



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 27 OCTOBER 2021
FINANCE REPORT – 2021/22
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 - Appendix 2;
- (iii) Notes the confirmation of additional Scottish Government funding and that further details will follow in due course. Requests the Chief Officer to progress plans regarding this funding and implement proposals in line with Scottish Government intentions and the IJB's existing Strategic Plan and Strategic Financial Plan;
- (iv) Supports the creation of a Mental Health Strategy Reserve (£0.300m) as described in Appendix 3;
- (v) Supports the transfer of £0.648m of reserves (Financial Planning Reserve 2020/21) to Angus Council and £0.803m of same reserve to NHS Tayside as described in Appendix 3;
- (vi) Notes the issues documented in the Financial Governance Appendix 4.

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 September 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£1.321m. This is after allowing for the costs of COVID-19.

For the IJB's information, the Audit Committee met on 29th September 2021. The Committee considered the IJB's External Auditors Annual Audit Report regarding the IJB's 2020/21 Annual Accounts. That report included a number of recommendations with, now approved, associated management responses. The Auditors report also commented that the IJB's

accounts gave a true and fair view of the state of affairs of Angus Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year 2020/21, and it noted that the accounts had been prepared in accordance with requirements. Subsequent to considering this report, the Audit Committee considered an updated version of the IJB's Annual Accounts for 2020/21 and approved those accounts. The accounts were signed off by the IJB's Chair, Chief Officer, Chief Finance Officer and External Auditor at the start of October and are now available on the IJB's internet site.

3. CURRENT POSITION

NHS Directed Services

- 3.1 Large Hospital and Community Health Services** – Continue to reflect good progress made in both this year and previously with the majority of services projecting under spends or breakeven positions. However this is higher than expected at this stage with some of this relating to unfilled vacancies linked to ongoing recruitment issues. This projected position makes a positive contribution to the IJB's financial position for 2021/22 and potentially for future years.

The Centrally Managed Budget continues to reflect previous progress with savings (as per the IJB's financial plan). Some of the under spends within this budget reflect ear-marks that may be reallocated in future to offset pressures elsewhere in the Partnership. The COVID-19 reserves required to meet the COVID-19 spend is captured against this budget and will be reallocated in future to allow for these costs across 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£5.000m, some of it non recurring and 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** - 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 reviewing the future model of care and associated workforce requirements and this information will 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£0.235m.

As a result of in year service pressures, the combined effect of the above is one of a reported year end overspend of c£0.179m, for the Angus share of these costs.

- 3.3 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 a near breakeven position, as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plan is contributing to increased pressures against Prison Health and Palliative Care Services, along with unresolved saving targets with these overspends mainly allowed for by a range of service under spends.

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	6,484	(121)
Brain Injury	1,848	81
Sexual & Reproductive Health	2,307	270
Psychology	5,428	200
Dietetics (Tayside)	3,213	30
Other Services Hosted in Dundee	2,153	187
Balance of Savings Target	(587)	(587)
Grand Total	20,845	60

Angus Share (27.1%)	5,649	16
Angus Share of Services Hosted in Perth & Kinross		
Podiatry (Tayside)	3,304	189
Prison Health Services	4,068	(88)
Public Dental Service	2,183	203
Other Services Hosted in Perth	124	0
Balance of Savings Target	(306)	(306)
Grand Total	9,372	(2)
Angus Share (27.1%)	2,540	(0)
Total Angus Share of Services Hosted Elsewhere	8,186	16

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

The year end projection reflects actual prescribing information for April to July, and is close to the forecast variance per the financial plan, which would be expected with only 4 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 2020/21 costs per weighted patient were within 5% of the national average. In 2021/22, costs are running over 5% above the national average. While this may be a temporary phenomenon, the local Prescribing Management Group is reviewing arrangements to ensure they are best aligned to support appropriate, safe, clinically effective and cost effective local prescribing.

- 3.5 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.

As previously noted there may be future discussion re risk sharing arrangements for Primary Care (including GMS) services with neighbouring IJBs.

- 3.6 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.

As noted previously, 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

- 3.7 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.

3.8 Overall Position Regarding NHS Directed Resources - The overall reported projected 2021/22 position based on information suggests an under spend of c£4.721m, after allowing for the costs of COVID-19. 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.

3.9 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£3.399m. This projection reflects assumptions in regard to the additional cost of COVID-19 (c£2.448m based on our latest local assessment of COVID costs) Therefore Adult Services would be projecting an over spend of c£0.951m in year when COVID-19 costs are excluded.

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 to reduce the level of commissioned care home beds do help offset the increased 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. The latest Scottish Government guidance has advised the under-occupancy and non delivery of care elements of Provider support will continue until the end of October 2022. Although social care staff support fund and the arrangements for PPE costs will be supported until the end of March 2022. Therefore a high 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 planned savings programmes has also been 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 finance colleagues in developing an action plan following a review of income generation, debt management and financial projections and to refine income management processes and procedures. This action plan will be shared with the IJB Audit Committee in December. However as part of a midyear review it has emerged there has been a discrepancy in the reporting of charging orders and new processes are being implemented to rectify this position, along with quarterly reviews.

A separate report regarding Carers Act funding will be provided at the October 2021 IJB.

Pressures remain within the Physical Disability service following the 2021/22 budget realignment exercise. As noted at previous meetings, the service has development an Improvement Plan (report IJB 41/21) with a further update to be reported at the February 2022 IJB Board.

Similarly there are pressures within the Learning Disability service driven by demand and the complexity of care packages. The service has developed an Improvement Plan (report IJB 42/21) with a further update to be reported at the February 2022 IJB Board.

At this 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 regarding some projections. It is hoped that this level of uncertainty will be reduced in coming months.

3.10 Overall Position Regarding Angus Council Directed Resources (Adult Services) - The overall projected 2021/22 position based on information suggests an over spend of c£3.399, this is before adjusting for the costs of COVID-19. This will continue to be affected by multiple risks, subject to refinement and is likely to continue to evolve over the coming months.

3.11 Financial Impact of COVID-19 – As noted previously the Partnership has submitted quarter 1 remobilisation financial plan to the Scottish Government regarding the estimated financial impact of COVID-19, with quarter 2 remobilisation financial plan due at the end of October 2021. The situation remains fluid with the Partnership projecting an estimated spend of c£3.260m, noting the Financial Support for Social Care Provider costs are based on the latest Scottish Government guidance. This cost is being managed through a combination of accessing COVID-19 reserves and through offsetting variances on services. The main areas of COVID-19 related spending continue to be:

- 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

As noted previously, 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. There are increasing emerging workforce issues that may be partly attributable to COVID-19 related effects. 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.

3.12 Progress with Strategic Financial Plan (Planned Interventions) - At the August 2021 IJB Board meeting the Strategic Planning progress report (no 39/21) provided detailed information of the progress on a range of planned interventions. Table 2 summarises the current financial position.

	Original Profile			Current Projection	Comments
	2021/22	2022/23	2023/24	2021/22	
Table 2 Planned Interventions Update	£k	£k	£k	£k	
Angus Care Model (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 December 2021 IJB meeting
ACM – POA Review	50	150	0	0	
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 to clarification and a progress update report to February 2022 IJB
Physical Disability Improvement Plan	80	100	100	80	
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 form of saving in 2022/23
GP Prescribing	22	35	35	22	Complete
Total Recurring	1,351	1,510	985	699	Forecast c52% of recurring Target Delivered
Non Recurring	500	0	0	500	Complete
Total Recurring & Non Recurring	1,851	1,510	985	1,199	Forecast c65% of Planned Interventions Delivered
Revised Care Home Commissioning	1,000	0	0	1,000	Activity care at home delivered start of the current financial year
Grand Total	2,851	1,510	985	2,199	Forecast c77% of recurring and non recurring 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 in house care home provision.

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 these timelines.

Financial Planning Update - At the start of October, the IJB received confirmation that the Scottish Government has released £300m of recurring funding to support winter pressures and to provide longer term improvement in service capacity across health and social care systems. While full details of funding plans are not yet available, including local shares of this funding, it is expected that new resources will:-

- support the strengthening of Multi-Disciplinary Working across the health and social care system to support discharge from hospital and to ensure that people can be cared for as close to home as possible.
- enable patients currently in hospital to move into care homes and other community settings, on an interim basis, to ensure they can complete their recovery in an appropriate setting.
- help build capacity in care at home community services including expanding existing services, funding a range of approaches to prevent care needs from escalating and to support technology-enabled care, equipment and adaptations.
- fund an uplift in the hourly rate for Adult Social Care staff providing direct care from £9.50 to £10.02.
- support wellbeing proposals.
- generally support capacity and recruitment issues.

Some of the intentions are time limited, others are recurring. Some funding may devolved to IJBs, other parts of the funding may be allocated to Health Boards or managed at a national level.

The additional funding is, of course, welcome. The funding may help alleviate some local pressures and provide a boost to staff retention and recruitment in Adult Social care. There will be practical issues to address including those associated with system-wide capacity to progress plans to the challenges associated with recruitment. Overall, it is proposed that the IJB request that the Chief Officer take forward plans and implements proposals in line with the Scottish Government's intentions and the IJB's existing Strategic Plan and Strategic Financial Plan.

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 for 2021/22 the IJB is forecasting a year end under spends of c£1.321m. This contrast with the forecast overspends set out in the IJB's Strategic Financial Plan for 2021/22. 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.

All costs associated with COVID-19 in the current year are being managed through a combination of accessing COVID-19 reserves through allowing for variances on services. As noted at the August 2021 Board meeting, the IJB holds 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 of £1.321m 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.

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. The appendix captures two new risks since the last IJB report, being the pending outcome from a banding appeal against District Nurse posts across NHS Tayside and future costs associated with a New Community Custody Unit to support Scottish Prison Service.

RISK TITLE	RISK OWNER	APRIL 2021	JUNE 2021	AUGUST 2021	OCTOBER 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. Depending on decisions made at the IJB in October and clarification regarding recently announced Scottish Government funding, it is anticipated that the IJB's risk assessment re Financial Management/Planning may reduce by the December 2021 report.

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	(30)	5,427	(30)
Medicine For The Elderly			6,518	600	6,518	600
Minor Injuries + Illness Units			1,941	280	1,941	280
Community Nursing			4,871	12	4,871	12
Enhanced Community Support			1,207	190	1,207	190
Management & Admin	1,097	(154)			1,097	(154)
Care at Home	4,876	227			4,876	227
Intermediate Care	372	0			372	0
Community Support	758	10			758	10
Supported Accommodation	494	(37)			494	(37)
Internal Residential	5,159	26			5,159	26
Care and Assessment	23,618	(3,323)			23,618	(3,323)
Community Mental Health	1,968	11			1,968	11
Older Peoples Service	38,342	(3,240)	19,964	1,052	58,306	(2,188)
General Adult Psychiatry	3,337	(20)	2,925	(48)	6,262	(68)
Admin Community Support	2,686	127			2,686	127
Non Residential Care	6,784	(854)			6,784	(854)
Residential Care	5,659	(109)			5,659	(109)
Learning Disability(Angus)			608	23	608	23
Learning Disability	15,128	(836)	608	23	15,737	(814)
Physical Disabilities	4,217	(1,468)			4,217	(1,468)
Substance Misuse	1,292	111	1,090	67	2,382	178
Community Services						
Physiotherapy			2,351	72	2,351	72
Occupational Therapy	1,412	147	702	149	2,114	296
Joint Store	690	(72)			690	(72)
Anti-Coagulation			236	28	236	28
Primary Care			735	(28)	735	(28)
Carers	531	0			531	0
Homelessness	855	15			855	15
Other Community Services			1,261	15	1,261	15
Community Services	3,487	90	5,285	236	8,772	326
Planning / Management Support						
Centrally Managed Budget	2,377	2,093	1,911	3,527	4,288	5,620
Partnership Funding			454	0	454	0
Ijb Management	2,007	(130)	1,598	149	3,605	19
Planning / Management Support	4,383	1,964	3,964	3,676	8,347	5,640
Local Hospital and Community Health Services			33,835	5,007		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			1,062	(235)	1,062	(235)
Out of Hours			8,070	(420)	8,070	(420)
Speech Therapy (Tayside)			1,238	13	1,238	13
Locality Pharmacy			2,400	0	2,400	0
Tayside Continence Service			1,517	10	1,517	10
Hosted Services Centrally Managed Budget			119	(28)	119	(28)
Hosted Services Recharges to Other IJBs			(10,502)	481	(10,502)	481
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,904	(179)	3,904	(179)
Services Hosted Elsewhere on Behalf of Angus IJB			8,189	16	8,189	16
GP Prescribing			21,970	(14)	21,970	(14)
Other FHS Prescribing			133	60	133	60
General Medical Services			19,198	(168)	19,198	(168)
Family Health Services			15,288	0	15,288	0
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,290	0	8,290	0
Grand Total	70,187	(3,399)	110,807	4,721	180,994	1,321

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	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 [LHSA])	Medium	c£500k (recurring)	Complex Care – In the IJB's 6 th year of operation, this remains unresolved with increased scope for loss of audit trail and incremental, unfunded costs shifting to the IJB. LHSA – The partnership is in discussions with NHS Tayside re appropriate resource release. 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 previous information suggested Angus had 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 – significant 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. This risk may be increasing reflecting changes in the wider economy.	Medium	c£300k + (recurring)	The IJB faces a number of workforce issues (e.g. General Practice, care provision) 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 appear to now 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.
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.)
District Nursing banding appeal.	Medium	c£200k+ (recurring) and arrear tbc	Pending outcome from banding appeal against District Nurses posts across NHS Tayside, both backdated and recurring costs.
Angus Council – Resolution of Pay uplift (2021/22)	Medium	TBC	There continues to be unresolved pay awards for Angus Council employed staff. This represents an additional risk to the Partnerships if uplifts are above planned levels.
New Community Custody Unit (Dundee) - Healthcare Provision	Medium	c£150k (recurring)	New service development to support Scottish Prison Service unit. No recurring funding identified as yet.
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	Partly included 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	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 October IJB.

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Change of residence status (to Angus from another area for service user)	tbc	tbc	Refers to risk of service users originating outside Angus, changing residence status to Angus at point of receipt of care.

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 exist 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; increased by £0.672m in August 2021. This resource is managed over the duration of the Strategic Financial Plan (now to March 2024) and overseen by the Strategic Planning Group.

Financial Planning Reserve 2020/21 – Opening value at 1 April 2021 - £1.751m.

Report 16/21 outlined a proposal for the development of a Mental Health reserve to support the implementation of the regional Mental Health Strategy. This report seeks formal approval for the creation of that new £0.300m reserve funded from the Financial Planning Reserve 2020/21. The reserve will be titled "Mental Health Strategy Reserve" and will be over-seen by the IJB's Head of Service (Mental Health Services) and Chief Finance Officer. Its purpose will be to support the regional development of community and primary care Mental Health services in the context of the delivery of the Tayside Mental Health strategy. It is expected that funding will support sustainable proposals developed through the regional Mental Health Integrated Leadership Group or equivalent.

As per previous indications, it is now proposed that the balance of this reserve (£1.451m) is now reverted back to the IJB's partners. This is consistent with previous decisions of the IJB (e.g. in 2019/20) and reflects the shared pressures across overall systems. Allowing for the £0.300m noted above, it is proposed that £0.648m is reverted to Angus Council and £0.803m reverted to NHS Tayside.

Financial Planning Reserve 2021/22 – Opening value at 1 April 2021 - £1.672m; now £1.000m. 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 and changes and projections to year end. Projections in "project type" funding may be subject to refinement reflecting slippage that emerges during the year related to recruitment and capacity issues.

Table 3 - Angus IJB Reserves	Opening Balance 1 April 2021	Re- alignment of Reserves	Revised Reserves at Sept 2021	Forecast Change in Year	Forecast Closing Balance 31 Mar 2022	Additional Comment
	£k	£k	£k	£k	£k	
General Fund Balance (Usable Reserve) - General Reserve	4,750	0	4,750	0	4,750	
General Fund Balance (Ear-Marked Reserves)(Local)						
Strategic Plan Reserve	1,850	672	2,522	(483)	2,039	£672k Re-allocation from Fin Plan 21/22(Report 37/21)
Financial Planning Reserve 2020/21	1,751	(300)	1,451	(1,451)	0	Proposal to redistribute £1.451m to IJB Partners along with the creation of new MH Strategy Reserve
Financial Planning Reserve 2021/22	1,672	(672)	1,000	0	1,000	£672k Re-allocation to SPR (Report 37/21)
Financial Planning Reserve 2022/23	0	0	0	1,250	1,250	
Mental Health Strategy Reserve		300	300	(50)	250	
	5,273	0	5,273	(734)	4,539	
General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)						
GMS Contract - Primary Care Improvement Plan	1,666	0	1,666	(100)	1,566	
Mental Health - Action 15 Funding	331	0	331	(331)	0	Expect to be fully spent in 2021/22
Primary Care Transformation	195	0	195	(99)	96	Awaiting updated plan from Primary Care Manager
Primary Care Premises	102	0	102	(59)	43	Awaiting updated plan from Primary Care Manager
Scottish Government - Alcohol and Drug Partnership	63	0	63	(63)	0	Expect to be fully spent in 2021/22
Scottish Government - Forensic Developments	33	0	33	(33)	0	
Scottish Government - Drug Death task Force	101	0	101	(60)	41	Awaiting updated plan from Service Lead
Scottish Government - District Nursing Workforce	47	0	47	(47)	0	Expected to be fully spent in 2021/22
Scottish Government - Community Living Change	392	0	392	(131)	261	Initial assumption noting 3 year fund (received Feb 21)
Scottish Government - COVID-19 (notional)	4,433	0	4,433	(1,657)	2,776	
	7,363	0	7,363	(2,580)	4,783	
Total General Fund Balance (Ear-Marked Reserves)	12,636	0	12,636	(3,314)	9,322	
Total General Fund Balance	17,386	0	17,386	(3,314)	14,072	

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 detailed below. It is worth noting there has been no further risk reported since the last IJB report.

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.