



AGENDA ITEM NO 8

REPORT NO IJB 16/24

ANGUS INTEGRATION JOINT BOARD

24 APRIL 2024

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

REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

1. ABSTRACT

1.1 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 2024/25 to 2026/27 and to seek approval for the report's recommendations.

2. ALIGNMENT TO THE STRATEGIC PLAN

2.1 This report contributes to the following strategic enablers in the Angus IJB Strategic Commissioning Plan:-

- Deliver financial sustainability; and
- Seeking to achieve best value and cost effectiveness.

3. RECOMMENDATIONS

3.1 It is recommended that the Integration Joint Board: -

- (i) Consider this version of the Strategic Financial Plan for 2024/25 to 2026/27;
- (ii) Approve the adoption of the 2024/25 position as an interim financial planning framework; and
- (iii) Request that the Executive Management Team bring forward proposals to the August 2024 IJB to address c£3.0m of the recurring financial planning shortfall in line with the need to deliver a balanced long-term financial plan.

4. BACKGROUND

4.1 This report provides an update to report 06/24 presented to the IJB in February 2024. Where information previously provided has not changed, this has been noted but not replicated here. This report therefore requires to be read alongside report 06/24.

4.2 This report describes an updated three-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. This update has been required as the version shared at the IJB in February 2024 did not describe a balanced long-term financial plan. This update acknowledges that the plan remains unbalanced over a 3-year period, and that a number of financial risks remain, and that these factors are significant enough that the IJB will continue to need to take remedial action.

4.3 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.

- 4.4 This report outlines a series of positions and/or assumptions regarding funding uplifts, inflationary, demographic, and legal/contractual pressures, and a series of planned interventions.
- 4.5 Appendix 1 shows the IJB's overall updated SFP. A commentary on the overall position is included in the Financial Implications section of this paper.
- 4.6 The updated plan has been shared with the IJB's Strategic Planning Group.

5. CURRENT POSITION

CURRENT FINANCIAL PERFORMANCE

- 5.1 It is important to note that the SFP has been updated during a period when the IJB is reporting an in-year 2023/24 under spend. However, this position is heavily dependent on non-recurring under spends due to unfilled vacancies and levels of unmet need. To date, there has been no wider plan to reduce recurring budgets linked to these factors. It is important to note that the IJB will have reserves at the start of 2024/25 that can support the Strategic Financial Plan on a non-recurring basis only. However, this does not reduce the urgency for resolving recurring shortfalls.
- 5.2 The underlying financial performance in 2023/24 needs to be factored into the IJB's future financial plans (the "rollover" position). Assessing the underlying position is currently quite challenging due to the range of variables in the system (e.g., unfilled vacancies, unmet need). The table below summarises changes in assumptions since report 06/24. This reflects a general deterioration across service headings (e.g., Adult Services, Community Health, Lead Partner Services) offset by an improved prescribing position: -

| Service | Budget Rollover (Report 06/24) £m | Movement £m | Revised Budget Rollover £m |
|-------------------------------------|-----------------------------------|----------------|----------------------------|
| Adult Services | (0.344) | (0.196) | (0.540) |
| Community Health | 1.353 | (0.131) | 1.222 |
| Lead Partner Services in Angus | (1.760) | (0.100) | (1.860) |
| Lead Partner Services (Elsewhere) | 0.080 | 0.000 | 0.080 |
| Prescribing | (1.947) | 0.347 | (1.600) |
| Family Health Services | (0.300) | 0.000 | (0.300) |
| Less Lead Partner Services Recharge | 1.283 | 0.073 | 1.356 |
| Total | (1.635)¹ | (0.007) | (1.642) |

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

- 5.3 Whilst the above still contains uncertainty, in total this assessment suggests an underlying brought forward recurring pressure of c£1.642m. This contrasts with significant in-year underspends as per above.
- 5.4 Separately, it continues to be noted that whilst there has been some progress made to review the Older Peoples Services resource requirements, this still requires to be urgently concluded. Similar reviews still need to progress to determine affordable resource profiles for both the Learning and Physical Disability Services. There is no additional funding allowed for in the IJB's financial plans and these steps are required to formalise baseline budgets.

FUNDING ASSUMPTIONS (BUDGET SETTLEMENTS)

- 5.5 There have been a limited number of changes to the IJB's budgetary assumptions set out in report 06/24. However, since the last report the Scottish Government has confirmed the distribution of funding available for the Adult Social Care Workers in Commissioned Services and this has increased our previously assumed funding by c£0.672m to £5.433m.

- 5.6 Similarly, the Scottish Government has also advised the Social Care Self Directed Support Transformational funding for 2024/25 will increase slightly from the previous allocation by c£0.006m to £0.102m
- 5.7 The Scottish Government has also advised they will be implementing the non-pay elements from the Agenda for Change Review which was part of the 2023/24 pay award from 1 April 2024. These elements consist of a 30-minute reduction in the working week; a consistent approach to Protected Learning Time and a review of Band 5 nursing roles. NHS Tayside has not been able to confirm the funding settlement and hence there is a level of uncertainty around the funding allocation. Furthermore, given the unprecedented financial pressures in the public sector, there is a real risk the Scottish Government may not be able to afford such commitments and potentially the balance of any financial burden will fall to the IJB to absorb.
- 5.8 As noted in report 06/24, for 2024/25, the Scottish Government is no longer funding uplifts on NHS non-pay costs – including prescribing. We had previously assumed some inflation uplift for years 2 and 3 of the plans, but reflecting funding challenges in the Scottish Government, we have now removed this assumed uplift to match this year's position. Until NHS Tayside formalises its overall budgetary framework for 2024/25, there remains an element of residual uncertainty regarding NHS Tayside's funding commitment to Angus. This issue will continue to be monitored.
- 5.9 Report 06/24 noted two unresolved issues in relation to Large Hospital Set Aside resources and In Patient Mental Health services. At April 2024, these issues remain unresolved.

COST PRESSURES AND STRATEGIC COMMITMENTS

- 5.10 The majority of this part of the plan remains as per report 06/24. However, the following adjustments should be noted.
- 5.11 National Care Home Contract (NCHC) Inflation – Since report 06/24, the NCHC has now been agreed. An adjusted assessment of the impact of the uplifts are now included in this plan. That said, there remains a financial and contractual risk regarding the sustainability of the NCHC.
- 5.12 Third Party Inflation – The inflationary treatment for the majority of payments made to third parties (specifically independent and voluntary sector organisations providing services to the IJB) is instructed by the Scottish Government. Since the last iteration of this plan, a final instruction has now been received by the IJB and an adjusted assessment of the impact of the uplifts is now included in this plan.
- 5.13 Charging Uplifts – Since report 06/24, Angus Council has now approved uplifts to social care charges for 2024/25. These are in line with previous assumptions and no adjustment has been made to the figures included in this plan.
- 5.14 Internal Care Homes - Strategic Financial Planning report 57/23 to the August 2023 IJB meeting noted that, regarding Seaton Grove Residential Care Home, the IJB is currently operating 4 (38 beds) of the previous 5 wings (48 beds) and that the IJB's Executive Management Team (EMT) would be considering the resource implications of this. In March 2024, the IJB's EMT concluded that the majority of the staffing establishment previously associated with 48 beds operational, are now required to support the current 38 operational beds. The need to increase the ratio of staffing per bed is attributed to the requirements of meeting the impending Health and Care (Staffing) Act and the increasing care complexities of residents. While there may still be minor savings, this change of staffing increases the operating costs per bed by approximately 15% on a like-for-like basis to c£1,300 per week per patients excluding capital costs. This change does not visibly impact on the IJB's financial plan but does mean the IJB may require to commission additional capacity (e.g. to replace reduced capacity) from the independent sector without funding being re-directed from the de-commissioning of that reduced capacity.

PLANNED INTERVENTIONS

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

- 5.16 A limited number of planned interventions are already reflected in the IJB's SFP. Those included already relate to Managerial Savings (described in report 06/24) alongside some additional prescribing savings being progressed on a regional basis and reflective of national price /drug tariff changes.
- 5.17 Financial Recovery Plan - This includes a series of financial recovery actions that have previously been referred to in IJB Finance Reports or management team discussions. Many of the actions are linked to a series of financial recovery plans requested of services (e.g. Out of Hours Services, 2C GMS Practices). Many of these have taken longer to deliver than requested and, to date, output from recovery plans has not contributed as much to the IJB's plans as should have been expected by the IJB. At this point, the total expected contribution from the Financial Recovery Plan is c£0.038m over 3 years towards Lead Partner Services. It is anticipated this will grow further by the next iteration of this plan, however if the EMT are not able to progress actions within the Financial Recovery Plan this will place a greater burden on the SFP. Lead Officer – Executive Management Team.
- 5.18 Strategic Delivery Plan - Work is ongoing within the EMT to develop planned interventions aligned to the Strategic Commissioning Plan actions. While potential options are emerging, these are not yet developed enough to be reflected in this iteration of the SFP. The intention remains to include these in any next iteration of the SFP. Lead Officer – Executive Management Team.
- 5.19 Service Review – As per report 06/24, in 2023 the IJB initiated a Service Review which, from January 2024, was re-set to support the IJB to deliver significant savings. The intentions will be to include a financial impact from the Service Review in any next iteration of the SFP. Lead Officer – Heads of Service.
- 5.20 It is reasonable to reflect that this section of the IJB's SFP requires significant managerial and IJB attention.

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

- 5.21 Lead Partner Services - Angus IJB will continue to work closely with other IJB's to develop financial plans regarding Lead Partner Services. That includes with regard to regional Out of Hours Services where the Angus EMT has confirmed support for service models that cost at least £1.0m in excess of pre-COVID service models.
- 5.22 Prescribing – As noted in the April 2024 IJB Finance report, there remain ongoing governance issues regarding prescribing. Report 10/24 (Primary Care Prescribing Management Update to February 2024 IJB) noted the difficulties in closing out prescribing financial gaps particularly given that “for the majority of (improvement) actions described, it has proved challenging to set out associated financial targets or expectations”. Against the backdrop of these challenges the following points are worth noting:-
- As noted in report 06/24, for 2024/25 prescribing resources will receive no inflationary budget uplift. That said, the IJB has already had to reflect prescribing inflation impacts in projected spend for 2024/25 and beyond. In terms of formal budgets, it is now intended to add a 2% uplift into prescribing resources (as we would add budget into staff budgets to fund inflation) in line with previous Scottish Government uplifts.
 - There are some new potential drug price / tariff changes that the IJB may be able to explore in the forthcoming months. The best method to progress this is still being developed by all Tayside HSCPs.
 - While separate finance reports note the governance issues regarding prescribing, at the March 2024 Prescribing Management Group further new drugs have been approved reflecting advice from the Scottish Medicines Consortium. At this stage, the drugs approved in March 2024 add a further financial burden of c£0.100m to Angus IJB's financial planning within Prescribing.
- 5.23 Family Health Services (Including General Medical Services) - The position is generally as per report 06/24, but it is important to note that there has been only limited progress with resolving overspends in 2C GMS Practices. Meanwhile, there is a continued direction of travel for individual IJBs to be increasingly financially accountable for 2C GMS Practices costs within their own areas (noting from 2023/24 Angus IJB was already absorbing an increased proportion of local 2C GMS Practices financial pressures).

5.24 In Patient Mental Health Services – The position is generally as per report 06/24.

5.25 Large Hospital Services - The position is generally as per report 06/24. It is important to reflect on activity information now contained in IJB financial reporting which shows a marked increase on Large Hospital Service activity since 2019/20.

IJB RESERVES

5.26 The IJB holds a number of ring-fenced reserves with the position remaining as per 06/24 and regular finance reports. As is evident from the outcome of this report, the IJB is reliant on reserves to balance its short-term financial plans.

6. PROPOSALS

The recommendations for approval in this report are set out in section 7.8 and 7.9.

7. FINANCIAL IMPLICATIONS

7.1 This report sets out an updated view of the IJB's Strategic Financial Plan for 2024/25 to 2026/27 and captures updated information regarding current financial performance, funding assumptions, cost pressures and planned interventions. 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. Importantly, and as noted above, this update continues to reflect limited outputs from the wider planning processes being progressed within the IJB.

7.2 The table below summarises the IJB's financial planning position. This is after assuming that the described Managerial Savings, a small benefit from Financial Recovery Plans and Prescribing savings will be delivered.

| | | | | Recurring |
|-----------------------|----------------|----------------|----------------|------------------|
| Financial Year | 2024/25 | 2025/26 | 2026/27 | 2026/27 |
| | £m | £m | £m | £m |
| Shortfalls | (4.065) | (6.674) | (9.399) | (9.399) |

7.3 While the above table sets out the underlying and recurring position, due to factors such as recruitment challenges it is likely there will be non-recurring (short term) underspends. This, combined with a fall-back position of reliance on contingency reserves (as has been seen in previous financial plans), allows the IJB to demonstrate it can deliver a balanced position for 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.

7.4 The combined effect of non-recurring underspends and reserves can be seen below. From 2025/26, and after the depletion of contingency reserves and an assumed reduction in the scale of non-recurring underspends, the strategic financial planning shortfall emerges more clearly. It is these underlying and recurring shortfalls that the IJB continues to need to address.

| | | | | Recurring |
|----------------------------|----------------|----------------|----------------|------------------|
| Financial Year | 2024/25 | 2025/26 | 2026/27 | 2026/27 |
| | £k | £k | £k | £k |
| Shortfalls | (4,065) | (6,674) | (9,399) | (9,399) |
| Non-Recurring Under spends | 2,100 | 1,000 | 500 | 0 |
| Revised Shortfall | (1,965) | (5,674) | (8,899) | (9,399) |
| Planned Use of Reserves | 1,965 | 4,935 | 0 | 0 |
| Revised Shortfall | 0 | (739) | (8,899) | (9,399) |

7.5 Board members will be aware of the challenges being faced and addressed by other IJBs in Scotland. Due to previous decisions made by the IJB, Angus IJB was in a stronger financial

planning position than other IJBs at the start of 2023/24. The position of being in a relatively strong planning position still holds, but to a much more limited extent. This is because a) our financial plan does still contain material, currently unresolved, shortfalls; b) other IJB's have been progressing decisions that will partly address their financial planning shortfalls; and c) the IJB's current position now also reflects the challenges of successfully delivering service financial recovery plans on time (e.g. 2C GMS Practices), supporting the funding of pressures within the Out of Hours Services, supporting increased costs in internal care homes and the approval of additional new drugs against prescribing.

- 7.6 To date, the development of the 2024/25 – 2026/27 Strategic Commissioning Plan and the associated Delivery Plan have not yet delivered tangible progress with respect to resolving affordability issues. It is therefore suggested that the IJB requests that the Executive Management Team bring forward proposals to the August 2024 IJB meeting that close the recurring financial gap by c£3.0m (i.e. approximately one third of the recurring financial planning shortfall). This should be through a combination of risk-assessed contributions from actions within the Strategic Delivery Plan (or Service Review) and through consolidation of some of the 2023/24 underspends into recurring savings as budget reductions. This would give the IJB an increased level of confidence regarding the immediate sustainability of services and create a platform for the rest of 2024/25, and beyond, during which to address the balance of planning shortfalls.
- 7.7 The intention to hold a series of development sessions to ensure a full understanding of the IJB's financial challenges and to develop proposals regarding how the IJB moves towards long-term financial sustainability will assist with this. However, there is a need to demonstrate and deliver the first stages in closing out the 3-year financial planning shortfall in the very near future (e.g. August IJB meeting).
- 7.8 Given the limited progress with addressing the strategic financial planning shortfalls, it is not reasonable to seek approval of this 3-year plan. However, the information outlined for 2024/25, can be approved as an interim financial planning framework.
- 7.9 Alongside this proposal (7.8), and as per 7.6, the IJB should request that the Executive Management Team bring forward proposals to the August IJB to address c£3.0m of the recurring financial planning shortfalls.
- 7.10 With a presumption of progress being made regarding 7.9, an updated SFP will be brought back to the August 2024 IJB meeting.

8. RISK MANAGEMENT

- 8.1 This updated Strategic Financial Plan is produced against a backdrop of significant uncertainty specifically regarding the unprecedented financial pressure in the public sector. 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.

| | |
|----------------------------|---|
| 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 NHS Tayside, Angus Council and, via national forums, Scottish Government. Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside. Progress with Strategic Commissioning, Delivery and Financial Recovery Plans alongside Service Reviews - Monitor via Executive Management team meetings and reports 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. |

9. PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications arising from the recommendations of this report.

10. CLIMATE SUSTAINABILITY IMPLICATIONS

There are no direct environmental implications arising from the recommendations of this report.

11. EQUALITY IMPACT ASSESSMENT, CHILDREN'S RIGHTS AND FAIRER SCOTLAND DUTY

A copy of the EIA screening assessment, showing that a full EIA is not required for the following reasons:

- As the nature of this report is a finance plan that excludes service recommendations; and
- No impact on any protected characteristics.

will be made available on the IJB's web site after the relevant IJB meeting.

12. COMMUNICATION AND ENGAGEMENT (IF APPLICABLE)

Not Applicable.

13. 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 updates 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 | |

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

APPENDIX 1

Angus HSCP - Financial Plan 2024/25 - 2026/27
(note - some sub-totals omitted to make file easier to present)

| Year | 2024/25 | | | | | | | | | 2025/26 | | | | | | | | | 2026/27 | | | | | | | | |
|--|----------------|-------|-------------------------------|-----------------------------|-------|-------|---------------------------------|--------------------|-------------|----------------|-------|-------------------------------|-----------------------------|-------|-------|---------------------------------|--------------------|-------------|----------------|-------|-------------------------------|-----------------------------|-------|-------|---------------------------------|--------------------|-------------|
| | 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 |
| | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k | £k |
| Brought Forward Budget | 69604 | 61280 | 14894 | 10556 | 23391 | 37753 | 18966 | 166840 | 225586 | 75403 | 62059 | 15166 | 10767 | 23391 | 37753 | 18966 | 168102 | 232449 | 77403 | 62769 | 15476 | 10977 | 23391 | 37753 | 18966 | 169332 | 235453 |
| Annual Assumed Budget Uplift | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Partner / Scot. Govt. (Service / Inflation) | 5439 | 717 | 272 | 211 | 0 | 0 | 0 | 1200 | 6441 | 2000 | 710 | 310 | 210 | 0 | 0 | 0 | 1230 | 3004 | 1800 | 720 | 320 | 220 | 0 | 0 | 0 | 1260 | 2827 |
| 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 |
| Annual Assumed Budget Uplift | 5799 | 779 | 272 | 211 | 0 | 0 | 0 | 1262 | 6863 | 2000 | 710 | 310 | 210 | 0 | 0 | 0 | 1230 | 3004 | 1800 | 720 | 320 | 220 | 0 | 0 | 0 | 1260 | 2827 |
| Available Budget | 75403 | 62059 | 15166 | 10767 | 23391 | 37753 | 18966 | 168102 | 232449 | 77403 | 62769 | 15476 | 10977 | 23391 | 37753 | 18966 | 169332 | 235453 | 79203 | 63489 | 15796 | 11197 | 23391 | 37753 | 18966 | 170592 | 238280 |
| Brought Forward Over/(Under) Commitment | 540 | -1222 | 1860 | -80 | 1600 | 300 | 0 | 2458 | 1642 | | | | | | | | | | | | | | | | | | |
| Brought Forward Spend Commitments | 70144 | 60058 | 16754 | 10476 | 24991 | 38053 | 18966 | 169298 | 227228 | 76860 | 61064 | 17014 | 10686 | 26275 | 38053 | 18966 | 172058 | 236514 | 80416 | 62093 | 17298 | 10900 | 27012 | 38053 | 18966 | 174322 | 242127 |
| Inflation Pressures | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inflation - Pay | 852 | 692 | 310 | 210 | 0 | 0 | 0 | 1212 | 1838 | 870 | 706 | 314 | 214 | 0 | 0 | 0 | 1234 | 1875 | 899 | 722 | 319 | 218 | 0 | 0 | 0 | 1259 | 1928 |
| 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 |
| Inflation - Third Parties | 3427 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 3429 | 1215 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 1218 | 1255 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | 1260 |
| Inflation - NCHC | 2947 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2947 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1500 | 1180 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1180 |
| Inflation - Prescribing | 0 | 0 | 0 | 0 | 1512 | 0 | 0 | 1512 | 1512 | 0 | 0 | 0 | 0 | 960 | 0 | 0 | 960 | 960 | 0 | 0 | 0 | 0 | 774 | 0 | 0 | 774 | 770 |
| Inflation - Other | 60 | 130 | 30 | 0 | 0 | 0 | 0 | 160 | 198 | 50 | 130 | 30 | 0 | 0 | 0 | 0 | 160 | 190 | 60 | 130 | 30 | 0 | 0 | 0 | 0 | 160 | 200 |
| 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 | 6336 | 824 | 340 | 210 | 1512 | 0 | 0 | 2886 | 8974 | 3335 | 839 | 344 | 214 | 960 | 0 | 0 | 2357 | 5443 | 3194 | 857 | 349 | 218 | 774 | 0 | 0 | 2198 | 5138 |
| 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 Diagnosis | 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 | 302 | 602 | 300 | 300 | 0 | 0 | 5 | 0 | 0 | 305 | 605 |
| Planned Expenditure | 76940 | 61164 | 17094 | 10686 | 26505 | 38053 | 18966 | 172468 | 236946 | 80495 | 62203 | 17358 | 10900 | 27237 | 38053 | 18966 | 174717 | 242558 | 83910 | 63250 | 17647 | 11118 | 27791 | 38053 | 18966 | 176825 | 247869 |
| Initial Annual Shortfall | -1537 | 895 | -1928 | 81 | -3114 | -300 | 0 | -4366 | -4497 | -3092 | 566 | -1882 | 77 | -3846 | -300 | 0 | -5385 | -7105 | -4707 | 239 | -1851 | 79 | -4400 | -300 | 0 | -6233 | -9589 |
| 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 |
| Financial Recovery Plans | 0 | 0 | 80 | 0 | 0 | 0 | 0 | 80 | 22 | 0 | 0 | 60 | 0 | 0 | 0 | 0 | 60 | 16 | 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 | 230 | 0 | 0 | 230 | 230 | 0 | 0 | 0 | 0 | 225 | 0 | 0 | 225 | 225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Interventions | 80 | 100 | 80 | 0 | 230 | 0 | 0 | 410 | 432 | 80 | 110 | 60 | 0 | 225 | 0 | 0 | 395 | 431 | 80 | 110 | 0 | 0 | 0 | 0 | 0 | 110 | 190 |
| Revised Planned expenditure | 76860 | 61064 | 17014 | 10686 | 26275 | 38053 | 18966 | 172058 | 236514 | 80415 | 62093 | 17298 | 10900 | 27012 | 38053 | 18966 | 174322 | 242127 | 83830 | 63140 | 17647 | 11118 | 27791 | 38053 | 18966 | 176715 | 247679 |
| Revised Shortfall | -1457 | 995 | -1848 | 81 | -2884 | -300 | 0 | -3956 | -4065 | -3012 | 676 | -1822 | 77 | -3621 | -300 | 0 | -4990 | -6674 | -4627 | 349 | -1851 | 79 | -4400 | -300 | 0 | -6123 | -9399 |
| Adjustment For Hosting | 0 | 0 | 1349 | 0 | 0 | 0 | 0 | 1349 | | 0 | 0 | 1330 | 0 | 0 | 0 | 0 | 1330 | | 0 | 0 | 1351 | 0 | 0 | 0 | 0 | 1351 | |
| Final Shortfall | -1457 | 995 | -499 | 81 | -2884 | -300 | 0 | -2607 | -4065 | -3012 | 676 | -492 | 77 | -3621 | -300 | 0 | -3660 | -6674 | -4627 | 349 | -500 | 79 | -4400 | -300 | 0 | -4772 | -9399 |

Note - Gross Health Total is 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) | |
| Funding Assumptions | | | |
| 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. |
| Budget Settlement with NHS Tayside. | Low | Not known | There remains an element of residual uncertainty regarding NHS Tayside's funding commitment to Angus. This will continue to be monitored. |
| 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. Discussions underway regarding GMS as per IJB reports. Some impact already allowed for. |
| Cost Pressures | | | |
| Unresolved budget settlement issues with NHS Tayside (e.g. Large Hospital Set Aside, Inpatient Mental Health) | Medium | TBC (recurring) | These areas both remain significant risks for the IJB from 2024/25 onwards. Regional In-Patient MH overspends were over £5m in 2023/24. |
| Prescribing – Costs remain significantly above budget noting 0% national funding uplift from 2024/25. | Medium | c£0.5m (recurring) | Some risk is reflected in the existing SFP, but risks may extend beyond current estimates. |
| Prescribing – National recommendation for the prescribing of new drugs in Primary Care is an additional burden. | High | Not known | Issues with regard to Prescribing governance note separately. Challenges accessing national New Medicines Fund. New drugs continue to be approved. |
| Prescribing – Concerns re future instances of drugs transferring from secondary care into primary care without associated funding. | Medium | Not known | This is an emerging issue that may have an impact on future prescribing costs. |
| Prescribing – Risk regarding funding for previously agreed drug transfer from secondary care to primary care. | Low | £0.5m | While secondary to primary care drug transfers have previously been agreed, there remain some residual uncertainties regarding associated funding agreements. |
| Prescribing – New Opiate Substitution Treatments (Buprenorphine) may require funding support. | Medium | TBC | Scottish Government have directed IJBs to national New Medicines Fund however this not currently accessible to IJBs. |
| Workforce - Reviews of Safe Staffing issues re Health and Care (Staffing) (Scotland) Act and review of healthcare tasks in community setting. | Medium | Not known | Issues remain under development. |
| 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. |
| AFC Non-pay Implications | Medium | TBC (recurring) | Scottish Government recommendation to implement from 1 April 2024. However, the SG has yet to confirm funding and there is a potential risk in the current climate funding may be reduced or not allocated. |
| Demographic Pressures – e.g. in Older People Services reflecting population changes | Medium | c£1.0m+ (recurring) | Growth not funded in IJB plans and any issues of ongoing growth will be a continued IJB risk. |
| Primary Care Improvement Fund | Medium | Not known | 2024/25 position allowed for in plans, but long-term risks remain. |
| Corporate Support (e.g. Property) | Medium | Not known | Due to pressures within partners, there could be an impact on corporate support provided by partners. These have a detrimental impact on the IJB's ability to deliver a balanced financial plan. |
| Challenges in the delivery of General Dental Services nationally and locally. | Low | 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 | | | |
| Recent pattern of under-delivery of IJB savings programmes and limited content emerging from Planning processes. | High | E.g. c £1.0m (recurring) | See main report. |