



**AGENDA ITEM NO 7**

**REPORT NO IJB 27/23**

**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD – 26 APRIL 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 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 including noting the planned agreement with NHS Tayside regarding wider system pressures;
- (ii) Supports the 6 recommendations for improved future working arrangements for the IJB as described at section 5.2 and in Appendix 4;
- (iii) Consider if the IJB is content to devolve authority to the IJB's Audit Committee to approve changes to the IJB's Financial Regulations and Reserves Policy documents (effective from April 2023 Audit Committee);
- (iv) Supports the proposal to create a Mental Health Recovery Financial Reserve as described at 4.2; and
- (v) Accept and note the update on Reserves in Appendix 2.

**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 February 2023, 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, all projections remain subject to revision as we approach the year end.

Board members should also be reminded that throughout the year, the IJB Finance reports reflect "management accounting" information for management purposes. The impending 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 an under spend of c£3.691m.

### **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, as previously reported, 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 just over c£1.900m.

Psychiatry of Old Age continues to project a small overspend in 2022/23 Whilst the planned Angus Care Model review of these service is ongoing, services continues to see an increased level of acuity and complexity. This in turn has continued to place increased pressure on staffing levels.

Collectively these factors contributed to the reported projected under spend of c£1.907m 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 continuing to augment historical service provision leading to the projected overspend in 2022/23 of c£1.050m. The OOH Service had been asked to develop a financial recovery plan for approval by the IJB'S Executive Management Team and neighbouring IJBs. This work has not progressed as anticipated and is now running behind schedule. An update will be brought to the IJB in June 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£0.225m.

As previously reported Tayside Continence Service is experiencing high levels of product price inflation resulting in a projected overspend of £0.076m. 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 continues to be 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£0.386m for the Angus share of these costs. As previously noted 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£0.354m, 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. Currently there is work on ongoing by each Lead Partner to address these unresolved saving targets on a recurring basis, with the aim to complete this exercise by the end of April 2023.

<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	7,262	(50)
Brain Injury	1,758	15
Sexual & Reproductive Health	2,441	215
Psychological Therapies	0	0
Dietetics (Tayside)	3,992	(210)
Other Services Hosted in Dundee	2,240	397
Balance of Savings Target	(215)	(215)
Grand Total	17,478	153
<b>Angus Share (27.1%)</b>	<b>6,421</b>	<b>177</b>
<b>Angus Share of Lead Partner Services in Perth</b>		
Podiatry (Tayside)	3,532	425
Prison Health Services	4,622	324
Public Dental Service	2,476	151
Other Services Hosted in Perth	(514)	2
Balance of Savings Target	(249)	(249)
Grand Total	9,867	652
<b>Angus Share (27.1%)</b>	<b>2,674</b>	<b>177</b>
<b>Total Angus Share of Lead Partner Services</b>	<b>9,095</b>	<b>354</b>

### 3.4 Family Health Services (FHS) Prescribing -

The year end projection reflects actual prescribing information to December, shows higher prices compared with both the previous year and price growth planning assumptions allowed for in the financial plan due to a combination of inflationary increases and short supply issues. The most recent weighted average price per prescription, which also reflects the tariff reduction, continues to remain 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. As previously reported it was assumed changes to the national weighting formulae would reduce our national average percentage and this has happened with the revised position reporting c4% over the national average and this continues to place an additional burden on the IJB.

Separate reports set out the challenging financial issues regarding future prescribing cost pressures, including unresolved issues associated with the introduction of new drugs. 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 had been asked to develop a financial recovery plan for approval by the IJB's Executive Management Team. This work is running behind schedule and an update will now be provided by June 2023. 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.

Up to the end of March, NHS Tayside and Tayside IJBs had been seeking to reach an agreement as to how operational overspends within these services would be managed and funded in 2022/23 and in future years (up to c£5m pressure). These discussions have been complex reflecting the breadth of opinion and have proved inconclusive. However by the end of March, Angus IJB had offered to contribute to support the residual financial pressures within the services. While final agreement had not been reached at the point of writing this report, this report reflects a contribution of £0.700m towards meeting these residual financial pressures in 2022/23 only. The offer to provide this support was linked to the collective work required to deliver aspect of the Mental Health Improvement Plans and the need to resolve financial risk sharing. The overall issue of financial risk sharing regarding In Patient Mental Health Services 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 was re-set at £8.569m based on a notional value from the 2021/22 Annual Accounts and reflecting 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. For the final 2022/23 year end accounts, new estimates will be agreed with NHS Tayside regarding activity volumes and costs associated with these services resulting in updated values in year-end reporting.

Separately, the IJB is in discussion with NHS Tayside regarding an alternative way of considering activity associated with these resources. These ideas are still developing and will be shared with the IJB in due course.

**3.8 Overall Position Regarding NHS Directed Services** – The overall reported projected 2022/23 position suggests an under spend of c£0.897m. 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 year end under spend of just under c£1.000m. This under spend continues to be higher than the initial plans and is this mainly linked to unfilled vacancies due to staff turnover and recruitment challenges across various services equating to c£0.700m.

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 with a reduced uptake of care home beds resulting in an under spend of c£1.4m. Whilst 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£2.300m. Nonetheless the Partnership continues to develop and implement plans to close the gap between capacity and demand. There is always an acknowledged scope for movement on these estimates and they will continue to be monitored closely.

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 end in March 2023 and projections for these expected costs have been included in the forecast.

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. Progress has

been made with baseline information available and further work will be done in the coming weeks to bring this to a conclusion.

Pressures continue to increase within the Physical Disability service. Regular updates on the progress made with the Improvement Plan will be shared with the Executive Management Team. As part of this plan a review of activity data will be undertaken to help develop improved resource profiles.

Similarly there are increasing pressures within the Learning Disability service driven by demand and the complexity of care packages. Regular updates on the progress made with the Improvement Plan will be shared with the Executive Management Team.

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 and this matter is now concluded.

- 3.10 Centrally Managed Budget** - the Centrally Managed Budget continues to reflect previous progress with saving (as per the IJB's financial plan) and it also 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. This structural imbalance requires to be addressed between the two partners on a permanent bases and a re-alignment of c£0.5m will be progressed in March (per report4/23).

- 3.11 Overall Position Regarding the IJB** - The overall projected year end position is an under spend of c£3.691m, largely attributed to a combination of unfilled vacancies linked to staff turnover and recruitment challenges and reduce uptake of care home beds.

- 3.12 Financial Impact of COVID-19** – As previously reported the Partnership continues to submit a monthly remobilisation financial plan to the Scottish Government regarding the estimated financial impact of COVID-19. The February position suggesting total costs in the current year of c£3.340m which includes:

- c£0.700m to support COVID-19 related Mental Health in patient pressures;
- c£0.600m to support wider system COVID-19 pressures within NHS Tayside.

As previously noted the Scottish Government had confirmed that all unused COVID-19 reserves will revert back to Scottish Government in the current year, for Angus this has resulted in c£12.383m being returned to the Scottish Government, albeit this figure will be reviewed at the year end.

The Scottish Government continues to expect IJB's to mainstream recurring COVID-19 related spend for future years and our estimated recurring costs of c£0.2m has been factored into the Strategic Financial Plan.

The impact of COVID-19 on the independent sector providers across Scotland continues to be part of regular discussions between IJBs and the Scottish Government.

- 3.13 Progress with Strategic Financial Plan (Planned Interventions)** – As previously report at the February 2023 IJB Board meeting, there has been no change to the status of planned interventions with residual gaps in future years reflected in the Strategic Financial plan.

- 3.14 Strategic Financial Plan** – A report on the updated 3 year Strategic Financial Plan is provided separately to the April 2023 IJB.

## **4. FINANCIAL IMPLICATIONS**

- 4.1** From the above and attached appendices it can be seen that the IJB is currently forecasting an under spend of c£3.691m. 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 just under £2.5m;

- Reduce uptake of care home beds c£1.4m;

As described in section 4.2 below it is suggested that up to c£2.0m of this under spend is utilised to create a Mental Health (Financial) Recovery Reserve.

4.2 As was originally noted in reports to the October 2022 IJB (report 66/22), the IJB had forecast that for 2022/23 there would be some unallocated funds that could be mobilised to support wider system pressures. It was agreed that authority be devolved to the Chief Officer, Chief Finance Officer, Chair and Vice Chair to progress this, with a subsequent update coming back to the IJB. As we reach the financial year end, the outcomes of these this process is as follows: -

1. c£1.8m offered to NHS Tayside to support wider system pressures. This funding is sourced from 2022/23 Scottish Government funds as anticipated in report 66/22. This funding offer awaits confirmation as it is linked to other proposals

In addition, some other funding stream have been mobilised to support relevant pressures within Partner including: -

1. c£0.300m to support Social Care oversight arrangements within Angus Council in 2022/23 from ring-fenced 2022/23 Scottish Government funding for that purpose.
2. c£0.770m to support capital investment in Community Alarm (Analogue to Digital Transfer) within Angus Council as funded from 2022/23 Scottish Government Care at Home funding (noted in report 66/22).
3. c£1.0m transferred to Angus Council to support their capital programme (as agreed in report 66/22).

The above support of wider pressures has largely been deliverable due to a combination of the IJB's internal position and the application of Scottish Government funding.

While the IJB's plans will continue to be dynamic as the year-end approaches, it is currently suggested that up to c£2.0m of this year's forecast underspend is utilised to create a Mental Health (Financial) Recovery Reserve. This reflects the ongoing financial challenges experienced by these services noted above and the need to develop the required Mental Health Improvement Plans.

After the above adjustments, it is likely the IJB will end the year with a further balance of underspend. The IJB currently holds a "Financial Planning Reserve" and it is suggested any balance of underspend is applied to that reserve. That reserve has previously been held for future-year consideration including looking at options to potentially return of some reserves to the IJB's partners in the succeeding financial year. This will remain an option alongside considering emerging financial risks such as those that exist around the Sustainability of Primary Care.

As noted elsewhere, all projections remain subject to revision as we approach the year end.

## 5. RISK AND GOVERNANCE

### 5.1 Risk

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. The updated 3 year Strategic Financial Plan report provided separately to the April 2023 IJB provides a summary of future financial risks. With regard to the projections in this report, it should be noted however that further risks may still materialise in the financial year end position.

<b>Risk Description</b>	Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services.
<b>Risk Category</b>	Strategic
<b>Inherent Risk Level</b>	Likelihood 5 x Impact 5 = Risk Scoring 25 (very high risk level). No change.
<b>Mitigating Actions</b>	Funding - Ongoing dialogue with NHST, Angus Council and, via national forums, Scottish Government.  Progress with Strategic Commissioning, Delivery and Financial Plans - Monitor via management forums and report to IJB regularly.  Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside.
<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.

## 5.2 Governance

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 3.

Appendix 3 in turn refers to a more detailed update whilst Appendix 4 is in respect to committee structures and future ways of working. This includes 6 recommendations for improved future working arrangements practices for the IJB.

As the Committee will be aware, the IJB has both a Reserves Policy (last updated in report 60/19) and a set of Financial Regulations (last updated in March 2016, (prior to inception of the IJB). By default, any update of these documents would need to be approved by the IJB. Both documents do currently require updating. It is intended that both updates will be shared with the Audit Committee for consideration in advance of any future approval being sought from the IJB.

It is requested here that the IJB consider if they are content to devolve authority to the Audit Committee to directly approve any updates of both documents (the Reserves Policy and the Financial Regulations) rather than have these documents requiring IJB approval. The view of the Chief Finance Officer is that devolving the remit for approving changes to the Reserves Policy and Financial Regulations to the Audit Committee is consistent with the other governance remits of the Audit Committee. Given that the Audit Committee will review updated Financial Regulations at its April 2023 meeting, it is also suggested that any authority could take effect retrospectively from that meeting.

It is important to note that with regard to Reserves Policy, the Audit Committee's remit only extends as far as the wording of the policy, not the application of funds within the IJB reserves.

## 6. PROPOSALS

The recommendations for approval in this report are set out in section 4.2 and Appendix 4.

## 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	

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Appendix 2: IJB Reserves 2022/23

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## 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			5,834	(40)	5,834	(40)
Medicine For The Elderly			6,545	725	6,545	725
Minor Injuries + Illness Units			1,977	289	1,977	289
Community Nursing			5,950	180	5,950	180
Management & Admin	1,301	(151)			1,301	(151)
Care at Home	5,535	(19)			5,535	(19)
Intermediate Care	392	11			392	11
Community Support	813	(8)			813	(8)
Supported Accommodation	533	75			533	75
Internal Residential	4,463	(54)			4,463	(54)
Care and Assessment	30,677	1,789			30,677	1,789
Community Mental Health	2,448	362			2,448	362
<b>Older Peoples Service</b>	<b>46,162</b>	<b>2,006</b>	<b>20,307</b>	<b>1,154</b>	<b>66,469</b>	<b>3,160</b>
<b>General Adult Psychiatry</b>						
	3,820	(83)	3,654	170	7,474	87
Admin Community Support	3,169	93			3,169	93
Non Residential Care	8,254	(860)			8,254	(860)
Residential Care	6,254	608			6,254	608
Learning Disability(Angus)			634	10	634	10
<b>Learning Disability</b>	<b>17,676</b>	<b>(158)</b>	<b>634</b>	<b>10</b>	<b>18,311</b>	<b>(148)</b>
<b>Physical Disabilities</b>						
	5,724	(818)	0	0	5,724	(818)
<b>Substance Misuse</b>						
	1,704	(57)	1,495	(6)	3,199	(64)
<b>Community Services</b>						
Physiotherapy			2,701	130	2,701	130
Occupational Therapy	1,597	(2)	720	62	2,317	60
Joint Store	770	0			770	0
Anti-Coagulation			210	35	210	35
Primary Care			2,078	0	2,078	0
Carers	785	17			785	17
Homelessness	936	24			936	24
Other Community Services			1,286	120	1,286	120
<b>Community Services</b>	<b>4,088</b>	<b>39</b>	<b>6,996</b>	<b>347</b>	<b>11,084</b>	<b>385</b>
<b>Planning / Management Support</b>						
Ijb Management	1,984	48	2,032	233	4,016	281
<b>Planning / Management Support</b>	<b>1,984</b>	<b>48</b>	<b>2,032</b>	<b>233</b>	<b>4,016</b>	<b>281</b>
<b>Local Hospital and Community Health Services</b>						
			<b>35,119</b>	<b>1,907</b>		
<b>Lead Partner Services - Angus</b>						
Forensic Service			1,104	(225)	1,104	(225)
Out of Hours			8,850	(1,050)	8,850	(1,050)
Speech Therapy (Tayside)			1,301	11	1,301	11
Locality Pharmacy			3,196	0	3,196	0
Tayside Continence Service			1,561	(76)	1,561	(76)
Hosted Services Centrally Managed Budget			(363)	50	(363)	50
Hosted Services Recharges to Other IJBs			(11,416)	904	(11,416)	904
<b>Lead Partner Services in Angus</b>	<b>0</b>	<b>0</b>	<b>4,233</b>	<b>(386)</b>	<b>4,233</b>	<b>(386)</b>
<b>Lead Partner Services - Dundee/Perth</b>						
	<b>0</b>	<b>0</b>	<b>9,095</b>	<b>354</b>	<b>9,095</b>	<b>354</b>
GP Prescribing			22,566	(594)	22,566	(594)
Other FHS Prescribing			(556)	205	(556)	205
General Medical Services			20,243	(596)	20,243	(596)
Family Health Services			16,411	7	16,411	7
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			8,569	0	8,569	0
<b>Total</b>	<b>81,157</b>	<b>977</b>	<b>115,680</b>	<b>897</b>	<b>196,838</b>	<b>1,874</b>
<b>Centrally Managed</b>						
Existing Commitments	2,417	2,647	(15,579)	(830)	(13,162)	1,817
<b>Grand Total</b>	<b>83,574</b>	<b>3,624</b>	<b>100,102</b>	<b>65</b>	<b>183,676</b>	<b>3,691</b>

## 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. A forecast year end reserves profile is set out in table 2 below.

**Contingency Reserves** – Reflecting future risks, the IJB now holds a contingency reserve of £6.45m (3% 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** - The IJB's ear-marked reserves are listed in table 2 below. Evolving financial plans exist for each reserve to ensure this funding is mobilised effectively in a way that meets any relevant 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 main body of this report makes further recommendations regarding reserves plans. The following details are provided re some specific Ear marked reserves.

In February 2023 the Scottish Government confirmed that they would be resetting the Mental Health (MH) Action 15 and Alcohol and Drug Partnership (ADP) reserves held by IJBs across Scotland. For Angus this means that these reserves, which could have supported non-recurring spend across MH and ADP have now been pulled back to the Scottish Government. However this was expected, given the Scottish Government approach against Primary Care improvement Fund (PCIF) and hence the services had not embarked on spending these 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.

**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".

<b>Table 2 Angus IJB Reserves</b>	<b>Reserves Opening Balance April 2022</b>	<b>Change in Year</b>	<b>Forecast Closing Balance Mar 2023</b>	<b>Additional Comment (including commentary regarding deployment of funds)</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>General Fund Balance (Usable Reserve) - General Reserve</b>	<b>5,250</b>	<b>1,200</b>	<b>6,450</b>	Per Reports (91/22 & 2/23)
<b>General Fund Balance (Ear-Marked Reserves) (Local)</b>				
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
	<b>6,680</b>	<b>1,200</b>	<b>7,880</b>	
<b>General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)</b>				
Primary Care Improvement Fund	2,649	(2,649)	0	
Mental Health Action 15	689	(689)	0	
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	(509)	0	
Forensic Medical Services	7	8	15	Plans developed
Drug Death Task Force	67	(67)	0	
District Nursing Workforce	48	(48)	0	
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	(8)	29	Plans being developed
Mental Health Facilities Project	324	0	324	Plans being developed
Mental Health Primary Care Development	31	(31)	0	
General Dental Services	221	(113)	108	Plans developed
Community Nursing Neurological Care	42	(3)	39	Plans developed
Dementia Post Diagnostic Support	70	(70)	0	
Unscheduled Care	73	(31)	42	Plans developed
Multi-Disciplinary Teams	251	(251)	0	
Health Care Support Workers	137	(137)	0	
Interim Care	954	(954)	0	
Expanding Care at Home	837	(837)	0	
Learning Disability Health Checks	0	22	22	Plans being developed
Realistic Medicine - GMS	0	15	15	Plans developed
	<b>23,524</b>	<b>(22,162)</b>	<b>1,362</b>	
<b>Total General Fund Balance (Ear-Marked Reserves)</b>	<b>30,204</b>	<b>(20,962)</b>	<b>9,242</b>	
<b>Total General Fund Balance</b>	<b>35,454</b>	<b>(19,762)</b>	<b>15,692</b>	

### Appendix 3: Financial Governance

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

Issue	Status / Background to Status	Implications of Status	Action Required	Commentary
Development of Large Hospital Set Aside arrangements in conjunction with NHS Tayside	Limited Progress - See separate IJB report (81/20) – A complicated concept that requires resolution between NHS Tayside and all local IJBs. Coordinated management resource is required to resolve this and that has been challenging over the last 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. As noted in the main report, the IJB is in discussion with NHS Tayside regarding an alternative way of considering activity associated with these resources. These ideas are still developing and will be shared with the IJB in due course.
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. This issue is regularly highlighted in Audit Committee reports but has been delayed recently due to staff absence.
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, The IJB's Executive Management Team are due to discuss the way forward for this issue in April 2023.
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 – Update shared at Audit Committee Development Session (01/02/23) resulting in proposal at Appendix 4.	See Appendix 4. The IJB are requested to support the steps outlined at Appendix 4.

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.

## Appendix 4: Committee Structures

As per the “Financial Governance” appendix, the IJB has previously noted the need to review its governance structures to ensure they fulfil the IJB’s governance requirements and it had been suggested that the IJB’s Audit Committee and associated forums (e.g. Strategic Planning Group (SPG) required review. This has been the case since pre-COVID and has been noted in IJB Annual Internal Audit reports (2020/21) and remains an outstanding Audit Committee and Governance action.

While there was previously traction regarding a review of the Audit Committee and consideration of the establishment of a Performance and Resources (P&R) type Committee, a number of factors have emerged since the issues were first raised pre-COVID. After consideration within the IJB’s Management team and after sharing proposals with the IJB’s Audit Committee, the following sets out a suggested way forward.

### Updates of Current Arrangements:

- We know the IJB’s governance structures generally held up during the COVID-19 response.
- The Partnership has successfully refreshed the management of change process (updating previous Angus Care Model and Improvement and Change Programme governance oversight).
- The Partnership has already introduced more regular opportunities for management discussion reflecting the increased pace of change.
- The IJB has progressed difficult decision during 2022 in parallel with COVID-19 responses.
- CCPG (Clinical Care and Professional Governance) has evolved and is now well established; it continues to fulfil its remit in its current format ensuring oversight of risk management issues, provision of assurance to NHS Tayside’s Care Governance Committee and provision of required care assurance to Angus Council Chief Social Work Officer.
- The IJB’s Audit Committee is now receiving Risk Management and “Direction” updates on behalf of the IJB.
- The IJB has started to channel more financial planning information through the IJB’s SPG.
- Alongside that we know that the IJB members, management and Committee support all have to manage capacity constraints.

All the above suggest significant governance resilience or strengthening is already underway or in place, however the Management team believe that the following further improvements can be made.

### Proposals for Further Refinement:

1. The IJB is introducing a Performance Steering Group (PSG) to oversee the management of performance issues and minutes of this meeting will, in future, be shared with the IJB’s SPG.
2. The IJB has committed to more regular Board Member liaison forums (for all members), though these forums would not be decision-making or assurance-providing forums. Sessions would remain voluntary and any discussion material shared through this type of forum would be made available to all IJB members.
3. That the IJB ensures “decision” and assurance/statutory reports are given primacy on IJB agendas and that less space/time is given to “for information” items – noting these can be discussed, shared and debated through other channels.
4. That the IJB agrees to channel more follow up reporting of strategic issues to the SPG, notes that some strategic development issues could be progressed through the SPG and that the IJB can follow up reporting of performance issues through the new PSG.
5. Due to the future nature of SPG activity, it would now be intended that the SPG’s minutes and a Chair’s Assurance Report are provided to IJB meetings.
6. If it were felt the augmented arrangements were suboptimal at a future review point, then a further review of the IJB and its sub-committee structures could be undertaken at that time.

The above would ensure the retention of the primacy of the IJB Board, acknowledge and extend the role of the Strategic Planning Group as delegated by the IJB, maintain the integrity of the Audit Committee and Clinical Governance functions and deliver a forum for performance issues. This would also alleviate some of the burden on the existing IJB Boards meetings and does not require the creation of a separate Performance and Resources-type forum.

This proposal does not overtly bring performance, finance, and strategic planning together in one place. However, if the PSG reports to the SPG, and more financial planning issues are channelled through the SPG before going to the IJB, then this will give an increased breadth of perspectives in the SPG.

It is important to keep in mind that Angus IJB is a relatively contained IJB and the IJB should be able to ensure that IJB and SPG members and the Management team are fully signed on the full range of issues required.