



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 26 FEBRUARY 2020

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 December 2019, 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; and
- (iv) supports the proposals regarding reserves as described in appendix 3.

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 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 c£3.7m. This is after Physical Disability, Older Peoples Services, 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 changes in projected out-turns since the last report to the IJB Board have been within 1) Psychiatry of Old Age where previous assumptions re increased costs in the second half of the year have not been as significant as originally expected and 2) "Partnership Funds" where slippage on some funding has resulted in some underspends. This includes slippage on some Locality Improvement Group funding where a permanently

increased level of funding is now in place and it is expected that expenditure will more closely match available funding in future years.

- 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 may be re-allocated in future to offset pressures elsewhere in the Partnership.
- 3.1.4. Collectively these factors contribute to the forecast underspend of c£3.9m, 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 recurring savings proposals has been limited since the inception of the IJB. Consequently at 2019/20 there is a shortfall of c£110k re unmet savings with a further shortfall re 2019/20 pay and superannuation effects of c£83k meaning an overall shortfall of c£193k currently not apportioned to individual Hosted Services but managed as a collective Hosted Service burden.
- 3.2.2 If we set aside this collective burden that will still need tackled, locally Hosted Services are forecasting underspend positions and, in due course, longer term financial plans will be developed for these services which are anticipated to offset historic shortfalls. 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 Due to the scale of service underspends, the combined effect of the above is one of a 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£450k – 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 (£)
ANGUS SHARE OF SERVICES HOSTED IN DUNDEE		
Palliative Care	6036665	-160000
Brain Injury	1718737	-180000
Sexual & Reproductive Health	2194583	230000
Psychology	5191749	730000
Dietetics (Tayside)	3001291	180000
Other Services Hosted in Dundee	2107557	58800
Balance of Savings Target	-604081	-604100
Grand Total	19646501	254700
Angus Share (27.1%)	5324200	69000
ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS		
General Adult Psychiatry	15854046	-1832500
Podiatry (Tayside)	3111776	215000
Other Services Hosted in Perth	14052768	310261
Balance of Savings Target	-598562	-598562
Grand Total	32420028	-1905801
Angus Share (27.1%)	8785800	-516500
TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE	14110000	-447500

- 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 was the subject of a separate report to the December 2019 IJB.
- 3.4.2 Information available for 2019/20 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 c£200k re 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 is also reporting a projected underspend of c£500k 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 improvement in financial forecasting around these issues through participating in plans to improve the overall financial management of GPS (Others). Much of this underspend is linked to short term contract adjustments.
- 3.4.4 Previous IJB reports have noted that the Angus cost per waited patient has fallen compared to national averages. Previously spend within Angus was running c8-10% above the national average. The most recent data continues to show costs running at c5-9% above the national average. This has been achieved by implementing both a regional prescribing work plan in addition to a targeted local approach that has focussed on clinical engagement with individual practices supporting realistic medicine and alternatives to prescribing where that is clinically appropriate.
- 3.4.5 The IJB, alongside the regional Prescribing Management Group, is increasingly turning its attention towards developing financial plans for 2020/21 and beyond. This will include consideration of planning assumptions such as volume and price growth, contractual issues, planned interventions and the impact of new drugs.

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 and may be subject of increased future 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, the impact of the development of the longer term Primary Care Improvement Plans and the underlying growth in some Enhanced Service and Premises costs all remain.
- 3.5.3 Recent work reviewing Primary Care Improvement Plans have indicated the cost of the full implementation of these could be significantly in excess of available funding. This issue is being considered in all Tayside IJBs and is understood to be replicated across Scotland.

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, only limited 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£3.4m. This will still be subject to further refinement. The projected position reflects a series of offsetting variances including continued overspends re 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£270k, subject to the notes below.

- 4.1.2 As previously noted and as described in report 78/19, there continues to be a significant level of demographic growth pressure with Older Peoples Services in particular. This is reflected in the IJB's strategic financial planning but has placed a very significant burden on Home Care resources largely within Older Peoples Services.

- 4.1.3 As noted in the last IJB Finance report, work has been ongoing with colleagues in corporate support departments within Angus Council to clarify income projections. This has necessitated a revision to previous assumptions re 2019/20 income, and potentially future years. The revision brings expected income for 2019/20 down by c£400k and this is allowed for in appendix 1.

However as also noted in previous reports, the above revision may have an effect on assumed income for period prior to 2019/20. As a result of reviews, it is now estimated that assumed income for previous years should be reduced by c£600k. While work on refining this information is ongoing, this early estimate of the impact of the review is allowed for in appendix 1.

The IJB is continuing to work with Angus Council to better develop income projections and to better develop the overall area of income management. While the adjustments described here do have a significant effect on the projected Older Peoples Service projected year-end financial position, the IJB is still able to contain this impact due to offsetting issues.

- 4.1.4 While the IJB now has a set of financial assumptions for the Free Personal Care (under 65) Act, as at February 2020 the IJB is still unclear regarding the overall financial implications of the implementation of the Carers Act and clarifying this remains work in progress.

- 4.1.5 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 may continue to create some instability in the IJB's financial projections for 2019/20.

- 4.1.6 Pressures remain within Physical Disability services. As noted in recent meetings, this service is currently developing an Improvement Plan for submission to the IJB in April 2020.

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 £270k. This is lower than previous projected due to the issue described at 4.1.3.

5. SUMMARY IJB POSITION

From the above it can be seen that the IJB is forecasting an overall underspend of c£3.7m. This is a greater underspend 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. It is also after absorbing the IJB the impact of issues described at 4.1.3. All information remains subject to multiple risks - particularly refinements to Prescribing, Free Personal Care Act, the 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.

6. PROGRESS WITH 2020/21 TO 2022/23 19/20 STRATEGIC FINANCIAL PLANNING

At the December 2019 IJB meeting, the intention to share updated Strategic Financial Planning reports at February and April 2020 IJB meetings was noted. Due to the timing of Scottish Government budget announcements, a formal update to the IJB's Strategic Financial Plan will now be presented to the IJB's April 2020 meeting.

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	FEBRUARY 2020
Effective Financial Management	Chief Officer	25 (5x5) RED	25 (5x5) RED	20 (5x5) RED	16 (4x4) AMBER

While the long term financial planning risk remain at amber, as per above, the financial risk (i.e. of an overspending position) for 2019/20 are low – reflecting the information at appendix 1.

As noted in previous reports, there are an ongoing risks regarding finance support structures. With NHS Tayside finance support staff now directly managed by the Angus IJB Chief Finance Officer this should bring longer term benefits, possibly after some transitional issues. However risks do remain regarding Angus Council finance support. Shortcomings 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.

With respect to governance issues, the December 2019 Audit Committee noted a number of long-standing issues that remain unresolved and it was agreed it would be helpful to highlight these to the main Board. The issues and some commentary are as follows:-

Issue	Status	Commentary
Development of Large hospital Set Aside arrangements in conjunction with NHS Tayside	Limited progress	Updates provided regularly to IJB Board and concern re progress highlighted by IJB Chair to NHS Tayside.
Development of improved hosted Services arrangements in conjunction with neighbouring IJBs	Limited progress	The IJB still requires to develop this agenda with neighbouring IJBs. It will need considered as part of refreshing of Integration Scheme.
Review Corporate Support arrangements with Partners.	Not started yet	The IJB has had limited capacity to take forward this review. Concerns have been noted regarding Finance, Procurement and Property support.
Review IJB's overall governance framework	Some progress	Discussions have taken place with IJB officers and Internal Auditors but more formal review still to be developed.

All these issues will continue to be monitored by the IJB's Audit Committee. Many are complex, require joint working with Partners and the IJB's ability to progress matters can be effected by capacity constraints.

8. SUMMARY

The main financial reporting issues in this report are set out in sections 3, 4 and 5. The overall projected financial position for 2019/20, based on current information with many ongoing risks, is of an under spend. This is after Physical Disability, Older Peoples Services, 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: 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		NHS Directed Services		HSCP	
	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under
	£k	£k	£k	£k	£k	£k
Local Hospital and Community Health Services						
Older Peoples Services						
Psychiatry Of Old Age			5,236	270	5,236	270
Medicine For The Elderly			6,067	83	6,067	83
Community Hospitals			58	-8	58	-8
Minor Injuries / O.O.H			1,805	160	1,805	160
Community Nursing			4,155	240	4,155	240
Enhanced Community Support			1,268	104	1,268	104
Management & Admin	993	-128			993	-128
Care at Home	4,579	324			4,579	324
Intermediate Care	376	0			376	0
Community Support	714	-28			714	-28
Supported Accommodation	554	49			554	49
Internal Residential	5,098	-51			5,098	-51
Care and Assessment	22,137	-958			22,137	-958
Community Mental Health	1,190	-40			1,190	-40
Older Peoples Service	35,641	-830	18,589	850	54,231	20
Mental Health	2,819	59	2,862	200	5,681	259
Admin Community Support	2,606	-13			2,606	-13
Non Residential Care	6,855	-69			6,855	-69
Residential Care	5,339	328			5,339	328
Learning Disabilities	14,800	246	574	22	15,374	268
Physical Disabilities	2,668	-647			2,668	-647
Substance Misuse	927	75	973	72	1,900	146
Community Services						
Physiotherapy			1,813	49	1,813	49
Occupational Therapy	1,375	101	695	245	2,070	346
Joint Store	690	0			690	0
Anti-Coagulation			271	65	271	65
Primary Care			619	68	619	68
Carers	521	0			521	0
Homelessness	816	7			816	7
Other Community Services			1,174	5	1,174	5
Community Services	3,402	108	4,572	432	7,974	540
Planning / Management Support						
Centrally Managed Budget	1,312	1,222	2,472	2,097	3,785	3,319
Partnership Funding			16,734	205	16,734	205
Management / Improvement & Development	1,585	37	1,256	56	2,841	93
Planning / Management Support	2,897	1,260	20,463	2,357	23,360	3,617
Local Hospital and Community Health Services			48,034	3,933		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			1,006	120	1,006	120
Out of Hours			7,902	170	7,902	170
Speech Therapy (Tayside)			1,129	72	1,129	72
Locality Pharmacy			1,851	0	1,851	0
Tayside Continence Service			1,441	36	1,441	36
Hosted Savings - Phased in			-193	-193	-193	-193
Hosted Services Recharges to Other IJBs			-9,615	-148	-9,615	-148
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,520	57	3,520	57
Services Hosted Elsewhere on Behalf of Angus IJB			14,134	-448	14,134	-448
GP Prescribing			21,161	-539	21,161	-539
Other FHS Prescribing			563	508	563	508
General Medical Services			18,261	-116	18,261	-116
Family Health Services			13,071	15	13,071	15
Large Hospital Set Aside			9,734	0	9,734	0
Grand Total	63,154	271	128,477	3,409	191,631	3,680

APPENDIX 2 – 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 has already had an effect on assumptions within the IJB's Strategic Financial Plan.
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 average has narrowed 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. (Includes issues within General Practice.)	Medium	c£300k +	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	Risks more likely from 2020/21, 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 may be 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. Any effect now most likely in second half of 2020/21.
Primary Care Improvement Plan	High	c£1.0m	Recent estimates costs of full contact implementation will be significantly in excess of available funding. This issue is being considered regionally and is understood to be replicated across Scotland.
Other (including Funding)			
2020/21 Budget Settlements	Medium	c£1.5m+	Separate update to IJB Board. Risks remain re unresolved issues (including Complex Care and Large Hospital Set Aside).
Finance Support Structure and other Corporate Support	High	N/A	CFO continues to work with Partners to ensure required finance support in place but currently there are areas of risk. Other risks within Procurement, Property and Legal support.
Finance Support – Income Arrangements / Levels	High	TBC	As noted in this report, adjustments have now been made to 2019/20 forecasts. The IJB is working with Angus Council to develop a recovery and improvement plan.
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. This could be by increasing the IJB’s general reserve to the equivalent of 2.5% or 3% of turnover dependent on future risks.

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.

As the IJB has an under-spending position in 2019/20, so it has the potential to increase its current Strategic Plan Reserve and at the year end this will be proposed to the IJB. That increased reserve may seek to support a number of developments in line with the IJB’s Strategic Plan and Strategic Financial Plan. Currently it is suggested that the existing Strategic Reserve of c£500k could be increased to c£1m to allow existing plans to be delivered, to develop project support within the IJB, to further adopt technological responses, to address workforce issues and to increase integrated working. It is important that the availability of such a fund does not detract from or compromise the IJB’s core business, does not increase commitments without an agreed exit plan or create workforce or other capacity issues.

Financial Planning Reserve - £1.187m. The IJB has previously agreed to revert the funds in this reserve to Angus Council and NHS Tayside. The Partners have now agreed the split of this reserve and the IJB now has to formally approve that £545k will be returned to Angus Council and £642k will be returned to NHS Tayside.

Overall Reserves

The table below sets out the expected year end position regarding the IJB’s reserves, prior to any of the proposals noted above and prior to confirmation of the year end position.

	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	3680	7080
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	1626	7642

Noting all the above, the IJB is asked to :-

1. provisionally support a planned increase in the IJB's general reserves from 2% of turnover to 2.5% or 3% of turnover depending on future risks, with final percentage to be determined at the year end.
2. support a planned increase in the IJB's Strategic Plan Reserve from £500k at March 2019 to £1.0m at March 2020.

If the IJB supports the above intentions they will be reflected in year-end reporting.

3. In addition the IJB is asked to formally approve the return of previous reserves (£1.187m) to Partners as detailed above.