6 October 2017

Dear Ms Baillie

Thank you for your letter of 13 September 2017 about NHS Tayside. I will respond to your specific points in turn.

1) How long will the suspension last?

The suspension is intended to create the right conditions to allow the Board to respond to the recommendations of the Assurance Advisory Group (AAG), with no detriment to the wider system. I provided the Committee with an update on the work of the AAG and NHS Tayside Transformation Support Team on 29 September.

The suspension of the repayment of brokerage will therefore last until I receive sufficient assurance of the Board’s ability to return to financial balance on a sustainable basis.

2) When will the sum be fully repaid and will any interest be incurred?

My decisions on timing and phasing of repayment will be based on the principle of ensuring financial stability of the Board. No interest will be charged on the outstanding brokerage.

3) What specific benefits will NHS Tayside derive?

The suspension enables the Board to focus on developing its transformation plans before brokerage repayments are required. This is a balanced approach, recognising the importance of financial sustainability alongside other key factors relating to staffing, patient safety and quality in the on-going delivery of services.

4) Are there any significant implications for staff and patients?

I do not anticipate any significant implications for staff and patients, although the suspension will allow the Board to plan on a basis that delivers patient safety and quality more effectively.
5) Is it feasible that the brokerage will be written off?

My expectation remains that brokerage will be repaid in full. Any decision to write-off all or part of the brokerage would require an exceptional justification.

6) What are the wider implications for the Scottish budget?

The provision of brokerage is managed within the Health and Sport Portfolio and there is no direct impact on the Scottish budget. The brokerage provided to NHS Tayside represents 0.3% of the total Portfolio budget and the timescale and phasing of repayment is within a manageable tolerance.

On receipt of the final Assurance Advisory Group report, due in January 2018, I will provide further detail on the repayment of brokerage.

Yours sincerely

Paul Gray