



The Scottish Parliament  
Pàrlamaid na h-Alba

## HEALTH AND SPORT COMMITTEE

### AGENDA

**14th Meeting, 2012 (Session 4)**

**Tuesday 1 May 2012**

The Committee will meet at 9.30 am in Committee Room 1.

1. **Alcohol (Minimum Pricing) (Scotland) Bill:** The Committee will consider the Bill at Stage 2.

*Not before 10.30 am*

2. **NHS Boards budget scrutiny:** The Committee will take evidence from—

Mrs Laura Ace, Director of Finance, NHS Lanarkshire;

Marion Fordham, Director of Finance, NHS Western Isles;

Craig Marriot, Director of Finance, NHS Dumfries and Galloway;

Paul James, Executive Director and Director of Finance, NHS Greater Glasgow Council;

and then from—

Derek Feeley, Director-General Health & Social Care, and John Matheson, Director of Health Finance and Information, NHS Scotland.

3. **Inquiry into integration of health and social care (in private):** The Committee will consider a draft report.

**HS/S4/12/14/A**

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The papers for this meeting are as follows—

**Agenda Item 1**

Groupings of Amendments for Stage 2 (to follow) HS/S4/12/14/1

Marshalled List of Amendments for Stage 2 (to follow) HS/S4/12/14/2

**Agenda Item 2**

PRIVATE PAPER HS/S4/12/14/3 (P)

Amended NHS Lanarkshire submission HS/S4/12/14/4

**Agenda Item 3**

PRIVATE PAPER HS/S4/12/14/5 (P)

**14<sup>th</sup> Meeting, Tuesday 1 May 2012**

**NHS Lanarkshire**

The following email was received this week from NHS Lanarkshire:

Now that I have had the benefit of reading the advisor's report I can see more clearly what the committee was looking for in some of the questions. In particular the way we interpreted question 1 differed from what was being sought in the following regards;

We included in the non recurring funding the £63.8m the Board anticipates for what is known as the FHS Non Discretionary spend. This includes general ophthalmic services, general dental services and the pharmacy services provided by the independent family health practitioners. These practitioners provide services under national remuneration arrangements and although the expenditure is reflected through NHS Lanarkshire's ( and other Boards) financial statements, the overall budget is managed at national level by the Scottish Government Health Department.

Because it is managed at national level ,this funding does not form part of the Revenue resource limit allocated to Boards at the start of the year. I can see from Dr Walker's report that percentage comparisons are being performed against the opening revenue resource limit so, as this funding does not form part of that base, I can now see we should have excluded this allocation. I can also see that, in accordance with the spirit of the question, even if it was included it should not be classed as non recurring. Although it is not allocated to the Board on a recurring basis, the national budget and the underlying expenditure is both recurring and earmarked.

We assumed the two categories " earmarked" and " non recurring" were being seen as mutually exclusive and so went through an uncomfortable process of trying to decide how to allocate each specific funding allocation . Dr Walker's report clarified that non recurring allocations could also be classified as earmarked and so appear in both headings.

We approached the question by listing and classifying the 2012/13 anticipated allocations and then providing their direct 2011/12 comparative. It is clear however from reading the advisor's report and other Board's responses that we should also have included 2011/12 allocations which have no anticipated counterpart in 2012/13. This brought back in the access target and prisoner healthcare allocation which was earmarked in 2011/12 but part of the general allocation in 2012/13 plus a range of smaller non recurring allocations for projects which won't be taking place in 2012/13.

The particular way we answered q 1 led the committee to believe we had a higher level of non recurring funding, which is not in fact the case. To allow the committee to focus on matters of substance rather than technical definition I have recast out answer to question 1 based on what I now know the committee was looking for and provided the above explanation in

advance. I note Dr Walker's report mentions that high levels of detail are not necessarily helpful in looking at the overall picture. I do however have full back up for the table figures, listing out each separate funding source, its level each year and the way it has been classified, and would be happy to clarify anything in advance of the committee.

I apologise for sending further information, when the committee paperwork is probably already prepared, but would be a grateful if you could find a way for this clarification to be considered .

Regards

Laura Ace

Director of Finance

NHS Lanarkshire

1. (a) Please provide details of your anticipated earmarked and non-recurring funding for 2012-13, with comparisons for 2011-12.

£m	2011-12	2012-13
Earmarked funding	109	96
Non-recurring funding	20	11

Notes on the figures above:

We would regard our total earmarked funding for 2011/12 to be £172.8m. However this includes £63.8m of funding in respect of family health services, the overall budget for which is managed at national level, and so does not form part of our core revenue resource limit. The table above excludes this to allow the advisor to perform the desired calculation of earmarked funding as a percentage of initial allocated revenue resource limit.

The level of earmarked funding anticipated in 2012/13 is lower than the level recorded for 2011/12. The main reason is the transfer of £8.9m of funding in respect of access targets and prisoner healthcare from the earmarked category in 2011/12 to the baseline allocation in 2012/13. The remaining difference relates primarily to 2011/12 allocations for time limited projects and initiatives which are not at this stage anticipated to recur in 2012/13. It is possible that as 2012/13 progresses further specific earmarked allocations for new initiatives may be issued to the Board but it is too early to anticipate these.

The vast majority of non recurring funding is for earmarked or ringfenced purposes.

In deciding whether the allocation is recurring or non recurring the table above adheres to the definition used by the Scottish Government Health Department in the monthly allocations letters sent to Boards.

*(b) Please give details of anticipated changes in any specific funding streams included above.*

Any anticipated changes between years have already been reflected in the above figures.