



AGENDA ITEM NO 9

REPORT NO IJB 34/23

**ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD – 21 JUNE 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 at the end of the financial year 2022/23. It also provides an update on 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) Scrutinise and note the overall financial position of Angus IJB for 2022/23;
- (ii) Approve Angus IJB approaching other organisations with a view to exploring collaborative opportunities as described at section 3.14;
- (iii) Endorse an increased level of transparency regarding the implications of delivering underfunded Scottish Government directives as described at section 3.14;
- (iv) Scrutinise and note the update on Reserves (Appendix 2);
- (v) Scrutinise and note the issues documented regarding Financial Governance (Appendix 3).

2. BACKGROUND

The report describes the 2022/23 year end financial position for Angus IJB, including NHS Directed Services, Angus Council Directed Services, the financial impact of COVID-19, reserves and financial governance.

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

The IJB's detailed yearend financial position for 2022/23 is set out in Appendix 1. This shows that the overall projected management position for Angus IJB for the year to March 2023 is an under spend of c£7.438m.

3. CURRENT POSITION

NHS Directed Services

- 3.1 Local Hospital and Community Health Services** – Reflects progress made in both this year and previously with the majority of services reporting an under spend, although this position has reduced from April IJB reporting. However, a large amount of the unplanned under spends is attributable to recruitment challenges across various services.

Psychiatry of Old Age was previously reporting a small overspend, however this has changed to a small under spend at yearend driven by a reduction in spend against staffing costs linked to changes in service demand.

Since the last report to the Board, Substance Misuse has seen an increase in drugs and pharmacy spend due to revised data intelligence which has resulted in an overspend of £0.072m. This will require remedial action through service management.

Collectively these factors contributed to the reported under spend of c£1.561m, with much of that 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** - 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 a year end of overspend in 2022/23 of c£1.286m, a deterioration on previous projections. The OOH Service has been asked to develop a financial recovery plan for approval by the IJB'S Executive Management Team and neighbouring IJBs. This work continues to be developed, albeit it is running behind schedule due to capacity constraints within the service to take this forward, and it is now expected an update regarding this will be available by August 2023.

Forensic Services has seen core operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe. This has resulted in a service overspend in 2022/23 of c£0.208m, a slight improvement in previous projections.

Tayside Continence Service has experienced high levels of product price inflation, however although demand for the service has increased in the last 12 months there has been a gradual shift in the products provided resulting in a slight improved year end position of a reported overspend of £0.038m. Procurement Department has advised the national contract for these products will be concluded over the coming months.

As a result of these in year pressures, the combined effect of the above is one of a reported year end overspend of c£0.385m for the Angus share of these costs, consistent with previous projections. 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 reported year end position for these services is an under spend of c£0.393m, a slight improvement on previous projections. The details are set out in Table 1 below.

The impact of the COVID-19 remobilisation plans has contributed 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. Work has been ongoing by each Lead Partner to address these unresolved saving targets on a recurring basis, and this will continue to progress during 2023/24.

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	7,274	(21)
Brain Injury	1,758	41
Sexual & Reproductive Health	2,441	201
Psychological Therapies	0	0
Dietetics (Tayside)	4,007	(196)
Other Services Hosted in Dundee	3,178	386
Balance of Savings Target	(196)	(196)
Grand Total	18,463	215
Angus Share (27.1%)	6,746	232
Angus Share of Lead Partner Services in Perth		
Podiatry (Tayside)	3,532	416
Prison Health Services	4,904	328
Public Dental Service	2,396	68
Other Services Hosted in Perth	45	2
Balance of Savings Target	(222)	(222)
Grand Total	10,656	591
Angus Share (27.1%)	2,888	160
Total Angus Share of Lead Partner Services	9,634	393

- 3.4 Family Health Services (FHS) Prescribing** - The final outturn position (£0.421m overspend) has deteriorated slightly with January's charges having an impact on accruals for February and March. Prices have continued to be higher compared with both the previous year and price growth planning assumptions, due to a combination of inflationary increases and short supply issues, whilst prescribing volumes remain lower than plan.

Generally, progress had 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. Although there is monthly variation, these costs are now running at c5% above national average, despite changes to national weightings, and this premium continues to place a burden on the Prescribing budget. 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.

- 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. Work continues to be progressed around this and an update will be provided by August 2023.

During 2022/23, the IJB has absorbed 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 the 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 overspends within these services would be managed and funded in 2022/23 and in future years (up to c£5m pressure). These discussions had been complex reflecting the breadth of opinions involved and the various facets of the discussion. Noting the financial challenges faced by NHS Tayside, and also Angus IJB's previous willingness to support the wider system, by the end of March, Angus IJB had offered to contribute to support the residual 2022/23 financial pressures within the services. That offer was dependent on NHS Tayside confirming a willingness to continue discussion to resolve future financial risk sharing arrangements for In Patients Mental Health Services. Unfortunately, agreement to continue further discussions on this issue was only reached on 12 May 2023. However, ultimately agreement was reached and NHS Tayside has noted their willingness to take a report NHS Tayside Board regarding risk sharing contributions if required. That step would only be required after the required further discussions.

Due to the nature of this issue, it will be important to make early progress in the new financial year towards resolving this matter. Angus Council are also sighted on this issue and may be party to any further discussions aimed at resolving these matters.

As part of the agreement, above, Angus IJB has agreed to support regional In patient Mental Health Services to c£0.607m in 2022/23 only. The overall issue of future financial risk sharing regarding In Patient Mental Health Services does present an increased financial risk to the IJB

- 3.7 Large Hospital Services** - The Board will recall the 2022/23 budget was c£8.569m. As previously noted the budget is re-set annually to match most recent activity and pricing levels. The value of this break-even budget has been re-set to £9.311m for 2022/23.

As noted previously, the IJB continue discussions with NHS Tayside regarding an alternative way of considering activity associated with these resources and the IJB has reached preliminary agreement with NHS Tayside regarding a process to manage changes in the volumes of services used. This will be developed in 2023/24 and will be shared with the IJB in due course.

- 3.8 Overall Position Regarding NHS Directed Services** – The final year end position is an under spend of c£0.517m. It is important to remind ourselves that looking at this figure in isolation from Adult Services is not entirely meaningful and the IJB did plan for under spends on the above resources to offset Adult Services overspends.

ADULT SERVICES

- 3.9 Angus Council Directed Services (Adult Services)** - For financial year 2022/23 Adult Services has reported a year end outturn of an under spend of just under c£2.082m. This position includes the additional cost associated with COVID-19 equating to c£1.495m. The financial position at year end has improved by c£1.1m compared to the projected financial position as reported in April 2023 with a summary of these movements detailed below.

As has been previously noted the change in demand from Care Homes to Care at Home has continued. The use of Care Home beds, however, has been lower than our previous expectations and consequently has resulted in lower projected spend against commissioned services by c£0.900m. This should have been picked up in earlier finance reports, but new forecasting processes (which will be amended for 2023/24) were not responsive enough to changes in occupancy levels. 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. This work continues to progress, and has taken longer than expected due to capacity issues, and will be used to ensure more robust projections can be made with regards to bed usage and financial implications in 2023/24.

It should be noted that the demand for Care at Home services continues to exceed the available capacity within the Partnership, and if the capacity was there it might be reasonable to assume additional annualised costs of up to c£2.000m.

At the year end income from service users increased by c £0.4m compared to previous projections. In the main this was due to a re-assessed increase in the number of long-term

charging orders. In moving forward, we will continue to work with Angus Council colleagues to ensure Charging Orders are reviewed more regularly to enable more accurate forecasts.

COVID-19 Provider Support costs are captured against the final outturn position and further referred to in COVID section 3.12. It should be noted that this funding ended in March 2023.

While there have been a number of additional under spends it should also be noted that there remains pressure on a number of service areas which will be closely monitored in the new financial year.

Increased demand for equipment to support people to stay at home has resulted in a small overspend against the Joint Store. In addition, there is also an overspend on the adaptations budget within occupational therapy service, with demand for support continuing to rise particularly for hoists and ramps.

Community Mental Health services for under 65s have also seen an increase in spend particularly in relation to commissioned services to support service users stay in the community and also high cost residential placements.

Learning Disabilities services have also seen a rise in the number of complex high cost packages for both residential and community placements resulting in a year end overspend of c£0.467m, a deteriorated projection. As part of the Improvement Plan a review of activity data will be undertaken to establish baseline budgets and future projected spends.

Pressures remains within the Physical Disability service with year end position reporting an over spend of c£0.690m, an improvement from the previous projections. 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.

3.10 Centrally Managed Budget - These resources show a year-end underspend of c£4.839m. In terms of presentation, this is an improvement from the April 2023 finance report. The April 2023 projection of c£1.8m underspend was after allowing for allocations being set aside to fund increases in the IJB's Contingency and Strategic Planning Reserves and the creation of a Primary Care Investment Reserve. This therefore showed available funding prior to these commitments. If these factors had not been allowed for, the previous underspend would have been £2.4m higher. Additionally, in March 2023, the IJB received late, but higher than anticipated, funding to offset pay awards with this held in Centrally Managed budgets for 2022/23 only.

It is important to recall that the IJB's Strategic Financial Plan previously did anticipate recurring overspends regarding Adult Services with offsetting under spends elsewhere in the IJB. Some of this structural imbalance has now been addressed between the two partners on a permanent basis

3.11 Overall Position Regarding the IJB - The overall year end position was an under spend of c£7.438m. This is an increased reported underspend compared to the last report reflecting:-

- 1) The changes in presentation of Centrally Managed Budgets noted above;
- 2) A series of changes noted above including higher than expected pay award funding only confirmed in March 2023, unexpected improvements against commissioned services forecast, higher than expected service user income and changes to the data intelligence used for charging activity.

As described above, the year end financial end position is heavily influenced by short term factors. The out-turn underspend 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 just under £2.4m;
- Lower uptake of care home beds c£2.3m;
- Pay award funding was higher than expected c£1.2m;

- Costs associated with some inflationary and contractual pressures were lower than originally anticipated c£1.0m;
- National Insurance benefit due to national guidance changes in year c£0.2m.

It is evident that some key underspends are associated with unfilled posts and therefore under-delivery of planned services. This will have had a commensurate negative detrimental impact on overall service delivery in 2022/23. Where issues are linked to changes in likes of funding (e.g. pay uplift funding or changes in National Insurance costs), then these will be positive factors in planning from 2023/24. Where any of the above factors have a recurring impact, these have been, or will be, allowed for in the IJB's Strategic Financial Plan or, if not already allowed for, will be allowed for in future iterations of the Strategic Financial Plan.

The out-turn this year does contrast with the long-term financial projection for the IJB (noting a c£8m deficit is projected by 2025/26). This reflects the multitude of pressures described in the Strategic Financial Plan. It is also important to note that some of the factors noted in this report (including factors such as the level of unfilled vacancies and the creation of reserves) are built in to the Strategic Financial Plan for 2023/24 to 2024/25, but on a diminishing basis.

3.12 Financial Impact of COVID-19 – The yearend financial impact of COVID-19 was £3.151m, slightly reduced from prior reported positions. The main areas of spend were as follows:

- £1.416m Key Provider Support costs;
- £0.732m to support COVID-19 related Mental Health in patient pressures;
- £0.605m to support wider system COVID-19 pressures within NHS Tayside;
- £0.195m Additional Staffing costs, including Out of Hours and Dietetic Services
- £0.124 Additional Prescribing costs;
- £0.079m Additional Personal Protective Equipment(PPE) costs and associated PPE running costs

As previously noted the Scottish Government had confirmed that all unused COVID-19 reserves would revert back to Scottish Government in financial year 2022/23 for Angus this has resulted in £12.605m being returned to the Scottish Government. In addition, in May the Scottish Government advised £0.003m of COVID-19 allocation was to be redirected to support PPE to unpaid carers, with the expectation this funding will be carried forward in a ring-fenced earmark reserve and be used for this purpose in 2023/24.

As previously noted the Scottish Government continues to expect IJB's to mainstream recurring COVID-19 related spend for future years and our 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 alongside issues such as the inflationary environment.

3.13 Progress with Strategic Financial Plan (Planned Interventions) - there is no change from the April IJB report. However, as part of the budget process all planned interventions have been re-set and captured in the Strategic Financial Plan for 2023/24 to 2025/26.

3.14 Strategic Financial Plan - At the April 2023 IJB, IJB, the IJB approved the adoption of the Strategic Financial plan for 1 year only, with a request for an updated Strategic Financial Plan to be presented to the IJB in August 2023 and an update to be shared with the IJB at June 2023 regarding next steps being taken to resolve the underlying long-term shortfalls documented in the April report. This section of this report provides that update.

The main intention of the IJB is to, as described in report 29/23 "Strategic Commissioning Plan 2023-2026", revisit the Strategic Delivery Plan and Strategic Financial Plan to ensure the IJB can close the predicted financial shortfall. To do that, the IJB has started to explore the potential for some of the actions listed in the April 2023 Strategic Delivery Plan to deliver potential cost reductions. Early review suggests that, while there are some areas of good potential, the overall benefits likely to be derived from existing actions will not be sufficient over the duration of the Strategic Commissioning Plan. Therefore, in addition to exploring existing actions, IJB management forums are also looking at further actions, derived from the Strategic Commissioning Plan, that could also help to close out financial shortfalls.

In parallel to all of the above, the IJB is developing a small number of additional actions that could help address some of the financial shortfalls. Key areas to share with the IJB currently are as follows:-

1. Exploring increased levels of collaboration with other parties. This has been subject of some preliminary discussion within the IJB and, looking forward, increased levels of collaboration are to be expected across much of the public sector. The IJB are therefore asked to support the principle of Angus IJB now approaching neighbouring IJBs, existing partners such as NHS Tayside, Angus Council, the independent sector and the third sector, as appropriate, to consider opportunities for increased collaboration across i) front line services, ii) functions that directly support front line services and iii) other support services and functions.
2. Exploring issues regarding Scottish Government directives that are hard-to-deliver due to funding issues. In particular, being increasingly transparent and overt regarding any implications of progressing underfunded Scottish Government directives. That could include setting out any existing services that need to be de-commissioned to allow the delivery of a new directive. Allied to this, the IJB should also ensure it is using all national channels available (e.g. Chief Officer / Chief Finance Officer / Chair & Vice Chair forums) to make the case for transparent funding of the resources required to delivery any new directives. The IJB are therefore asked to support this position of increased transparency regarding the implications of progressing underfunded Scottish Government directives and to support the use of all available national channels are used to make the case for any funding requirements to deliver specific directives.
3. An exploration of current levels of IJB spend, noting the IJB concluded 2022/23 under spent from a service perspective, to see if any re-assessment of baseline budgets is possible. This could be with a view to potentially resetting some baseline service budgets at a reasonable and lower level than has been historically in place. This might reflect future anticipated need levels, current service delivery and future expectations of services and could be seen to be an alternative to filling all historically assumed posts (for example) and also having to identify a higher level of savings targets.

4. FINANCIAL IMPLICATIONS

From the above and attached appendices it can be seen that the IJB is reporting an overall operational under spend of c£7.438m.

As the IJB is reporting a year end under spend so the impact of the IJB's financial position for both Angus Council and NHS Tayside is neutral. Per the Integration Scheme, the IJB does initially retain any reported year end under spend within IJB reserves. The IJB's reserves are described in more detail in Appendix 2.

To date, it is important to note that the IJB has already allocated much of the in year 2022/23 underspend as follows: -

- £0.500m to increase the IJB's Strategic Planning Reserve;
- £1.200m to increase the IJB's Contingency reserve to reflect increased turnover and agreement to increase contingency levels to 3% of turnover reflecting increased risks;
- £0.700m to create a new Primary Care Investment Reserve;
- £2.000m to create a new Mental Health Recovery Financial Reserve

This is also noted at section 3.10. The balance of reserves will be placed into a Financial Planning Reserve for future consideration.

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

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

In future years should the IJB report a year end overspend then, in the first instance IJB reserves will require to be used to address any over spend. Beyond that there could be an impact on the IJB's Partners. The use of significant IJB reserves will only provide short term relief and when a recurring shortfall emerges the IJB will require a series of financial planning responses beyond those already in progress.

5. RISK AND GOVERNANCE

5.1 Risk

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. The Angus IJB Strategic Financial Plan (report 28/23, appendix 2) detailed the current financial risks and this remains unchanged. Many of the finance risks are IJB wide risk 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, Delivery and Financial Plans - 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.

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.

6. PROPOSALS

The recommendations for approval in this report are set out in section 3.14.

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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List of Appendices:

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

Appendix 1 Angus Health and Social Care Partnership Financial Monitoring Report 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
Local Hospital and Community Health Services						
Older Peoples Services						
Psychiatry Of Old Age			5,841	68	5,841	68
Medicine For The Elderly			6,545	407	6,545	407
Minor Injuries + Illness Units			1,852	289	1,852	289
Community Nursing			6,031	167	6,031	167
Management & Admin	1,308	(203)			1,308	(203)
Care at Home	5,463	(148)			5,463	(148)
Intermediate Care	392	1			392	1
Community Support	835	15			835	15
Supported Accommodation	533	130			533	130
Internal Residential	4,465	(64)			4,465	(64)
Care and Assessment	30,732	3,339			30,732	3,339
Community Mental Health	2,448	410			2,448	410
Older Peoples Service	46,176	3,480	20,269	932	66,445	4,411
General Adult Psychiatry	3,865	(160)	3,891	186	7,756	26
Admin Community Support	3,289	53			3,289	53
Non Residential Care	8,254	(829)			8,254	(829)
Residential Care	6,247	309			6,247	309
Learning Disability(Angus)			634	12	634	12
Learning Disability	17,790	(467)	634	12	18,424	(455)
Physical Disabilities	5,709	(690)	0	0	5,709	(690)
Substance Misuse	1,747	(37)	1,495	(72)	3,242	(109)
Community Services						
Physiotherapy			2,739	140	2,739	140
Occupational Therapy	1,732	(69)	720	68	2,452	(0)
Joint Store	770	0			770	0
Anti-Coagulation			210	34	210	34
Primary Care			2,152	12	2,152	12
Carers	785	6			785	6
Homelessness	936	27			936	27
Other Community Services			1,640	115	1,640	115
Community Services	4,223	(36)	7,462	370	11,685	334
Planning / Management Support						
Ijb Management	2,072	(7)	2,093	133	4,165	126
Planning / Management Support	2,072	(7)	2,093	133	4,165	126
Local Hospital and Community Health Services			35,844	1,561		
Lead Partner Services - Angus						
Forensic Service			1,113	(208)	1,113	(208)
Out of Hours			8,986	(1,286)	8,986	(1,286)
Speech Therapy (Tayside)			1,301	(5)	1,301	(5)
Locality Pharmacy			3,332	0	3,332	0
Tayside Continence Service			1,609	(38)	1,609	(38)
Hosted Services Centrally Managed Budget			178	123	178	123
Hosted Services Recharges to Other IJBs			(12,044)	1,030	(12,044)	1,030
Lead Partner Services in Angus	0	0	4,477	(385)	4,477	(385)
Lead Partner Services - Dundee/Perth	0	0	9,634	393	9,634	393
GP Prescribing			22,742	(706)	22,742	(706)
Other FHS Prescribing			(432)	285	(432)	285
General Medical Services			20,311	(638)	20,311	(638)
Family Health Services			15,965	7	15,965	7
In Patient Mental Health Services			8,760	0	8,760	0
Large Hospital Set Aside			9,811	(0)	9,811	(0)
Total	81,582	2,082	127,111	517	208,693	2,599
Centrally Managed						
Existing Commitments	3,059	3,221	(17,933)	1,618	(14,873)	4,839
Grand Total	84,642	5,303	109,179	2,135	193,820	7,438

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.

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

1. As previously noted the Scottish Government confirmed that all unused COVID-19 reserves would revert back to Scottish Government. As the IJB consumed £3.151m COVID costs in 2022/23 the uncommitted funds of £12.605m was returned to the Scottish Government, the net financial impact has been a decrease of £15.756m against ear-marked reserves;
2. As previously reported Scottish Government advised IJBs should draw down on some of their existing ear-marked reserve balances in the first instance, this impacted on Primary Care Improvement Funds, Mental Health Action 15 and Alcohol and Drugs Partnership, with a net decrease in ear-marked reserves of £3.484m;
3. Increase spend against the Scottish Government ear-marked funding for winter planning monies for Expanding Care at Home, Interim Care, Multi-Disciplinary Teams and Health Care Support Workers supporting whole system working, resulting in a net decrease in ear-marked reserves of £1.839m;
4. As the IJB has reported a "management" accounting under spend of c£7.438m, this increase the IJB's reserves.

Contingency Reserves – At the year end, and as agreed previously, the IJB holds a contingency reserve of £6.450m (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. It is already envisaged that this reserve will be required to support the IJB's Strategic Financial Plan although reserves only provide short term relief to ongoing financial pressures.

Ear-marked Reserves - The IJB's ear-marked reserves are listed in table 2 below and noted above. Evolving financial plans exist for each reserve but, where these are not fully developed, the IJB will require to develop plans to ensure this funding is mobilised effectively in a way that meets 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 IJB also retains some locally derived ear-marked reserves as follows: -

Strategic Plan Reserve - Opening value at April 2022 - £2.290m; increased by £0.500m in October 2022. This resource is managed over the duration of the new Strategic Commissioning Plan to March 2026) and overseen by the Strategic Planning Group (SPG). Spend in 2022/23 has been lower than planned due to commitments being contained within core budgets. The yearend reserve is £2.790m.

Financial Planning Reserve 2022/23 - year end closing position of £1.090m - the application of these funds to be considered in due course.

Financial Planning Reserve 2023/24 (new) - £3.038m. As previously agreed, the IJB's "management accounting" variance (after increasing the Contingency and Strategic Plan Reserve and creating the Primary Care Investment Reserve and Mental Health Recovery Reserve per reports 66/22, 91/22, 2/23 & 27/23) will be placed in this reserve. The application of these funds will be considered in due course.

Property Reserve – £3.300m. This reserve was created via report 26/22 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.

Primary Care Investment 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".

Mental Health Recovery Financial Reserve (new) - £2.000m. This reserve has been created per report 27/23).

Table 2 Angus IJB Reserves	Reserves Opening Balance April 2022	Change in Year	Closing Balance 31 Mar 2023	Additional Comment (including commentary regarding deployment of funds)
	£k	£k	£k	
General Fund Balance (Usable Reserve) - General Reserve	5,250	1,200	6,450	Per Reports (91/22 & 2/23)
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
Financial Planning Reserve 2023/24	0	3,038	3,038	As per year end position
Property Reserve	3,300	0	3,300	Per Report 25/22
Primary Care Investment Reserve	0	700	700	Per Report 66/22
Mental Health Recovery Financial Reserve	0	2,000	2,000	Per Report 27/23
	6,680	6,238	12,918	
General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)				
Primary Care Improvement Fund	2,649	(2,512)	137	Plans developed
Mental Health Action 15	689	(523)	166	Plans developed
Primary Care Transformation Fund	182	8	190	Plans to be developed pending approval of Angus GP Practice Premises Strategy
Primary Care Premises	245	0	245	
Alcohol & Drug Partnership Fund	509	(450)	59	Plans developed
Forensic Medical Services	7	(7)	0	
Drug Death Task Force	67	(23)	44	Plans developed
District Nursing Workforce	48	(48)	0	
COVID-19 (2020/21)	3,916	(3,916)	0	See narrative in report.
COVID-19 (2021/22)	11,843	(11,843)	0	
Community Living Change	392	(60)	332	Plans developed
Workforce Wellbeing Primary and Social Care	37	(7)	30	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	(112)	109	Plans developed
Community Nursing Neurological Care	42	(1)	41	Plans developed
Dementia Post Diagnostic Support	70	(61)	9	Plans developed
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	(497)	340	Plans being developed
Learning Disability Health Checks	0	43	43	Plans being developed
Realistic Medicine - GMS	0	15	15	Plans developed
Forensic Medical Services (SARC)	0	8	8	Plans developed
Carers PPE Reserve	0	3	3	Plans to be developed
Long COVID Support Fund	0	59	59	Plans developed
	23,524	(21,328)	2,196	
Total General Fund Balance (Ear-Marked Reserves)	30,204	(15,090)	15,114	
Total General Fund Balance	35,454	(13,890)	21,564	

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). As noted in the main report, discussions continue to progress with NHS Tayside regarding alternative way of considering activity associated with these resources and the IJB has reached preliminary agreement with NHS Tayside regarding a process to manage changes in volumes of services used. This will be developed in 2023/24
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 has progressed with governance reporting. An update to be provided to Audit Committee in 2023/24 on the development of consolidated finance reporting.
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 2022 Integration Scheme notes... "It will be the responsibility of the Parties to work collaboratively to provide the Integration Joint Board with support services which will allow the Integration Joint Board to carry out its functions and requirements. The Parties will agree a memorandum of understanding (MoU) to define the terms and arrangements whereby the Parties agree to make available to the Integration Joint Board such professional, technical, or administrative resources as are required to support the development of the Strategic Plan and the carrying out of Delegated Functions. These arrangements will be reviewed through regular reports from the Chief Officer of the Integration Joint Board."	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 2022 Integration Scheme does not provide a ready-made solution or vehicle for solution of this long-standing issue. This is a missed opportunity and the IJB and partners will have to continue to work together to address this issue.	CO - Ideally a comprehensive response to be considered with both partners simultaneously as part of a review of the Integration Scheme.	The IJB's Executive Management Team has discussed this issue at its May 2023 meeting. An ideal solution is for a collaborative discussion with Partners revisiting previous and current issues with senior officer input. For NHS Tayside in particular, it is most likely this would be a discussion that would best happen across all three Partnership simultaneously. However, this is probably an unrealistic expectation. To note, there is a regular liaison meeting between Angus Council and Angus IJB that does discuss this issue, the potential (re)emergence of a National Care Service that could change future arrangements and that the IJB/HSCP has managed using original documentation, while addressing occasional issues on an ad-hoc basis. Attempts to develop a MoU would be time-consuming and challenging given financial climate. It is unlikely an MoU could be developed without addressing resource issues, which will prove fraught. Noting the wording in the Integration Scheme (highlighted on LHSA), it is now proposed that the IJB/HSCP resets its position to say the IJB itself is no longer formally actively pursuing a review of the current corporate support arrangements. The IJB/HSCP would therefore manage any single issues on an ad-hoc basis as consistently as is reasonably practical. In doing that, the IJB would seek to retain a record of any ad-hoc agreement reached with partners or any dialogue regarding challenges within support services.
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)	The IJB has supported the improved working arrangements (April 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 sensor managers up matters can be affected by capacity constraints. Progress on some outstanding governance improvements have been inhibited by the pressures of dealing with COVID-19.