**AGENDA**

**TAGRA – 24th MEETING – 9TH FEBRUARY 2016**

**13:00 – 16:00, Room 8, Waverley Gate, Edinburgh**

**(Lunch served from 12:30 – 13:00)**

1. Welcome and apologies
2. Minutes of last meeting and updates on actions
3. Summary of the NRAC formula
4. Update from the SAF Review – **TAGRA(2016)1**
5. Update from the Acute MLC Subgroup – **TAGRA(2016)2**
6. Work Plan – **TAGRA(2016)3**
7. A.O.B. and date of next meeting

**Core Criteria**

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| Equity | The primary consideration should be to achieve the greatest possible accuracy in capturing the cost implications of variations in need between population groups andacross the country, in order to develop a formula that delivers the greatest possible equity of access to health services. |
| Practicality | Use should be made of good-quality, routinely-collected data, in order to produce an administratively feasible formula that can be readily updated. |
| Transparency | The rationale informing the formula’s methodology should be explicable and any judgements should be made explicit, although this should not lead to over-simplification of details which might add precision to the methods. |
| Objectivity | The formula should as far as possible be evidence-based, using as necessary the full range of available robust data.  |
| Avoiding perverse incentives | The formula should guard against perverse incentives and any negative consequences which might threaten the integrity of the data. |
| Relevance | There is a need to avoid the dangers of extrapolation and to make explicit where hard information is being used about one aspect of a service to make some assumption about an area where information is less good or absent. |
| Stability | There should be a reasonable degree of year-to-year stability in the data sources feeding in to the formula. |
| Responsiveness | The formula should result in shifts in the allocation of resources in response to changes in the need for healthcare services. |
| Face validity | The outcome of any changes to the formula should be subjected to a 'common-sense' check. |

**Agenda Annex - Parliamentary Questions and Committee transcripts relating to the NRAC formula**

The following annex summarizes parliamentary business related to the NRAC formula that has occurred over the period 14th August 2015 – 2nd February 2016.

Over this time there has been one Parliamentary Question (Part A), no mentions in the Health and Sport Committee and no mentions in the Public Audit Committee. The Health & Sport Committee discussed NHS Boards Budgets in their 25th and 26th  Meetings, Tuesday 22 and Tuesday 29 September 2015, but these items were taken in private.

**Part A: Parliamentary Questions**

Question S4O-04742: Nanette Milne, North East Scotland, Scottish Conservative and Unionist Party, Date Lodged: 28/10/2015

To ask the Scottish Government what assessment the Cabinet Secretary for Finance, Constitution and Economy has made of the future funding formula for NHS boards.

Answered by John Swinney (04/11/2015):

The NRAC formula is used to inform funding for NHS Boards and is calculated independently. While NRAC shares are regularly subject to revision and refinement, there are no current plans to change the use of this formula in the future.

We remain committed to moving all Boards to being no greater than 1% below NRAC parity and this is reflected in the £420m invested by the Scottish Government in parity funding since 2012/13.