



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD – 23 AUGUST 2023**

**ANGUS IJB STRATEGIC FINANCIAL PLAN 2023/24 – 2025/26**

**REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER**

**ABSTRACT**

The purpose of this report is to update the Integration Joint Board (IJB) regarding the further development of the Angus IJB Strategic Financial Plan for the period 2023/24 to 2025/26 and to seek approval for the contents of this updated plan.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board: -

- (i) Consider and then approve this version of the Strategic Financial Plan for 2023/24;
- (ii) Notes the issues set out in appendix 4 and approves 4 associated recommendations; and
- (iii) that a time-limited Chief Officer Advisory Group is developed to oversee the consideration of proposals to bring the IJB's SFP back towards longer term balance.

**2. BACKGROUND**

This report provides an update to report 28/23 presented to the IJB in April 2023. Where issues have not been updated, they have been noted but not replicated here, so this report needs to be read alongside 28/23 to get a full picture of the IJB's strategic financial planning.

This report sets out an updated 3 year Strategic Financial Plan (SFP) for the IJB. This plan is intended to be consistent with, and a financial representation of, the IJB's Strategic Commissioning Plan (SCP) from 2023/24. This update has been required as the version shared at April 2023 did not describe a balanced long-term financial plan. This version update acknowledges that a number of financial risks remain and these risks could be significant enough to eventually require a future re-working of the plan.

The IJB also needs to note there may, at times, be a need to amend or diverge from this plan as circumstances develop or as more information becomes available and there will be a need to revisit this plan due to underlying shortfalls.

The report outlines a series of positions and/or assumptions regarding funding uplifts, inflationary, demographic and legal/contractual pressures, and a series of planned interventions. This updated plan is set out in a series of sections as follows:-

- Current Financial Performance;
- Funding Assumptions (Budget Settlements);
- Cost Pressures and Strategic Commitments – including inflationary, demographic, legal/contractual and other pressures. This includes reference to COVID-19;
- Planned Interventions – including updates of previous planned interventions;
- Lead Partner Services, Prescribing, Family Health Services, Large Hospital Set Aside and Mental Health;
- IJB Reserves;

- Risk Assessment;
- Equalities Impact Assessment;
- Directions;
- Summary and Next Steps.

Appendix 1 shows the IJB's overall updated Strategic Financial Plan. A commentary on the overall position is included in the "Summary" part of this paper.

This report updates the Strategic Financial plan in a way that is intended to continue to be consistent with the IJB's recently-approved Strategic Commissioning Plan, noting the inter-relationship between the Strategic Commissioning Plan and the Strategic Financial Plan. This updated plan will be shared with both Angus Council and NHS Tayside and this version of this plan should be reflected in their respective financial planning. The updated plan has been shared with the IJB's Strategic Planning Group.

### 3. CURRENT FINANCIAL PERFORMANCE

3.1 The underlying financial performance in 2022/23 needs to be factored into the IJB's future financial plans. This updated Strategic Financial Plan has been developed after the IJB has reported an in-year 2022/23 underspend and includes a small number of adjustments.

3.2 The information updates regarding overall changes in the assessment of the underlying financial position moving into 2023/24 from 2022/23. While this has been developed using the same logic as applied in report 28/23, the IJB has, partly due to financial planning challenges, been considering some underlying financial planning assumption in alternative ways since April 2023.

The June 2023 IJB Finance report (34/23) noted that in parallel to actions around the Strategic Delivery Plan, the IJB was developing a small number of additional actions that could help address some of the financial shortfalls. One of these was regarding exploring current levels of IJB spend to see if any re-assessment of baseline resources was possible. This was with a view to resetting some baseline service budgets at a reasonable and lower level than has been historically in place. This could be seen as an alternative to filling all historically assumed posts (for example) and also having to identify a higher level of savings targets.

The IJB has now completed an initial review of potential options and Appendix 3 sets out a small number of specific recommendations for re-setting the IJB's baseline resources. These are subject to approval as part of this report and are subject to relevant EQIAs (attached as an annex to Appendix 3). These changes have a material impact on the IJB's projected budget for future years and are shown separately in the IJB's financial plan. Collectively they improve the IJB's 2025/26 financial planning position by c£1.6m, as also captured in the table below against Adult Services.

Service	Budget Rollover (Report 28/23) £m	Movement £m	Revised Budget Rollover £m
Adult Services	0.085	1.600 <sup>1</sup>	1.685
Community Health	1.120	0.000	1.120
Lead Partner Services in Angus	(0.850)	(0.850) <sup>2</sup>	(1.700)
Lead Partner Services (Elsewhere)	(0.170)	0.000	(0.170)
Prescribing	(1.200)	0.000	(1.200)
Family Health Services	(1.000)	0.000	(1.000)
Less Lead Partner Services Recharge	0.620	0.619	1.239
<b>Total</b>	<b>(1.395) <sup>3</sup></b>	<b>1.369</b>	<b>(0.026) <sup>3</sup></b>

Note 1 Refer to Appendix 3 for further information.

Note 2 Refer to Section 7.1 Lead Partner Services in Angus for further information.

Note 3 Brackets reflect a cost pressure in the table above.

While the above still contains uncertainty, in total this assessment suggests an underlying brought forward recurring pressure of c£0.026m.

Separately, it continues to be noted that the previously-described review of the Older Peoples Services resource requirements still requires to be concluded. Similar reviews will also be progressed through associated improvement programmes to determine realistic and affordable resource frameworks for both the Learning and Physical Disability services. There is no additional funding allowed for this in the IJB's financial plans and these steps are mainly required to formalise baseline budgets.

#### **4. FUNDING ASSUMPTIONS (BUDGET SETTLEMENTS)**

- 4.1 There have been limited changes to the IJB's budgetary assumptions set out in report 28/23. However NHS Scotland Agenda for Change pay award for 2023/24 has been approved and we continue to assume these will be fully funded. However, NHS Tayside has still not been able to confirm the pay funding settlement and hence there is a level of uncertainty around the funding allocation.
- 4.2 NHS Tayside has now received additional NRAC (National Resource Allocation Committee) funding to bring NHS Tayside back towards national parity with the Tayside's population share of national funding. The IJB will engage with NHS Tayside to determine if any of this funding should flow to IJBs.
- 4.3 Report 28/23 described a number of unresolved issues. At August 2023, issues regarding Large Hospital Set Aside and In Patient Mental Health Services remain largely unresolved.

In the last quarter of 2022/23, it became apparent that there are issues with regard to funding arrangements of medicines that have transferred from secondary care prescribing to primary care prescribing. While this was resolved for 2022/23, it requires further remedial work during the first half of 2023/24 to clarify matters for the future. The IJB has already highlighted the need for a Short Life Working Group, including both primary and secondary care and pharmacy leadership, to resolve this issue.

In the future, updates on all these issues will be brought back to the IJB.

#### **5. COST PRESSURES AND STRATEGIC COMMITMENTS**

- 5.1 The IJB's Strategic Financial Plans has previously routinely reflect a series of inflationary, demographic, legal/contractual and other cost pressures. These pressures, and the mitigation of them described elsewhere, remain an important factor within financial planning. Many pressures are subject to continued uncertainty and this represents an ongoing risk for the IJB.

The allocation of funds to services to support pressures is assumed to be dependent on:-

- for internally funded pressures/ discretionary commitments, the satisfactory progress with the delivery of planned interventions within the financial plan that assist fund those pressures; and
- appropriate approval of plans under the authority of the Chief Officer.

#### **5.2 Inflationary Pressures**

The IJB's plans reflect a series of inflationary pressures, all subject to uncertainty, as follows:-

- Staff Pay Inflation – NHS Scotland has agreed the Agenda for Change pay award for 2023/24 and this has reflected in our assumptions. In regard to all other NHS pay agreements our assumptions remain the same as previously reported.
- Angus Council pay awards – No change from previous assumptions.
- Third Party Inflation - No change from previous assumptions of a c4.5% uplift in costs. in line with accommodating the Scottish Government's Adult Social Care Pay uplift.
- National Care Home Contract Inflation (NCHC) - The national contract uplift has now been finalised and our assumptions have been refined to reflect the outcome of this agreement.
- Other Inflation Pressures - No change from previous assumptions of a c6% uplift in costs.
- National Insurance Changes - No change from previous assumptions.
- Inflation Charging - No change from previous assumptions.

While the attached plans need to allow for the factors described above, each may be subject to further refinement, negotiation, and potential mitigation.

### 5.3 Demographic and Service Pressure

For these issues, the latest plan includes the same assumptions as the April 2023 plan.

### 5.4 Legal / National Priorities

For these issues, the latest plan includes the same assumptions as the April 2023 plan. There continues to be, as noted previously, concern about the Scottish Government's confirmation of funding previously expected. This can have an impact on national priority areas.

### 5.5 Remobilisation Costs

For these issues, the latest plan includes the same assumptions as the April 2023 plan.

### 5.6 Other Pressures

For these issues, the latest plan includes the same assumptions as the April 2023 plan.

## 6. PLANNED INTERVENTIONS

6.1 This section provides an update regarding planned interventions which are required as a response to the longer-term shortfalls within the IJB's SFP.

6.2 The following planned interventions remain unchanged within the IJB's Strategic Financial Plan:-

- Angus Care Model - Internal Care Home Review
- Angus Care Model - Residential Care Home Review - Peripatetic Nursing
- Angus Care Model - Psychiatry of Old Age Review
- Supported Accommodation Review
- Learning Disability (LD) Improvement Plan
- Physical Disability Improvement Plan.

For all these interventions, it is the continued planning assumption that savings will be delivered in line with previous assumptions. It is important to note that for all planned intervention, the IJB has previously agreed that should any planned interventions need to be revisited by the IJB (e.g. in terms of deliverability), then part of that consideration will be the description and approval of alternative measures to address any gaps that may otherwise emerge in the IJB's plans. Separate Finance reports note that the "Residential Care Home Review – Peripatetic Nursing" proposals are currently under revision.

6.3 Executive Management Team (EMT) Reviews - 2023/24 - c£0.340m; future years c£0.700m per annum. Lead Officer – Executive Management Team.

The IJB's EMT were asked to work towards confirming the delivery of these cost-reducing savings would be firmed up and confirmed by the August 2023 IJB meeting. The current state of delivery has been described in separate IJB Finance reports. This shows a very low level of confirmed delivery and represents a further area of concern for the IJB given in year and future year impacts. This updated plan retains the original targets.

6.4 Out of Hours Service - Recovery Plan - 2023/24 £0.055m, with a further £0.055m in 2024/25 (both low risk). The plan is being progressed by the service and reflects opportunities to adopt a national approach and reduce areas of high costs. Lead Officer – Head of Service (J Galloway).

6.5 Prescribing – At June 2023, the IJB requested "...an update to the August 2023 IJB regarding the development of plans to demonstrate how costs can more closely be aligned to available resources." This reflected the need to set out improvements proposals to mitigate the currently forecast overspend. It is acknowledged that there is both a data delay and a lead time for any corrective improvements action and any improvements would not necessarily have an immediate in-year impact, However these improvements would support the IJB's financial position and planning over the lifetime of the IJB's current Strategic Financial Plan (i.e. to 2025/26). The current first phase of plans, set out for noting here, include: -

Intervention – Phase 1	Comment	Planned Interventions		
		2023/24	2024/25	2025/26
		£m	£m	£m
Review of “Script switch” Triggers	By Practice/Drug	0.010	0.020	0.020
Review of Unusual Drugs	By Drug / Practice	0.005	0.010	0.010
Targeted Formulary Compliance	By Drug	0.010	0.020	0.020
Targeted Practice Support	By Practice	0.025	0.100	0.200
<b>Total</b>		<b>0.050</b>	<b>0.150</b>	<b>0.250</b>

Noting resources issues within Pharmacy and General Practices, these proposals will be developed further in terms of implementation and measurability and broadened through local Prescribing Management Groups and relevant clinical and operational forums.

These additional planned prescribing interventions are all now factored into the appendix 1 and assist to bring the IJB’s SFP back closer to financial balance by 2025/26. However, it is recognised that they do still leave the Prescribing position significantly over-committed compared to currently available budget and the IJB’s Prescribing Management Group will consider this further.

6.6 The IJB’s regular finance reports will provide updates on progress with planned interventions. Noting the weakness in delivery noted above and the view developed at the IJB’s EMT to revise one of the plans, this places a significant additional risk into the IJB’s overall planning.

6.7 In addition to the above, the IJB has started to explore opportunities regarding increased levels of collaboration (as per report 34/23). Initially this has been via the IJB’s Chief Office and with regard to neighbouring IJB’s.

The IJB is also continuing to monitor situations where the delivery of Scottish Government directives is challenged by funding arrangements (as per report 34/23). This is a scenario that does appear to apply to a number of situations across the IJB.

## 7. LEAD PARTNER SERVICES, PRESCRIBING AND FAMILY HEALTH SERVICES. LARGE HOSPITAL SET ASIDE AND MENTAL HEALTH

### 7.1 Lead Partner Services

As noted in other reports, the regional Out of Hours Service continues to experience post-COVID 19 service and financial pressures. Reports in the early part of 2023/24 show a materially increased financial exposure – now up to £1.7m. While there are some plans developing to reduce this marginally, the service remains subject to developing a financial recovery plan. It is still anticipated that that plan will describe changes that will allow the service to demonstrate how costs can more closely be aligned to available resources. The end point of any recovery plan may need to include a remodelling of Out of Hours Services.

There has been no change to the Lead Partner services managed in Dundee and Perth budget assumptions as set out in report 28/23.

### 7.2 Prescribing

Generally, the position for prescribing is as per the April 2023 plan augmented by initial savings plans as set out above.

Previous reports have highlighted the importance of recognising the increased financial risks associated with new drugs treatments recommended for adoption in Primary Care across Scotland. This, and related issues, is a key unresolved risk for the IJB and the wider system in Tayside. Appendix 4 of this reports provides more background and makes a series of recommendations for approval in this report.

### 7.3 Family Health Services

There have been no changes from previous assumptions. Issues and risks remain regarding funding for the introduction of the 2018 General Medical Services contract, pressures regarding the costs of providing General Practices through salaried service models, the requirement for the IJB to develop plans to ensure local salaried services are delivered safely and economically, developing recruitment and retention responses for General Practices more widely and the progression of the recently approved Primary Care Premises Strategy.

### 7.4 Large Hospital Set Aside and Mental Health

While risks and other issues associated with these services are highlighted elsewhere in this and other reports, this plan does not reflect any material changes compared to the April 2023 IJB report. Some estimates have been updated to reflect final 2022/23 year end positions.

## 8. STRATEGIC COMMISSIONING PLAN / STRATEGIC DELIVERY LAN

At the April IJB, the IJB approved the new 2023-26 Strategic Commissioning Plan (SCP), endorsed the initial Strategic Delivery Plan (SDP) and also requested an updated SDP be developed to describe how the IJB can deliver its SCP within available resources. A primary intention of this report would have been to reflect the updated SDP. However, as described in separate reports, the output of the latest iteration of the SDP does not confirm specific actions that can be mapped over to the IJB's Strategic Financial Plan to assist close that financial gap.

This is captured in the summary position, where the lack of output from the updated SDP means the IJB continues to have significant shortfalls in its overall Strategic Financial Plan.

## 9. IJB RESERVES

The IJB holds a number of ring-fenced reserves. Some of these are linked to Scottish Government ring-fenced allocations where the IJB is obliged to retain unspent funds for future years for specific purposes.

The IJB will continue to manage reserves as best it can to ensure they are deployed on a timely basis in line with Scottish Government stipulations and to support the IJB operationally and, importantly, strategically. In particular, there will a renewed emphasis on deploying reserves to support closing out long-term Strategic Financial Planning gaps. Reserves will also be considered in the context of wider system pressures.

## 10. RISK ASSESSMENT

This updated plan is produced in a complicated and uncertain environment. As such it contains many risks and assumptions. Risks clearly exist throughout this type of planning including risks regarding funding, inflation and service pressures. A summary of risks is set out in Appendix 2.

<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. Progression of Planned Interventions.
<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.

## 11. EQUALITIES IMPACT ASSESSMENT

As set out previously, the IJB's Strategic Financial Plan is intended to be consistent with, and a financial representation of, the IJB's Strategic Commissioning Plan. Equalities Impact Assessments (EQIAs) has been undertaken as part of the development of the IJB's Strategic Commissioning Plan. In addition, this paper reflects the output of previous reports to the IJB and those reports will have associated EQIAs. An EQIA has been included in the attached appendices reflecting a specific issue regarding Commissioned Care Home Services.

Reflecting the above, and with the exception of the attached EQIA, the view is that no separate EQIA is required for this report.

## 12. 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.

This updated version of the IJB's Strategic Financial Plan is complementary to the IJB's Strategic Commissioning Plan and therefore this report does not generate a separate Direction.

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

## 13. SUMMARY

13.1 This report sets out an updated view of the IJB's SFP for 2023/24 to 2025/26. While it does capture a number of updates, its primary purpose was to reflect the updated SDP and it was anticipated this would see a closing of financial gaps. Reflecting other reports and the above, we now know latest iteration of the SDP does not assist close the financial gap.

Separately there have been a series of adjustments which do reduce the IJB's long term forecast financial planning gap from c£8m to c£6m. The most significant change has been to adjust baseline expectation regarding Commissioned Care Home activity. While this has not been added as a reflection of the latest Strategic Commissioning / Delivery Plan, as described in appendix 3 this was in line with the intentions set out in the IJB's previous Strategic Commissioning Plan

It is important to note that this SFP has been developed in unstable conditions and the scale of uncertainties and risks that the IJB may have to manage is significant. A number of these risks are described in appendix 2 and many will, or could, have a financial impact.

While the IJB is now forecast to underspend on an in-year basis, largely due to the likes of vacancies, the outcome of this latest iteration of the SFP is described in detail in appendix 1. The recurring shortfalls are summarised below: -

Financial Year	2023/24	2024/25	2025/26	Recurring 2025/26
	£k	£k	£k	£k
Shortfalls	(3,327)	(4,432)	(5,788)	(5,788)

Per the Finance report to the August 2023 IJB, clearly the shortfalls in 2023/24 are now more than offset by expected levels of in-year underspend. This effect will almost certainly continue into the near future and, in the table below, an allowance is built in to reflect this. Further, the IJB does have contingency reserves that will support the SFP into the second and third year of the plan. However, on a recurring / long-term basis, the strategic financial planning shortfalls remain.

Financial Year	2023/24	2024/25	2025/26	Recurring 2025/26
	£k	£k	£k	£k
Shortfalls	(3,327)	(4,432)	(5,788)	(5,788)
Non Recurring Under spends	3,327	1,000	500	0
Revised Shortfall	(0)	(3,432)	(5,388)	(5,788)
Planned Use of Reserves	n/a	3,432	3,018	0
Revised Shortfall	n/a	0	(2,270)	(5,788)

The reliance on non-recurring underspends and reserves is not a strategic solution to the underlying shortfall. A key requirement for the IJB's SCP is that it can be delivered and afforded within available resources. Noting the scale of the forecast shortfall in the table above, and the extensive list of risks that the IJB will require to manage, this is not currently achievable.

Given that the need to demonstrate affordability was regularly considered during the period of SCP preparation and has been subject of further discussion since April 2023, there would appear to be limited scope for the existing SCP / SDP to be able to generate the change required to ensure affordability.

However, the IJB's financial position is further compromised by the following ongoing issues: -

- Lack of agreed financial recovery plans for Out of Hours.
- Lack of agreed financial recovery plans for General Medical Services provision.
- Outstanding work to agree baseline budgets for Older Peoples Services.
- Lack of definitive outcomes from Learning Disability and Physical Disability Improvement Plans (including ongoing lack of clarity regarding baseline budgets).
- Lack of progress with confirmation of delivery of Executive Management team savings.
- Indication that some of the existing IJB Planned Interventions may no longer be deliverable.
- Increased exposure to prescribing pressures and a series of actions that does not fully address forecast shortfalls.

13.2 Looking forward, the IJB will now need to consider next steps and consider: -

- 1) Noting the lack of output from the SDP, can further work within the IJB's SPG and EMT still be taken forward to develop and progress actions that will close out the financial gap?
- 2) Noting the extensive shortfalls and series of unresolved issues, would a time-limited Chief Officer Advisory Group be a useful support to oversee the consideration of proposals to bring the IJB's SFP back towards longer term balance? It would be envisaged that this group would be small, meet for a time-limited period, include, for example, the IJB's Chair and Vice Chair, and would operate within the Chief Officer's existing delegated authority. This group would be expected to augment existing arrangements. Workflow would continue through those existing arrangements (e.g. Executive Management Team and Strategic Planning Group) and any decisions or reports would be submitted to the IJB for consideration and approval in line with existing arrangements.
- 3) As noted in April 2023 reports, does the IJB need to trigger a more fundamental review of its recently-approved SCP and look to revise the SCP so it can be delivered within available resources? For example, request a re-worked SCP to become effective from April 2024.

The recommendation of this report is that option 2 above is progressed with early effect. Alongside this, there should be a key ongoing assumption that the work to progress the approved SCP and current SDP continues and within that there is a continued commitment to work towards the generation of proposals (under the auspices of the Strategic Delivery Plan) to support the affordability of the overall SCP. However, later in this financial year the IJB may need to return to the option of considering the need to undertake a more fundamental review of the IJB's SCP.



This report therefore recommends the consideration and approval of this Strategic Financial Plan for 2023/24. It also recommends that a time-limited Chief Officer Advisory Group is developed to oversee the consideration of proposals to bring the IJB's SFP back towards longer term balance.

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List of Appendices:

Appendix 1: Updated IJB Financial Planning Summary  
Appendix 2: IJB Financial Risk Assessment  
Appendix 3: Review of Baseline Resources  
Appendix 4: Funding of Drug Treatments



## Appendix 2 IJB Financial Risk Assessment

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Current Financial Performance</b>			
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning.
<b>Funding Assumptions</b>			
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.
<b>Cost Pressures</b>			
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 – There is a newly emerged risk regarding funding for previously agreed drug transfer from secondary care to primary care.	Medium	£0.5m	While secondary to primary care drug transfers have been agreed, there are now uncertainties regarding associated funding agreements.
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)	Any issues of ongoing growth will be a continued IJB risk.
Ongoing inflation pressures re the National Care Home Contract.	Medium (Future years)	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	Medium	Not known	This issue is being considered regionally and is understood to be replicated across Scotland.
Corporate Support (e.g. Procurement and Property)	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.
<b>Planned Interventions</b>			
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.
<b>Other</b>			
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 – REVIEW OF BASELINE RESOURCES**

As noted in the main body of the report, this appendix describes proposed adjustments to IJB's baseline resources. The changes reflected here are largely reflective of current circumstances regarding service delivery.

### **CHARGING INCOME**

Decisions regarding charging for services are taken separately and usually within Angus Council reports (e.g. Angus Council report 51/23). As per IJB Finance Report 34/23 (June 2023), IJB income during 2022/23 was above planned levels. On that basis, and reflecting, current charging arrangements, it is now intended to increase the IJB's assumed Charging (Income) budget by c£400k. This reflects previous year recovery levels and is assumed to reflect a more likely position for future charging income. As this is an update to reflect decisions made elsewhere, there is no specific recommendation regarding this update and this is embedded in the overall plan.

### **COMMISSIONED CARE HOME SERVICES**

During 2022/23, the IJB's Strategic Financial Plan included an allowance for the commissioning of Older Peoples Care Home beds from the Independent Sector on average per day through the National care Home contract. However, it was apparent that for much of 2022/23 the IJB was commissioning significantly less than planned levels of care home beds. Accepting volumes of care do vary over time, more recent figures suggest the IJB had been commissioning about 60 beds per day less than allowed for in the IJB's financial plans. In 2022/23, this did, of course, create an under spend in these budgets – one that has been noted at IJB meetings. It is reasonable to note that reductions in care home bed commissioning have been in line with the intentions set out in the IJB's previous Strategic Commissioning Plan. I.e. to provide care closer to people's home wherever possible.

While it cannot be certain that the IJB's commissioning of care home beds will be fixed going forward, for example due to changing client needs, it can be assumed activity won't return to previous levels. On that basis, it is now proposed that the IJB re-sets and reduces its baseline budget for commissioning Older Peoples Care Home beds by 30 beds per day. This reduction still leaves scope for variation in future activity levels. However, reducing the planned commissioning levels reduces the commitments in the IJB's Strategic Financial plan by c£1.200m.

While this intention (to reduce the baseline budget for commissioning Older People's care Home beds) is now embedded in this updated overall financial plan, and is not subject to a discrete recommendation, an Equalities Impact Assessment that reflects this change has been included as Annex A to this appendix.

Separately, the IJB has updated its plans for homecare provision and, due to the provision of additional Scottish Government funding in 2021/22, it is felt that budgeted levels are sufficient to accommodate expected levels of activity.

### **INTERNAL CARE HOMES**

Board members will be aware that the IJB currently operates 2 care homes directly through Angus Council (i.e. Seaton Grove and Kinloch Care Centre). Seaton Grove Care Home is scheduled for imminent capital funding refurbishment supported by Angus Council. Seaton Grove historically had 5 operational wings (4 wings of 10 beds and one wing of 8 beds, total 48 beds) all providing residential care home beds for Older People. As part of the refurbishment, all 5 wings will be re-furbished, with one wing acting as a rolling decant unit. However, since 2020 only 4 of the wings have been operational for Older People's Services and the beds capacity has been running at 38 beds.

It is currently assumed that when the refurbishment has been completed in early 2025, that the fifth wing (currently non-operational) will accommodate specialist care home provision for Older People. This provision is already funded within the IJB. This means that the historic resources (e.g. staffing and budget) associated with the fifth wing can be revisited. However, operationally it is acknowledged that the staffing requirements of the remaining 4 wings at Seaton Grove have had to be adjusted to reflect changes to client needs and have, to some extent, absorbed the staffing and budgets previously associated with the fifth wing.

The IJB now intends to review the staffing in the remaining 4 wings of Seaton Grove with a view to resetting historic budgets to reflect current needs. The outcome of this exercise will initially be reviewed at the IJB's EMT and is expected to include some benchmarking information. This can then be seen in the context of the resource released from the non-operational fifth wing. An update on this work will be provided to the next IJB meeting. This will include describing the net financial effect across the 5 wings of Seaton Grove, which is anticipated to contribute to the IJB's financial planning) and it will outline high-level plans for the use of the fifth wing for more specialist care home for Older People.

While this issue is reported within this appendix, there is no current recommendation regarding re-setting baseline budgets.

## **MINOR INJURY SERVICES**

As Board member may recall in c 2018, the IJB agreed to remodel Minor Injury services. However, since 2020, and due to COVID-19 responses, the IJB's Minor Injury Services in Montrose was temporarily stood down and services provided from alternative locations. This contributed to Minor Injury Services under spending during 2022/23 hence this service being noted in this appendix.

While the Montrose service is currently stood down, it is now suggested that more broadly and as part of the IJB's Strategic Delivery Plan, a review of Angus-wide Minor Injury Services is now undertaken. This would have to reflect sustainability and workforce issues as well as the future needs of the local population. It is suggested that this review could reasonably report back to the IJB by February 2024.

In a financial context, and noting the overall pressures within the IJB's financial planning, it would be anticipated that any future service configuration model would be deliverable within 2022/23 underlying spend levels. While this is an expectation, this has not been reflected in revised financial planning.

## **SUMMARY**

The above proposals have the combined potential to improve the IJB's financial plan by £1.6m. This is reflected in the revised baseline position embedded in this report and at appendix 1. If it was ultimately not agreed to reset these baseline budgets, then the IJB would see a commensurate increase in its long-term financial gap with an increased need to develop and rapidly progress alternative, potentially less palatable and more complicated (e.g. form a workforce perspective), solutions.

Beyond the 3 options noted above, and depending on the overall success of developing proposals through the Strategic Development Plan, the IJB may have to further revisit baseline reassures for a wider range of services.

Attachments - Annex A (To Appendix 3) – Equality Impact Assessment - Commissioned Care Home Beds



## EQUALITY IMPACT ASSESSMENT

### BACKGROUND

Date of Assessment:	28/07/2023
Title of document being assessed:	Strategic Financial Plan - Commissioned Care Home Beds
<p><b>1. This is a new policy, procedure, strategy or practice being assessed.</b> (If Yes please check box) <input type="checkbox"/></p> <p><b>This is a new budget saving proposal</b> (If Yes please check box) <input type="checkbox"/></p>	<p><b>This is an existing policy, procedure, strategy or practice being assessed?</b> (If Yes please check box) <input checked="" type="checkbox"/> X</p> <p><b>This is an existing budget saving proposal being reviewed</b> (If Yes please check box) <input type="checkbox"/></p>
<p><b>2. Please give details of the Lead Officer and the group responsible for considering the Equality Impact Assessment (EQIA)</b></p>	Lindsey Foreman – Service Leader
<p><b>3. Please give a brief description of the policy, procedure, strategy or practice being assessed, including its aims and objectives, actions and processes.</b></p>	<p>During 2022/23, the IJB’s Strategic Financial Plan included an allowance for the commissioning of Older Peoples Care Home beds. However, it was apparent that for much of 2022/23 the IJB was commissioning significantly less than planned levels of care homes beds. This has created an underspend in the budget. There is a need to reset the baseline budget for commissioning Older People’s beds to reflect the reduction in commissioning.</p>
<p><b>4. What are the intended outcomes of this policy, procedure, strategy or practice and who are the intended beneficiaries?</b></p>	<p>To ensure an effective and accurate baseline budget for Older Peoples Care Home beds which reflects more closely the actual number of care home beds being commissioned.</p>
<p><b>5. Has any local consultation, improvement or research with protected characteristic communities informed the policy, procedure, strategy or practice being EQIA assessed here?</b></p> <p>If Yes, please give details.</p>	<p>No – this change reflects previous and current activity data and is being progressed in line with the judgement of the Chief Finance Officer.</p>

<p><b>6. Fairer Scotland duties:</b></p> <p><b>1) Does this report have an impact for Angus citizens under Fairer Scotland?</b></p> <p><b>2) If Yes, what are these implications and how will they be addressed?</b></p> <p>What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?</p> <p>Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from Covid-19. Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.</p> <ol style="list-style-type: none"> <li>1. Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.</li> <li>2. Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies)</li> <li>3. Impact Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport).</li> <li>4. Impact Socio-economic Background i.e. social class including parents' education, people's employment and income</li> </ol>	<p>No – there is no impact to citizens as a result of this change. This change is only to alter the budget to reflect more closely the number of care home beds which are being commissioned in Angus.</p>
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**EQUALITY IMPACT ASSESSMENT (EQIA) - RELEVANCE SCREENING**

**1. Has the proposal already been assessed via an EQIA process for its impact on ALL of the protected characteristics of: age; disability; gender; gender re-assignment; pregnancy/maternity; marriage and civil partnership; race; religion and belief; and sexual orientation?**

**Yes**

**1 a. Does the proposal have a potential to impact in ANY way on the public and/or service users holding any of the protected characteristics of age; disability; gender; gender reassignment; pregnancy/maternity; marriage and civil partnership; race; religion and belief; and sexual orientation?**

Yes - Proceed to the Full Equality Impact Assessment (EQIA).

**No** - please state why not (specify which evidence was considered and what it says)?

This change is to alter the baseline budget to more accurately reflect the number of Older People's care home beds currently being commissioned – this change does not impact service users, the public or carers.

**1 b. Does the proposal have a potential to impact in ANY way on employees holding any of the protected characteristics of age; disability; gender; gender re-assignment; pregnancy/maternity; marriage and civil partnership; race; religion and belief; and sexual orientation? This applies to employees of not only NHS Tayside and Angus Council, but also the 3<sup>rd</sup> sector.**

Yes - Proceed to the Full Equality Impact Assessment (EQIA).

**No** - please state why not (specify which evidence was considered and what it says)?

This change is to alter the baseline budget to more accurately reflect the number of Older People's care home beds currently being commissioned – this change does not impact staff (including care home staff).

**2. Name: Morgan Low**

**Position: Strategy and Improvement Manager**

**Date: 28/07/2023**



## Appendix 4: Funding of Drug Treatments

Previous finance reports to the IJB have noted unresolved financial issues associated with the introduction of new drugs to Primary Care. This issue remains unresolved and can be broken down into 4 areas: -

### 1) New drugs treatments recommended for adoption in Primary Care across Scotland.

This is a key unresolved risk for the IJB and the wider system in Tayside. Many new drug treatments recommended for adoption in to Primary Care involve additional resources while others do incur additional drug costs but can also result in potential offsetting savings in the wider system, albeit these can sometimes be difficult to release. This issue requires a revision to the current clinical and financial governance processes and, ideally, a bringing together of those two governance perspectives. The issue has been subject of discussion at the Tayside Prescribing Management Group since the end of 2021. It is currently very challenging to describe how further national drug recommendations can be accommodated within the overall resources of Angus IJB and other IJBs without de-stabilising other services.

It is recommended that the IJB request that, through the Tayside Prescribing Management Group, a revised regional process for the adoption of new drug treatments into Primary Care is in place by the end of October 2023.

### 2) Drugs transferring from Secondary Care Prescribing to Primary Care Prescribing.

In recent years a number of agreements have been reached to facilitate the transfer of drug prescribing from Secondary Care into Primary Care. However, during 2022/23, there was some discussion regarding the associated financial arrangements in place to support these previously agreed drug transfers. This was resolved, on a 2022/23 basis only, late in the 2022/23 financial year. This therefore represents an unresolved risk for all Tayside IJBs. This matter has been under discussion in the Tayside Prescribing Management Group and finance forums during 2023 but without resolution.

It is recommended that the IJB request that through the Tayside Prescribing Management Group: -

- a) that, in order to ensure the sustainability of previous transfers, Secondary and Primary Care clarify the regional financial arrangements to support previously agreed drug transfers by the end of October 2023; and
- b) confirmation of a revised regional process for managing the funding associated with the further transfer of drugs from Secondary Care to Primary Care is put in place by the end of October 2023. It is worth noting that, in the absence of an agreement as to how to manage and fund drug transfers, currently no further drug transfers from Secondary Care are being considered.

### 3) Due to the complex nature of drug approvals within Tayside, and in particular the distinction between clinical and financial approvals, there may have been instances where approvals from clinical forums have exposed IJB's to increased costs, without an associated financial approval. The scale of this issue is likely to be limited to a small number of drug treatments but is currently unquantified.

It is recommended that through the Tayside Prescribing Management Group, that this issue is documented by the end of October 2023.

### 4) On an annual basis, NHS receives funding under the heading of "New Medicines Fund". The funding stream associated with this has evolved in recent years. At this point this funding is generally retained within NHS Tayside and IJBs do not receive a share of that funding. The Scottish Government guidance re this funding limited. It would be beneficial to have clarity regarding general background to this funding, the scale of funding involved, the source of that funding, the purpose of Scottish Government funding and the appropriateness of that funding also supporting Primary Care prescribing.

It is recommended that through the Tayside Prescribing Management Group the IJB seek clarity regarding the above points by the end of October 2023.