

Integration Joint Board

Agenda item:

Date of Meeting: 27 November 2019

Title of Report: Reserves

Presented by: Judy Orr, Head of Finance and Transformation

The Integration Joint Board is asked to:

- Note the update on the Reserves held by the Integrated Joint Board.
- Approve the release of £29,700 National Procurement funding within the TEC reserve to IJB General Funds as Scottish Government has advised this will no longer be required to be funded locally.

1. EXECUTIVE SUMMARY

1.1 The audited accounts for the year ended 31 March 2019 identified the creation of a Reserve within the General Fund of £325,000. The financial regulations require the Chief Financial Officer to report regularly to the Integrated Joint Board throughout the year (at least quarterly) on the level of reserves and expenditure against earmarked amounts. This report advises the IJB on the level of expenditure against the reserves created at the 2018-19 year end none of which were spend when we last reported to the IJB on 7 August 2019. As at 30 September, full draw down has now been done for the Primary Care Transformation Fund monies of £207,684, and draw down has been done for £37,400 for implementation of NHS Near Me. The IJB is asked to approve release of the £29,700 provision for National procurement to general funds. If approved, that would leave a balance of £50,000 to support the shift from analogue to digital within the TEC reserve.

2. INTRODUCTION

2.1 This report updates the Board on the General Fund Reserves.

3. DETAIL OF REPORT

3.1 As set out in the Annual Accounts, the IJB has a policy on useable reserves which are held within the General Fund. These may include balances for one of the following 3 purposes:

1. Funds that are earmarked or set aside for particular purposes as agreed by the IJB, or reserves for unspent revenue grants or contributions

2. Funds set aside to deal with unexpected events or emergencies
3. Funds in excess of the target level of reserves and the identified earmarked funds which may be spend or earmarked at the discretion of the IJB

3.2 As at the start of the 2019/20 financial year, the IJB only has useable reserves in the first of the 3 categories shown above, both of which are unspent grants or contributions. Details of General Fund Reserves are shown in the table below:

	Balance at 1 April 2019 £000s	Expenditure £000s	Balance at 30 Sep 2019 £000s
Primary Care Transformation Fund	208	208	0
Technology Enabled Care (TEC)	117	37	87
Total	325	245	80

3.3 The Primary Care Transformation Fund has been allocated and spent as follows in 2019/20:

<u>Primary Care Transformation Fund</u>	<u>Budget 2019/20</u> £	<u>Spend</u> £
Vaccination transfer programme	49,906	20,637
Pharmacotherapy services	20,521	137,516
Community treatment and care services	13,786	41,891
Urgent Care (advanced practitioners)	56,000	
Additional professional roles		
- First Contact Practitioner Musculoskeletal Service	(45,086)	45,495
- Community Clinical Mental Health Professionals	30,000	
Community link workers	0	
IT investment	35,506	
Cluster Quality Lead payments	16,093	3,420
Programme management	30,958	
TOTAL	207,684	248,959

3.4 In 2018/19 £428,316 was spent on Primary Care Transformation from this fund which originally totalled £636,000. The above table shows the spend during 2019/20 to end of September which more than utilises the remaining carried forward balance. Additional funding has been allocated to us of £1,018,692 in 2019/20, but the Scottish Government require us to spend any earmarked reserves first before accessing new funding. In 2019/20, we are initially being allocated only 70% of the £1,018,692 and this is further reduced by the earmarked reserves. We have however been assured that the monies will still be made available, possibly in a later year, to cover our planned spend. The planned spend for this fund for 2019/20 is currently £972k.

3.5 There were 3 elements within the TEC reserve as follows:

- £29,700 National Procurement funding still awaiting Scottish Government (SG) tendering – SG advise this is no longer required and may be released
- £50,000 Analogue to Digital Hub & Cluster award for 200 telecare service users to be monitored by a remote Digital Alarm Receiving service – awaiting progress by our nominated Hub
- £37,400 for implementation of NHS Near Me for room conversion, equipment and training – now all spent or committed as planned

3.6 A draw down has been made from this reserve of £37,400 in the second quarter of 2019/20 in respect of the spend on NHS Near Me. We have spent £30,329 as at end of September with the remaining funds committed to pay for room conversion for Bute and Helensburgh (invoices expected to be c £3k slipped to October) and consultant costs for the pilots clinics of c £5k (to be invoiced by NHS GG&C). As the spend and commitment exceeds the reserve, the brought forward reserve has been fully drawn down.

3.7 As the £29,700 will no longer be required to support national tendering and does not have to be returned to the Scottish Government, the IJB is requested to approve the release of these monies to the General Fund to help meet the forecast overspend.

4. RELEVANT DATA AND INDICATORS

4.1 The Integrated Joint Board is permitted to hold balances on the General Fund which arise from earmarking for specific purposes. This provides the position on these earmarked reserves as at 30 June 2019.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

5.1 Financial risks are identified based on delivery of service to meet the strategic priorities.

6. GOVERNANCE IMPLICATIONS

6.1 Financial Impact – The earmarked reserves are held for specific purposes.

6.2 Staff Governance – None.

6.3 Clinical Governance – None.

7. PROFESSIONAL ADVISORY

7.1 There are no recommendations from this report which require to be consulted on with Professional Advisory leads.

8. EQUALITY AND DIVERSITY IMPLICATIONS

8.1 None directly from this report.

9. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

9.1 None directly from this report.

10. RISK ASSESSMENT

10.1 If the reserves are not utilised for the agreed purpose, there is a risk that they may have to be returned to the Scottish Government.

11. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

11.1 None directly from this report.

12. CONCLUSIONS

12.1 This report summarises the position in relation to the two earmarked reserves which were created at the end of the 2018/19 financial year. IJB is requested to approve the release of £29,700 which is no longer required for its original purpose from the TEC earmarked reserve back to the general fund.

13. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

AUTHOR NAME: Judy Orr, Head of Finance and Transformation

EMAIL: judy.orr@argyll-bute.gov.uk