



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 26 AUGUST 2020

FINANCE REPORT – 2020/21

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 2020/21, an update regarding reserves, financial planning and an update of financial risks.

This report does make reference to the impact of COVID-19 on the IJB's financial position.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) notes the overall projected financial position of Angus IJB for 2020/21;
- (ii) regarding Large Hospital Set Aside note the need for a more considered review of this component of the settlement as part of the overall review of the settlement with NHS Tayside;
- (iii) notes the progress with the Strategic Financial Plan's Planned Interventions;
- (iv) notes the risks documented in the Financial Risk Assessment and specifically notes the range of outstanding governance actions; and
- (v) notes the update regarding reserves set out in appendix 3, including supporting the ear-marking of £0.5m of reserves to assist fund programme management and project support capacity.

2. FINANCIAL MONITORING

The report describes the most recent financial monitoring and projection information for Angus IJB for financial year 2020/21 including NHS Directed Services (section 3), Angus Council Directed Services (section 4), COVID-19 impacts (section 5) and a summary (section 9).

Information contained within this report reflects estimates for the whole of 2020/21 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 uncertainty regarding COVID-19 is particularly important to note in this context.

The IJB's detailed projected financial position for 2020/21 is set out in Appendix 1. This shows that the overall projected financial position for Angus IJB for year to March 2021 is an overspend of c£3.6m, however this is before any further Scottish Government funding to offset the costs of COVID-19 is allowed for and the Partnership anticipate further confirmation of funding in due course.

It is important to note that 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 previously estimated at: Angus Council: 36%; NHS Tayside: 64%.

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 2020/21 the vast majority of services are currently projecting under spends or near breakeven positions. This projected position makes a positive contribution to the IJB's financial position for 2020/21 and potentially for future years.
- 3.1.2 The main exception to the above is with respect to Psychiatry of Old Age. While the planned Angus Care Model review of these services is still ongoing, services have started to see an increased level of occupancy and complexity. This in turn has placed increased pressure on staffing levels and this, allied to medical recruitment issues, has led to the forecast overspend for 2020/21. The position is potentially exacerbated by COVID-19 issues. The service will continue to develop its planned review and look to bring activity and staffing back to planned levels.
- 3.1.3. The IJB is forecasting an under spend within Centrally Managed Budgets reflecting previous progress with savings (as per the IJB's financial plan). Some of the under spends within Centrally Managed Budgets also reflect inflation ear-marks that may be re-allocated in future to offset pressures elsewhere in the Partnership in future years. It is important to note the resources held in this part of the Partnership budget is Partnership wide resources.
- 3.1.4 Collectively these factors contribute to the reported under spend of c£3.3m, some of it non-recurring, regarding Local Hospital and Community Health Services. This under spend is consistent with the IJB's overall financial plan in that it is intended to offset over spends elsewhere (e.g. within Social Care).

3.2 Services Hosted in Angus on Behalf of Tayside IJBs

- 3.2.1 There was an historic planning shortfall re unmet hosted services savings which was resolved in discussions in late 2019/20 on the back of locally Hosted Services being in overall under spending position last year.
- 3.2.2 However the impact of COVID-19 has been significant within Out of Hours Services with multiple additional shifts being required during the earlier phases of the regional response. This results in a projected service overspend in 2020/21.
- 3.2.3 The Forensic Services has seen some staffing availability issues as a result of COVID-19 with supplementary staffing being used to cover the service gap. This results in a projected service overspend in 2020/21.
- 3.2.4 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 in-year service pressures, the combined effect of the above is one of a reported year end over spend of £0.242m 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. As previously noted the operational management of In Patient Mental Health Services has now moved from Perth and Kinross Health and Social Care Partnership to NHS Tayside with this resulting in a substantial revision to the financial reporting for this group of services with the projected year end position now being an under spend of c£0.1m. However these are very early projections and may, to an extent, be affected by COVID-19 issues.

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 June 2020 IJB.
- 3.4.2 Information available to date is very limited however a large part of the increased activity has been reversed in April and May 2020. It is harder to determine the longer term

impact of COVID-19 on Prescribing costs and this is being looked at through national channels.

Alongside the COVID-19 uncertainty there is ongoing uncertainty regarding some pricing and contract issues. As year-end projection of near breakeven had been developed based on information available to date but the projections are heavily dependent on assumptions. A much clearer picture of actual patterns of prescribing and prescribing cost will become available in the coming months.

- 3.4.3 Generally progress has been achieved by implementing both a regional prescribing work plan alongside 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. While both approaches have been hindered by COVID-19, the intention is that this work will increasingly be reinstated as the overall work patterns adapt over the coming months.

3.5 General Medical Services (GMS) and Family Health Services

- 3.5.1 As with other areas of this report information available currently is very preliminary however this is an area where financial pressures are expected this year. For these services, the Scottish Government have already confirmed some funding to support General Practices and Community Pharmacy with COVID-19 responses. In addition, and as noted at previous Board meetings, the IJB is exposed to over spends 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. The incidence of this type of service provision will increase in 2020/21 due to changes in Arbroath. This increased cost pressure will have a consequent impact on other services.
- 3.5.2 Longer term risks remain regarding the challenges re General Practitioner recruitment, the introduction of the new GMS contract (i.e. Primary Care Improvement Plans – separate report to August 2020 IJB meeting) and the underlying growth in Premises costs (including responding to the 2018 GMS direction of travel regarding ownership models for General Practice buildings).
- 3.5.3 The IJB should note there may be future discussion re risk sharing arrangements for Primary Care (including GMS) services with neighbouring IJBs. This is something that may otherwise have been taken forward alongside a review of the Integration Scheme.

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 re-set at £8.666m due to a previous reduction in use of beds days.
- 3.6.2 As noted previously the Scottish Government are very keen that the Large Hospital Services issue is further developed. This was restated in the Ministerial Strategic Group report but, to date, only limited progress has been made in Tayside. However, NHS Tayside's financial plans for 2020/21 (Board 25/2020) did result in NHS Tayside agreeing to transfer to additional resources (£1m) from 2020/21 to Dundee IJB which has seen the most significant sustained reduction in the use of acute hospital resources since pre-integration baselines. It is worth noting again that the Angus information included in NHS Tayside report 25/2020 has subsequently been corrected to show an increased reduction in bed use in acute hospitals. This issue will need to be explored further in due course as part of a more considered review of the 2020/21 budget settlement with NHS Tayside. It is recommended the Board note the need for this more considered review and support further discussion with NHS Tayside regarding the Large Hospital Set Aside component of the overall settlement.

3.7 Overall Position Regarding NHS Directed Resources

- 3.7.1 Noting the impact of COVID-19, specifically around Out of Hours Services and Forensic Services, the overall projected 2020/21 year end position is of an under spend of c£3.0m. This figure is a very high level estimate and excludes assumptions regarding further COVID-19 funding (noted elsewhere). It is important to remind ourselves that looking at this figure in isolation from Adult Services is not entirely meaningful and,

irrespective of COVID-19 impacts, the IJB did expect under spends on the above resources to offset Adult Services overspends

4. ANGUS COUNCIL DIRECTED SERVICES (ADULT SERVICES)

4.1 Adult Services

- 4.1.1 For financial year 2020/21 Adult Services is projecting a year end out-turn of an overspend of c£6.6m. This projection reflects assumptions in regard to the additional cost of COVID-19 (£7.3m per August 2020 Scottish Government return) and additional income received to date from Scottish Government (£1.6m). Therefore Adult Services would still be projecting and in year overspend (c£900k) when COVID-19 is excluded – this overspend is in line with broad expectations of the IJB's financial plan.
- 4.1.2 As has been noted previously demographics continue to be the largest pressure on resources and during the COVID-19 pandemic home care hours have continued to increase (as referred to in the IJB's COVID-19 Remobilisation Response). This rate of increase is in excess of current demographic resources.
- 4.1.3 The Partnership's ability to progress savings programmes has also been seriously impaired as a result of COVID-19 and the underachievement of savings targets are noted within the current projection. These will continue to be monitored closely.
- 4.1.4 Further work is still required with Angus Council corporate colleagues to clarify our position regarding income generation and debt management and to refine income management processes and procedures and to clarify income projection methods. This work has been placed on pause since the COVID-19 situation emerged but will need to be picked up again at the earliest possible point. This issue does present a material risk to the IJB.

COVID-19 has had an impact on our ability to charge for services and may, in the longer term, effect the ability of service users to contribute to the costs of services.

- 4.1.5 As at the start of 2020/21 the IJB is still unclear regarding the overall financial implications of the implementation of the Carers Act and clarifying this remains work in progress.
- 4.1.6 Pressures remain within Physical Disability service and further budget realignment may be necessary during 2020/21. As noted in previous meetings, this service is currently developing an Improvement Plan to be presented to a future IJB.

4.2 Overall Position Regarding Angus Council Directed Resources

- 4.2.1 Noting the impact of COVID-19, the overall projected year end position is an overspend of c£6.6m, largely attributable to COVID-19 implications. This figure is a very high level estimate, based on multiple assumptions and excludes assumptions regarding further COVID-19 funding. It is important to recall that the IJB's Strategic Financial Plan previously did anticipate some in-year overspend regarding Adult Services with offsetting under spends elsewhere in the IJB – see 3.7.1 above.

5. FINANCIAL IMPACT OF COVID-19

This impact is also referenced in the separate COVID-19 update to the IJB. In terms of financial reporting, the estimated impact of COVID-19 (total £9.661m per August 2020 Scottish Government return) is shown in the IJB's forecasts. Also included is an allowance for funding already received/confirmed of c£2.1m. Across the Partnership there has been some instances of reduced level of spends with this helping the IJB to absorb c£4m of COVID-19 costs with the net impact to the Partnership being an overspend of c£3.6m.

However, as noted elsewhere there is still uncertainty regarding future funding that will be received by the IJB with respect to addressing the overall financial impact of COVID-19.

It is generally assumed that COVID-19 costs, to the extent that they trigger in year overspends within the Partnership, will be fully funded by the Scottish Government then when this happens the IJB might reasonably expect to breakeven in this financial year.

However should the Scottish Government not fully fund the excess cost of COVID-19 and in this scenario the IJB would report a year end overspend and would be required to consider the use of IJB reserves to offset any overspend. The scale of this is difficult to determine.

6. PROGRESS WITH STRATEGIC FINANCIAL PLAN - PLANNED INTERVENTIONS

During previous years information has been regularly provided to the IJB regarding progress with delivery of the Strategic Financial Plan's Planned Interventions as per report 15/20. The table below provides a narrative update on 2020/21 progress. COVID-19 has, of course, had a material additional impact on savings delivery on top of any existing operational issues. Many of these effects are hard disaggregate but estimates are made in context of separate COVID-19 reporting. Remedial action for a number of programmes will require to be progressed by the Executive Management Team and a more detailed progress update will be provided for the next IJB meeting.

Table 1 Strategic Financial Plan Assumptions

Planned Interventions	20/21	21/22	22/23	Progress Update
	£K	£K	£K	
Help to Live at Home	50	50	50	This programme has experienced delay due to lack of management capacity. This is likely to delay the savings by c1 year for each of the 3 years of the Strategic Financial Plan.
Supported Accommodation Review	50	50	0	This programme has experienced delay due to lack of management capacity. This is likely to delay the savings by 6 months.
Learning Disability Improvement Plan	262	220	0	This programme has experienced COVID-19 and associated capacity issues and is likely to see a reduction of c£100k in in-year savings delivery.
Non-Recurring (Savings)	300	-150	-150	This savings is still expected to be delivered in 2020/21.
EMT Reviews (inc. Equivalent for Hosted Services)	850	440	500	Good progress has been made with Health and Hosted Services, with more work required within Adult Services. In year COVID-19 issues has affected transparent delivery of some targets.
Workforce Review	90	40	0	This savings is still expected to be delivered in 2020/21.
Increased Charging/Recoveries	238	200	200	This savings is still expected to be delivered in 2020/21.
Physical Disability Improvement Plan	0	80	80	The Management capacity to deliver this improvement plan still requires to be put in place.
Nursing in Care Homes Review	0	90	0	Work now reinstated in 2020/21, but COVID-19 will require a review of plans.
Extended Inpatient Review (Angus Care Model)	0	300	0	Work now reinstated in 2020/21, but COVID-19 will require a review of plans.
Psychiatry of Old Age Review	0	200	0	Work now reinstated in 2020/21, but underlying capacity issues may impact on long term planning.
Residential Care Review	0	200	0	Work now reinstated in 2020/21, but underlying Care Home occupancy issues may necessitate a review of this programme.
Demand Management	0	0	0	Work to be reinstated soon in 2020/21, but underlying changes in demand patters due to COVID-19 will require a review of plans.
Total	1840	1720	680	

While COVID-19 has understandably consumed a significant level of management capacity in 2020/21, and will continue to do so, the continued delivery of a balanced range of planned interventions has proved to be critical to the IJBs overall performance in recent years. That momentum will require to be maintained going forward to ensure the ongoing success of the IJB in its overall aim of delivery the Strategic Plan within available resources. To date slippage on Planned interventions solely due to COVID-19 of up to £0.4m in 2020/21 are projected; there has also been further slippage due to non-COVID-19 reasons.

As part of this, the IJB may require to invest in significant additional medium term resources to provide programme management and project support capacity for a range of the above planned interventions. In the medium term this could be support from the IJB's reserves (e.g. Strategic Planning Reserve, Financial Planning Reserve or General Reserve). Reserves are described in more detail at appendix 4, however it is suggested that the IJB, subject to further consideration

via the Strategic Planning Group, support the allocation of up to £0.5m of reserves to help develop this capacity over the 2020/21 to 2023/24 period.

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 "Financial Management".

RISK TITLE	RISK OWNER	BASELINE RISK EXPOSURE	SEPTEMBER 2018	FEBRUARY 2020	AUGUST 2020
Financial Management	Chief Officer	25 RED	25 RED	16 AMBER	20 RED

The financial risk has reverted to "Red" due to COVID-19, and the associated risk highlighted elsewhere in reports to the IJB meeting

The financial risks regarding COVID-19 include issues such as impact on ability to deliver a full savings programme, impact on income streams, uncertainty re long term prescribing issues, immediate and longer term impact on our independent sector providers, the impact of service reconfiguration and a range of other potential short and longer term implications. These issues, together with clarification of Scottish Government funding support, are common across Scotland and continue to be part of regular discussion and reporting between all IJBs and the Scottish Government.

As noted in previous reports, there are ongoing risks regarding finance support structures. With NHS Tayside finance support staff now directly managed by the Angus IJB Chief Finance Officer, this will bring longer term benefits, particularly after a transitional period. 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 and improvement programmes/savings delivery and supporting the COVID-19 response), 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 / Background to Status	Implications of Status	Action Required	Commentary
Development of Large hospital Set Aside arrangements in conjunction with NHS Tayside	Limited progress – A complicated concept that requires resolution between NHS Tayside and all local IJBs. Coordinated management resource is required to resolve this and that has been challenging over the last 4 years.	The lack of progress undermines the IJB's ability to fully direct resources within the IJB's Strategic Plan. Noting that most recent information does suggest Angus has reduced its use of Acute Services since the inception of integration.	An improved dialogue between NHS Tayside and local IJBs, which itself requires all parties to be able to dedicate coordinated management resource.	Updates provided regularly to IJB (see section 3.6 above) and concern re progress highlighted by IJB Chair to NHS Tayside in 2019/20. Once COVID-19 re-mobilisation complete, the IJB plans to re-enter discussions with NHS Tayside.
Development of improved Hosted Services arrangements in conjunction with neighbouring IJBs	Limited progress – This requires proportionate improved coordination between all 3 IJBs.	The lack of progress undermines the IJB's ability to fully direct resources within the IJB's Strategic Plan.	Ideally a comprehensive response to be considered as part of a review of the Integration Scheme.	Locally the IJB plans to improve the information shared with local IJBs regarding services hosted locally. This is likely to be the first of these issues to be addressed and an

				update will be provided to the next IJB with respect to progress made.
Review Corporate Support arrangements with Partners.	Not started yet - This requires resolution between the IJB and its partners. Coordinated management resource is required to resolve this and that has been challenging over the last 4 years.	Shortcomings within corporate support have been a regular feature of risks identified within the IJB. These shortcomings undermine the ability to the IJB to deliver its Strategic Plan and a balanced long term financial position.	Ideally a comprehensive response to be considered with both partners simultaneously as part of a review of the Integration Scheme.	The IJB Chief Officer will liaise with both Partners regarding progressing this as part of a response to the MSG report and will provide an update to the next IJB regarding plans.
Review IJB's overall governance framework	Limited progress - This requires resolution between the IJB and its partners.	On a practical basis Angus IJB has made significant progress since its inception. However the lack of governance clarity does cause strategic and operational planning issues at times.	Ideally a comprehensive response to be considered as part of a review of the Integration Scheme.	Previously discussions had taken place with IJB officers and Internal Auditors but with limited traction. A well-understood review of the Integration Scheme is key to addressing this issue with both partners.

All these issues will continue to be monitored by the IJB's Audit Committee with updates provided to the IJB. Many are complex, require joint working with Partners and the IJB's ability to progress matters can be affected by capacity constraints. As noted above, an improvement in how the IJB shares information regarding locally hosted services is likely to be the first of the above issues to be addressed.

8. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

Direction Required to Angus Council, NHS Tayside or Both	Direction to:	
	No Direction Required	X
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

9. SUMMARY

From the above and attached appendices it can be seen that for 2020/21 the IJB is currently forecasting a year end overspend of c£3.6m. This is a marked turnaround from the last financial year and is largely attributable to the impact of COVID-19. Funding confirmed and received to date has been limited and further funding is not confirmed – though of course this is a very dynamic position.

In summary the estimated impact of COVID-19 is £9.661m with confirmed Scottish Government funding of c£2.1m and after adjusting for the IJB's ability to contain costs linked to some instances of reduced levels of spend, the net impact to the Partnership is a projected overspend of c£3.6m.

It is generally assumed that COVID-19 costs, to the extent that they trigger in year overspends within the Partnership, will be fully funded by the Scottish Government then when this happens the IJB might reasonably expect to breakeven in this financial year.

However should the Scottish Government not fully fund the excess cost of COVID-19 and in this scenario the IJB would report a year end overspend and would be required to consider the use of IJB reserves to offset any overspend. The scale of this is difficult to determine.

Aside from the over-riding impact of COVID-19, there remain underlying inflationary and demographic pressures and offsetting variances between services. Slippage in progress with delivery of savings from planned interventions will also have both an immediate in year effect but also, a longer term impact.

Should the IJB report a year end overspend then, in the first instance IJB reserves will require to be used to address any overspend. Beyond that there could be an impact on the IJB's Partners. The use of significant IJB reserves in 2020/21 will undermine the longer term financial planning of the Partnership and will require a series of financial planning responses beyond those already in progress. There will be a similar requirement if the longer term financial and resource impacts of COVID-19 are not matched by an equivalent adjustment to funding available to support services.

The overall financial position of the IJB does have a material impact on the way Angus IJB provides services. By making ongoing progress with managing the financial impacts of COVID-19, delivering efficiencies 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 2020-21						
	Adult Services		Angus NHS Directed Services		HSCP	
	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under	Annual Budget	Projected (Over) / Under
	£k	£k	£k	£k	£k	£k
Local Hospital and Community Health Services						
Older Peoples Services						
Psychiatry Of Old Age			5,105	-225	5,105	-225
Medicine For The Elderly			6,244	140	6,244	140
Community Hospitals			0	0	0	0
Minor Injuries / O.O.H			1,868	220	1,868	220
Community Nursing			4,451	0	4,451	0
Enhanced Community Support			1,283	130	1,283	130
Management & Admin	966	-143			966	-143
Care at Home	4,659	45			4,659	45
Intermediate Care	376	0			376	0
Community Support	714	13			714	13
Supported Accommodation	486	-21			486	-21
Internal Residential	5,125	-280			5,125	-280
Care and Assessment	23,032	-5,779			23,032	-5,779
Community Mental Health	1,234	-182			1,234	-182
Older Peoples Service	36,592	-6,346	18,951	265	55,543	-6,081
Mental Health	2,988	163	2,853	75	5,841	238
Admin Community Support	2,684	11			2,684	11
Non Residential Care	7,027	-157			7,027	-157
Residential Care	5,506	396			5,506	396
Learning Disabilities	15,216	251	592	19	15,808	270
Physical Disabilities	2,852	-867			2,852	-867
Substance Misuse	943	94	998	23	1,941	117
Community Services						
Physiotherapy			1,868	145	1,868	145
Occupational Therapy	2,103	78	653	120	2,756	198
Joint Store	690	0			690	0
Anti-Coagulation			276	81	276	81
Primary Care			701	-2	701	-2
Carers	521	0			521	0
Homelessness	833	10			833	10
Other Community Services			1,151	0	1,151	0
Community Services	4,147	88	4,649	344	8,796	432
Planning / Management Support						
Centrally Managed Budget	3,565	545	3,241	2,442	6,805	2,987
Partnership Funding			304	0	304	0
Management / Improvement & Development	734	-557	1,353	133	2,087	-425
Planning / Management Support	4,299	-12	4,898	2,575	9,197	2,562
Local Hospital and Community Health Services			32,942	3,301		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			997	-56	997	-56
Out of Hours			7,503	-420	7,503	-420
Speech Therapy (Tayside)			1,165	92	1,165	92
Locality Pharmacy			1,872	0	1,872	0
Tayside Continence Service			1,503	16	1,503	16
Hosted Services Centrally Managed Budget			97	-52	97	-52
Hosted Services Recharges to Other IJBs			-9,577	178	-9,577	178
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,560	-242	3,560	-242
Services Hosted Elsewhere on Behalf of Angus IJB			7,687	-117	7,687	-117
GP Prescribing			21,530	27	21,530	27
Other FHS Prescribing			236	95	236	95
General Medical Services			18,162	-57	18,162	-57
Family Health Services			13,029	36	13,029	36
Large Hospital Set Aside			8,666	0	8,666	0
Grand Total	67,036	-6,630	105,812	3,042	172,847	-3,588

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

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Current Financial Performance			
COVID-19 – single biggest risk in-year and longer term. Lack of clarity re funding levels and impact on cost base.	High	Up to £5m	Continue to document actual and projected costs and ongoing dialogue at national level re funding clarifications and potential impact on reserves.
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning. Subject of an Internal Audit report in 2019/20.
Income Arrangements / Levels – Noting adjustments were made to 2019/20 accounts.	High	c£1m (recurring)	The IJB was working with Angus Council to develop an Income recovery and improvement plan but this was delayed by COVID-19 and has yet to be fully reinstated.
Funding Assumptions			
Unresolved 2020/21 budget with NHS Tayside (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k (recurring)	Complex Care – Entering the 5 th year of integration this remains unresolved with increased scope for loss of audit trail and incremental, unfunded costs shifting to the IJB. Large Hospital Set Aside – The lack of progress undermines the IJB's ability to fully direct resources within the Strategic Plan. Noting that most recent information does suggest Angus has reduced its use of Acute Services since the inception of integration.
Medium Term Financial Planning – Lack of clarity.	Medium	Not known	The IJB will, through national networks, work with the Scottish Government to develop this planning.
Funding formula may be subject to reviews at local, regional or national level.	Low	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
Cost Pressures			
Prescribing – Local costs per weighted patient remain above national averages.	Reducing	c£0.5m (recurring)	6 monthly report to IJB and liaison with regional Prescribing Management Group.
Reviews of Safe Staffing issues re Health and Care (Staffing) (Scotland) Act and local review of healthcare tasks undertaken in community setting.	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£300k + (recurring)	The IJB faces a number of workforce issues (e.g. General Practice, Independent Sector) and needs to liaise with all interested parties to mitigate these risks.
Demographic Pressures – e.g. in Adult Services reflecting population changes This may be partially attributable to the Carers Act.	High	c£1.0m+ (recurring)	The IJB needs to improve its understanding of demographic pressures and develop plans to mitigate these, noting growth in cost base over last 12 months.
Adult Care Services likely to see significant inflation pressures beyond 2020/21 reflecting ongoing impact of Living Wage and pressures associated with the 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 – A range of IJB costs could be affected in various Brexit scenarios.	Medium	Not known	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. The effect now is most likely in second half of 2020/21.
Primary Care Improvement Plan	Medium	Not known	Subject of report to August IJB. This issue is being considered regionally and is understood to be replicated across Scotland.
Savings Targets			
Some IJB savings programmes ran behind schedule in 2019/20. COVID-19 has delayed progress and may require a review of some programmes.	High	Up to £1.0m (recurring)	As work on planned interventions is more fully reinstated so the scale of this risk will become more apparent. Alternative interventions may need considered.
Other			
Review of Integration Scheme	Medium	Not known	A comprehensive review of the Scheme may identify additional risks and opportunities.
Corporate Support (Inc. Finance, Procurement, Property, Legal)	High	Not known	CFO continues to work with Partners to develop finance support. Currently there are other areas of risk including Procurement, Property and Legal. These have a detrimental impact on the IJB's ability to deliver a balanced financial plan.
Carers Act	Medium	Not known	The IJB has yet to fully clarify the long term financial impact of the Carers Act.

APPENDIX 3 – IJB RESERVES

The IJB's Reserves Policy sets 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. It is possible that the Scottish Government may ask the IJB to consider the use of reserves to help support the costs of addressing COVID-19. At the moment this is not factored into any formal reserve set out here, but the IJB should be aware this is a possibility. This could also affect some Scottish Government funded programme reserves.

General Reserves

In April 2020 the IJB agreed to set a general reserves target of 2.5% of turnover or c£4.5m. Since March 2020, this reserve has been in place. At any time the IJB may require to commit this reserve to address developing situations and should the IJB 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.

Ear-marked Reserves

The IJB's ear-marked reserves are listed in the table below. Evolving financial plans exists for each reserve and some of these reserves are augmented by balances held on the IJB's behalf at the Scottish Government. The IJB also retains some locally derived ear-marked reserves as follows:-

Strategic Plan Reserve – Opening value at 1 April 2020- £1.371m. As noted previously, much of this resource has now been committed over the duration of the current Strategic Financial Plan (to March 2023).

Financial Planning Reserve 2020/21 – In April 2020 the IJB agreed to create this reserve with a view to a series of options all still under consideration.

Overall Reserves

The table below sets out the IJB's opening reserves at the start of this year. Due to a number of uncertainties' reported year end position regarding the IJB's reserves, prior to formal confirmation of the year end position.

As per section 6 of this report, it is recommended that the IJB set aside £0.5m of reserves to support medium term programme management and project support capacity. This could be flexibly supported from the IJB's Strategic Planning Reserve, Financial Planning Reserve or General Reserve.

Angus IJB Reserves	Opening Balance 1 April 2020 £K	Additional Comment
General Fund Balance (Usable Reserve) - General Reserve	4500	
General Fund Balance (Ear-Marked Reserves)		
Strategic Plan Reserve	1371	
Financial Planning Reserve 2020/21	2251	
GMS Contract - Primary Care Improvement Plan	4	Expect to be fully spent in 2020/21
Mental Health - Action 15 Funding	151	Expect to be fully spent in 2020/21
Primary Care Transformation Funding 2017/18	95	Expect to be fully spent in 2020/21
Primary Care - Recruitment & Retention Funding 2017/18	38	Expect to be fully spent in 2020/21
Primary Care Premises	30	Expect to be fully spent in 2020/21
Scottish Government - Alcohol and Drug Partnership	6	Expect to be fully spent in 2020/21
Scottish Government - Forensics 2018/19	47	Expect to be fully spent in 2020/21
	3993	
Total General Fund Balance	8493	