



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 24 AUGUST 2022

FINANCE REPORT – 2022/23

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The purpose of this report is to provide Angus Integration Joint Board (IJB) with an update on the financial position of Angus IJB including financial projections for 2022/23, the impact of COVID-19 on the IJB financial position.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) accept the overall projected financial position of Angus IJB for 2022/23;
- (ii) Agree to devolve authority to the IJB's Chief Officer and Chief Finance Officer to participate in and conclude any discussions required with NHS Tayside regarding COVID-19 funding allocations that are reflective of national guidance for services out-with the IJB, taking into account potential COVID-19 related costs within the IJB during 2022/23, and up to the level of committing 70% of the 2021/22 allocation of £11.843m (£8.260m);
- (iii) Notes the issues documented regarding Financial Governance (Appendix 3).

2. BACKGROUND

The report describes the most recent financial monitoring and projection information for Angus IJB for financial year 2022/23, based on information to the end of July 2022, including NHS Directed Services, Angus Council Directed Services, the financial impact of COVID-19, reserves and financial risk.

Information contained within this report reflects estimates for the whole of 2022/23 and consequently, given the stage in the financial year, further reviews of projections will be undertaken which will lead to future adjustments in information.

The IJB's detailed projected financial position for 2022/23 is set out in Appendix 1. This shows that the overall projected financial position for Angus IJB for the year to March 2023 is a projected under spends of c£3.321m.

It is important to note that should the IJB ultimately overspend in any financial year (i.e. after the implementation of a recovery plan and use of available reserves), then that overspend will be apportioned to Partner organisations in proportion to the spending directions to each party. That percentage share was previously estimated at: Angus Council: 36%; NHS Tayside: 64%. The updated Integration Scheme now notes that "Where the parties make additional payments to cover an overspend then the Parties will discuss whether recovery of those additional payments in future years from the IJB should be pursued. In the event that the Parties agree that the recovery of additional payments is to be pursued this will be over a maximum period of 3 years on a basis and repayment profile to be agreed between the Parties, in consultation with the IJB. Consideration of whether to recover additional payments

made by the Parties will be informed by an assessment of the reasons for these payments and the implications for the Parties and IJB of doing so.

3. CURRENT POSITION

NHS Directed Services

- 3.1 Large Hospital and Community Health Services –** Continue to reflect good progress made in both this year and previously with the majority of services currently projecting under spends or breakeven positions. However this projected under-spend is higher than expected with some of this relating to unfilled vacancies linked to staff turnover and recruitment challenges across various services. This projected position makes a positive contribution to the IJB's financial position for 2022/23.

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 still ongoing, the service continues to experience high levels of occupancy, acuity and complexity. This in turn has placed increased pressure on staffing levels and this and has led to the projected over spend for 2022/23.

Collectively these factors contributed to the reported projected under spend of c£1.719m, 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 of COVID Remobilisation has been significant within Out of Hours Services with changes to the patient pathway as a direct consequence of COVID-19 now embedded in the service model leading to the service projected overspend in 2022/23 of c£0.750m. The service continues to review the future model of care and associated workforce requirements and this information will be shared with other Tayside IJBs.

Forensic Services continue to have core operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe. The outcome of which is a projected overspend in 2022/23 of c£0.222m.

As a result of in year pressures, the combined effect of the above is one of a reported year end overspend of c£0.266m for the Angus share of these costs and there is some offsetting funding locally to support these costs.

In future reports Services Hosted will be known as Lead Partner Services a change proposed as part of the revision to the Integration Scheme.

- 3.3 Services Hosted Elsewhere on Behalf of Angus IJB -** As the IJB will be aware a number of devolved services are managed by other IJBs on behalf of Angus IJB. The projected year end position for these services is an under spend of c£0.095m, as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plans is continuing to contribute to an increased pressure against Dietetics and Public Dental 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.

Table 1 - Services Hosted in Dundee and Perth IJBs on Behalf of Angus IJB	Annual Budget (£k)	Projected (Over) / Under (£k)
Angus Share of Services Hosted in Dundee		
Palliative Care	6,653	65
Brain Injury	1,873	75
Sexual & Reproductive Health	2,349	230
Psychology	5,575	250
Dietetics (Tayside)	3,380	(80)
Other Services Hosted in Dundee	2,877	136
Balance of Savings Target	(546)	(546)
Grand Total	22,162	130
Angus Share (27.1%)	6,006	35
Angus Share of Services Hosted in Perth & Kinross		
Podiatry (Tayside)	3,351	392
Prison Health Services	4,104	120
Public Dental Service	1,501	(44)
Other Services Hosted in Perth	162	2
Balance of Savings Target	(306)	(249)
Grand Total	8,811	220
Angus Share (27.1%)	2,388	60
Total Angus Share of Services Hosted Elsewhere	8,394	95

3.4 Family Health Services (FHS) Prescribing - COVID-19 initially caused significant disruptions to patterns of spend within Prescribing. Within the financial plan it was assumed we would see 3% volume growth in 2022/23 as we moved closer to normal working patterns. At present there are only two months of 2022/23 prescribing data available, to May 2022, which shows higher volumes compared with the previous year, and also slightly higher than allowed for in the 2022/23 financial plan. The most recent weighted average price per prescription is slightly lower than financial planning expectations reflecting recent Scottish Government drug price adjustments.

The yearend projection reflects actual prescribing information to May, with the remaining months of the year projected to assume growth in line with financial planning expectations.

Generally progress has previously 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. However, workforce issues may undermine the capacity to support some prescribing improvement measures.

While the above makes comparison with local budgets difficult, the IJB can also compare its costs with Scottish averages. In financial year 2019/20 these costs were managed down to c3-5% above national average. Latterly, this trend has been running at about 6% over the national average placing an additional burden on the IJB. This should trigger an additional level of local review in local Prescribing Management forums.

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. This will be subject of a separate report to the IJB in the near future.

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.

An agreement was reached regarding financial management overspend of these resources for 2021/22. NHS Tayside is now seeking to reach an agreement with IJBs as to how any overspend is managed and funded in future years. This may present an increase financial risk for beyond those captured in the IJB's Strategic Financial Plan.

- 3.7 Large Hospital Services** – As at April 2022 this budget has been re-set at £8.569m based on a notional value due to the impact COVID-19 has had on hospitals activity patterns.

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. The IJB has not had the capacity to revisit this issue with NHS Tayside to date and the impact of this therefore is described as neutral in the Strategic Financial Plan.

- 3.8 Overall Position Regarding NHS Directed Services** – The overall reported projected 2022/23 position based on early information suggests an under spend of c£1.804m. It is important to remind ourselves that looking at this figure in isolation from Angus Council Adult Services is not entirely meaningful and the IJB did plan for under spends on the above resources to offset Angus Council Adult Services overspends.

- 3.9 Angus Council Directed Services (Adult Services)** - For financial year 2022/23 Adult Services is projecting a yearend under spend of c£0.896m. This is after allocating Scottish Government funding of c£0.9m against COVID-19 costs.

As has been noted previously demographics continues to be the largest pressure on resources. The impact of COVID-19 has seen a shift in demand between Care Homes and Care at Home. 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 £1.400m.

COVID-19 Provider Support costs are captured against individual service area and estimates for this spend continue to be dependent on the data intelligence system for quantifying the costs. Provider support will continue until September 2022 therefore highly level projections of expected costs have been made. There is always an acknowledged scope for movement on these estimates and we will continue to monitor closely.

Pressures remain within the Physical Disability service and as noted at previous meetings, the service has developed an Improvement Plan (IJB 41/21) which we will continue to progress during 2022/23.

The IJB has been in discussions with NHS Tayside and Angus council to seek a resolution to the long-running unresolved funding for Complex Care services. These discussions have not yet concluded but it is anticipated to have a resolution by the next meeting of the IJB.

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

It is important to recall that the IJB's Strategic Financial Plan previously did anticipate recurring overspends regarding Adult Services with offsetting under spends elsewhere in the IJB. This structural imbalance requires to be addressed within the IJB's overall financial framework on a permanent bases and this will be progressed moving forward.

- 3.11 Overall Position Regarding the IJB** - The overall projected year end position is an under spend of c£3.321m. This figure remains a high level estimate based on early information.

- 3.12 Financial Impact of COVID-19** – As previously noted the Scottish Government allocated £11.843m of further COVID-19 funding to Angus in February 2022 with the expectation that any uncommitted funds would be carried forward via a ring-fenced reserve. As the IJB was

largely able to contain the COVID-19 financial impact in 2021/22, this full funding is retained as a COVID-19 reserve. The IJB also retains a COVID-19 reserve from 2020/21 of £3.916m.

During July 2022, the IJB made an initial assessment of potential COVID 19 costs for 2022/23 and on a recurring basis (noting that the Scottish Government is largely wanting IJB's to mainstream COVID-19 related spend as soon as is practical). This July 2022 assessment suggested local costs of c£1.2m in 2022/23 (heavily dependent on a series of assumptions including re scope) and costs of c£0.4m per annum for 2023/24. The projections currently do not include costs associated with In Patient Mental Health costs which will subsequently be factored in to overall calculations.

Noting that most IJB costs are captured in the estimates above, the guidance re these funds states:

- Funding “is being provided for Integration Authorities, which includes funding for a range of COVID-19 measures. The significant disruption to services has created a backlog of demand as well as increasing unmet need and frailty of service users. Investment is needed across day care services, care at home and to support unscheduled care, to keep people within the community, where possible and safe to do so, to avoid unplanned admissions and impacts on delayed discharges. Alongside this is the impact on mental health and services have been stepped up through, for example, Mental Health Assessment Units. This funding will also cover sustainability payments to social care providers and additional staff costs across Health & Social Care.”
- “Use of these allocations to meet COVID-19 expenditure should be agreed by the IJB Chief Finance Officer and the NHS Board Director of Finance. The funding should be targeted at meeting all additional costs of responding to the COVID pandemic in the Integration Authority as well as the NHS Board.”
- “This can be used to support continuation of costs which were funded in 2021-22 as a direct result of COVID-19.”
- “Any proposed utilisation of the earmarked reserves to meet new expenditure that had not been funded in 2021-22 will require agreement from the Scottish Government, and it will remain important that reserves are not used to fund recurring expenditure, given the non-recurring nature of COVID funding.”

Noting the reference to funds being used to support continuation of existing costs, the need to support unscheduled care and costs across the whole system (i.e. “as well as the NHS Boards”), it is now suggested that authority is devolved to the IJB's Chief Officer and Chief Finance Officer to participate in and conclude any discussions required with NHS Tayside that are reflective of national guidance for services out-with the IJB, taking into account potential costs within the IJB during 2022/23, and up to the level of committing 70% of the 2021/22 allocation of £11.843m (£8.260m). The overall allocation of funding will then be subject to further consideration in future IJB meetings and will reflect further clarification of COVID-19 related costs in local systems.

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) – At the Strategic Planning Group meeting on August 2022, each current planned intervention aligned to the Strategic Financial Plan was reviewed as per table 2 below, with this group of interventions being described as Phase 1 within our planning (i.e. Phase 1 is delivery of Current Planned Interventions).

Table 2 - Planned Interventions – Phase 1

Assumed Savings	2022/23	2023/24	2024/25	Total	Status
	£m	£m	£m	£m	
ACM - Care Home Review - Nursing	0.000	0.100	0.000	0.100	Under review - IJB EMT to consider in August 2022
ACM - Internal Care Home Review	0.250	0.250	0.000	0.500	IJB February 2022
ACM - Stroke Rehabilitation Pathway	0.070	0.070	0.000	0.140	Due to IJB - Oct 2022
ACM - Extended Inpatient Review	0.075	0.225	0.000	0.300	Due to IJB - Oct 2022
ACM - Psychiatry of Old Age Review	0.000	0.100	0.100	0.200	Due to IJB - Date TBC
ACM - Care at Home	0.000	0.030	0.020	0.050	
EMT Reviews (inc for Hosted Services)	0.317	0.590	0.590	1.497	Due to IJB - Oct 2022
Supported Accommodation Review	0.000	0.100	0.000	0.100	IJB June 2022
Learning Disability Improvement Plan	0.208	0.101	0.000	0.309	
Physical Disability Improvement Plan	0.100	0.100	0.000	0.200	
Other	0.020	0.030	0.010	0.060	
	1.040	1.696	0.720	3.456	

Beyond the above “Phase 1”, the overall financial plan sets out a recurring shortfall from 2024/25 onwards of c£6.270m. In effect without further interventions, future service pressures will remain unfunded and not manageable within available resource unless the IJB is able to resolve this issue. The Strategic Planning Group has been already tasked by the IJB to consider new planned interventions and to provide an update to IJB in December 2022. The Group has agreed to look at this in two further phases as follows:

- Phase 2 - By December 2022, to identify £3.000m of additional planned interventions to partially close out the strategic financial planning gap
- Phase 3 - By March 2023, to identify the balance of the gap £3.300m

4. PROPOSALS

The only recommendations for approval in this report are set out in Section 3.12 above.

5. FINANCIAL IMPLICATIONS

From the above and attached appendices it can be seen for 2022/23 the IJB is currently forecasting a year end under spend of c£3.321m. This contrast with the small forecast overspends set out in the IJB’s Strategic Financial Plan for 2022/23 (compiled before the conclusion of the 2021/22 year end) with the main difference attributable to issues such as:

- Unfilled vacancies linked to staff turnover and recruitment challenges;
- Unmet need within care at home.

All projections are preliminary at this point and subject to multiple risks as noted earlier.

All COVID-19 costs in the current year are being funded through the COVID-19 reserve that is ring fenced to support continuation of COVID-19 costs.

There also remains underlying inflationary and demographic pressure. Delivery of planned interventions is an ongoing risk and this will have an effect on plans beyond 2024/25 onwards, as future service pressures will remain unfunded and not manageable within available resource.

At the moment, and noting risks above, as the IJB is forecasting a year end under spend of c£3.321m so the impact of the IJB’s financial position for both Angus Council and NHS Tayside would be neutral. Per the Integration Scheme, the IJB would initially retain any projected year end under spend within IJB reserves.

6. RISK

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. As previously noted 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 a future update to be provided for the October IJB meeting. Many of the finance risks are IJB wide risks including funding levels and risks regarding financial planning.

Risk Description	Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services.
Risk Category	Strategic
Inherent Risk Level	Likelihood 5 x Impact 5 = Risk Scoring 25 (very high risk level). No change.
Mitigating Actions	<p>Funding - Ongoing dialogue with NHST, Angus Council and, via national forums, Scottish Government.</p> <p>Progress with Strategic Plan - Monitor via management forums and report to IJB regularly. Considering a review of oversight forums.</p> <p>Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside.</p> <p>Finance Support - Staff recruitment issues gradually being addressed.</p> <p>Financial Governance – Long standing issues monitored via Audit Committee.</p>
Residual Risk Level	Likelihood 5 x Impact 4 = Risk Scoring 20 (very high risk level). No change.
Planned Risk Level	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 3.

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.

7. OTHER IMPLICATIONS (IF APPLICABLE)

N/A

8. EQUALITY IMPACT ASSESSMENT

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

9. DIRECTIONS

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

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

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Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2022/23

Appendix 2: IJB Reserves 2022/23

Appendix 3: Financial Governance

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

Angus Health & Social Care Partnership - Financial Monitoring Report 2022/23						
	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
Local Hospital and Community Health Services						
Older Peoples Services						
Psychiatry Of Old Age			5,527	(175)	5,527	(175)
Medicine For The Elderly			6,714	800	6,714	800
Minor Injuries + Illness Units			1,948	220	1,948	220
Community Nursing			5,531	130	5,531	130
Management & Admin	1,188	(151)			1,188	(151)
Care at Home	4,862	(126)			4,862	(126)
Intermediate Care	393	(15)			393	(15)
Community Support	835	0			835	0
Supported Accommodation	519	60			519	60
Internal Residential	5,330	108			5,330	108
Care and Assessment	28,829	1,588			28,829	1,588
Community Mental Health	2,305	70			2,305	70
Older Peoples Service	44,260	1,534	19,719	975	63,979	2,509
General Adult Psychiatry	3,389	110	3,361	175	6,750	285
Admin Community Support	2,810	23			2,810	23
Non Residential Care	8,010	(574)			8,010	(574)
Residential Care	6,162	904			6,162	904
Learning Disability(Angus)			614	25	614	25
Learning Disability	16,982	353	614	25	17,597	378
Physical Disabilities	4,846	(1,189)	0	0	4,846	(1,189)
Substance Misuse	1,153	22	1,219	42	2,373	64
Community Services						
Physiotherapy			2,553	165	2,553	165
Occupational Therapy	1,447	88	679	80	2,126	168
Joint Store	765	0			765	0
Anti-Coagulation			237	59	237	59
Primary Care			1,162	0	1,162	0
Carers	691	0			691	0
Homelessness	910	11			910	11
Other Community Services			1,177	(5)	1,177	(5)
Community Services	3,812	99	5,808	300	9,620	399
Planning / Management Support						
Ijb Management	2,083	(34)	1,730	202	3,813	168
Planning / Management Support	2,083	(34)	1,730	202	3,813	168
Local Hospital and Community Health Services			32,452	1,719		
Services Hosted in Angus on Behalf of Tayside IJBs						
Forensic Service			1,055	(222)	1,055	(222)
Out of Hours			8,271	(750)	8,271	(750)
Speech Therapy (Tayside)			1,250	71	1,250	71
Locality Pharmacy			2,307	0	2,307	0
Tayside Continence Service			1,532	(48)	1,532	(48)
Hosted Services Centrally Managed Budget			(95)	(32)	(95)	(32)
Hosted Services Recharges to Other IJBs			(10,439)	715	(10,439)	715
Services Hosted in Angus on Behalf of Tayside IJBs	0	0	3,881	(266)	3,881	(266)
Services Hosted Elsewhere on Behalf of Angus IJB	0	0	8,394	95	8,394	95
GP Prescribing			22,672	294	22,672	294
Other FHS Prescribing			(471)	281	(471)	281
General Medical Services			19,154	(319)	19,154	(319)
Family Health Services			14,685	(1)	14,685	(1)
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,569	0	8,569	0
Total	76,526	896	109,335	1,803	185,861	2,699
Centrally Managed Budget	7,480	(809)	70	1,430	7,550	621
Grand Total	84,007	87	109,404	3,234	193,411	3,321

Appendix 2: IJB Reserves 2022/23

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.

Contingency Reserves – The IJB holds a contingency reserve of £5.250m (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 contingency reserves would be required to offset any in year overspend. This would only provide short term relief to ongoing financial pressures.

Ear-marked Reserves - Evolving financial plans exist for each reserve but, where these are not fully developed, the IJB will require to develop strong plans to ensure this funding is mobilised effectively in a way that meets Scottish Government criteria, is sustainable and delivers good value for money. 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.

COVID-19 Reserves- See Section 3.12 Financial Impact of COVID-19.

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

Strategic Plan Reserve - Opening value at 1 April 2022 - £2.290m. This resource is managed over the duration of the Strategic Financial Plan (now to March 2025) and is overseen by the Strategic Planning Group. The Strategic Planning Group (SPG) reviewed the reserve allocation at the August 2022 meeting with over c60% of the resource committed over the duration of the current Financial Plan.

Financial Planning Reserve 2022/23 - £1.090m. In April 2022 the IJB agreed to create this reserve with the application of these funds to be considered in due course.

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

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. Resolution of this may be subsequent to resolution of In Patient Mental Health issues.
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.	Work progressing with other HSCTPs following the updated Integration Scheme regarding finance, strategic and governance reporting for hosted services. Proposal currently being developed due for completion August 2022.
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 is now only subject to Scottish Government approval, it provides no ready-made vehicle for a solution to this issue. This is 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. Requires the formal approval of the new IS and management resource in all partners to take this forward collectively.
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.	The updated Angus Integration Scheme has now been approved locally and only requires Scottish Government ratification. To ensure it is properly implemented an Angus development session is being held in August 2022 to consider next steps.
Development of IJB Risk Appetite	Limited Progress – Was consider in 2021 Risk Management development session but capacity to	The development of an IJB Risk Appetite will strengthen the overall	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

	progress has been limited since then.	governance arrangements of the IJB.		in 2022/23 and now planning towards a risk appetite session similar to that run in NHS Tayside for early Autumn 2022.
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.