

NHS Scotland 2023-24 Consolidated Financial Reporting

to 30 June 2023 (Quarter 1)

Purpose

This paper summarises the financial position for NHS Scotland at the end of first quarter of the financial year by presenting the year to date and full year forecast position for 2023-24. 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 2023-24 Scottish Budget is circa £18.2 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, £4.5 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 circa £2 billion for the four professional groups of independent sub-contractors – general medicine, pharmacy, dentistry and optometry.

The capital budget is £578 million in 2023-24 and funds investment in the NHS estate, equipment and maintenance.

Consolidated Financial Position

Based on the first 3 months of the financial year (April – June 2023), 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 £940 million which is to be achieved in order to deliver financial balance. All savings generated are retained locally by NHS Boards and plans are continually developed throughout the year.

At month 3, NHS Boards are reporting a projected variance of £385 million, with 14 NHS Boards forecasting overspends at year-end. This deficit is driven by the combination of overspends in their underlying position, with pressures brought forward from previous financial years. Areas of high financial pressures reported in-year include: inflationary pressures in energy and estate charges; high supplementary staffing costs to cover vacancies and staff absences; increased prices and volume of prescriptions; and continued Covid-19 related expenditure. This deficit is expected to be managed and reduced across the financial year, with NHS Boards delivering financial savings and Scottish Government led efforts to bring costs down coming into effect.

NHS Boards are expected to provide financial 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 budget. The Scottish Government will continue to work with NHS Boards to monitor their financial position and assist with longer term financial planning and improvement.

Table 1 below summarises the financial position at 30 June 2023, with further analysis by NHS Board at Table 2.

Table 1:

	2023-24 Forecast Outturn			
	Budget	Forecast Outturn	Variance	
	£m	£m	£m	%
Resource Allocation				
Health and Social Care Portfolio	18,153.9	18,153.9	-	0.0%
<i>Including:</i>				
Territorial NHS Board	14,033	14,399	(366)	(2.6%)
National NHS Board	2,188	2,207	(19)	(0.9%)
Capital Allocation				
Health and Social Care Portfolio	578	578	-	0.0%
<i>Including:</i>				
Territorial NHS Board	399	399	-	0.0%
National NHS Board	69	69	-	0.0%

**Health and Social Care Portfolio Budget based on 2023-24 Scottish Budget.*

Capital

No capital allocations have been made to NHS Boards for 2023-24 to date. 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

This report represents an indication of the financial position on NHS Boards. Key movements will be reported in future reports as the position becomes more refined.

Table 2:

Detailed Financial Position by NHS Board												
Revenue									Capital			
Year to Date Position					2023-24 Forecast Outturn				2023-24 Forecast Outturn			
Budget	Actual	Variance		Budget	Actual	Variance		Budget	Actual	Variance		
£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	%	
NHS Ayrshire & Arran	254.2	268.3	(14.1)	(5.5)	1,009.1	1,059.1	(50.0)	(5.0)	36.4	36.4	-	-
NHS Borders	64.2	72.1	(7.9)	(12.4)	299.9	326.0	(26.1)	(8.7)	4.0	4.0	-	-
NHS Dumfries & Galloway	91.8	104.5	(12.7)	(13.8)	424.7	455.5	(30.8)	(7.3)	8.4	8.4	-	-
NHS Fife	230.8	245.2	(14.4)	(6.2)	931.9	931.9	0.0	0.0	9.0	9.0	-	-
NHS Forth Valley	200.2	203.1	(2.9)	(1.5)	763.3	772.5	(9.2)	(1.2)	10.4	10.4	-	-
NHS Grampian	346.3	357.7	(11.4)	(3.3)	1,328.8	1,371.7	(42.9)	(3.2)	105.1	105.1	-	-
NHS Greater Glasgow & Clyde	782.9	816.7	(33.8)	(4.3)	3,120.9	3,174.2	(53.3)	(1.7)	93.4	93.4	-	-
NHS Highland	248.5	269.2	(20.7)	(8.3)	949.3	1,005.1	(55.8)	(5.9)	28.3	28.3	-	-
NHS Lanarkshire	408.2	415.2	(7.1)	(1.7)	1,700.7	1,721.9	(21.2)	(1.2)	36.9	36.9	-	-
NHS Lothian	458.3	472.2	(13.9)	(3.0)	2,147.8	2,174.9	(27.0)	(2.4)	34.3	34.3	-	-
NHS Orkney	18.3	19.9	(1.5)	(8.4)	74.7	80.6	(5.9)	(7.8)	0.8	0.8	-	-
NHS Shetland	18.0	19.6	(1.6)	(8.9)	73.4	74.1	(0.7)	(1.0)	3.9	3.9	-	-
NHS Tayside	269.8	283.9	(14.1)	(5.2)	1,103.6	1,144.4	(40.8)	(3.7)	26.9	26.9	-	-
NHS Western Isles	27.6	28.2	(0.6)	(2.0)	105.3	107.3	(2.0)	(1.9)	1.3	1.3	-	-
NHS National Services Scotland	155.1	154.3	0.7	0.5	685.5	685.5	0.0	0.0	7.1	7.1	-	-
Scottish Ambulance Service	98.5	104.3	(5.8)	(5.9)	400.4	419.4	(19.0)	(4.7)	26.2	26.2	-	-
NHS Education for Scotland	152.2	151.5	0.7	0.5	667.6	667.6	0.0	0.0	0.5	0.5	-	-
NHS 24	27.1	27.0	0.1	0.3	115.4	115.4	0.0	0.0	0.5	0.5	-	-
NHS Golden Jubilee	34.2	34.6	(0.3)	(1.0)	145.7	145.7	0.0	0.0	33.0	33.0	-	-
The State Hospital	10.6	10.5	0.1	1.2	40.7	40.7	0.0	0.0	0.3	0.3	-	-
Public Health Scotland	19.7	18.6	1.1	5.7	87.7	87.7	0.0	0.0	1.1	1.1	-	-
Healthcare Improvement Scotland	10.1	9.9	0.3	2.9	45.3	45.1	0.2	0.4	0.1	0.1	-	-
Total NHSScotland	3,926.8	4,086.5	(159.7)	(4.1)	16,221.7	16,606.0	(384.5)	(2.4)	467.7	467.7	-	-