

NHS Scotland 2022-23 Consolidated Financial Reporting

to 30 June 2022 (Quarter 1)

Purpose

This paper summarises the financial position for NHS Scotland at the end of first 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 circa £2 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 the first 3 months of the financial year (April – June 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 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 £356.0 million, with 17 NHS Boards forecasting overspend at year-end. This deficit is driven by the combination of overspends in their underlying position, with pressures brought forward from previous financial years, as well as Covid-19 related expenditure. Areas of high financial pressures reported in-year include: inflationary pressures particularly with regards to energy and estate charges; high workforce costs to cover vacancies and staff absences; and increased drugs costs. This deficit is expected to be managed and reduced across the financial year, with NHS Boards enacting financial savings measures and government-led efforts to bring costs down coming into effect.

NHS Boards are expected 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 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 2022, with further analysis by NHS Board at Table 2.

Table 1:

	2022-23 Forecast Outturn			
	Budget	Forecast Outturn	Variance	
Resource Allocation	£m	£m	£m	%
Health and Social Care Portfolio	17,084	17,084	-	0.0%
<i>Including:</i>				
Territorial NHS Board	12,795	13,134	(339)	(1.1%)
National NHS Board	2,174	2,191	(17)	0.0%
Capital Allocation				
Health and Social Care Portfolio	554	554	-	0.0%
<i>Including:</i>				
Territorial NHS Board	461	461	-	0.0%
National NHS Board	79	79	-	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

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					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	215.3	222.7	(7.4)	(3.4)	931.5	966.2	(34.7)	(3.7)	20.9	20.9	-	-
NHS Borders	43.2	48.5	(5.2)	(12.1)	277.5	291.2	(13.7)	(4.9)	6.6	6.6	-	-
NHS Dumfries & Galloway	68.4	76.4	(8.0)	(11.7)	391.2	411.1	(19.9)	(5.1)	7.7	7.7	-	-
NHS Fife	205.1	211.5	(6.4)	(3.1)	850.2	867.5	(17.4)	(2.0)	25.4	25.4	-	-
NHS Forth Valley	158.6	160.4	(1.8)	(1.1)	699.9	706.3	(6.4)	(0.9)	18.6	18.6	-	-
NHS Grampian	297.4	308.2	(10.8)	(3.6)	1,211.6	1,231.5	(19.9)	(1.6)	127.0	127.0	-	-
NHS Greater Glasgow & Clyde	643.0	690.9	(47.9)	(7.4)	2,751.6	2,830.0	(78.4)	(2.8)	83.0	83.0	-	-
NHS Highland	203.0	214.0	(11.0)	(5.4)	885.3	918.7	(33.4)	(3.8)	49.6	49.6	-	-
NHS Lanarkshire	323.9	337.7	(13.8)	(4.3)	1,591.3	1,627.9	(36.6)	(2.3)	31.9	31.9	-	-
NHS Lothian	319.8	327.6	(7.8)	(2.4)	1,910.9	1,930.6	(19.6)	(1.0)	57.9	57.9	-	-
NHS Orkney	17.0	17.6	(0.6)	(3.5)	71.2	73.6	(2.4)	(3.4)	0.8	0.8	-	-
NHS Shetland	17.4	19.0	(1.7)	(9.5)	73.1	77.1	(4.0)	(5.5)	4.1	4.1	-	-
NHS Tayside	265.7	277.9	(12.2)	(4.6)	1,052.1	1,102.7	(50.6)	(4.8)	24.9	24.9	-	-
NHS Western Isles	24.4	24.9	(0.5)	(1.9)	98.1	99.7	(1.6)	(1.6)	2.7	2.7	-	-
NHS National Services Scotland	174.5	175.4	(0.9)	(0.5)	737.2	748.6	(11.4)	(1.5)	7.5	7.5	-	-
Scottish Ambulance Service	96.8	100.8	(4.0)	(4.1)	414.2	420.2	(6.0)	(1.5)	27.6	27.6	-	-
NHS Education for Scotland	142.3	140.3	1.9	1.4	625.9	625.9	0.0	0.0	1.1	1.1	-	-
NHS 24	23.8	23.7	0.1	0.5	109.4	109.4	0.0	0.0	0.6	0.6	-	-
NHS Golden Jubilee	27.0	27.0	0.0	0.2	121.5	121.6	(0.1)	(0.1)	40.3	40.3	-	-
The State Hospital	9.3	9.2	0.1	1.1	37.9	37.9	0.0	0.0	0.3	0.3	-	-
Public Health Scotland	20.5	17.4	3.1	14.9	86.4	86.4	0.0	0.0	1.4	1.4	-	-
Healthcare Improvement Scotland	9.2	9.5	(0.4)	(4.2)	41.0	41.0	0.0	0.0	0.6	0.6	-	-
Total NHSScotland	3,305.6	3,440.6	(135.0)	(4.1)	14,969.0	15,325.1	(356.1)	(2.4)	540.4	540.4	-	-