



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 27 FEBRUARY 2019
FINANCE REPORT
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ABSTRACT

This report provides an update to the Angus Integration Joint Board (IJB) regarding the financial position of Angus IJB including financial projections and financial risks.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) notes the overall projected financial position of Angus IJB for 2018/19;
- (ii) notes the update regarding IJB reserves; and
- (iii) notes the risks documented in the Financial Risk Assessment.

2. FINANCIAL MONITORING

The report describes the most recent financial monitoring information for Angus IJB. The main sections of the report are structured in the following way:-

- a) NHS Directed Services (section 3).
- b) Angus Council Directed Services (section 4).
- c) Summary (section 5).

It is important to note that from 2018/19, should the IJB ultimately overspend (i.e. after the implementation of a recovery plan and use of available reserves), then that overspend will be apportioned to Partner organisations in proportion to the spending directions to each party. That percentage share is currently estimated at: Angus Council: 36%; NHS Tayside: 64%.

Information contained within this report reflects estimates for the whole of 2018/19 and consequently further reviews of projections will be undertaken which may lead to future adjustments in information.

The IJB's detailed projected financial position for 2018/19 is set out in Appendix 1. This shows that the overall projected financial position for Angus IJB for year to March 2019 is of an under spend of c£2.0m. This is after material Prescribing and Hosted Service overspends have been offset by other health underspends and underspends within Adult Services.

3. NHS DIRECTED SERVICES – CURRENT POSITION

3.1 Local Hospital and Community Health Services

- For 2018/19 the vast majority of services are currently projecting underspends or near breakeven. As noted previously this reflects good progress made in both 2017/18 and early 2018/19 with delivery of both savings and cost containment. This situation makes a positive

contribution to the IJB's financial planning for future years. These service budgets will continue to be monitored going forward.

- There are some overspends within "Other Community Services" – these relate to the interaction with other services and this presentation will be revised for the upcoming financial year.
- Beyond service budgets, the IJB is forecasting an underspend within Centrally Managed Budgets reflecting the above noted progress with savings (as per the IJB's financial plan), unplanned short term underspends regarding the final stages of the implementation of Enhanced Community Support (ECS), and short term (i.e. one off) planned underspends regarding Partnership Funds. Forecast underspends in this area have increased since the last report to the IJB as some one-off costs are now expected to be deferred to 2019/20 and balances expected to offset negative Prescribing variances are released (see section below).
- Issues regarding concluding the implementation of ECS have impacts across the IJB. Progress is now being made with this including approval of plans at local Clinical Partnership Groups. It is anticipated that matters will be resolved before the financial year end and the one-off under spends seen in 2018/19 will therefore not subsequently re-occur.
- It is worth noting that the IJB has previously agreed (report 25/18) that non-recurring Partnership Funds be used to support the IJB's overall financial position. This has had a positive effect in this financial year. There are additional Partnership Funds available in 2018/19 and, after discussion at the IJB's Finance Monitoring Group, it has recently been agreed these can also revert to supporting the IJB's overall financial plan – accepting the financial challenges the IJB faces in the near future. This is now reflected in this report as one-off underspends in 2018/19 which will therefore not subsequently re-occur.
- Collectively these factors contribute to the forecast underspend of c£3.1m, much of it non-recurring, re Local Hospital and Community Health Services. This underspend is consistent with the IJB's overall financial plan, albeit the scale of underspend is greater than anticipated, with these under spends on this group of services/budgets intended to offset overspends elsewhere (e.g. Prescribing and Hosted Services).

Services Hosted in Angus on Behalf of Tayside IJBs

- Due to pressures that remain within these services, particularly Out of Hours, progress with delivery of savings proposals has been limited since the inception of the IJB. On that basis there remains a projected shortfall of c£120k re unmet savings.
- Overspends are projected re Tayside Out of Hours Services. Some of these are non-recurring. Previously, recovery options had been considered by Angus Executive Management Team, with agreement to partially advance those plans. Revised long term plans are now under development at service level; this includes consideration of historic funding levels for Out of Hours Services. Updates will be shared through future IJB reports and will also be shared with other Tayside IJBs.
- The combined effect of the above, despite some off-setting underspends, is one of an overspend of c£82k for the Angus share of these costs.

Services Hosted Elsewhere on Behalf of Angus IJB

- As the Board will be aware, a number of devolved services are managed by other IJBs on behalf of Angus IJB. The projected year-end position for these services is an overspend of c£509k – slightly improved on previous expectations. The details are set out in Appendix 2.
- Main contributors to this over-spending position are pressures within Adult Mental Health Services (overseen via Perth IJB) and pressures within Palliative Care, Brain Injury and Psychotherapy (overseen by Dundee IJB). As with Angus IJB, both Dundee and Perth IJBs have unmet savings associated with hosted services. These pressures are partially offset by a range of service underspends.

Family Health Service (FHS) Prescribing

- Considerable work continues at both a Tayside and local level regarding Prescribing. This is the subject of a separate report to the February 2019 IJB.
- Due to the stage in the financial year, projections regarding Prescribing budgets continue to contain a high degree of risk. While most of the financial information contained in this report

is based on information to December 2018, for Prescribing, information is only available to October 2018 (i.e. two months less of “actual” information).

- Current projections are for a year-end overspend of c£1.545m. Assuming no material deterioration in this projection, this is lower than previous forecasts for this year, markedly lower than previous years and is major contributing factor to the IJB’s overall improved financial position this year.
- As noted in previous reports, this projection in particular will be subject to further review, is subject to ongoing risks regarding price and tariff changes, and is dependent on continued progress with prescribing initiatives locally and regionally. Recent press reports have highlighted examples of risks due to drugs being affected by “short supply” circumstances. These reports related to increased risk for recent months for which actual cost information is not yet available. This makes projecting out-turns challenging. The IJB has allowed for some risks of this sort in its financial projections, and – as the financial year has progressed – has recently started to remodel what was allowed for this potential effect. This will be reviewed further as the year progresses.
- Previous reports have highlighted the Angus cost variation from weighted national averages. In October 2018 reports, this was noted as being at c12% variance. More recent figures now suggest the Angus variance from national averages is under 10%.

General Medical Services and Family Health Services

- Current projections for these services are for an approximately breakeven position – a helpful improvement since the last report to the IJB (previously being c£68k over). The improvement reflects reduced assessments from costs in 2017/18 with the benefit materialising this year.
- Projected financial positions and future risks are partially attributable to provision of GMS in the likes of Brechin where NHS Tayside is directly managing GMS services.
- Longer term risks regarding the challenges re General Practitioner recruitment, the uncertainty that is prevailing in the period around the introduction of the new GMS contract and the underlying growth in some Enhanced Service and Premises costs all remain.

Large Hospital Services

- The Board will recall this is a budget that is devolved to the Partnership for Strategic Planning purposes but is operationally managed by the Acute Sector of NHS Tayside.
- As at 2018/19 this budget is initially quantified at £8.946m to reflect the direct costs associated with these services. The projected year end financial position is presented as break even in advance of further development of associated financial reporting.
- As noted previously, the Scottish Government are very keen that the Large Hospital Services issue is further developed. While this presents opportunities to the IJB in terms of developing the overall strategic direction regarding Large Hospital Services, there are also risks associated with the provision of Acute Sector capacity. While there have been some recent regional discussions regarding Large Hospital Services, the development of this issue has not progressed significantly so far in 2018/19.

Overall Position Regarding NHS Directed Resources

- The overall reported projected 2018/19 position based on early information suggests an underspend of c£1m. This will still be subject to further refinement – particularly regarding prescribing. The projected underspend reflects a series of offsetting variances including continued overspends re Prescribing and services hosted elsewhere being more than offset by local under spends (much of these being non-recurring). This projection is a significant improvement on previous projections. This is largely attributable to the sustained Prescribing improvements noted above, short term underspends, but also to improvements across a range of other services.

4. **ANGUS COUNCIL DIRECTED SERVICES (ADULT SERVICES) – CURRENT POSITION**

4.1 Adult Services

- Based on information to the end of December 2018, the IJB is still projecting a year end underspend within Adult Services of circa £1.0m. Within this there are a number of offsetting variances.
- There are overspends within both Learning and Physical Disabilities Services. These are associated with a small number of high cost care packages. Growth in this kind of care package does present a long term financial risk to the IJB. As has been noted previously, the IJB does have data and coding quality issues and this is triggering some of the difficult-to-monitor variances that the IJB needs to address.
- There remain a number of one-off underspends in relation to the implementation of the Living Wage for sleepovers and the resettlement of patients from inpatient hospital care. In addition the IJB has started to identify and confirm savings that will contribute to the 2019/20 financial plan whilst also contributing to this year's financial position.
- As noted in previous reports, it now appears the IJB has had some success in containing levels of demographic growth. However this may have been partly influenced by the various stages of the Help to Live at Home programme. Demographic pressures were described in reports to the last IJB meeting. The data quality issues noted above do have the potential to undermine some of the predictive work that the IJB requires to do.
- As noted previously, the IJB has yet to fully clarify the costs associated with the Carers Act. While overall costs are known to be increasing this has happened later in the financial year than originally anticipated. In addition the infrastructure costs regarding the implementation of the Carers Act in 2018/19 have been less than initially anticipated.
- The full impact of pay inflation across Angus Council employed staff has now been finalised. This is marginally higher than originally anticipated but is now allowed for in all projections and future plans.
- The IJB has not made the progress previously anticipated regarding Care Home Reviews (part of the Angus Care Model). The shortfall (compared to plans) for this intervention will be rolled forward into overall 2019/20 financial planning. The progress with this and other savings has been reported regularly to the IJB.

Overall Position Regarding Angus Council Directed Resources

- The overall projected position based on current information predicts an underspend of c£1.036m. This will continue to be subject to further refinement.

5. **SUMMARY IJB POSITION**

From the above it can be seen that the IJB is forecasting an overall underspend of c£2.0m. As described above this is attributable to improvements across a range of issues. All information remains subject to multiple risks - particularly refinements to Prescribing projections. As noted in section 3 in particular, the financial position is supported by short term benefits.

This position is a materially better than could have been predicted at the start of the year. Many factors that contribute to this have been noted above including:-

- Good progress in 2017/18 and 2018/19 regarding delivery of health savings and cost containment.
- The early identification of 2019/20 savings in a number of services.
- Use of non-recurring Partnership Funds (as per the IJB's financial plans).
- A number of non-recurring factors – including slippage on developments such as the implementation of ECS.
- The containment of demographic factors across Older People's Services over the 2017/18 to 2018/19 period.

At the moment, and noting risks above, as the IJB is forecasting a year end underspend so the impact of the IJB's financial position for both Angus Council and NHS Tayside would be neutral.

Per the Integration Scheme, the IJB would initially retain any projected year end underspend within IJB reserves. The IJB's reserves are described in more detail in Appendix 4.

6. PROGRESS WITH SAVINGS DELIVERY

6.1 Due to evolving discussion regarding budget settlements and the developing nature of the strategic plan, it is now anticipated that the IJB will have a finalised strategic financial plan available for the April 2019 IJB meeting. Consequently a short update is included below regarding relevant planned interventions that have previously been reflected in IJB Plans. Interventions that are more advanced or have been described in recent IJB reports are not included in the table below.

Planned Intervention	As per Report 88/18		Comment	Delivery Risk	Timing Risk
	Assumed saving 2019/20 (£K)	Assumed Saving 2020/21 (£K)			
Angus Care Model – In Patients – Stracathro	30	61	This project remains work in progress. The IJB are in ongoing discussion with NHS Tayside to confirm the timelines for completion.	Low	High
Angus Care Model – Extended Review of In Patients Services	150	300	This project remains under development. It is intended that a report will be brought to the April 2019 IJB meeting.	Medium	Medium
Angus Care Model – Psychiatry of Old Age	50	200	This project remains under development. It is intended that a report will be brought to the April 2019 IJB meeting.	High	High
Angus Care Model – Care Home Review	0	500	TBC	TBC	TBC
Angus Care Model – Care Home Review (Nursing Services)	50	50	This project remains under development. It is intended that a report will be brought to the June 2019 IJB meeting.	High	High
Angus Care Model – Support Services Review	50	50	TBC	TBC	TBC
Learning Disability Review	364	608	This project has struggled to conclude various components of the overall plan.	Medium	Medium
Collaboration with Partners	50	100	The IJB is still developing options regarding this planned intervention	High	High

The above shows that there are a number of significant risks regarding planned savings delivery for the IJB. Many of these risks relate to timing of savings delivery. This is more controllable by the IJB. It has previously been noted the IJB should develop alternative forums to oversee the components of the IJB's financial plan. Monitoring progress towards delivering on all planned intervention as noted above will be one of the key roles that that new forum needs to undertake.

7. FINANCIAL RISK ASSESSMENT

Appendix 3 sets out ongoing or emerging financial risks for the IJB. This risk register includes more detail than is held at an IJB level for Angus IJB's financial risks. Many of the risks are IJB-wide risks including examples such as future funding levels and the risks regarding delivery of savings. At this stage of the financial cycle, aside from important issues such as Prescribing and Workforce, the preparation of longer term budgets consistent with the IJB's future Strategic Plan is the area of most risk.

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance forum. The financial risk is described as "Effective Financial Management". The risk measure is recorded routinely and the summarised performance is shown below indicating the ongoing "red" financial risks.

RISK TITLE	RISK OWNER	BASELINE RISK EXPOSURE	October 2017	March 2018	July 2018	September 2018	January 2019
Effective Financial Management	Chief Officer	25 (5x5) RED	25 (5x5) RED	25 (5x5) RED	25 (5x5) RED	25 (5x5) RED	20 (5x5) RED

The above risk assessment reflects the longer term financial issues that the IJB requires to manage. These were more fully documented in reports to the December 2018 IJB meeting regarding multi-year financial plans.

Appendix 3 does now include a Brexit related financial risk. It is difficult to be specific regarding this, both in terms of what range of HSCP costs may be effected by various Brexit scenarios and the extent and duration of any effect.

As noted previously, ongoing risk remains regarding Finance Support Structures (the Finance team support provided by both NHS Tayside and Angus Council). There is an impact of this on the overall financial management capability of the IJB including financial reporting, financial management (including support provided to Service Managers), financial planning and financial governance.

8. SUMMARY

The main financial reporting issues in this report are set out in sections 3, 4 and 5. The overall projected financial position for 2018/19, based on current information with many ongoing risks, is of an underspend. This reflects in-year underspends for Adult Services and Local Hospital and Community Health Services being partially offset by overspends on hosted services and, in particular, Prescribing.

The overall financial position of the IJB does have a material impact on the way Angus IJB provides services in future. By making ongoing progress with delivery of efficiencies and with cost reduction programmes alongside service redesign and modernisation, the IJB will be most able to deliver the services it requires to deliver to the local population on a sustainable basis.

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List of Appendices:

- Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2018/19
- Appendix 2: Hosted Services Financial reporting
- Appendix 3: Angus Health and Social Care Partnership Financial Risk Register
- Appendix 4: IJB Reserves

APPENDIX 1

Angus Health & Social Care Partnership - Financial Monitoring Report 2018-19						
	Adult Services		Angus NHS Directed Services		HSCP	
	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under
	£k	£k	£k	£k	£k	£k
Local Hospital and Community Health Services						
Older Peoples Services						
Psychiatry Of Old Age			4,914	55	4,914	55
Medicine For The Elderly			2,572	-63	2,572	-63
Community Hospitals			3,185	65	3,185	65
Minor Injuries / O.O.H			1,925	118	1,925	118
Community Nursing			3,827	80	3,827	80
Enhanced Community Support			1,008	205	1,008	205
Management & Admin	901	-72			901	-72
Care at Home	4,330	192			4,330	192
Intermediate Care	363	0			363	0
Community Support	829	-26			829	-26
Supported Accommodation	546	120			546	120
Internal Residential	4,873	64			4,873	64
Care and Assessment	19,922	-672			19,922	-672
Community Mental Health	1,122	66			1,122	66
Older Peoples Service	32,888	-328	17,432	460	50,320	131
Mental Health	2,666	210	2,558	38	5,223	248
Admin Community Support	6,855	133			6,855	133
Non Residential Care	93	19			93	19
Residential Care	7,355	-272			7,355	-272
Learning Disabilities	14,305	-120	533	55	14,838	-65
Physical Disabilities	1,924	-377			1,924	-377
Substance Misuse	821	41	919	-5	1,740	36
Community Services						
Physiotherapy			1,724	95	1,724	95
Occupational Therapy	1,381	186	651	71	2,032	257
Joint Store	750	0			750	0
Anti-Coagulation			261	30	261	30
Primary Care			647	38	647	38
Carers	468	0	0	0	468	0
Homelessness	769	30			769	30
Other Community Services			1,488	-112	1,488	-112
Community Services	3,368	216	4,772	122	8,139	338
Planning / Management Support						
Centrally Managed Budget	2,692	1,353	3,836	2,131	6,528	3,483
Partnership Funding			869	150	869	150
Management / Improvement & Development	1,528	41	1,130	170	2,658	210
Planning / Management Support	4,221	1,394	5,835	2,451	10,056	3,845
Local Hospital and Community Health Services			32,047	3,121		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			915	35	915	35
Out of Hours			7,432	-310	7,432	-310
Speech Therapy (Tayside)			983	2	983	2
Locality Pharmacy			1,200	0	1,200	0
Tayside Continence Service			1,431	90	1,431	90
Unresolved Savings Associated with Hosted Services			-122	-122	-122	-122
Hosted Services Recharges to Other IJBs			-8,630	223	-8,630	223
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,207	-82	3,207	-82
Services Hosted Elsewhere on Behalf of Angus IJB			13,135	-509	13,135	-509
GP Prescribing			20,904	-1,545	20,904	-1,545
Other FHS Prescribing			556	22	556	22
General Medical Services			17,155	-24	17,155	-24
Family Health Services			12,381	23	12,381	23
Large Hospital Set Aside			8,946	0	8,946	0
Grand Total	60,192	1,036	108,332	1,006	168,524	2,042

APPENDIX 2 – HOSTED SERVICES

SERVICES HOSTED IN ANGUS IJB ON BEHALF OF TAYSIDE IJBs	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE	
	£	£	
ANGUS HOSTED SERVICES	11837000	-306000	
HOSTED SERVICES ATTRIBUTABLE TO DUNDEE & PERTH IJBs	8630000	-223000	72.9%
BALANCE ATTRIBUTABLE TO ANGUS	3207000	-83000	27.1%
SERVICES HOSTED IN DUNDEE & PERTH IJBs ON BEHALF OF ANGUS IJB	ANNUAL BUDGET	PROJECTED YEAR END VARIANCE	
	£	£	
ANGUS SHARE OF SERVICES HOSTED IN DUNDEE			
Palliative Care	5625532	-164000	
Brain Injury	1612991	-105000	
Homeopathy	26515	-3600	
Psychology	4905874	536000	
Eating Disorders	0	0	
Psychotherapy (Tayside)	893762	-170000	
Dietetics (Tayside)	2765894	215000	
Sexual & Reproductive Health	2065485	20000	
Medical Advisory Service	153646	47500	
Tayside Health Arts Trust	58400	0	
Learning Disability (Tay Ahp)	769208	75000	
Balance of Savings Target	-598516	-598500	
Grand Total	18278791	-147600	
Angus Share (27.1%)	4954000	-40000	
ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS			
General Adult Psychiatry	15059037	-1442500	
Learning Disability (Tayside)	6009500	-125000	
Substance Misuse	1476917	180000	
Prison Health Services	3239317	0	
Public Dental Service	2006586	-10000	
Podiatry (Tayside)	2833180	103000	
Balance of Savings Target - Others	0	0	
Grand Total	30624537	-1294500	
Angus Share (27.1%)	8181000	-469000	
TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE	13135000	-509000	

Note – Minor rounding issue on “Angus Hosted Services – Balance Attributable to Angus”

APPENDIX 3 – ANGUS HEALTH AND SOCIAL CARE PARTNERSHIP FINANCIAL RISK REGISTER

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Savings Targets			
A number of IJB savings programmes (including Care Home programme and parts of the In Patient review) are running behind schedule or will not deliver as per original plans.	Medium	c£1.0m (recurring)	The impact is allowed for in 2018/19 reporting. IJB continues to progress savings plans through Executive Management Team and has updated multi-year plans. These plans now have increased deficits in due to the delivery of previously agreed interventions.
Cost Pressures			
The IJB's Prescribing budget remains under ongoing pressure with the IJB still incurring costs per weighted patient above the national averages.	High	c£1.8m (recurring)	Prescribing plans being taken forward through combination of local working and the NHST-wide Prescribing Management Group. See report to February 2019 IJB. IJB augmenting local Prescribing budgets. Recent recommendation to increase project support. Gap to national averages narrowing.
Review of Nurse Staffing Levels by NHST Nursing Directorate may recommend increased staffing with consequent exposure to increased costs on basis of existing service configuration. Reviews of Safe Staffing issues re Health and Care (Staffing) (Scotland) Act may have a longer term impact on social care services.	Low	Not known	Issues remain under consideration. Potential longer term risk.
The IJB has a material reliance on (NHS) supplementary staffing. Initially this type of cost is contained within budgets. This is indicative of overall risks associated with Workforce Planning across the whole Partnership.	Medium in 2019/20	c£200k +	An initial reliance on additional hours and bank staff can generally be contained within budgets. If that develops into a need to utilise agency or overtime staffing then there is a material additional cost impact. Recent recommendation to increase workforce project support.
For 2019/19 IJB's Large Hospital Resources will be reported at breakeven. In the longer term this will be an increasing financial risk for the IJB.	Increasing	Not known	Potential risks from 2019/20 noting Scottish Government intentions.
The IJB's Adult Services are likely to see significant underlying growth in demand and consequently costs. This is mainly as a result of demographic pressures but may also reflect legislative changes such as the introduction of the Carers Act and Free Personal Care (u65s).	Medium	c£1.0m+ (recurring)	The IJB continues to explore resolutions to demographic pressures. The IJB continues to consider the costs of the implementation of the Carers Act and Free Personal Care (u65s). Estimates of the impact of these costs are allowed for in financial plans. Lower risk now due to confirmed Scottish Government funding.
The IJB's Adult Services are likely to see significant inflation-type pressures in 2019/20 and beyond reflecting both the ongoing impact of the Living Wage but also issues associated with the current National Care Home Contract.	Medium	c£2.0m (recurring)	The IJB will work at a local and national level to manage these pressures appropriately. Where necessary mitigating action may be required. Estimates of the impact of these costs are allowed for in financial plans. Lower risk now due to confirmed Scottish Government funding.
Brexit related financial Impacts	Medium	Not known	A range of IJB costs could be affected in various Brexit scenarios. This could include shorter-term increased supplies/drug related costs, longer-term issues due to recruitment or other issues that could result from any potential instability.
Other (including Funding)			
2019/20 Budget Settlements	Medium	Significant	Recent Scottish Government draft budget framework for 2019/20 suggest clearer guidance for IJB budget settlements for 2019/20. This should reduce the risks associated with budget settlements.
Resolution of Devolved Budgets to the IJB (current or emerging issues)	Medium	Not known (2019/20)	Some issues remain unresolved (e.g. re Large Hospitals). NHS Tayside may consider the devolution of NHS funding to support Complex Care to IJBs.
Finance Support Structure	High	N/A	CFO continues to work with both Angus Council and NHS Tayside to ensure required support in place but currently there are areas of significant risk.

APPENDIX 4 – IJB RESERVES

In April 2017 (Audit Committee Report 22/17) the IJB described and agreed its “Reserves Policy”. This set out that the IJB may hold both “ear-marked” reserves and general reserves. Ear-marked reserves will generally be for specific projects, ear-marked due to specific constraints or ear-marked due to funding factors. General reserves are intended to assist the IJB manage its overall resources over the longer term. The IJB agree it would set itself a target of having a general reserves equivalent to 2% of turnover or about £3.3m.

As at March 2018, the IJB’s Annual Accounts showed that Angus IJB has general reserves of £962k. This has been created through underspends in Adult Services during the first two years of the IJB’s operations.

From 2018/19 onwards, should the IJB ultimately overspend then the IJB’s uncommitted general reserves would be required to offset any in-year overspend. Clearly this will only provide short term relief to any ongoing financial pressures.

As noted above, at certain times the IJB may have ear-marked reserves. This will most likely be for specific projects and may be triggered by specific factors regarding funding. These reserves need to be retained separately from general reserves.

The table below sets out the current position regarding the IJB’s reserves and also shows very high level estimates of factors that may need to be added in during 2018/19.

Angus IJB Reserves			
Projected Movement in Reserves 2018/19	General Fund Balance (Usable Reserve)	General Fund Balance (Ear-Marked Reserves)	Total General Fund Balance
	£K	£K	£K
Opening Balance 31 March 2018	962	0	962
Change due to Financial Out-turn (est.)	2042	0	2042
Potential Ear-marked Reserves			
Scottish Government - GMS Contract - Primary Care Improvement Fund 2018/19 (est.)	0	419	419
Scottish Government - Mental Health - Action 15 Funding 2018/19 (est.)	0	100	100
Scottish Government - GMS Contract - Primary Care Transformation Funding 2017/18 (est.)	0	187	187
Scottish Government - GMS Contract - Recruitment & Retention Funding 2017/18 (est.)	0	100	100
Closing Balance at 31 March 2019 (est.)	3004	806	3810

It is probable the IJB may require to utilise general fund reserves in future years to balance financial plans on a non-recurring basis only. This will not displace the need to develop balanced recurring financial plans.

It is possible that the IJB may review the opening reserves at 31 March 2019 in the context of these having been created during a period when the “risk-sharing” agreement was in place between the IJB’s two Partners (Angus Council and NHS Tayside).

Notes Regarding Ear-marked Reserves

GMS Contract – Primary Care Improvement Fund (2018/19) – Funding ring-fenced to support implementation of new GMS contract. Overall funding phased on over 4 years and ear-marked reserves will be re-allocated into project roll-outs. (See report 59/18).

Mental Health – Action 15 Funding (2018/19) - Funding ring-fenced to support implementation of new Action 15 Commitments. Overall funding phased on over 4 years and ear-marked reserves will be re-allocated into project roll-outs. (See report 59/18).

GMS Contract – Primary Care Transformation Funding (2017/18) - Funding initially ring-fenced to support implementation of new GMS contract.

GMS Contract – Recruitment and Retention Funding (2017/18) - Funding ring-fenced to support implementation of agreed Recruitment and Retention initiatives to approximately 2019/20.