



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 9 DECEMBER 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 separate report capturing the Large Hospital Set Aside component of the settlement with NHS Tayside which provides a more comprehensive review;
- (iii) notes the separate detailed report on the Strategic Financial Plan's Planned Interventions progress;
- (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.

2. SUMMARY

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 October 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 a breakeven position, after offsetting the costs of COVID-19.

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: 37%; NHS Tayside: 63%.

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£3.6m, 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 Due to the scale of in-year service pressures, the combined effect of the above is one of a reported year end overspend of £0.144m 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 remain early projections and, as with many local services, remain subject to future update and will, 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	6229822	-450000
Brain Injury	1785563	-230000
Sexual & Reproductive Health	2131120	270000
Psychology	5315956	380000
Dietetics (Tayside)	3122527	60000
Other Services Hosted in Dundee	2015044	39500
Balance of Savings Target	-604081	-604100
Grand Total	19995951	-534600
Angus Share (27.1%)	5418900	-144900
ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS		
Podiatry (Tayside)	3201515	241000
Prison Health Services	3924573	70000
Public Dental Service	2177448	138500
Other Services Hosted in Perth	113700	2100
Balance of Savings Target	-329314	-329314
Grand Total	9087922	122286
Angus Share (27.1%)	2462800	33100
TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE	7881700	-111800

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). This is referred to in a separate report to the December 2020 IJB. Through discussion with the Mental Health Directorate, the IJB continues to seek clarity re future funding for 7-day working for the two Community Mental Health Teams in Angus.

3.4 Family Health Service (FHS) Prescribing

3.4.1 As the Committee is aware considerable work is and has been undertaken regarding Prescribing within the IJB and at a Tayside-level and this is the subject of a separate report to the December 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 has given a one-off financial benefit of c£300k to Prescribing in this financial year. For reporting purposes, that adjustment has been adjusted out of Prescribing reporting to allow a more representative Prescribing figure to be presented. Data from July is more settled, but there may be longer term impacts of COVID-19 for Prescribing and these will be monitored locally and regionally.

There is further 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 approximately breakeven is currently projected - however this will be subject to ongoing 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 and 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. Recently Angus has incurred Prescribing costs running c5-8% above the national average. This was managed down to 3-5% above national averages and is currently running at 3-6% above national averages – however costs in 2020/21 may be slightly skewed by local COVID-19 impacts.

3.5 General Medical Services (GMS) and Family Health Services

- 3.5.1 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 overspend 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 in October 2020) 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.

3.6 Large Hospital Services

- 3.6.1 This issue is the subject of a separate report to the IJB meeting. As at April 2020, this budget has been re-set at £8.666m due to a previous reduction in use of beds days.

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£3.35m. This figure remains a very high level estimate, given the stage in the financial year. 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£3.35m. This projection reflects assumptions in regard to the additional cost of COVID-19 (£5.7m 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 transport costs.
- 4.1.2 As has been noted previously, the impact of demographics continues to be a pressure on resources. The number of hours for home care continues to increase in excess of current demographic projections. Conversely the use of care home beds has continued with vacancy levels 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. These trends will continue to be closely monitored.
- 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 Work has recommenced 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 had been placed on pause when the COVID-19 situation emerged. 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.

As a result of this risk a further provision for bad debts will be made this year c£0.250m to mitigate the impact of unpaid contributions

- 4.1.7 Pressures remain within Physical Disability service and further budget realignment may be necessary during 2020/21. A full review of the current financial position will be undertaken to align with the development of the Physical Disability improvement plan.
- 4.1.8 As noted in separate reports, to date the IJB has not approved a financial plan associated with Carers Act funding. The current assumption is that some of the funding will support increases in the levels of care provided over the last 2 years.

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£3.35m, largely attributable to COVID-19 implications. This figure is a very high level estimate, based on multiple assumptions. It is important to recall that the IJB's Strategic Financial Plan previously did anticipate in-year overspends regarding Adult Services with offsetting under spends elsewhere in the IJB (see 3.7.1 above). The IJB does intend to address a number of offsetting variances in the near future and this may be evident in future reports to the IJB.

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 October accounts (reported here) including an estimated total cost of c£7.3m. After allowing for c£2.1m of Scottish Government COVID-19 funding allocated and received by the IJB, along with our ability to contain costs c£5.2m linked to services operating at reduced levels of spend which is supporting the IJB to deliver a breakeven financial position.

Since the previous finance report the COVID-19 costs have reduced significantly due to a combination of reduced Social Care estimated costs and the treatment of Care Home Void costs, with these Care Home Void costs now being offset directly against cost containment.

All costs will continue to be effected by national directives and local circumstances.

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 are common across Scotland and continue to be part of regular discussion and reporting between all IJBs and the Scottish Government.

6. PROGRESS WITH STRATEGIC FINANCIAL PLAN - PLANNED INTERVENTIONS

An updated report on the Strategic Financial Plan, providing detailed information of the progress on a range of planned interventions is provided separately to the December 2020 IJB.

7. FINANCIAL MANAGEMENT RISK ASSESSMENT

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance forum. Appendix 2 sets out ongoing or emerging financial risks for the IJB in more detail than is reflected in the associated corporate risk documentation. Many of the finance risks are IJB-wide risks including future funding levels and the risks regarding future financial planning.

RISK TITLE	RISK OWNER	SEPTEMBER 2018	FEBRUARY 2020	AUGUST 2020	DECEMBER 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 limited. 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 to:	
No Direction Required	✓
Angus Council	
NHS Tayside	
Angus Council and NHS Tayside	

9. CONCLUSION

From the above and attached appendices it can be seen that for 2020/21 the IJB is currently forecasting a year end breakeven position. This is a marked turnaround from the last financial year and is largely attributable to the impact of COVID-19.

In summary the estimated total cost of COVID-19 is c£7.3m. After allowing for c£2.1m of Scottish Government funding allocated and received by the IJB, along with our ability to contain costs c£5.2m linked to services operating at reduced levels of spend which is supporting the IJB to deliver a breakeven financial position.

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 affect 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			5,129	-195	5,129	-195
Medicine For The Elderly			6,262	170	6,262	170
Community Hospitals			0	0	0	0
Minor Injuries / O.O.H			1,868	220	1,868	220
Community Nursing			4,496	-33	4,496	-33
Enhanced Community Support			1,244	105	1,244	105
Management & Admin	1,070	-86			1,070	-86
Care at Home	4,659	122			4,659	122
Intermediate Care	389	4			389	4
Community Support	753	10			753	10
Supported Accommodation	486	-6			486	-6
Internal Residential	5,143	-182			5,143	-182
Care and Assessment	23,779	-5,634			23,779	-5,634
Community Mental Health	1,443	-9			1,443	-9
Older Peoples Service	37,722	-5,781	18,999	267	56,721	-5,514
Mental Health						
	2,988	134	2,740	103	5,729	236
Admin Community Support	2,661	55			2,661	55
Non Residential Care	7,132	380			7,132	380
Residential Care	5,520	329			5,520	329
Learning Disabilities	15,313	763	588	19	15,901	782
Physical Disabilities						
	2,898	-786			2,898	-786
Substance Misuse						
	1,058	-5	1,017	31	2,075	26
Community Services						
Physiotherapy			1,868	98	1,868	98
Occupational Therapy	2,103	102	653	145	2,756	247
Joint Store	690	0			690	0
Anti-Coagulation			251	52	251	52
Primary Care			715	51	715	51
Carers	519	0			519	0
Homelessness	841	9			841	9
Other Community Services			1,271	0	1,271	0
Community Services	4,153	112	4,758	346	8,911	457
Planning / Management Support						
Centrally Managed Budget	2,898	2,749	4,500	2,827	7,397	5,576
Partnership Funding			18,266	0	18,266	0
Management / Improvement & Development	839	-541	1,407	28	2,246	-513
Planning / Management Support	3,737	2,208	24,172	2,855	27,909	5,063
Local Hospital and Community Health Services						
			52,274	3,621		
Services Hosted in Angus on Behalf of Tayside						
Forensic Service			1,027	-180	1,027	-180
Out of Hours			7,981	-475	7,981	-475
Speech Therapy (Tayside)			1,200	136	1,200	136
Locality Pharmacy			1,872	0	1,872	0
Tayside Continence Service			1,503	39	1,503	39
Hosted Services Centrally Managed Budget			-2	-50	-2	-50
Hosted Services Recharges to Other IJBs			-9,900	387	-9,900	387
Services Hosted in Angus on Behalf of Tayside	0	0	3,681	-143	3,681	-143
Services Hosted Elsewhere on Behalf of Angus IJB						
			7,882	-112	7,882	-112
GP Prescribing			21,162	-120	21,162	-120
Other FHS Prescribing			206	103	206	103
General Medical Services			18,667	-46	18,667	-46
Family Health Services			14,332	53	14,332	53
Large Hospital Set Aside			8,666	0	8,666	0
Grand Total	67,870	-3,354	126,870	3,354	194,739	0

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. While there is increased clarity re funding there remains uncertainty re impact on longer term cost base.	Low (In year); High (Future years)	Up to c£500k (In Year); TBC (Future Years)	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.	Medium	c£0.5m (recurring)	The IJB was working with Angus Council to develop an Income recovery /improvement plan. This was delayed by COVID-19 and is now being 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 review of healthcare tasks 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 and what may be attributable to COVID-19 impacts.
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 behind schedule from 2019/20 now exacerbated by COVID-19. Reviews may be required.	High	Up to £1.0m (recurring)	Work on planned interventions is gradually being reinstated and the scale of risks becoming clearer. 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, Procurement, Property, Legal)	High	Not known	CFO continues to work with Partners to develop finance support. Current risks include 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 exists 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, but increased by £0.5m at the last IJB Board meeting As noted previously, this resource is managed over the duration of the Strategic Financial Plan (now to March 2024) and reviewed by the Strategic Planning Group.

Financial Planning Reserve 2020/21 – Now £1.751m. In April 2020 the IJB agreed to create this reserve with a view to a series of options, all still under consideration.

There have been no other major changes in reserves since these were reported to the last IJB Board meeting.

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	See separate IJB report – 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.	The Partnership has been in contact with NHS Tayside regarding this during October 2020 and this issue is discussed further in a separate report to the IJB.
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. The imperative of dealing with COVID-19 related issues has delayed some planned improvement work.
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.	It is now being assumed this work will be progressed in 2021/22 reflecting imperatives of dealing with COVID-19 related issues.
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. Discussions with Angus Council have been continuing in November 2020 around options for improvement.	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.

These issues 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 affected by capacity constraints. As noted above, at times in 2020, progress on some outstanding governance improvements is being inhibited by the pressures of dealing with COVID-19. Separately, the IJB is currently working with its Internal Auditors to review governance arrangements in the context of COVID-19 responses.