



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 28 OCTOBER 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 and governance issues.

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 to develop 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 additional Financial Governance appendix; and
- (v) notes the update regarding reserves set out in appendix 3, including supporting the re-allocation of £500k reserves from the IJB's Financial Planning Reserve to the Strategic Planning Reserve.

2. FINANCIAL MONITORING

The report describes the most recent financial monitoring and projection information for Angus IJB for financial year 2020/21, based on information to the end of August 2020, 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 and uncertainty re impact of COVID-19 over the coming months, further reviews of projections will be undertaken which may lead to future adjustments in information.

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£2.2m, however this is before any further Scottish Government funding to offset the costs of COVID-19 is allowed for. Since the production of the August financial information, the Partnership has received confirmation of additional COVID-19 funding

although the exact scale of this allocation is still subject to clarification with the Scottish Government.

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 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 continue to see an increased level of occupancy, acuity 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 has been exacerbated by COVID-19 issues and this has delayed the progressing of the service review. However the impetus for the service is to now focus on further developing its review to bring activity and staffing back to planned levels. Support from Angus Council Procurement is critical to progressing this.

3.1.3 For the first time since 2017/18, Community Nursing budgets are reporting a forecast overspend with the majority of this overspend a direct consequence of COVID-19 due to the service employing additional student nurses.

3.1.4 The IJB continues to forecast an under spend within Centrally Managed Budgets reflecting the IJB's overall strategic financial plan in that these Partnership-wide resources and underspends are intended to offset overspends elsewhere.

3.1.5 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 has been partially resolved in discussions in late 2019/20 on the back of locally Hosted Services being in an 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 with some of these additional shifts still continuing. Changes to the patient pathway as direct impacts to COVID-19 are currently embedded in the service model with the outcome being a projected service overspends in 2020/21. This will be considered further with service management.

3.2.3 Forensic Services has seen some staffing availability issues as a result of COVID-19 as well as some core operational workforce issues with supplementary staffing being used to cover these service gaps. These results in a projected service overspend in 2020/21.

3.2.4 Since producing the August results it has been identified that this group of services will also see above average inflationary pressures in 2020/21 due to mix of pay and supplies costs. This will create an additional recurring deficit that will need to be addressed in the coming months through additional savings measures.

3.2.5 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 and plans to do this from September 2020.

3.2.6 Due to the scale of in-year service pressures, the combined effect of the above is one of a reported year end overspend of £0.154m 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. Early projections suggest a net overspend of c£100k for 2020/21 but this is after a number of significant offsetting variances (e.g. overspends in Palliative Care and Brain Injury and some unresolved savings targets being offset by underspends in a range of other services). However these are very early projections and may, to an extent, be affected by COVID-19 issues.

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	6186508	-448000
Brain Injury	1763366	-190000
Sexual & Reproductive Health	2110471	250000
Psychology	5311912	400000
Dietetics (Tayside)	3122527	140000
Other Services Hosted in Dundee	2076397	18500
Balance of Savings Target	-604081	-604081
Grand Total	19967100	-433581
Angus Share (27.1%)	5411100	-117500
ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS		
Podiatry (Tayside)	3201515	195000
Prison Health Services	3918423	88500
Public Dental Service	1429943	120500
Other Services Hosted in Perth	171700	1713
Balance of Savings Target	-323570	-323570
Grand Total	8398011	82143
Angus Share (27.1%)	2275900	22300
TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE	7687000	-95200

3.3.2 As the Board will recall, In Patient Mental Health Services are now managed by NHS Tayside (rather than by Perth & Kinross IJB). While this has removed the associated budgets from this part of the Partnership's financial reporting, these resources do remain formally devolved to the IJB for Strategic Planning purpose and will in due course be reported via a new route into the Partnership financial position. The method for dealing with this has still to be resolved across Tayside.

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 COVID-19 caused significant disruption to patterns of spend with Prescribing over the March-May period in particular. The local effect in 2020/21 was that costs in April and May were lower than expected and this will give a one-off financial benefit to Prescribing in this financial year. From July it is expected the disruption in patterns of activity will have settled down but there may be longer term impacts of COVID-19 for

Prescribing. It is difficult to determine the net impact of these but they will be considered in more detail locally in due course.

Alongside the COVID-19 uncertainty there is ongoing uncertainty regarding some pricing, Community Pharmacy contract and supply issues. Taking these variables into account, and noting the time-lag re prescribing information, a high level projection of a small underspend (largely attributable to the COVID-19 issues noted above) is projected. However this will be subject to significant revision as the year progresses.

- 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, improvement work is increasingly being reinstated.
- 3.4.4 While the above makes comparison with local budgets, the IJB can also compare its costs with Scottish averages. Historically Angus has incurred Prescribing costs at up to 10% over the national average. Current patterns suggested local costs are 3% to 5% above the weighted average for Scotland. This improvement has been documented in reports over the last 2 years.

3.5 General Medical Services (GMS) and Family Health Services

- 3.5.1 As with other areas of this report information available currently is still 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 overspends attributable to the Angus share of costs associated with the provision of GMS services in the likes of Brechin and Abbey Medical Centre in Arbroath where NHS Tayside is directly managing GMS services. 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 direction of travel set out in the National Code of Practice for GP Premises 2017 (subject of a separate report to the IJB Board) 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 be 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 The last report provided some background as to the current status and since then the Partnership has been in contact with NHS Tayside to seek to develop discussion on this subject. The next finance report to the IJB Board will provide an update on these discussions.

3.7 Overall Position Regarding NHS Directed Resources

- 3.7.1 Noting the impact of COVID-19, specifically around Out of Hours Services, Forensic Services and Community Nursing the overall projected 2020/21 year end position is of an under spend of c£3.3m. This figure remains 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 plan for underspends 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£5.5m. This projection reflects assumptions in regard to the additional cost of COVID-19 (£7.5m based on our latest local assessment of COVID costs) and additional income received to date from Scottish Government (£1.6m). Therefore Adult Services would be projecting a small in year underspend when COVID-19 is excluded. This reflects a more favourable position than reported at the last Board and mainly relates to reduced costs within the support and care sector and also further clarification of funds to be vired into service areas to cover inflationary uplifts and demographic changes.
- 4.1.2 As has been noted previously, the impact of demographics continues to be a pressure on resources and since the start of 2020/21 the home care hours have continued to increase. At c10% for the first six months of the financial year this rate of increase is greatly in excess of current demographic budgetary allowances. Conversely the use of care home beds has reduced over the last six months with vacancy levels now in the region of 10% of bed capacity within Angus, noting the annual budget is £25m, although not all of these vacant beds are funded by AHSCP with some funded by other Partnerships or private individuals. It is not known at this time if these trends will continue and the situation will be monitored closely.
- 4.1.3 Within Learning Disability services COVID-19 has had an impact on both community and day care services. These impacts will continue to affect the delivery of normal services in the coming months and will result in fluctuations in spend depending on our ability to restart services. A full review of the current financial position will be undertaken to align with the development of the Learning Disability improvement plan.
- 4.1.4 The Partnership's ability to progress savings programmes has continued to be impaired as a result of COVID-19 and the underachievement of savings targets are factored into the current projection. These delays will continue to be monitored closely.
- 4.1.5 Further work is still required with Angus Council finance colleagues to clarify our position regarding income generation, debt management and financial projections and to refine income management processes and procedures. 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 and the Partnership has been in contact with Angus Council regarding this. This issue continues to present a material risk to the IJB.

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

- 4.1.6 As at October 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.
- 4.1.7 Pressures remain within Physical Disability service and further budget realignment may be necessary during 2020/21. The latest position with regard to the Physical Disability Improvement Plan is shared in a separate report to the October 2020 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£5.5m, 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**

The Partnership is regularly submitting information to the Scottish Government regarding the estimated financial impact of COVID-19. The situation remains fluid with the IJB's August accounts (reported here) including an estimated total cost of c£9.97m. Also included is Scottish Government allowance for COVID-19 funding already received/confirmed. Furthermore across the Partnership there has been some instances of reduced level of spends with this helping the IJB to absorb c£5m of COVID-19 costs with the net impact to the Partnership being an overspend of c£2.2m.

However, since the August accounts were completed, it is apparent that some estimate of COVID-19 related costs will have increased (including those associated with Out of Hours) and some may have decreased (including some Social Care costs). All costs will continue to be effected by national directives and local circumstances.

Since the production of the financial information in this report, the IJB has received confirmation of additional COVID-19 funding. This funding will further address COVID-19 related pressures and support the IJB overall financial position. The exact scale of this funding is still subject to clarification with the Scottish Government.

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 full 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.

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**

The last finance report to the IJB (52/20) set out the situation regarding progress with regard to planned interventions. In the intervening time there has been some work to re-instate progress with these planned interventions however the delays experienced to date and the likelihood of further in year delays do create a significant gap in our financial plans. While this is partially attributable to COVID-19, there is also the possibility of further delay and it will be important for remedial to be progressed by the Executive Management Team.

It had been planned to bring a more detailed progress update to this IJB but due to capacity issues this has not been possible. It is expected that the fundamentals regarding most planned interventions will be retained, however for the following a further review may be required:-

Nursing In Care Homes Review – This work was on hold due to national issues associated with Care Homes. The IJB has shared its outline plans with the Scottish Government and, given the ongoing review of Adult Social Care, are waiting from feedback from the Scottish Government before progressing matters much further.

Residential Care Review – This programme was originally intended to consider the future of in-house care homes and address the variation in costs of provision between different homes. The Care Home landscape has altered significantly due to COVID-19 and the project group will revisit the original intentions of this work stream against this new background.

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	SEPTEMBER 2018	FEBRUARY 2020	AUGUST 2020	OCTOBER 2020
Financial Management	Chief Officer	25 RED	16 AMBER	20 RED	20 RED

The above financial risk assessment reflects the longer term financial issues associated with COVID-19, specifically the detrimental impact on the HSPCs progress with planned interventions.

As has been noted before, there remain a number of long term financial governance issues. The Audit Committee are monitoring these but progress over a number of years has been slow. A summary of the main issues is set out in appendix 4.

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	✓
	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£2.2m. This is a marked turnaround from the last financial year and is largely attributable to the impact of COVID-19. At the point of August reporting, the COVID-19 Scottish Government funding received was limited though in early October, the IJB received confirmation of additional COVID-19 funding. This funding will further address COVID-19 related pressures and support the IJB overall financial position. The exact value of this funding is still subject to clarification with the Scottish Government.

Reflecting the August accounts, in summary the estimated impact of COVID-19 is £9.97m and after adjusting for both the Scottish Government funding received/confirmed and the IJB's ability to absorb c£5m of costs linked to some instances of reduced levels of spend the net impact to the Partnership is a projected overspend of c£2.2m. 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.

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 is also now an increased risk and this will also have both an in year affected but also, and more importantly, 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 2020/21
- Appendix 2: Angus Health and Social Care Partnership Financial Risk Assessment 2020/21
- Appendix 3: IJB Reserves 2020/21
- Appendix 4: Financial Governance

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	-210	5,105	-210
Medicine For The Elderly			6,235	117	6,235	117
Minor Injuries / O.O.H			1,868	220	1,868	220
Community Nursing			4,451	-35	4,451	-35
Enhanced Community Support			1,283	130	1,283	130
Management & Admin	1,070	-117			1,070	-117
Care at Home	4,659	57			4,659	57
Intermediate Care	389	4			389	4
Community Support	733	9			733	9
Supported Accommodation	486	-60			486	-60
Internal Residential	5,150	-221			5,150	-221
Care and Assessment	22,841	-5,768			22,841	-5,768
Community Mental Health	1,234	-168			1,234	-168
Older Peoples Service	36,562	-6,264	18,943	222	55,505	-6,042
Mental Health	3,020	68	2,791	120	5,811	188
Admin Community Support	2,660	15			2,660	15
Non Residential Care	7,090	410			7,090	410
Residential Care	5,506	370			5,506	370
Learning Disabilities	15,256	796	588	19	15,844	815
Physical Disabilities	2,848	-979			2,848	-979
Substance Misuse	1,020	150	1,017	24	2,037	174
Community Services						
Physiotherapy			1,868	98	1,868	98
Occupational Therapy	2,103	90	653	120	2,756	210
Joint Store	690	0			690	0
Anti-Coagulation			251	46	251	46
Primary Care			721	43	721	43
Carers	519	0			519	0
Homelessness	841	0			841	0
Other Community Services			1,151	0	1,151	0
Community Services	4,153	90	4,643	307	8,797	396
Planning / Management Support						
Centrally Managed Budget	4,152	1,232	3,335	2,447	7,487	3,678
Partnership Funding			319	0	319	0
Management / Improvement & Development	639	-583	1,353	113	1,992	-470
Planning / Management Support	4,791	649	5,008	2,559	9,798	3,208
Local Hospital and Community Health Services			32,991	3,252		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			997	-150	997	-150
Out of Hours			7,503	-470	7,503	-470
Speech Therapy (Tayside)			1,200	136	1,200	136
Locality Pharmacy			1,872	0	1,872	0
Tayside Continence Service			1,503	9	1,503	9
Hosted Savings - Phased in			97	-52	97	-52
Hosted Services Recharges to Other IJBs			-9,603	373	-9,603	373
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,569	-154	3,569	-154
Services Hosted Elsewhere on Behalf of Angus IJB			7,687	-95	7,687	-95
GP Prescribing			21,524	175	21,524	175
Other FHS Prescribing			236	104	236	104
General Medical Services			18,148	-57	18,148	-57
Family Health Services			13,029	44	13,029	44
Large Hospital Set Aside			8,666	0	8,666	0
Grand Total	67,650	-5,489	105,850	3,268	173,500	-2,222

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.	Amber	Up to £3m	Continue to document actual and projected costs and ongoing dialogue at national level re funding clarifications and potential impact on reserves. Additional funding confirmed in October 2020, to address pressures and support the IJB overall financial position.
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 /improvement plan. This was delayed by COVID-19 and still has 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 funding 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 through workforce planning 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 impact of Living Wage and pressures re 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 and may be partially offset by increased Scottish Government funding.
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.
Planned Interventions			
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.
Management Capacity / Programme Management and Project Support Recruitment issues	High	Included above.	COVID-19 may continue to divert management capacity which will exacerbate existing delays.
Other			
Review of Integration Scheme	Medium	Not known	A comprehensive review of the Scheme may identify additional risks and opportunities.
Corporate Support (Inc. Finance,	High	Not known	CFO continues to work with Partners to develop

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Procurement, Property, Legal)			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 and since March 2020 this 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 exist for each reserve which would suggest most reserves should be utilised in 20/21, though there may be COVID-19 related delays. 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). This will be reviewed via the Strategic Planning Group.

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 and a projected position for the year end, albeit subject to multiple caveats.

Due to the significant investment planned for programme and project management (see last report to the IJB) it is now suggested that c£500k of the Financial Planning reserve is re-allocated to the Strategic Planning Reserve to provide extra flexibility over the coming years. The Board is asked to support this and, if supported by the Board, it will be discussed further with the IJB's Partners.

	Opening Balance 1 April 2020	Forecast Change in Year	Forecast Closing Balance 31 March 2021	Additional Comment
Angus IJB Reserves	£K	£k	£K	
General Fund Balance (Usable Reserve) - General Reserve	4500	0	4500	
General Fund Balance (Ear-Marked Reserves)				
Strategic Plan Reserve	1371	-500	871	Partial spend in 20/21
Financial Planning Reserve 2020/21	2251	-2251	0	Position still to be confirmed.
GMS Contract - Primary Care Improvement Plan	4	-4	0	Expect to be fully spent in 2020/21
Mental Health - Action 15 Funding	151	-151	0	Expect to be fully spent in 2020/21
Primary Care Transformation Funding 2017/18	95	-95	0	Expect to be fully spent in 2020/21
Primary Care - Recruitment & Retention Funding 2017/18	38	-38	0	Expect to be fully spent in 2020/21
Primary Care Premises	30	-30	0	Expect to be fully spent in 2020/21
Scottish Government - Alcohol and Drug Partnership	6	-6	0	Expect to be fully spent in 2020/21
Scottish Government - Forensics 2018/19	47	-47	0	Expect to be fully spent in 2020/21
	3993	-3122	871	
Total General Fund Balance	8493	-3122	5371	

APPENDIX 4 – 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.	CO/CFO - An improved dialogue between NHS Tayside and local IJBs, which itself requires all parties to be able to dedicate coordinated resource to progress this.	Updates provided regularly to IJB (see section 3.6 above) and concern re progress highlighted by IJB Chair to NHS Tayside in 2019/20. The Partnership has been in contact with NHS Tayside regarding this during October 2020.
Development of improved Hosted Services arrangements in conjunction with neighbouring IJBs	Limited progress – This requires proportionate improved coordination between all 3 IJBs. This is planned to be the first area where local improvement will be taken forward once capacity allows for it, planned coming months.	The lack of progress undermines the IJB's ability to fully direct resources within the IJB's Strategic Plan.	CO/CFO - 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.
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.	CO - Ideally a comprehensive response to be considered with both partners simultaneously as part of a review of the Integration Scheme.	While it was previously intended that the IJB Chief Officer liaise with both Partners regarding progressing this, it is now proposed to defer progressing this until 2021/22 reflecting the competing and urgent priorities the IJB is required to manage.
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.	CO/Board - 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.
Finance Support Structure	Limited progress – Improvements made with respect to NHS Tayside but risks remain with respect to Angus Council.	Potential 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.	Board – To note issue and support opportunities for improvement. CFO – To continue discussion with Angus Council to support improvement.	While this is a long-standing issue, discussions remain ongoing with Angus Council as to how improvements can be taken forward.

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.