



**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD – 26 OCTOBER 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, an update on reserves, financial risks and governance.

**1. RECOMMENDATION**

It is recommended that the Integration Joint Board:-

- (i) Accept the overall projected financial position of Angus IJB for 2022/23;
- (ii) Note the revised position regarding COVID-19 reserves and approve the release of the expected balance of COVID-19 reserves to the Scottish Government noting any final balance will be ratified by the Chief Officer;
- (iii)
  - a) Support the creation of a £0.7m local Primary Care Investment Fund as described in section 3.15;
  - b) Support the creation of a £1.0m one off fund to augment capital funding held within Angus Council to support Angus HSCP premises (including Care Homes) as described in section 3.15;
  - c) Supports the proposed £0.5m augmentation of funding to the IJB's Strategic Plan Reserve as described in section 3.15;
  - d) Agree to devolve authority to the Chief Officer and Chief Finance Officer, in conjunction with the IJB's Chair and Vice Chair to develop proposals to support whole system pressures as described in section 3.15.

**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 August 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 spend of c£3.191m.

For the IJB's information, the Audit Committee met on 22 September 2022. The Committee considered the IJB's External Auditors Annual Audit Report regarding the IJB's 2021/22 Annual Accounts. That report included a number of recommendations with, now approved, associated management responses. The Auditors report also commented that the IJB's accounts gave a true and fair view of the state of affairs of Angus Integration Joint Board as at 31 March 2022 and of its income and expenditure for the year 2021/22, and it noted that the accounts had been prepared in accordance with requirements. Subsequent to considering this report, the Audit Committee considered an updated version of the IJB's Annual Accounts for 2021/22 and approved those accounts. The accounts were signed off by the IJB's Chair, Chief Officer, Chief Finance Officer and External Auditor on that day and are now available on the IJB's internet site.

### **3. CURRENT POSITION**

#### **NHS Directed Services**

- 3.1 Local Hospital and Community Health Services** – Continue to reflect progress made in both this year and previously with the majority of services currently projecting under spends or breakeven positions. However this projected underspend 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 contribution to the IJB's financial position for 2022/23.

The main exception to the above continues to be 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 acuity and complexity. On-going recruitment challenges has resulted in supplementary staffing being used to cover service gaps and this has led to the projected over spend for 2022/23.

Collectively these factors contributed to the reported projected under spend of c£1.957m, 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 Lead Partner Services in Angus** (formerly referred to Services Hosted in Angus on Behalf of Tayside IJBs) - The impact of COVID-19 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£0.800m. The service is reviewing the workforce model and once completed 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£0.230m.

As a result of in year pressures, the combined effect of the above is one of a reported year end overspend of c£0.289m for the Angus share of these costs and there is some offsetting funding locally to support these costs.

- 3.3 Lead Partner Services in Dundee/Perth** (formerly referred to 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£0.131m, 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.

<b>Table 1 - Lead Partner Services 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 Lead Partner Services in Dundee</b>		
Palliative Care	6,656	105
Brain Injury	1,873	105
Sexual & Reproductive Health	2,349	230
Psychology	5,625	250
Dietetics (Tayside)	3,380	(75)
Other Services Hosted in Dundee	2,946	175
Balance of Savings Target	(546)	(546)
Grand Total	22,285	244
<b>Angus Share (27.1%)</b>	<b>6,039</b>	<b>66</b>
<b>Angus Share of Lead Partner Services in Perth</b>		
Podiatry (Tayside)	3,351	383
Prison Health Services	4,104	152
Public Dental Service	1,501	(47)
Other Services Hosted in Perth	162	2
Balance of Savings Target	(306)	(249)
Grand Total	8,811	240
<b>Angus Share (27.1%)</b>	<b>2,388</b>	<b>65</b>
<b>Total Angus Share of Lead Partner Services</b>	<b>8,427</b>	<b>131</b>

**3.4 Family Health Services (FHS) Prescribing** - COVID-19 initially caused significant disruptions to patterns of spend within Prescribing. Revised financial plans submitted to September Prescribing Management Group assume we will see 4.5% volume growth in 2022/23 as we move closer to previous spending patterns. Prescribing data available to June shows higher volumes compared with the previous year, but lower than allowed for in the 2022/23 financial plan. Recently updated plans also capture 2022/23 Scottish Government drug price adjustments. The most recent weighted average price per prescription, which also reflects the tariff reduction, is however higher than financial planning expectations.

The year end projection reflects actual prescribing information to June, and is close to the forecast variance per the financial plan, which would be expected with only three months of actual Prescribing data available.

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 and an updated local Prescribing Management Quality Assurance Group Workplan is currently being developed.

**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 includes costs associated with improvement work and addressing any backlog.

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.

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.

As noted previously, an agreement was reached regarding financial management overspend of these resources for 2021/22. NHS Tayside and Tayside IJBs are now seeking to reach an agreement as to how any overspend is managed and funded in 2022/23 and in future years. These discussions have been complex and this may present an increased financial risk 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.

- 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£1.472m. 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.

#### **ADULT SERVICES**

- 3.9 Angus Council Directed Services (Adult Services)** - For financial year 2022/23 Adult Services is projecting a yearend under spend of c£1.425m.

As Board members will recall, the demand for care at home continues to increase, however the levels of demand now exceeds the available capacity within the Partnership. From a financial perspective this results in temporary in-year underspends (of up to c£2m). From a service delivery perspective, the Partnership is developing and implementing plans to close the gap between demand and capacity.

COVID-19 Provider Support costs are captured against individual service areas 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 high-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 following the 2022/23 budget realignment exercise and, as noted at previous meetings, the service has developed an Improvement Plan although progress towards LD and PD improvement plans delivering planned savings is still to be confirmed.

The IJB continues to be in discussions with NHS Tayside and Angus council to seek a resolution to the long-running unresolved funding for Complex Care services. These discussions, which are now progressing at a Director of Finance level, have not yet concluded.

Initial work has commenced within Older People services to review activity data with the outcome of developing improved resource profiles. Similar work is to begin within Disability Services, however due to workforce recruitment challenges this has been delayed.

- 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 did anticipate recurring overspends regarding Adult Services with offsetting under spends elsewhere in the IJB. While in year this is less of a factor, 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£3.191m. This figure remains a high level estimate based on early information.

**3.12 Financial Impact of COVID-19** – The Partnership submits a monthly remobilisation financial plan to the Scottish Government regarding the estimated financial impact of COVID-19. The August position suggests local COVID-19 costs of c£2.3m and costs of c£0.25m per annum for 2023/24. As previously noted the Scottish Government is largely expecting IJB's to mainstream COVID-19 related spend as soon as is practical.

COVID-19 reserves of £15.759m were held in the IJB's Accounts at March 2022 year end and are available to support the IJB's COVID related costs in 2022/23 of c£2.3m. In September 2022 the Scottish Government indicated that they now expect that any unused balance on these reserves will now revert to the Scottish Government. This is a change from the previous guidance where funding was available to support "all additional costs of responding to the COVID-19 pandemic in the Integration Authority as well as the NHS Board." This means there will no longer be a direct transfer of funding from IJB COVID-19 reserves to NHS Tayside and the approvals granted at the August IJB to allow the Chief Officer and the Chief Finance Officer to progress the original agreement (recommendation 2, report 54/22) now need to be revised. On that basis, approval is now sought from the IJB to release the expected balance of COVID-19 reserves back to the Scottish Government in line with updated guidance and noting any final balance will be ratified by the Chief Officer. This has limited direct impact on the IJB as the balances of funds were to be, otherwise, made available to NHS Tayside. It is not yet clear how this will affect the COVID funding arrangements between the Scottish Government and NHS Tayside directly.

The financial risks regarding COVID-19 in 2022/23 and beyond include the impact on our independent sector providers as interim financial support evolves. There are increasing emerging workforce issues that may be partly attributable to COVID-19 related effects. These issues are common across Scotland and continue to be part of regular discussion and reporting between all IJBs and the Scottish Government. Ultimately the long terms impact of COVID-19 remains unclear and may impact on our Strategic Commissioning Plan and Strategic Financial Plan.

**3.13 Progress with Strategic Financial Plan (Planned Interventions)** – At the August 2022 IJB Board meeting information was provided on the progress of planned intervention aligned to the Strategic Financial Plan. Table 2 summarises the current financial position regarding "Phase 1" planned interventions.

**Table 2 - Planned Interventions – Phase 1**

Assumed Savings	3 Yr Total	Status
	£m	
ACM - Care Home Review - Nursing	0.100	IJB EMT still reviewing
ACM - Internal Care Home Review	0.500	Approved - IJB February 2022
ACM - Stroke Rehabilitation Pathway	0.140	Subject to separate reports to the October 2022 IJB
ACM - Extended Inpatient Review	0.300	
ACM - Psychiatry of Old Age Review	0.200	Due to IJB - February 2023
ACM - Care at Home	0.050	Progress TBC – December IJB
EMT Reviews (inc for Hosted Services)	1.497	Due to IJB - December 2022
Supported Accommodation Review	0.100	Approved - IJB June 2022
Learning Disability Improvement Plan	0.309	Progress TBC - December IJB
Physical Disability Improvement Plan	0.200	Progress TBC - December IJB
Other	0.060	
	3.456	

The IJB should expect to receive updates regarding Care at Home and the Learning and Physical Disability Improvement programmes and the associated savings at its December 2022 meeting.

The IJB had previously requested an update regarding "EMT" reviews. Progress with this has been slower than anticipated, partly due to continued capacity constraints. With the IJB underspending and the knowledge of the pressures on the multi-year financial plan, there remains a commitment to identify and deliver these planned savings. A further update will now be provided at the December 2022 IJB meeting.

As previously noted and 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 already been 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 being phase 2 by December 2022 and phase 3 by March 2023.

- 3.14 Scottish Government Allocations** – As noted to the IJB in previous reports, the IJB received c£4.213m of additional funds from the Scottish Government for winter pressures in 2021/22. This funding has now largely been committed on a range of initiatives linked to the purposes of the various funding streams, as detailed in Table 3 below.

<b>Table 3 Summary of Winter Pressures Funding</b>	<b>Recurring Commitments</b>
	<b>£k</b>
Care Management	671
Home Care - Older People	1,336
Home Care - Other	473
Community Services (inc. AHP-DN)	472
Community Mental Health/SMS	276
Management	164
Primary Care	50
Out of Hours	127
Prescribing	55
Telecare and Digital	323
Equipment	234
Balance TBC	31
<b>Total</b>	<b>4,213</b>

Beyond the above recurring commitments, the IJB has made a series of non-recurring commitments again linked to the intention of the funding. These include supporting capacity in the home care provision, supporting unscheduled care, supporting equipment provision in the community, supporting improvement plans in primary care and progressing initiatives with VAA, as detailed in Table 4. After the commitment noted below, there remains an unallocated balance of c£1.4m.

<b>Table 4 Summary of Non Recurring Commitments</b>	<b>Non Recurring Commitments</b>
	<b>£k</b>
Care Management	10
Home Care - Older People	682
Community Services (inc. AHP-DN)	31
Wellbeing	5
Primary Care	400
Unscheduled Care	150
Interim Care	480
Telecare and Digital	770
Equipment	155
Voluntary Sector Support	200
<b>Total</b>	<b>2,883</b>

**3.15 Whole System Financial Pressures** - While the IJB is reporting an expected under spend in this financial year, and does still hold a level of reserves that are higher than in 2019/20, there remain significant financial pressures in the wider systems the IJB operates in. Those pressures are impacting on both of the IJB's Partners i.e. Angus Council and NHS Tayside. While the IJB has a number of key reserves it needs to retain (Contingency Reserve, Strategic Planning Reserve and Property Reserve) and a series of imminent pressures it needs to manage and commitments it needs to meet, there are one-off funds in the IJB that could usefully be deployed to support the whole systems that the IJB operates in.

To ensure all reasonable funds can be deployed or committed across this whole system in this financial year a series of measures are proposed below. This list is preliminary, and generally consistent with supporting the IJB's Strategic Commissioning Plan or Strategic Financial Plan while acknowledging the stipulated requirements for specific funding streams and the plans of the IJB's partners. Due to the pace these issues need to be considered at, it is proposed that the IJB approve items A-C below and then agree to devolve authority to the IJB's Chief Officer and Chief Finance Officer, in conjunction with the IJB's Chair and Vice Chair, to develop and enact proposals described at D below:-

- A. Support the creation of a £0.7m local Primary Care Investment Fund (see separate recommendation in Primary Care Improvement Fund report).
- B. Support the creation of a £1.0m one off fund to augment capital funding held within Angus Council to support Angus HSCP premises priorities (including Care Homes). This will help manage the costs pressures on that capital fund and ensure minimum delay in any proposed commitments.
- C. Noting the development of the next iteration of the IJB's Strategic Commissioning Plan, to augment the uncommitted balance of c£1.2m on the IJB's Strategic Planning reserve by £0.5m. This will provide support to the delivery of the new 3-year plan. This proposal has been supported by the IJB's October 2022 meeting of the Strategic Planning Group.
- D. To acknowledge the whole system pressures that exist within the IJB's partners (Angus Council and NHS Tayside) and throughout Health and Social Care Partnerships in Tayside and, after noting and addressing, the above proposals, seek to support those whole system pressures through deployment or commitment of the balance of any in year 22/23 underspends, any uncommitted funds within funding streams described at section 3.14 (i.e. the c£1.4m noted above, but noting the stipulated requirements for specific funding streams) and through actioning plans to mobilise the IJB's Financial Planning Reserve (2022/23) (c£1.09m).

In considering any transfer back to partners, the IJB will be conscious of updates now embedded in the revised Integration Scheme that should the IJB overspend in future years, then the IJB would have to repay any additional funding to its Partners. That does have an impact on this and needs to be considered when the IJB considers any reverting of funds to its Partners.

In progressing the above, it is acknowledged this will draw back the scale of the IJB's reserves and will, at the same time, increase the future financial risks for the IJB. However, this is proposed only in the context of the IJB's obligations to work in a wider system and with the knowledge that the IJB is already focussed on delivering long term services from within the recurring resources available. Further, an over-reliance by the IJB on short term reserves will not necessarily be conducive to delivery of a long-term balanced strategic financial plan.

#### **4. PROPOSALS**

The recommendations for approval in this report are set out in Sections 3.12 and 3.15 above and in Appendix 3 (IJB Reserves 2022/23).

#### **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£3.191m. 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.

## 6. RISK

- 6.1 Corporate Risk** - Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. Appendix 2 details the current financial risks with minimum changes from that previously reported. Many of the finance risks are IJB wide risks 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. (Noting increased risk).  Progress with Strategic Commissioning and Financial 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.  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. With the recent approval of the Integration Scheme, the August 2022 development and session and after related discussion with the IJB's Internal Auditors, actions regarding eh IJB's overall governance framework have now been removed.

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.

- 6.2 Scottish Government Funding Risks** - As Board members will be aware, and as referenced above, the public sector as whole is impacted by a series of financial pressures including the challenging inflation environment and absorbing the long-term resourcing impacts of COVID-19.

Since the last IJB meeting, the IJB has received number of funding updates from the Scottish Government resetting funding expectations. This includes: -



- a. The decision (set out in section 3.12) to revert COVID-19 reserves to the Scottish Government rather than for those reserves to be used to support the whole local system.
- b. The withdrawal of c£2.468m of Primary Care Improvement Fund Reserves from Angus IJB, as detail in the Primary Care Improvement Fund report. This has a significant impact on Angus and will significantly undermine the IJB's ability to support improvement within Primary Care in Angus. It is fair to reflect that the reserves had built up over a number of years reflecting challenges with recruitment, the constraints of how the funding could be utilised and the re-focussing of efforts on the local primary care COVID-19 response.
- c. Mental Health and Wellbeing in Primary Care - The Scottish Government have previously announced, and IJBs have been planning for, the allocation of £10m funding nationally to support this multi-year commitment (with funds rising to at least £30m by 2024/25). The IJB has now received an instruction to pause all planning on this programme.

Beyond all the above which have a direct impacts on the IJB, NHS Tayside has also received indicators of funding reductions regarding the likes of Unscheduled Care which is a funding stream Angus IJB and other IJB have previously accessed on an annual basis.

## 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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List of Appendices:

- Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2022/23
- Appendix 2: Angus Health and Social Care Partnership Financial Risk Assessment 2022/23
- Appendix 3: IJB Reserves 2022/23
- Appendix 4: Financial Governance

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

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
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			5,527	(175)	5,527	(175)
Medicine For The Elderly			6,714	1,000	6,714	1,000
Minor Injuries + Illness Units			1,918	220	1,918	220
Community Nursing			5,309	110	5,309	110
Management & Admin	1,188	(147)			1,188	(147)
Care at Home	5,093	(96)			5,093	(96)
Intermediate Care	393	0			393	0
Community Support	835	5			835	5
Supported Accommodation	519	27			519	27
Internal Residential	5,273	129			5,273	129
Care and Assessment	29,058	1,725			29,058	1,725
Community Mental Health	2,357	132			2,357	132
<b>Older Peoples Service</b>	<b>44,715</b>	<b>1,774</b>	<b>19,467</b>	<b>1,155</b>	<b>64,182</b>	<b>2,929</b>
<b>General Adult Psychiatry</b>	<b>3,464</b>	<b>109</b>	<b>3,361</b>	<b>200</b>	<b>6,825</b>	<b>309</b>
Admin Community Support	2,918	104			2,918	104
Non Residential Care	7,902	(675)			7,902	(675)
Residential Care	6,162	797			6,162	797
Learning Disability(Angus)			614	26	614	26
<b>Learning Disability</b>	<b>16,982</b>	<b>226</b>	<b>614</b>	<b>26</b>	<b>17,597</b>	<b>252</b>
<b>Physical Disabilities</b>	<b>5,292</b>	<b>(733)</b>	<b>0</b>	<b>0</b>	<b>5,292</b>	<b>(733)</b>
<b>Substance Misuse</b>	<b>1,199</b>	<b>39</b>	<b>1,319</b>	<b>9</b>	<b>2,519</b>	<b>48</b>
<b>Community Services</b>						
Physiotherapy			2,553	150	2,553	150
Occupational Therapy	1,447	12	679	76	2,126	87
Joint Store	765	0			765	0
Anti-Coagulation			237	55	237	55
Primary Care			1,211	0	1,211	0
Carers	691	0			691	0
Homelessness	910	15			910	15
Other Community Services			1,177	80	1,177	80
<b>Community Services</b>	<b>3,812</b>	<b>27</b>	<b>5,857</b>	<b>360</b>	<b>9,670</b>	<b>387</b>
<b>Planning / Management Support</b>						
ljb Management	2,083	(17)	1,771	207	3,854	190
<b>Planning / Management Support</b>	<b>2,083</b>	<b>(17)</b>	<b>1,771</b>	<b>207</b>	<b>3,854</b>	<b>190</b>
<b>Local Hospital and Community Health Services</b>			<b>32,390</b>	<b>1,957</b>		
<b>Lead Partner Services - Angus</b>						
Forensic Service			1,055	(230)	1,055	(230)
Out of Hours			8,302	(800)	8,302	(800)
Speech Therapy (Tayside)			1,250	63	1,250	63
Locality Pharmacy			2,430	0	2,430	0
Tayside Continence Service			1,532	(67)	1,532	(67)
Hosted Services Centrally Managed Budget			(95)	(32)	(95)	(32)
Hosted Services Recharges to Other IJBs			(10,461)	777	(10,461)	777
<b>Lead Partner Services - Angus</b>	<b>0</b>	<b>0</b>	<b>4,012</b>	<b>(289)</b>	<b>4,012</b>	<b>(289)</b>
<b>Lead Partner Services - Dundee/Perth</b>	<b>0</b>	<b>0</b>	<b>8,427</b>	<b>131</b>	<b>8,427</b>	<b>131</b>
GP Prescribing			22,725	281	22,725	281
Other FHS Prescribing			(471)	233	(471)	233
General Medical Services			19,154	(841)	19,154	(841)
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
<b>Total</b>	<b>77,548</b>	<b>1,425</b>	<b>109,492</b>	<b>1,472</b>	<b>187,040</b>	<b>2,896</b>
Centrally Managed Budget	6,423	72	-278	222	6,144	294
<b>Grand Total</b>	<b>83,971</b>	<b>1,496</b>	<b>109,213</b>	<b>1,694</b>	<b>193,184</b>	<b>3,191</b>

## Appendix 2 Angus Health and Social Care Partnership Financial Risk Assessment 2022/23

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Current Financial Performance</b>			
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning.
Income Arrangements / Levels	Medium	c£0.2m (recurring)	The IJB is working with Angus Council to develop an Income management improvement plan with work commencing following a delay due to COVID-19.
<b>Funding Assumptions</b>			
Unresolved budget settlement issues with NHS Tayside (e.g. Complex Care, Large Hospital Set Aside)	Medium	c£500k (recurring)	Complex Care – At the start of the 7 <sup>th</sup> year of integration this remains unresolved with increased scope for loss of audit trail and incremental, unfunded costs shifting to the IJB. Large Hospital Set Aside – Work to progress this agenda has been affected by COVID-19. Noting that most previous information did suggest Angus had reduced its use of Acute Services since the inception of integration.
Medium Term Financial Planning – Lack of funding clarity.	Medium	Not known	The IJB will, through national networks, work with the Scottish Government to develop this planning.
Funding formula / risk sharing may be subject to reviews at regional or national level.	Medium	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
<b>Cost Pressures</b>			
COVID-19 – ongoing uncertainty re the financial impact on longer term cost base.	Medium	TBC (From 2023/24)	Recent SG funding has resolved many COVID-19 funding concerns, but not all. Short term reserves expected to cover 2022/23 impacts.
Mental Health – In Patients	Medium	TBC	NHS Tayside seeking agreement with IJBs as to how associated overspends are managed in future with a notional allowance for this built into plans.
Prescribing – Local costs per weighted patient remain above national averages.	Medium	c£0.5m (recurring)	6 monthly report to IJB and liaison with regional Prescribing Management Group.
Prescribing – National recommendation for the prescribing of new drugs in Primary Care is an additional burden.	Medium	TBC	Issues such as this will initially be considered via the Tayside Prescribing Management Group, but then will need IJB consideration.
Prescribing – New Opiate Substitution Treatments may require funding support.	Medium	TBC	Developing situation with short term Scottish Government supporting this.
Reviews of Safe Staffing issues re Health and Care (Staffing) (Scotland) Act and review of healthcare tasks in community setting.	Medium (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 Fund (From 2023/24)	Medium	Not known	Subject of separate IJB reports.
<b>Planned Interventions</b>			
Some IJB savings programmes behind schedule from 2019/20 due to COVID-19. Reviews may be required.	High	Up to £1.0m (recurring)	Delays have been experienced due to COVID-19 with the scale of risks becoming clearer in our financial plan.
Management / Programme Management / Project Support capacity issues	High	Included above	COVID-19 continues to divert management capacity which has exacerbated existing delays.
<b>Other</b>			
Review of Integration Scheme	Medium	Not known	A comprehensive review of the Scheme may identify additional risks and opportunities.
National Care Service	Low	TBC	There may be implications for funding arrangements or managing issues such as changes to “Charging” arrangements.
Corporate Support (Inc. Procurement, Property, Legal)	Medium	Not known	Some progress made; current risks include Procurement, Property and Legal. These have a detrimental impact on the IJB’s ability to deliver a balanced financial plan.
Change of residence status (to Angus from another area for service user)	tbc	tbc	Refers to risk of service users originating outside Angus, changing residence status to Angus at point of receipt of care.

### Appendix 3: IJB Reserves 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 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 following details are provided re some specific Ear marked reserves

**COVID-19 Reserves** – See section 3.12.

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 was reviewed by the Strategic Planning Group (SPG) at its October 2022 meeting.

**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. This reserve is referred to in section 3.15 of this report.

**Property Reserve** – £3.300m. This reserve has been created as per previous report (26/22) which noted the reserves was created to "support future property and accommodation commitments with intention of releasing revenue funds to support the IJB's Strategic Financial Plan...". This reserve could also be used flexibly to support some strategic aspects of the IJB's emerging Primary Care Premises Strategy.

#### Appendix 4: Financial Governance

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

Issue	Status / Background to Status	Implications of Status	Action Required	Commentary
Development of Large Hospital Set Aside arrangements in conjunction with NHS Tayside	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 was 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 HSCPs following the updated Integration Scheme regarding finance, strategic and governance reporting for hosted services. Proposal currently being progressed and to be reported to the Audit Committee in December 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 has progressed, 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.
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.	Development session scheduled for October 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.