



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 20 APRIL 2022

ANGUS IJB STRATEGIC FINANCIAL PLAN 2022/23 – 2024/25

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ABSTRACT

The purpose of this report is to update the Integration Joint Board (IJB) regarding the development of the Angus IJB Strategic Financial Plan for the period 2022/23 to 2024/25 and to seek approval for the plan as set out in this report.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) Supports work to develop improved resource profiles for Disability Services and Older Peoples Services by October 2022 for embedding in future versions of plans;
- (ii) Support the continued inclusion and development of planned interventions set out in section 6 and request regular updates regarding these from relevant service and lead officers throughout 2022/23;
- (iii) Support work to conclude discussion with NHS Tayside to devolve the resources associated with Complex Care to Angus IJB;
- (iv) By the October IJB meeting, ask the IJB's Executive Management Team to confirm delivery of Management savings for Adult Social Care and Local Community Health Services;
- (v) Devolve responsibility to the IJB's Chief Officer, in conjunction with the IJB's Chief Finance Officer, Chair and Vice Chair, to provide the necessary approval for adjustments to the overall financial plan to allow the adoption of new drug costs when this cannot be managed through routine IJB meetings or other forums, during 2022/23;
- (vi) Noting long term residual shortfalls in this plan, for December 2022 ask the IJB's Strategic Planning Group to review options to address this; and
- (vii) Supports this version of the Strategic Financial Plan.

2. BACKGROUND

Following the report to the February IJB (report IJB 7/22), this report sets out for consideration a final version of the IJB's Strategic Financial Plan for 2022/23 to 2024/25. This plan is intended to be consistent with, and a financial representation of, the IJB's Strategic Commissioning Plan. It also reflects some of the longer term responses to COVID-19. This report retains and updates much of the content from report 7/22. It has been developed in an uncertain environment and acknowledges that a number of financial risks regarding COVID-19 responses and, for example, the outcome of the consultation regarding the National Care Service remain unresolved. In due course, these issues may be significant enough to require a re-working of the plan. It is also worth noting that the plan has been collated during a period when IJB Management team have continued to focus significantly on COVID-19 responses.

This report is presented as a 3 year plan. At times, there is advice to construct longer term financial plans. However, given the current dynamic nature of Health and Social Care, with a lack of clarity regarding funding and service requirements, this report continues the recent IJB pattern of working to a 3 year financial planning horizon. The IJB also needs to note there may, at times, be a need to amend or diverge from this plan as circumstances develop or as more information becomes available and there will be a need to revisit this plan due to underlying shortfalls.

As with the draft plan, this report outlines a series of positions and/or assumptions regarding funding uplifts, inflationary, demographic and legal/contractual pressures, and a series of planned interventions. This plan is set out in a series of sections as follows:-

- Current Financial Performance.
- Funding Assumptions (Budget Settlements).
- Cost Pressures and Strategic Commitments – including inflationary, demographic, legal/contractual, management capacity and other pressures.
- Planned Interventions – including updates of previous planned interventions.
- Hosted Services, Prescribing, Family Health Services and Large Hospital Set Aside.
- COVID-19.
- IJB Reserves.
- Risk Assessment and COVID-19 Implications.
- Equalities Impact Assessment
- Directions
- Summary and Next Steps

Appendix 1 shows the IJB's overall Strategic Financial Plan. A commentary on the overall position is included in the "Summary and Next Steps" part of this paper.

3. CURRENT FINANCIAL PERFORMANCE

- 3.1 It is important to note this Strategic Financial Plan is constructed during a period when the IJB, if we remove COVID-19 implications as best we can, appears to be living within its means. However this position is heavily dependent on non-recurring underspends (e.g. due to vacancies, instances of unmet need and delays on project work). At this stage there is no plan to reduce the recurring budgets for services current with vacancies. It is also important to note the IJB will have significant reserves at the start of 2022/23. Some reserves are a result of previous year's performance but others are linked to Scottish Government allocations. Reserves that are not ring fenced can support financial planning in the short term.
- 3.2 The IJB's underlying financial position has been influenced by a series factors including:-
- Previous progress with the Angus Care Model and Help to Live at Home in the period to 2018/19, though now notably offset by a slow-down in delivery of planned interventions since 2019 (i.e. pre COVID-19).
 - Progress with improving prescribing compared to the earlier years of the IJB, though costs are now marginally drifting further above national weighted averages.
- 3.3 The underlying financial performance in 2021/22 needs to be factored into the IJB's future financial plans. This is currently quite challenging to assess due to the impact of COVID-19 and recent shortcomings in the capacity of the finance teams throughout the COVID-19 pandemic. However the following material issues are reflected in the IJB's Strategic Financial Plan:-

Service	Position	Impact (£)	Comment
Adult Services	COVID-19 aside, the current assumption is a shortfall due to underlying demand on services.	c£2.780m (pressure)	Mainly on going pressures within Physical Disability service and continued structural imbalance between health and social care parts of the IJB.
Community Health	The IJB has previously made good progress in releasing recurring savings.	c£1.160m (benefit)	Consistent with previous versions of Strategic Financial Plan, noting structural imbalance described above.
Locally Hosted Services	Underlying position assumed breakeven.	£nil	Similar to previous Strategic Financial Plan.
Hosted Services (Elsewhere)	Underlying position includes pressures.	c£0.400m (pressure)	Ongoing unresolved saving targets.
Prescribing	Service rolls over into 22/23 marginally under spending.	c£0.305m (benefit)	Significant planning risk and an assumption of future higher growth levels.
Family Health Services	Workforce issues are placing specific financial pressures on services.	c£0.400m (pressure)	There is a risk this pressure increases due to workforce issues.

The above assessments contain more uncertainty than normal due to the complexity of assessing the underlying position due to COVID-19 factors. However, in total they suggest an underlying brought forward recurring pressure of c£2.115m.

Separately, and as a financial planning priority for 2022/23, it is recommended that the IJB continues to work to address historic imbalances in the IJB's allocation of resources. This will be progressed through determining realistic and affordable resource profiles for both the Learning and Physical Disability Services through associated improvement programmes. It will also require a review of underlying Older Peoples Services resource requirements. There is no additional funding allowed of this in the IJB's financial plans and these steps are mainly required to formalise resourcing that will be embedded in the final version of this plan.

4. FUNDING ASSUMPTIONS (BUDGET SETTLEMENTS)

4.1 The following outlines current funding agreements or assumptions within the IJB's financial plans. Given the current uncertainties at national level all longer-term planning assumptions used contain a high level of uncertainty, but current assumptions do assume a continued level of political support for community health and social care.

Partner	Year	Position	Risk/Comments
Angus Council & Social Care	2022/23	As per report 6/22.	For all services the burden of increased National Insurance is not funded centrally; for many services the burden of pay inflation is not funded.
	Future Years	No information available but assumption of funds to support Living Wage, with any Scottish Government allocations being fully ring-fenced.	This more positive assumption comes with a known increased risk.
NHS Tayside & Community Health	2022/23	As per report 6/22.	Assumed that National Insurance and pay inflation will be funded.
	2022/23	Assumed resolution of Complex Care Funding (c£1.000m). This has been an ongoing issue since the creation of the IJB.	To be matched by a similar cost obligation. See comments below.

Partner	Year	Position	Risk/Comments
	Future Years	No agreement reached but assumption of 1.5% increase with any Scottish Government allocations being fully ring-fenced.	Set to match an assumed pay inflation impact. General assumption of political support for near-inflation uplifts.
Scottish Government (SG)	2022/23	Funding for ring-fenced programmes including Primary Care Improvement Fund, Action 15 (Mental Health), Post Diagnostic Dementia and District Nursing.	It is expected that these allocations will be matched by commensurate commitments.
	Future Years	Assumed further increase in funding to support District Nursing.	It is expected this allocation will be matched by commensurate commitments.

4.2 Separate reports to the IJB describe the commitments being made against some additional allocations for 2022/23 specifically funds to support the Expansion of Care at Home and Multi-Disciplinary Teams. Generally it is expected that there will be slippage on some of these new funding streams.

Funding to support Social Work Capacity (£0.528m) is being allocated in line with guidance and discussion with the Chief Social Care Officer. Current plans include ear-marks to support oversight arrangements for care homes, increased investment in Care Home Review Officer and Home Care Assessors and a range of other commitments.

Funding titled Health and Social Care Investment (£1.335m) is intended to support the overall financial planning of Adult Social Care. It will contribute to the overall plan and be used to offset the burden of brought forward over-commitments (i.e. growth that has already happened) and otherwise unfunded National Insurance and pay uplift burdens.

4.3 Report 6/22 to the February IJB (Budget Settlements with Angus Council and NHS Tayside) noted that a small number of unresolved budgetary issues. These will continue to be progressed with both partners and include:-

- 1) Complex Care historic funding – The IJB’s financial plan for 2022/23 now assumes that both funding and obligations associated with Complex Care packages are devolved to Angus IJB from 1st April 2022 (at notional value of £1.000m). This remains subject to ongoing discussion with NHS Tayside and Angus Council. It is acknowledged by the Directors of Finance of both Angus Council and NHS Tayside that this is a priority for all parties to resolve.
- 2) Large Hospital Set Aside resources - This issue was explored in report IJB 81/20 and retrospective issues remain unresolved. Due to the impact of COVID-19 on hospital activity patterns, recent information does not lend itself to creating an improved framework for resource planning. In addition, the IJB has not had capacity to revisit this issue with NHS Tayside to date. The impact of this is therefore described as neutral in this draft of the financial plan.
- 3) There remain unresolved financial planning issues, noted in the IJB action points, regarding In Patient Mental Health services. These services were previously hosted in Perth and Kinross IJB but are now operationally managed via NHS Tayside with the strategic direction still resting with IJBs - in a similar manner to Large Hospital Set Aside resources.

There are two aspects to these unresolved issues. The first relates to the underlying strategic financial plan for the service. This still requires regional and collective work to develop a full financial framework.

The second aspect relates to financial risk sharing. These services, including any overspends, were financially managed within IJBs up to 2019/20. For 2020/21 and 2021/22 they have been financially managed by NHS Tayside. These services currently have a forecast overspend of over £3.500m for 2021/22. Some of the overspend existed at the point of the creation of IJBs with overspends continuing through to 2019/20 and, for a variety of reasons, increasing over the last 2 years. While a key expectation of strategic planning and operational management will be to contain this overspend, NHS Tayside is now seeking to reach agreement with IJBs as to how any overspend is managed and funded in future years.

This may present an increased financial risk burden going forward. We will seek to clarify this issue and risk and are in dialogue with NHS Tayside to enable us to do this and to bring a position back to the IJB for approval.

- 4) NHS Tayside's financial plan for 2020/21 included an allocation for "Shifting the Balance of Care". Angus IJB did not receive a share of this allocation and it is now assumed that the balance of this funding will no longer be made available by NHS Tayside to IJBs.

5. COST PRESSURES AND STRATEGIC COMMITMENTS

- 5.1 The IJB's Strategic Financial Plans routinely reflect a series of inflationary, demographic, legal/contractual and other cost pressures. These pressures, and the mitigation of them described elsewhere, remain an important factor within financial planning. Many pressures are subject to some continued uncertainty and this represents an ongoing risk for the IJB.

The allocation of funds to services to support pressures is assumed to be dependent on:-

- for internally funded pressures/ discretionary commitments, the satisfactory progress with the delivery of planned interventions within the financial plan that assist fund those pressures; and
- for all commitments, appropriate detailed approval of plans under the agreed authority of the Chief Officer.

5.2 Inflationary Pressures

As the IJB will be aware, the inflationary environment is more unstable than it has been for many years and this increases the level of uncertainty and may mean some assumptions need to be revisited. The IJB's plans reflect a series of inflationary pressures as follows:-

- Staff Pay Inflation – Ultimately linked to public sector, Angus Council and NHS Scotland agreements, plus net impact of any incremental point adjustments. As noted above, NHS pay agreements beyond planned uplifts of 2% will be funded by the Scottish Government. Angus Council pay awards are still subject to agreement in conjunction with Convention of Scottish Local Authorities (COSLA). There was an exposure to an above planned uplift in 2021/22 but this has now been absorbed into plans. Given the inflation environment, this is now an area of increased uncertainty and risk.
- Third Party Inflation – There is a general expectation that costs will increase to at least allow for pay costs going up in line with the Living Wage (see above funding expectations) and that uplifts will be linked to the Scottish Government advice (described as "Annual Adult Social Care Pay Uplift"). However the non-pay element of contracts will also be subject to inflationary pressure. It is important that the IJB considers these non-pay pressures for providers and an allowance is made for this in attached plans. Again, given the inflation environment, this is an area of higher risk than in previous years. An agreed position will be developed through the IJB's Third Party Provider Group in conjunction with the Chief Officer.
- National Care Home Contract Inflation (NCHC) – At the time of writing, national agreement on rates are just being reached suggesting an uplift of c5.6% with further potential adjustments linked to final pay agreements for nursing staff. The overall uplift reflects Living Wage pressures and the inflation pressure on non-pay costs (including energy and insurance). With over £25m of commitments linked to the NCHC, this is a key part of the IJB's financial planning. This remains an area of longer term financial and contractual risk for the IJB. For both the NCHC and Third Party Inflation, Scottish Government funding supports a proportion of the uplift.
- National Insurance Changes - From 6 April 2022 National Insurance contributions will increase by 1.25%. In future years this will migrate into a new Health and Social Care Levy. This change has an effect on staff costs and third party contracts and the National Care Home Contract. The impact of this is allowed for alongside an associated funding stream for NHS funded services.
- Other Inflation Pressures – The IJB has always allowed for an element of other inflationary type pressures (i.e. for "Other" costs). Pressures may be linked to the Consumer Price Index which is subject to higher pressure currently than in previous years and the allowance for "other inflationary pressures" is uplifted accordingly.

While attached plans need to allow for the factors described above, each may be subject to further refinement, negotiation, and potential mitigation.

It should be noted that c£0.250m of the inflation uplift received via NHS Tayside will ultimately support costs incurred within Social Care due to resources transferred within the Partnership.

Off-setting the above, the IJB increases its charges for services (Adult Social Care) on an annual basis reflecting the inflation pressures noted above. This is agreed via Angus Council (report 59/22, meeting of 3rd March 2022).

5.3 Demographic Pressure

It remains a general assumption that most of the IJB's demographic pressure will be in services responding to increases in older age group populations and long term condition (e.g. home care, care management, community nursing, prescribing) and that, for example, the inpatient and residential care home components of care within Angus IJB will not be expected to see capacity growth, albeit may see changes in acuity. This principle is clearly subject to ongoing review as the combined effect of demographics and COVID-19 become clearer and as patterns of use of care homes, inpatient services and home care continue to evolve.

For now it is assumed the immediate / first year demographic pressures regarding care at home and community pressures are fully contained and confirmed within recent Scottish Government funding. This includes for Older People, Learning and Physical Disability and Mental Health. A further small allowance has been included for general demographic growth.

Community health and adult social care demographic growth pressures are allowed for from 2023/24 in line with previous plans. It remains a strategic challenge for the IJB to continue to respond and contain this future growth and progression with planned interventions should strategically support future growth in home care. Release of future year ear-marks will be dependent on developing and delivering the overall financial plan. However, recent IJB decisions have now allowed £0.250m of resources to now be confirmed for future year home care provision and this is shown in the plan.

There is a further issue regarding inpatient hospital services. As this bed base remains constant, so the average level of acuity increases with more patients and service users being managed in other settings. A small allowance is made for this increased acuity in each year of this plan.

Separate allowances are made for pressures within Prescribing.

It is also important to note that the IJB needs to continually review measures that can be considered to mitigate the impact of demographic factors. These would be considered in separate reports to the IJB.

- 5.4 The IJB has previously agreed that new Scottish Government investment streams will be expected to contribute to costs of increased management, supervision, technology, and other overheads and, except in exceptional circumstances, will plan to allocate 10% of new resources as a contribution to those costs, where allowable and appropriate. This helps create a more sustainable and resilient infrastructure for the IJB.

5.5 Legal / National Priorities /Complex Care / Free Personal Care Pressures

This section notes additional commitments, often linked to additional Scottish Government funding, expected in 2022/23 and beyond as follows:-

- The Carers (Scotland) Act 2016 – Uplifts in commitments to reflect increased funding from 2022/23 – c£0.486m. This will cover inflationary and other existing and emerging pressures and a future report is expected to set out plans.
- BASRiS (Benefits Assessment under Special Rules in Scotland) – as part of changes to disability benefits in Scotland, new rules will soon be introduced that have an impact on when the IJB charges for services. It is hard to quantify this impact but it is expected to be up to £0.150m per annum by 2024/25.

- The Scottish Government's budget for 2022/23 announced that Free Personal and Nursing Care allowances would go up by more than the rate of inflation. This requirement, fully offset by a funding allocation (c£0.484m) is factored in here.
- Complex Care – As noted in the “Funding Assumptions” section, a cost equivalent to an assumed funding settlement with NHS Tayside is included here.
- Primary Care Improvement Plans – The IJB does expect to receive a further incremental increase in funding (c£0.300m) from 2022/23 beyond original expectations.

5.6 Other Pressures

For the duration of the forthcoming Strategic Plan, the IJB will need to manage additional, sometimes unforeseen, pressures. Many of these are described in the risk appendix and it is important to note that many risks beyond 2021/22 are not currently reflected in the IJB's financial plans. The IJB needs to maintain a flexible budget framework such that it is able to address these other pressures in a responsive and pragmatic manner.

5.7 Remobilisation Plans

Additional recurring Scottish Government funding from 2021/22 now supports some of the recurring impacts of COVID-19. However, there are still a few pressures not captured within these funding streams such as PPE, testing, some costs within residential settings and digital technology. It has been confirmed that 2022/23 remobilisation costs continue to be supported directly by Scottish Government funding (including funds held in reserves), but there may still be long-term recurring pressures.

5.8 Strategic Commitments

The IJB has had a long standing commitment in its strategic commissioning plan to develop its prevention agenda. After decisions taken at the IJB in February 2022, the IJB is now able to include a £0.250m recurring allowance to support this agenda, taking effect from this year. It is expected that detailed plans will be approved by the IJB's Strategic Planning Group.

6. PLANNED INTERVENTIONS

6.1 This section sets out the position regarding planned interventions which are required as a response to the longer term shortfalls within the IJB's Strategic Financial Plan.

The IJB has been able to contain a number of pressures during the last year due to the consolidation of the progress made in earlier years supported by additional Scottish Government funding. Meanwhile the progress with planned interventions, intended to support the IJB's overall multi-year financial plan, was generally weaker than anticipated for 2021/22. Previous finance reports to the IJB (report 5/22) noted that less than 40% of the IJB's planned recurring savings for 2021/22 (£1.351m) was forecast to be delivered. This re-creates a significant financial planning shortfall and this remains a matter of significant concern for the IJB. While the circumstances that the IJB has had to operate under over the last 2 years partly explain delays in progressing planned interventions, there was evidence of a slowdown prior to 2020.

The IJB receives regular updates regarding planned interventions through finance reports and strategic planning updates. Most of the planned interventions listed here, unless otherwise stated, are sourced from previous financial plans or other IJB reports.

6.2 A short update is provided below with respect to each issue alongside estimated savings.

6.2.1 Angus Care Model - Residential Care Home Review - Peripatetic Nursing – Due to COVID -19 related delays and awaiting clarifications from the Scottish Government, progress with this initiative has been significantly delayed since first being supported in 2019. It is now recommended the previous savings targets are retained but pushed back to 2023/24. Financial modelling and discussions with providers require further development and this will be subject of separate reports to the IJB. The intention remains to improve care and sustainability, while containing overall costs. 2023/24 - £0.100m recurring. Lead Officer – Head of Health and Community Care Services (G Bowie).

- 6.2.2 Angus Care Model – Internal Care Homes Review – This has been subject of a report to the IJB in February 2022. The outcome of that report is now reflected in this plan with assumed reinvestment also set out elsewhere. 2022/23 - £0.250m; £0.500m recurring. Lead Officer – Head of Health and Community Care Services (G Bowie).
- 6.2.3 Angus Care Model – Stroke Rehabilitation Pathway – This was the subject of a report to the IJB in August 2021 (report 46/21). The proposals regarding this change are still being progressed and this is now included in the IJB's financial plan with an effective date of mid-2022/23. It is reasonable to assume that non-recurring underspends may emerge in advance of that date due to interim measures in place. 2022/23 - £0.070m; £0.140m recurring. Lead Officer – Head of Health and Community Care Services (E McLennan).
- 6.2.4 Angus Care Model – Extended Inpatient Review - This proposal continues to be progressed through the Angus Care Model group and reflects opportunities within in patient services to address areas of relatively high cost and / or relatively low occupancy. Changes such as this are dependent on a more settled post-COVID 19 regarding, for example, occupancy levels. As such this intervention has an implementation date of later in 2022/23. 2022/23 £0.075m; £0.300m recurring. Lead Officer – Head of Health and Community Care Services (E McLennan).
- 6.2.5 Angus Care Model – Psychiatry of Old Age Review – This programme continues to be progressed through the Angus Care Model group. Due to COVID-19 issues, implementation has been delayed and the project will need refreshed. Service, finance modelling and procurement options still require further development. 2023/24 £0.100m; £0.200m recurring. Lead Officer – Head of Health and Community Care Services (E McLennan).
- 6.2.6 Angus Care Model – Care at Home: 2023/24 - Progress with this has been further delayed due to COVID-19 and issues re IT support. Updates will continue to be provided to the IJB. 2023/24 - £0.030m; £0.050m recurring. Lead Officer – Head of Community Health and Care Services (G Bowie).
- 6.2.7 Executive Management Team (EMT) Reviews - These form a key part of the overall financial plan. While not a strategic intervention, incremental savings identified and progressed by management teams form part of this plan. It is important to note that this is separate and in addition to all other plans listed here. This could and should include embedding 2021/22 under spends where practical. A target of this type has been included in previous iterations of the financial plan. However, in 2020/21 and 2021/22 shortfalls were evident particularly with respect to Adult Services. This target has previously been included as a 1% saving per annum on relevant operational spends budgets. For 2023/23 only it is included as 0.5% target across all services increasing to a 1% target for future years. The IJB's EMT will work towards confirming these savings by the October IJB meeting. For hosted services, targets are intended to bridge any gap between increased funding and annual pressures. 2022/23 - c£0.300m; c£1.500m recurring by the end of the plan. Lead officer – Executive Management Team.
- 6.2.8 Supported Housing - Status noted in December 2021 Strategic Planning Update, with update planned for June 2022 IJB. 2023/24 - £0.100m; £0.100m recurring. Lead Officer – Head of Health and Community Care Services (G Bowie).
- 6.2.9 Learning Disability (LD) Improvement Plan - The LD Improvement Plan has been shared with the IJB regularly. 2022/23 c£0.208m; 2023/24 - £0.101m. Lead Officer – Head of Community Health and Care Services (G Bowie).
- 6.2.10 Physical Disability (PD) Improvement Plan - The PD Improvement Plan has been shared with the IJB regularly. 2022/23 and 2023/24 - £0.100m per annum. Lead Officer – Head of Community Health and Care Services (G Bowie).
- 6.2.11 Non-Recurring Benefits: 2022/23 - £2.000m non-recurring, linked to recruitment challenges and short term delays in project work. It is assumed this will re-balance over the next 18 months and this one-off factor will be reversed over 2023/24 and 2024/25. This is a significant support for the 2022/23 plan, but is deemed relatively low risk due to conditions in early 2022. As noted at 6.2.7, it will be important to seek to translate non-recurring underspends into recurring savings.

In addition, overall planning could reflect an assumption that there will be slippage on new funds/ Scottish Government allocations in 2022/23. While this has not been fully estimated yet, and is not shown in appendix 1, it is noted in the summary section of this report.

- 6.3 The above interventions have been described to the IJB previously either in Strategic Financial Plans or other reports. Each planned intervention is subject to its own oversight arrangements which may include reporting back to the IJB. Each intervention will be subject to its own risks re timing and deliverability and these will continue to be highlighted to the IJB.

In the context of the overall financial plan, these interventions are key in starting to bring the IJB back towards a balanced budget and help the IJB to manage unfunded inflationary and demographic pressures and make any required investments. It is therefore important that the IJB regularly re-asserts its commitment to their inclusion in the Strategic Financial Plan, that Executive Management Team continue to work to their delivery and that the IJB receive regular updates regarding progress.

Given the importance of these planned interventions to the overall strategic financial plan, should any planned interventions need to be revisited by the IJB (e.g. in terms of deliverability), then part of that consideration will be the description and approval of alternative measures to address any gaps that may otherwise emerge in the IJB's plans.

- 6.4 Due to likes of impact of COVID-19, a number of previously suggested potential interventions have yet to be progressed or formally adopted including reviewing medicines management, workforce productivity reviews, the benefits of increased collaboration or digital opportunities, single handed care and demand management. Not all of these will deliver savings with any certainty, all require further working up.

7. HOSTED SERVICES, PRESCRIBING AND FAMILY HEALTH SERVICES

7.1 Hosted Services

Funding for these services will generally be uplifted in line with other services. Angus IJB will continue to work closely with other IJB's to develop financial plans regarding Hosted Services. While services hosted in Angus have been subject to COVID-19 related pressures, it is generally assumed that additional Scottish Government funding (noted above) and new in-year planned interventions will contain the level of overspends as per the underlying position. A similar position is assumed for services hosted in Dundee and Perth & Kinross IJBs.

7.2 Prescribing

Prescribing is a major part of the IJB's financial plan and Angus has been working closely with colleagues through the regional Prescribing Management Group to develop financial plans for 2022/23 and beyond. While the prescribing position has clearly improved in recent years, Angus costs per weighted patient are still subject to a number of risks, remain slightly above the national average and are slightly drifting further above the national average. While there are a number of reasons for variation, this recent pattern is not one mirrored in other IJBs in Tayside.

The financial framework developed for prescribing locally reflects known funding uplifts and assumptions regarding price and volume changes and a short series of planned savings deliveries. However it is reasonable to observe that collectively the pressures of COVID-19 and the pressures on Pharmacy staffing have limited the resource directed to developing prescribing change interventions. This challenge is one that will need to be addressed via the IJB's local Prescribing Management Group.

In the short term it is anticipated that the good work to develop long term clinical buy-in for prescribing improvement and the efforts of those involved locally with prescribing alongside the co-ordinated work through the Tayside Prescribing Management Group (PMG) will continue to support the delivery of the prescribing financial framework.

In the medium term (e.g. from 2023/24) continued pressure on drug volumes and prices are expected to lead to potential shortfalls. While these are captured in the IJB's overall financial plan, work will continue to be progressed collaboratively locally and regionally, with colleagues from Primary Care, Secondary Care and with the local communities through the Prescribing Strategy, to address pressures.

It is also important to recognise the increased financial risks associated with new drugs recommended for adoption in Primary Care across Scotland. This is a key unresolved risk for the IJB and may need to be considered by the IJB going forward. Due to the uncertainty and particularly the potential timelines, it is recommended that during 2022/23 the IJB devolve responsibility to the IJB's Chief Officer, in conjunction with the IJB's Chief Finance Officer, Chair and Vice Chair, to provide the necessary approval for adjustments to the overall financial plan to allow the adoption of new drug costs when this cannot be managed through routine IJB meetings or other forums.

Half-yearly prescribing reports to the IJB will more fully describe plans for 2022/23 and beyond, including recognising opportunities to reinvest in evidenced based alternatives to prescribing.

7.3 Family Health Services

One of the main financial challenges in Family Health Services over the duration of this plan relates to the continued phased introduction of the 2018 General Medical Services contract. This contract is running behind schedule nationally due to COVID-19 and recruitment issues. While the Scottish Government have honoured historic funding commitments, it has generally been recognised that those historic funding levels were not sufficient to deliver the full implementation. For 2022/23, as noted above, it is expected that the Government will top up previous funding commitments. This will help support inflationary pressure and the funding of the final configuration of the contract implementation, but financial risks do remain.

There is also a significant ongoing financial risk regarding the impact of providing General Practice through salaried service models (including those currently in Brechin and Arbroath). These models tend to cost more than standard General Practices and do create an additional financial burden. This evolving pressure is reflected to an extent in our current plans but is an area of increasing risk due to workforce challenges within General Practice, specifically in Angus, and discussions regarding risk sharing. The IJB may wish to consider broader plans to address this current and evolving risk.

8. COVID-19

The service and financial implications falling out of COVID-19 remain significant. To date the financial impact of COVID-19 has been reflected as follows:-

- Significant re-direction of resources during 2021/22 including from care homes to care at home services and project/improvement oriented work to COVID-19 responses.
- Application of Scottish Government funding to support increased demand and requirements emanating from COVID-19, to the extent that Scottish Government funding is appropriate to be used for this purpose.

However the general assumption remains that additional short term costs (which will stretch into 2022/23) will continue to be supported directly by confirmed additional Scottish Government funding (including funds held in reserves). While some longer term COVID-19 impacts are already captured in the funded plans, there are other long term COVID-19 related issues that remain unclear. A notional allowance is made for these potential costs for now, but it is reasonable to assume that longer term resource implications will probably increasingly have to be managed locally. The IJB will have to continue to adjust its strategic, operational and financial plans to respond to COVID-19 impacts.

The IJB will be kept informed of the developing financial implications of COVID-19 through future financial reports to the IJB.

9. IJB RESERVES

The IJB holds a number of ring-fenced reserves. Most of these are linked to Scottish Government ring-fenced allocations where the IJB is obliged to retain unspent funds for future years for specific purposes. This group of reserves have increased in size in recent years and the Scottish Government are aware and accepting of this. The IJB's ability to mobilise some reserves has been constrained by the impact of COVID-19, managerial capacity and, importantly, the availability of workforce.

That said the IJB will continue to manage reserves as best it can to ensure they are deployed on a timely basis in line with Scottish Government stipulations and to support the IJB operationally and strategically.

Separately the IJB retains a Strategic Planning Reserve managed by the Strategic Planning Group and a contingency reserve that is required to offset, on a time limited basis only, future risks and shortfall in strategic financial plans. Generally, the IJB will continue to consider plans to deploy reserves in a manner that supports both the Strategic Commissioning Plan and the Strategic Financial Plan.

10. RISK ASSESSMENT AND COVID-19 IMPLICATIONS

This plan is produced in a complicated and uncertain environment and as such it contains many risks and assumptions. Risks clearly exist throughout this type of planning including risks regarding funding, inflation, and COVID-19. A summary of risks is set out in appendix 2 with many of these hard to quantify and currently not yet recognised in the IJB’s financial plan.

11. EQUALITIES IMPACT ASSESSMENT

As set out earlier, the IJB’s Strategic Financial Plan is intended to be consistent with, and a financial representation of, the IJB’s Strategic Commissioning Plan. Equalities Impact Assessments were undertaken as part of the development of the IJB’s Strategic Commissioning Plan. In addition, this paper reflects the output of previous reports to the IJB and those reports will have associated Equalities Impact Assessments. On that basis, the view is that no separate Equalities Impact Assessment is required for this report.

12. 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. Due to the nature of the recommendations in this report, there are no specific resultant directions.

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

13. SUMMARY AND NEXT STEPS

13.1 This report sets out the proposed IJB financial plan for 2022/23 to 2024/25 and captures information regarding current financial performance, funding assumptions, cost pressures and planned interventions. Appendix 1 brings together all of the above, but this needs to be seen in the context of the risks set out in appendix 2.

Noting the recurring shortfalls that emerge, the IJB is fortunate in having reserves that can be called on to balance the plan over the three years. At April 2021, the IJB’s contingency reserve was set at £4.750m (approximately 2.5% of turnover). This reflected the level of uncertainty previously foreseen.

A summary of the IJB’s financial planning position, based on the information in this report, is shown below:-

Financial Year	2022/23	2023/24	2024/25	Recurring 2024/25
	£k	£k	£k	£k
Shortfalls	(699)	(3,279)	(6,270)	(6,270)
Slippage on New Allocations	500	0	0	0
Planned Use of Reserves	199	3,279	1,272	0
Revised Shortfall	0	0	(4,998)	(6,270)
Cumulative Shortfall	0	0	(4,998)	n/a

Note: Contingency reserves currently £4.750m.

From the above it can be seen that the IJB can present a balanced budget for 2022/23 based on factoring in a high-level assumption of slippage on new allocations and use of reserves. It also important to note the 2022/23 position assumes £2.000m of non-recurring underspends. Then, utilising contingency reserves the IJB can cover forecast over-commitments for 2023/24. Then the underlying over-commitments re-assert themselves once the reliance on non-recurring under-spends gets factored out and time-limited reserves are consumed, with a recurring shortfall from 2024/25 onwards of c£6.270m. These remains as previously projected with the weakening position reflecting increased demographic pressures and unfunded inflationary pressures no longer being offset by Scottish Government funding increases or the required volume of planned interventions.

In effect, without further interventions, future service pressures will remain unfunded and not manageable within available resources unless the IJB is able to resolve this issue.

13.2 Next Steps

The report's primary intention is to set out the strategic financial plan for the IJB from 2022/23. In order to progress the financial plan, and to continue work to close out future financial planning shortfalls and to deliver the IJB's Strategic Commissioning Plan, the IJB also needs to :-

- Support work to develop improved resource profiles for Disability Services and Older Peoples Services by October 2022 for embedding in future versions of plans.
- Support the continued inclusion and development of planned interventions set out in section 6 and request regular updates regarding these from relevant service and lead officers throughout 2022/23.
- Support work to conclude discussion with NHS Tayside to devolve the resources associated with Complex Care to Angus IJB.
- By the October IJB meeting, ask the IJB's Executive Management Team to confirm delivery of Management savings for Adult Social Care and Local Community Health Services.
- Noting long term residual shortfalls in this plan, for December 2022 ask the IJB's Strategic Planning Group to review options to address this; and
- Consider ways that the IJB's reserves can be deployed to support the IJB's Strategic Financial Plan and Strategic Commissioning Plan as described in separate reports to the IJB.

- 13.3 Generally, with long term gaps set out in the financial plans, the IJB would request further development of opportunities and plans to close out those long term gaps. However the IJB has to acknowledge the management team is dealing with a backlog of actions resultant from COVID-19 and still has a challenging agenda to deal with in terms of all the planned interventions set out in section 6. Therefore in the short term, and exceptionally, it is proposed that the IJB focus on dealing with any backlog of actions and existing planned interventions rather than develop further opportunities.

For December 2022, it is suggested the IJB can then come back to the long term financial gap and consider any views from the Strategic Planning Group possibly including opportunities such as around Medicines Management, workforce productivity reviews, the benefits of increased collaboration or digital opportunities, single handed care and demand management.

13.4 This report updates the Strategic Financial plan in a way that is intended to be consistent with the IJB's current and evolving Strategic Commissioning Plan; noting that the Strategic Commissioning Plan does of course, influence the Strategic Financial Plan. This plan will be shared with both Angus Council and NHS Tayside and it should then be reflected in their respective financial planning.

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List of Appendices: Appendix 1: IJB Financial Planning Summary
Appendix 2: Current IJB Financial Risk Assessment

ANGUS HSCP - Financial Plan 2022/23 - 2024/25																												APPENDIX 1
(note - some sub-totals omitted to make file easier to present)																												
Year	2022/23									2023/24									2024/25									
	Adult Services	Local	Hosted (Angus)	Hosted (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total	Adult Services	Local	Hosted (Angus)	Hosted (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total	Adult Services	Local	Hosted (Angus)	Hosted (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total	
	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k	£k
Brought Forward Budget	55680	51461	13920	8473	22253	37888	15629	149624	195156	65382	55253	14321	8728	22698	38946	15629	155575	210518	66505	56137	14531	8858	23155	39526	15629	157836	213749	
Annual Assumed Budget Uplift																												
Additional Scottish Government Funding Partner / Scot. Govt. (Service / Inflation)	8732	1228	0	0	0	0	0	1228	9960	-477	0	0	0	0	0	0	0	-477	0	0	0	0	0	0	0	0	0	
Additional National Insurance Partner / Scot. Govt. (Legal/Contractual)	0	1029	278	169	445	758	0	2679	2477	1600	830	210	130	457	580	0	2207	3654	1700	840	220	130	364	590	0	2144	3684	
Partner (Funding Adjustment, Complex Care)	0	280	123	86	0	0	0	489	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Annual Assumed Budget Uplift	970	255	0	0	0	300	0	555	1525	0	54	0	0	0	0	0	54	54	0	55	0	0	0	0	0	0	55	
Available Budget	0	1000	0	0	0	0	0	1000	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Brought Forward Over/(Under) Commitment	9702	3792	401	255	445	1058	0	5951	15362	1123	884	210	130	457	580	0	2261	3231	1700	895	220	130	364	590	0	2199	3739	
Brought Forward Spend Commitments	65382	55253	14321	8728	22698	38946	15629	155575	210518	66505	56137	14531	8858	23155	39526	15629	157836	213749	68205	57032	14751	8988	23519	40116	15629	160035	217488	
Inflation Pressures																												
Inflation - Pay	791	586	250	177	0	0	0	1013	1622	668	518	180	130	0	0	0	828	1365	685	442	190	130	0	0	0	762	1307	
Inflation - Pay National Insurance	230	280	123	86	0	0	0	489	629	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Inflation - Third Parties	1250	349	0	0	0	758	0	1107	2357	1150	301	0	0	0	580	0	881	2031	1150	307	0	0	0	590	0	897	2047	
Inflation - NCHC	1579	0	0	0	0	0	0	1579	1040	1040	0	0	0	0	0	0	0	1040	1075	0	0	0	0	0	0	0	1075	
Inflation - Prescribing	0	0	0	0	329	0	0	329	329	0	0	0	0	344	0	0	344	344	0	0	0	0	353	0	0	353	350	
Inflation - Other	140	170	70	0	0	0	0	240	329	60	60	30	0	0	0	0	90	130	60	60	30	0	0	0	0	90	130	
Inflation Charging	-200	0	0	0	0	0	0	0	-200	-200	0	0	0	0	0	0	0	-200	-200	0	0	0	0	0	0	0	-200	
Annual	3790	1385	443	263	329	758	0	3178	6645	2718	879	210	130	344	580	0	2143	4710	2770	809	220	130	353	590	0	2102	4709	
New Service Pressures																												
Additional Scottish Government Funding Demographics (Older People)	4007	1228	0	0	0	0	0	1228	5235	-477	0	0	0	0	0	0	0	-477	0	0	0	0	0	0	0	0	0	
Demographics (Older People) - (Confirmed)	1140	100	0	0	0	0	0	100	1240	700	100	0	0	0	0	0	100	800	950	100	0	0	0	0	0	100	1050	
Demographics (Excluding Older People)	0	0	0	0	0	0	0	0	0	250	0	0	0	0	0	0	0	250	0	0	0	0	0	0	0	0	0	
Legal - Carers / Complex Care / Free Personal Care	100	0	0	0	0	0	0	0	100	300	0	0	0	0	0	0	0	300	300	0	0	0	0	0	0	0	300	
National Priorities - Action 15/District Nursing/PCIF	970	1000	0	0	0	0	0	1000	1970	125	0	0	0	0	0	0	0	125	150	0	0	0	0	0	0	0	150	
Drugs	0	255	0	0	0	600	0	855	855	0	54	0	0	0	300	0	354	354	0	55	0	0	0	0	0	55	55	
Other /Remobilisation Costs from 2023/24	0	0	0	0	658	0	0	658	658	0	0	0	0	229	0	0	229	229	0	0	0	0	235	0	0	235	235	
Strategic Commitments - Prevention	0	0	120	0	0	0	0	120	33	100	100	-120	0	0	0	0	-120	168	0	0	0	0	0	0	0	0	0	
Annual	250	0	0	0	0	0	0	250	0	0	0	0	0	0	0	0	0	0	1400	155	0	0	235	0	0	390	1790	
Planned Expenditure	6467	2583	120	0	658	600	0	3961	10341	998	254	-120	0	229	300	0	663	1749	1400	155	0	0	235	0	0	390	1790	
Initial Annual Shortfall	68717	54269	14483	9136	22935	39646	15629	156098	214257	70345	54787	14541	8958	23488	40526	15629	157929	217674	74284	55166	14761	9288	24046	41116	15629	160006	223528	
Less Planned Interventions	-3335	984	-162	-408	-237	-700	0	-523	-3739	-3840	1350	-10	-100	-333	-1000	0	-93	-3925	-6079	1866	-10	-300	-527	-1000	0	29	-6040	
ACM - Residential Care Home Review - Peripatetic Nursing	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	
ACM - Internal Care Home Review	250	0	0	0	0	0	0	250	250	0	0	0	0	0	0	0	0	250	0	0	0	0	0	0	0	0	0	
ACM - Stroke Rehabilitation Pathway	0	70	0	0	0	0	0	70	70	0	70	0	0	0	0	0	70	70	0	0	0	0	0	0	0	0	0	
ACM - Extended Inpatient Review	0	75	0	0	0	0	0	75	75	0	225	0	0	0	0	0	225	225	0	0	0	0	0	0	0	0	0	
ACM - Psychiatry of Old Age Review	0	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	100	100	0	100	0	0	0	0	0	100	100	
ACM - Care at Home	0	0	0	0	0	0	0	0	0	30	0	0	0	0	0	0	30	30	20	0	0	0	0	0	0	20	20	
EMT Reviews (inc for Hosted Services)	130	170	32	8	0	0	0	210	317	250	340	0	0	0	0	0	340	590	250	340	0	0	0	0	0	340	590	
Supported Accommodation Review	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	
Learning Disability Improvement Plan	208	0	0	0	0	0	0	208	101	101	0	0	0	0	0	0	0	101	0	0	0	0	0	0	0	0	0	
Physical Disability Improvement Plan	100	0	0	0	0	0	0	100	100	100	0	0	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	
Non-Recurring (Savings)	1400	300	0	300	0	0	0	600	2000	-700	-150	0	-200	0	0	0	-350	-1050	-700	-150	0	-100	0	0	0	-250	-950	
GP PX (Additional Savings)	0	0	0	0	20	0	0	20	20	0	0	0	0	30	0	0	30	30	0	0	0	10	0	0	0	10	10	
Total Interventions	2088	615	32	308	20	0	0	975	3040	231	585	0	-200	30	0	0	415	646	-430	290	0	-100	10	0	0	200	-230	
Revised Planned expenditure	66629	53654	14451	8828	22915	39646	15629	155123	211217	70114	54202	14541	9158	23458	40526	15629	157514	217028	74714	54876	14761	9388	24036	41116	15629	159806	223758	
Revised Shortfall	-1247	1599	-130	-100	-217	-700	0	452	-699	-3609	1935	-10	-300	-303	-1000	0	322	-3279	-6509	2156	-10	-400	-517	-1000	0	229	-6270	
Adjustment For Hosting	0	0	95	0	0	0	0	95	95	0	0	7	0	0	0	0	7	7	0	0	7	0	0	0	0	7	7	
Final Shortfall	-1247	1599	-35	-100	-217	-700	0	547	-699	-3609	1935	-3	-300	-303	-1000	0	329	-3279	-6509	2156	-3	-400	-517	-1000	0	236	-6270	

Note - Gross Health Total is before adjusting for Hosted Services (Angus) recharged to other IJBs

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.
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.
Funding Assumptions			
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 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 – 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.
Cost Pressures			
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 (Future years)	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.
Planned Interventions			
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.
Other			
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.