



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 24 APRIL 2019

ANGUS IJB STRATEGIC FINANCIAL PLAN 2019/20 – 2021/22 - UPDATE

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The purpose of this report is to further update the Integration Joint Board (IJB) regarding the developing Angus IJB Strategic Financial Plan for the period 2019/20 to 2021/22.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) approve this revised IJB Strategic Financial Plan and request further updates during 2019/20;
- (ii) note the IJB's Executive Management team shall reconsider how they receive information regarding performance information in the context of understanding service pressures and will work to improve data quality;
- (iii) recognises the risks associated with the overall strategic financial plan;
- (iv) receives regular updates regarding planned interventions at future meetings; and
- (v) notes the residual likely financial shortfalls over the duration of the forthcoming Strategic Commissioning Plan and request the Chief Officer bring forward further plans to address these shortfalls in line with the Strategic Plan in due course.

2. BACKGROUND

- 2.1 In December 2018, Angus IJB shared its most recent Strategic Financial Plan covering the period 2019/20 to 2021/22 (report IJB 88/18). That report set out a series of positions and assumptions regarding funding uplifts, inflationary, demographic and legal/contractual pressures and a series of planned interventions. The last version of the plan was written prior to confirmation of budget settlements for 2019/20, as the IJB's overall Strategic Commissioning Plan was still at the early stages of development and described 2019/20 and longer term funding shortfalls. This revised plan is intended to be consistent with the IJB's Strategic Commissioning Plan as at April 2019.

This document therefore provides further information regarding the development of the IJB's Strategic Financial Plans, reflecting the evolving Strategic Commissioning Plan and will continue to develop over the coming months and the duration of the new Strategic Commissioning Plan.

This plan is set out in a series of sections as follows:-

- Current Financial Performance.
- Funding assumptions.
- Cost Pressures – including inflationary, demographic, legal/contractual and other pressures.
- Planned Interventions.
- Hosted Services, Prescribing, Family Health Services and Large Hospital Set Aside.

Despite this report marking a conclusion to this initial phase of strategic financial planning, workings do continue to contain multiple risk and assumptions. These are explored in more detailed at section 8.

Some recommendations are made in the report reflecting the state of the IJB's overall planning.

Appendix 1 shows the IJB's overall integrated Strategic Financial Plan. Reflecting the state of the IJB's progress towards full integration, these plans are shown in a single appendix for the first time. A commentary on the overall position is included in the summary of this paper (section 9).

3. CURRENT FINANCIAL PERFORMANCE

- 3.1 It is important to note that the IJB's Strategic Financial Plan for 2019/20 to 2021/22 is being constructed during a period when the IJB is not overspending. This is not the same environment as is being faced by a number of other IJBs. It also means the IJB may have reserves at the start of 2019/20 that, if not ear-marked for specific purposes, can be used to support the financial plan on a non-recurring basis only. However this clearly does not reduce the urgency for resolving any recurring shortfalls.
- 3.2 The IJB's positive financial performance in 2018/19 has been heavily influenced by a series of recurring and non-recurring factors including:-
- Progress with improving prescribing (recurring impact).
 - Cumulative progress with containing inflationary pressures and demographic pressure within the Angus Care Model and inflationary pressures (recurring impact, but table below notes associated risks).
 - Progress with health service redesign within the Angus Care Model (e.g. Community Hospital re-design) (recurring impact).
 - Devolvment of non-recurring resources from NHS Tayside and the agreed use of them to support the overall Strategic Financial Plan (non-recurring impact).
 - The ability to use other non-recurring resources in a manner consistent with the purpose of funding to support overall service delivery (non-recurring impact).
- 3.3 The underlying financial performance in 2018/19 does need to be factored into the IJB's future financial plans. The financial position for all services is reported in finance reports at each IJB meeting. Subsequent to reviewing the 2018/19 financial position, the following material issues are reflected in the IJB's strategic financial plan and should therefore be noted:-

Service	Position	Impact (£k)	Comment
Adult Services	The IJB has made some progress in containing cost pressures (inflationary and demographic) to date.	c£600k (benefit)	Only assuming continued containment of cost pressures. There has been an increased level of risk regarding this in the final quarter of 2018/19 due to more recent activity information.
Community Health	The IJB has made good progress in releasing recurring savings.	c£1000k (benefit)	Assumed benefit rolling forward from 2018/19.
Out Of Hours	This service continues to overspend while recovery plans are reviewed.	c£150k (£259k+ when unmet savings included)	While recovery plans are in development, this pressure needs to be allowed for in financial plans. The current assumption is that recovery plans will at least partially resolve this issue.
General Medical Services	Workforce issues are placing specific financial pressures on services.	c£200k, plus c£100k re other costs	This reflects service provision at, for example, Brechin. Additional pressure likely re IT/Premises.
Prescribing	The IJB has previously described ongoing issues re Prescribing.	c£1500k	This pressure needs to be allowed for in financial plans. It is an improvement on previous brought forward pressures.
Hosted Services (Elsewhere)	These pressures include In Patient Mental Health Plans.	c£500k	This is a share of Tayside pressure. Recovery interventions will be overseen by other Tayside IJBs. In future years it is assumed that incremental savings will ensure any

			pressure at least does not increase.
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The above factors, while all still under review, are all allowed for in setting out the opening commitments for 2019/20.

4. FUNDING ASSUMPTIONS (BUDGET SETTLEMENTS)

4.1 Since report 88/18, progress has been with funding assumptions as described in the table below:-

Partner	Year	Position	2019/20 £k	Risk/Comments
Angus Council	2019/20	Report 3/19 to the February 2019 IJB set out the budget settlement with Angus Council	£2952k	This settlement has removed previous funding risks regarding Free Personal Care (u65s) and the Carers Act (for 2019/20) and, as per 3/19, reflects only a partial impact of flexibilities available to Local Authorities.
NHS Tayside	2019/20	While formal budget have yet to be agreed with NHST, initial assumptions remain of an uplift of 2.6%. There will be other additional funds but these will largely be for specific purpose and neutral from a financial planning perspective.	c£2058k	Note issues below. Other additional funds include Primary Care Improvement Fund, Action 15 (Mental Health Funding).
Scottish Government / Angus Council / NHS Tayside	Medium Term	There is less clarity regarding medium term financial plans, however this remains an area the Scottish Government are committed to improving.	N/A	This does present a degree of complication and risk to IJB financial planning. Current assumptions for future years are more cautious than equivalent 2019/20 settlements.

It is important to note that there remain a number of unresolved budget issues with NHS Tayside including:-

- 1) Complex Care funding – while this remains unresolved and is an ongoing risk, for financial planning purposes this is assumed to be neutral for Angus IJB.
- 2) Large Hospital Set Aside resources - this issue is a Scottish Government priority for 2018/19 but, to date, little progress has been made in Tayside to resolve this. For financial planning purposes this is assumed to be neutral for Angus IJB.
- 3) Issues regarding the adequacy and fairness of the devolved Prescribing budget. This concern has been highlighted previously to NHS Tayside.

The IJB continues to work with NHS Tayside to resolve the above issues.

5. COST PRESSURES

5.1 Report 88/18 set out a series of inflationary, demographic, legal/contractual and other cost pressures faced by the IJB. These pressures, and the mitigation of them, are still a critical factor within financial planning and future cost pressures are described below. The allocation of funds to services to support pressures should generally be assumed to be dependent on appropriate further approvals.

5.2 Inflationary Pressures

The IJB is now operating with refined inflation planning assumptions as follows:-

- Pay Inflation – There is now increased clarity regarding both the final 2018/19 and future year planned pay settlements for staff employed through Angus Council and NHS Tayside.
- Third Party Inflation – Discussion with providers are well progressed with determining contract uplifts for 2019/20.
- National Care Home Contract Inflation – Contract discussion with Providers have now concluded. Given that Providers have highlighted a range of pressures that they feel need addressing, this remains an area of longer term financial and contractual risk for the IJB.
- Other Inflation Pressures – The IJB has allowed for a small element of other inflationary type pressures (i.e. for “Other” costs”).

While attached plans need to allow for the factors described above, each may be subject to further refinement, negotiation and potential mitigation.

5.3 Demographic Pressure

It remains a general assumption that most of the IJB's growth will occur within Social Care and Prescribing and that, for example, the In-Patient and Residential Care Home components of care within Angus IJB will have a relatively static capacity.

The potential impact of Older People's demographic growth (over 75s) was explored in more detail in a December 2018 IJB report (86/18). As has been noted in separate reports, the IJB does still have a number of data quality issues. These do affect our ability to interpret Older Peoples Services activity in particular. There therefore remains an element of risk about both our estimates of the impact of demographic growth and the underlying data quality used in our projections. Separately the impact of demographics on prescription volume will be factored in to Prescribing plans.

Due to forecast changes in client numbers, an assumed level of growth has also been allowed for within Learning and Physical Disabilities (this partly reflects clients transitioning from Children's services). There are also evolving patterns of demand in younger age groups (e.g. under 65s) more generally. This range of pressures have been grouped in this report and estimated at c£400k in the first year of the plan, followed by £300k and £200k in subsequent years. This is a high level estimate reflecting changes in demand that can fluctuate quite widely. The IJB still requires to develop an improved understanding and level of data quality regarding these pressures.

In order to increase the IJB's understanding of activity pressures, it is suggested the IJB's Executive Management Team consider how and how frequently it receives performance reports and, in addition, works towards improved data quality.

5.4 Legal / Contractual Pressures

The two main legal issues that require to be reflected in plans are the continued roll-out of the Carers (Scotland) Act 2016 and delivery of the Scottish Government's commitment to extend Free Personal Care to all Under 65s. Both issues were referred to in the IJB's Budget Settlement report (3/19) and both have been funded by the Scottish Government this year.

The cost pressures included in this report for both Free Personal Care (Under 65s) and Carers Act are indicative and, for the Carers Act, are greater than the cumulative level of funding received. Both these issues will require further financial planning work with the intention that both are deliverable within funding levels received. This assumption does contain an element of risk regarding Carers Act costs in particular with recent estimates suggesting costs in excess of expectations.

The IJB has separate “contractual” requirements re Mental Health and Family Health Services. The Mental Health requirement is to deliver on Action 15 of the national Mental Health Strategy (see report 59/18), while the IJB also has to deliver the requirements of the 2018 GMS (General Medical Services contract) (also see report 59/18, and section 7.3 of this report).

Beyond 2019/20, the impacts of the Scottish Government's Safe Staffing in Health and Care could have a major impact on the IJB.

5.5 Other Pressures

For the duration of the forthcoming Strategic Plan, the IJB will need to manage additional, sometimes unforeseen, pressures. The IJB needs to maintain a flexible budget framework such that it is able to address these other pressures in a responsive and pragmatic manner. Examples may include workforce issues, issues regarding Third Party Providers and General Practice or emerging service pressures.

- 5.6 Noting the scale of the potential inflationary, demographic and legal / contractual pressures, the IJB needs to do what it can to mitigate these. However it is reasonable to say that the compounding impact of pressures does place a material burden on the IJB. This needs to be addressed through a combination of mitigating these growth factors on a practical basis, implementing offsetting efficiencies and through agreeing supportive budget settlements with Partners.

6. PLANNED INTERVENTIONS

- 6.1 The section below provides an update regarding existing, revised and new planned interventions as follows:-

6.2 Angus Care Model (ACM) – In-Patients

Existing Plans – Work to conclude move of In-Patient beds within the Stracathro site are now delayed beyond original expectations. The IJB continues to discuss this with NHS Tayside and it is now anticipated that this change (previously assessed at a £61k benefit) will not now happen until 2020/21. Additional savings associated with previous changes will benefit the IJB by c£150k with that benefit anticipated from April 2019. Estimated saving – 2019/20 - £150k (low risk); recurring £216k (medium risk).

Extended Review of In-Patient Services - The January 2018 plans to implement the Angus Care Model (In-Patients) did result in wards with varying nurse staffing ratios – largely dependent on the bed numbers in those wards. Noting both workforce and financial constraints, it is still expected that a move towards more efficient nurse staffing ratios through reconfiguration could contain staffing costs. However, this expectation is not developing as quickly as initially envisaged and while long term planning assumptions have not changed, the timely delivery of this intervention is higher risk. Estimated saving – 2019/20 - £50k (high risk); recurring £300k (high risk).

Angus Care Model – A Psychiatry of Old Age (POA) - The January 2018 plans resulted in 3 remaining POA wards. Further reviews of this are to be undertaken to seek to revise in-patient bed capacity and explore an increase the use of Care Home beds or other community resources. It has previously been assumed this will result in workforce reductions and planned savings, however this expectation is not developing as quickly as previously envisaged and, while long term planning assumptions have not changed, the timely delivery of this intervention is higher risk. Initial estimated saving – 2019/20 - £50k (high risk); recurring £200k (high risk).

6.3 Angus Care Model – Minor Injury Units

Following continual monitoring and review of the See and Treat Service, a new Integrated Overnight Angus Service (IONA) commenced. This model will work in partnership with GP Out of Hours and commenced on 1 April 2019. This service will have a Senior Primary Care Nurse managing the overnight shift, allocating home visits and appointments to the most appropriate healthcare professional.

The current See and Treat Service, which responded to emergency Scottish Ambulance Service calls and was supported by a Senior Primary Care Nurse working with a paramedic ceased on 31 March 2019.

This saving of £300k was confirmed through report 8/19 to the IJB in February 2019.

6.4 Angus Care Model – Care Home Review

As previously noted, this piece of work has not progressed at the pace originally envisaged. However report 7/19 to February IJB meeting did provide a progress update. The original savings target of £500k has now been deferred until April 2020 due to lead times, though the intention should remain for earlier implementation. This deferment places a significant additional burden on the IJB's overall plans for 2019/20. Estimated saving – 2019/20 - £0k; recurring £500k (high risk).

Care Home Review - Nursing Services - While this was initially part of the overall Care Home Review within the Angus Care Model, it is now proposed to treat this as a discrete work stream, retaining the previous target of an annualised £100k recurring saving. However this expectation is not developing as quickly as previously envisaged and the planning assumption is now that this project will not deliver savings in 2019/20, but in the period after that. Estimated saving – 2019/20 - £0k; recurring £100k (high risk).

Support Services - While this was initially largely part of the overall Care Home Review within the Angus Care Model, it was subsequently agreed to treat this as a discrete work stream with a target of an annualised £100k recurring saving from mid-2019/20. A project initiation document was to be drawn up for this programme. However this plan has now been overtaken by the more general Care Home review noted above, and for this version of the Strategic Financial Plan, only a small longer term saving is envisaged re issues out-with Care Homes. Estimated saving – 2019/20 - £0k; recurring £50k (high risk).

6.5 Help to Live at Home (Home Care)

This intervention reflects recommendations in report 'Changes to Provider Arrangements for Care at Home Provision under SDS' submitted to the December 2018 IJB meeting. It also reflects an assumed small benefit from the introduction of CM2000 for contract oversight during 2019/20. All interventions of this type have a risk regarding our relationship with providers and therefore previous plans to marginally adjust the annual Fair Cost of Care rate re Management Costs in 2019/20 have been deferred. Estimated saving – 2019/20 - £125k (medium risk); recurring £200k (medium risk).

6.6 Learning Disability Review

This has been described in a separate report to the December 2018 IJB meeting. The updated financial impact of this report is now reflected in the IJB's overall financial plan, albeit risk assessed (at an assumed level of 75% delivery). This project still has a significant element of risk regarding savings delivery – particularly as it is reliant on support from Procurement and this has been a capacity constraint during 2018/19. The service has been given approval to bring in additional management capacity to support this program but that has not been developed as quickly as envisaged. Estimated saving – 2019/20 - £364k (high risk); 2020/21 £608k (high risk).

6.7 Executive Management Team (EMT) Reviews – As noted previously, the IJB's EMT members are now working towards delivering further operational efficiencies. Good progress is being made in clarifying these and previously set out targets for 2019/20 are still assumed to be achievable. Beyond 2019/20, targets are set at c1% for relevant budgets. For hosted services, in advance of more detailed plans, management team savings are assumed to contain the impact of any excess price inflation over increases in budget. Estimated saving (excluding hosted services) – 2019/20 - £600k (low risk); 2020/21 £1,000k (high risk).

6.8 Collaboration & Working With Partners – It has previously been agreed that a report will be brought back to the IJB setting out options regarding this. This remains an issue under consideration at Executive Management Team level and an update will be brought back to a future meeting of the IJB. Previous targets remain within the financial plan, albeit now deferred to 2020/21 due to status of progress to date. Estimated saving – 2019/20 - £0k; recurring £50k (medium risk).

6.9 Sickness and Absence Review – Sickness and Absence levels vary across parts of the staffed services within the IJB and within that variation, some parts of our services are currently running at absence levels that are above our expected levels. It is now anticipated that, through improved liaison with Partners' corporate support services (specifically Human Resources Departments), the IJB can work to reduce levels of sickness absence and therefore reduce the additional costs of higher than expected levels of absence. A cost reduction target of c£50k per annum has been

attached to this from April 2019. Estimated saving – 2019/20 - £50k; recurring £50k (medium risk).

- 6.10 Increased Charging/Recoveries – The IJB considers this on an annual basis and increase in charging/recoveries help to offset inflation related increase in the cost of service provision. Estimated saving – 2019/20 - £238k (low risk).

- 6.11 It is important to note that, despite progress in a number of areas, for other interventions there has already been significant slippage. Many of the updates above note a medium or high level of risk. That suggests issues re complexity and capacity. However continuing to include planned interventions in this strategic financial plan restates the IJB's intention to progress these interventions. Any diversion from these interventions, noting they are generally consistent with the Strategic Plan itself, would require additional plans to be developed and implemented at short notice. That would be on top of further interventions that the IJB will require to develop to ensure it can live within available resources in future years. In order to ensure progression of the above it is recommended that the IJB receives regular updates regarding each of the above components at future meetings until individual plans are finalised. It is important that the Chief Officer and Executive Management team ensure delivery of planned interventions.

7. HOSTED SERVICES, PRESCRIBING, FAMILY HEALTH SERVICES AND LARGE HOSPITAL SET ASIDE

7.1 Hosted Services

Funding for these services will generally be uplifted in line with other services. While Angus IJB will continue to work closely with other IJB's to develop plans regarding Hosted Services there are some residual pressures regarding services hosted elsewhere (particularly Mental Health Services). At appendix 1, the information shown in "Net Total Health" is after allowing for services hosted in Angus being recharged to neighbouring IJBs.

7.2 Prescribing

Despite the critical nature of prescribing financial risks to the IJB, the prescribing financial framework has developed at a slower rate through the regional Prescribing Management Group than was originally anticipated (as noted in report 4/19). The IJB's relative financial position regarding Prescribing has improved compared to previous years reflecting the good work to develop long term clinical buy-in for changing the way we prescribe, the considerable work being progressed by local General Practices, and the efforts of those involved locally with Prescribing alongside the co-ordinated work through the Tayside Prescribing Management Group (PMG).

The prescribing financial framework for 2019/20 is still less robust than could have been expected and is therefore still being refined. For now a high level notional representation is included in the IJB's Strategic Financial Plan that reflects increased budgets, the brought forward (ongoing) level of over-commitment (much reduced from the equivalent position the year before), a notional level of volume and price growth, and a further level of savings delivery. From 2019/20 it is expected that additional local funding to support Prescribing will be reviewed on an annual basis.

Prescribing does still represents a major risk for the IJB in terms of each of price risks (e.g. if drugs are subject to price increases due to short supply), our need to ensure ongoing engagement of all those involved (e.g. Primary Care, Secondary Care) and ensuring we work collaboratively within the Tayside Prescribing Management Group.

7.3 Family Health Services

The main financial changes in Family Health Services over the duration of the next Strategic Plan relate to the phased introduction of the 2018 GMS (General Medical Services) contract. This contract will see the IJB receive additional funding associated with delivering the contractual requirement. Separate reports have been and will be presented to the IJB regarding this issue. While this financial plan does assume a generally neutral impact of the 2018 GMS contract, there could be some structural financial risks regarding, for example, overall workforce issues or premise costs.

In terms of financial risk beyond those noted above, there is a long term risk regarding the impact of providing General Practice through salaried service models (including those currently in Brechin). These tend to cost more than standard General Practices and do create an additional

financial burden. This evolving pressure is reflected in our current plans but is an area of further risk.

7.4 Large Hospital Set Aside

As per report 3/19, this remains an area that the IJB needs to further develop in conjunction with NHS Tayside. In the long term the development of this agenda does present both strategic opportunities to the IJB and overall health and social care system but also a series of additional financial risks. The IJB will be kept up to date as discussions regarding this issue develop.

8. RISK ASSESSMENT

8.1 As this report mainly reflects planning issues, so it does contain a number of risks and assumptions. Risks do exist throughout this type of planning (e.g. when will something happen, what impact will it have when compared to forecast impact, will there be unexpected issues etc.) These can't all be provided for in financial plans, but headline risks are reflected in the table below.

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	2019/20 Impact (£k)	
Current Financial Performance			
Forecasting/Data quality issues	Medium	c£500k	Assumptions regarding underlying 2018/19 position as it effects 19/20 are dependent on existing forecasts which are in turn subject to some data quality issues.
Assumed levels of Carry Forward (General Reserves)	Medium	c£500k	The issues above may also effect year end reserves which feature in longer term financial planning.
Funding Assumptions			
Unresolved 2019/20 budget with NHST (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k	The IJB continues to work with NHS Tayside to resolve budget areas which remain unclear.
Medium Term Financial Planning	Medium	Not known	The IJB has less clarity regarding medium and long term funding levels. The IJB will, through national networks, work with the Scottish Government to develop this planning.
Funding formula may be subject to reviews at local, regional or national level.	Low	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
Cost Pressures			
Demographic Pressures continue to be challenging to predict and contain	High	c£1000k	The IJB needs to improve its understanding of demographic pressures and develop plans to mitigate these.
Carers Act	Medium	c£300k	Recent information suggests that the costs associated with parts of the implementation of the Carers Act may be in excess of expectations. The local working group continues to review this.
Sustainability Issues (Workforce, Third Party Providers, General Practice)	Medium	Not known	The IJB faces a number of sustainability issues and needs to work with all interested parties to mitigate these risks.
Planned Interventions			
Significant risk of further delay / delivery of some planned interventions remains.	High	c£1000k	This monetary impact of this is significantly higher beyond 2019/20.
Hosted Services, Prescribing, Family Health Services and Large Hospital Set Aside			
Hosted Services – Mental Health In Patients	Low	c£300k	A level of overspend is already allowed for regarding Hosted Services however ongoing risk do remain regarding Mental Health Services in particular.
Prescribing	Medium	c£500k	A level of overspend is already allowed for regarding Prescribing however ongoing risk do remain.
Primary Care	Low	c£200k	A level of overspend is already allowed for regarding Primary Care however ongoing risk do remain.
Large Hospital Set Aside	Medium	Not known	Longer terms risk will emerge as this issue develops.

9. SUMMARY

Report IJB 88/18 set out the status of the IJB's strategic financial planning as the IJB's Strategic Plan for 2019-22 was being developed. This report, which effectively sets out the 2019/20 budget plan, also updates the Strategic Financial Plan in a way that is intended to be consistent with an updated Strategic Commissioning Plan noting that the Strategic Commissioning Plan does, of course, influence the Strategic Financial Plan.

In terms of what is set out in this report we can note the following:-

- Previous assumptions regarding funding for 2019/20 are now updated to reflect agreed or firmer positions re funding, while funding for years 2020/21 and beyond remains unclear and a source of material risk.
- Some components of the IJB's plans (e.g. interventions) have been further revised in terms of scale or timing. A number of estimates continue to contain a high level of risk, for example the assumed benefit of planned interventions (e.g. review of Nursing Services within Care Homes, Care Home review), while a number of projects have slipped behind original timeline assumptions.
- A number of projects that are slipping are dependent on specific instances of Partner corporate support arrangements (e.g. Stracathro / NHS Tayside Property Services; Learning Disability / Angus Council Procurement). While the IJB will do what it can to continue to push these issues forward, some changes that are dependent on corporate support arrangements may be affected. Separately there is a general issue of the level of capacity (e.g. within Finance) that does undermine the ability of the IJB to fully develop financial plans.
- The table below summarises the current position. This table is adjusted for an estimated reliance on one-off reserves (assumed to be c£2.5m at 31 March 2019, and which could be displaced by one-off underspends in 2019/20) which should be available to assist with the financial position in 2019/20 and 2020/21 only.

Year	2019/20	2020/21	2021/22
	£K	£K	£K
Shortfalls	-644	-3433	-5996
Planned Use of Reserves	644	1856	0
Revised Shortfall	0	-1577	-5996
Cumulative Shortfall	0	-1577	-7573

While the IJB is presenting a balanced financial plan for 2019/20 (after a small reliance on general reserves), the IJB does not have a balanced financial plan for the duration of the Strategic Commissioning Plan. The IJB therefore needs to continue to develop the intentions within the Strategic Commissioning Plan to allow it to develop overall plans that are deliverable within available funds. This is a key issue that the IJB needs to address in the early part of 2019/20 and will require additional consideration during early 2019/20. It does suggest a stepped change may be needed in each of the pace of decision making, the implementation of plans and the tolerance thresholds of the IJB to potential changes that, initially at least, are expected to be as consistent with the IJB's Strategic Plan as is realistically possible. Beyond that the IJB's Strategic Commissioning Plan may require to be revisited.

The earlier the challenges associated with longer term resources are grasped, the more likely it is that reasonable plans are developed within the IJB which, while not necessarily consistent with initial aspirations, are as closely matched to the IJB's aspirations and the IJB's overall Strategic Commissioning Plans as is possible.

While much focus will be placed on annual financial planning, due to the pace with which services within the IJB are developing, the IJB's Strategic Financial Plan will be revisited incrementally and will need to both prompt the need for further strategic change and reflect strategic intentions.

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April 2019

List of Appendices:

Appendix 1: IJB Financial Planning Summary

Angus HSCP - Financial Plan 2019/20 to 2021/22																			APPENDIX 1																		
Year	2019/20									2020/21									2021/22																		
	Adult Services £k	Local Community Health £k	Hosted Health (Angus) £k	Hosted Health (In) £k	Prescrib. £k	FHS £k	Large Hospitals £k	Net Total Health £k	Grand Total £k	Adult Services £k	Local £k	Hosted (Angus) £k	Hosted (In) £k	PX £k	FHS £k	Large Hospitals £k	Net Total Health £k	Grand Total £k	Adult Services £k	Local £k	Hosted (Angus) £k	Hosted (In) £k	PX £k	FHS £k	Large Hospitals £k	Net Total Health £k	Grand Total £k										
Brought Forward Budget	44550	44458	11544	13135	21460	29536	8946	120652	165202	47502	45934	11834	13465	22000	30721	8946	124261	171763	47502	46775	12014	13665	22330	31906	8946	126866	174368										
Annual Assumed Budget Uplift																																					
Partner / Scot. Govt. (Service / Inflation)	2560	1110	290	330	540	0	0	2058	4618	0	690	180	200	330	0	0	1269	1269	0	700	180	200	330	0	0	1279	1279										
Partner / Scot. Govt. (Legal/Contractual)	837	366	0	0	0	1185	0	1551	2388	0	151	0	0	0	1185	0	1336	1336	0	173	0	0	0	970	0	1143	1143										
Partner (Funding Adjustment)	-445	0	0	0	0	0	0	0	-445	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Transfer (Within IJB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Annual Assumed Budget Uplift	2952	1476	290	330	540	1185	0	3609	6561	0	841	180	200	330	1185	0	2605	2605	0	873	180	200	330	970	0	2422	2422										
Available Budget	47502	45934	11834	13465	22000	30721	8946	124261	171763	47502	46775	12014	13665	22330	31906	8946	126866	174368	47502	47648	12194	13865	22660	32876	8946	129288	176790										
Brought Forward Spend Commitments	43950	43458	11803	13635	22960	29836	8946	122022	165972	47604	44114	12063	13965	23500	31021	8946	124803	172407	50440	44909	12243	14165	23830	32206	8946	127361	177801										
Inflation Pressures																																					
Inflation - Pay	860	670	350	410	0	0	0	1174	2034	792	860	450	530	0	0	0	1511	2303	819	760	450	530	0	0	0	1411	2230										
Inflation - Third Parties	710	360	0	0	0	0	0	360	1070	540	370	0	0	0	0	0	370	910	540	380	0	0	0	0	0	380	920										
Inflation - NCHC	940	0	0	0	0	0	0	0	940	1400	0	0	0	0	0	0	0	1400	1000	0	0	0	0	0	0	0	1000										
Inflation - Prescribing	0	0	0	0	300	0	0	300	300	0	0	0	0	240	0	0	240	240	0	0	0	0	240	0	0	240	240										
Inflation - Other	156	60	10	0	0	0	0	63	219	60	70	10	0	0	0	0	73	133	60	70	10	0	0	0	0	73	133										
Annual	2666	1090	360	410	300	0	0	1897	4563	2792	1300	460	530	240	0	0	2194	4986	2419	1210	460	530	240	0	0	2104	4523										
New Service Pressures																																					
Legal - Carers	497	0	0	0	0	0	0	0	497	300	0	0	0	0	0	0	0	300	60	0	0	0	0	0	0	0	60										
Legal - Free Personal Care (FPC)(under 65s)	600	0	0	0	0	0	0	0	600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Demographics (Excluding Older People)	400	0	0	0	0	0	0	0	400	300	0	0	0	0	0	0	0	300	200	0	0	0	0	0	0	0	200										
Demographics (Older People)	568	50	0	0	0	0	0	50	618	588	50	0	0	0	0	0	50	638	518	50	0	0	0	0	0	50	568										
Contractual - Action 15 / PCIF	0	366	0	0	0	1185	0	1551	1551	0	151	0	0	0	1185	0	1336	1336	0	173	0	0	0	970	0	1143	1143										
Drugs	0	0	0	0	300	0	0	300	300	0	0	0	0	240	0	0	240	240	0	0	0	0	240	0	0	240	240										
Annual	2065	416	0	0	300	1185	0	1901	3966	1188	201	0	0	240	1185	0	1626	2814	778	223	0	0	240	970	0	1433	2211										
Planned Expenditure	48681	44964	12163	14045	23560	31021	8946	125820	174501	51584	45615	12523	14495	23980	32206	8946	128623	180207	53637	46342	12703	14695	24310	33176	8946	130899	184536										
Initial Annual Shortfall	-1179	970	-329	-580	-1560	-300	0	-1559	-2738	-4082	1160	-509	-830	-1650	-300	0	-1757	-5839	-6135	1306	-509	-830	-1650	-300	0	-1611	-7746										
Less Planned Interventions																																					
ACM - In Patient Review (Existing Plans)	0	150	0	0	0	0	0	150	150	0	61	0	0	0	0	0	61	61	0	0	0	0	0	0	0	0	0										
ACM - In Patient Review (In Patients)	0	50	0	0	0	0	0	50	50	0	250	0	0	0	0	0	250	250	0	0	0	0	0	0	0	0	0										
ACM - In Patient Review (POA Review)	0	50	0	0	0	0	0	50	50	0	150	0	0	0	0	0	150	150	0	0	0	0	0	0	0	0	0										
ACM - MIU Review	0	300	0	0	0	0	0	300	300	0	20	0	0	0	0	0	20	20	0	0	0	0	0	0	0	0	0										
ACM - Care Home Review - In House Care	0	0	0	0	0	0	0	0	0	250	0	0	0	0	0	0	0	250	250	0	0	0	0	0	0	0	250										
ACM - Care Home Review - Nursing Care	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0										
Support Services Review	0	0	0	0	0	0	0	0	0	50	0	0	0	0	0	0	0	50	0	0	0	0	0	0	0	0	0										
Help to Live at Home	125	0	0	0	0	0	0	0	125	75	0	0	0	0	0	0	0	75	50	0	0	0	0	0	0	0	50										
LD - Remodel Care	364	0	0	0	0	0	0	0	364	244	0	0	0	0	0	0	0	244	244	0	0	0	0	0	0	0	244										
Non-Recurring (Savings)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Non-Recurring (Reverse)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
EMT Reviews (inc. for Hosted Services)	300	300	0	80	0	0	0	380	680	200	200	280	330	0	0	0	606	806	200	200	280	330	0	0	0	606	806										
OOH Review	0	0	100	0	0	0	0	27	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Collaboration	0	0	0	0	0	0	0	0	0	25	25	0	0	0	0	0	25	50	25	25	0	0	0	0	0	25	50										
Sickness & Absence Review	50	0	0	0	0	0	0	0	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0										
Increased Charging/Recoveries	238	0	0	0	0	0	0	0	238	200	0	0	0	0	0	0	0	200	200	0	0	0	0	0	0	0	200										
GP PX (Additional Savings)	0	0	0	0	60	0	0	60	60	0	0	0	0	150	0	0	150	150	0	0	0	0	150	0	0	150	150										
Total Interventions	1077	850	100	80	60	0	0	1017	2094	1144	706	280	330	150	0	0	1262	2406	969	225	280	330	150	0	0	781	1750										
Revised Planned expenditure	47604	44114	12063	13965	23500	31021	8946	124803	172407	50440	44909	12243	14165	23830	32206	8946	127361	177801	52668	46117	12423	14365	24160	33176	8946	130118	182786										
Revised Shortfall	-102	1820	-229	-500	-1500	-300	0	-542	-644	-2938	1866	-229	-500	-1500	-300	0	-495	-3433	-5166	1531	-229	-500	-1500	-300	0	-830	-5996										
Adjustment For Hosting	0	0	167	0	0	0	0			0	0	167	0	0	0	0			0	0	167	0	0	0	0												
Final Shortfall	-102	1820	-62	-500	-1500	-300	0	-542	-644	-2938	1866	-62	-500	-1500	-300	0	-495	-3433	-5166	1531	-62	-500	-1500	-300	0	-830	-5996										