



NHS Scotland 2018-19 Consolidated Financial Reporting to 30 June 2018 (Month 3)

Purpose

This paper summarises the financial position for NHS Scotland for the reporting year 2018-19. It sets out the year to date position and the forecast position for the year end.

The information contained in this report is a consolidation of the financial position as 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.

Consolidated Financial Position

Based on the first three months of the year (April-June 2018), a balanced year end position is forecast for the Health and Sport Portfolio for both resource and capital budgets.

At Month 3, NHS Boards are reporting a year-to-date adverse variance of £47.4 million and are forecasting a consolidated year-end adverse variance against budget of £129.1 million. It is normal for Boards to begin the year with a relatively high variance against budget and for this to reduce throughout the year as savings plans are developed and as expenditure patterns become clearer.

This projected variance is expected to continue to reduce through the year as further savings are identified and as the pattern of expenditure becomes more certain. In-year pressures highlighted by NHS Boards at month 3 include pay and drugs costs, which represent the most significant proportion of Boards' budgets.

At Month 3, there are four NHS Boards which require a two to three year timeframe to return to financial balance and are consequently anticipating a requirement for financial support in the form of brokerage in 2018-19. The indicative level of brokerage required is estimated at £67.7 million across the following Boards: NHS Tayside (£18.7 million); NHS Ayrshire and Arran (£20.0 million); NHS Highland (£19.0 million); and NHS Borders (£10.0 million). This compares with the actual total level of brokerage requirement in 2017-18 of £50.7 million.

The indicative level of brokerage for 2018-19 is within the planning assumptions of the Portfolio and is not therefore expected to create a risk to delivering a balanced overall Portfolio outturn position. This overall portfolio forecast requires that all other Boards will deliver a balanced financial position, and therefore there is expected to be a reduction in the adverse forecast over the course of the remaining 9 months in the year.

Table 1 below summarises the financial position at 30 June 2018, with further analysis by NHS Board at Table 2.

Table 1: Summary of forecast outturn and indicative brokerage required

	2018-19 Forecast Outturn				Indicative brokerage required
	Forecast Outturn	Budget	Variance		
	£m	£m	£m	%	£m
Resource Allocation					
Health and Sport Portfolio	13,132.5	13,132.5	0.0	0.0	-
<i>Included within:</i>					
NHS Boards	11,951.2	11,822.1	(129.1)	(1.1)	67.7
Capital Allocation					
Health and Sport Portfolio	351.2	351.2	0.0	0.0	-
<i>Included within:</i>					
NHS Boards	142.4	142.4	0.0	0.0	-

Table 2: Detailed financial position by NHS Board

	REVENUE								CAPITAL				
	Year to Date Position				2018-19 Forecast Outturn				Indicative brokerage required	Budget	Forecast Outturn	Variance	
	Budget	Actual	Variance		Budget	Actual	Variance					Budget	Forecast Outturn
	£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	%	
NHS Ayrshire and Arran	190.2	198.7	(8.5)	(4.5)	770.3	793.8	(23.5)	(3.1)	20.0	8.3	8.3	-	-
NHS Borders	58.4	62.7	(4.3)	(7.4)	220.2	230.2	(10.0)	(4.5)	10.0	2.4	2.4	-	-
NHS Dumfries and Galloway	78.8	80.9	(2.1)	(2.7)	339.7	339.7	-	-	-	3.5	3.5	-	-
NHS Fife	168.0	170.1	(2.1)	(1.3)	696.6	696.6	-	-	-	7.4	7.4	-	-
NHS Forth Valley	132.6	133.5	(0.9)	(0.7)	561.3	563.2	(1.9)	(0.3)	-	6.1	6.1	-	-
NHS Grampian	239.1	239.7	(0.6)	(0.3)	1,024.3	1,024.3	-	-	-	12.8	12.8	-	-
NHS Greater Glasgow and Clyde	621.9	631.6	(9.7)	(1.6)	2,335.0	2,364.0	(29.0)	(1.2)	-	37.4	37.4	-	-
NHS Highland	162.4	170.6	(8.2)	(5.0)	689.2	710.7	(21.5)	(3.1)	19.0	6.6	6.6	-	-
NHS Lanarkshire	298.4	299.8	(1.4)	(0.5)	1,258.2	1,258.2	-	-	-	12.4	12.4	-	-
NHS Lothian	323.6	326.0	(2.4)	(0.7)	1,537.7	1,559.2	(21.5)	(1.4)	-	23.5	23.5	-	-
NHS Orkney	8.9	9.0	(0.1)	(1.1)	55.7	55.7	-	-	-	1.0	1.0	-	-
NHS Shetland	13.4	14.7	(1.3)	(9.7)	57.2	60.2	(3.0)	(5.2)	-	1.0	1.0	-	-
NHS Tayside	196.0	201.9	(5.9)	(3.0)	822.1	840.8	(18.7)	(2.3)	18.7	9.5	9.5	-	-
NHS Western Isles	19.8	19.5	0.3	1.5	87.1	87.1	-	-	-	1.2	1.2	-	-
NHS National Services Scotland	101.6	101.4	0.2	0.2	439.0	439.0	-	-	-	3.4	3.4	-	-
Scottish Ambulance Service	60.4	62.0	(1.6)	(2.6)	248.8	248.8	-	-	-	1.8	1.8	-	-
NHS Education for Scotland	108.1	107.6	0.5	0.5	458.3	458.3	-	-	-	0.5	0.5	-	-
NHS 24	15.6	15.6	0.0	0.0	66.3	66.3	-	-	-	0.3	0.3	-	-
National Waiting Times Centre	17.3	16.2	1.1	6.4	72.6	72.6	-	-	-	2.7	2.7	-	-
The State Hospitals Board for Scotland	7.9	8.1	(0.2)	(2.5)	32.0	32.0	-	-	-	0.3	0.3	-	-
NHS Health Scotland	4.5	4.3	0.2	4.4	20.4	20.4	-	-	-	0.1	0.1	-	-
Healthcare Improvement Scotland	6.0	6.4	(0.4)	(6.7)	30.1	30.1	-	-	-	0.2	0.2	-	-
Total	2,832.9	2,880.3	(47.4)	(1.7)	11,822.1	11,951.2	(129.1)	(1.1)	67.7	142.4	142.4	-	-