



**AGENDA ITEM NO 4**

**REPORT NO IJB 70/23**

**ANGUS HEALTH AND SOCIAL CARE  
INTEGRATION JOINT BOARD – 25 OCTOBER 2023  
FINANCE REPORT – 2023/24**

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

**ABSTRACT**

The purpose of this report is to provide Angus Integration Joint Board (IJB) with an update on the financial position of Angus IJB including financial projections for 2023/24, an update on planned interventions, reserves, financial risks and governance.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board: -

- (i) Accept the overall projected financial position of Angus IJB;
- (ii) Devolve authority to the IJB Chief Officer and Chief Finance Officer, in conjunction with the IJB's Chair and Vice Chair to develop and progress proposals regarding the IJB's Financial Planning Reserves and in year underspends in line with proposals set out in Appendix 3; and
- (iii) Scrutinise and note the issues documented regarding Financial Governance (Appendix 4).

**2. BACKGROUND**

This report describes the most recent financial monitoring and projections for Angus IJB for financial year 2023/24, based on information to the end of August 2023, including NHS Directed Services, Angus Council Directed Services, and an update on planned interventions, reserves and financial governance.

Information contained within this report reflects estimates for the whole of 2023/24 and consequently, given the stage in the financial year, further reviews of projections will be undertaken which will lead to future adjustments in information.

The IJB's detailed projected financial position for 2023/24 is set out in Appendix 1. This shows that the overall projected financial position for the year to March 2024 is an under spend of c£2.928m.

It is important to note that should the IJB ultimately overspend in any financial year (i.e. after the implementation of a recovery plan and use of available reserves), then that overspend will be apportioned to Partner organisations in proportion to the spending directions to each party. In the event that the IJB underspends in any given year, then this underspend will be retained by the IJB.

### 3. CURRENT POSITION

#### NHS Directed Services

- 3.1 Local Hospital and Community Health Services** – The vast majority of services are currently reporting under spends or near breakeven positions. This projected under spend is higher than expected and is attributable to recruitment challenges across various services. This projected position, which will have an impact on service delivery, makes a positive contribution to the IJB's financial position for 2023/24.

As previously reported Psychiatry of Old Age service continue to see a change in activity with patient acuity being managed more efficiently through appropriate training delivered across the nursing workforce. This results in a more effective nurse roster resulting in a projected under spend of c£0.442m.

Minor Injuries and Illness Units continue to report an under spend due to having alternative Minor Injury provision in place in Montrose since March 2020. The Angus Urgent & Unscheduled care programme and winter planning report provides a further update on MIU services, noting the expectation that any future service configuration model would be deliverable within 2022/23 underlying spend levels."

Substance Use continues to see an increase in drugs and pharmacy spend resulting in a projected overspend of c£0.083m. The service management team have met to consider what remedial action is required to address this overspend and are exploring potential options.

As reported against section 3.5 General Medical Services (GMS) and Family Health Services, the IJB is required to report overspends associated with Angus 2C GMS Practices. To have visibility of 2C financial exposure the finance report now details this position separately from GMS and this is reflected here against Community Services.

Collectively these factors contributed to the reported under spend of c£0.514m, 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 Prescribing).

- 3.2 Lead Partner Services in Angus** – Although services have now returned to business as usual after COVID-19, the Out of Hours (OOH) Service continues to see a significant change to patient pathways with the number of patient contacts having risen considerably compared to 2019. The OOH Service continues to develop a financial recovery plan with the latest plan reported in August reflecting a projected overspend of c£1.424m, with the Angus share of this overspend being £0.264m. A further update of the financial recovery plan is expected in October 2023 to Executive Management Team.

Forensic Services continue to have operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe. The outcome of which is a projected overspend of c£0.177m.

As previously reported against Tayside Continence, Procurement Department are concluding the national contract tender for these products with this expected to be complete shortly, however indications are this will result in a further increase to costs.

As a result of these pressures, the combined effect of the above is one of a reported year end overspend of c£0.439m for the Angus share of these costs and there is some offsetting funding locally to support these costs.

- 3.3 Lead Partner Services in Dundee/Perth** - As the IJB will be aware several devolved services are managed by other IJBs on behalf of Angus IJB. The projected year end position for these services is an under spend of c£0.191m, as detailed in Table 1 below.

Increased pressures remain against Palliative Care, Brain Injury and Dietetics Services offset by a range of service under spends mainly relate to unfilled vacancies linked to recruitment challenges.

<b>Table 1 - Lead Partner Services in Dundee and Perth IJBs on Behalf of Angus IJB</b>	<b>Annual Budget (£k)</b>	<b>Projected (Over) / Under (£k)</b>
<b>Angus Share of Lead Partner Services in Dundee</b>		
Palliative Care	7,686	(460)
Brain Injury	2,042	(215)
Sexual & Reproductive Health	2,504	100
Psychological Therapies	7,436	350
Dietetics (Tayside)	3,773	(140)
Other Services Hosted in Dundee	1,508	216
Other Services - Corporate	200	200
Grand Total	25,149	51
<b>Angus Share (27.1%)</b>	<b>6,815</b>	<b>14</b>
<b>Angus Share of Lead Partner Services in Perth</b>		
Podiatry (Tayside)	3,695	362
Prison Health Services	4,452	146
Public Dental Service	1,742	144
Other Services Hosted in Perth	48	1
Grand Total	9,937	653
<b>Angus Share (27.1%)</b>	<b>2,693</b>	<b>177</b>
<b>Total Angus Share of Lead Partner Services</b>	<b>9,508</b>	<b>191</b>

- 3.4 Family Health Services (FHS) Prescribing** – The Strategic Financial Plan update to the August IJB projected an overspend of up to c£2.000m (report 57/23). The current projection suggests a 2023/24 overspend of c£2.129m, close to budget expectations. However, there is significant uncertainty in current prescribing projections as, due to national reporting issues, 2023/24 data is very limited (i.e. there is currently a 4-month data delay), therefore prescribing volumes remain uncertain while prices remain volatile.

At the August 2023 IJB meeting, the IJB requested a further update regarding the development of plans to demonstrate how prescribing costs could be more closely aligned to available resources. This work remains in progress and an update will be provided to Management meetings at the start of November and then the IJB in December 2023.

- 3.5 General Medical Services (GMS) and Family Health Services** – The last finance report to the IJB noted that there would be further discussion with neighbouring IJB's regarding the financial risk sharing for Primary Care Services, with an Angus agreement that new arrangements could be approved by the Chief Officer in conjunction with the Chief Finance Officer. Since that last report, a revised set of interim working arrangements have been put in place. These increasingly align the financial responsibility and financial risk for 2C General Practices (see more detail below) with local IJBs (previously the financial risk was shared across all IJBs proportionately). Given two of the four 2C Practices in Tayside are within Angus, this does move financial risk towards Angus. However, this is an interim working arrangements and Tayside IJB Chief Officers are expected to agree to develop a review of Primary Care financial risk sharing to encompass all GMS services initially and then other currently shared Primary Care financial risks. Further updates will be provided to the IJB in due course. For information, during 2022/23, the IJB was already absorbing an increased proportion of these costs.

As referred to above, the IJB is exposed to overspends attributable to the Angus share of costs for the provision of GMS in the likes of Brechin and Abbey Medical Centre in Arbroath where NHS Tayside is directly managing GMS (known as 2C General Practices). In December 2022, these services were asked to develop a financial recovery plan for future approval by the IJB's Executive Management Team. While noting the challenging operational circumstances that continue, at Brechin in particular, first drafts of these recovery plans were only received in September 2023. Current reports suggest that while Abbey Medical Centre in Arbroath can operate on a sustainable basis within an agreed resource framework, further work needs to be progressed within Brechin. This is partly reflective of the long-standing nature of service provision challenges at Brechin. Since the August reporting was finalised, more recent updates suggest the current Brechin projected overspent compared to the resource framework is c£0.875m. A further update of recovery actions, which will need to be

implemented in a measured manner to ensure the continued stability of care provision and staffing, is expected in October 2023.

Longer term risks remain regarding the challenges re General Practitioner recruitment, the introduction of the new GMS contract (IJB report 36/23) and the underlying growth in Premises costs including any implications from the Angus General Practice Premise Strategy (IJB report 35/23).

- 3.6 In Patient Mental Health Services** - As the IJB is aware Inpatient Mental Health Services are currently operationally managed by NHS Tayside. However, resources do remain formally devolved to the IJB for Strategic Planning.

As noted previously in 2022/23 the service was overspent by c£4.940m with this overspend being supported by HSCPs. NHS Tayside has developed a financial recovery plan to address some of this pressure and hence it is anticipated the overspend in 2023/24 will be lower. However due to the complexity and unresolved issues with NHS Tayside the overall issue of future financial risk sharing regarding In Patient Mental Health Services does continue to present a risk to the IJB.

- 3.7 Large Hospital Services** – As at April 2023 this budget was re-set at £9.811m based on 2022/23 activity and pricing levels.

As noted previously, the IJB has already reached preliminary agreement with NHS Tayside regarding a process to manage changes in volumes of services used. Through discussion with NHS Tayside this will be developed in 2023/24 and outcomes will be shared with the IJB in due course.

While this report routinely refers to budget and costs, for Large Hospitals, activity is the key driver for financial reporting.

Table 2 below sets out provisional activity positions for the key Occupied Bed Days indicator for “Large Hospital” activity. (Note – there is ongoing refinement of this date underway.)

	Occupied Bed Days				
Table 2	2019/20	2022/23	2023/24 (Projected)	2023/24 (Change)	2023/24 (%age Change)
Occupied Bed Days	16871	18579	18813	234	1.3%

It is anticipated that, while activity is now above pre-COVID levels, it remains below activity levels at the point of the creation of the IJB. In future, the financial implications of these changes will be included with these reports.

## ADULT SERVICES

- 3.8 Angus Council Directed Services (Adult Services)** - For financial year 2023/24 Adult Services is projecting a year end over spend of c£0.137m.

As agreed by the IJB in August (report 57/23) the baseline budget for commissioning Older People Care Home beds has been reduced by 30 beds with this funding being used to reduce the commitments in the Strategic Financial Plan. In addition, the Partnership continues to see a reduce uptake within the remaining care home beds resulting in a projected under spend of c£1.272m.

As requested by the IJB in April 2022, work continues to progress within Older People services to review activity data with the outcome of developing improved resource profiles. That will include redefining how Older Peoples Services budgets are reported to the IJB in this report.

As previously reported the demand for Care at Home services across all services continue to exceed the available capacity within the Partnership. Recently an exercise has been undertaken by the services to re model unmet assessed need and based on the outcome it might be reasonable to assume additional annualised costs of up to c£1.500m. As noted previously the Partnership continues to develop and implement plans to close the gap between capacity and demand. Emergency Response Team (ERT) has now had the approval

to support temporary increases in staffing until the end of March 2024 with this being funded from the underspend against Care at Home services.

As noted previously, pressures continue in Community Mental Health services for under 65s due to an increase in the number of complex high-cost care packages to support service users stay in the community and high-cost residential placements resulting in a projected overspend of c£0.480m. A financial recovery plan is being developed and will be presented to the Executive Management Team by the end of October.

As previously reported pressures remain within the Learning Disabilities service due to a rise in the number of complex high-cost packages for both residential and community placements resulting in a projected overspend of c£0.475m. As noted previously the service continues to develop an Improvement Plan which will review activity data to establish baseline budgets and future projected spends.

Further pressures continue within Physical Disability services with reported year end over spends of c£0.922m. As noted previously the service is developing an Improvement Plan which will review activity data to establish baseline budgets and future projected spends.

Occupational Therapy service is projecting an overspend of c£0.057m due to an increase in demand for adaptations to houses, particularly hoists and ramps, to support people living in the community. The overspend has reduced from the last reported position due to an in-depth review of spend changing earlier assumptions. As a result, there is no longer a requirement for a financial recovery plan to be developed.

**3.9 Centrally Managed Budget** – The Centrally Managed budget continues to reflect previous progress with savings (as per the IJB’s strategic financial plan).

It is important to recall that the IJB’s Strategic Financial Plan did anticipate recurring overspends regarding Adult Services with offsetting under spends elsewhere in the IJB.

**3.10 Progress with Strategic Financial Plan (Planned Interventions)** – On regular basis information will be provided to the IJB regarding progress with the delivery of the three-year planned interventions as described in the Strategic Financial Plan for 2023/24 to 2025/26.

Table 3 below focuses on the three-year saving initiatives detailed by each financial year with £0.357m being projected as being delivered in 2023/24. As noted previously the shortfalls associated with these planned interventions will significantly impact on the Strategic Financial Plan and, ultimately, the Strategic Commissioning Plan. In year, non-recurring savings will offset the shortfall below.

Table 3 - Planned Interventions	FY 2023/24				FY 2024/25		FY 2025/26		Risk Assessment	Status
	Plan	Achieved	Projection	Shortfall	Target	Shortfall	Target	Shortfall		
	£m	£m	£m	£m	£m	£m	£m	£m		
ACM - Internal Care Home Review	0.100	0.100	0.100	0.000	0.000	0.000	0.000	0.000		Complete
ACM - Nursing Care Home Review (Peripatetic Nursing)	0.000	0.000	0.000	0.000	0.100	0.100	0.000	0.000		Management Teams have reviewed this saving and have now recommend that this intervention is no longer progressed. The IJB has previously requested that any interventions not delivered are replaced by alternatives. This intervention will be replaced by an alternative in due course for approval by the IJB.
ACM - Psychiatry of Old Age Review	0.050	0.000	0.050	0.000	0.150	0.150	0.000	0.000		Due to IJB - Date TBC
EMT Reviews	0.340	0.092	0.092	0.248	0.700	0.700	0.690	0.690		Quarterly meetings established but limited progress
Supported Accommodation Review	0.100	0.000	0.100	0.000	0.000	0.000	0.000	0.000		Timing to be finalised
Learning Disability Improvement Plan	0.150	0.000	0.000	0.150	0.151	0.151	0.000	0.000		Part of LD Improvement Plan - Update TBC
Physical Disability Improvement Plan	0.100	0.000	0.000	0.100	0.100	0.100	0.000	0.000		Part of PD Improvement Plan- Update TBC
OOH Recovery Plan	0.015	0.015	0.015	0.000	0.015	0.000	0.000	0.000		Complete
Prescribing	0.050	0.000	0.000	0.050	0.100	0.100	0.100	0.100		Part of PX Improvement Plan- Update TBC
<b>Total</b>	<b>0.905</b>	<b>0.207</b>	<b>0.357</b>	<b>0.548</b>	<b>1.316</b>	<b>1.301</b>	<b>0.790</b>	<b>0.790</b>		Small correction from August SFP
<b>Projected % of Planned Interventions Achieved</b>			<b>39%</b>							

The IJB has previously requested an update regarding progress with “EMT Reviews”. A series of meetings have been held jointly with Management, Services and Finance to look at opportunities to confirm the delivery these targets. To date, minimum cash releasing savings have been identified. With the IJB under spending and the knowledge of the pressures on the Strategic Financial Plan, there should remain the opportunity to deliver this saving and thereby progress with the financial plan requirements. Failure to promptly deliver EMT Savings will place further pressure on other parts of the IJB’s planning. Early and positive resolution of this issue is particularly important as beyond the targets for 2023/24 (£0.340m), EMT savings make up over 70% of the planned savings already described in the IJB’s April 2023 Strategic Financial Plan for period 2024/25 to 2025/26. The lack of progress to October 2023 highlights the increased risk re delivery of this ongoing target with consequent implications for the overall plan.

**3.11 Strategic Delivery Plan** – Angus HSCP Strategic Development Group has been established with the purpose to monitor progress with the delivery of the Strategic Commissioning Plan. The Group is to meet monthly, with progress reports on each of the action plans being requested for the next meeting in October 2023. To date there has been no confirmed progress with options to reduce spending levels associated with the plan.

**3.12 IJB Reserves** – Appendix 3 provides a detailed update on the reserves position.

#### 4. FINANCIAL IMPLICATIONS

The IJB is reporting an overall under spend of c£2.928m, see Appendix 1. This contrast with the forecast overspends set out in the IJB’s Strategic Financial Plan for 2023/24 which suggested an overspend of £3.327m with the main difference attributed to this movement being:

- Unfilled vacancies linked to staff turnover and recruitment challenges just under c£2.4m;
- Unfilled vacancies linked to staff turnover and recruitment challenges in Lead Partner Services just under c£0.4m;
- Linked to timing of impact of financial planning provisions c£1.1m
- Lower uptake of care home beds c£1.3m
- Net effect of Unmet need within Care at Home services c£1.0m;

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

This year’s winter plan is expected to be busier due to increased demand across the whole system which may result in financial pressures in the wider system. A report on Angus Urgent and Unscheduled Care and Winter Planning Update is provided separately to the October 2023 IJB.

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

Presently, and noting risks above, as the IJB is forecasting a year end under spend so the impact of the IJB’s financial position for both Angus Council and NHS Tayside would be neutral. Per the Integration Scheme, the IJB would initially retain any projected year end under spend within IJB reserves.

#### 5. RISK, GOVERNANCE AND REPORTING

##### 5.1 Risk

Angus IJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance group. Appendix 2 details the current financial risk with couple of changes captured from that previously reported. Many of the finance risks are IJB wide risk including funding levels and risks regarding financial planning.

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

<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.
<b>Approval Recommendation</b>	Even with the progression of all agreed actions, this risk remains very high. Scheduled reporting and monitoring will continue alongside the further development of risk mitigation actions.

## 5.2 Governance

As previously noted, there remain a few long-term financial governance issues. The IJB's Audit Committee is monitoring these but progress over recent years had been limited. A summary of the main issues is set out in Appendix 4.

## 5.3 Reporting

The IJB receives finance reports at all IJB meetings. These are intended to provide an update regarding the IJB's financial position and address issues around that. The format for these reports has been reasonably consistent for a number of years. During 2023, the IJB's asked the IJB to consider if the format of finance Reports remained suitable for IJB Board members or if any enhancements could be made.

To assess this, an e-mail was shared with Board members in July 2023. The feedback from that was limited (although the e-mail did not request feedback if Board members were content) but generally positive in that existing Finance reports met the needs of Board members. On that basis, there are no current plan to significantly change the current format of Finance Reports. However, these reports will continue to evolve to reflect the financial reporting and planning priorities within the IJB. For example, there has been regular reporting on governance issues, but this may gradually shift to financial planning or financial recovery issues as the IJB's financial position changes. Further, and in order contain the length of reports, we may increasingly use bullet points and may reduce the level of repetition between successive reports.

## 6. PROPOSALS

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

## 7. EQUALITY IMPACT ASSESSMENT

Due to the content of this report, an Equalities Impact Assessment is not required.

## 8. DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside. The table below reflects the nature of the recommendations in this report.



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

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

List of Appendices:

- Appendix 1: Angus Health and Social Care Partnership Financial Monitoring Report 2023/24
- Appendix 2: Angus Health and Social Care Partnership Financial Risk Assessment 2023/24
- Appendix 3: IJB Reserves 2023/24
- Appendix 4: Financial Governance

## Angus Health and Social Care Partnership Financial Monitoring Report 2023/24

Angus Health & Social Care Partnership - Financial Monitoring Report 2023/24						
	Adult Services		Angus NHS Directed Services		HSCP	
	Annual Budget £k	Projected (Over) / Under £k	Annual Budget £k	Projected (Over) / Under £k	Annual Budget £k	Projected (Over) / Under £k
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			6,106	442	6,106	442
Medicine For The Elderly			6,898	100	6,898	100
Minor Injuries + Illness Units			2,103	508	2,103	508
Community Nursing			7,221	6	7,221	6
Management & Admin	1,464	(251)			1,464	(251)
Care at Home	5,390	(403)			5,390	(403)
Intermediate Care	416	0			416	0
Community Support	871	16			871	16
Supported Accommodation	416	(9)			416	(9)
Internal Residential	4,432	60			4,432	60
Care and Assessment	32,352	1,919			32,352	1,919
Community Mental Health	2,105	444			2,105	444
<b>Older Peoples Service</b>	<b>47,446</b>	<b>1,777</b>	<b>22,329</b>	<b>1,055</b>	<b>69,775</b>	<b>2,832</b>
<b>General Adult Psychiatry</b>	<b>4,370</b>	<b>(480)</b>	<b>4,190</b>	<b>363</b>	<b>8,560</b>	<b>(118)</b>
Admin Community Support	3,162	120			3,162	120
Non Residential Care	8,980	(514)			8,980	(514)
Residential Care	6,548	(81)			6,548	(81)
Learning Disability(Angus)			679	45	679	45
<b>Learning Disability</b>	<b>18,690</b>	<b>(475)</b>	<b>679</b>	<b>45</b>	<b>19,370</b>	<b>(430)</b>
<b>Physical Disabilities</b>	<b>5,800</b>	<b>(922)</b>	<b>0</b>	<b>0</b>	<b>5,800</b>	<b>(922)</b>
<b>Substance Misuse</b>	<b>1,488</b>	<b>(21)</b>	<b>1,620</b>	<b>(83)</b>	<b>3,108</b>	<b>(104)</b>
<b>Community Services</b>						
Physiotherapy			2,762	38	2,762	38
Occupational Therapy	1,728	(57)	780	46	2,508	(12)
Joint Store	770	0			770	0
Anti-Coagulation			219	33	219	33
Primary Care			1,149	0	1,149	0
Angus 2c (gms) Services			652	(1,242)	652	(1,242)
Carers	774	0			774	0
Homelessness	956	50			956	50
Other Community Services			1,354	90	1,354	90
<b>Community Services</b>	<b>4,228</b>	<b>(7)</b>	<b>6,917</b>	<b>(1,036)</b>	<b>11,145</b>	<b>(1,043)</b>
<b>Planning / Management Support</b>						
ljb Management	2,068	(7)	2,750	170	4,818	163
<b>Planning / Management Support</b>	<b>2,068</b>	<b>(7)</b>	<b>2,750</b>	<b>170</b>	<b>4,818</b>	<b>163</b>
<b>Local Hospital and Community Health Services</b>			<b>38,485</b>	<b>514</b>		
<b>Lead Partner Services - Angus</b>						
Forensic Service			1,130	(177)	1,130	(177)
Out of Hours			8,846	(1,424)	8,846	(1,424)
Speech Therapy (Tayside)			1,433	(1)	1,433	(1)
Locality Pharmacy			2,561	0	2,561	0
Tayside Continence Service			1,523	(64)	1,523	(64)
Hosted Services Centrally Managed Budget			1,489	47	1,489	47
Hosted Services Recharges to Other IJBs			(10,920)	1,180	(10,920)	1,180
<b>Lead Partner Services in Angus</b>	<b>0</b>	<b>0</b>	<b>6,061</b>	<b>(439)</b>	<b>6,061</b>	<b>(438)</b>
<b>Lead Partner Services - Dundee/Perth</b>	<b>0</b>	<b>0</b>	<b>9,508</b>	<b>191</b>	<b>9,508</b>	<b>191</b>
GP Prescribing			22,876	(2,129)	22,876	(2,129)
Other FHS Prescribing			(586)	89	(586)	89
General Medical Services			20,035	(43)	20,035	(43)
Family Health Services			16,308	5	16,308	5
In Patient Mental Health Services			0	0	0	0
Large Hospital Set Aside			9,811	0	9,811	0
<b>Total</b>	<b>84,090</b>	<b>(137)</b>	<b>122,498</b>	<b>(1,813)</b>	<b>206,589</b>	<b>(1,949)</b>
<b>Centrally Managed</b>						
Existing Commitments	4,388	3,510	757	1,367	5,145	4,877
<b>Grand Total</b>	<b>88,478</b>	<b>3,373</b>	<b>123,255</b>	<b>(446)</b>	<b>211,734</b>	<b>2,928</b>

## Appendix 2

### Angus Health and Social Care Partnership Financial Risk Assessment 2023/2

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)	See main report.
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 – 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.
Staff Pay Inflation.	Medium	TBC	NHS Scotland has agreed Agenda for Change pay award. However SG has yet to fully fund these and there is a potential risk fully in the current climate funded may be reduced.
Demographic Pressures – e.g. in Older People Services reflecting population changes	Medium (Future years)	c£1.0m+ (recurring)	Growth not funded in IJB plans and 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	2023/24 pressure allowed for in plans, but long term risks remain.
Primary Care Improvement Fund	Medium	Not known	2023/24 position allowed for in plans, but long term risks remain.
Corporate Support (e.g. Property)	Medium	Not known	Some progress made; examples of current risks include Property. 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.
Challenges in the delivery of General Dental Services nationally and locally.	Medium	TBC	The current expectation is that the responses to these challenges will be financially neutral to Angus IJB and IJBs across Tayside, with an assumption that any additional funding will be provided by the Scottish Government.
<b>Planned Interventions</b>			
Some IJB savings programmes behind schedule. Reviews may be required.	High	Up to £1.0m (recurring)	See main report.
<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.

## IJB Reserves 2023/24

The IJB's Reserves Policy sets out that the IJB may hold both "ear-marked" reserves and general reserves. Ear-marked reserves will generally be for specific projects or issues, ear-marked due to specific constraints or ear-marked due to funding factors. General reserves are intended to assist the IJB manage its overall resources over the longer term.

**Contingency Reserves** – The IJB holds a contingency reserve of £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. This would only provide short term relief to ongoing financial pressures.

**Ear-marked Reserves** – Evolving financial plans exist for each reserve to ensure this funding is mobilised effectively in a way that meets Scottish Government criteria, is sustainable and delivers good value for money. It should be noted that "ear-marked reserves" linked to Scottish Government funding must be used in line with specific criteria.

The IJB also retains some locally derived "ear-marked reserves" as follows: -

**Strategic Plan Reserve** – Opening value at April 2023 - £2.790m; This resource is managed over the duration of the new Strategic Commissioning Plan to March 2026 and is overseen by the Strategic Planning Group (SPG).

**Financial Planning Reserve 2022/23** – Opening Value at April 2023 - £1.090m. The application of these funds to be considered in due course.

**Financial Planning Reserve 2023/24** – Opening Value at April 2023 £3.038m. 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** – £2.000m. This reserve has been created per report (27/23).

Table 4 below shows the IJB's reserves position at the start of this financial year and changes and projections to year end.

As noted above, at the start of 2023/24, and reflecting the outturn of previous financial years, the IJB held two reserves that do need to be reviewed: -

- 1) Financial Planning Reserve 2022/23 - £1.090m
- 2) Financial Planning Reserve 2023/824 - £3.038m.

With a total value of £4.128m, these reserves resulted from the out-turn of previous financial years.

In creating these reserves in April 2022 and April 2023, the IJB noted that the IJB could consider returning some of these reserves to the IJB's Partners (NHS Tayside and Angus Council) alongside considering the emerging financial risks within the IJB.

As described in this report the IJB is forecast to underspend in this financial year. The IJB also needs to consider its financial position in the context of that of its Partners and in the context of the IJB's obligation to work towards delivering the IJB's Strategic Commissioning Plan on a sustainable basis. While IJB reserves can support the delivery of the Strategic Commissioning Plan, they should not be overly relied on to support ongoing costs, to allow the IJB to defer difficult decisions or to overly influence short term planning.

With that in mind, and replicating the IJB's commitments of October 2022, it is now proposed that the IJB acknowledge the whole system pressures that exist within the IJB's partners (Angus Council and NHS Tayside) and the wider system in Tayside and support those whole system pressures through deployment or commitment of funding within these two reserves (£4.128m). This could be seen alongside considering the IJB's in -year financial position.

In considering any option to transfer funds back to partners, the IJB will be conscious of the 2022 revised Integration Scheme whereby should the IJB overspend in future years, then the IJB would have to repay any additional funding to its Partners. The IJB will also be aware that unresolved funding issues remain with NHS Tayside.

Recommendation - It is now proposed that the IJB devolve authority to the IJB Chief Officer and Chief Finance Officer, in conjunction with the IJB's Chair and Vice Chair to develop and progress proposals regarding these reserves, alongside in-year underspends, to support whole system pressures, including the option to transfer reserves back to the IJB's Partners. The outcome of any considerations would be shared with the IJB at future meetings.

<b>Table 4 Angus IJB Reserves</b>	<b>Reserves Opening Balance April 2023</b>	<b>Change in Year</b>	<b>Closing Balance March 2024</b>	<b>Additional Comment (including commentary regarding deployment of funds)</b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>	
<b>General Fund Balance (Usable Reserve) - General Reserve</b>	<b>6,450</b>	<b>0</b>	<b>6,450</b>	Per Reports (91/22 & 2/23)
<b>General Fund Balance (Ear-Marked Reserves)(Local)</b>				
Strategic Plan Reserve	2,790	(340)	2,450	Per Report 66/22
Financial Planning Reserve 2022/23	1,090	0	1,090	Per Report 25/22
Financial Planning Reserve 2023/24	3,038	0	3,038	Per Report 27/23
Property Reserve	3,300	0	3,300	Per Report 25/22
Local Primary Care Investment Reserve	700	0	700	Per Report 66/22
Mental Health Recovery Financial Reserve	2,000	(41)	1,959	Per Report 66/22
	12,918	(381)	12,537	
<b>General Fund Balance (Ear-Marked Reserves)(SG Funding)</b>				
Primary Care Improvement Fund	137	(137)	0	Plans developed
Mental Health Action 15	166	(166)	0	Plans developed
Primary Care Transformation Fund	190	(10)	180	Plans to be developed
Primary Care Premises	245	0	245	
Alcohol & Drug Partnership Fund	59	(59)	0	Plans developed
Forensic Medical Services (SARCS)	8	(8)	0	Plans developed
Drug Death Task Force	44	(44)	0	Plans developed
Community Living Change	332	(64)	268	Plans being developed
Workforce Wellbeing Primary & Social Care	30	(15)	15	Plans being developed
Mental Health Facilities Project	324	0	324	Plans developed
General Dental Services	109	(109)	0	Plans developed
Community Nursing Neurological Care	41	(41)	0	Plans developed
Dementia Post Diagnostic Support	9	(9)	0	Plans developed
Unscheduled Care	42	(42)	0	Plans developed
Expanding Care at Home	340	(340)	0	Plans developed
Learning Disability Health Checks	43	(22)	22	Plans being developed
Realistic Medicine - GMS	15	(15)	0	Plans developed
Carers PPE Reserve	3	(3)	0	Plans being developed
Long COVID Support Fund	59	(30)	30	Plans being developed
	2,196	(1,084)	1,054	
<b>Total General Fund Balance (Ear-Marked Reserves)</b>	<b>15,114</b>	<b>(1,465)</b>	<b>13,591</b>	
<b>Total General Fund Balance</b>	<b>21,564</b>	<b>(1,465)</b>	<b>20,041</b>	

### 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 commentaries 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 had reduced its use of Acute Services since the inception of Integration. Information during 2022/23 did suggest Acute Services activity had risen post-COVID 19.	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 will progress with NHS Tayside during 2023/24 regarding an alternative way of considering activity associated with these resources in line with the preliminary agreement reached with NHS Tayside regarding a process to manage changes in volumes of services used.
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 assumed to be an area where improvement actions will be taken forward on a priority basis over the coming months in early 2023/24.	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 Lead Partner Services covering Finance, Performance and Risks.	Work has progressed with governance reporting. An update was provided to the Audit Committee in June 2023 (see report 45/23) on the development of Lead Partner Services arrangements.
Review of Information Governance Strategy	The IJB has an outstanding action to review its 2019-2022 Information Governance Strategy.	While the previous strategy is still in place, the lack of an updated Information Governance Strategy undermines overall Information Governance within the IJB.	CO – Through the IJB's Clinical Care and Professional Governance groups, to review and update the Strategy	The IJB has been working on an update of this document to reflect the role of the IJB. It is anticipated that a review will be completed over the coming months. An update was provided to the IJB Audit Committee in August 2023.

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 issues can be affected by capacity constraint.