6 July 2017

Dear Ms Baillie

In my letter to the Committee of 27 June 2017 I set out my decision to suspend the requirement for NHS Tayside to repay outstanding brokerage meantime.

In your reply of 29 June 2017 you asked what suspending brokerage means in practice.

The Committee will be aware from its evidence session on 30 March 2017 that NHS Tayside had included within the financial planning assumptions a requirement to repay a component of brokerage in each year from 2018-19 and 2021-22. No repayment had been assumed in 2017-18. Details are provided in the table below.

<table>
<thead>
<tr>
<th></th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokerage repayment to SG</td>
<td>£1.6</td>
<td>£6.9</td>
<td>£11.8</td>
<td>£14.3</td>
<td>£34.6</td>
</tr>
</tbody>
</table>

In practical terms therefore, the decision to suspend the repayment of brokerage means that the Board can develop a plan with a lower level of savings required to achieve financial balance. This is a financial planning matter and there is therefore no impact on the Board’s accounts.

Yours sincerely

Paul Gray