



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 30 OCTOBER 2019
FINANCE REPORT

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report provides an update to the Angus Integration Joint Board (IJB) regarding the financial position of Angus IJB including financial projections for 2019/20, an update regarding reserves and an update of financial risks.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) notes the overall projected financial position of Angus IJB for 2019/20;
- (ii) requests a report be submitted to the December 2019 IJB meeting setting out the impact of demographic growth for Older Peoples and other Services, including mitigation measures;
- (iii) notes the update regarding IJB reserves and approves the recommendations set out at section 6; and
- (iv) notes the risks documented in the Financial Risk Assessment.

2. FINANCIAL MONITORING

The report describes the most recent financial monitoring information for Angus IJB for financial year 2019/20. 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).

Information contained within this report reflects estimates for the whole of 2019/20 and consequently, given the stage in the financial year, further reviews of projections will be undertaken which may lead to future adjustments in information.

The IJB's detailed projected financial position for 2019/20 is set out in Appendix 1. This shows that the overall projected financial position for Angus IJB for year to March 2020 is for an underspend of £3.2m. This is after Physical Disability, Prescribing and Hosted Service overspends have been offset by Community Health and other Adult Service underspends.

It is important to note that from 2018/19, should the IJB ultimately overspend in any financial year (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 was most recently estimated at: Angus Council: 36%; NHS Tayside: 64%.

3. NHS DIRECTED SERVICES – CURRENT PROJECTIONS

3.1 Local Hospital and Community Health Services

- For 2019/20 the vast majority of services are currently projecting underspend or near breakeven positions. As noted in 2018/19 this reflects good progress made in previous years and then ongoing cost containment. This projected position makes a positive contribution to the IJB's financial position for this year and, to the extent it may have a recurring impact, to planning for future years. These service budgets will continue to be monitored going forward. As was potentially the case in 2018/19, there may be a slight impact of vacancies in some professions (e.g. Physiotherapy) being higher than normal due to the scale of investment being made in these services elsewhere in Angus HSCP and neighbouring HSCPs.
- 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). Some of the underspends within Centrally Managed Budgets also reflect inflation ear-marks that will be re-allocated in future months to offset costs being incurred elsewhere in the Partnership.
- While Centrally Managed Budgets as a whole are under spent, in the last 2 months it has become clear that the IJB will have to absorb an additional pressure regarding employer's superannuation costs. For these services this pressure is c£220k greater than the direct funding provided by the Scottish Government. This is a recurring pressure and will be factored into future financial planning.
- Collectively these factors contribute to the forecast underspend of c£3.4m, some of it non-recurring, regarding Local Hospital and Community Health Services. This underspend is consistent with the IJB's overall financial plan in that it assists the IJB offset over spends elsewhere including Prescribing and Hosted Services.

Services Hosted in Angus on Behalf of Tayside IJBs

- Due to pressures that have existed within these services, particularly Out of Hours, progress with delivery of savings proposals has been limited since the inception of the IJB. Consequently at the end of 2018/19 and rolling into 2019/20 there is a shortfall of c£110k re unmet savings.
- In addition to this historic shortfall, there is a new but expected annual inflation shortfall of c£71k resulting from inflationary uplifts being less than inflationary pressures.
- Further there is a new additional pressure regarding employer's superannuation costs. For Hosted Services this equates to c£74k per annum. This is in addition to the 2019/20 inflationary pressures noted above. The combined effect of these Hosted Services shortfalls is c£250k which places a collective burden on these services.
- If we set aside this collective burden that will still need tackled, at the moment the financial position of these services still looks like an improved one compared to last year (noting in 2018/19 there were some one-off costs). Longer term financial plans continue to be developed for these services and the IJB intends to be able to share more consistent and regular financial information with other Tayside IJBs in 2019/20 than has been the case previously.
- The combined effect of the above is one of a small projected year end overspend 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£500k – a similar order of magnitude to last year. The details are set out in Appendix 2. It is important to note that estimates available for these services are still preliminary. This projected position is weaker than the last report as these services have also been effected by the additional burden of superannuation shortfalls.
- Main contributors to the year-end over-spending position are pressures within Adult Mental Health Services (overseen via Perth IJB) and Palliative Care and Brain (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 within other Hosted Services.

Family Health Service (FHS) Prescribing

- As the Committee is aware considerable work is and has been undertaken regarding Prescribing within the IJB and at a Tayside-level. This was the subject of a separate report to the June 2019 IJB and reports will be provided to the Board on a 6-monthly basis going forward.
- Information available to date remains provisional and the current assumptions are that the progress made during 2018/19 will be consolidated in 2019/20. On that basis a very high level projection is included in the finance reports of an expected overspend of approximately £500k for GP Prescribing. This will be subject to further revisions in coming months. It is important to remember that prescribing information runs two months behind most other financial information and this can lead to instability in projections.
- As noted previously there has been some uncertainty regarding the IJB's financial planning framework for Prescribing for 2019/20 onwards. Given the IJB is now 6 months into the financial year, it is now unlikely this will be fully resolved. However further clarifications of parts of the prescribing framework will continue to be progressed via the Tayside Prescribing Management Group. Given the scale of the IJB's Prescribing resources, the projected overspend (despite significant progress since 2017/18) and the underlying risks that always exist re prescribing, the lack of a fully resolved prescribing financial plan is not ideal however this will not inhibit the IJB further contributing to both Tayside plans and local taking forward local Prescribing initiatives.
- At the end of 2018/19, the IJB noted a swing in the variance reported for some Prescribing related costs described as General Pharmaceutical Services (Others) and to drug rebates and discounts in particular. These are a regular feature of the detailed Prescribing picture and the IJB is contributing to the resolution of financial forecasting around these issues through participating in plans to improve the overall financial management of GPS (Others).

General Medical Services (GMS) and Family Health Services

- Current projections for these services are for an overspend largely attributable to the Angus share of costs associated with the provision of GMS services in the likes of Brechin where NHS Tayside is directly managing GMS services. This incidence of this type of service provision has increased since 2018/19 as has the associated cost pressure.
- 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 development of the longer term Primary Care Improvement Plans 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 2019/20 this budget was initially quantified at £9.734m. The 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. This has been restated in the Ministerial Strategic Group report. 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. The development of this issue, which does require dialogue with NHS Tayside, did not progress significantly during 2018/19.

Overall Position Regarding NHS Directed Resources

- The overall reported projected 2019/20 position, based on very early information suggests an underspend of c£2.7m. This will still be subject to further refinement. The projected position reflects a series of offsetting variances including continued overspends re Prescribing and services hosted elsewhere being offset by local community health underspends. This projection of offsetting variances is consistent with the IJB's overall financial plan for 2019/20.

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

4.1 Adult Services

- During financial year 2018/19, the IJB reported an underspend of c£1.6m for Adult Services. However it was acknowledged some of this was attributable to one-off factors and there were signs of impending financial pressure due to volume growth in some services delivered.
- For financial year 2019/20 Adult Services was initially projecting an approximately breakeven position. However as commitments and growth trajectories have been reviewed it is now estimated that there will be a year end underspend of c£600k, subject to the notes below.
- Since the last report to the IJB, the budgets within Adult Services have been adjusted in line with the Strategic Financial Plan to reflect inflation pressures and demographic pressures. This means a number of overspends that were previously offset by centrally held reserves have now been formally resolved or, in some cases, partly offset.
- There remains a significant level of uncertainty about the IJB's levels of demographic growth pressures. Work undertaken within Finance suggests that some Home Care activity is growing at levels of c20% per annum. This has placed a very significant burden on Home Care resources largely within Older Peoples Services. The scale of the growth in demand for some services is such that the allocations set aside for "Demographic Growth" in the IJB's financial plan for 2019/20 (written in November 2018) was effectively consumed by growth to March 2019. It is recommended that the IJB requests an update on the impact of demographic growth both to date and for next 3-5 years for Older Peoples Services and other Services be submitted to the next IJB Board meeting, including describing mitigation measures. .
- Noting the issue of demographic growth and as noted previously, the IJB does still have some data quality issues. These have the potential to undermine some of the reporting and predictive work that the IJB requires to do. Work continues with the responsible Service Leads to improve data quality and this is the subject of an Internal Audit report for 2019/20.
- A budget realignment exercise has been completed in respect of establishing a revised budget for the Physical Disabilities team (previously part of Older Peoples Services). The outcome of this process is currently a significantly overspending Physical Disability service implying further budget and service review is required.
- At the end of financial year 2018/19 the partnership received more service user income than had been previously projected. Work is on-going with colleagues in corporate support departments within Angus Council to ensure that all necessary information and data is shared regularly to ensure accurate income projections can be made. This will include a review of any historic unpaid charges that could, in time, have an impact on the IJB's financial position.
- The introduction of Free Personal Care for Under 65s was implemented in April 2019. The IJB received resources to offset the costs of this legislation and work will continue to monitor the associated costs. The IJB is still clarifying the net financial impact of this legislative change for this financial year.
- As noted previously in both Carers Act reports and Finance reports, the IJB has still to fully clarify the costs associated with the Carers Act. This issue continues to be both a service planning and financial reporting concern for the IJB.
- It is possible the combined effect of further clarity regarding the financial implications of the Free Personal Care Act, the Carers Act and demographic growth and income levels will continue to create instability in the IJB's financial projections for 2019/20.

Overall Position Regarding Angus Council Directed Resources

- The overall projected position, based on current information, is for a year end underspend of approximately £600k.

5. SUMMARY IJB POSITION

From the above it can be seen that the IJB is forecasting an overall underspend of c£3.2m. This is more positive than expected in the IJB's Strategic Financial Plan for 2019/20 (compiled before the conclusion of the 2018/19 year end) and is largely attributable to continued progress with local community health variances and an improved Prescribing position. All information remains subject to multiple risks - particularly refinements to Prescribing, Free Personal Care Act, Carers Act and demographic growth and income level projections.

The extent to which the projected 2019/20 year end position will impact on the IJB's longer term Strategic Financial Plan will be reviewed in due course.

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 section 6 and appendix 4.

Angus IJB routinely shares financial information with both Angus Council and NHS Tayside to assist with the financial reporting for both Partners. As the financial implications for both Partners are now linked to the integrated financial position of the IJB, so the IJB may share financial reporting with Partners out-with reporting cycles to the IJB Board. This means, as the IJB only meets every two months, it is possible that the IJB may share more current information with Partners than has been presented to the IJB.

6. IJB RESERVES

A separate report to this IJB meeting describes proposed revisions to the IJB's current Reserves Policy. The IJB's reserves are described in appendix 4 in the usual format. Appendix 4 does include a number of recommendations as follows:-

- 1) Requests the IJB approves the release of £220k of the IJB's Strategic Planning Reserve to support the initiatives described.
- 2) Requests the IJB devolve authority to the Chief Officer to allocate the balance of the IJB's Strategic Planning Reserve in line with the views of the Strategic Planning Group.
- 3) Requests the IJB note and approves the current stated purpose, management and control arrangements and review process for all Ear-Marked reserves as described in appendix 4.

7. PROGRESS WITH 2019/20 SAVINGS PLANS

On a regular basis information will be provide to the IJB regarding progress with delivery of planned 2019/20 savings. This initially references back to the IJB's financial plan as described in report IJB 21/19. The table below focuses on Local Hospital and Community Health and Adult Services.

2019/20 Forecast Savings Delivery Progress at October 2019

| Intervention | Target £K | Forecast £K | Comment |
|---|-----------------------|-------------|---|
| Angus Care Model | | | |
| In Patient Review (Existing Plans) | 150 | 150 | Complete. |
| In Patient Review (Extended Plans & POA Review) | 100 (£500k Recurring) | 0 | Now assumed no savings likely to be delivered in 2019/20, future year assumptions to be revised in due course. |
| MIU Review | 300 | 300 | Complete |
| Help to Live at Home | 125 | 75 | This work has only been partially actioned. Part of the 2019/20 plan (regarding the migration to new systems) is now likely to have an impact in 2020/21. |
| LD – Remodel Care | 364 | 364 | Complete |
| EMT Reviews (Adult Services, including Sickness & Absence review) | 350 | 100 | Estimated net progress after additional pressures allowed for. Work ongoing within EMT. |
| EMT Reviews (Community Health) | 300 | 300 | Complete |
| Increased Charging/Recoveries | 238 | 238 | Complete |
| Total | 1927 | 1527 | Forecast now at c79% of Target |

Since the last report to the IJB, we are now noting formal completion of LD Remodel Care, EMT Reviews (Community Health) and Increased charging/ recoveries savings. We now know that the In Patients Review savings will not start in this financial year and a review of these will be built into the next iteration of the Strategic Financial Plan. Work continues regarding the Help to Live at Home and EMT Reviews (Adult Services).

The last finance report to the IJB (report 52/19) noted three significant plans that were intended to have a major impact on the 2020/21 financial plan. These being re the Angus Care Model for In House Care Homes (£500k target, subject of separate reports to the IJB) and the Angus Care Model Review of Nursing care (£150k), alongside the above noted In Patient Review plans. The current total recurring target for these initiatives is over £1m from 2020/21 in the context of a still unbalanced financial plan over duration of the current Strategic Plan. The IJB will need to ensure that alternative plans regarding in house Care Home plans are quickly progressed to help offset the financial planning impact of the August 2019 decisions regarding the future of Seaton Grove.

It had been the intention to bring a refreshed version of the IJB's Strategic Financial Plan to the IJB in October, however this has not been possible and a version will be shared at the December IJB if not before.

8. LOCALITY FINANCIAL MANAGEMENT

As Board members may recall one of the intentions in setting up Health and Social Care partnership was to develop the role of Localities. Members will be aware that Angus has 4 Localities each with its own Locality Improvement Group (LIG). Those Locality Improvement groups have recently produced plans for the next 3 years. In terms of financial management, the IJB and LIGs have recently reviewed their financial management relationship and, taking into account the nature of the LIGs in Angus and the current working relationships, have agreed to a range of actions for the duration of this Strategic Plan including the following:-

1. To generally work to consolidate and improve our current working relationships.
2. To retain an annual LIG funding level at £200k per annum (it had been due to reduce to £100k pa).
3. To streamline the approval of LIG proposals.
4. To increase Finance participation at LIG meetings to support discussion around likes of financial planning issues.

Discussions did also consider the option for increased budgetary management. While this does increase local "ownership" of resources, there are a number of complexities with this including fragmentation of resources and, for the duration of this Strategic Plan, this is not being pursued.

9. 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.

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 assessed risk is now at "amber".

| RISK TITLE | RISK OWNER | BASELINE RISK EXPOSURE | SEPTEMBER 2018 | JANUARY 2019 | OCT. 2019 |
|--------------------------------|---------------|------------------------|----------------|--------------|----------------|
| Effective Financial Management | Chief Officer | 25 (5x5) RED | 25 (5x5) RED | 20 (5x5) RED | 16 (4x4) AMBER |

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 April 2019 IJB meeting regarding the IJB's Strategic Financial Plan.

As noted throughout 2018/19, there remains an ongoing risk regarding Finance Support Structures (the Finance team support provided by both NHS Tayside and Angus Council). Shortcomings in this can have an impact on overall financial management capability of the IJB including financial reporting, financial management (including support provided to Service Managers), financial planning and financial governance. The IJB remains in discussions with Partners as to how to best manage Finance Support Structures, however, as has been experienced previously, the IJB is currently going through a period where a number of staffing changes are occurring simultaneously within the Finance Support function and this does place an additional pressure on Finance support due to capacity and continuity issues. A positive development is that NHS Tayside are working towards aligning Finance Support staff more closely to IJB Chief Finance Officers.

10. BUDGET SETTLEMENTS

The IJB had anticipated being able to present further information regarding budget settlements with NHS Tayside for 2019/20 to previous Committees. However, while the IJB has a clear working budget, final clarifications regarding a small number of residual issues remains outstanding. This requires further IJB Chief Finance Officer input to reach conclusion.

11. SUMMARY

The main financial reporting issues in this report are set out in sections 3, 4 and 5. The overall projected financial position for 2019/20, based on current information with many ongoing risks, is of an underspend. This is after Physical Disability, Prescribing and Hosted Service overspends have been offset by Community Health and other Adult Service underspends.

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 2019/20
- Appendix 2: Hosted Services Financial reporting
- Appendix 3: Angus Health and Social Care Partnership Financial Risk Assessment 2019/20
- Appendix 4: IJB Reserves

APPENDIX 1

| Angus Health & Social Care Partnership - Financial Monitoring Report 2019-20 | | | | | | |
|--|---------------------|-----------------------------------|-----------------------------|-----------------------------------|---------------------|-----------------------------------|
| | Adult Services | | Angus NHS Directed Services | | HSCP | |
| | Annual Budget £k | Projected (Over) / Under £k | Annual Budget £k | Projected (Over) / Under £k | Annual Budget £k | Projected (Over) / Under £k |
| Local Hospital and Community Health Services | | | | | | |
| Older Peoples Services | | | | | | |
| Psychiatry Of Old Age | | | 5,136 | 190 | 5,136 | 190 |
| Medicine For The Elderly | | | 2,835 | 0 | 2,835 | 0 |
| Community Hospitals | | | 3,289 | 95 | 3,289 | 95 |
| Minor Injuries / O.O.H | | | 1,804 | 100 | 1,804 | 100 |
| Community Nursing | | | 4,112 | 200 | 4,112 | 200 |
| Enhanced Community Support | | | 1,230 | 58 | 1,230 | 58 |
| Management & Admin | 977 | -110 | | | 977 | -110 |
| Care at Home | 4,579 | 369 | | | 4,579 | 369 |
| Intermediate Care | 376 | 0 | | | 376 | 0 |
| Community Support | 714 | -34 | | | 714 | -34 |
| Supported Accommodation | 554 | 44 | | | 554 | 44 |
| Internal Residential | 5,098 | -1 | | | 5,098 | -1 |
| Care and Assessment | 22,027 | 84 | | | 22,027 | 84 |
| Community Mental Health | 1,190 | -53 | | | 1,190 | -53 |
| Older Peoples Service | 35,515 | 300 | 18,407 | 643 | 53,923 | 943 |
| Mental Health | 2,828 | 96 | 2,855 | 174 | 5,683 | 270 |
| Admin Community Support | 2,566 | 82 | | | 2,566 | 82 |
| Non Residential Care | 6,146 | -680 | | | 6,146 | -680 |
| Residential Care | 5,839 | 888 | | | 5,839 | 888 |
| Learning Disabilities | 14,551 | 290 | 574 | 25 | 15,125 | 315 |
| Physical Disabilities | 2,461 | -992 | | | 2,461 | -992 |
| Substance Misuse | 895 | 29 | 979 | 36 | 1,873 | 65 |
| Community Services | | | | | | |
| Physiotherapy | | | 1,812 | 68 | 1,812 | 68 |
| Occupational Therapy | 1,375 | 130 | 695 | 225 | 2,070 | 355 |
| Joint Store | 690 | 0 | | | 690 | 0 |
| Anti-Coagulation | | | 271 | 68 | 271 | 68 |
| Primary Care | | | 619 | 75 | 619 | 75 |
| Carers | 390 | 0 | 0 | 0 | 390 | 0 |
| Homelessness | 811 | 11 | | | 811 | 11 |
| Other Community Services | | | 1,164 | 9 | 1,164 | 9 |
| Community Services | 3,266 | 141 | 4,561 | 444 | 7,827 | 585 |
| Planning / Management Support | | | | | | |
| Centrally Managed Budget | 2,233 | 673 | 2,163 | 2,032 | 4,396 | 2,705 |
| Partnership Funding | | | 570 | 0 | 570 | 0 |
| Management / Improvement & Development | 1,405 | 50 | 1,245 | 60 | 2,650 | 110 |
| Planning / Management Support | 3,638 | 723 | 3,977 | 2,092 | 7,615 | 2,816 |
| Local Hospital and Community Health Services | | | 31,354 | 3,415 | | |
| Services Hosted in Angus on Behalf of Tayside IJBs | | | | | | |
| Forensic Service | | | 1,001 | 78 | 1,001 | 78 |
| Out of Hours | | | 7,964 | 71 | 7,964 | 71 |
| Speech Therapy (Tayside) | | | 1,129 | 52 | 1,129 | 52 |
| Locality Pharmacy | | | 1,851 | 0 | 1,851 | 0 |
| Tayside Continence Service | | | 1,440 | 13 | 1,440 | 13 |
| Hosted Savings - Phased in | | | -109 | -109 | -109 | -109 |
| Hosted Services Recharges to Other IJBs | | | -9,602 | -23 | -9,602 | -23 |
| Services Hosted in Angus on Behalf of Tayside IJBs | 0 | 0 | 3,673 | 81 | 3,673 | 81 |
| Services Hosted Elsewhere on Behalf of Angus IJB | | | 14,124 | -484 | 14,124 | -484 |
| GP Prescribing | | | 21,161 | -497 | 21,161 | -497 |
| Other FHS Prescribing | | | 563 | 239 | 563 | 239 |
| General Medical Services | | | 17,201 | -102 | 17,201 | -102 |
| Family Health Services | | | 12,450 | 13 | 12,450 | 13 |
| Large Hospital Set Aside | | | 0 | 0 | 0 | 0 |
| Grand Total | 63,154 | 588 | 100,526 | 2,665 | 163,680 | 3,252 |

APPENDIX 2 – HOSTED SERVICES

| SERVICES HOSTED IN ANGUS IJB ON BEHALF OF TAYSIDE IJBs | ANNUAL BUDGET | PROJECTED YEAR END VARIANCE | |
|---|-----------------|-----------------------------|--------------|
| | £ | £ | |
| ANGUS HOSTED SERVICES | 13172000 | 32000 | |
| HOSTED SERVICES ATTRIBUTABLE TO DUNDEE & PERTH IJBs | 9602200 | 23400 | 72.9% |
| BALANCE ATTRIBUTABLE TO ANGUS | 3569800 | 8600 | 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 | 6032541 | -170000 | |
| Brain Injury | 1717586 | -190000 | |
| Homeopathy | 28201 | -4000 | |
| Psychology | 5191719 | 660000 | |
| Psychotherapy (Tayside) | 953278 | -48500 | |
| Dietetics (Tayside) | 3000580 | 180000 | |
| Sexual & Reproductive Health | 2193314 | 180000 | |
| Medical Advisory Service | 161809 | 70000 | |
| Tayside Health Arts Trust | 61764 | 0 | |
| Learning Disability (Tay Ahp) | 825386 | 30000 | |
| Other (Apprenticeship Levy) | 77000 | 1000 | |
| Balance of Savings Target | -479506 | -479500 | |
| Grand Total | 19763672 | 229000 | |
| Angus Share (27.1%) | 5324600 | 30700 | |
| | | | |
| ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS | | | |
| General Adult Psychiatry | 16065862 | -1487500 | |
| Learning Disability (Tayside) | 6437770 | -30000 | |
| Substance Misuse | 1554698 | 50000 | |
| Prison Health Services | 3840596 | 90000 | |
| Public Dental Service | 2139981 | 15000 | |
| Podiatry (Tayside) | 3035794 | 182000 | |
| Other (Apprenticeship Levy) | 118300 | 1934 | |
| Balance of Savings Target | -209047 | -209047 | |
| Grand Total | 32983954 | -1387613 | |
| Angus Share (27.1%) | 8799600 | -515100 | |
| | | | |
| TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE | 14124200 | -484400 | |
| | | | |

Note – Occasional minor rounding issues can occur as figures extracted from multiple IJBs.

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 parts of the Angus Care Model) are running behind schedule or will not deliver as per original plans. | High | c£1.0m (recurring) | This impact will become more pronounced in period after 2019/20 and there will be a material impact on the IJB's longer term plans if the IJB fails to deliver the previously agreed savings. |
| Cost Pressures | | | |
| The IJB's Prescribing budget remains under ongoing pressure with the IJB still incurring costs per weighted patient above the national averages. | Reducing | c£0.5m (recurring) | Prescribing plans being taken forward through combination of local working and the NHST-wide Prescribing Management Group. Gap to national averages narrowing significantly. |
| Reviews of Safe Staffing issues re Health and Care (Staffing) (Scotland) Act may have a longer term impact on social care services. | Medium | Not known | Issues remain under consideration. Potential longer term risk. |
| Workforce and recruitment issues may have a knock on effect on IJB cots beyond service delivery issues. | Medium | c£200k + | Initial reliance on supplementary staffing can be contained within budgets. If that develops into agency or overtime staffing then there is an additional cost impact. |
| For 2019/19 IJB's Large Hospital Resources 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 focus on this issue. |
| Adult Services experiencing significant growth in demand/cost in excess of planned levels. This is mainly as a result of demographic pressures. This maybe partially attributable to the Carers Act. | High | 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, but has yet to finalise associated financial plans. |
| The IJB's Adult Services are likely to see significant inflation-type pressures beyond 2019/20 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/national level to manage these pressures. Where necessary mitigating action may be required. Estimates of these costs are allowed for in financial plans. |
| 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 | Low | Not known | Small number of unresolved issues with NHS Tayside. |
| Resolution of Devolved Budgets to the IJB (current or emerging issues) | Medium | Not known | 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 risk. |
| Finance Support – Income Arrangements | Low | Not Known | The IJB generates c£10m of income to offset the costs of service provision. The income function, managed within Angus Council, has been subject to staff turnover in recent months which may place additional strain on this support service. |

APPENDIX 4 – IJB RESERVES

In April 2017 the IJB described and agreed its “Reserves Policy”, although this is subject to update at the October 2019 IJB Meeting. The policy set out that the IJB may hold both “ear-marked” reserves and general reserves. Ear-marked reserves will generally be for specific projects or issues, 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.

General Reserves

The IJB has previously agreed it would set itself a target of having a general reserves equivalent to 2% of turnover or about £3.4m. It should be noted that the IJB can review this target in future, if necessary. Should the IJB ultimately overspend in any financial year, noting the current forecast for the IJB’s financial position for the duration of this Strategic Plan, then the IJB’s uncommitted general reserves would be required to offset any in year overspend. Clearly this would only provide short term relief to any ongoing financial pressures.

As at March 2019, the IJB’s Annual Accounts showed that Angus IJB has general reserves of £3.4m in line with the target level of general reserves. This figure will subsequently be influenced by the financial performance during 2019/20 and if the IJB does ultimately underspend then this reserve could increase.

Ear-marked Reserves

As noted in the 2018/19 year end reports, the IJB does now have a number of ear-marked reserves. These are listed in the table below. Evolving financial plans exist for each reserve. At times these will be reflected in reports to the IJB – for example regarding the Primary Care Improvement Fund. As noted below, many of the ear-marked reserves are linked to Scottish Government allocations. The Scottish Government does have a policy of seeking to reduce the levels of reserves IJBs across Scotland hold and are working towards this by re-profiling in-year funding allocations to allow for reserves held by IJBs. The table below does show a number of March 2019 reserves being used in their entirety by March 2020. While this will happen it is possible smaller equivalent reserves regarding unspent 2019/20 allocations need to be created at the year end.

The IJB does retain two locally derived ear-marked reserves as follows:-

Strategic Plan Reserve - £500k. This was agreed at the year end. The IJB’s Executive Management Team and Strategic Planning Group have reviewed options as to how best to deploy this to support the IJB’s Strategic Plan. A number of priorities have now been supported so far as follows:-

- Bring forward Care Management investment (ie recruit Care Manager in 2019/20 in advance of future years demographic growth funding allowed for in 2020/21). £10k
- Introduction of CM2000 to approximately 12 personal care providers across Angus. £60k
- Contribute to nurse role to support Prescribing of Non Medicines, 2 years only. £30k
- Support CAA Improvement Plans over 2 years (subject to future IJB approval of plans) £50k
- Invest in Listening Service for 18 months - £70k.

All the above are either consistent with existing plans or will be brought forward through further reports to the IJB. On that basis, the IJB is asked to approve this release of £220k of the IJB’s Strategic Planning reserve. The balance of funding for this reserve will be prioritised via the IJB’s Strategic Planning Group and the IJB are asked to devolve authority to the Chief Executive to approve the further release of this reserve in line with the views of the Strategic Planning Group.

Financial Planning Reserve - £1.187m. Discussions with NHS Tayside and Angus Council are still continuing regarding this reserve. An update will be provided to the next IJB Board meeting. The financial outcomes are expected to be as described in report 34/19.

The IJB’s reserves policy does note that all reserves should have a stated purpose, management and control arrangements and timelines for reviewing relevance and adequacy. For the IJBs current Ear-marked reserves the current position needs ratifying as per the following table:-

| Reserve | Purpose of Reserve | Management and Control | Review Process (to ensure relevance and adequacy) |
|---|--|---|--|
| Strategic Plan Reserve | To assist in implementation of Strategic Plan 2019/22 | TBC - proposed to be devolved to Chief Officer to work in line with views of Strategic Planning Group | As part of IJB Strategic Financial Planning |
| Financial Planning Reserve | For potential return to Partners in 2019/20 once approved | Requires IJB Board final approval | October 2019 (though now likely to be December 2019) |
| Scottish Government - GMS Contract - Primary Care Improvement Fund (PCIF) 2018/19 | To deliver PCIF requirements | As per PCIF | As part of PCIF financial planning |
| Scottish Government - Mental Health Action 15 Funding 2018/19 | To deliver Action 15 requirements | As Per Action 15 plans | As part of Action 15 financial planning |
| Scottish Government - GMS Contract - Primary Care Transformation Funding 2017/18 | To support intention of original PCTF funding (i.e. To develop Primary Care in a manner consistent with new GMS contract), with expectation funds consumed by March 2021 | Devolved to Primary Care Manager | Within Primary Care |
| Scottish Government - GMS Contract - Recruitment & Retention Funding 2017/18 | To support the recruitment and retention of GPs, with expectation funds consumed by March 2021. | To support local and Tayside programmes (devolved to Primary Care Manager) | Within Primary Care |
| Scottish Government - Alcohol and Drugs Partnership (ADP) 2018/19 | To support intention of original ADP funding | Devolved to ADP | As part of ADP financial planning |
| Scottish Government - Mental Health 2018/19 | To support MH Community Police Triage commitments | Devolved to Service | As part of Service planning |
| Scottish Government - Forensics 2018/19 | To support SG directed investment in Forensics Medical Services | Devolved to Service | As part of Service planning |

Overall Reserves

The table below sets out the proposed year end position regarding the IJB's reserves, subject to provisional approval above.

| | Opening Balance 1 April 2019 | Forecast In Year Change | Forecast Closing Balance 31 March 2020 |
|--|------------------------------|-------------------------|--|
| | £K | £K | £K |
| Angus IJB Reserves | | | |
| General Fund Balance (Usable Reserve) - General Reserve | 3400 | 2000 | 5400 |
| General Fund Balance (Ear-Marked Reserves) | | | |
| Strategic Plan Reserve | 500 | -200 | 300 |
| Financial Planning Reserve | 1187 | -1187 | 0 |
| Scottish Government - GMS Contract - Primary Care Improvement Fund 2018/19 | 322 | -322 | 0 |
| Scottish Government - Mental Health - Action 15 Funding 2018/19 | 143 | -143 | 0 |
| Scottish Government - GMS Contract - Primary Care Transformation Funding 2017/18 | 206 | -127 | 79 |
| Scottish Government - GMS Contract - Recruitment & Retention Funding 2017/18 | 93 | -47 | 46 |
| Scottish Government - ADP 2018/19 | 72 | -72 | 0 |
| Scottish Government - Mental Health 2018/19 | 42 | -42 | 0 |
| Scottish Government - Forensics 2018/19 | 51 | -21 | 30 |
| | 2616 | -2161 | 455 |
| Total General Fund Balance | 6016 | -161 | 5855 |