)
Cwm Taf Morgannwg	£12,176	£5,073	£5,501	£428	£12,604	£428
Hywel Dda	£2,258	£941	£941	-	£2,258	-
+ Non Welsh SLA	£160,456	£66,857	£68,025	£1,168	£162,510	£2,054
+ IPFR	£63,515	£26,464	£29,547	£3,082	£69,019	£5,504
+ Mental Health	£45,287	£18,870	£17,794	(£1,075)	£43,629	(£1,659)
+ CIAG & Prior Year Commitments	£28,292	£11,788	£6,889	(£4,900)	£23,234	(£5,058)
+ Direct Running Costs	£10,663	£4,443	£4,443	(£0)	£10,663	(£0)
+ Renal	£3,315	£1,381	£1,216	(£165)	£3,155	(£160)
+ Releases	-	-	(£1,250)	(£1,250)	(£1,250)	(£1,250)
+ Savings	(£11,377)	(£4,740)	(£1,396)	£3,345	(£11,377)	-
JCC Total Expenditure	£1,195,739	£498,225	£500,623	£2,398	£1,199,439	£3,701

The overall year-to-date position at month 5 is an **overspend of £2.398m**, with a forecast **year end overspend of £3.701m**. This is mainly driven by pressures within Welsh providers, NHS England and IPFR.

For **CVUHB, SBUHB, ABUHB and CTMUHB**, the reported position is based on M4 contract monitoring 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:

- NICU/PICU - pressures experienced across both CVUHB and SBUHB. NICU activity in CVUHB of 1,247 cot days to M4 vs 937 in the same period in 2024/25, driving a £0.5m YTD overspend, with SBUHB reporting 682 cot days to M4 vs 410 in the same period in 2024/25, driving a further £0.2m pressure. Additionally, CVUHB PICU activity of 749 bed days is reported to M4 vs 538 in the same period in 2024/25, driving a further £0.3m YTD overspend.
- Haemophilia Blood Products - increased blood product costs, particularly Veyvondi, Idelvion and Hemlibra.
- Clinical Immunology - YTD spend currently in line with baseline but an increase in costs anticipated during the second half of the year.

For the **non-Welsh SLA**, a forecast overspend of £2.1m is reported, which is based on month 4 data. This is largely driven by PICU/NICU pressures noted in our contract with UH Bristol & Weston due to a number of high cost patients, with total length of stay up 116% to M4 2025/26 vs the same period in 2024/25. 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. Firm plans are in place to deliver £3.3m of Savings. Further work is ongoing around the remaining balance.

The overall **IPFR** full-year forecast position is driven by £2.0m in relation to HPN, and £1m on ERT. There is a further overspend on general IPFR approvals of £2.2m, partially covered by NICE drugs funding cover of £1m.

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 require further mitigation and management within the period, and work is continuing at pace in order to deliver. **The level of risks reported have reduced by £6.0m since Q1, attributable to: NHSE non-elective costs (£3.8m), reduced risk in relation to NICE drug costs (£1.0m) and reduced NHSE activity risk (£1.1m).**

Good progress has been made by the JCC in order to reduce the reported risks, a detailed Financial Risks Paper is being shared with Joint Committee on 16th September 2025 and work is continuing at pace to deliver savings in the latter part of the year.

Known financial risks requiring mitigation include:

- NHS England growth - this includes **£8m 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.
- 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 pro-rata **difference of £2.2m is being reported** (£3.3m at Q1) as a risk until later in the year, when this can be re-evaluated with more in-year data.
- The M5 position includes an **expected reduction in LTA value of £1.4m from SBUHB in relation to the Medium Secure beds at Caswell**, of which some are currently filled with other patients. The value has not yet been agreed, pending analysis of affected Out of Area patients/costs.
- The M5 position included a higher than average spend, and therefore full year forecast, for **NICU and PICU at both Cardiff and UHBristol**. This is being examined by the JCC Women & Childrens commissioning team, but **£1.9m was reduced from University Hospital Bristol's year-end forecast** in the meantime, to reflect that this high activity to Month 4 is unusual, and potentially not relevant for a straight line extrapolation.
- IPFR (Individual Patient Funding Requests) budgets show a continued growth in funding applications into 2025/26; this will need to be monitored in-year.

Successful mitigation of these risks requires collaborative efficiency and savings programmes to be jointly delivered by NWJCC, Health Boards and WAST.

OPPORTUNITIES

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

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

Reserves and approved funding for schemed not yet started - £3m

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

Commissioner Overview

Financial Month ▼

5 ▼

Budgeted Income £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
Income	£220,049	£267,731	£165,514	£189,820	£144,362	£59,888	£148,376	£1,195,739

Share of Forecast Year-end Variance by Area £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total Forecast Variance
IPFR	£1,310	£986	£832	£1,138	£425	£308	£505	£5,504
NHS Wales	£347	£231	£1,097	£698	£849	£75	£972	£4,269
Non Welsh SLA	£479	£447	£137	£340	£191	£118	£343	£2,054
Savings	(£112)	£220	(£34)	(£26)	(£6)	£7	(£49)	-
Direct Running Costs	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)	(£0)
Renal	(£30)	(£36)	(£23)	(£24)	(£20)	(£7)	(£19)	(£160)
Releases	(£234)	(£279)	(£178)	(£198)	(£154)	(£53)	(£155)	(£1,250)
Mental Health	(£746)	£421	(£231)	(£206)	(£199)	(£295)	(£403)	(£1,659)
CIAG & Prior Year Commitments	(£1,008)	(£793)	(£735)	(£1,060)	(£607)	(£187)	(£668)	(£5,058)
Total Share of Year-End Variance	£6	£1,197	£866	£661	£479	(£33)	£525	£3,701

2025/26	£220,054	£268,928	£166,380	£190,481	£144,841	£59,854	£148,900	£1,199,439
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Share of Year-to-date Position £'000	ABUHB	BCUHB	CTMUHB	CVUHB	HDUHB	PTHB	SBUHB	Total
2025/26	(£241)	£2,316	£205	(£240)	(£61)	£385	£35	£2,398

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

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	£5,720	£5,701	(£19)	£13,682	(£46)
Betsi Cadwaladr	£53,274	£22,198	£22,339	£142	£53,420	£145
Cardiff & Vale	£333,469	£138,946	£139,808	£862	£336,489	£3,019
Cwm Taf Morgannwg	£12,176	£5,073	£5,501	£428	£12,604	£428
Hywel Dda	£2,258	£941	£941	-	£2,258	-
Swansea Bay	£150,155	£62,565	£63,354	£789	£150,885	£730
Velindre	£38,326	£15,969	£15,961	(£8)	£38,318	(£8)
WAST	£292,201	£121,750	£121,750	-	£292,201	-
Welsh Provider Total	£895,588	£373,162	£375,355	£2,194	£899,857	£4,269

The **Welsh SLA** provider position at month 5 is an **overspend of £2.2m**, with a forecast year end variance of **£4.3m**.

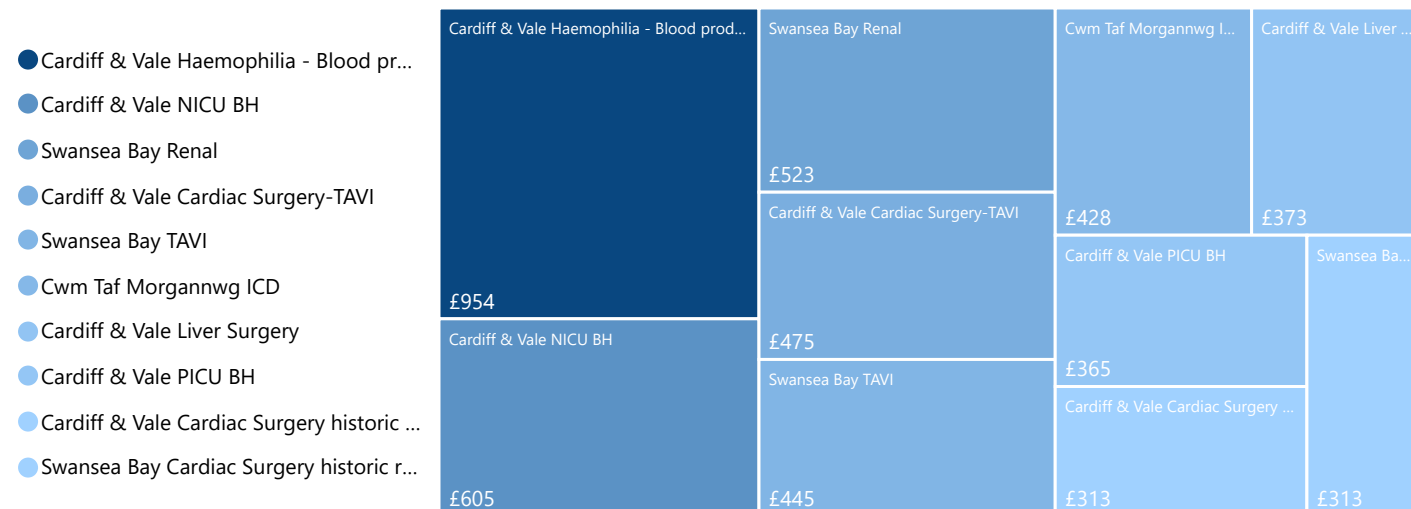
For CVUHB, SBUHB, ABUHB and CTMUHB, the reported position is based on M4 data.

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 (e.g. Haemophilia Blood Products, Clinical Immunology).

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

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



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 4 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/NICU BH - Driven by both ICU/HDU bed days.
- Cardiff & Vale/PICU BH - Bed days above baseline YTD.
- Cardiff & Vale/BMT - Increased activity of the more expensive Allogenic Matched Unrelated Donor procedure. Health board anticipate this will not be sustained.
- Cardiff & Swansea - TAVI (Cardiology) overperformance
- Cwm Taf Morgannwg/ICD - Activity significantly above baseline but in line with PY. Note, this overspend is 100% risk shared to CTM.

Provider Overview: Other

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	£160,456	£66,857	£68,025	£1,168	£162,510	£2,054
⊕ IPFR	£63,515	£26,464	£29,547	£3,082	£69,019	£5,504
⊕ Mental Health	£45,287	£18,870	£17,794	(£1,075)	£43,629	(£1,659)
⊕ CIAG & Prior Year Commitments	£28,292	£11,788	£6,889	(£4,900)	£23,234	(£5,058)
⊕ Direct Running Costs	£10,663	£4,443	£4,443	(£0)	£10,663	(£0)
⊕ Renal	£3,315	£1,381	£1,216	(£165)	£3,155	(£160)
⊕ Releases	-	-	(£1,250)	(£1,250)	(£1,250)	(£1,250)
⊕ Savings	(£11,377)	(£4,740)	(£1,396)	£3,345	(£11,377)	-
Total Other Providers	£300,150	£125,063	£125,268	£205	£299,582	(£568)

Direct Running Costs:

The **DRC position** for the NWJCC team at month 5 reports a breakeven year-to-date and year-end forecast position. This includes £200k of Savings reported as achieved.

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 5 is an **overspend of £1.168m**, with a forecast **year-end overspend of £2.054m**. The reported position is based on month 4 data where received from providers.

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 was reported through an £8.9m savings target included within the Foundation Plan for 2025/26.

Mental Health:

The **Mental Health** position at month 4 is a year-to-date **underspend of (£1.134m)**, with a forecast year end **underspend of (£1.985m)**.

The reported position is based on actual data available to M4.

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 4 reports a **year-to-date overspend of £3.226m**, with a **full-year forecast overspend of £4.992m**. The reported position is based on actual data available to M4.

The year-end forecast includes £2m on HPN and £2m on general IPFR approvals, with £0.8m in relation to Enzyme Replacement Therapy (ERT). This is mitigated by a portion of the NICE drug funding from the 2025/26 ICP.

Savings

Heading	Annual Budget £'000	Budget to date £'000	Savings reported to date £'000	Variance to date £'000	Forecast Outturn £'000	Forecast Variance £'000
<input type="checkbox"/> Savings	(£11,377)	(£4,740)	(£1,396)	£3,345	(£11,377)	-
<input checked="" type="checkbox"/> NHSE 24/25 issues	(£8,877)	(£3,699)	-	£3,699	(£8,027)	£850
<input type="checkbox"/> Additional schemes	(£2,500)	(£1,042)	(£1,396)	(£354)	(£3,350)	(£850)
Additional schemes to be worked through	(£2,500)	(£1,042)	-	£1,042	-	£2,500
Cystic Fibrosis funding		-	(£229)	(£229)	(£550)	(£550)
High Secure Ashworth - contract saving		-	(£250)	(£250)	(£600)	(£600)
High Secure Rampton - contract saving		-	(£417)	(£417)	(£1,000)	(£1,000)
JCC DRC savings		-	(£83)	(£83)	(£200)	(£200)
JCC Savings schemes 25/26					-	-
UH Bristol - contract saving		-	(£417)	(£417)	(£1,000)	(£1,000)
Total Savings as per ICP	(£11,377)	(£4,740)	(£1,396)	£3,345	(£11,377)	-
				<i>For ref: Prior year savings delivery</i>	(£6,296)	

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. Savings achieved represent £3.3m across the areas listed in the table.

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.

The savings position at M5 reports savings delivery of £3.35m. The forecast position at M5 assumes delivery of the entire JCC savings target.

Further work is ongoing around the remaining balance.

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.**

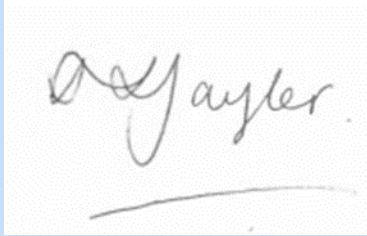
For non-NHS invoices WHSSC had achieved 93.6% in value for invoices paid within 30 days and 95.4% by number.

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
NICU - Neonatal Intensive Care
NCCU - National Collaborative Commissioning Unit
NHSE - NHS England
OOA - Out of Area
PETIC - Positron Emission Tomography Imaging Centre
PICU - Paediatric Intensive Care
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