About this Release

The Resource Allocation Formula is used in the allocation of around 70% of the total NHS budget between the 14 territorial NHS Boards in Scotland. This release shows the 2015/16 target shares for these NHS Boards as calculated by the Resource Allocation Formula. These results are used to inform the actual share allocations for NHS Boards as set by the Scottish Government.

Key Points

- The Resource Allocation Formula aims to predict healthcare need for every territorial NHS Board based on statistical characteristics of the population.
- It covers a range of healthcare programmes: Acute Hospital Care; hospital care for Mental Health & Learning Difficulties, Care of the Elderly and Maternity; Community Care and GP Prescribing.
- The final shares for 2015/16 may be different from the calculated target shares as the results are used to inform the final allocation, not to determine them.

Background

The Formula uses the population of each NHS Board as the basis of its allocation and is further adjusted for three factors that affect relative need for healthcare resources:

- the age/sex composition of the population;
- the relative additional needs due to morbidity and life circumstances and other factors; and
- the relative unavoidable excess costs of delivering healthcare in different geographical areas.

For the hospital and community health services part of the Formula, population projections are obtained from the National Records of Scotland (NRS) (previously the General Register
Office for Scotland). These projections are then adjusted (re-based) using the most recent population mid-year estimates (MYEs) from NRS.

Users should note that in last year’s release (results for financial year 2014/15), only MYEs were used as the population basis for the 2014/15 target shares and not the re-based projections. This was due to the MYEs being the most up-to-date population data available at the time which incorporated the 2011 Census information.

The Resource Allocation Formula replaced the ‘Arbuthnott Formula’ in 2009/10 after a major review by the NHSScotland Resource Allocation Committee (NRAC).

More information can be found on the Resource Allocation Area of the ISD website.

Contact

NSS.isdCOSTSINFO@nhs.net

Donna Mikolajczak
Principal Information Analyst
donna.mikolajczak@nhs.net
0141 282 2083

Ahmed Mahmoud
Senior Information Analyst
a.mahmoud@nhs.net
0131 275 7555

Ciaran McCloskey
Information Analyst
cmccloskey@nhs.net
0131 275 6270

Further Information
Further information can be found on the ISD website