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News release

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NHS faces significant pressures managing finances, meeting targets and making changes to services

The NHS in Scotland is facing significant pressures from increasing demand for services, while also striving to achieve challenging performance targets and working within tightening budgets.

NHS in Scotland 2013/14, published today by Audit Scotland, reports on the performance of the health service and its plans for meeting future needs. It says that NHS boards are finding it increasingly difficult to cope with growing pressures, which will considerably test their ability to deliver a national policy to move more services into the community by 2020.

All health boards met their financial targets in 2013/14, but several needed additional funding from the Scottish Government or relied on non-recurring savings. NHS boards' revenue budgets increased by just over one per cent in real terms in 2013/14, and smaller real terms increases are planned from 2014/15 onwards.

The report notes that demand for services is rising due to demographic changes, particularly the increasing ageing population of Scotland, the number of people with long-term health conditions and people's expectation of healthcare. Despite substantial efforts, the NHS did not meet some key waiting time targets in 2013/14. Increasing numbers of people being admitted to hospital from A&E, rising numbers of delayed discharges and more demand for outpatient appointments are adding further pressures on services by creating blockages in the system.

The Auditor General for Scotland, Caroline Gardner, said: "Pressures on services and finances in the health service have been building steadily in recent years. Audit Scotland has previously reported on this increasing strain, and emphasised the need for a focus on long-term financial planning.

"NHS boards need to deliver major changes to meet the future needs of patients. The effort invested in meeting annual targets, within tightening budgets, makes it difficult for NHS boards to reshape care in line with an ambitious national policy. The Scottish Government should review whether the current financial and performance targets for the NHS can be achieved at the same time as implementing its vision for health and social care."

The report recognises that the NHS has made good progress in improving outcomes for people with cancer or heart disease, and reducing healthcare associated infections. The Scottish Government has also developed a number of initiatives to move more services into the community. However, progress has been slow and further significant change is needed.

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Notes to editors

1. The Scottish Government spent £12 billion on health and wellbeing in 2013/14, 35 per cent of total public spending in Scotland. The overall health budget (revenue and capital) is planned to decrease

by 1.0 per cent between 2013/14 and 2014/15 and to increase by 0.1 per cent between 2014/15 and 2015/16 in real terms, taking general inflation into account.

2. The Scottish Government manages the health and wellbeing budget as a whole, including NHS boards, and sets the national strategy for the NHS in Scotland. It has set out an ambitious vision for health and social care, to enable everyone to live longer healthier lives at home or in a homely setting by 2020.

3. Overall, NHS boards in Scotland delivered a small surplus of £23.4 million against a budget of £11.1 billion. All boards except NHS Western Isles met savings targets, and the NHS as a whole delivered total savings of £274.9 million.

4. The NHS spent £127 million on agency and bank nursing and midwifery staff in 2013/14, an increase of 15 per cent since 2012/13. This accounts for 1.3 per cent of total revenue expenditure in 2013/14. Bank nurses accounted for 93 per cent of the spending. Spending on agency staff increased by 46 per cent to £9.3 million. This follows a rise of 62 per cent the previous year, reversing the trend of falls in spending on agency nurses since 2008/09.

5. The Auditor General for Scotland recently reported to Parliament on matters arising from audits of the accounts of NHS 24, NHS Highland and NHS Orkney. The reports are available to view at: www.audit-scotland.gov.uk/media/

6. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.