



NHS Scotland 2020-21 Consolidated Financial Reporting to 31 October 2020 (Month 7)

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 Autumn Budget Revision is £16.9 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 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 seven months of the year (April-October 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 7, NHS Boards are reporting a projected variance of £101.8 million. This is prior to the full receipt of Covid funding 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 October 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	16,942.6	16,942.6	-	-	-
<i>Included within:</i>					
Territorial NHS Boards	12,682.6	12,580.5	(102.1)	(0.8)	30.2
National NHS Boards	2,263.9	2,264.2	0.3	0.0	-
Capital Allocation					
Health and Sport Portfolio	204.4	204.4	-	-	-
<i>Included within:</i>					
Territorial NHS Boards	185.6	185.6	-	-	-
National NHS Boards	18.8	18.8	-	-	-

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

Capital

Capital allocations made to NHS Boards to date total £204 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				Indicative Financial Support Required	Budget	Forecast Outturn	Variance	
	Budget	Actual	Variance		Budget	Actual	Variance					Budget	£m
	£m	£m	£m	%	£m	£m	£m	%	£m	£m	£m	£m	%
NHS Ayrshire and Arran	490.3	493.9	(3.6)	(0.7)	902.8	916.3	(13.5)	(1.5)	13.5	10.7	10.7	-	-
NHS Borders	157.5	156.6	0.8	0.5	262.9	271.6	(8.6)	(3.3)	7.9	2.4	2.4	-	-
NHS Dumfries and Galloway	213.0	216.4	(3.4)	(1.6)	390.2	399.3	(9.1)	(2.3)	-	3.5	3.5	-	-
NHS Fife	451.4	454.2	(2.8)	(0.6)	805.8	815.3	(9.5)	(1.2)	-	8.8	8.8	-	-
NHS Forth Valley	365.6	365.7	(0.0)	(0.0)	682.6	682.6	-	-	-	9.6	9.6	-	-
NHS Grampian	665.8	666.2	(0.4)	(0.1)	1,236.9	1,236.9	-	-	-	26.5	26.5	-	-
NHS Greater Glasgow and Clyde	1,584.3	1,588.7	(4.5)	(0.3)	2,911.0	2,947.5	(36.6)	(1.3)	-	47.3	47.3	-	-
NHS Highland	467.7	466.7	0.9	0.2	830.6	839.4	(8.8)	(1.1)	8.8	10.8	10.8	-	-
NHS Lanarkshire	810.5	809.0	1.5	0.2	1,467.6	1,467.6	-	-	-	15.3	15.3	-	-
NHS Lothian	1,001.5	999.8	1.7	0.2	1,877.0	1,881.8	(4.8)	(0.3)	-	30.8	30.8	-	-
NHS Orkney	42.0	42.6	(0.6)	(1.5)	66.3	77.5	(11.2)	(16.9)	-	1.0	1.0	-	-
NHS Shetland	38.3	40.4	(2.1)	(5.5)	71.7	71.7	-	-	-	1.7	1.7	-	-
NHS Tayside	529.0	533.0	(3.9)	(0.7)	982.1	982.1	-	-	-	15.8	15.8	-	-
NHS Western Isles	52.4	52.2	0.2	0.4	93.0	93.0	-	-	-	1.4	1.4	-	-
NHS National Services Scotland	617.1	610.8	6.3	1.0	1,051.2	1,051.2	-	-	-	9.8	9.8	-	-
Scottish Ambulance Service	177.5	181.0	(3.4)	(1.9)	334.3	334.3	-	-	-	2.6	2.6	-	-
NHS Education for Scotland	297.1	303.2	(6.1)	(2.1)	539.5	539.5	-	-	-	0.0	0.0	-	-
NHS 24	47.8	47.8	0.0	0.0	92.4	92.4	-	-	-	0.8	0.8	-	-
National Waiting Times Centre	42.9	42.5	0.3	0.7	96.6	96.6	-	-	-	4.3	4.3	-	-
The State Hospitals Board for Scotland	20.5	20.2	0.3	1.4	36.9	36.9	-	-	-	-	-	-	-
NHS Public Health Scotland	37.3	36.5	0.8	2.0	79.4	79.4	-	-	-	1.1	1.1	-	-
Healthcare Improvement Scotland	18.9	18.4	0.5	2.6	33.8	33.5	0.3	0.9	-	0.1	0.1	-	-
Total NHSScotland	8,128.3	8,145.8	(17.6)	(0.2)	14,844.7	14,946.5	(101.8)	(0.7)	30.2	204.4	204.4	-	-