



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD – 11 DECEMBER 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 based on financial information at October, 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) notes the update regarding IJB reserves;
- (iii) notes the risks documented in the Financial Risk Assessment;
- (iv) adopts the IJB's working Budget Settlement with NHS Tayside as the formal Budget Settlement for 2019/20 noting caveats set out at section 8.

**2. FINANCIAL MONITORING**

The report describes the most recent financial monitoring information for Angus IJB for financial year 2019/20 including NHS Directed Services (section 3), Angus Council Directed Services (section 4) and a 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 £3.5m. This is after Physical Disability, Prescribing and Hosted Service overspends have been offset by Community Health and other Adult Service underspends.

**3. NHS DIRECTED SERVICES – CURRENT PROJECTIONS**

**3.1 Local Hospital and Community Health Services**

- 3.1.1 Reflecting good progress made in both this year and previously, for 2019/20 the vast majority of services are currently projecting underspend or near breakeven positions. This projected position makes a positive contribution to the IJB's financial position for 2019/20 and potentially for future years. There may be a slight impact of vacancies in some professions (e.g. Physiotherapy) due to the scale of investment being made in these services elsewhere in Angus HSCP and neighbouring HSCPs.
- 3.1.2 The most significant change in projected out-turn has been within Psychiatry of Old Age where costs are now expected to be higher this year due to service requirements.
- 3.1.3. The IJB is forecasting an underspend within Centrally Managed Budgets reflecting previous and in-year 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.

- 3.1.4. 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.

### 3.2 Services Hosted in Angus on Behalf of Tayside IJBs

- 3.2.1 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. Further there is a shortfall on 2019/20 pay and superannuation effects of c£84k meaning an overall shortfall of c£193k currently not apportioned to Hosted Services but managed as a collective burden.
- 3.2.2 If we set aside this collective burden that will still need tackled, locally Hosted Services are generally forecasting underspend positions and, in due course, longer term financial plans will be developed for these services. The IJB intends to be able to share more consistent and regular financial information with other Tayside IJBs in future than has been the case previously.
- 3.2.5 The combined effect of the above is one of a small projected year end under spend for the Angus share of these costs.

### 3.3 Services Hosted Elsewhere on Behalf of Angus IJB

- 3.3.1 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£490k – a similar order of magnitude to last year. The details are set out in table 1 below.

Table 1

SERVICES HOSTED IN DUNDEE & PERTH IJBs ON BEHALF OF ANGUS IJB	ANNUAL BUDGET (£)	PROJECTED YEAR END VARIANCE (£)
<b>ANGUS SHARE OF SERVICES HOSTED IN DUNDEE</b>		
Palliative Care	6032541	-195000
Brain Injury	1717586	-180000
Sexual & Reproductive Health	2193314	190000
Psychology	5191719	710000
Dietetics (Tayside)	3000580	170000
Other Services Hosted in Dundee	2107438	32900
Balance of Savings Target	-604081	-604100
Grand Total	19639097	123800
Angus Share (27.1%)	5324600	33500
<b>ANGUS SHARE OF SERVICES HOSTED IN PERTH &amp; KINROSS</b>		
General Adult Psychiatry	15823593	-1735000
Podiatry (Tayside)	3111031	215000
Other Services Hosted in Perth	0	0
Balance of Savings Target	-601562	-601600
Grand Total	18333062	-2121600
Angus Share (27.1%)	8796100	-523600
<b>TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE</b>	<b>14120700</b>	<b>-490100</b>

- 3.3.2 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.

### 3.4 Family Health Service (FHS) Prescribing

- 3.4.1 As the Committee is aware considerable work is and has been undertaken regarding Prescribing within the IJB and at a Tayside-level and this is subject of a separate report to the December 2019 IJB.
- 3.4.2 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 high level projection is of an expected overspend of approximately £500k for GP Prescribing. However this is after the IJB has benefited from a one-off over-estimate of late 2018/19 costs. It is important to remember that prescribing information runs two months behind most other financial information and this can lead to instability in projections.
- 3.4.3 The IJB, alongside the regional Prescribing Management Group, will increasingly turn attention towards developing financial plans for 2020/21 and beyond.
- 3.4.4 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).

### 3.5 General Medical Services (GMS) and Family Health Services

- 3.5.1 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.
- 3.5.2 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.

### 3.6 Large Hospital Services

- 3.6.1 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.
- 3.6.2 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 but, to date, little progress has been made regionally in Tayside during 2019/20.

### 3.7 Overall Position Regarding NHS Directed Resources

- 3.7.1 The overall reported projected 2019/20 position, based on very early information suggests an under spend 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

- 4.1.1 For financial year 2019/20 Adult Services is estimating that there will be a year end underspend of c£1,000k, subject to the notes below.
- 4.1.2 The budgets within Adult Services continue to be updated in line with the Strategic Financial Plan to reflect inflation pressures, demographic and legal 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.

- 4.1.3 As previously noted 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 has been growing at levels of c20% per annum. This has placed a very significant burden on Home Care resources largely within Older Peoples Services.
  - 4.1.4 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. It is recommended elsewhere that a Physical Disability Priorities Plan will be completed with an associated financial action plan and this will be subject to a further board report in April 2020.
  - 4.1.5 Work remain ongoing 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.
  - 4.1.6 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 is continuing to monitor the associated costs. The IJB is still clarifying the net financial impact of this legislative change for this financial year, but it is possible non-recurring underspends are a factor as service uptake increases.
  - 4.1.7 A separate report to the December 2019 IJB details the updated financial position with regards to the Implementation of the Carers Act and the associated financial implications and, as with Free Personal Care, it is possible non-recurring underspends are also a factor as service uptake increases.
  - 4.1.8 The combined effect of any 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.
- 4.2.1 Overall Position Regarding Angus Council Directed Resources
- 4.2.1 The overall projected position, based on current information, is for a year end underspend of approximately £1000k.

## 5. SUMMARY IJB POSITION

From the above it can be seen that the IJB is forecasting an overall underspend of c£3.5m. This is more positive than expected in the IJB's Strategic Financial Plan for 2019/20 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 IJB's projected 2019/20 year end position will be reflected in future iterations of the IJB's Strategic Financial Plan.

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 3.

As the Board will be aware, the IJB routinely produces "management accounts" – management information shared in regular reports with the IJB's Executive Management Team and the IJB. The IJB also produces annual "financial accounts". The Board should be aware that at the financial year end there will be a difference between the 2 sets of figures, a difference that will be noted in relevant reports to the IJB. The differences being that the "management accounts" do assume planned use (i.e. not unplanned use) of balances in reserves. However in our annual "financial" accounts, that planned use of reserves will, in the first instance, appear as a reported overspend which is then offset by a planned use of reserves. This will be a feature of all future year end reporting. To date the IJB has either had nil reserves or has created or increased reserves at year ends, but from 2019/20 the IJB will also consume some reserves on a planned basis or unplanned basis in any given year. The reserves in question, for 19/20 at least, are reserves ear-marked for particular purposes.

## 6. PROGRESS WITH 2019/20 SAVINGS PLANS

On a regular basis information will be provided to the IJB regarding progress with delivery of planned 2019/20 savings. This 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. The "comment" column includes a reference to how these savings will be reflected in the separate Strategic Financial Plan update to the December IJB.

Table 2 - 2019/20 Forecast Savings Delivery Progress at December 2019

Intervention	Target £K	Forecast £K	Comment
<b>Angus Care Model</b>			
In Patient Review (Existing Plans)	150	150	Complete and embedded in financial planning.
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 documented in Strategic Financial Plan update.
MIU Review	300	300	Complete and embedded in financial planning.
Help to Live at Home	125	100	Part of this plan has been completed. Some systems work now expected in 2020/21.
LD – Remodel Care	364	364	Complete
EMT Reviews (Adult Services, including Sickness & Absence review)	350	290	Net progress after some additional pressures allowed for. Work ongoing within EMT but for financial planning this under-delivery will now be embedded in future financial plans.
EMT Reviews (Community Health)	300	300	Complete and embedded in financial planning.
Increased Charging/Recoveries	238	238	Complete and embedded in financial planning.
<b>Total</b>	<b>1927</b>	<b>1742</b>	<b>Forecast now at c90% of Target</b>

As we are now more than half way through 2019/20 and as interventions noted above are now either complete or have reached a steady state (sufficient to be built into the Strategic Financial Plan Update), so this will be the last update provided in this format re the 2019/20 planned interventions.

Recent reports have noted the IJB's reliance and exposure to the progress of 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), the Angus Care Model Review of Nursing care (£150k target) and the above noted In Patient Review plans. The previous total recurring target for these initiatives was over £1m from 2020/21 in the context of a still unbalanced financial plan over duration of the current Strategic Plan. This is revisited in the Strategic Financial Plan Update.

## 7. FINANCIAL RISK ASSESSMENT

Appendix 2 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", reflecting the longer term financial issues that the IJB requires to manage as described in the Strategic Financial Planning Update.

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

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 still working towards aligning Finance Support staff more closely to IJB Chief Finance Officers.

## **8. BUDGET SETTLEMENTS**

As previously noted the IJB does have a clear working budget settlement with NHS Tayside for 2019/20. However there were a small number of residual issues that it had not been possible or practical to resolve during the 2019/20 budget setting process. This includes lack of progress in developing the Large Hospitals Set Aside budget and lack of progress in terms of devolving historic Complex Care resources to the IJB. Further there were some minor concerns regarding some of the adjustments made regarding Prescribing budgets and an ongoing general concern regarding the allocation of resources for Prescribing across Tayside.

Despite the concerns noted above, given where the IJB is terms of financial planning and an approaching round of further budget discussions it is now proposed that the 2019/20 working budget is adopted as the overall IJB's formal budget for 2019/20.

For 2020/21 Budget Settlement discussions with both Partners will soon move into a formal phase. It is assumed that, as per previous year, these will be led by the IJB's Chief Officer and Chief Finance Officer with proposals brought back to the IJB from February 2020. The IJB's Chief Officer and Chief Finance Officer would liaise with and seek advice from the IJB's Chair and Vice Chair during this period as Budget Settlement discussion develop.

## **9. 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 under spend. 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.

**REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer**  
**EMAIL DETAILS: hscianguus.tayside@nhs.net**

**December 2019**

List of Appendices:

Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2019/20  
Appendix 2: Angus Health and Social Care Partnership Financial Risk Assessment 2019/20  
Appendix 3: IJB Reserves

## APPENDIX 1

Angus Health & Social Care Partnership - Financial Monitoring Report 2019-20						
	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
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			5,138	10	5,138	10
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	120	1,804	120
Community Nursing			4,112	220	4,112	220
Enhanced Community Support			1,229	59	1,229	59
Management & Admin	977	-159			977	-159
Care at Home	4,579	274			4,579	274
Intermediate Care	376	0			376	0
Community Support	714	3			714	3
Supported Accommodation	554	46			554	46
Internal Residential	5,098	-105			5,098	-105
Care and Assessment	22,027	102			22,027	102
Community Mental Health	1,190	-47			1,190	-47
<b>Older Peoples Service</b>	<b>35,515</b>	<b>114</b>	<b>18,408</b>	<b>504</b>	<b>53,923</b>	<b>618</b>
<b>Mental Health</b>	<b>2,819</b>	<b>101</b>	<b>2,861</b>	<b>182</b>	<b>5,680</b>	<b>282</b>
Admin Community Support	2,566	33			2,566	33
Non Residential Care	6,146	-726			6,146	-726
Residential Care	5,839	914			5,839	914
<b>Learning Disabilities</b>	<b>14,551</b>	<b>220</b>	<b>574</b>	<b>25</b>	<b>15,125</b>	<b>245</b>
<b>Physical Disabilities</b>	<b>2,461</b>	<b>-985</b>			<b>2,461</b>	<b>-985</b>
<b>Substance Misuse</b>	<b>917</b>	<b>34</b>	<b>973</b>	<b>26</b>	<b>1,890</b>	<b>60</b>
<b>Community Services</b>						
Physiotherapy			1,812	62	1,812	62
Occupational Therapy	1,375	116	695	233	2,070	349
Joint Store	690	0			690	0
Anti-Coagulation			271	68	271	68
Primary Care			619	75	619	75
Carers	390	0			390	0
Homelessness	816	8			816	8
Other Community Services			1,164	-30	1,164	-30
<b>Community Services</b>	<b>3,271</b>	<b>125</b>	<b>4,561</b>	<b>408</b>	<b>7,832</b>	<b>532</b>
<b>Planning / Management Support</b>						
Centrally Managed Budget	2,215	1,398	2,310	2,076	4,524	3,474
Partnership Funding			998	85	998	85
Management / Improvement & Development	1,405	35	1,256	61	2,661	96
<b>Planning / Management Support</b>	<b>3,620</b>	<b>1,433</b>	<b>4,564</b>	<b>2,222</b>	<b>8,184</b>	<b>3,655</b>
<b>Local Hospital and Community Health Services</b>			<b>31,941</b>	<b>3,367</b>		
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>						
Forensic Service			1,001	120	1,001	120
Out of Hours			7,891	160	7,891	160
Speech Therapy (Tayside)			1,129	59	1,129	59
Locality Pharmacy			1,851	0	1,851	0
Tayside Continence Service			1,440	16	1,440	16
Hosted Savings - Phased in			-193	-193	-193	-193
Hosted Services Recharges to Other IJBs			-9,603	-117	-9,603	-117
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>	<b>0</b>	<b>0</b>	<b>3,516</b>	<b>45</b>	<b>3,516</b>	<b>45</b>
<b>Services Hosted Elsewhere on Behalf of Angus IJB</b>			<b>14,121</b>	<b>-490</b>	<b>14,121</b>	<b>-490</b>
GP Prescribing			21,161	-621	21,161	-621
Other FHS Prescribing			563	226	563	226
General Medical Services			18,261	-90	18,261	-90
Family Health Services			13,072	17	13,072	17
Large Hospital Set Aside			0	0	0	0
<b>Grand Total</b>	<b>63,154</b>	<b>1,041</b>	<b>102,634</b>	<b>2,453</b>	<b>165,788</b>	<b>3,493</b>

**APPENDIX 2 – ANGUS HEALTH AND SOCIAL CARE PARTNERSHIP FINANCIAL RISK REGISTER**

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Savings Targets</b>			
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.
<b>Cost Pressures</b>			
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 costs 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.
<b>Other (including Funding)</b>			
2019/20 Budget Settlements	Low	Not known	Small number of unresolved issues with NHS Tayside (including Complex care and Large Hospital Set Aside).
2020/21 Budget Settlements	High	c£1.5m+	High level of uplift uncertainty in current longer term plans.
Finance Support Structure and other Corporate Support	High	N/A	CFO continues to work with Partners to ensure required support in place but currently there are areas of risk. Other risks within Procurement, Property and Legal support.
Finance Support – Income Arrangements / Levels	TBC	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 generate uncertainty.
Data Quality	Medium	N/A	The IJB has previously noted concerns regarding data quality. These issues have potential to undermine reporting and predictive work. Work continues to address this issue and it is subject of an Internal Audit report in 2019/20.



## APPENDIX 3 – IJB RESERVES

In October 2019 the IJB agreed a revised “Reserves Policy” with the policy setting 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 (c£3.4m). It should be noted that the IJB can review this target at any time. Should the IJB ultimately overspend in a financial year then the IJB’s uncommitted general reserves would be required to offset any in year overspend. This would only provide short term relief to 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. This figure will subsequently be influenced by the 2019/20 financial performance and if the IJB does ultimately underspend then this reserve could increase. Depending on separate financial planning information, the IJB may revise its target level for general reserves.

### 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 exists for each reserve. 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. Angus IJB has not drawn down all 2019/20 Scottish Government funding available for a series of programmes (Alcohol and Drugs Partnership, Mental Health Action 15 and Primary Care Improvement Plans) with all balances of Scottish Government funding being retained at Scottish Government level for accessing by Angus IJB in future years.

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. The Strategic Planning are now overseeing the prioritisation of this resource.

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.

### 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 £K	Forecast In Year Change £K	Forecast Closing Balance 31 March 2020 £K
Angus IJB Reserves			
General Fund Balance (Usable Reserve) - General Reserve	3400	2000	5400
General Fund Balance (Ear-Marked Reserves)			
Strategic Plan Reserve	500	-150	350
Financial Planning Reserve	1187	-1187	0
Scottish Government - GMS Contract - Primary Care Improvement Plan 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	-70	136
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	-2054	562
Total General Fund Balance	6016	-54	5962