



NHS Scotland 2020-21 Consolidated Financial Reporting to 31 July 2020 (Month 4)

Purpose

This paper summarises the financial position for NHS Scotland for the reporting year 2020-21. 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.

Context

The Health and Sport Portfolio resource budget following the 2020-21 Budget Bill is £14.8 billion. This represents an increase of £925 million from the 2019-20 Budget Bill (6.7% uplift). As part of the budget approved by the Scottish Parliament, the 14 Territorial and 8 National Boards account for £12.0 billion of that spend, with the remainder administered directly by the Scottish Government. The NHS Board resource budget covers spending on operating costs such as pay, drugs and supplies.

In addition to the Budgets allocated at the outset of the year to NHS Boards, £2.8 billion is managed centrally by the Scottish Government Health and Social Care Directorates; the majority of which is allocated to NHS Boards over the course of the year. This includes total funding of £1.8 billion for the four professional groups of independent sub-contractors - medicine, pharmacy, dentistry and optometry.

The capital budget is £438 million in 2020-21 and funds investment in the NHS estate, equipment and maintenance.

Consolidated Financial Position

Based on the first four months of the year (April-July 2020), the Health and Sport 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 £430 million which is required in order to deliver financial balance. All savings generated are retained locally by Boards and plans are continually developed throughout the year. 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.

At month 4, NHS Boards are reporting a projected variance of £1,412 million. This is prior to Covid funding to be received from the Scottish Government and delivery of savings schemes. After assumed additional funding and delivery of savings, NHS Boards are projecting a consolidated deficit of £30.2 million across the following Boards: NHS Ayrshire and Arran (£13.5 million); NHS Borders (£7.9 million); and NHS Highland (£8.8 million). This compares with the total consolidated deficit of £41.0 million in 2019-20.

The anticipated consolidated deficit for NHS Boards 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. The overall portfolio forecast requires that all Boards other than the three Boards noted above will deliver a balanced financial position. There is therefore expected to be reductions in the adverse forecast over the course of the coming months as Covid funding arrangements are agreed, and as further savings are identified and delivered.

Table 1 below summarises the financial position at 31 July 2020, with further analysis by NHS Board at Table 2.



Table 1: Summary of forecast outturn and indicative financial support required

	2020-21 Forecast Outturn				Indicative financial support required
	Forecast Outturn	Budget	Variance		
	£m	£m	£m	%	£m
Resource Allocation					
Health and Sport Portfolio	14,789.9	14,789.9	-	-	-
<i>Included within:</i>					
Territorial NHS Boards	12,185.4	11,326.3	(859.1)	(7.6)	30.2
National NHS Boards	2,180.7	1,627.5	(553.2)	(34.0)	-
Capital Allocation					
Health and Sport Portfolio	142.1	142.1	-	-	-
<i>Included within:</i>					
Territorial NHS Boards	133.0	133.0	-	-	-
National NHS Boards	9.1	9.1	-	-	-

**Health and Sport Portfolio Budget based on 2020-21 Budget Bill.*

Capital

Capital allocations made to NHS Boards to date total £142 million, this funding is the Boards' baseline capital funding, a further breakdown by Board is provided at Table 2. The remaining budget is to be allocated to NHS Boards throughout the remainder of this financial year to support further projects such as the Elective Centre Programme and the Baird and ANCHOR project.

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				2020-21 Forecast Outturn				Inc.net Covid-19 Pressure of:	Indicative Financial Support Required	Budget	Forecast Outturn	Variance	
	Budget	Actual	Variance		Budget	Actual	Variance						£m	£m
	£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	£m	%	
NHS Ayrshire and Arran	274.4	286.1	(11.7)	(4.3)	836.0	897.2	(61.2)	(7.3)	(47.7)	13.5	8.3	8.3	-	-
NHS Borders	95.8	100.7	(5.0)	(5.2)	248.0	270.6	(22.7)	(9.1)	(16.1)	7.9	2.4	2.4	-	-
NHS Dumfries and Galloway	113.4	123.9	(10.5)	(9.2)	361.5	399.8	(38.3)	(10.6)	(22.6)	-	3.5	3.5	-	-
NHS Fife	251.5	258.4	(6.9)	(2.8)	755.1	780.3	(25.2)	(3.3)	(23.3)	-	7.4	7.4	-	-
NHS Forth Valley	199.2	208.5	(9.4)	(4.7)	635.9	665.4	(29.6)	(4.7)	(33.4)	-	6.1	6.1	-	-
NHS Grampian	367.2	391.5	(24.3)	(6.6)	1,128.1	1,219.9	(91.8)	(8.1)	(91.8)	-	12.8	12.8	-	-
NHS Greater Glasgow and Clyde	796.2	877.2	(81.0)	(10.2)	2,335.0	2,582.5	(247.5)	(10.6)	(228.9)	-	37.4	37.4	-	-
NHS Highland	253.1	278.6	(25.5)	(10.1)	757.3	840.0	(82.6)	(10.9)	(74.1)	8.8	6.6	6.6	-	-
NHS Lanarkshire	443.6	463.8	(20.2)	(4.6)	1,398.2	1,469.9	(71.7)	(5.1)	(71.7)	-	12.4	12.4	-	-
NHS Lothian	530.4	557.5	(27.1)	(5.1)	1,735.6	1,854.5	(118.9)	(6.9)	(112.4)	-	23.5	23.5	-	-
NHS Orkney	19.0	24.7	(5.8)	(30.4)	61.7	75.8	(14.0)	(22.7)	(14.0)	-	1.0	1.0	-	-
NHS Shetland	20.4	22.8	(2.3)	(11.4)	64.5	71.8	(7.2)	(11.2)	(7.2)	-	1.0	1.0	-	-
NHS Tayside	288.2	298.0	(9.8)	(3.4)	921.3	966.9	(45.6)	(5.0)	(45.6)	-	9.5	9.5	-	-
NHS Western Isles	28.2	28.4	(0.1)	(0.5)	88.1	90.8	(2.7)	(3.1)	(2.7)	-	1.2	1.2	-	-
NHS National Services Scotland	131.4	361.3	(229.8)	(174.9)	495.1	980.4	(485.3)	(98.0)	(485.3)	-	2.9	2.9	-	-
Scottish Ambulance Service	92.5	102.0	(9.5)	(10.2)	296.4	323.8	(27.4)	(9.2)	(27.4)	-	1.8	1.8	-	-
NHS Education for Scotland	161.2	166.9	(5.6)	(3.5)	528.8	539.0	(10.3)	(1.9)	(10.3)	-	-	-	-	-
NHS 24	24.4	27.5	(3.1)	(12.5)	82.5	101.7	(19.3)	(23.3)	(19.3)	-	0.3	0.3	-	-
National Waiting Times Centre	23.7	23.2	0.5	1.9	96.2	100.0	(3.8)	(3.9)	(3.8)	-	2.7	2.7	-	-
The State Hospitals Board for Scotland	10.8	11.4	(0.6)	(5.7)	33.2	35.1	(1.9)	(5.6)	(1.9)	-	0.3	0.3	-	-
NHS Public Health Scotland	18.1	18.2	(0.2)	(1.0)	60.7	65.3	(4.6)	(7.6)	(4.6)	-	1.1	1.1	-	-
Healthcare Improvement Scotland	9.2	10.7	(1.5)	(16.0)	34.6	35.3	(0.8)	(2.2)	(0.8)	-	0.1	0.1	-	-
Total NHSScotland	4,151.8	4,641.2	(489.4)	(11.8)	12,953.8	14,366.1	(1,412.3)	(10.9)	(1,344.7)	30.2	142.1	142.1	-	-