

NHS Scotland 2022-23 Consolidated Financial Reporting

to 31 March 2023 (Quarter 4)

Purpose

This paper summarises the financial position for NHS Scotland at the end of the financial reporting year by presenting 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

Across the 2022/23 financial year, the Health and Social Care Portfolio working to deliver a balanced financial position for both resource and capital budgets.

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

At year end, the majority of NHS Boards are reporting a balanced outturn, with only 5 Boards needing financial brokerage from the Scottish Government. This position reflects the delivery of financial savings measures by the Boards as well as government-led efforts to reduce costs through the Sustainability and Value Programme. Additional funding was provided to the Boards throughout the year, in an effort to improve their financial position.

The Boards who require financial support to achieve their balance outturn will be expected to repay this amount once they have addressed the underlying financial deficit and returned to financial balance. The Scottish Government will continue to work with all Boards to monitor their financial position and assist with longer term financial planning and improvement.

Table 1 below summarises the financial position at 31 March 2023, with further analysis by NHS Board at Table 2.

Table 1:	2022-23 Outturn			
	Budget	Outturn	Variance	
Resource Allocation	£m	£m	£m	%
Health and Social Care Portfolio	17,084	17,084	0	0.0%
<i>Including</i>				
Territorial NHS Board	13,308	13,312	4	0.0%
National NHS Board	2,109	2,113	4	0.2%
Capital Allocation				
Health and Social Care Portfolio	554	554	-	0.0%
<i>Including</i>				
Territorial NHS Board	438	437	-	0.0%
National NHS Board	81	81	-	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

With the distribution of New Medicines Funding to the Health Boards, a majority of them have been able to deliver a balanced financial outturn. Those Boards which did not achieve financial balance have been provided brokerage by the Scottish Government.

Table 2:

Detailed Financial Position by NHS Board								
	Revenue				Capital			
	2022-23 Outturn				2022-23 Outturn			
	Budget	Actual	Variance		Budget	Actual	Variance	
	£m	£m	£m	%	£m	£m	£m	%
NHS Ayrshire & Arran	964.7	965.4	0.7	0	30.8	30.8	0.0	0
NHS Borders	287.9	287.9	0.0	0	4.0	4.1	0.0	1
NHS Dumfries & Galloway	413.8	413.9	0.1	0	8.0	9.6	1.6	19
NHS Fife	883.5	883.5	0.0	0	30.7	30.7	0.0	0
NHS Forth Valley	704.8	705.1	0.2	0	14.7	14.7	0.0	0
NHS Grampian	1,291.9	1,292.6	0.7	0	104.5	104.5	0.0	0
NHS Greater Glasgow & Clyde	2,970.0	2,970.6	0.6	0	95.8	95.8	0.0	0
NHS Highland	919.9	920.3	0.4	0	33.4	33.4	0.0	0
NHS Lanarkshire	1,571.6	1,571.6	0.0	0	33.3	33.3	0.0	0
NHS Lothian	2,001.2	2,002.2	1.0	0	52.2	52.2	0.0	0
NHS Orkney	74.3	74.4	0.1	0	0.8	0.8	0.0	0
NHS Shetland	78.4	78.5	0.1	0	1.7	1.7	0.0	0
NHS Tayside	1,045.0	1,045.1	0.1	0	22.8	22.8	0.1	0
NHS Western Isles	100.8	100.8	0.0	0	3.8	3.8	0.0	0
NHS National Services Scotland	702.8	703.3	0.5	0	10.4	10.5	0.1	1
Scottish Ambulance Service	402.4	402.4	0.0	0	30.0	30.0	0.0	0
NHS Education for Scotland	618.0	620.0	2.0	0	2.6	2.6	0.0	0
NHS 24	102.7	104.0	1.4	1	0.9	0.9	0.0	0
NHS Golden Jubilee	125.2	125.2	0.0	0	33.3	33.3	0.0	0
The State Hospital	40.4	40.4	0.0	0	2.0	2.0	0.0	0
Public Health Scotland	77.9	78.1	0.2	0	1.6	1.6	0.0	3
Healthcare Improvement Scotland	39.5	39.7	0.2	0	0.1	0.1	0.0	0
Total NHSScotland	15,416.5	15,425.0	8.4	0	517.4	519.2	1.8	0

*Figures relate to totals compiled after the allocation of brokerage, and are subject to external audit, final outturn figures will be presented in the NHS Boards' annual accounts.