

Audit scope

NHS in Scotland 2023

NHS performance and sustainability

AUDITOR GENERAL 

Prepared by Audit Scotland

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Background

The Auditor General for Scotland publishes an annual report on the NHS in Scotland to provide assurance over both how the NHS has been performing and to assess the progress of ongoing reforms.

Over the last three years, these reports have focused on how the Scottish Government and NHS boards responded to the Covid-19 pandemic and began the process of recovery. They highlighted the scale of the challenges brought about by Covid-19 and the extraordinary commitment of the NHS workforce in responding to them.

Our NHS in Scotland 2022 report focused on progress against the NHS Recovery Plan 2021-2026 (published in August 2021). The report highlighted that progress against recovery ambitions had been slow, and that the current financial, workforce and demand pressures faced by the NHS presented an ongoing risk to recovery.

The 2023 report, reflecting the need for short-, medium- and long-term investment and reform to ensure the future sustainability of the NHS in Scotland, will

provide an update on the implementation of longer-term reforms, such as the Sustainability and Value Programme and the Care and Wellbeing Portfolio approach, alongside reporting on how recovery has been progressed.

This will include an increased focus on funding and finances (performance, position and sustainability); analysis of service performance and patient safety; and progress on wider reforms aimed to ensure services remain sustainable.

We aim to answer the following audit questions:

- What was the financial performance of the NHS in Scotland in 2022/23, and what is the medium-term financial outlook?
- How is the NHS in Scotland performing against national commitments, and what progress is being made with recovery?
- What is being done to reform and re-design the NHS in Scotland, including making it financially sustainable?

The report will also include an update on progress against the recommendations from our NHS in Scotland 2022 report.

Why is this audit important?

Health remains the single largest area of Scottish Government spending, last year accounting for 44 per cent of the budget available to meet the day-to-day costs of delivering public services. In the context of current financial, workforce and demand pressures it is important to report publicly on how the NHS in Scotland is performing and working towards building a sustainable service delivery model.

Growing demand pressures have underlined the increasingly urgent need for system-wide reform within the NHS in Scotland and wider public health. The way services were delivered before the pandemic was already unsustainable and this was exacerbated by the impact of Covid-19.

Our NHS in Scotland 2022 report highlighted that the general trend of health spending in Scotland is one of growth. Despite this, the NHS in Scotland faces significant and increasing financial pressures. These include inflation; recurring pay pressures; ongoing Covid-19 related costs; rising energy costs; and a growing capital maintenance backlog. These pressures are making a financial position that was already difficult, even more challenging.

The NHS is one of Scotland's largest employers. But the NHS workforce remains under severe pressure and there are concerns over staffing levels, wellbeing and retention. The NHS continues to experience high vacancy and turnover rates, and gaps in the workforce.

How will we carry out this audit?

We will review and analyse information from a wide range of published reports, strategies, and data. We will draw on the audited annual accounts of NHS boards, annual audit reports and wider audit intelligence. We will

supplement this by reviewing and analysing a range of national performance data, including key waiting times targets, and through interviews with senior officials in the Scottish Government, NHS boards and professional bodies.

What do we want to happen as a result?

This audit will provide an analysis of financial performance and an update on recovery, but also intends to assess longer-term sustainability by looking at how services are being reformed to meet longer-term challenges and ensure sustainability. It aims to provide assurance to the public, the Scottish Parliament, and other stakeholders, enabling greater transparency and scrutiny of NHS performance and finances.

Timetable

We aim to publish the report in February 2024. Following publication, the Auditor General will present our findings to the Scottish Parliament's Public Audit Committee.

Contact

If you have any questions or would like more information about this audit, please contact Martin McLauchlan, Audit Manager, on 0131 625 1687 or by email at mmclauchlan@audit-scotland.gov.uk.

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