



**AGENDA ITEM NO 7**

**REPORT NO IJB 26/22**

**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD – 20 APRIL 2022**

**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) The IJB supports the 3 recommendations regarding the deployment of reserves at the financial year end (Appendix 3);
- (iv) 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 February 2022, 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, a further review of projections will be undertaken and there remains scope for variation in the IJBs year end out-turn, particularly given the impact of COVID-19 and Scottish Government allocations. .

Board members should also be reminded that throughout the year, the IJB Finance reports reflect "management accounting" information for management purposes. The IJB's final year end position will be reported from both a "management accounting" perspective and, in the IJB's published annual accounts, from a "financial accounting perspective". The latter has a different treatment for some transactions - specifically regarding reserves. Previous reports have already noted that IJB reserves are likely to increase at the yearend due to Scottish Government funding provision. This will trigger the reporting of in year under spends in the IJB's financial accounts. This needs to be seen independently from the IJB's management 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£3.021m. This is after allowing for the costs of COVID-19.

### 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. However under spends continue to be 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 main exception to the above is with respect to Psychiatry of Old Age. Whilst the planned Angus Care Model review of these services is ongoing, services continue to see an increased level of occupancy, acuity and complexity. This in turn has continued to place increased pressure on staffing levels.

**Enhanced Community Support** – Board members may recall the creation of the Enhanced Community Support service a number of years ago. Through the Management Team it has been agreed to treat these services as mainstream resources going forward and manage the funding against the respective services and therefore Enhanced Community Support is no longer reported as a separate service.

- 3.2 Services Hosted in Angus on Behalf of Tayside IJBs** - The impact on COVID-19 continues to be 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. As noted previously, recent Scottish Government funding has been allocated on a recurring basis to support this service.

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£0.210m, for the Angus share of these costs.

- 3.3 Services Hosted Elsewhere on Behalf of Angus IJB** – As the IJB 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 under spend of c£0.132m, and has improved slightly from the previous report as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plan is contributing to an increase pressure against Palliative Care Services, along with unresolved saving targets with these overspends mainly offset by a range of service under spends.

<b>Table 1 - Services Hosted in Dundee and Perth IJBs on Behalf of Angus IJB</b>	<b>Annual Budget (£k)</b>	<b>Projected (Over) / Under (£k)</b>
<b>Angus Share of Services Hosted in Dundee</b>		
Palliative Care	6,560	(117)
Brain Injury	1,857	135
Sexual & Reproductive Health	2,335	285
Psychology	5,699	310
Dietetics (Tayside)	3,316	40
Other Services Hosted in Dundee	2,513	253
Balance of Savings Target	(546)	(546)
Grand Total	21735	360
<b>Angus Share (27.1%)</b>	<b>5,890</b>	<b>98</b>
<b>Angus Share of Services Hosted in Perth &amp; Kinross</b>		
Podiatry (Tayside)	3,304	269
Prison Health Services	4,155	5
Public Dental Service	2,583	101
Other Services Hosted in Perth	99	58
Balance of Savings Target	(306)	(306)
Grand Total	9,835	126
<b>Angus Share (27.1%)</b>	<b>2,665</b>	<b>34</b>
<b>Total Angus Share of Services Hosted Elsewhere</b>	<b>8,556</b>	<b>132</b>

**3.4 Family Health Services (FHS) Prescribing** - COVID-19 has caused significant disruption to patterns of spend within Prescribing. Prescribing data available to December 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 remains close to the financial planning expectations which is reflected in year to date information and forecasting.

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 at nearly 6% 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** – As noted at previous meetings, the IJB is exposed to overspends 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 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 IJB is aware Inpatient Mental Health Services are now operationally managed by NHS Tayside. However these resources do remain formally devolved to the IJB for Strategic Planning purposes and will be reported into the Partnership financial position.

While these services, including any overspends, and were financially managed within IJBs up to 2019/20, for 2020/21 and 2021 /22 they have been financially managed by NHS Tayside. NHS Tayside is now seeking to reach agreement with IJBs as to how this overspend is managed and funded in future years and this may present an additional financial burden going forward. Any future agreement may expose the IJB to different Mental Health financial risks to those it was historically exposed to and that it is currently exposed to. With regional overspends on these services of c£3.5m forecast for 2021/22, those risks may be beyond those previously captured in the IJB's Strategic Financial Plan. A one-off agreement has been reached for 2021/22.

**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 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 (report 17/21) and supported by the IJB.

**3.8 Overall Position Regarding NHS Directed Services** - The overall reported projected 2021/22 position is a non recurring under spend of c£2.220m. It is important to remind ourselves that looking at this figure in isolation from Adult Services is not entirely meaningful and the IJB did plan for under spends on the above resources to offset Adult Services overspends.

**3.9 Angus Council Directed Services (Adult Services)** - For financial year 2021/22 Adult Services is projecting a year end over spend of c£0.740m. This projection includes c£1.900m of COVID-19 costs. Therefore Adult Services would be forecasting an in year under spend of c£1.160m if COVID-19 costs are removed. The forecast position continues to be driven by delays in project related work, the constraints on our ability to provide further capacity in home care and vacancies linked to ongoing recruitment challenges.

As has been noted previously demographics continues to be the largest pressure on resources. The impact of COVID-19 has seen a shift in demand between Care Homes and Care at Home with budgets adjusted to reflect this change. However the demand for Care at Home continues to exceed the available capacity in the Partnership and if the capacity was there it might be reasonable to assume additional annualised costs of c£1.000m. The increase in demand by service users to remain at home has seen an increase in costs against the Joint Equipment Store where the demand has risen for equipment to support people to live independently at home. Additional funding has now been allowed for this and adaptations going forward.

The COVID-19 costs for Key Supplier Support payments are dependent on the key supplier support system data intelligence for quantifying the costs and hence there is a level of uncertainty in the financial forecast. The Scottish Government has advised that the Key Provider Support will continue to be supported until the end of June 2022 and that the Social care staff support fund and the arrangements for Personal Protective Equipment (PPE) costs will also continue, however this support will be to the end of September 2022. There is always an acknowledged scope for movement on these estimates and they will continue to be monitored closely.

As previously noted, work has been ongoing with colleagues in Angus Council finance department in the developing and implementation of an action plan following a review of income generation, debt management, financial projections and to refine income management processes and procedures. Progress will be monitored by the Audit Committee.

Pressures continue within the Physical Disability service following the 2021/22 budget realignment exercise. As noted at previous meetings, the service has developed an Improvement Plan (IJB 41/21) which we will continue to progress during 2022-23.

As noted previously, there has been pressure on the finance team due to a long term vacancy, which has now been addressed but there still remains a level of uncertainty regarding some projections.

**3.10 Centrally Managed Budget** - the Centrally Managed Budget continues to reflect previous progress with savings (as per the IJB's financial plan).

It is important to recall that the IJB's Strategic Financial Plan previously did anticipate recurring overspends regarding Adult Services with offsetting under spends elsewhere in the IJB. This structural imbalance requires to be addressed between the two partners on a permanent bases and this will be actioned in due course.

**3.11 Overall Position Regarding the IJB** - The overall projected financial position for Angus IJB has changed due to a reduction in anticipated spend associated with unfilled vacancies linked to ongoing recruitment challenges; the ability of the Partnership to provide further home care capacity and delays in implementation of projects. As well as the new increased additional winter pressures funding to support improvements in service capacity across the health and social care systems. This results in a forecast year end position of c£3.021m under spent.

**3.12 Financial Impact of COVID-19** – The estimated impact of COVID-19 is £2.400m, remaining close to the previous reported position. Whilst previously these costs were being managed by a combination of COVID-19 reserves and through offsetting variances on services, the position has changed with all costs being contained against offsetting variances on services.

As noted previously the main areas of COVID-19 related spend continue to be:

- Key Supplier Support costs
- Additional staffing costs,
- Supporting Third Sector Mental Health Providers
- Infection Control and additional PPE costs
- Additional prescribing costs
- Continuing investment in Digital Working and Infrastructure

It continues to be noted, that 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, albeit the Scottish Government Winter Pressures recurring funding has supported the financial plan.

In addition to the above at the end of February the IJB received notification that the Scottish Government will provide an additional c£11.843m of COVID-19 related funding to the IJB this year. The Scottish Government expectation is that unused funding must be carried forward in an earmark reserve. There are significant caveats and conditions to the use of this funding and the IJBs Executive Management Team will have further discussions as to how this funding can be deployed.

**3.13 Progress with Strategic Financial Plan (Planned Interventions)** - Table 2 provides an update of the current financial position against planned interventions.

	Original Profile			Current Projection	Comments
	2021/22	2022/23	2023/24	2021/22	
<b>Table 2 Planned Interventions Update</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
Angus Care Model (ACM) - Residential Care Review (Peripatetic Nursing)	25	75	0	0	Project Significantly delayed
ACM - Extended Inpatient Review	150	150	0	0	Revisiting the data, with a further update to be provided at a future IJB meeting
ACM – POA Review	50	150	0	0	
ACM - Help to Live at Home	0	50	0	0	Work is ongoing with timeline being revisited
Supported Accommodation Review	50	50	0	0	Progressing with consultation, with no saving being achieved in the current year
Learning Disability Improvement Plan	220	100	100	141	As noted in Report (11/22) work continues to drive forward these improvement plans.
Physical Disability Improvement Plan	80	100	100	80	
Increased Charging/Recoveries	200	200	200	200	Complete
EMT Reviews	554	600	550	87	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
<b>Total Recurring</b>	<b>1,351</b>	<b>1,510</b>	<b>985</b>	<b>530</b>	Forecast c39% of recurring Target Delivered
Non Recurring	500	0	0	500	Complete
<b>Total Recurring &amp; Non Recurring</b>	<b>1,851</b>	<b>1,510</b>	<b>985</b>	<b>1,030</b>	Forecast c56% of Planned Interventions Delivered

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 target associated with future years and some of the shortfalls above will impact on the strategic plan over 2022/23 and 2023/24. In year, non-recurring savings have offset the above shortfall.

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. For some planned interventions, e.g. Peripatetic Nursing and Supported Accommodation, the IJB has now re-phased these within the strategic financial plan to allow for progress with savings and timing of savings delivery.

#### 4. PROPOSALS

There are recommendations set out in appendix 3 for approval in this report.

#### 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£3.021m. As previously noted this contrasts with the forecast overspends set out in the IJB's Strategic Financial Plan for 2021/22 with the main differences attributable to issues such as:

- c£1.5m unfilled vacancies linked to staff turnover and recruitment challenges
- c£0.7m unmet need within care at home
- c£0.3m delays in the implementation of projects\local improvement works.

All COVID-19 costs in the current year are being managed through offsetting non recurring service under spends. As previously noted the IJB holds a COVID-19 reserve that is ring fenced to support the continuation of COVID-19 costs, which will be carried forward at the year end. Ultimately the long term impact of COVID-19 is not known but will impact on our Strategic Commissioning Plan and Strategic Financial Plan, albeit the Scottish Government Winter Pressures recurring funding is helping to reduce some of the recurring gap.

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

Noting the risk above, as the IJB is forecasting a year end under spend of c£3.021m 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. Since this was last shared with the IJB there is no change to the financial risk assessment.

RISK TITLE	RISK OWNER	OCTOBER 2021	DECEMBER 2021	FEBRUARY 2022	APRIL 2022
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 risks and unresolved deficits in the IJB's financial plan.

As previously noted, 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.

<b>Direction Required to Angus Council, NHS Tayside or Both</b>	<b>Direction to:</b>	
	No Direction Required	X
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

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

Angus Health & Social Care Partnership - Financial Monitoring Report 2021-22						
	Adult Services		Angus NHS Directed Services		HSCP	
	Annual Budget £k	Projected (Over) / Under £k	Annual Budget £k	Projected (Over) / Under £k	Annual Budget £k	Projected (Over) / Under £k
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			5,468	(115)	5,468	(115)
Medicine For The Elderly			6,672	765	6,672	765
Minor Injuries + Illness Units			1,945	288	1,945	288
Community Nursing			5,563	95	5,563	95
Management & Admin	1,131	(89)			1,131	(89)
Care at Home	4,959	214			4,959	214
Intermediate Care	376	0			376	0
Community Support	770	11			770	11
Supported Accommodation	522	13			522	13
Internal Residential	5,347	352			5,347	352
Care and Assessment	26,109	(110)			26,109	(110)
Community Mental Health	2,138	221			2,138	221
<b>Older Peoples Service</b>	<b>41,351</b>	<b>612</b>	<b>19,648</b>	<b>1,033</b>	<b>60,999</b>	<b>1,645</b>
<b>General Adult Psychiatry</b>	<b>3,356</b>	<b>(136)</b>	<b>2,994</b>	<b>101</b>	<b>6,349</b>	<b>(35)</b>
Admin Community Support	2,839	168			2,839	168
Non Residential Care	7,398	(395)			7,398	(395)
Residential Care	5,794	525			5,794	525
Learning Disability(Angus)			610	69	610	69
<b>Learning Disability</b>	<b>16,031</b>	<b>298</b>	<b>610</b>	<b>69</b>	<b>16,641</b>	<b>366</b>
<b>Physical Disabilities</b>	<b>4,497</b>	<b>(1,268)</b>	<b>0</b>	<b>0</b>	<b>4,497</b>	<b>(1,268)</b>
<b>Substance Misuse</b>	<b>1,364</b>	<b>238</b>	<b>1,183</b>	<b>119</b>	<b>2,548</b>	<b>357</b>
<b>Community Services</b>						
Physiotherapy			2,448	141	2,448	141
Occupational Therapy	1,515	(9)	734	181	2,249	172
Joint Store	690	(72)			690	(72)
Anti-Coagulation			236	42	236	42
Primary Care			1,141	32	1,141	32
Carers	641	0			641	0
Homelessness	871	26			871	26
Other Community Services			1,279	125	1,279	125
<b>Community Services</b>	<b>3,717</b>	<b>(55)</b>	<b>5,838</b>	<b>521</b>	<b>9,555</b>	<b>466</b>
<b>Planning / Management Support</b>						
Centrally Managed Budget	(59)	(59)			(59)	(59)
Ijb Management	2,030	246	1,689	253	3,719	499
<b>Planning / Management Support</b>	<b>1,971</b>	<b>187</b>	<b>1,689</b>	<b>253</b>	<b>3,660</b>	<b>440</b>
<b>Local Hospital and Community Health Services</b>			<b>31,963</b>	<b>2,096</b>		
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>						
Forensic Service			1,078	(250)	1,078	(250)
Out of Hours			8,331	(590)	8,331	(590)
Speech Therapy (Tayside)			1,241	43	1,241	43
Locality Pharmacy			2,933	0	2,933	0
Tayside Continence Service			1,517	13	1,517	13
Hosted Services Centrally Managed Budget			61	10	61	10
Hosted Services Recharges to Other IJBs			(11,053)	564	(11,053)	564
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>	<b>0</b>	<b>0</b>	<b>4,109</b>	<b>(210)</b>	<b>4,109</b>	<b>(210)</b>
<b>Services Hosted Elsewhere on Behalf of Angus IJB</b>	<b>0</b>	<b>0</b>	<b>8,556</b>	<b>132</b>	<b>8,556</b>	<b>132</b>
GP Prescribing			22,060	(28)	22,060	(28)
Other FHS Prescribing			87	364	87	364
General Medical Services			19,551	(131)	19,551	(131)
Family Health Services			14,932	(2)	14,932	(2)
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,290	0	8,290	0
<b>Total</b>	<b>72,287</b>	<b>(124)</b>	<b>109,547</b>	<b>2,220</b>	<b>181,834</b>	<b>2,095</b>
Centrally Managed Budget	(2,161)	(613)	3,227	1,539	1,066	926
<b>Grand Total</b>	<b>70,126</b>	<b>(738)</b>	<b>112,775</b>	<b>3,759</b>	<b>182,900</b>	<b>3,021</b>

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

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Current Financial Performance</b>			
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning.
Income Arrangements / Levels	Medium	c£0.2m (recurring)	The IJB is working with Angus Council to develop an Income management improvement plan with work commencing following a delay due to COVID-19.
<b>Funding Assumptions</b>			
Unresolved budget settlement issues with NHS Tayside (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k (recurring)	Complex Care – At the start of the 7 <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 – Work to progress this agenda has been affected by COVID-19. Noting that most previous information did suggest 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 / risk sharing may be subject to reviews at regional or national level.	Medium	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
<b>Cost Pressures</b>			
COVID-19 – ongoing uncertainty re the financial impact on longer term cost base.	Medium	TBC (From 2023/24)	Recent SG funding has resolved many COVID-19 funding concerns, but not all. Short term reserves expected to cover 2022/23 impacts.
Mental Health – In Patients	Medium	TBC	NHS Tayside seeking agreement with IJBs as to how associated overspends are managed in future with a notional allowance for this built into plans.
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.
Prescribing – National recommendation for the prescribing of new drugs in Primary Care is an additional burden.	Medium	TBC	Issues such as this will initially be considered via the Tayside Prescribing Management Group, but then will need IJB consideration.
Prescribing – New Opiate Substitution Treatments may require funding support.	Medium	TBC	Developing situation with short term Scottish Government supporting this.
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.
Community Nursing – Job re-evaluations may require reworking of workforce models.	Low	TBC	Current expectations are that any impact will be contained through workforce re-modelling.
Workforce and recruitment issues may have a knock on effect on IJB costs beyond service delivery issues.	Medium	c£500k + (recurring)	The IJB faces a number of workforce issues (e.g. General Practice, Independent Sector) and requires good workforce planning to mitigate these risks.
Demographic Pressures – e.g. in Older People Services reflecting population changes	High	c£1.0m+ (recurring)	The risk of ongoing growth will be a continued feature of IJB plans.
Ongoing inflation pressures re the National Care Home Contract.	Medium	Not known	Estimates factored into plans and may be partially offset by increased Scottish Government funding. Where necessary mitigating action may be required.
Primary Care Improvement Plan (From 2023/24, noting short term resources in place until 2022/23)	Medium	Not known	Subject of separate IJB reports, with additional SG funding providing at least a partial solution.
<b>Planned Interventions</b>			
Some IJB savings programmes behind schedule from 2019/20 due to COVID-19. Reviews may be required.	High	Up to £1.0m (recurring)	Delays have been experienced due to COVID-19 with the scale of risks becoming clearer in our financial plan.
Management / Programme Management / Project Support capacity 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.
National Care Service	TBC	TBC	There may be implications for funding arrangements or managing issues such as changes to “Charging” arrangements.
Corporate Support (Inc. Procurement, Property, Legal)	Medium	Not known	Some progress made; current risks include Procurement, Property and Legal. These have a detrimental impact on the IJB’s ability to deliver a balanced financial plan.
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 plans to ensure this funding is mobilised effectively in a way that meets Scottish Government criteria, is sustainable and delivers good value for money.

As noted previously, due to the pace and timing of Scottish Government disbursement of new allocations to all IJBs in Scotland, Angus IJB will see a significant increase in its year end ear-marked reserves at March 2022. This includes reserves re Alcohol and Drug Partnership (ADP), Mental Health and Winter Planning. Of particular note is the receipt of c£11.843m of COVID funding in February 2022. This is noted in the main body of the report and will be fully carried forward at the yearend via IJB reserves.

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. This reserve has now been depleted.

**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.

**Mental Health Strategy Reserve** – This reserve has now been deployed as per previous IJB reports.

It is important to note that at the yearend any 2021/22 under spend will transfer in to the IJBs reserves. With that in mind, and as the IJB approaches the year end, it is important for it to review some overall reserve plans. Noting the forecast in year under spend (c£3.021m, and subject to this eventual out-turn) and the retention of the "Financial Planning Reserve 2021/22" of £1.0m, and after discussion at the IJB's Strategic Planning Group and Executive Management Team, the following is now recommended regarding these balances:-

1. To increase the IJB's contingency by £0.450m to retain it at 2.5% of turnover in line with the IJB's reserves policy.
2. A new ear-marked Property reserve of c£3.300m is created. This will be used to support future property and accommodation commitments with intention of releasing revenue funds to support the IJB's Strategic Financial Plan at a point when that plan has material deficit developing.
3. To retain any balance in a "Financial Planning 2022/23" reserve and consider the potential return of some reserves to the IJB's partners at some point in 2022/23 depending on the prevailing circumstances.

The above is proposed noting that the IJB retains the discretion to amend reserves plans in the future and that the IJB already holds a Strategic Planning Reserve overseen by the IJB's Strategic Planning Group.

Table 3 below shows the IJB's reserves position at the start of this financial year and changes and projections to year end including the proposed recommendations noted above. The Scottish Government Funding for specific priorities has been subject to refinement reflecting slippage that has emerged during the year related to recruitment and capacity issues resulting in non recurring funding with plans to be developed on the utilisation of these one off slippages.

<b>Table 3 - Angus IJB Reserves</b>	<b>Revised Reserves at Dec 2021</b>	<b>Change in Year</b>	<b>Initial Closing Balance 31 Mar 2022</b>	<b>Proposed Adjustments</b>	<b>Proposed Closing Balance 31 Mar 2022</b>	<b>Additional Comment (including commentary regarding deployment of funds)</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>General Fund Balance (Usable Reserve) - General Reserve</b>						
	<b>4,750</b>	<b>0</b>	<b>4,750</b>	<b>450</b>	<b>5,200</b>	Proposed adjustment to reflect increase in IJB's turnover
<b>General Fund Balance (Ear-Marked Reserves)(Local)</b>						
Strategic Plan Reserve	2,522	(152)	2,370	0	2,370	Reserve managed by Strategic Planning Group
Financial Planning Reserve 2020/21	1,451	(1,451)	0	0	0	Per Report 54/21
Financial Planning Reserve 2021/22	1,000	0	1,000	(1,000)	0	Proposed re-allocation £0.450m to General Fund and £0.550m to create a Property Reserve
Financial Planning Reserve 2022/23	0	3,021	3,021	(2,750)	271	Re-allocation of £2.750m to the creation of a Property Reserve
Mental Health Strategy Reserve	300	(300)	0	0	0	£300k reallocated from Fin Plan 20/21 (Report 54/21)
Property Reserve	0	0	0	3,300	3,300	Proposed re-allocation of £2.750m from Financial Planning Reserve 2022/23 and £0.550m from Financial Planning Reserve 2021/22
	5,273	1,118	6,391	(450)	5,941	
<b>General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)</b>						
GMS Contract - Primary Care Improvement Plan	1,666	(80)	1,586	0	1,586	Plans for deployment (report 8/22)
Mental Health - Action 15 Funding	331	(40)	291	0	291	Plans being developed
Primary Care Transformation	195	(13)	182	0	182	Plans developed
Primary Care Premises	102	(16)	86	0	86	Plans developed
Alcohol and Drug Partnership	63	400	463	0	463	Plans being developed
Forensic Developments	33	(33)	0	0	0	Fully Spent
Drug Death task Force	101	(101)	0	0	0	Fully Spent
District Nursing Workforce	47	(1)	46	0	46	Recruitment of staff across 2 financial years
Community Living Change	392	0	392	0	392	Awaiting updated plan from Service Lead
COVID-19 (notional)	4,433	(3,000)	1,433	0	1,433	Funding to be ear-marked for future COVID-19 implications
COVID-19 (February 2022)	0	11,843	11,843	0	11,843	Significant caveats and conditions to the use of this funding
Neurological Care & Support	0	42	42	0	42	Awaiting updated plan from Service Lead
Dementia Post Diagnostic Support	0	70	70	0	70	Recruitment of staff across 2 financial years
Winter Pressures Interim Care	0	954	954	0	954	Plans still to be developed for non recurring funding
Winter Pressures Care at Home	0	1,329	1,329	0	1,329	Plans still to be developed for non recurring funding
Winter Pressures MDT	0	252	252	0	252	Plans still to be developed for non recurring funding

Winter Pressures Additional Band 2 -4	0	137	137	0	137	Plans still to be developed for non recurring funding
Dental Ventilation	0	300	300	0	300	Commitments expected in 2022/23
MH & Wellbeing in Primary Care	0	31	31	0	31	Plans still to be developed for non recurring funding
OOH	0	53	53	0	53	Plans still to be developed for non recurring funding
MH Estate	0	324	324	0	324	Plans still to be developed for non recurring funding
	7,363	12,451	19,814	0	19,814	
<b>Total General Fund Balance</b>	<b>12,686</b>	<b>13,569</b>	<b>26,205</b>	<b>(450)</b>	<b>25,755</b>	
<b>Total General Fund Balance (Ear-Marked Reserves)</b>	<b>17,386</b>	<b>13,569</b>	<b>30,955</b>	<b>0</b>	<b>30,955</b>	

## Appendix 4: Financial Governance

With respect to governance issues, there are a number of long-standing issues that remain unresolved and it has been previously agreed that it would be helpful to highlight these to the IJB. The issues and some commentary are detailed below.

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 2021 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.
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 after the conclusion of current Integration Scheme revisions.
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/IJB - Ideally a comprehensive response to be considered as part of a review of the Integration Scheme.	Updates on progress with the review of the Integration Scheme are available separately.

These issues continue to be monitored by the IJB's Audit Committee. Many are complex, require concurrent 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.