



ANGUS HEALTH AND SOCIAL CARE

INTEGRATION JOINT BOARD – 21 FEBRUARY 2024

ANGUS IJB STRATEGIC FINANCIAL PLAN 2024/25 – 2026/27

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

The purpose of this report is to update the Integration Joint Board (IJB) regarding the development of the Angus IJB Strategic Financial Plan for the period 2024/25 to 2025/26.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board: -

- (i) Consider this version of the Strategic Financial Plan for 2024/25 to 2026/27 and request an update for the April 2024 meeting;
- (ii) Request the Strategic Planning Group and Executive Management Team continue to develop and progress actions that will close out the IJB's financial shortfall;
- (iii) Support a commitment to hold up to four development sessions from March 2024, to provide a forum for ensuring a full understanding of the IJB's financial challenges and, in particular, to develop proposals regarding how the IJB's moves towards financial sustainability.

2. BACKGROUND

- 2.1 This report sets out a first draft of the next three-year Strategic Financial Plan for the IJB. This plan is intended to be consistent with, and a financial representation of, the IJB's Strategic Commissioning Plan. This report looks ahead to 2024/25 and beyond, against a backdrop of significant uncertainty specifically the unprecedented financial pressure in the public sector in Scotland.
- 2.2 There are many risks and assumptions embedded in the report and further refinements are expected. A next iteration of this plan will be shared with the IJB for approval in April 2024.
- 2.3 The report seeks to outline a series of positions and assumptions regarding funding uplifts, inflationary, demographic, and legal/contractual pressures, and a series of planned interventions. This 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;
 - Planned Interventions – including updates of previous planned interventions;
 - Lead Partner Services, Prescribing, Family Health Services, Large Hospital Set Aside and Mental Health;
 - Strategic Commissioning Plan/Strategic Delivery Plan;
 - IJB Reserves;
 - Risk Assessment;
 - Equalities Impact Assessment;

- Directions;
- Summary.

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

3. CURRENT FINANCIAL PERFORMANCE

3.1 It is important to note that the IJB's Strategic Financial Plan for 2024/25 and beyond is developed against the backdrop of the IJB reporting a projected in year 2023/24 underspend. This is not the same environment as is being faced by numerous other IJBs. It also means the IJB will have reserves at the start of 2024/25 that can be used to support the Strategic Financial Plan on a non-recurring basis only. However, this does not reduce the urgency for resolving recurring shortfalls.

3.2 The IJB's financial position in 2023/24 has been influenced by a series of factors including:

- Unfilled, vacancies linked to staff turnover and recruitment challenges;
- Lower uptake of Care Home beds compared to plans;
- Unmet need within Care at Home Services.

3.3 The underlying financial performance in 2023/24 does needs to be factored into the IJB's future financial plans and after a review of the 2023/24 financial position, the following material issues are reflected in the IJB's Strategic Financial Plan and should therefore be noted: -

Service	Position	Impact £m	Comment
Adult Services	The current assumption is a shortfall due to underlying demand on services.	(c£0.344m) pressure	Mainly on-going pressures within both Learning and Physical Disabilities and continued structural financial imbalance between health and social care parts of the IJB.
Community Health	The IJB had historically, pre COVID, made good progress in releasing recurring savings.	c£1.353m benefit	Consistent with previous versions of Strategic Financial Plan.
Lead Partner Services	As previously described to the IJB there are on-going pressures within Lead Partner Services.	(c£1.760m) pressure	On going pressures within Out of Hours Service and Tayside Continence Service. Note recharge to other HSCP detailed below.
Lead Partner Services (elsewhere)	Service rolls over into 2024/25 marginally under spending.	c£0.080m benefit	There are planning risks if workforce issues change and service able to recruit staff.
Prescribing	The IJB has previously described on-going issues re prescribing.	(c£1.947m) pressure	Significant planning risk with pricing remaining volatile and an assumption of future higher growth level.
General Medical Services	Workforce issues are placing specific financial pressures on services.	(c£300k) pressure	This reflects an Angus share of regional pressures, but there is a risk this pressure increases due to workforce issues.
Gross Total		(c£2.918m)	
Less Lead Partner Service Recharges		c£1.283m benefit	Contribution by Dundee and Perth HSCP towards a share of costs.
Total		(c£1.635m)	

Note 1 Brackets reflect a cost pressure in the table above.

3.4 The above assessments, in total, suggest an underlying brought forward recurring pressure of c£1.635m.

3.5 Separately, it continues to be noted, whilst there has been some progress made to the review of the Older Peoples Services and resource requirements this still requires to be urgently concluded. Similar reviews still need to be progressed 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 The following outlines current funding agreements or assumptions within the IJB's financial plans. Given the current uncertainties at national level all longer term planning assumptions contain a high level of uncertainty, and current assumptions do assume a continued level of political support for community health and social care.

Partner	Year	Position	Risk/Comments
Angus Council / Social Care	2024/25	Reflects IJB "Budget Settlement" report. Includes funds to support Free Personal and Nursing Care uplifts and increases in the Living Wage.	For all services the burden of pay inflation is not funded. However, employer superannuation costs will reduce by 2% and this benefit will be used to offset some of the pay pressure.
	Future Years	No information available but assumption of funds to support Living Wage, with any Scottish Government allocations being fully ring-fenced.	Reflects the 2024/25 position.
NHS Tayside / Community Health	2024/25	Reflects IJB "Budget Settlement" report. Represents uplift of 2.0% on pay budgets only. This is a fundamental change in previous budget settlements where all budgets were allocated an uplift.	Assumed that superannuation increases and pay inflation will be funded. For all service the burden of non-pay inflation is not funded.
	Future Years	No agreement reached but assumption a 2% increase on pay budgets only. Scottish Government allocations being fully ring-fenced.	Uplifts match an assumed pay inflation impact. General assumption of political support for near-inflation pays uplifts. Reflects the 2024/25 position.
Scottish Government (SG)	2024/25	Assume continued funding for ring-fenced programmes including Primary Care Improvement Fund, Action 15 (Mental Health), Alcohol and Drug, Post Diagnostic Dementia and District Nursing.	It is expected that these allocations will be matched by commensurate commitments.
	Future Years	No information available but assumption funding at previous levels	It is expected that these allocations will be matched by commensurate commitments.

4.2 A separate report to the February IJB (Budget Settlement with NHS Tayside) noted that a small number of unresolved budgetary issues. These will continue to be progressed with our partner and include: -

1. Large Hospital Set Aside resources.
2. In Patient Mental Health services.

This plan does recognise that Angus IJB is exposed to financial risk regarding these issues and that, regarding In Patient Mental Health, Angus is one of 3 IJBs in Tayside who would be party to any resolution of unresolved budgetary issues.

5. COST PRESSURES AND STRATEGIC COMMITMENTS

5.1 The IJB's Strategic Financial Plans have previously routinely reflected a series of inflationary, demographic, legal/contractual and other cost pressures. These pressures 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 any funds to services to support pressures is assumed to be dependent on:-

- for internally funded pressures/ discretionary commitments, 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 – Linked to public sector, Angus Council and NHS Scotland pay agreements. NHS and Angus Council pay awards are still subject to agreement. Angus Council pay settlement will be in conjunction with Convention of Scottish Local Authorities (COSLA) and the Scottish Government has indicated there will be no additional funding to support Angus Council uplift. This differential between uplifts and funding, is a major burden on the IJB's overall financial plans.
- Superannuation Changes – The Scottish Public Pension Agency has undertaken a scheme valuation exercise, and this will result in changes to employer contribution rates from 1 April 2024. Angus Council costs will reduce by 2% with this benefit offsetting pay awards. Whilst NHS Tayside costs will increase by 2% and it is currently assumed this will be funded by the Scottish Government.
- Third Party Inflation – There is a general expectation that costs will increase to at least allow for basic hourly pay costs going up in line with the Scottish Government's Adult Social Pay Uplift (i.e. an increase of 10.1% from 10.90 to £12.00). In addition, it is expected that provider's contract uplifts will, as, in recent year, be directed by the Scottish Government and be linked to pay costs. However, the non-pay element of contracts is also subject to inflationary pressures that the IJB will have to consider.
- National Care Home Contract Inflation (NCHC) – At the time of writing, there is no agreed national contract uplift, although it is expected to reflect at least the Adult Social Care pay uplift and inflationary pressures. With over c£34.6m of commitments linked to the NCHC, it is a key part of the IJB's financial plan. There are national concerns regarding the future arrangements for the NCHC, so this remains an area of financial and contractual risk for the IJB. For both NCHC and Third-Party Inflation, Scottish Government funding supports a proportion of the uplift linked to the Living Wage components of pressures.
- Prescribing Inflation – described in section 7.2.
- Other Inflation Pressures – The IJB has always allowed for an element of other inflationary type pressures (i.e. "Other" costs). Pressures may be linked to the Consumer Price Index which is forecasting an inflation uplift of 2.1% year 1.
- Charging Uplifts – Annually, the partnership makes inflation adjustments to the financial contributions made by service users towards the cost of delivery of a range of social care services. This is subject of an annual report to Angus Council.

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

As previously noted in report IJB 28/23 the capacity of the IJB to continue to support further increases in demographic pressures is extremely limited. On that basis it is now assumed that only a nominal allowance is made for further demographic pressures. This nominal allowance will have to cover any required increases in budgets across all services and in all settings (i.e. community services, residential services, and hospital settings).

An overall allowance of c£0.200m per annum for the duration of this plan is allowed for. This puts a much-increased focus on services either containing the impact of demographic and service pressures through local re-prioritisation or mitigation of the pressures.

5.4 Separate allowances are made for pressures within Prescribing.
Free Personal Care / National Priorities Pressures

This section notes additional commitments, often linked to additional Scottish Government funding, expected in 2024/25 and beyond as follows: -

- The Scottish Government budget for 2024/25 announced that Free Personal and Nursing Care allowance would be increased. This reduces the level of charging contribution the IJB receives for services and this change is fully offset by a funding allocation (c£0.360m) factored into this plan.
- The Scottish Government are continuing to support a 5-year investment in Community District Nursing that should provide 5 additional posts within Angus. The intention by the Scottish Government is to baseline this funding (recurring) in 2024/25.

5.5 Other Pressures

The IJB will need to manage additional, sometimes unforeseen pressures many of which are described in the risk appendix. However, it is important to note that many risks from April 2024 are not currently reflected in the IJB's financial plans. Hence, for planning purpose, a high-level overall contingency is factored into the IJB's financial plan to help manage and absorb the impact of such risks.

Reflecting the risks that the IJB is exposed to, a planning contingency of c£0.200m in 2024/25, increasing to £1.000m by 2026/27 is now allowed for in the IJB's financial plan. However, it is important to note that given the overall plan does not balance, the inclusion of this planning contingency does not equate to there being funding available to meet the cost associated with any emerging risk.

5.6 Strategic Commitments

Workforce - Previously the IJB has noted and supported the strategic need to invest in the Prevention agenda. The IJB has a similar imperative to address and support workforce issues – noting this remains a key risk within the Partnership. Work has been ongoing within the Executive Management Team to develop a proposal to create recurring funding stream of c£0.040m per annum to support workforce training issues. While this proposal is still being finalised, it has been included in this iteration of the Strategic Financial Plan. This intention to develop a recurring resource will sit alongside an intention to create a Workforce Reserve to support the continued implementation of the three-year workforce plan (as described in report 36/22 and associated annual updates – e.g. to the IJB) and to support any future in-year service pressures associated with workforce issues e.g. time limited requirement to engage agency type staff. This reserves proposal is set out in the February 2024 IJB Finance report.

General – It is recognised that this Strategic Financial Plan does not describe a material shift in resources towards the IJB strategic priorities. Any such shift will be dependent on the release of commensurate resources from elsewhere in the IJB. This will be further considered prior to the next re-iteration of this plan.

6. PLANNED INTERVENTIONS

6.1 This section describes the position regarding planned interventions which are required as a response to longer term shortfalls within the IJB's SFP.

6.2 The February 2024 finance report to the IJB provides an update on progress against the 2023/24 to 2025/26 Strategic Financial Plan three-year savings.

6.3 Managerial (Service Lead) Savings – Historically, these savings were referred to as Executive Management Team (EMT) Review savings. However, recently the level of delivery has been low and hence this revised target has been scaled back to capture service-related savings. These savings will be delivered through service budget management actions. 2024/25 - c£0.180m; future years c£0.190m per annum. Lead Officer – Service Managers/Leads.

6.4 Angus Care Model – Psychiatry of Old Age Review – This planned intervention pre-dates COVID and has been superseded by the demands of the service. Following discussion with the Head of Community Health and Care Services it is proposed to remove the original

planned intervention target and focus on the service resource requirements. However, a refreshed planned intervention may emerge in the future. Lead Officer – Head of Community Health and Care Services (E McLennan).

- 6.5 Learning Disability (LD) Improvement Plan – This planned intervention has been ongoing for a number of years and the Improvement Plan has recently been reviewed. Following discussion with the Head of Community Health and Care Services it is proposed to remove the original planned intervention target and focus on the service resource requirement. It is anticipated a re-freshed approach will then re-emerge in the IJB's plans in due course. Lead Officer – Head of Community Health and Care Services (E McLennan).
- 6.6 Physical Disability Improvement Plan Lead Officer - As described for Learning Disability this approach will be adopted. – Head of Community Health and Care Services (E McLennan).
- 6.7 Financial Recovery Plans – This will include a series of financial recovery actions that have previously been referred to in IJB Finance Reports or management team discussion. They will now be consolidated to form a Financial Recovery Plan including capturing progress with the likes of financial recovery plans associated with Out of Hours service and GMS 2C. The intention will be to include a financial impact from this Financial Recovery Plan in the next iteration of the Strategic Financial Plan. Lead Officer – Executive Management Team.
- 6.8 Strategic Delivery Plans – Work is ongoing within the Executive Management Team to develop planned interventions aligned to the Strategic Commissioning Plan actions. The intentions will be to include these in the next iteration of the Strategic Financial Plan. Lead Officer – Executive Management Team.
- 6.9 Service Review – The IJB initiated a Service Review in 2023 and, from January 2024, that review has been redesigned to support the IJB to deliver significant savings. The intentions will be to include a financial impact from the Service Review in future iterations of the Strategic Financial Plan. Lead Officer - Executive Management Team.
- 6.10 Prescribing – 2024/25 c£0.070m as described in the draft version of the local Prescribing Financial Framework. Lead Officer – Angus Prescribing Management Group.
- 6.11 Any planned interventions are subject to their own oversight arrangements which may include reporting back to the IJB and will be subject to their own risks re timing and deliverability and these will continue to be highlighted to the IJB.
- 6.12 In the context of the overall financial plan, these interventions are key in bringing the IJB back towards a balanced budget and help the IJB to manage unfunded inflationary and other pressures and make any required investment. It is therefore important that the IJB assert its commitment to their inclusion in this draft of the Strategic Financial Plan, and that the Executive Management Team continue to work to their delivery and that the IJB receive regular updates regarding progress.
- 6.13 Given the importance of planned interventions to the overall strategic financial plan, it has previously been 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. While some planned interventions have now been removed from this iteration of the Strategic Financial Plan, this is with a view to these being replaced by additional content in the April 2024 version of this plan.

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

7.1 Lead Partner Services

Funding for these services will generally be uplifted in line with other health services. Angus IJB will continue to work closely with other IJB's to develop financial plans regarding Lead Partner Services. As noted in other reports, the regional Out of Hours Service continues to experience service and financial pressures, with a significant recurring financial exposure of c £1.4m, which is one of the financial pressures within this financial plan. The service continues to develop a financial recovery plan.

For Lead Partner services managed in Dundee and Perth the funding for these services is in line with other health services, and at this time there are no emerging pressures.

7.2 Prescribing

Prescribing is a major part of the IJB's financial plan and Angus continues to work closely with colleagues through the regional Prescribing Management Group to develop financial plans for 2024/25 and beyond. It is evident that overall costs have been increasing with much of this linked to prescribing pricing and it is expected that these pressures will continue as we move into future years.

A fundamental change in the draft Prescribing Financial Plan, as set out in the Budget Settlement, is there will be no funding uplift allocated by the Scottish Government towards non pay budgets, including prescribing in 2024/25.

Half yearly prescribing reports to the IJB will more fully describe the delivery of plans for 2024/25 and Prescribing reports to the IJB are also expected to set out how the financial framework for prescribing can be brought closer to balance.

7.3 Family Health Services

As previously reported, the main financial challenges in Family Health Service over the duration of this plan relate to the 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 approved Primary Care Premises Strategy.

As noted in other reports the cost of providing 2C's GMS continue to experience service and financial pressures, with this captured in the financial plan. The service continues to develop a financial recovery plan.

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.

8. STRATEGIC COMMISSIONING PLAN / STRATEGIC DELIVERY PLAN

As previously reported, 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 and therefore to close of the financial gap. However, to date the IJB has had limited success generating ideas and progressing the financial gap.

This is captured in the summary position, where the lack of output from the updated Strategic Delivery Plan in terms of addressing financial challenges 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. There will be 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 draft 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. It is anticipated that many of these

risks will remain in the final version of this plan. A summary of risks is set out in Appendix 2, with the table below providing an oversight.

Risk Description	Failure to develop and implement a balanced financial plan will lead to a risk of unsustainable services.
Risk Category	Strategic
Inherent RiskLevel	Likelihood 5 x Impact 5 = Risk Scoring 25 (very high-risk level). No change.
Mitigating Actions	Funding - Ongoing dialogue with NHST, Angus Council and, via national forums, Scottish Government. Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside. Progress with Strategic Delivery Plans and Service Review - Monitor via management forums and report to IJB regularly. Managing services within agreed budgets - Financial recovery plans may be requested from over-committed services.
Residual Risk Level	Likelihood 5 x Impact 4 = Risk Scoring 20 (very high-risk level). No change.
Planned Risk Level	Likelihood 4 x Impact 4 = Risk Scoring 16 (high-risk level). No change.
Approval Recommendation	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.

11. EQUALITIES IMPACT ASSESSMENT

As set out earlier, 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) were 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 Equalities Impact Assessments. On that basis, the view is that no separate Equalities Impact Assessment 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. The final version of the Strategic Financial Plan will determine overall directions to Partners with individual programmes and reports to the IJB generating more specific direction. This version is a draft so does not generate a "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 a draft view of the IJB's Strategic Financial Plan for 2024/25 to 2026/27 and captures information regarding current financial performance, funding assumptions, cost pressures and planned interventions. In particular it reflects output from the Strategic Commissioning Plan progress to date. Appendix 1 brings together all of the above, but this needs to be seen in the context of the risks as set out in Appendix 2. A summary of the IJB's financial planning position is summarised below: -

Financial Year	2024/25	2025/26	2026/27	Recurring 2026/27
	£k	£k	£k	£k
Shortfalls	(4,764)	(7,075)	(9,450)	(9,450)

- 13.2 While the above table sets out the underlying and recurring position, due to staff turnover, recruitment challenges and continued uptake of lower care home beds, it is likely the overspend will be reduced due to these non-recurring underspends and the use of the contingency reserve to deliver a balanced position in 2024/25. Furthermore, in the second year of the plan the remainder of the contingency reserve can be deployed to partially support the overspend position, as shown below. At that point, the strategic financial planning shortfall emerges more clearly. It is these underlying and recurring shortfalls that need to be addressed by updates from the IJB's Strategic Delivery Plan Actions, Financial Recovery Plans, and Service Review.

Financial Year	2024/25	2025/26	2026/27	Recurring 2026/27
	£k	£k	£k	£k
Shortfalls	(4,764)	(7,075)	(9,450)	(9,450)
Non-Recurring Under spends	2,200	1,000	500	0
Revised Shortfall	(2,564)	(6,075)	(8,950)	(9,450)
Planned Use of Reserves	2,564	3,886	0	0
Revised Shortfall	0	(2,189)	(8,950)	(9,450)

- 13.3 In summary the IJB's overall financial planning position, as represented in this draft plan, is one that shows an increasing underlying overspends as the IJB struggles to contain forecast increases in costs within the available funding.
- 13.4 A short-term reliance on non-recurring underspends and contingency funds is not a strategic solution to the underlying shortfall. As the IJB's current Strategic Commissioning Plan cannot presently be confirmed as deliverable within the forecast available resources, it therefore remains necessary for the IJB to determine its next steps to ensuring the final version of the Strategic Financial Plan moves much closer to a balanced long-term position.
- 13.5 While this report's primary recommendations are for the IJB to consider this draft version of the Strategic Financial Plan and to request a final version be brought back to the IJB in April 2024, the IJB should also:-
1. Request further progress is made within the IJB's Strategic Planning Group and Executive Management Team to develop and progress actions that will close out the IJB's financial shortfall.
 2. Recommend that up to four IJB/ Strategic Planning Group /Executive Management Team development sessions are held from March 2024, to provide a forum for ensuring a full understanding of the IJB's financial challenges and, in particular, to develop proposals regarding how the IJB's moves towards financial sustainability.

The opportunity to hold a series of development session was supported by the IJB's Strategic Planning Group when it met in January 2024.

REPORT AUTHOR: ALEXANDER BERRY, Chief Finance Officer

EMAIL DETAILS: tay.angushscp@nhs.scot

List of Appendices:

Appendix 1: Updated IJB Financial Planning Summary

Appendix 2: IJB Financial Risk Assessment

Appendix 1 - Updated IJB Financial Planning Summary

		2024/25								2025/26								2026/27								APPENDIX 1		
Angus HSCP - Financial Plan 2024/25 - 2026/27 (note - some sub-totals omitted to make file easier to present)		Adult Services	Local	Lead Partner Services (Angus)	Lead Partner Services (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total	Adult Services	Local	Lead Partner Services (Angus)	Lead Partner Services (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total	Adult Services	Local	Lead Partner Services (Angus)	Lead Partner Services (D/P)	PX	FHS	Large Hospitals & Mental Health	Gross Total Health	Grand Total
Year	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek	Ek
Brought Forward Budget	69604	61102	14884	10277	23494	37270	18966	165993	224747	74725	61882	15156	10483	23494	37270	18966	167251	230928	76725	62592	15466	10693	23729	37270	18966	168716	234167	
Annual Assumed Budget Uplift																												
Partner / Scot. Govt. (Service / Inflation)	4761	718	272	206	0	0	0	1196	5759	2000	710	310	210	235	0	0	1465	3239	1800	720	320	210	237	0	0	1487	3054	
Partner / Scot. Govt. (Legal/Contractual)	360	62	0	0	0	0	0	62	422	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partner (Funding Adjustment)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Assumed Budget Uplift	5121	780	272	206	0	0	0	1258	6181	2000	710	310	210	235	0	0	1465	3239	1800	720	320	210	237	0	0	1487	3054	
Available Budget	74725	61882	15156	10483	23494	37270	18966	167251	230928	76725	62592	15466	10693	23729	37270	18966	168716	234167	78525	63312	15786	10903	23966	37270	18966	170203	237221	
Brought Forward Over/(Under) Commitment	344	-1353	1760	-80	1947	300	0	2574	1636																			
Brought Forward Spend Commitments	69948	59748	16644	10197	25441	37570	18966	168566	226381	76486	60753	16984	10401	26912	37570	18966	171586	235692	80027	61782	17327	10609	27593	37570	18966	173847	241241	
Inflation Pressures																												
Inflation - Pay	841	691	310	204	0	0	0	1205	1820	860	706	313	208	0	0	0	1227	1859	888	721	319	212	0	0	0	1252	1910	
Inflation - Superannuation	-300	0	0	0	0	0	0	0	-300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation - Third Parties	3433	2	0	0	0	0	0	2	3435	1210	3	0	0	0	0	0	3	1213	1249	5	0	0	0	0	0	5	1254	
Inflation - NCHC	2774	0	0	0	0	0	0	0	2774	1500	0	0	0	0	0	0	0	1500	1170	0	0	0	0	0	0	0	1170	
Inflation - Prescribing	0	0	0	0	1539	0	0	1539	1539	0	0	0	0	679	0	0	679	679	0	0	0	0	696	0	0	696	700	
Inflation - Other	60	130	30	0	0	0	0	160	198	50	130	30	0	0	0	0	160	190	50	130	30	0	0	0	0	160	190	
Charging Uplifts	-650	0	0	0	0	0	0	0	-650	-300	0	0	0	0	0	0	0	-300	-200	0	0	0	0	0	0	0	-200	
Annual	6158	823	340	204	1539	0	0	2906	8816	3320	839	343	208	679	0	0	2069	5141	3157	856	349	212	696	0	0	2113	5024	
New Service Pressures																												
Demographics	100	100	0	0	0	0	0	100	200	100	100	0	0	0	0	0	100	200	100	100	0	0	0	0	0	100	200	
Legal - Free Personal Care	240	0	0	0	0	0	0	0	240	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
National Priorities - Action 15/ District Nursing/PCIF/Post Diagnostic Dementia	0	62	0	0	0	0	0	62	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Drugs	0	0	0	0	2	0	0	2	2	0	0	0	0	2	0	0	2	2	0	0	0	0	5	0	0	5	5	
Other - Risk Contingency	100	100	0	0	0	0	0	100	200	200	200	0	0	0	0	0	200	400	200	200	0	0	0	0	0	200	400	
Strategic Commitments	20	20	0	0	0	0	0	20	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Annual	460	282	0	0	2	0	0	284	744	300	300	0	0	2	0	0	102	602	300	300	0	0	5	0	0	305	605	
Planned Expenditure	76566	60853	16984	10401	26912	37570	18966	171756	235942	80106	61892	17327	10609	27593	37570	18966	173957	241432	83484	62938	17676	10821	28294	37570	18966	176265	246861	
Initial Annual Shortfall	-1841	1029	-1828	82	-3488	-300	0	-4505	-5014	-3381	700	-1861	84	-3864	-300	0	-5241	-7265	-4959	374	-1890	82	-4328	-300	0	-6062	-9640	
Less Planned Interventions																												
Managerial (Service Lead) Savings	80	100	0	0	0	0	0	100	180	80	110	0	0	0	0	0	110	190	80	110	0	0	0	0	0	110	190	
ACM - Psychiatry of Old Age Review	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Learning Disability Improvement Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Physical Disability Improvement Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Financial Recovery Plans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Strategic Delivery Plans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Review	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prescribing	0	0	0	0	70	0	0	70	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Interventions	80	100	0	0	70	0	0	170	250	80	110	0	0	0	0	0	110	190	80	110	0	0	0	0	0	110	190	
Revised Planned expenditure	76486	60753	16984	10401	26912	37570	18966	171586	235692	80026	61782	17327	10609	27593	37570	18966	173847	241242	83404	62828	17676	10821	28294	37570	18966	176155	246671	
Revised Shortfall	-1761	1129	-1828	82	-3418	-300	0	-4335	-4764	-3301	810	-1861	84	-3864	-300	0	-5131	-7075	-4879	484	-1890	82	-4328	-300	0	-5952	-9450	
Adjustment For Hosting	0	0	1334	0	0	0	0	1334		0	0	1359	0	0	0	0	1359		0	0	1380	0	0	0	0	1380		
Final Shortfall	-1761	1129	-494	82	-3418	-300	0	-3001	-4764	-3301	810	-502	84	-3864	-300	0	-3772	-7075	-4879	484	-510	82	-4328	-300	0	-4572	-9450	

Note - Gross Health Totals before adjusting for Hosted Services (Angus) recharged to other IJBs.

Appendix 2 - IJB Financial Risk Assessment

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
Current Financial Performance			
Data Quality	Medium	N/A	These issues continue to have potential to undermine reporting/planning.
Funding Assumptions			
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.	Low (for 2024/25)	Not known	The level of funding Angus IJB receives from Partners could be subject to review.
Cost Pressures			
Prescribing – Local costs per weighted patient remain above funded levels.	High	c£2.0m (recurring)	6 monthly reports 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.	Low	£0.5m	While secondary to primary care drug transfers have been agreed, there have been some uncertainties regarding associated funding agreements. This is moving towards resolution.
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 (from 2024/25)	TBC	Developing situation with short term Scottish Government supporting this. The service has been asked to develop a financial recovery plan.
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	Health staff uplifts are linked to NHS Scotland pay agreement. Although it is assumed SG will fully fund these pay awards there is a potential risk in the current climate funding could 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.	High (from 2024/25)	Not known	Long-term risks remain reflective of likely challenges of agreeing the 2024/25 NCHC contract.
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.
Planned Interventions			
Some IJB savings programmes behind schedule. Reviews have been undertaken	High	Up to £1.0m (recurring)	See main report.
Other			
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.