



AGENDA ITEM NO 5

REPORT NO IJB 37/21

ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 25 AUGUST 2021
FINANCE REPORT – 2021/2022
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The purpose of this report is to provide Angus Integration Joint Board (IJB) with an update on the financial position of Angus IJB including financial projections for 2021/22, the impact of COVID-19 on the IJB's financial position, an update on reserves, financial planning and financial risks.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) Notes the overall projected financial position of Angus IJB for 2021/22;
- (ii) Notes the risk documented in the Financial Risk Assessment (Appendix2),
- (iii) Supports the proposed re-allocation of £672k of reserves from the IJB's Financial Planning,
- (iv) Reserve (2021/22) to the IJB's Strategic Plan Reserve; and
- (v) Notes the update regarding governance issues.

2. BACKGROUND

The report describes the most recent financial monitoring and projection information for Angus IJB for financial year 2021/22, based on information to the end of July 2021, including NHS Directed Services, Angus Council Directed Services, the financial impact of COVID-19, reserves and financial risk.

Information contained within this report reflects estimates for the whole of 2021/22 and consequently, given the stage in the financial year, further reviews of projections will be undertaken which may lead to future adjustments in information.

The IJB's detailed projected financial position for 2021/22 is set out in Appendix 1. This shows that the overall projected financial position for Angus IJB for the year to March 2022 is an under spend of c£2.440m. This is 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: 36%; NHS Tayside: 64%.

3. CURRENT POSITION

NHS Directed Services

Large Hospital and Community Health Services – Continue to reflect good progress made in both this year and previously, for 2021/22 all services are currently projecting under spends or breakeven positions. This projected position makes a positive contribution to the IJB's financial position for 2021/22 and potentially for future years.

The IJB is forecasting an underspend within Centrally Managed Budgets reflecting previous progress with savings (as per the IJB's financial plan). Some of the under spends within this budget reflects ear-marks that may be reallocated in future to offset pressures elsewhere in the Partnership. It is important to note the resources held against Centrally Managed Budgets are Partnership wide resources.

Collectively these factors contribute to the reported under spend of c£4.295m, some of it non recurring. 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), however this is higher than expected at this stage.

Services Hosted in Angus on Behalf of Tayside IJBs - There is an historical planning shortfall in unmet hosted services savings.

The impact on COVID-19 has been significant within Out of Hours Services with changes to the patient pathway as a direct consequence of COVID-19 continuing to be embedded in the service model with the outcome being a projected service overspends in 2021/22. The service is in the process of reviewing their model so they can describe the future model of care and associated workforce requirements with this information to be shared with other Tayside IJBs.

Forensic Services continue to have core operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe. The outcome of which is a projected overspend in 2021/22 of c£0.250m.

As a result of in year service pressures, the combined effect of the above is one of a reported year end overspend of c£0.192m, for the Angus share of these costs.

Services Hosted Elsewhere on Behalf of Angus IJB – As the Board will be aware a number of devolved services are managed by other IJBs on behalf of Angus IJB. The projected year end position for these services is an over spend of c£0.128m, as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plan is contributing to increased pressures against Prison Health, Palliative Care and Brain Injury services, along with unresolved saving targets with these additional costs partly offset by a range of service under spends within other Hosted Services.

Table 1 - Services Hosted in Dundee and Perth IJBs on Behalf of Angus IJB	Annual Budget (£k)	Projected (Over) / Under (£k)
Angus Share of Services Hosted in Dundee		
Palliative Care	6,482	(309)
Brain Injury	1,848	(89)
Sexual & Reproductive Health	2,307	300
Psychology	5,428	200
Dietetics (Tayside)	3,213	0
Other Services Hosted in Dundee	2,143	144
Balance of Savings Target	(587)	(587)
Grand Total	20,833	(342)
Angus Share (27.1%)	5,646	(93)
Angus Share of Services Hosted in Perth & Kinross		
Podiatry (Tayside)	3,304	184
Prison Health Services	4,068	(69)
Public Dental Service	2,183	61
Other Services Hosted in Perth	124	1
Balance of Savings Target	(306)	(306)
Grand Total	9,372	(130)
Angus Share (27.1%)	2,540	(35)
Total Angus Share of Services Hosted Elsewhere	8,186	(128)

Family Health Services (FHS) Prescribing - COVID-19 has caused significant disruption to patterns of spend within Prescribing Regionally. Prescribing data now available to May 2021 understandably shows higher volumes compared with the previous year, but remaining within the volume growth planning assumptions allowed for in the financial plan. The most recent weighted average price per prescription is slightly higher than with financial planning expectations.

The year end projection reflects actual prescribing information for April and May, and is close to the forecast variance per the financial plan, which would be expected with only 2 month of actual Prescribing data available.

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.

While the above makes comparison with local budgets difficult, the IJB can also compare its costs with Scottish averages. In financial year 2019/20 these costs were managed down to c3-5% above national average, with this trend largely continuing throughout 2020/21 and into 2021/22, though cost has been above the national average by over 6% at times. This may reflect increased COVID-19 related volatility.

General Medical Services (GMS) and Family Health Services - For these services, there continues to be some additional costs regarding COVID-19 responses. These additional costs are reflected in the reported position.

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.

Longer term risks remain regarding the challenges re General Practitioner recruitment, the introduction of the new GMS contract (report IJB 19/21) 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 (report IJB 65/20) regarding ownership models for General Practice buildings.

The IJB should note there may be future discussion re risk sharing arrangements for Primary Care (including GMS) services with neighbouring IJBs.

In Patient Mental Health Services - As the Board is aware Inpatient Mental health Services are now managed by NHS Tayside reflecting a change in operational responsibility. However these resources do remain formally devolved to the IJB for Strategic Planning purposes and will be reported into the Partnership financial position.

While an agreement was in place regarding financial management of these resources for 2020/21, this agreement may need revisited in 2021/22 and that may expose the IJB to different financial risks to those it was exposed to in 2020/21 and beyond those previously captured in the IJB's Strategic Financial Plan

Large Hospital Services - As at April 2021 this budget has been re-set at £8.290m due to a previous reduction in use of bed days.

At the June 2021 IJB Board meeting an update on the progress made around a clinically led approach to the development of whole system pathway/Large Hospital Set Aside was described in report 17/21 and supported by the IJB.

Overall Position Regarding NHS Directed Resources - The overall reported projected 2021/22 position based on early information suggests an under spend of c£3.908m, after adjusting for COVID-19 pressures. It is important to remind ourselves that looking at this figure in isolation from Angus Council Adult Services is not entirely meaningful and the IJB did plan for under spends on the above resources to offset Angus Council Adult Services overspends.

Angus Council Directed Services (Adult Services) - For financial year 2021/22 Adult Services is projecting a year end out-turn of an over spend of c£1.468m. This is after offsetting the costs of COVID-19.

As has been noted previously demographics continues to be the largest pressure on resources. During the COVID-19 pandemic care at home hours increased significantly from c10,300 to c13,200 per week and this level of demand continuing at an additional cost of c£3.000m. This rate of increase is in excess of current demographic resources. However, we know that conversely care home placements continue to be less than pre pandemic levels and previous agreements reduce the level of commissioned care home beds do help offset the care at home activity. This will be monitored closely.

Estimates for COVID-19 Key Provider Support costs continue to be dependent on the data intelligence system for quantifying the costs. At this time Provider support will continue until September 2021 therefore a highly level projection of expected costs has been made. There is always an acknowledged scope for movement on these estimates and we will continue to monitor closely.

The Partnership's ability to progress savings programmes has also been seriously impaired as a result of COVID-19 and the underachievement of savings targets are factored into the current projection, but they will have longer term implications. These will continue to be monitored closely.

Work is ongoing with Angus Council colleagues in developing an action plan following a recent review of income and debt processes. This action plan will be shared with the IJB Audit Committee in September.

As at the start of 2021/22 the IJB is still unclear regarding the overall financial implications of the implementation of the Carers Act and clarifying this remains work in progress.

Pressures remain within Physical Disability service and further budget realignment will be necessary during 2021/22. As noted in previous meetings, this service is currently developing an Improvement Plan and this is provided in a separate report to the August 2021 IJB.

At this early stage in the financial year, and noting the pressures on the finance team due to a long term vacancy, there is a level of uncertainty re some of our projections. It is hoped that this level of uncertainty will be reduced in coming months.

Overall Position Regarding Angus Council Directed Resources (Adult Services) - The overall projected 2021/22 position based on early information suggests an over spend of c£1.468m. This will continue to be affected by multiple risks, subject to much refinement and is likely to continue to vary over the coming months.

Financial Impact of COVID-19 - As per previous finance reports, the IJB has reserves of c£4.433m to offset the impacts of COVID-19 in 2021/22. These funds can be used to support the continuation of COVID-19 costs in 2021/22 along with any new approved spend aligned to the IJB's COVID-19 remobilisation plan.

The Partnership has submitted quarter 1 remobilisation financial plan to the Scottish Government. The situation remains fluid with the Partnership projecting an estimated spend of c£3.398m, noting the Key Provider Support costs are only to September, with this cost being contained against the COVID-19 ring fenced reserve. The main areas of spending are as follows:

- Key provider Support costs
- Additional care at home packages
- Additional staffing costs, including Out of Hours
- Supporting Third Sector Mental Health Providers
- Loss of income recoveries
- Infection Control and additional PPE costs
- Additional prescribing costs
- Continuing investment in Digital Working and Infrastructure

The long term financial risks regarding COVID-19 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 as interim financial support evolves, 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.

Ultimately the long term impact of COVID-19 is not known but may impact on our Strategic Commissioning Plan and Strategic Financial Plan.

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 August 2021 IJB. Table 2 summarises the financial position.

	Original Profile		Revised Profile		Comments
	2021/22	2022/23	2023/24	2021/22	
Table 2 Planned Interventions Update	£k	£k	£k	£k	
ACM - Residential Care Review (Peripatetic Nursing)	25	75	0	0	Project Significantly delayed
ACM - Extended Inpatient Review	150	150	0	0	Developing the financial model, with a further update to be provided at the October IJB meeting
ACM - POA Review	50	150	0	0	Developing the financial model, with a further update to be provided at the October IJB meeting
ACM - Help to Live at Home	0	50	0	0	Work is near completion
Supported Accommodation Review	50	50	0	50	On target to be achieved
Learning Disability Improvement Plan	220	100	100	220	Subject of separate report to August IJB
Physical Disability Improvement Plan	80	100	100	80	Subject of separate report to August IJB
Increased Charging/Recoveries	200	200	200	200	Complete
EMT Reviews	554	600	550	127	Limited progressing made to date; a particular risk given reliance on this in 2022/23
Non Recurring	500	0	0	500	Complete
Revised Care Home Commissioning	1,000	0	0	1,000	On target to be achieved
GP Prescribing	22	35	35	22	Complete
Total	2,851	1,510	985	2,199	Forecast now c77% of Target

The above table focuses on the saving initiatives with a planned 2021/22 impact, however the majority of these initiatives have a significant long term recurring saving targets associated with future years and some of the shortfalls above suggest potential impacts on the strategic plan over 2021/22 and 2022/23. In year, it does look like non-recurring savings will offset the above shortfall.

As previously noted (report 16/21) work is being undertaken through Executive Management Team to develop an operational plan to deliver efficiencies within our care home provision.

As previously noted, the progress against planned interventions has been significantly impacted due to COVID-19, resulting in delays. Projects have commenced and work is progressing on these saving initiatives, albeit the previous delays have had an impact on the timelines.

4. PROPOSALS

The only recommendations for approval in this report are set out in Appendix 3 (IJB Reserves 2021/22).

5. FINANCIAL IMPLICATIONS

From the above and attached appendices it can be seen that for 2021/22 the IJB is currently forecasting a year end under spend of c£2.440m. This contrast with the forecast overspends set out in the IJB's Strategic Financial Plan for 2021/22 (compiled before the conclusion of the 2020/21 year end). The difference is largely attributable to a continued high level of non-recurring under spends – some of that relates to unfilled vacancies linked to recruitment issues. All projections are preliminary at this point and subject to multiple risks as noted earlier.

The IJB retains a COVID-19 reserve that is ring fenced to support the continuation of COVID-19 costs along with any new approved spend aligned to the IJB's COVID-19 remobilisation plan. Ultimately the long term impact of COVID-19 is not known but will impact on our Strategic Commissioning Plan and Strategic Financial Plan.

There also remain underlying inflationary and demographic pressure offset by non-recurring under spends. Slippage in progress with delivery of savings from planned interventions is an increased risk and this will have an effect on plans beyond 2021/22.

At the moment, and noting risks above, as the IJB is forecasting a year end under spend so the impact of the IJB's financial position for both Angus Council and NHS Tayside would be neutral. Per the Integration Scheme, the IJB would initially retain any projected year end under spend within IJB reserves

In future years should the IJB report a year end overspend then, in the first instance, IJB reserves will require to be used to address any over spend. 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.

6. RISK

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. 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	AUGUST 2020	APRIL 2021	JUNE 2021	AUGUST 2021
Financial Management/Planning	Chief Officer	20 (5;4) RED	20 (5;4) RED	20 (5;4) RED	20 (5;4) RED

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

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

7. OTHER IMPLICATIONS (IF APPLICABLE)

N/A

8. EQUALITY IMPACT ASSESSMENT

Due to the content of this report, an Equalities Impact Assessment is not required.

9. 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. The table below reflects the nature of the recommendations in this report.

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

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Appendix 3: IJB Reserves 2021/22

Appendix 4: Financial Governance

Appendix 1 Angus Health and Social Care Partnership Financial Monitoring Report 2021/22

	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			5,427	23	5,427	23
Medicine For The Elderly			6,518	650	6,518	650
Community Hospitals			0	0	0	0
Minor Injuries + Illness Units			1,940	280	1,940	280
Community Nursing			4,740	33	4,740	33
Enhanced Community Support			1,207	170	1,207	170
Management & Admin	1,083	(164)			1,083	(164)
Care at Home	4,852	186			4,852	186
Intermediate Care	401	0			401	0
Community Support	758	10			758	10
Supported Accommodation	494	(67)			494	(67)
Internal Residential	5,161	61			5,161	61
Care and Assessment	25,185	(1,281)			25,185	(1,281)
Community Mental Health	1,968	11			1,968	11
Older Peoples Service	39,902	(1,244)	19,832	1,156	59,734	(88)
General Adult Psychiatry	3,334	73	2,925	10	6,258	83
Admin Community Support	2,669	85			2,669	85
Non Residential Care	6,761	(219)			6,761	(219)
Residential Care	5,643	15			5,643	15
Learning Disability(Angus)			608	15	608	15
Learning Disability	15,074	(120)	608	15	15,682	(105)
Physical Disabilities	3,625	(1,916)			3,625	(1,916)
Substance Misuse	1,257	126	1,090	105	2,347	231
Community Services						
Physiotherapy			2,351	127	2,351	127
Occupational Therapy	1,412	145	702	141	2,114	286
Joint Store	690	(72)			690	(72)
Anti-Coagulation			236	29	236	29
Primary Care			721	(15)	721	(15)
Carers	531	0			531	0
Homelessness	855	5			855	5
Other Community Services			1,217	20	1,217	20
Community Services	3,487	78	5,227	302	8,714	379
Planning / Management Support						
Centrally Managed Budget	1,126	1,570	2,728	2,602	3,854	4,171
Partnership Funding			0	0	0	0
Ijb Management	1,893	(35)	1,529	105	3,422	70
Planning / Management Support	3,019	1,535	4,257	2,707	7,276	4,242
Local Hospital and Community Health Services			33,940	4,295		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			1,062	(250)	1,062	(250)
Out of Hours			8,070	(450)	8,070	(450)
Speech Therapy (Tayside)			1,238	13	1,238	13
Locality Pharmacy			2,178	0	2,178	0
Tayside Continance Service			1,517	5	1,517	5
Hosted Services Centrally Managed Budget			119	(27)	119	(27)
Hosted Services Recharges to Other IJBs			(10,341)	517	(10,341)	517
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,844	(192)	3,844	(192)
Services Hosted Elsewhere on Behalf of Angus IJB			8,186	(128)	8,186	(128)
GP Prescribing			21,968	38	21,968	38
Other FHS Prescribing			133	(3)	133	(3)
General Medical Services			18,626	(94)	18,626	(94)
Family Health Services			15,288	(7)	15,288	(7)
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,290	0	8,290	0
Grand Total	69,698	(1,468)	110,274	3,908	179,972	2,440

Appendix 2 – Angus Health and Social Care Partnership Financial Risk Assessment 2021/22

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Current Financial Performance			
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 is working with Angus Council to develop an Income recovery /improvement plan which has been reinstated following a delay due to COVID-19.
Funding Assumptions			
Unresolved 2021/22 budget with NHS Tayside (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k (recurring)	Complex Care – At the conclusion of 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 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 (Future Years)	The level of funding Angus IJB receives from Partners could be subject to review.
Cost Pressures			
COVID-19 – single biggest future year risk with uncertainty re the financial impact on longer term cost base.	Medium (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.
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 Older People Services reflecting population changes This may be partially attributable to the Carers Act.	High	c£1.0m+ (recurring)	Subject to a separate report to the April IJB. There remains a risk of growth beyond current plans.
Adult Care Services likely to see inflation pressures beyond 2021/22 re the National Care Home Contract.	Medium	c£0.6m (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.	Low	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.
Primary Care Improvement Plan (note short term resources in place until c 2022/23)	Medium (from 2023/24)	Not known	This issue is being considered regionally and is understood to be replicated across Scotland. (See report 19/21.)
Planned Interventions			
Some IJB savings programmes behind schedule (since 2019/20, i.e. pre-dating COVID-19)	Medium	Up to £1.0m (recurring)	There has been some work on planned interventions; however delays have been experienced due to COVID-19 with the scale of risks becoming clearer in our financial plan.
Management Capacity / Programme Management and Project Support Recruitment issues	Medium	Some resources include in financial plan.	COVID-19 continues to divert management capacity which has exacerbated 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)	Medium	Not known	Some progress made, 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	Not known	Subject to a separate report to the February IJB but proposals not yet concluded. Detailed breakdown of resources plan for Carers Act still outstanding.

Appendix 3: IJB Reserves 2021/22

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.

General Reserves - The IJB holds a contingency reserve of £4.750m (2.5% of turnover). 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 but, where these are not fully developed, the IJB will require to develop strong plans to ensure this funding is mobilised effectively in a way that meets Scottish Government criteria, is sustainable and delivers good value for money.

The IJB also retains some locally derived ear-marked reserves as follows:-

Strategic Plan Reserve - Opening value at 1 April 2021- £1.850m. This resource is managed over the duration of the Strategic Financial Plan (now to March 2023) and was reviewed by the Strategic Planning Group (SPG) at its August 2021 meeting. Most of this reserve is now committed with only c£0.400m remaining as uncommitted, after allocating £0.150m to support the Primary Care sustainability. The SPG have recommended this reserve is increased further to support further non-recurring or short terms spend to facilitate the Strategic Plan. It is recommended that the IJB re-allocated c£0.672m (i.e. of the IJB's Financial Planning Reserve 2021/22 to increase the Strategic Planning Reserve leaving a balance of c£1.000m in that reserve.

Financial Planning Reserve 2020/21 - Now £1.751m. Discussions have progressed within the IJB's Executive Management Team and are ongoing with Partners regarding future plans for these resources.

Financial Planning Reserve 2021/22 - £1.672m. As noted above it is now suggested that c£0.672m of this reserve is re-allocated to the IJB's Strategic Planning Reserve. The application of the balance of these funds will be considered in due course.

Table 3 below shows the IJB's reserves position at the start of this financial year.

Angus IJB Reserves	Opening Balance 01-Apr-21 £k
General Fund Balance (Usable Reserve) - General Reserve	4,750
General Fund Balance (Ear-Marked Reserves)(Local)	
Strategic Plan Reserve	1,850
Financial Planning Reserve 2020/21	1,751
Financial Planning Reserve 2021/22	1,672
Total	5,274
General Fund Balance (Ear-Marked Reserves) Scottish Government Funding	
GMS Contract - Primary Care Improvement Plan	1,666
Mental Health - Action 15 Funding	331
Primary Care Transformation	195
Primary Care Premises	102
Scottish Government - Alcohol and Drug Partnership	63
Scottish Government - Forensic Developments	33
Scottish Government - Drug Death task Force	101
Scottish Government - District Nursing Workforce	47
Scottish Government - Community Living Change	392
Scottish Government - COVID-19 (notional)	4,433
Total	7,362
Total General Fund Balance (Ear-Marked Reserves)	12,636
Total General Fund Balance	17,386

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.	Subject to a separate report to the June IJB. The Partnership is in discussions with NHS Tayside on this issue including work through Planned Care and Unscheduled care boards. 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 and an update provided to the Audit Committee.
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. Recent budget approvals within Angus Council maybe support a resolution.

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, 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.