

NHS Scotland 2023-24 Consolidated Financial Reporting

to 30 September 2023 (Quarter 2)

Purpose

This paper summarises the financial position for NHS Scotland at the end of second 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, as set out 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 half of the financial year (April – September 2023), the Health and Social Care Portfolio is working towards the delivery of financial balance for both resource and capital budgets. However, financial balance is extremely challenging given the inflationary and demand pressures experienced across the system.

NHS Boards have identified an initial savings requirement of circa £940 million to be delivered in order to achieve financial balance. All savings generated are retained locally by NHS Boards and plans are continually developed throughout the year.

At month 6, NHS Boards are reporting a projected variance of £395.5 million, with 16 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 September 2023, with further analysis by NHS Board at Table 2.

Table 1:

	2023-24 Forecast Outturn			
	Budget	Forecast Outturn	Variance	
Resource Allocation	£m	£m	£m	%
Health and Social Care Portfolio	18,153.9	18,153.9	-	0.0%
<i>Including:</i>				
Territorial NHS Board	14,275	14,658	(383)	(2.7%)
National NHS Board	2,201	2,214	(13)	(0.6%)
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

Capital allocations made to NHS Boards to date total £167 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

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	499.3	526.5	(27.3)	(5.5)	1,032.1	1,087.1	(55.0)	(5.3)	20.2	20.2	-	-
NHS Borders	135.6	149.6	(14.0)	(10.3)	302.2	324.7	(22.5)	(7.4)	6.4	6.4	-	-
NHS Dumfries & Galloway	204.9	220.4	(15.6)	(7.6)	434.3	463.2	(28.9)	(6.6)	7.4	7.4	-	-
NHS Fife	472.0	487.9	(15.9)	(3.4)	947.8	971.0	(23.2)	(2.4)	11.6	11.6	-	-
NHS Forth Valley	406.8	414.6	(7.9)	(1.9)	773.7	789.4	(15.7)	(2.0)	11.3	11.3	-	-
NHS Grampian	686.7	714.7	(28.0)	(4.1)	1,370.7	1,420.6	(49.9)	(3.6)	105.4	105.4	-	-
NHS Greater Glasgow & Clyde	1,565.7	1,607.7	(41.9)	(2.7)	3,181.2	3,223.1	(41.9)	(1.3)	93.7	93.7	-	-
NHS Highland	463.9	502.0	(38.1)	(8.2)	957.2	1,013.2	(56.0)	(5.8)	25.0	25.0	-	-
NHS Lanarkshire	807.7	817.0	(9.3)	(1.2)	1,701.1	1,719.6	(18.5)	(1.1)	40.1	39.2	0.9	2.3
NHS Lothian	1,002.9	1,010.4	(7.5)	(0.7)	2,189.8	2,211.4	(21.7)	(1.0)	34.0	34.0	-	-
NHS Orkney	38.3	41.6	(3.3)	(8.7)	76.1	82.4	(6.2)	(8.2)	1.1	1.1	-	-
NHS Shetland	37.0	39.0	(1.9)	(5.2)	75.1	75.8	(0.7)	(1.0)	3.7	3.7	-	-
NHS Tayside	544.2	574.1	(29.9)	(5.5)	1,127.0	1,167.8	(40.8)	(3.6)	23.1	23.1	-	-
NHS Western Isles	54.1	55.0	(.9)	(1.7)	107.0	109.0	(2.0)	(1.9)	1.4	1.4	-	-
NHS National Services Scotland	320.6	318.2	2.3	0.7	673.2	673.2	0.0	0.0	10.7	10.7	-	-
Scottish Ambulance Service	192.7	199.3	(6.6)	(3.4)	403.0	415.5	(12.5)	(3.1)	26.2	26.2	-	-
NHS Education for Scotland	321.2	318.4	2.8	0.9	703.9	703.9	0.0	0.0	0.7	0.7	-	-
NHS 24	52.8	52.7	0.1	0.1	111.3	111.3	0.0	0.0	0.5	0.5	-	-
NHS Golden Jubilee	62.8	63.0	(0.2)	(0.3)	137.9	137.9	0.0	0.0	32.9	32.9	-	-
The State Hospital	20.9	20.6	0.3	1.5	41.0	41.0	0.0	0.0	0.3	0.3	-	-
Public Health Scotland	38.1	37.8	0.3	0.7	87.7	87.7	(0.1)	(0.1)	1.1	1.1	-	-
Healthcare Improvement Scotland	20.1	19.9	0.2	1.0	43.2	43.1	0.0	0.1	0.1	0.1	-	-
Total NHSScotland	7,948.0	8,190.3	(242.3)	(3.0)	16,476.2	16,871.7	(395.5)	(2.4)	455.8	455.6	0.9	-