**AGENDA**

**TAGRA – 25th MEETING – 10TH MAY 2016**

**14:00 – 16:00, Conference Room 3, Victoria Quay, Edinburgh**

1. Welcome and apologies
2. Minutes of last meeting and updates on actions
3. Update from the SAF Review – Presentation
4. Update from the Acute MLC Subgroup – **TAGRA(2016)4**
5. Work Plan – **TAGRA(2016)5**
6. 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 3rd February 2016 – 6th May 2016.

Over this time there have been five Parliamentary Questions (Part A), no mentions in the Health and Sport Committee and no mentions in the Public Audit Committee.

**Part A: Parliamentary Questions**

1. Question S4W-29721: Jackie Baillie, Dumbarton, Scottish Labour Party, Date Lodged: 08/02/2016

To ask the Scottish Government what criteria it used to calculate the £250 million to be distributed to local authorities to ensure that they pay at least the living wage.

Answered by Shona Robinson (04/03/2016):

The Scottish Government will distribute the £250m to Health Boards via their annual allocations, using the same allocation formula as was used for distribution of the Integrated Care Fund. This approach takes account of funding formulae used for the NHS and local government, using a 1:1 ratio of the National Resource Allocation Committee (NRAC) formula for the NHS and Grant Aided Expenditure formula for local government.

1. Question S4W-30509: Tavish Scott, Shetland, Scottish Liberal Democrats, Date Lodged: 08/03/2016

To ask the Scottish Government for what reason NHS Shetland has been allocated less funding than the NHSScotland Resource Allocation Committee (NRAC) target in 2014-15, 2015-16 and 2016-17.

Answered by Shona Robison (21/03/2016):

NHS Shetland has received resource budget increases of 2.4% in 2014-15, 2.8% in 2015-16 and 4.5% in 2016-17.

Between 2010-11 and 2013-14 NHS Shetland received significantly more than its NRAC share, and was second highest of all Boards above parity in each of those years. As a consequence of small percentage changes in the NRAC formula, Boards can move above and below parity depending upon relative changes to the total share. However in the years 2014-15 to 2016-17, when taking into account the significant in-year allocations the Board receives, the Board is not behind its target share.

1. Question S4W-30531: Liam McArthur, Orkney, Scottish Liberal Democrats, Date Lodged: 09/03/2016

To ask the Scottish Government for what reason NHS Orkney was allocated less funding than the NHS Scotland Resource Allocation Committee target in (a) 2010-11, (b) 2011-12, (c) 2013-14, (d) 2014-15 and (e) 2015-16.

Answered by Shona Robinson (21/03/2016):

In 2016-17 NHS Orkney’s resource budget will increase by 4.6% to £43.2 million, an above inflation increase, and in line with the NRAC target, which reflects our commitment to move all Board’s to parity using the ‘differential growth’ model.

1. Question S4W-30532: Liam McArthur, Orkney, Scottish Liberal Democrats, Date Lodged: 09/03/2016

To ask the Scottish Government, given that NHS Orkney's funding has been £6.1 million below the NHS Scotland Resource Allocation Committee (NRAC) target between 2010-11 and 2015-16, what plans it has to provide NHS Orkney with the £6.1 million to bring it into line with the NRAC target.

Answered by Shona Robinson (21/03/2016):

NHS Orkney’s funding for 2016-17 is in line with the NRAC target. NHS Orkney’s resource budget will increase by 4.6% to £43.2 million, an above inflation increase, having previously increased by 15.1% in 2015-16.

1. Question S4W-30540: Tavish Scott, Shetland, Scottish Liberal Democrats, Date Lodged: 09/03/2016

To ask the Scottish Government, given that NHS Shetland’s funding was £1.1 million below the NHS Scotland Resource Allocation Committee (NRAC) target between 2014-15 and 2015-16, what plans it has to provide NHS Shetland with the £600,000 required to bring it into line with the NRAC target for 2016-17.

Answered by Shona Robinson (21/03/2016):

In 2016-17, NHS Shetland’s resource budget will increase by 4.5% to £42.6 million, an above inflation increase, having previously increased by 2.8% in 2015-16.

NHS Shetland receives significant in-year funding over and above the baseline allocation, which when taken into account, takes the Board ahead of parity in 2016-17.