



**ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 22 FEBRUARY 2023
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 planning, financial risks and governance.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:-

- (i) Accept the overall projected financial position of Angus IJB for 2022/23;
- (ii) Support the recommendation to amend the IJB reserve policy and increase the contingency general reserve to 3% of turnover, an increase in provision of c£0.950m.

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 December 2022, including NHS Directed Services, Angus Council Directed Services, the financial impact of COVID-19, reserves, financial planning, financial governance and financial risk.

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

Board members should also be reminded that throughout the year, the IJB Finance reports reflect "management accounting" information for management purposes. The IJB's final year end position will be reported from both a "management accounting" perspective in IJB reports and, in the IJB's published annual accounts, from a "financial accounting" perspective. The latter has a different treatment for some transactions - specifically regarding reserves. Previous reports have already noted that IJB reserves are change at the yearend due to Scottish Government funding provision. This needs to be seen independently from the IJB's management 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 breakeven position. This is only after assuming funding in excess of c£5.0m will be used to support whole system pressures that exist within the IJB partners (Angus Council and NHS Tayside) and throughout Health and Social Care Partnerships in Tayside, as per previous IJB reports.

3. CURRENT POSITION

NHS Directed Services

- 3.1 Local Hospital and Community Health Services** – Continues 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 a large amount of this relating to unfilled vacancies linked to staff turnover and recruitment challenges across various services equating to over c£2.5m.

Psychiatry of Old Age continue to project an over spend in 2022/23 with the service experiencing high levels of acuity and complexity. On-going recruitment challenges has resulted in supplementary staffing being used to cover service gaps leading to the projected over spend position. The Angus Care Model review of these services has been re-established with the intention to provide an update to a future IJB meeting.

Collectively these factors contributed to the reported projected under spend of c£2.045m, with much of that non-recurring. 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** - The impact of COVID-19 Remobilisation has been significant within Out of Hours (OOH) 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£1.000m. Although the service has been reviewing the workforce model it has not been able to turn this work around as quickly as expected. The OOH Service has been asked to develop a financial recovery plan for approval by the IJB'S Executive Management Team and this work continues to be developed with a planned completion date of the end of March 2023.

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 previously reported Tayside Continence Service is experiencing high levels of product price inflation resulting in a projected overspend of £0.071m. Across Scotland all continence services are experiencing these pressures. There is a national contract for these products which was due to be re tendered at the end of September 2022, however this has been delayed due to national procurement capacity issues and revised timelines are unclear.

As a result of these in year pressures, the combined effect of the above is one of a reported year end overspend of c£0.343m for the Angus share of these costs. There are some agreed local funds to offset these costs.

- 3.3 Lead Partner Services in Dundee/Perth** - 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£0.312m, as detailed in Table 1 below.

The impact of the COVID-19 remobilisation plans continues to contribute to an increased pressure against Dietetics 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 - Lead Partner Services in Dundee and Perth IJBs on Behalf of Angus IJB	Annual Budget (£k)	Projected (Over) / Under (£k)
Angus Share of Lead Partner Services in Dundee		
Palliative Care	6,945	13
Brain Injury	1,666	110
Sexual & Reproductive Health	2,380	230
Psychological Therapies	0	0
Dietetics (Tayside)	3,580	(150)
Other Services Hosted in Dundee	3,256	415
Balance of Savings Target	(546)	(546)
Grand Total	17,281	72
Angus Share (27.1%)	6,264	152
Angus Share of Lead Partner Services in Perth		
Podiatry (Tayside)	3,340	415
Prison Health Services	4,396	211
Public Dental Service	2,384	213
Other Services Hosted in Perth	162	1
Balance of Savings Target	(249)	(249)
Grand Total	10,034	591
Angus Share (27.1%)	2,719	160
Total Angus Share of Lead Partner Services	8,983	312

3.4 Family Health Services (FHS) Prescribing -

The year end projection reflects actual prescribing information to October, and is higher than the financial plan forecast variance based on 7 months of actual Prescribing data available. The most recent weighted average price per prescription, which also reflects the tariff reduction, is however higher than 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 (although it is expected this percentage will change and probably improve as a result of changes to national weighting formulae). As noted previously, 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. The service has been asked to develop a financial recovery plan for approval by the IJB's Executive Management Team. During 2022/23, the IJB is seeking to absorb an increased proportion of these costs. As previously noted there may be future discussion re risk sharing arrangements for Primary Care (including GMS) services with neighbouring IJBs.

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.

- 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. At present there remain diverging views between NHS Tayside and Tayside IJB's regarding potential resolutions to this issue.

- 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.

Large Hospital Set Aside resources include a limited number of secondary care services – principally Emergency Department, General Medicine, Geriatric Medicine and Respiratory.

- 3.8 Overall Position Regarding NHS Directed Services** – The overall reported projected 2022/23 position suggests an under spend of c£1.240m. 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£1.516m. Although this under spend continues to be higher than expected with an element of this linked to unfilled vacancies due to staff turnover and recruitment challenges across various services equating to just under c£1.0m.

As previously noted the impact of COVID-19 continues to see a shift in the balance of care between Care Homes and Care at Home. The demand for care at home services continue to exceed the available capacity within the Partnership, but if the capacity was there it might be reasonable to assume additional annualised costs of up to c£2.3m. The Partnership continues to develop and implement plans to close the gap between capacity and demand with the position reflecting the reduced uptake of care home beds resulting in an under spend of c£1.4m.

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. Elements of the Provider Support (including Social Care Staff Support Fund) will continue until March 2023 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.

As noted in the Board's Action points, work has continued within Older People services to review activity data with the outcome of developing improved resource profiles. Some progress has been made but this piece of work has still to be concluded.

Pressures continue to remain within the Physical Disability service. As noted at previous meetings, the service has developed an Improvement Plan and an update to the plan will be considered in this meeting. As part of this plan a review of activity data will be undertaken to help develop improved resource profiles.

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 with this matter now moving towards resolution.

- 3.10 Centrally Managed Budget** - the Centrally Managed Budget continues to reflect previous progress with saving (as per the IJB's financial plan). In addition, it now captures future commitments to support system working pressures as previously reported in report (66/22).

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.

- 3.11 Overall Position Regarding the IJB** - The overall projected year end position is a break even position. This is after assuming, as per the October 2022 IJB, that funding in excess of c£5.0m will be used to support whole system pressures that exist within the IJB partners (Angus Council and NHS Tayside) and throughout Health and Social Care Partnerships in Tayside, as per previous IJB reports.

- 3.12 Financial Impact of COVID-19** – The Partnership continues to submit a monthly remobilisation financial plan to the Scottish Government regarding the estimated financial impact of COVID-19 with the December position suggesting total costs of c£3.340m and costs of over c£0.2m per annum for 2023/24. As previously noted the Scottish Government is largely expecting IJB's to mainstream recurring COVID-19 related spend for future years and this has been reflected in our draft strategic financial plan.

The Scottish Government has confirmed in a letter on the 16 January 2023 that all unused COVID-19 reserves will revert back to Scottish government in the current year, for Angus this will result in c£12.383m being returned to the Scottish Government.

The financial risks regarding COVID-19 in future years impact on our independent sector providers as support evolves. This issue is common across Scotland and continues to be part of regular discussion and reporting between all IJBs and the Scottish Government.

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

Table 2 - Planned Interventions

Assumed Savings	3 Yr Total	Current Projection	Status
	£m	£m	
ACM - Care Home Review - Nursing	0.100	0	IJB EMT still reviewing
ACM - Internal Care Home Review	0.500	0.400	Approved - IJB February 2022, on target to achieve
ACM - Stroke Rehabilitation Pathway	0.140	0.140	Approved – IJB October 2022
ACM - Extended Inpatient Review	0.300	0.303	Approved – IJB October 2022
ACM - Psychiatry of Old Age Review	0.200	0	Progress TBC with a further update to be provided at a future IJB meeting
ACM - Care at Home	0.050	0	Plan now superseded by contract framework agreement
EMT Reviews (inc for Hosted Services)	1.497	0.656	Completed, with 2022/23 fully met
Supported Accommodation Review	0.100	0	Approved - IJB June 2022 (assumed delivery in 23/24)
Learning Disability Improvement Plan	0.309	0.020	Subject to separate progress update reports to the February 2023 IJB
Physical Disability Improvement Plan	0.200	0	
Other	0.060	0	On target to achieve
Total Recurring	3.456	1.519	

The above table focuses on the 3 year saving initiatives with c£1.519m being delivered to date. The shortfalls associated with these planned interventions will significantly impact on the new 3 year strategic financial plan. In year, non-recurring savings will offset the above shortfall.

The Executive Management Team (EMT) confirmed in January 2023 that meetings have been held jointly involving the Head of Service, Service Manager and finance to progress with the EMT savings. The outcome of this exercise has resulted in 2022/23 targets being confirmed as fully met by EMT and more than c50% of year 2 targets now achieved. Some of these savings include removing uncommitted earmarks previously in place to support the Third Sector and Locality Improvement Groups. The residual gap in future years being captured in the new reiteration of the Strategic Financial plan.

The IJB should expect to receive updates on Learning and Physical Disability Improvement programmes and the associated savings at its February 2023 meeting.

3.14 Strategic Financial Plan – A report on the draft 3 year Strategic Financial plan is provided separately to the February 2023 IJB. The above position will now be reflected in the IJB's roll over budgets for 2022/23 with a number of undelivered or partially delivered planned interventions also rolling forward into future years.

4. FINANCIAL IMPLICATIONS

From the above it can be seen that the IJB is currently forecasting a breakeven position after adjusting for over £5.0m towards supporting whole system working. This contrasts 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 over £3.5m;
- Reduce uptake of care home beds c£1.4m;
- Benefit from the reversal of the NI Increase c£0.25m.

Separately, and reflecting previous IJB reports, the IJB has now shared a proposal with NHS Tayside regarding “whole system” support. This currently awaits confirmation from NHS Tayside. The IJB continues to work up further proposals with all partners to ensure available funds can support the wider systems while simultaneously considering the financial risks the IJB is exposed to and the IJB's Strategic Commissioning Plan.

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

5. 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 a number of changes captured from that previously reported. 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	Funding - Ongoing dialogue with NHST, Angus Council and, via national forums, Scottish Government. Progress with Strategic Commissioning and Financial Plan - Monitor via management forums and report to IJB regularly. Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside.
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's Audit Committee is monitoring these but progress over a number of years had been limited. A summary of the main issues is set out in Appendix 4.

6. PROPOSALS

The recommendations for approval in this report are set out in Appendix 3.

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.

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

REPORT AUTHOR: Alexander Berry, Chief Finance Officer
EMAIL DETAILS: tay.angushscp@nhs.scot

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

	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			5,487	(75)	5,487	(75)
Medicine For The Elderly			6,227	750	6,227	750
Minor Injuries + Illness Units			1,880	250	1,880	250
Community Nursing			5,566	200	5,566	200
Management & Admin	1,241	(99)			1,241	(99)
Care at Home	5,463	(73)			5,463	(73)
Intermediate Care	392	0			392	0
Community Support	813	4			813	4
Supported Accommodation	570	74			570	74
Internal Residential	4,433	(14)			4,433	(14)
Care and Assessment	30,616	1,785			30,616	1,785
Community Mental Health	2,448	334			2,448	334
Older Peoples Service	45,976	2,011	19,160	1,125	65,136	3,136
General Adult Psychiatry	3,847	14	3,431	200	7,278	214
Admin Community Support	3,157	100			3,157	100
Non Residential Care	8,050	(857)			8,050	(857)
Residential Care	6,254	702			6,254	702
Learning Disability(Angus)			608	20	608	20
Learning Disability	17,461	(55)	608	20	18,069	(36)
Physical Disabilities	5,380	(602)	0	0	5,380	(602)
Substance Misuse	1,725	37	1,440	23	3,165	60
Community Services						
Physiotherapy			2,574	159	2,574	159
Occupational Therapy	1,597	86	689	105	2,286	191
Joint Store	770	0			770	0
Anti-Coagulation			204	28	204	28
Primary Care			1,685	0	1,685	0
Carers	785	0			785	0
Homelessness	936	10			936	10
Other Community Services			1,223	120	1,223	120
Community Services	4,088	97	6,375	412	10,463	508
Planning / Management Support						
Ijb Management	1,981	14	1,885	266	3,866	280
Planning / Management Support	1,981	14	1,885	266	3,866	280
Local Hospital and Community Health Services			32,900	2,045		
Lead Partner Services - Angus						
Forensic Service			1,083	(230)	1,083	(230)
Out of Hours			8,671	(1,000)	8,671	(1,000)
Speech Therapy (Tayside)			1,246	41	1,246	41
Locality Pharmacy			2,886	0	2,886	0
Tayside Continence Service			1,544	(71)	1,544	(71)
Hosted Services Centrally Managed Budget			(56)	(6)	(56)	(6)
Hosted Services Recharges to Other IJBs			(11,211)	922	(11,211)	922
Lead Partner Services in Angus	0	0	4,163	(343)	4,163	(343)
Lead Partner Services - Dundee/Perth	0	0	8,983	312	8,983	312
GP Prescribing			22,407	(437)	22,407	(437)
Other FHS Prescribing			(556)	236	(556)	236
General Medical Services			19,983	(572)	19,983	(572)
Family Health Services			16,370	0	16,370	0
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,569	0	8,569	0
Total	80,457	1,516	112,819	1,240	193,276	2,757
Centrally Managed						
Existing Commitments	2,748	2,655	888	481	3,636	3,136
Future Commitments					0	(5,893)
Grand Total	83,205	4,171	113,708	1,721	196,913	0

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

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Current Financial Performance			
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning.
Income Arrangements / Levels	Medium	c£0.2m (recurring)	The IJB is working with Angus Council to develop an Income management improvement plan with work commencing following a delay due to COVID-19.
Funding Assumptions			
Unresolved budget settlement issues with NHS Tayside (e.g. Large Hospital Set Aside, Inpatient Mental Health)	Medium	TBC (recurring)	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. NHS Tayside seeking agreement with IJBs as to how associated overspends are managed in future with a notional allowance for this built into plans.
Medium Term Financial Planning – Lack of funding clarity.	Medium	Not known	The IJB will, through national networks, work with the Scottish Government to develop this planning.
Funding formula / risk sharing may be subject to reviews at regional or national level.	Medium	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
Cost Pressures			
COVID-19 – ongoing uncertainty re the financial impact on longer term cost base.	Medium	TBC	The impact on our independent sector providers as interim financial support evolves
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.
Workforce - 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.
Workforce - 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 - 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	Medium (Future years)	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	This issue is being considered regionally and is understood to be replicated across Scotland.
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.
Planned Interventions			
Some IJB savings programmes behind schedule. Reviews may be required.	High	Up to £1.0m (recurring)	Delays have been experienced due to COVID-19 with the scale of risks becoming clearer in our financial plan.
Management / Programme Management / Project Support capacity issues	High	Included above	COVID-19 continues to divert management capacity which has exacerbated existing delays.
Other			
Review of Integration Scheme	Medium	Not known	A comprehensive review of the implementation 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. At this time the pace of change associated with NCS is uncertain.

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. A forecast year end reserves profile is set out in table 3 below.

Contingency Reserves – The IJB holds a contingency reserve of £5.5m (2.5% of turnover). It is acknowledged that due to the wider economic financial constraints on the IJB, financial planning will be challenging in future years and it is recommended to increase the IJB's contingency reserve from 2.5% to 3% of turnover, an increase of c£0.950m. This effectively updates the previous target contingency level in the IJB's Reserves Policy. 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 - The IJB's ear-marked reserves are listed in table 3 below. 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; increased by £0.500m in October 2022. This resource is managed over the duration of the emerging Strategic Commissioning Plan (now to March 2026) and overseen by the Strategic Planning Group (SPG).

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 was referred to in the report 66/22.

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..." and it has subsequently been noted this reserve could also be used flexibly to support some strategic aspects of the IJB's Primary Care Premises Strategy.

Local Primary Care Reserve – £0.700m. This reserve has been created as per previous report (66/22) which noted the reserve was created to "support future primary care investment funds".

Table 3 Angus IJB Reserves	Reserves Opening Balance April 2022	Change in Year	Forecast Closing Balance Mar 2023	Additional Comment (including commentary regarding deployment of funds)
	£k	£k	£k	
General Fund Balance (Usable Reserve) - General Reserve	5,250	250	5,500	
General Fund Balance (Ear-Marked Reserves) (Local)				
Strategic Plan Reserve	2,290	500	2,790	Per Report 66/22
Financial Planning Reserve 2022/23	1,090	0	1,090	Per Report 25/22
Property Reserve	3,300	0	3,300	Per Report 25/22
Local primary Care Investment Reserve	0	700	700	Per Report 66/22
	6,680	1,200	7,880	
General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)				
Primary Care Improvement Fund	2,649	(2,649)	0	Plans developed
Mental Health Action 15	689	(340)	349	Plans developed
Primary Care Transformation Fund	182	9	191	Plans to be developed pending approval of Angus GP Practice Premises Strategy
Primary Care Premises	245	0	245	
Alcohol & Drug Partnership Fund	509	126	635	Plans developed
Forensic Medical Services	7	(7)	0	Plans developed
Drug Death Task Force	67	17	84	Plans developed
District Nursing Workforce	48	(48)	0	Plans developed
COVID-19 (2020/21)	3,916	(3,916)	0	Unused reserves to revert to the Scottish Government
COVID-19 (2021/22)	11,843	(11,843)	0	
Community Living Change	392	(60)	332	Plans being developed
Workforce Wellbeing Primary and Social Care	37	(20)	17	Plans being developed
Mental Health Facilities Project	324	0	324	Plans being developed
Mental Health Primary Care Development	31	(31)	0	Plans developed
General Dental Services	221	(113)	108	Plans developed
Community Nursing Neurological Care	42	(3)	39	Plans being developed
Dementia Post Diagnostic Support	70	(70)	0	Plans developed
Unscheduled Care	73	(20)	53	Plans developed
Multi-Disciplinary Teams	251	(251)	0	Plans developed
Health Care Support Workers	137	(137)	0	Plans developed
Interim Care	954	(954)	0	Plans developed
Expanding Care at Home	837	(837)	0	Plans developed
Learning Disability Health Checks	22	(22)	0	Unused reserves to revert to the Scottish Government
	23,546	(21,169)	2,377	
Total General Fund Balance (Ear-Marked Reserves)	30,226	(19,969)	10,257	
Total General Fund Balance	35,476	(19,719)	15,757	

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 7 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. This now links to broader Unscheduled Care issues.
Development of improved Lead Partner 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 IJBs following the updated Integration Scheme regarding finance, strategic and governance reporting for hosted services. Proposal currently being developed due for completion February 2023.
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 Performance and Resources oversight function.	Work progressing – Capacity to develop proposals has been limited, but discussions now moving forward.	The development of improved oversight will strengthen the overall governance arrangements of the IJB.	CO – Latest update shared at Audit Committee Development Session (01/02/23).	At November 2022, the IJB's Management Team has now considered this issue and shared updated views with the IJB's Audit Committee. It is likely the management team will propose augmenting existing arrangements rather than developing a discreet Performance and Resources Committee.

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 sensor managers up matters can be affected by capacity constraints. Progress on some outstanding governance improvements has been inhibited by the pressures of dealing with COVID-19.