

## NHS Scotland 2022-23 Consolidated Financial Reporting

to 31 December 2022 (Quarter 3)

### Purpose

This paper summarises the financial position for NHS Scotland at the end of the third quarter of the reporting year by presenting the year to date and full year forecast position for 2022-23. The information contained in this report is a consolidation of the financial position reported by all 22 NHS Boards. All NHS Boards report regularly and publicly on local financial performance and this information is available through individual NHS Board websites.

### Context

The Health and Social Care Portfolio resource budget in the 2022-23 Scottish Budget is circa £17.1 billion. As part of the budget approved by the Scottish Parliament, the 14 Territorial and 8 National Boards account for the majority of that spend, with the remainder administered directly by the Scottish Government. The NHS Boards' resource budget covers expenditure on operating costs such as pay, medicines and supplies.

In addition to the Budgets allocated at the outset of the year to NHS Boards, £4.2 billion is managed centrally by the Scottish Government Health and Social Care Directorates; the majority of which will be allocated to NHS Boards over the course of the year. This includes total funding of £2.0 billion for the four professional groups of independent sub-contractors – general medicine, pharmacy, dentistry and optometry.

The capital budget is £554 million in 2022-23 and funds investment in the NHS estate, equipment and maintenance.

### Consolidated Financial Position

Based on 9 months of the financial year (April – December 2022), the Health and Social Care Portfolio is working to deliver a balanced financial position for both resource and capital budgets.

NHS Boards have identified an initial savings requirement of circa £621 million in order to deliver financial balance. All savings generated are retained locally by Boards and plans are continually developed throughout the year.

At month 9, NHS Boards are reporting a projected variance of £207.7 million, with 14 Boards forecasting overspend at year end. This deficit is the combination of overspends in their underlying position, with pressures brought forward from previous financial years, as well as Covid-19 related spend. Areas of high financial pressures reported in-year includes: inflationary pressures particularly with regards to energy and estate charges; increased workforce costs to cover vacancies and staff absences; and increased drugs costs. This deficit is expected to come down across the financial year, with NHS Board's enacting financial savings measures and government-led efforts to bring costs down coming into effect. The Boards were asked to provide financial action plans detailing how they intend to return to financial balance in the short and medium term, and it is expected that any additional costs will be met with funds in the existing portfolio. The Scottish Government will continue to work with the Board to monitor their financial position and assist with longer term financial planning and improvement.

Table 1 below summarises the financial position at 31 December 2022, with further analysis by NHS Board at Table 2.

**Table 1:**

	2022-23 Forecast Outturn			
	Budget	Forecast Outturn	Variance	
<b>Resource Allocation</b>	£m	£m	£m	%
<b>Health and Social Care Portfolio</b>	<b>17,084</b>	<b>17,084</b>	-	<b>0.0%</b>
<i>Including:</i>				
Territorial NHS Board	13,164	13,370	(206)	(1.6%)
National NHS Board	2,169	2,171	(2)	(0.1%)
<b>Capital Allocation</b>				
<b>Health and Social Care Portfolio</b>	<b>554</b>	<b>554</b>	-	<b>0.0%</b>
<i>Including:</i>				
Territorial NHS Board	418	420	(2)	0.0%
National NHS Board	83	84	(1)	0.0%

*\*Health and Social Care Portfolio Budget based on 2022-23 Scottish Budget.*

### Capital

Capital allocations made to NHS Boards to date total £181 million. This funding is the Boards' baseline capital funding, a further breakdown of the full year forecast position by Board is provided at Table 2. The remaining budget will be allocated to NHS Boards throughout the remainder of this financial year to support further projects.

### Key Developments

The third quarter of the year has shown an improvement in the financial position of the Health Boards. The total projected variance has decreased by £80 million; with 8 Boards now forecasting a breakeven or underspent position at year end.

**Table 2:**

Detailed Financial Position by NHS Board												
Revenue									Capital			
Year to Date Position					2022-23 Forecast Outturn				2022-23 Forecast Outturn			
Budget	Actual	Variance			Budget	Actual	Variance		Budget	Actual	Variance	
£m	£m	£m	%		£m	£m	£m	%	£m	£m	£m	%
NHS Ayrshire & Arran	675.3	697.2	(21.9)	(3.2)	960.8	987.4	(26.7)	(2.8)	20.3	20.3	-	-
NHS Borders	178.1	188.9	(10.8)	(6.1)	283.4	295.6	(12.2)	(4.3)	4.0	4.0	-	-
NHS Dumfries & Galloway	269.9	284.0	(14.1)	(5.2)	394.4	410.5	(16.2)	(4.1)	10.3	10.3	-	-
NHS Fife	631.3	647.8	(16.5)	(2.6)	862.1	878.0	(15.9)	(1.8)	29.3	29.3	-	-
NHS Forth Valley	549.1	550.6	(1.5)	(0.3)	724.1	724.1	0.0	0.0	18.2	18.2	-	-
NHS Grampian	934.1	956.1	(22.1)	(2.4)	1,249.8	1,269.8	(20.0)	(1.6)	99.3	97.8	1.5	1.5
NHS Greater Glasgow & Clyde	2,056.5	2,090.7	(34.2)	(1.7)	2,894.6	2,910.2	(15.6)	(0.5)	90.0	90.0	-	-
NHS Highland	619.2	643.7	(24.5)	(4.0)	884.1	919.6	(35.5)	(4.0)	32.4	32.4	-	-
NHS Lanarkshire	1,099.2	1,106.2	(7.0)	(0.6)	1,637.0	1,648.3	(11.3)	(0.7)	32.6	32.5	0.1	0.5
NHS Lothian	1,293.2	1,307.3	(14.1)	(1.1)	1,977.5	1,992.4	(14.9)	(0.8)	52.3	52.3	-	-
NHS Orkney	52.8	55.8	(3.1)	(5.8)	72.0	76.1	(4.1)	(5.7)	0.9	0.9	-	-
NHS Shetland	53.8	57.3	(3.5)	(6.6)	73.9	77.7	(3.8)	(5.1)	4.4	4.4	-	-
NHS Tayside	748.6	785.8	(37.2)	(5.0)	1,051.9	1,081.2	(29.3)	(2.8)	22.4	22.4	-	-
NHS Western Isles	72.7	73.1	(0.3)	(0.5)	98.4	98.7	(0.3)	(0.3)	3.4	3.4	-	-
NHS National Services Scotland	571.7	563.2	8.5	1.5	752.6	752.6	0.0	0.0	16.5	16.5	-	-
Scottish Ambulance Service	276.7	284.0	(7.2)	(2.6)	401.0	406.3	(5.3)	(1.3)	25.6	25.6	-	-
NHS Education for Scotland	450.5	448.7	1.9	0.4	626.6	624.3	2.3	0.4	1.7	1.7	-	-
NHS 24	71.0	70.2	0.8	1.1	107.6	106.6	1.0	0.9	1.0	1.0	-	-
NHS Golden Jubilee	80.1	80.0	0.1	0.1	122.2	122.2	0.0	0.0	36.2	36.2	-	-
The State Hospital	28.1	28.1	0.0	0.0	38.3	38.3	0.0	0.0	0.9	0.9	-	-
Public Health Scotland	57.5	54.5	3.0	5.2	80.0	80.0	0.0	0.0	1.4	1.4	-	-
Healthcare Improvement Scotland	27.9	29.0	(1.1)	(3.8)	41.0	41.0	0.0	0.0	0.4	0.1	0.2	62.3
<b>Total NHSScotland</b>	<b>10,797.2</b>	<b>11,002.</b>	<b>(205.0)</b>	<b>(1.9)</b>	<b>15,333.3</b>	<b>15,541.0</b>	<b>(207.7)</b>	<b>(1.4)</b>	<b>503.5</b>	<b>501.6</b>	<b>1.9</b>	<b>0</b>