



**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD – 24 FEBRUARY 2021  
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 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) notes the risks documented in the Financial Risk Assessment (Appendix 2)
- (iii) regarding Reserves note the update on future commitments; and
- (iv) notes the issues documented in the Financial Governance Appendix 4

**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 December 2020, including NHS Directed Services (section 3), Angus Council Directed Services (section 4), Financial Impact of COVID-19 (section 5) and a Conclusion (section 9).

Information contained within this report reflects estimates for the whole of 2020/21 and consequently, given the 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.

**3. NHS DIRECTED SERVICES**

**3.1 Local Hospital and Community Health Services**

- 3.1.1 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.
- 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 and continues to be exacerbated by COVID-19 issues and this has delayed the progressing of the service review. However the impetus for the service is to focus on further developing its review to bring activity and staffing back to planned levels with support from Angus Council Procurement being critical to progressing this forward.

- 3.1.3 The Community Nursing budget is also reporting a small forecast overspend being 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£2.8m, 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 Adult Services).

### 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 has direct impacts to COVID-19 are currently a feature of the service model with the outcome being a projected service overspends in 2020/21.
- 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, where possible, 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 £0.091m 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. Latest projections, including the impact of COVID-19, are forecasting a near breakeven position 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).

SERVICES HOSTED IN DUNDEE & PERTH IJBs ON BEHALF OF ANGUS IJB	ANNUAL PROJECTED BUDGET (£k)	YEAR END VARIANCE (£k)
ANGUS SHARE OF SERVICES HOSTED IN DUNDEE		
Palliative Care	6,231	-380
Brain Injury	1,786	-200
Sexual & Reproductive Health	2,260	420
Psychology	5,622	340
Dietetics (Tayside)	3,123	10
Other Services Hosted in Dundee	2,135	61
Balance of Savings Target	-577	-577
Grand Total	20,580	-326
Angus Share (27.1%)	5,577	-88
ANGUS SHARE OF SERVICES HOSTED IN PERTH & KINROSS		
Podiatry (Tayside)	3,202	287
Prison Health Services	3,925	205
Public Dental Service	2,177	171
Other Services Hosted in Perth	114	2
Balance of Savings Target	-306	-306
Grand Total	9,111	359
Angus Share (27.1%)	2,469	97
TOTAL ANGUS SHARE OF SERVICES HOSTED ELSEWHERE	8,046	9

3.3.2 As the Board will recall, In Patient Mental Health Services are now managed by NHS Tayside. 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.

3.3.3 At the December 2020 IJB Board meetings a plan for developing proposals for the future financial management of Mental Health resources with colleagues in NHST and neighbouring IJBs was set out. This work has been affected by COVID-19 issues in January 2021 and an update will now be provided to the April IJB meeting.

#### 3.4 Family Health Service (FHS) Prescribing

3.4.1 As the Committee is aware considerable work is and has been undertaken regarding Prescribing within the IJB and at a Tayside-level and this was the subject of a separate report to the December 2020 IJB.

3.4.2 COVID-19 has caused significant disruption to patterns of spend within Prescribing. Regionally, and locally, prescribing volumes to date remain lower compared to previous year and the financial plan, with a marginal increase in the most recent information for October which is reflected in year to date information and forecasting. Average pricing per prescription continues to be slightly higher than financial planning expectations.

A review of spending patterns has informed a revised methodology for forecasting, which has been agreed by IJB CFOs. This has resulted in an increase in expected under spend.

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 difficult, the IJB can also compare its costs with Scottish averages. Recently Angus has incurred Prescribing costs running c4-8% above the national average.

Last year these costs were managed down to c3-5% above national average. However costs in 2020/21 are 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 previously confirmed some funding to support General Practices and Community Pharmacy with COVID-19 responses.
- 3.5.2 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 in the likes of Brechin and Abbey Medical Centre in Arbroath where NHS Tayside is directly managing GMS. This increased cost pressure will have a consequent impact on other services.
- 3.5.3 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 update to February 2021 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 (note previous report to October 2020 IJB meeting) regarding ownership models for General Practice buildings.
- 3.5.4 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 As at April 2020, this budget has been re-set at £8.666m due to a previous reduction in use of beds days.
- 3.6.2 As noted at the December 2020 Board meeting, the partnership is in discussions with NHS Tayside to progress an appropriate resource release from Acute Services to Angus IJB to reflect changes in OBDs (Occupied Bed Days) to date which would, in turn, support the commensurate local investment in community resources.

### 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 Psychiatry of Old Age the overall projected 2020/21 year end position is of an under spend of c£2.76m. 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 under spends on the above resources to offset Adult Services overspends, with some of this offsetting variance now being addressed between the two partners.

## 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 over spend of c£2.76m. This projection reflects assumptions in regard to the additional cost of COVID-19 with the latest local assessment of COVID-19 costs equating to £5.7m. However a significant amount of these costs are being supported through redeployment of existing resources in year.
- 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, with provision increasing by 16% from c10,300 to c11,900 hours per week an additional cost of c£1.7m per annum. Whilst 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, and resources associated with the unused 10% capacity has been redirected to support COVID-19, 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.
- 4.1.3 The COVID-19 costs for Provider Support payments is dependent on the key provider support system data intelligence for quantifying the costs.

The information available is limited to actual spend on authorised claims and does not capture outstanding claims and hence there is level of uncertainty in the financial forecast, the short comings and risks associated have been previously highlighted to Angus Council.

- 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 and this will impact on our ability to deliver full recurring savings next year.
- 4.1.5 Work has recommenced with Angus Council finance colleagues and the IJB's Internal Auditors, in an advisory role, to clarify our position regarding income generation, debt management and financial projections and to refine income management processes and procedures. 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 and an overall reassessment of debt position, a further increased provision for bad debts will be made this year £0.5m to mitigate the possible impact of unpaid contributions.

- 4.1.7 Pressures remain within Physical Disability service after 2020/21 budget realignment was completed. 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 A report on The Carers Act providing detailed information on the proposed allocation of resources is provided separately to the February 2021 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£2.76m, largely attributable to COVID-19 implications. This figure remains a 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). A number of offsetting variances have been addressed between the two partners and these are reflected in the overall projection

### 5. **FINANCIAL IMPACT OF COVID-19**

The Partnership has submitted quarter 3 remobilisation financial plan to the Scottish Government regarding the estimated financial impact of COVID-19. The situation remains fluid with the IJB's December accounts (reported here) including an estimated total cost of c£7.1m. After allowing for c£1.24m of Scottish Government COVID-19 funding allocated and received by the IJB, along with our ability to contain costs linked to services operating at reduced levels of spend or redeploying resources which is supporting the IJB to deliver a breakeven financial position.

All costs will continue to be effected by national directives and local circumstances, but certainly the COVID-19 funds available from Scottish Government in 2020/21 along with our own ability to contain costs and redeploy will ensure the IJB can contain all COVID-19 related costs this year.

The financial risks regarding COVID-19 now focus on future years and include issues such as impact on ability to deliver a full recurring 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 medium 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.

The Scottish Government has asked for the next reiteration of the Remobilisation Plan to be submitted by 26 February 2021 covering the period April 2021 to March 2022. An updated report on the Remobilisation Plan is provided separately to the February 2021 IJB.

## 6. PROGRESS WITH STRATEGIC FINANCIAL PLAN - PLANNED INTERVENTIONS

The last Strategic Planning Update report to the IJB (79/20) provided information about progress on a range of planned interventions.

Since then there has been some work to re-instate progress with these planned interventions however delays experienced to date and the likelihood of further in year delays due to COVID-19 do create a significant gap in our financial plans.

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 across the sector. However 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 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	FEBRUARY 2021
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	X
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£7.10m. After allowing for c£1.24m of Scottish Government funding allocated and received by the IJB, along with our ability to contain costs 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 will only provide short term relief and when a recurring shortfall emerges the IJB will require a series of financial planning responses beyond those already in progress

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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**February 2021**

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
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			5,229	-135	5,229	-135
Medicine For The Elderly			6,290	310	6,290	310
Community Hospitals			0	0	0	0
Minor Injuries / O.O.H			1,868	230	1,868	230
Community Nursing			4,551	-15	4,551	-15
Enhanced Community Support			1,244	100	1,244	100
Management & Admin	1,072	-78			1,072	-78
Care at Home	4,667	136			4,667	136
Intermediate Care	389	0			389	0
Community Support	753	11			753	11
Supported Accommodation	486	-11			486	-11
Internal Residential	5,145	-45			5,145	-45
Care and Assessment	23,779	-4,963			23,779	-4,963
Community Mental Health	1,436	-10			1,436	-10
<b>Older Peoples Service</b>	<b>37,726</b>	<b>-4,960</b>	<b>19,182</b>	<b>490</b>	<b>56,908</b>	<b>-4,470</b>
<b>Mental Health</b>	<b>3,009</b>	<b>116</b>	<b>2,740</b>	<b>53</b>	<b>5,750</b>	<b>168</b>
Admin Community Support	2,661	89			2,661	89
Non Residential Care	6,832	-171			6,832	-171
Residential Care	5,520	446			5,520	446
<b>Learning Disabilities</b>	<b>15,013</b>	<b>365</b>	<b>588</b>	<b>19</b>	<b>15,601</b>	<b>384</b>
<b>Physical Disabilities</b>	<b>3,548</b>	<b>-519</b>			<b>3,548</b>	<b>-519</b>
<b>Substance Misuse</b>	<b>1,058</b>	<b>36</b>	<b>1,017</b>	<b>42</b>	<b>2,075</b>	<b>78</b>
<b>Community Services</b>						
Physiotherapy			1,868	96	1,868	96
Occupational Therapy	2,103	172	653	170	2,756	342
Joint Store	690	0			690	0
Anti-Coagulation			251	39	251	39
Primary Care			750	35	750	35
Carers	519	0			519	0
Homelessness	841	7			841	7
Other Community Services			1,264	11	1,264	11
<b>Community Services</b>	<b>4,153</b>	<b>179</b>	<b>4,786</b>	<b>351</b>	<b>8,939</b>	<b>530</b>
<b>Planning / Management Support</b>						
Centrally Managed Budget	3,257	2,267	3,295	1,773	6,552	4,040
Partnership Funding			99	0	99	0
Management / Improvement & Development	1,094	-240	1,471	67	2,565	-174
<b>Planning / Management Support</b>	<b>4,351</b>	<b>2,027</b>	<b>4,865</b>	<b>1,839</b>	<b>9,216</b>	<b>3,866</b>
<b>Local Hospital and Community Health Services</b>			<b>33,178</b>	<b>2,795</b>		
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>						
Forensic Service			1,017	-205	1,017	-205
Out of Hours			8,031	-270	8,031	-270
Speech Therapy (Tayside)			1,200	127	1,200	127
Locality Pharmacy			1,802	0	1,802	0
Tayside Continence Service			1,503	43	1,503	43
Hosted Services Centrally Managed Budget			17	-30	17	-30
Hosted Services Recharges to Other IJBs			-9,893	244	-9,893	244
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>	<b>0</b>	<b>0</b>	<b>3,678</b>	<b>-91</b>	<b>3,678</b>	<b>-91</b>
<b>Services Hosted Elsewhere on Behalf of Angus IJB</b>			<b>8,046</b>	<b>9</b>	<b>8,046</b>	<b>9</b>
GP Prescribing			21,162	-70	21,162	-70
Other FHS Prescribing			206	105	206	105
General Medical Services			19,050	-51	19,050	-51
Family Health Services			15,043	60	15,043	60
Large Hospital Set Aside			8,666	0	8,666	0
<b>Grand Total</b>	<b>68,859</b>	<b>-2,756</b>	<b>109,029</b>	<b>2,756</b>	<b>177,888</b>	<b>0</b>



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

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Current Financial Performance</b>			
COVID-19 – single biggest future year risk with it remaining uncertain the financial impact on longer term cost base.	High (Future years)	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	Medium	c£0.2m (recurring)	The IJB was working with Angus Council to develop an Income recovery /improvement plan. This has been delayed by COVID-19 and is now being reinstated.
<b>Funding Assumptions</b>			
Unresolved 2020/21 budget with NHS Tayside (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k (recurring)	Complex Care – Entering the 5 <sup>th</sup> 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 partnership is in discussions with NHS Tayside re appropriate resource release. However this has been affected by COVID-19 and 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.
<b>Cost Pressures</b>			
Prescribing – Local costs per weighted patient remain above national averages.	Medium	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 final quarter of 2020/21 & 2021/22.
Primary Care Improvement Plan	Medium	Not known	Subject of a future update report to April 2021 IJB. This issue is being considered regionally and is understood to be replicated across Scotland.
<b>Planned Interventions</b>			
Some IJB savings programmes behind schedule from 2019/20 now exacerbated by COVID-19. Reviews may be required.	High	Up to £1.0m (recurring)	There has been some work on planned interventions, however delays have been experienced and likelihood of further delays due COVID-19 with the scale of risks becoming clearer in our financial plan.
Management Capacity / Programme Management and Project Support Recruitment issues	High	Included above.	COVID-19 continues to divert management capacity which has exacerbated existing delays.
<b>Other</b>			
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.
Implementation of the Carers Act	Medium	£543k	Following paper to February IJB further work required to review the position.

## 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. Whilst the Scottish Government continues to review and assess COVID-19 funding and costs within Angus for 2020/21 look to be manageable there is still a potential impact on IJB reserves due to COVID-19 and the IJB should be aware this remains a possibility.

**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 though due to COVID-19 issues use of ear-marked reserves is expected to be lower than originally assumed for 2020/21. Some of these reserves are currently augmented by balances held on the IJB's behalf at the Scottish Government; however these balances will now be allocated to IJB's during this financial year increasing the year end reserves of Angus IJB. The IJB should note additional reserve headings may be required at the year-end for likes of District Nursing and Alcohol and Drug Partnership funding allocations from the Scottish Government. There will be a further new, very recently announced reserve for a Community Living Change Fund of c£400k available.

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 was reviewed by the Strategic Planning Group at its February 2021 meeting.

**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 and that could include reverting funds to Partners or potentially ear-marking funds for other purposes. It is now suggested that prior to the year end the IJB assess requirements of and intentions for this reserve and revisit these at the April 2021 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.	Separate report to IJB in December, and the Partnership is in discussions with NHS Tayside on this issue. However this has been affected by COVID-19.
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. Work has commenced in developing shared information with neighbouring IJBs.
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.	A well-understood review of the Integration Scheme is key to addressing this issue with both partners. Local resources are now in place to commence review of the integration scheme.
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 2020/21, progress on some outstanding governance improvements has been inhibited by the pressures of dealing with COVID-19. Separately, the IJB has undertaken some work its Internal Auditors to review governance arrangements in the context of COVID-19 responses