



## AGENDA ITEM NO 8

### REPORT NO IJB 62/24

## ANGUS INTEGRATION JOINT BOARD

30 OCTOBER 2024

### FINANCE REPORT – 2024/25

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

#### 1. ABSTRACT

The purpose of this report is to provide Angus Integration Joint Board (AIJB) with an update on the financial position of AIJB, including financial projections for 2024/25, an update on planned interventions, reserves and financial risk.

#### 2. ALIGNMENT TO THE STRATEGIC PLAN

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

It is recommended that the Angus Integration Joint Board: -

- (i) acknowledge the overall projected financial position of Angus IJB;
- (ii) accept and note the updated Financial Risk Assessment in Appendix 2; and
- (iii) support the Reserves proposals as set out in Appendix 3 (see Further Reserves Proposals).

#### 4. BACKGROUND

4.1 This report describes the financial monitoring and projections for AIJB for the financial year 2024/25, based on information to the end of August 2024, including NHS Directed Services and Angus Council Directed Services.

4.2 Information contained within this report reflects estimates for the whole of 2024/25 and consequently, given the stage in the financial year, further reviews of projections will be undertaken which will lead to future adjustments in information.

4.3 The AIJB's detailed projected financial position for 2024/25 is set out in Appendix 1. This shows that the overall projected financial position for the year to March 2025 is an under spend of c£3.476m.

#### 5. CURRENT POSITION

##### NHS DIRECTED SERVICES

5.1 **Local Hospital and Community Health Services** - These services are projecting a year end breakeven position. However, some key factors to note are: -

- Psychiatry of Old Age service continues to incur the costs associated with Angus patients being cared for in non-Angus hospitals due to the non-operational ward (Prosen) in Angus. There is a level of financial uncertainty around these costs, and this could impact on the financial reporting.

In addition, the service is treating more acute and complex cases in Angus hospitals with supplementary staffing being used to increase staffing levels to ensure the workforce is safe. These pressures are resulting in a projected overspend of c£0.155m.

- Medicine for the Elderly service continues to report an overspend due to the service using additional stroke inpatient beds in Royal Victoria Hospital linked to increase in patient activity and this will impact on the financial reporting. This is being monitored by service management.
- As previously noted, Community Nursing wound management product costs have risen. The service continues to review this position with the projected overspend reducing slightly from the previous reported position.
- Angus 2C GMS Practices continue to reduce projected costs linked to their service financial recovery plans with the impact of this reducing projected overspends to £0.566m, being significantly lower than the assumption in the Strategic Financial Plan.
- The above pressures are offset by a range of service under spends mainly relating to unfilled vacancies linked to recruitment challenges.

5.2 **Lead Partner Services in Angus** - These services are projecting a year end overspend of c£0.636m for the Angus share of these costs noting there is some offsetting funding locally to support these costs. Key points to note: -

- Forensic Services continue to have operational workforce issues with supplementary staffing being used to cover these service gaps to ensure the workforce is safe, resulting in a projected overspend of c£0.108m.
- As previously reported, the Out of Hours (OOH) Service has seen changes in demand, during and since Covid-19, resulting in increased costs. The service had developed a financial recovery plan, that estimated a regional cost base of c£1.251m in 2024/25 above agreed funding. However, the service continues to report a higher projected overspend of c£1.948m partly due to operational workforce issues with additional staffing being used to cover gaps to ensure the workforce is safe and challenges delivering some of the planned recovery actions. The service is in regular contact with neighbouring IJBs to share a better understanding of the position and to develop proposals for the future Model of Care. Both Dundee and Perth and Kinross IJBs have formally requested Angus to produce a financial recovery plan for OOH Service and this is expected in the near future.
- Tayside Continence Service continues to forecast an overspend driven by a combination of contractual price increase and patient growth.

An update on Lead Partner Services in Angus is subject to a separate report to the October 2024 AIJB meeting.

5.3 **Lead Partner Services in Dundee/Perth** - As the AIJB will be aware several devolved services are managed by other IJBs on behalf of AIJB. The projected year end position for these services is an under spend of £0.118m, as detailed in Table 1 below. The main points to note are: -

- Increased pressures continue against Palliative Care, Brain Injury, Psychological Therapies, Dietetics and Prison Health Services.
- The above pressures are offset by a range of service under spends mainly relating 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	7,806	(400)

Brain Injury	2,023	(20)
Sexual & Reproductive Health	2,591	115
Psychological Therapies	7,919	(130)
Dietetics (Tayside)	4,281	(38)
Other Services in Dundee	1,568	133
Grand Total	26,189	(339)
<b>Angus Share (27.1%)</b>	<b>7,097</b>	<b>(92)</b>
<b>Angus Share of Lead Partner Services in Perth</b>		
Podiatry (Tayside)	3,664	356
Prison Health Services	4,960	(108)
Public Dental Service	1,934	495
Other Services in Perth	60	31
Grand Total	10,618	775
<b>Angus Share (27.1%)</b>	<b>2,878</b>	<b>210</b>
<b>Total Angus Share of Lead Partner Services</b>	<b>9,975</b>	<b>118</b>

- 5.4 **Family Health Services (FHS) Prescribing** - The April 2024 Strategic Financial Plan suggested overspends of up to c£2.9m. The current projection is forecasting an overspend of c£2.8m, lower than budget expectations due to the progression of prescribing saving initiatives beyond those captured in the financial plan. However, there is still significant uncertainty in early prescribing projections as data is limited (noting there is always a two-month data delay) and prescribing volumes and prices continue to fluctuate.

Further plans are being developed to demonstrate how prescribing costs can be more closely aligned to available resources and this work is underway and expected to reduce prescribing costs in future months.

From an Angus perspective and as previously reported and captured in the action points, issues regarding governance arrangements and affordability of drug treatments continue to remain unresolved.

- 5.5 **General Medical Services (GMS) and Family Health Services** - As noted in previous reports, all three Tayside partnerships have agreed to review the financial management and risk sharing for Primary Care. Following discussions with the Chief Officers and Chief Finance Officers, it has been agreed to manage the financial implications of Abbey Health Centre locally (i.e. within AIJB) on a permanent basis, effective from 1 April 2024, with AIJB responsible for any overspends.

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

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

As noted previously, in 2023/24 the regional In-Patient Mental Health Service was overspent by £5.523m with this overspend being supported by HSCPs. Although NHS Tayside and IJBs are developing financial recovery plans to address this pressure, at this stage there is no formalised approved plan and, given the stage in the financial year, it would be reasonable to assume a similar overspend in 2024/25.

In relation to that overspend, and as previously reported, the issue of unresolved financial risk sharing for In Patient Mental Health continues to present a medium-term risk to the AIJB. Through the AIJB's Chief Officer and Chief Financial Officer, and with input from Angus Council's Chief Executive, AIJB will continue to participate in constructive senior-level discussions with NHS Tayside and other IJBs aimed at resolving these issues. A further update will be provided at a future AIJB meeting.

- 5.7 **Large Hospital Services** - As at April 2024 this budget has been re-set at £11.151m based on 2023/24 activity and pricing levels.

As noted previously, the AIJB continue discussions with NHS Tayside regarding developing a process to manage changes in volume of these services (largely delivered in Ninewells) with the outcomes of these discussions to be shared with the AIJB in due course.

Table 2 below sets out the provisional activity positions for the key Occupied Bed Days indicator for Large Hospitals activity, with the latest projections suggesting a very slight increase in activity compared to 2023/24. However, when you compare 2024/25 projected activity against financial year 2019/20 (Pre Covid-19) there is an increase of 15% and with consequent resource implications this could impact on the Strategic Financial Plan.

<b>Table 2</b>	<b>2019/20</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25 (Projected)</b>	<b>2024/25 (Change from prior year)</b>	<b>2024/25 (%age Change)</b>
Occupied Bed Days	16,871	18,330	19,408	19,437	29	0.1%

Note 1. Information in Table 2 above is from local management information.

## **ANGUS COUNCIL DIRECTED SERVICES**

5.8 **Angus Council Directed Services (Adult Services)** - These services are projecting a year end underspend of c£0.306m. Key factors to note are: -

- Although Community Mental Health Services (Under 65s) are projecting an overspend of c£0.142m, there is an offsetting underspend of c£0.093m against NHS Directed Community Mental Health Services and a budget realignment to address this imbalance will happen in due course.
- Learning Disabilities Service continue to forecast an overspend of c£1.181m, linked to a rise in the number of complex high-cost packages for both residential and community placements.
- Similarly, Physical Disability Service continue to project an overspend of c£1.264m linked to increases in both service users and high-cost packages. Overspends on Learning and Physical Disability Services will be addressed as part of the development of Learning and Physical Disability Service Financial Recovery Plans which will be developed alongside service Improvement Plans. Those Improvement Plans will be reliant on capital investment which will be overseen through Angus Council capital planning arrangements.
- Occupational Therapy service is forecasting an overspend of c£0.087m due to both an increase in demand and price of adaptations. Work continues with Angus Council colleagues to review the financial framework.
- Homelessness Service is projecting an overspend of c£0.124m due to increase costs associated with emergency accommodation. The service is reviewing this position and is in contact with Angus Council Housing Department regarding the situation.

The above pressures are offset by a range of service under spends as follows:

- Older People Services have commissioned a steady, but lower than budgeted, level of care home beds resulting in a projected yearend under spend of c£1.600m.
- Demand for Care at Home Services across all services continues to exceed the available capacity within the Partnership, and if the capacity was there, it might be reasonable to assume additional annualised costs of c£0.900m if unmet need was fully delivered.
- As reported to the IJB's Audit Committee in October 2024, there is an acknowledgement of an increase in service income of c£0.832m linked to an error in the 2023/24 annual accounts. This will have a positive benefit to our future financial planning. Moving forward, discussions are ongoing with Angus Council colleagues to change the process so that the service income is assigned directly to Adult Services budget.
- Several service areas have unfilled vacancies linked to staff turnover and recruitment which has had a consequent impact on service delivery.
- Delivery of managerial interventions that were not included in the Strategic Financial Plan, described in report 52/24 and detailed in Table 3 Planned Interventions below.

## CENTRALLY MANAGED BUDGET

- 5.9 **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 AIJB's Strategic Financial Plan did anticipate recurring overspends regarding Adult Services, Lead Partner, Prescribing and GMS with offsetting underspends elsewhere in AIJB. This structural imbalance requires to be addressed within the AIJB's overall financial framework on a permanent basis and this will be progressed moving forward once our unresolved budgetary framework issues are resolved.

### OUTLOOK POSITION

- 5.10 **Progress with Strategic Financial Plan (Planned Interventions)** – On a 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 2024/25 to 2026/27.

In addition, the new Financial Recovery Plans and Managerial Interventions described in the August 2024 AIJB report (52/24) appendix 5 are now included in the Planned Intervention Update, as detailed in Table 3 below with c£1.366m being projected as being delivered in 2024/25.

Regarding the other potential improvements in the financial plan described in the August 2024 IJB report (52/24) appendix 5, these will be developed further with updates being shared with AIJB in due course.

Any shortfalls associated with these planned interventions will impact on the Strategic Financial Plan and, ultimately the Strategic Commissioning Plan. In year non-recurring savings are offsetting the shortfall below.

Table 3 - Planned Interventions	FY 2024/25			FY 2025/26		FY 2026/27		Risk Assessment	Status
	Plan	Projection	Shortfall	Target	Shortfall	Target	Shortfall		
	£m	£m	£m	£m	£m	£m	£m		
Managerial (Service Lead) Savings	0.180	0.100	0.080	0.190	0.190	0.190	0.190		Executive Management Team monitoring progress on a bi-monthly basis.
Financial Recovery Plans (FRP)	0.022	0.007	0.015	0.016	0.016	0.000	0.000		Executive Management Team monitoring Financial Recovery Plan
Prescribing	0.230	0.230	0.000	0.225	0.225	0.000	0.000		Savings progressing aligned to plan.
New FRP - Community Mental Health	0.344	0.344	0.000	0.000	0.000	0.000	0.000		Per IJB Report (52/24) Appendix 5
New FRP - General Practice - 2C Plans	0.474	0.474	0.000	0.000	0.000	0.000	0.000		Per JB Report (52/24) Appendix 5
Managerial Interventions - Charges for Internally managed Care Homes / Intermediate Care	0.211	0.211	0.000	0.065	0.000	0.000	0.000		Per IJB Report (52/24) Appendix 5
<b>Total</b>	<b>1.461</b>	<b>1.366</b>	<b>0.095</b>	<b>0.496</b>	<b>0.431</b>	<b>0.190</b>	<b>0.190</b>		
Projected % of Planned Interventions Achieved		94%							

5.11 **AIJB Strategic Financial Plan** – Angus HSCP Strategic Development Group are progressing with the delivery of the Strategic Commissioning Plan, including exploring opportunities and proposals to deliver a balanced long-term financial plan.

5.12 **AIJB Reserves** – Appendix 3 provides an update on the reserves position.

## 6 PROPOSALS

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

## 7 FINANCIAL IMPLICATIONS

7.1 The IJB is reporting an overall under spend of c£3.476m see Appendix 1.

7.2 This contrasts with the forecast overspends set out in AIJB's Strategic Financial Plan for 2024/25 which suggested a projected overspend of £1.965m after adjusting for an expected level of in-year non-recurring (short-term) underspends of £2.100m. The main differences to the plan are: -

- Unfilled vacancies have continued to run at higher levels than originally anticipated c50wte totalling c£1.1m benefit, and in hindsight perhaps our original assumptions were too low;
- Noting the previously high levels of uncertainty regarding predicting inflationary levels, it is now realised our inflation levels are lower than financial planning assumptions c£1.1m benefit and, this will have a positive benefit to our future financial planning;
- Progression of further managerial interventions that were not known at the time of writing the Strategic Financial Plan, which have reduced recurring costs by c£1.5m;
- Within Older People services a continued lower uptake of care home beds than expected as well as a planned services continuing to exceed the available workforce capacity for Care at Home c£1.0m;
- Increased service income of c£0.8m linked to an error in the 2023/24 annual accounts. This will have a positive benefit to our future financial planning.

7.3 It is recognised there has been a change from the previous reported financial position at August AIJB and this is due to a combination of limited financial information previously available (e.g. three months) and the points described in section 7.2 above. All projections are preliminary at this point and subject to multiple risks as noted above.

7.4 As AIJB is projecting a year end under spend, there will be no financial impact to AIJB's partners (Angus Council and NHS Tayside) for this financial year.

## 8 RISK MANAGEMENT

8.1 **Risk** – AIJB formally monitors its corporate risks through the Angus Clinical, Care and Professional Governance Group. Appendix 2 details the current financial risks with minimum changes from that previously reported. Many of the finance risks are IJB wide risks 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 NHS Tayside, Angus Council and, via national forums, the Scottish Government.  Resolve outstanding budget issues – Ongoing dialogue with NHS Tayside.  Progress with Strategic Commissioning, Delivery and

	Financial Recovery Plans alongside Service Review - 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.
<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.

**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**

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

**12. COMMUNICATION AND ENGAGEMENT**

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.

<b>Direction Required to Angus Council, NHS Tayside or Both:</b>	
No Direction Required	X
Angus Council	
NHS Tayside	
Angus Council and NHS Tayside	

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List of Appendices:

- Appendix 1: IJB Financial Monitoring Report 2024/25
- Appendix 2: IJB Financial Risk Assessment 2024/25
- Appendix 3: IJB Reserves 2024/25



## Appendix 1: IJB Financial Monitoring Report 2024/25

	Adult Services		Angus NHS Directed Services		HSCP	
	Annual Budget	Yearend Variance (Over) / Under	Annual Budget	Yearend Variance (Over) / Under	Annual Budget	Yearend Variance (Over) / Under
	£k	£k	£k	£k	£k	£k
<b>Local Hospital and Community Health Services</b>						
<b>Older Peoples Services</b>						
Psychiatry Of Old Age			5,916	(155)	5,916	(155)
Medicine For The Elderly			7,038	(204)	7,038	(204)
Minor Injuries + Illness Units			2,062	385	2,062	385
Community Nursing			7,987	(75)	7,987	(75)
Management & Admin	1,444	(80)			1,444	(80)
Care at Home	5,852	138			5,852	138
Intermediate Care	84	0			84	0
Community Support	1,210	(16)			1,210	(16)
Supported Accommodation	321	43			321	43
Internal Residential	4,266	63			4,266	63
Care and Assessment	33,250	2,274			33,250	2,274
Community Mental Health	2,219	552			2,219	552
<b>Older Peoples Service</b>	<b>48,646</b>	<b>2,974</b>	<b>23,002</b>	<b>(49)</b>	<b>71,648</b>	<b>2,925</b>
<b>General Adult Psychiatry</b>	<b>4,854</b>	<b>(142)</b>	<b>3,907</b>	<b>93</b>	<b>8,761</b>	<b>(49)</b>
Admin Community Support	3,394	56			3,394	56
Non Residential Care	9,803	141			9,803	141
Residential Care	7,680	(1,378)			7,680	(1,378)
Learning Disability(Angus)			668	48	668	48
<b>Learning Disability</b>	<b>20,877</b>	<b>(1,181)</b>	<b>668</b>	<b>48</b>	<b>21,545</b>	<b>(1,134)</b>
<b>Physical Disabilities</b>	<b>6,288</b>	<b>(1,264)</b>	<b>0</b>	<b>0</b>	<b>6,288</b>	<b>(1,264)</b>
<b>Substance Use</b>	<b>1,988</b>	<b>0</b>	<b>1,754</b>	<b>40</b>	<b>3,742</b>	<b>40</b>
<b>Community Services</b>						
Physiotherapy			2,863	(50)	2,863	(50)
Occupational Therapy	1,635	(87)	791	36	2,427	(51)
Joint Store	975	0			975	0
Anti-Coagulation			218	(2)	218	(2)
Primary Care			1,279	49	1,279	49
Angus 2c (gms) Services			645	(566)	645	(566)
Carers	831	0			831	0
Homelessness	1,460	(124)			1,460	(124)
Other Community Services			1,411	23	1,411	23
<b>Community Services</b>	<b>4,901</b>	<b>(211)</b>	<b>7,207</b>	<b>(510)</b>	<b>12,108</b>	<b>(721)</b>
<b>Planning / Management Support</b>						
Ijb Management	288	2	2,027	336	2,315	338
Improvement And Development	1,780	129	589	42	2,368	171
<b>Planning / Management Support</b>	<b>2,067</b>	<b>131</b>	<b>2,616</b>	<b>378</b>	<b>4,683</b>	<b>509</b>
<b>Local Hospital and Community Health Services</b>			<b>39,154</b>	<b>0</b>		
<b>Lead Partner Services - Angus</b>						
Forensic Service			1,165	(108)	1,165	(108)
Out of Hours			9,287	(1,948)	9,287	(1,948)
Speech Therapy (Tayside)			1,500	(15)	1,500	(15)
Locality Pharmacy			2,568	0	2,568	0
Tayside Continence Service			1,528	(300)	1,528	(300)
Lead Partner Services Centrally Managed Budget			84	22	84	22
Lead Partner Services Recharges to Other IJBs			(11,759)	1,712	(11,759)	1,712
<b>Lead Partner Services in Angus</b>	<b>0</b>	<b>0</b>	<b>4,371</b>	<b>(636)</b>	<b>4,371</b>	<b>(637)</b>
<b>Lead Partner Services - Dundee/Perth</b>	<b>0</b>	<b>0</b>	<b>9,975</b>	<b>118</b>	<b>9,975</b>	<b>118</b>
GP Prescribing			23,084	(2,635)	23,084	(2,635)
Other FHS Prescribing			(450)	(142)	(450)	(142)
General Medical Services			21,190	(127)	21,190	(127)
Family Health Services			16,508	51	16,508	51
Large Hospital Set Aside			11,151	0	11,151	0
<b>Total</b>	<b>89,621</b>	<b>306</b>	<b>124,983</b>	<b>(3,372)</b>	<b>214,604</b>	<b>(3,066)</b>
<b>Centrally Managed</b>	<b>6,350</b>	<b>3,208</b>	<b>1,153</b>	<b>3,334</b>	<b>7,503</b>	<b>6,542</b>
<b>Grand Total</b>	<b>95,971</b>	<b>3,513</b>	<b>126,136</b>	<b>(38)</b>	<b>222,107</b>	<b>3,476</b>

## Appendix 2: IJB Financial Risk Assessment 2024/25

Risks – Revenue	Risk Assessment		Risk Management/Comment
	Likelihood	Impact (£k)	
<b>Funding Assumptions</b>			
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 pay uplift 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 is progressing regarding GMS as per IJB reports. Some impact already allowed for.
<b>Cost Pressures</b>			
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 regarding 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 issue that may have an impact on future prescribing costs.
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, Medical staffing, Independent Sector) and requires good workforce planning to mitigate these risks.
Workforce - Adult Services pay award 2024/25.	Medium	TBC (recurring)	Strategic Financial Plan (SFP) assumed 3% pay award. Council employees have been offered a revised pay offer ranging from 3.6% to 5.63% depending on pay scale point, this has not yet been accepted. Risk emerging as the proposed pay award is higher than assumption in SFP. Unclear if there will be any pay uplift from Scottish Government to support pressure.
AFC Non-pay Implications.	Medium	TBC (recurring)	Scottish Government has allocated c£15.5m funding to NHS Tayside, however there is a level of risk that the funding allocated would appear not to cover the full cost implications of the AFC non pay deal at this time.
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.
<b>Planned Interventions</b>			
Previous patterns of under-delivery of IJB savings programmes.	High	c £1.0m+ (recurring)	See main report.

## Appendix 3: IJB Reserves 2024/25

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 £6.900m (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** – The IJB's ear-marked reserves are listed in table 4 below. Evolving financial plans exist for each reserve but, where these are not fully developed, the IJB will require to develop plans to ensure this funding is mobilised effectively in a way that meets any relevant Scottish Government criteria, is sustainable and delivers good value for money.

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

**Strategic Plan Reserve** – Opening value at 1<sup>st</sup> April 2023 £2.790m. This resource is managed over the duration of the Strategic Commissioning Plan to March 2026 and is overseen by the Strategic Planning Group (SPG).

**Financial Planning Reserve 2024/25** – Opening Value at 1<sup>st</sup> April 2023 £4.385m. The application of these funds will be considered below.

**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" with this resource overseen by Angus Primary Care Oversight Group.

**Mental Health Recovery Financial Reserve** – £1.959m. This reserve was created in 2022/23 as per report 27/23 and reflecting the ongoing financial challenges experienced by these services and the need to progress service improvements.

**Workforce Reserve** – £0.900m. This reserve was created in 2023/24 as per report 3/24 to support the continued implementation of the three-year workforce plan and to help manage any future in-year service pressures associated with workforce issues and as such this resource will be overseen by Angus Workforce Steering Group supported by the Partnership Finance Manager.

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

### Further Reserves Proposals

In creating the Financial Planning Reserve 2024/25, in April 2024, the IJB noted that the IJB could consider returning some of these reserves to the IJB's partners (Angus Council and NHS Tayside) alongside considering the emerging financial risks within the IJB.

The IJB is now aware that, as described in this report, the IJB is forecasting an underspend for this financial year. The IJB also need to consider its financial position in the context of that of its Partners and that Angus IJB has a relatively high level of reserves compared to other IJBs in Scotland. At the same time, the IJB is already holding a contingency reserve for emergencies and a Strategic Planning Reserve to support our strategic commissioning plan.

With that in mind, and replicating the IJB's commitments of February 2024, 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 and voting members, to develop and action proposals to deploy the £4.385m Financial Planning Reserve. This will be with a general expectation that any deployment will

acknowledge the whole system pressures that exist with the IJB's partners (Angus Council and NHS Tayside) and the wider system in Tayside and support proposals regarding:-

- 1) Augmenting capital funding to support Complex Care (mainly Disabilities) commitments;
- 2) Supporting in year pressures within Lead Partner Services, including Out of Hours services, to maintain pathways and alleviate additional burdens on shared hospital facilities over winter;
- 3) Supporting a further contribution to the IJB's Strategic Planning Reserve to allow further development of the strategic priority around Prevention and Proactive Care; and
- 4) To support whole system pressures within Angus Council and NHS Tayside.

In developing and actioning such proposals, it is acknowledged this will draw back the scale of the IJB's reserves. The outcome of this process would then be shared at a future IJB meeting.

<b>Table 4 Angus IJB Reserves</b>	<b>Reserves Opening Balance April 2024</b>	<b>Change in Year</b>	<b>Closing Balance March 2025</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>6,900</b>	<b>0</b>	<b>6,900</b>	Per Report 3/24
<b>General Fund Balance (Ear-Marked Reserves)(Local)</b>				
Strategic Plan Reserve	2,790	(260)	2,530	Per Report 66/22
Financial Planning Reserve 2024/25	4,385	0	4,385	See proposal above.
Property Reserve	3,300	0	3,300	Per Report 26/22
Local primary Care Investment Reserve	700	(79)	621	Plans being developed.
Mental Health Recovery Financial Reserve	1,959	0	1,959	Per Report 27/23
Workforce Reserve	900	(218)	682	Per Report 3/24
	14,034	(557)	13,477	
<b>General Fund Balance (Ear-Marked Reserves) (Scottish Government Funding)</b>				
Primary Care Improvement Fund	65	(65)	0	Plans developed.
Primary Care Transformation Fund	173	(8)	165	Plans being developed.
Primary Care Premises	245	(70)	175	
Alcohol & Drug Partnership Fund	84	(84)	0	Plans developed.
Drug Death Task Force	20	(20)	0	Plans developed.
Community Living Change	228	(114)	114	Plans being developed.
Mental Health Facilities Project	222	(222)	0	Plans developed.
General Dental Services	109	0	109	Plans being developed.
Learning Disability Health Checks	85	(85)	0	Plans being developed.
Realistic Medicine - GMS	15	(15)	0	Plans developed.
Long COVID Support Fund	52	(52)	0	Plans developed.
	1,298	(735)	563	
<b>Total General Fund Balance (Ear-Marked Reserves)</b>	<b>15,332</b>	<b>(1,292)</b>	<b>14,040</b>	
<b>Total General Fund Balance</b>	<b>22,232</b>	<b>(1,292)</b>	<b>20,940</b>	