



**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD – 22 JUNE 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 at the end of the financial year 2021/22. It also provides an update on the impact of COVID-19 on the IJB's financial position, an update on reserves, financial risks and financial governance.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board:-

- (i) Notes the overall financial position of Angus IJB for 2021/22;
- (ii) Notes the update on Reserves (Appendix 2)
- (iii) Notes the issues documented regarding Financial Governance (Appendix 3).

**2. BACKGROUND**

The report describes the 2021/22 year end financial position for Angus IJB, including NHS Directed Services, Angus Council Directed Services, the financial impact of COVID-19, reserves and financial risk.

Information contained in this report is management information and therefore varies from what is set out in the IJB annual accounts which reflects reserves adjustments.

The IJB's detailed year end financial position for 2021/22 is set out in Appendix 1. This shows the overall projected management position for Angus IJB for the year to March 2022 is an under spend of c£3.890m. This is after allowing for the costs of COVID-19. This position has improved from the April IJB report with the main movements due to a combination unexpected improvements against prescribing costs and a number of service areas having further unfilled vacancies linked to recruitment issues.

**3. CURRENT POSITION**

**NHS Directed Services**

- 3.1 Large Hospital and Community Health Services** - Reflects progress made in both this year and previously with the majority of services reporting an under spend. However, some unplanned under spends are attributable to recruitment issues (e.g. difficulties in recruiting staff or delays in recruiting staff). Angus HSCP workforce plan is subject to a separate report at the June IJB and focuses on addressing the workforce challenges.

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, this service continues to experience

high level of occupancy, acuity and complexity. This has placed an increased pressure on staffing levels and has led to the over spend for 2021/22.

Collectively these factors contributed to the reported under spend of c£2.243m, some of it non-recurring, against Local Hospital and Community Health Services. This under spend is consistent with the IJB's overall financial plan in that it is intended to offset overspends elsewhere (e.g. within Adult Services).

- 3.2 Services Hosted in Angus on Behalf of Tayside IJBs** - The impact on COVID-19 has been significant within Out of Hours Services with changes to the patient pathway as a consequence of COVID-19 now embedded in the service model leading to the service overspend in 2021/22. The service is reviewing the future model of care and associated workforce requirements and this information will be shared with other Tayside IJBs.

Forensic Services has seen some core operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe. This has resulted in a service overspend in 2021/22.

As a result of these in year pressures, the combined effect of the above is one of a reported year end overspend of c£0.141m for the Angus share of these costs, a slight improvement on previous projections.

- 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 reported year end position for these services is an under spend of c£0.232m, and has improved from the previous report as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plans has contributed to an increased pressure against Palliative Care Services, along with unresolved saving targets with these overspends mainly offset by a range of service under spends some of which relate to unfilled vacancies linked to recruitment issues.

<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	(98)
Brain Injury	1,857	138
Sexual & Reproductive Health	2,335	285
Psychology	5,734	579
Dietetics (Tayside)	3,793	21
Other Services Hosted in Dundee	2,547	270
Balance of Savings Target	(546)	(546)
Grand Total	22,281	650
<b>Angus Share (27.1%)</b>	<b>6,038</b>	<b>176</b>
<b>Angus Share of Services Hosted in Perth &amp; Kinross</b>		
Podiatry (Tayside)	3,304	266
Prison Health Services	4,393	67
Public Dental Service	2,228	121
Other Services Hosted in Perth	99	58
Balance of Savings Target	(306)	(306)
Grand Total	9,718	206
<b>Angus Share (27.1%)</b>	<b>2,634</b>	<b>56</b>
<b>Total Angus Share of Services Hosted Elsewhere</b>	<b>8,672</b>	<b>232</b>

- 3.4 Family Health Services (FHS) Prescribing** - COVID-19 initially caused significant disruption to patterns of spend within Prescribing. Prescribing data available to January 2022 shows higher volumes compared with both 2020/21 and volume growth planning assumptions

allowed for in the financial plan. The most recent weighted average price per prescription is slightly lower than financial planning expectations which is reflected in year to date information and forecasting. In addition there has been a further benefit in the reported position due to rebates been higher than assumed in the financial plan.

The final outturn position has improved from the previous projections as a result of unexpected improvement against prescribing costs as detailed above with January's changes having an impact on accruals for February and March.

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 in previous reports, the IJB is exposed to over spends 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 currently operationally managed by NHS Tayside. However, resources do remain formally devolved to the IJB for Strategic Planning purposes and are reported into the Partnership's financial position.

While 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. NHS Tayside has been seeking to reach agreement with IJBs as to how this overspend is managed and funded in future years. While a position has been reached for 2021/22, this issue 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 and those risks may be beyond those previously captured in the IJB's Strategic Financial Plan.

- 3.7 Large Hospital Services** – The Board will recall the 2021/22 budget was £8.290m. However, the budget is re-set annually to match most recent activity and pricing levels. The value of this break-even budget has been re-set to £8.569m for 2021/22. It is important to note that this figure does not reflect recent COVID-19 impacted activity levels or additional costs associated with COVID-19, but is the most current information available within NHS Tayside for determining a notional value for this resource.

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** – Noting the impact of COVID-19, specifically on Out of Hours Services, the overall 2021/22 year end position was an under spend of c£2.802m. This position has improved from the April IJB report mainly as a result of unexpected improvements against prescribing costs and a number of service areas having further unfilled vacancies linked to recruitment issues. 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 has reported a year end over spend of c£0.727m. This position includes the additional cost associated with COVID-19 equating to c£2.128m. The financial position at year end is consistent with the projected financial position as reported in April 2022 but with some movement within services which are detailed below.

As previously noted, demographics continued 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. 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 outturn position for Key Provider Support costs which had previously been captured against Care and Assessment within Older People Services has now been allocated to the individual service areas therefore creating movement particularly within Management and Administration (£0.006m) and Community Mental Health (£0.300m). Key Provider Support costs will continue into 2022/23 and Finance will review how this information is presented against our outturn.

Substance Services had previously captured ring fenced grant income as part of the position. However, the treatment of this income has now been amended with the grant being carried forwarded in accordance with the grant stipulation.

As previously noted, income management processes and procedures have been refined and reporting improvements regarding charging orders which have now been addressed in our year end reported position. Finance is implementing new processes to prevent this issue from arising in future.

Pressures remain 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.

**3.10 Centrally Managed Budget** - the Centrally Managed Budget reported a year end under spend of c£1.815m reflecting the 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 needs to be addressed between the two partners on a permanent bases and this will be progressed moving forward.

**3.11 Overall Position Regarding the IJB** - The final year end position is an under spend of c£3.890m. This position has improved from the April IJB report with the main movements due to a combination unexpected improvements against prescribing costs and a number of service areas having further unfilled vacancies linked to recruitment issues.

**3.12 Financial Impact of COVID-19** – The yearend financial impact of COVID-19 was £3.404m, remaining close to prior reported positions. Previously these costs were contained through offsetting variances on services. This treatment has now partly changed to allow for some of the COVID-19 reserves funding against these costs. It has been possible to manage COVID-19 costs due to a range of factors including starting 2021/22 following a positive out-turn position in 2020/21, unmet need within care at home and in year service under spends mainly linked to recruitment issues. As a consequence of this the IJB utilised only part of the specific Scottish Government funding for COVID-19.

The main areas of spend were as follows;

- £2.4m Key Provider Support costs
- £0.5m Additional staffing costs, including General Practice and Out of Hours
- £0.1m Additional Personal Protective Equipment (PPE) costs
- £0.1m Additional Prescribing costs
- £0.3m Other costs including investment in technology and supporting Third Sector Mental Health Providers

As previously noted, at the end of February the IJB received a further Scottish Government COVID-19 allocation of c£11.843m with the expectation unused funding will be carried forward in a ring fenced earmark reserve. There are significant caveats and conditions aligned to the use of this funding and the IJBs Executive Management Team is having ongoing discussions on the deployment of this funding.

The carry forward funding noted above provides good reassurance that approved non-recurring costs will be supported in 2022/23.

The financial risks regarding COVID-19 in 2022/23 and beyond 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 some of the long term impact of COVID-19 is not known but may impact on our Strategic Commissioning Plan and Strategic Financial Plan.

**3.13 Progress with Strategic Financial Plan (Planned Interventions)** - there is no change from the April IJB report. However, as part of the budget process all planned interventions have been re-set and captured in the Strategic Financial Plan for 2022/23 to 2024/25.

At the last IJB meeting in April, a question was raised about additional funding to IJB's that may result from the new Health and Social Care Levy. The Scottish Government have now confirmed that the benefit from that levy has already materialised in terms of the additional funding already factored into the IJB's Strategic Financial Plan following new Scottish Government allocations in 2021/22 and 2022/23.

#### **4. FINANCIAL IMPLICATIONS**

From the above and attached appendix 1 it can be seen that the IJB is reporting an overall operational under spend of c£3.890m. The improvement since the last report has been described earlier and is attributable to a range of factors. As described in section 3, the year-end financial position is supported by short term benefits.

The position is materially better than was predicted in the Strategic Financial Plan at the start of the financial year. The main factors that have contributed to this have been noted above and previously including:

- Unfilled vacancies linked to staff turnover and recruitment challenges across various services.
- Unmet need within care at home.
- A number of non-recurring factors – including delays in the implementation of projects\local improvement works.

There remains underlying inflationary and demographic pressures and offsetting variances between services. Slippage in progress with delivery of planned interventions is also an increased risk and this will have an effect on longer term plans.

The overall financial position of the IJB does have a material impact on the way Angus IJB provides services in the future. By making ongoing progress with delivering efficiencies alongside service redesign and modernisation, the IJB will be most able to deliver the services it requires to deliver to the local population on a sustainable basis.

As the IJB is reporting a year end under spend the impact of the IJB's financial position for both Angus Council and NHS Tayside is neutral. Per the Integration Scheme, the IJB initially retains any year end under spend within IJB reserves. The IJB reserves are described in more detail in Appendix 4.

In future years, should the IJB report a year end overspend then, in the first instance IJB reserves will require to be used to address any over spend. Beyond that the stipulations of any updated Integration Scheme will come into effect. The use of significant IJB reserves will only provide short term relief and when a recurring shortfall emerges the IJB will require a series of financial planning responses beyond those already in progress.

For information, while the IJB's management reporting describes a year end under spend of c£3.890m, the IJBs financial accounts will reflect an under spend of c£18.068m. This difference reflects the flow of funds in and out of the IJB's reserves, including the additional COVID-19 allocation in February 2022 (c£11.843m) and other issues described in Appendix 3.

## 5. RISK

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. The Angus IJB Strategic Financial Plan (report 27/22, Appendix 2) detailed the current financial risks and this remains unchanged. Although the review of the Scheme of Integration has progressed and any associated emerging financial risks will be captured in future reiterations of this Appendix. Many of the finance risks are IJB wide risk including funding levels and risks regarding financial planning.

<b>Risk Description</b>	Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services.
<b>Risk Category</b>	Strategic
<b>Inherent Risk Level</b>	Likelihood 5 x Impact 5 = Risk Scoring 25 (very high risk level). No change.
<b>Mitigating Actions</b>	Funding - Ongoing dialogue with NHST, Angus Council and, via national forums, Scottish Government.  Progress with Strategic Plan - Monitor via management forums and report to IJB regularly. Considering a review of oversight forums.  Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside.  Finance Support - Staff recruitment issues gradually being addressed.  Financial Governance – Long standing issues monitored via Audit Committee.
<b>Residual Risk Level</b>	Likelihood 5 x Impact 4 = Risk Scoring 20 (very high risk level). No change.
<b>Planned Risk Level</b>	Likelihood 4 x Impact 4 = Risk Scoring 16 (high risk level). No change.

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.

As per report 27/22 (Angus IJB Strategic Financial Plan), there remain unresolved budgetary issues with NHS Tayside as follows:-

- Large Hospital Set Aside Resources.
- Complex care Historic Funding.
- In Patient Mental Health – Financial Management and Funding Issues.

These will continue to be progressed with both partners.

## 6. OTHER IMPLICATIONS (IF APPLICABLE)

N/A

## 7. EQUALITY IMPACT ASSESSMENT

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

## 8. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside. 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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List of Appendices:

Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2021/22  
Appendix 2: IJB Reserves 2021/22  
Appendix 3: Financial Governance

## Appendix 1 Angus Health and 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	(98)	5,468	(98)
Medicine For The Elderly			6,672	842	6,672	842
Minor Injuries + Illness Units			1,945	289	1,945	289
Community Nursing			5,818	106	5,818	106
Management & Admin	1,131	(187)			1,131	(187)
Care at Home	4,959	228			4,959	228
Intermediate Care	376	(3)			376	(3)
Community Support	770	11			770	11
Supported Accommodation	522	84			522	84
Internal Residential	5,344	271			5,344	271
Care and Assessment	26,018	(167)			26,018	(167)
Community Mental Health	2,230	(139)			2,230	(139)
<b>Older Peoples Service</b>	<b>41,350</b>	<b>99</b>	<b>19,904</b>	<b>1,139</b>	<b>61,254</b>	<b>1,237</b>
<b>General Adult Psychiatry</b>	<b>3,290</b>	<b>(128)</b>	<b>3,033</b>	<b>112</b>	<b>6,323</b>	<b>(16)</b>
Admin Community Support	2,852	141			2,852	141
Non Residential Care	7,398	(369)			7,398	(369)
Residential Care	5,794	463			5,794	463
Learning Disability(Angus)			610	72	610	72
<b>Learning Disability</b>	<b>16,044</b>	<b>235</b>	<b>610</b>	<b>72</b>	<b>16,653</b>	<b>307</b>
<b>Physical Disabilities</b>	<b>4,482</b>	<b>(1,224)</b>	<b>0</b>	<b>0</b>	<b>4,482</b>	<b>(1,224)</b>
<b>Substance Misuse</b>	<b>1,400</b>	<b>137</b>	<b>1,145</b>	<b>116</b>	<b>2,545</b>	<b>253</b>
<b>Community Services</b>						
Physiotherapy			2,512	209	2,512	209
Occupational Therapy	1,440	(56)	670	118	2,110	62
Joint Store	765	(5)			765	(5)
Anti-Coagulation			236	46	236	46
Primary Care			1,325	4	1,325	4
Carers	641	(4)			641	(4)
Homelessness	871	(2)			871	(2)
Other Community Services			1,670	133	1,670	133
<b>Community Services</b>	<b>3,717</b>	<b>(68)</b>	<b>6,413</b>	<b>511</b>	<b>10,130</b>	<b>443</b>
<b>Planning / Management Support</b>						
Centrally Managed Budget	(59)	(59)			(59)	(59)
Ijb Management	1,955	281	1,700	294	3,655	574
<b>Planning / Management Support</b>	<b>1,896</b>	<b>221</b>	<b>1,700</b>	<b>294</b>	<b>3,595</b>	<b>515</b>
<b>Local Hospital and Community Health Services</b>			<b>32,804</b>	<b>2,243</b>		
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>						
Forensic Service			1,078	(244)	1,078	(244)
Out of Hours			8,524	(350)	8,524	(350)
Speech Therapy (Tayside)			1,241	52	1,241	52
Locality Pharmacy			3,039	0	3,039	0
Tayside Continence Service			1,517	14	1,517	14
Hosted Services Centrally Managed Budget			61	10	61	10
Hosted Services Recharges to Other IJBs			(11,271)	378	(11,271)	378
<b>Services Hosted in Angus on Behalf of Tayside IJBs</b>	<b>0</b>	<b>0</b>	<b>4,190</b>	<b>(141)</b>	<b>4,190</b>	<b>(141)</b>
<b>Services Hosted Elsewhere on Behalf of Angus IJB</b>	<b>0</b>	<b>0</b>	<b>8,672</b>	<b>232</b>	<b>8,672</b>	<b>232</b>
GP Prescribing			22,062	38	22,062	38
Other FHS Prescribing			179	573	179	573
General Medical Services			19,675	(162)	19,675	(162)
Family Health Services			14,823	20	14,823	20
In Patient Mental Health Services			8,304	0	8,304	0
Large Hospital Set Aside			8,569	0	8,569	0
<b>Total</b>	<b>72,179</b>	<b>(727)</b>	<b>119,278</b>	<b>2,802</b>	<b>191,456</b>	<b>2,075</b>
Centrally Managed Budget	1,849	213	14,261	1,603	16,109	1,815
<b>Grand Total</b>	<b>74,027</b>	<b>(515)</b>	<b>133,539</b>	<b>4,405</b>	<b>207,565</b>	<b>3,890</b>



## Appendix 2: 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.

Reflecting the IJB's reported financial accounting position, the table below shows a big increase in year-end reserves. The primary factors includes:-

1. As previously noted the Scottish Government allocated £11.8m of further COVID-19 funding to Angus in February 2022 with the expectation that any uncommitted funds will be carried forward via reserves. As the IJB has been able to largely contain COVID-19 net financial impact, this COVID-19 funding has increased ear-marked reserves.
2. Increases in existing Scottish Government ear-marked reserves, including Primary Care improvement Fund, Mental Health Action 15, Alcohol and Drugs Partnership Fund and District Nurses by a total of c£1m. Some of these reserves have seen slower spend in 2021/22 due to COVID-19 issues and recruitment challenges. It is anticipated these factors will gradually resolve them selves in early 2022/23.
3. New Scottish Government funded ear-marked reserves have been created in-year with limited spend. This includes Winter Planning monies for Expanding Care at Home, Interim Care, Multi-Disciplinary Teams, Health Care Support Workers; General Dental Services, Mental Health Facilities Project and Post Diagnostic Support – with an overall creation of new reserves by c£3m.
4. As the IJB has reported a "management" accounting under spend of c£3.890m, this also increases reserves.

The overall level of reserves is now much greater than at March 2020 (c£8.5m). This is consistent with the national picture and reflects all the factors above. The scale of March 2022 reserves reasonably warrants further consideration and the IJB will have to work flexibly and responsively within the Scottish Government defined constraints associated with many of these reserves – e.g. caveats associated with funding or ensuring funding is committed in line with notified national policy objectives. It is over-simplistic to assume that ear-marked reserves can be re-determined locally and the IJB has to be mindful of this.

**General Reserves** – In April 2021 the IJB held 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. At the year end, and agreed previously, the IJB is able to revise its "contingency" reserve up by £0.500m to reflect increased turnover giving a year end reserve of £5.250m.

**Ear-marked Reserves** - The IJB's ear-marked reserves are listed in the table below and noted above. Evolving financial plans exists 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. It should be noted that all of the "ear-marked reserves" funding allocated by the Scottish Government must be used on the specific allocation criteria and hence these funds are ring fenced for this purpose only.

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

**Strategic Plan Reserve** - Opening value at 1 April 2021- £1.850m, but increased during the year. This resource is managed over the duration of the Strategic Financial Plan (now to March 2025) and is overseen by the Strategic Planning Group. Spend in 2021/22 has been lower than planned due to COVID-19 but also as some commitments were contained within core budgets. The yearend reserve is £2.290m.

**Financial Planning Reserve 2020/21** – Opening value at 1 April 2021 - £1.751m. This reserve has been depleted.

**Financial Planning Reserve 2021/22** – Opening value at 1 April 2021 - £1.672m. This reserve has been utilised as per previous IJB Report (26/22).

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

**Financial Planning Reserve 2021/22** (new) – £1.090m. As previously agreed, the IJB's "management accounting" variance (after increasing the contingency reserve and creating a new ear-marked Property reserve per report 26/22) will be placed in this new reserve. The application of these funds will be considered in due course.

**Property Reserve (new)** - £3.300m. This reserve has been created as per previous report (26/22)

Table 2 below shows the reported year end position regarding reserves. This will be reported in the IJB's Annual Accounts. The table below reflects the changes noted above.

<b>Table 2 Angus IJB Reserves</b>	<b>Reserves at 28 Feb 2022</b>	<b>Change in Year</b>	<b>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>General Fund Balance (Usable Reserve) - General Reserve</b>	<b>4,750</b>	<b>500</b>	<b>5,250</b>	Adjustment to reflect increase in IJB's turnover
<b>General Fund Balance (Ear-Marked Reserves)(Local)</b>				
Strategic Plan Reserve	2,522	(232)	2,290	Reserve managed by Strategic Planning Group
Financial Planning Reserve 2020/21	1,451	(1,451)	0	Per Report 54/21
Financial Planning Reserve 2021/22	1,000	(1,000)	0	Per Report 26/22
Financial Planning Reserve 2022/23	0	1,090	1,090	Per Report 26/22
Mental Health Strategy Reserve	300	(300)	0	Per Report 54/21
Property Reserve	0	3,300	3,300	Per Report 26/22
	<b>5,273</b>	<b>1,407</b>	<b>6,680</b>	
<b>General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)</b>				
Primary Care Improvement Fund	1,666	982	2,648	Plans for partial deployment (report 8/22)
Mental Health Action 15	331	358	689	Plans being developed
Primary Care Transformation Fund	195	(13)	182	Plans being developed
Primary Care Premises	102	143	245	Plans being developed
Alcohol & Drug Partnership Fund	63	446	509	Plans being developed
Forensic Medical Services	33	(26)	7	Fully committed
Drug Death Task Force	101	(34)	67	Plans being developed
District Nursing Workforce	47	1	48	Recruitment of staff across 2 financial years
COVID-19	4,433	(517)	3,916	Funding to be ear-marked for future COVID-19 implications
COVID-19 (February 2022)	0	11,843	11,843	Significant caveats and conditions to the use of this funding
Community Living Change	392	0	392	Awaiting updated plan from Service Lead
Workforce Wellbeing Primary and Social Care	0	37	37	Plans being developed

Mental Health Facilities Project	0	324	324	Plans being developed
Mental Health Primary Care Development	0	31	31	Plans still to be developed for non recurring funding
General Dental Services	0	221	221	Plans developed
Community Nursing Neurological Care	0	42	42	Awaiting updated plan from Service Lead
Dementia Post Diagnostic Support	0	70	70	Recruitment of staff across 2 financial years
Unscheduled Care	0	73	73	Plans developed
Interim Care	0	954	954	Plans still to be developed for non recurring funding
Expanding Care at Home	0	837	837	Plans still to be developed for non recurring funding
Multi-Disciplinary Teams	0	252	252	Plans still to be developed for non recurring funding
Health Care Support Workers	0	137	137	Plans still to be developed for non recurring funding
	7,363	16,161	23,524	
<b>Total General Fund Balance (Ear-Marked Reserves)</b>	<b>12,636</b>	<b>17,568</b>	<b>30,204</b>	
<b>Total General Fund Balance</b>	<b>17,386</b>	<b>18,068</b>	<b>35,454</b>	

### Appendix 3: 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	Limited Progress - See separate IJB report (81/20) – 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 6 years.	The lack of progress undermines the IJB's ability to fully direct resources within the IJB's Strategic Plan. Noting that pre-COVID 19 information did 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 update report to the June 2021 IJB (17/21). The Partnership is in discussions with NHS Tayside on this issue including work through Planned Care and Unscheduled Care Boards. However this has been delayed 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 - IJB intends to develop a consolidated information set regarding locally hosted services covering Finance, Performance and Risks.	This continues to be work in progress with that progress delayed due to COVID. Finance information now well developed with plans developing to link in with broader reporting re Hosted Services. An approach to performance reporting for 'hosted' services has been agreed with Dundee and Perth & Kinross HSCTPs
Review Corporate Support arrangements with Partners.	Limited Progress -- 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 6 years.  The revised Integration Scheme notes... “The Parties agree that the Chief Officer will have appropriate corporate support and a senior team of 'direct reports' in order to fulfill their accountability for the Strategic Plan and for the safe, efficient and effective operational management and performance of integrated services and to provide the IJB oversight of delegated, inpatient mental health, inpatient learning disability and inpatient drug and alcohol functions, to the population of Angus.”	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.  The revised Integration Scheme does not provide a ready-made solution or vehicle for solution of this long-standing issue.	CO - Ideally a comprehensive response to be considered with both partners simultaneously as part of a review of the Integration Scheme.	While the Integration Scheme has now been subject to public consultation, it provides no ready-made solution of vehicle for solution to this issue. This is potentially a missed opportunity and the IJB and partners will have to continue to work together to address this issue as the provision of support services remains outstanding and continues to be an area of risk and uncertainty for the IJB.  It is important to note that progress has been made regarding Finance support during 2020/22.
Review IJB's overall governance framework	Good 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 – The updated Integration Scheme should provide increased governance clarity.	While the Integration Scheme has now been subject to public consultation, and will be progressed by partners.

Development of IJB Risk Appetite	Limited Progress – Was consider in 2021 Risk Management development session but capacity to progress has been limited since then.	The development of an IJB Risk Appetite will strengthen the overall governance arrangements of the IJB.	CO – An IJB Risk Appetite to be developed.	Resolving this issue has been deferred due to the impact of COVID-19. It is intended to make progress in 2022/23.
Development of Performance and Resources oversight function.	Limited Progress – Capacity to develop proposals has been limited.	The development of improved oversight will strengthen the overall governance arrangements of the IJB.	CO – To be progressed in 2022/23.	Resolving this issue has been deferred due to the impact of COVID-19. It is intended to make progress in 2022/23.

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. Progress on some outstanding governance improvements has been inhibited by the pressures of dealing with COVID-19.