

NHS 24
BOARD MEETING
27 FEBRUARY 2025
ITEM NO 11.3
FOR ASSURANCE

NHS IN SCOTLAND 2024
FINANCE AND PERFORMANCE

Executive Sponsor:
John Gebbie, Director of Finance

Lead Officer/Author:
Damien Snedden, Deputy Director of Finance

Action Required:
The Board is asked to note the Key Messages and Recommendations within Audit Scotland's report entitled "NHS in Scotland 2024: Finance and Performance".

Key Points for the Board/Committee to consider:
This report covers a wide range of issues and concerns and recognises the need for an increased focus on immediate financial challenges, rising demand and operation pressures underlining the need for significant service reforms. The NHS in Scotland is currently not able to keep up with increasing demand across the Health and Social Care System.

Governance process:
This report was presented to the February 2025 Audit and Risk Committee and the February Board Meeting.

Strategic alignment and link to overarching NHS Scotland priorities and strategies:
This paper recognises the challenges facing the sector and the need for on-going surveillance of the wider health and care landscape to address the recommendations.

Strategic alignment and link to Corporate Delivery Plan activity:
The subject of this paper is a sector wide report by Audit Scotland. It does not relate directly to the NHS 24 strategy or delivery plan. However, it provides important context and recommendations that align with the NHS 24 delivery plan including service & digital transformation, joint working and longer term planning to achieve financial balance.

Key Risks:
No new risks to be added to NHS 24 risk register associated with this paper. Paper and the publication highlight sector wide issues.

Financial Implications:
The Audit Scotland Report recognises the financial sustainability issues facing the sector but there are no new/NHS 24 specific financial implications associated with this paper.

Equality and Diversity:
The Board supports NHS 24 in meeting its duties with regard to equality and patient engagement.

1. RECOMMENDATION

1.1 The Board is asked to note the key messages and recommendations contained within Audit Scotland's report entitled 'NHS in Scotland 2024: Finance and Performance' (published in December 2024) and take assurance from the work within NHS 24 to manage this.

2. INTRODUCTION

2.1 As part of NHS 24's strategic planning cycle, the organisation actively takes part in consultations, scans national policy frameworks and reviews lessons learned and national reports, to continue to build organisational insight and intelligence.

2.2 As part of this process NHS 24 has reviewed Audit Scotland's report on NHS in Scotland 2024: Finance and Performance, which includes a focus on sector wide challenges such as:

- The financial environment
 - increased use of brokerage
 - need to increase recurring savings
 - reliance on one-off funding
 - lack of funding to refresh assets including aging estate
- Increasing demand for services
 - health spending forecast to grow in real terms
 - delayed discharge adds pressure
 - need more focus on prevention
 - productivity below pre-pandemic levels
- Difficulties in recruiting/retaining staff
 - although positive that agency spend is reducing
 - sickness absence still higher than target
- Rising expectations
 - public & politically

2.2.1 Flow navigation centres/redesign of urgent care was highlighted as one of the initiatives to reduce pressure in unscheduled care. However, there was no specific recommendation that would impact NHS 24 directly.

2.3 The Audit Scotland review has two main sections :

- Financial Performance and Outlook
- Operational Performance and Challenges

2.4 Whilst a link to the full document including various graphs and statistics can be sourced a [NHS in Scotland 2024: Finance and performance | Audit Scotland](#) salient points from the Audit Scotland report are shown below. Additionally, please refer to Appendix 1 for fuller details.

3. AUDIT SCOTLAND - NHS IN SCOTLAND 2024: FINANCE AND PERFORMANCE REPORT – KEY MESSAGES:

3.1 Health accounts for about 40 per cent of the Scottish budget, and NHS funding grew again in 2023/24, but recent increases have been used largely to cover pay commitments and inflation. Costs are forecast to continue rising, identifying and making savings remains challenging, and investment in new healthcare facilities remains paused. To address current financial pressures, fundamental change in how NHS services are provided is now urgently needed.

3.2 Despite increasing funding and staffing, the NHS in Scotland is still seeing fewer patients than before the Covid-19 pandemic. Progress to reduce the backlog of care has been slower than anticipated. National commitments to reduce waiting lists and waiting times have not been met, and reducing delayed discharges remains an intractable problem. NHS Scotland has implemented a range of projects and initiatives aiming to improve productivity and outcomes for patients but as yet these are having little impact on headline indicators, and there is a lack of clear and transparent reporting of progress, and evaluation of impact.

3.3 There needs to be an increased and ongoing focus on improving the health of Scotland's people to reduce the pressure on the NHS. Without this change, the NHS is unlikely to be able to meet growing demand. The Scottish Government's restated vision for health and social care is not clear on how current operational issues will be addressed or how reform will be prioritised. A clear delivery plan is needed to safeguard Scotland's health service. Difficult decisions will need to be made about transforming services and, potentially, what the NHS stops doing. This requires both Scottish Government and NHS leaders to show greater leadership

4. AUDIT SCOTLAND - NHS IN SCOTLAND 2024: FINANCE AND PERFORMANCE REPORT – KEY RECOMMENDATIONS

4.1 The undernoted key recommendations feature in the report:

The Scottish Government should:

- In 2025, publish the national strategies and plans previously recommended in our NHS in Scotland 2023 report, namely:
 - a national capital investment and asset management strategy (paragraph 54 of main report).
 - a revised Medium-Term Financial Framework for health and social care (paragraph 41 of main report).
- For the financial year 2025/26, increase certainty for NHS boards by undertaking to baseline a greater proportion of their total allocations and increase, again, the pace at which allocations to boards are made (paragraph 42 of main report).
- Ensure that the lessons learned from the process of negotiating the end of private finance initiative (PFI) contracts are communicated to NHS boards and provide greater certainty about how associated capital and revenue costs will be funded (Case study 1, page 24 of main report).
- In line with previous recommendations, publish clear and transparent annual progress reports on the work to reform services. These should show the effectiveness and value for money of new innovations and ways of providing NHS services (paragraph 95 of main report).

NHS boards should:

- Work towards setting a balanced financial position in their next three-year plans, by identifying realistic recurring savings targets and reducing their reliance on non-recurring savings by considering fundamental changes to how services are provided and the range of services offered (paragraph 29).

The Scottish Government and NHS boards should:

- Ahead of 2025/26, jointly identify areas of limited clinical value and consider how services can be provided more efficiently, or withdrawn, to allow funding to be redirected, while ensuring that any relevant impact assessments have taken place (paragraph 104 of main report).
- Building on the overarching vision announced by the Cabinet Secretary, the Scottish Government and NHS boards should work together, with their staff,

partners and the public to develop a delivery plan by 2025. This plan should set out national priorities and plans for reform; how these will be delivered; and how progress on achieving the vision and reforms will be measured and monitored (paragraph 96 of main report).

5. CONCLUSION

5.1 Key theme is that reform and longer-term national planning is required for the health service to be financially and operationally sustainable.

5.2 NHS 24 recognise the challenges outlined in the paper, in particular the focus on financial sustainability. It is important that NHS 24 understands the challenges and works collaboratively to play our part in seeking solutions. This is done via the various networks NHS 24 participates, and the issues highlighted in this report already informed our robust strategy and planning processes. This includes a focus to achieve efficiencies and improve performance through digital and service transformation programmes.

Appendix 1 – Summary of NHS in Scotland 2024 Finance and Performance - Audit Scotland - December 2024

1. **Financial Performance and Outlook. The NHS in Scotland is experiencing immediate financial challenges, rising demand and operational pressures, underlining the need for significant service reforms.**

1.1 The health budget continues to increase. This is unsustainable and will become unaffordable, putting pressure on other areas of the public sector and overall Scottish budget, highlighting a need for change.

1.2 The Scottish Government's recent fiscal update has increased the financial pressures on the NHS in Scotland

1.3 Funding increases have been insufficient to address the financial challenges NHS boards are now facing, with a record number needing additional funding to break even

1.4 There are indications that pressures across the wider health and social care system are now affecting the financial position of NHS boards more directly

1.5 NHS boards remain reliant on one-off savings

1.6 NHS boards have deficits forecast over the next three years with reliance on one-off savings and rising costs creating a risk to financial sustainability

1.7 NHS boards faced significant increases in costs in 2023/24, with increases forecast to continue

1.8 Most NHS spending is on staff costs and recent pay deals mean significant medium and longer-term spending commitments

1.9 Spending on agency staff was reduced in 2023/24, reversing recent trends, but is still significantly higher than five years ago

1.10 A lack of certainty about medium-term financial plans remains, and late funding allocations continue to make in-year financial management more difficult for boards

1.11 The Scottish Government is capping the additional financial support it will provide to boards in 2024/25

1.12 Investment in new healthcare facilities remains paused and available budgets are not sufficient to maintain the existing estate

1.13 NHS boards have commitments to paying significant sums as part of Public Private Partnership contracts. This will continue to affect budgets

2. Operational Performance and Challenges. The NHS in Scotland is currently not able to keep up with increasing demand across the health and social care system.

2.1 Scotland's NHS is still struggling to deliver care in a timely way; most waiting times standards are not being met

2.2 Planned care activity has increased in the last year, but so has demand, so waiting lists continue to grow

2.3 Commitments to reduce the backlog of care have yet to be met

2.4 Unless the NHS in Scotland increases hospital activity and transforms services to focus on prevention and care closer to home, it is likely that waiting lists and waiting times will continue to grow

2.5 Unscheduled care continues to experience sustained pressure resulting in accident and emergency waiting times remaining considerably below target

2.6 The Scottish Government and NHS boards have been working to find ways to make sustainable improvements in unscheduled care

2.7 Delayed discharge rates are at their highest on record and hospital occupancy is still putting pressure on the health and care system

2.8 Measures to tackle delayed discharges have been put in place but these have still to demonstrate impact

2.9 Despite growth in the workforce across several medical professions, vacancies remain unfilled and high levels of staff absences continue to put pressure on staff and the wider system

2.10 The need for reform is more urgent than ever. Its scale and pace must increase if pressing capacity and affordability issues are to be addressed

2.11 The Scottish Government's restated vision for health and social care lacks significant operational detail in terms of how it will contribute to ensuring that services remain affordable

2.12 An increased and ongoing focus on preventing ill health is needed to manage current and future demand for healthcare

2.13 Difficult choices will need to be made about what level and types of services can be provided in future

2.14 Effective leadership and good governance are required to support longer-term reform

NHS in Scotland 2024

Finance and performance



AUDITOR GENERAL 

Prepared by Audit Scotland
December 2024

Contents

Key messages	3
Recommendations	4
Introduction	6
1. Financial performance and outlook	8
2. Operational performance and challenges	26
Endnotes	42
Appendix 1	43
Appendix 2	44
Appendix 3	46



Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of:
Leigh Johnston,
Bernadette Milligan,
Martin McLauchlan,
Nina Miller, Liam Prior
and Fiona Caffyn,
under the direction of
Carol Calder.

Key messages

- 1 Health accounts for about 40 per cent of the Scottish budget, and NHS funding grew again in 2023/24, but recent increases have been used largely to cover pay commitments and inflation. Costs are forecast to continue rising, identifying and making savings remains challenging, and investment in new healthcare facilities remains paused. To address current financial pressures, fundamental change in how NHS services are provided is now urgently needed.
- 2 Despite increasing funding and staffing, the NHS in Scotland is still seeing fewer patients than before the Covid-19 pandemic. Progress to reduce the backlog of care has been slower than anticipated. National commitments to reduce waiting lists and waiting times have not been met, and reducing delayed discharges remains an intractable problem. NHS Scotland has implemented a range of projects and initiatives aiming to improve productivity and outcomes for patients but as yet these are having little impact on headline indicators, and there is a lack of clear and transparent reporting of progress, and evaluation of impact.
- 3 There needs to be an increased and ongoing focus on improving the health of Scotland's people to reduce the pressure on the NHS. Without this change, the NHS is unlikely to be able to meet growing demand. The Scottish Government's restated vision for health and social care is not clear on how current operational issues will be addressed or how reform will be prioritised. A clear delivery plan is needed to safeguard Scotland's health service. Difficult decisions will need to be made about transforming services and, potentially, what the NHS stops doing. This requires both Scottish Government and NHS leaders to show greater leadership.

Recommendations

The Scottish Government should:

- In 2025, publish the national strategies and plans previously recommended in our NHS in Scotland 2023 report, namely:
 - a national capital investment and asset management strategy [\(paragraph 54\)](#)
 - a revised Medium-Term Financial Framework for health and social care [\(paragraph 41\)](#).
- For the financial year 2025/26, increase certainty for NHS boards by undertaking to baseline a greater proportion of their total allocations and increase, again, the pace at which allocations to boards are made [\(paragraph 42\)](#).
- Ensure that the lessons learned from the process of negotiating the end of private finance initiative (PFI) contracts are communicated to NHS boards and provide greater certainty about how associated capital and revenue costs will be funded [\(Case study 1, page 24\)](#).
- In line with previous recommendations, publish clear and transparent annual progress reports on the work to reform services. These should show the effectiveness and value for money of new innovations and ways of providing NHS services [\(paragraph 95\)](#).

NHS boards should:

- Work towards setting a balanced financial position in their next three-year plans, by identifying realistic recurring savings targets and reducing their reliance on non-recurring savings by considering fundamental changes to how services are provided and the range of services offered [\(paragraph 29\)](#).

The Scottish Government and NHS boards should:

- Ahead of 2025/26, jointly identify areas of limited clinical value and consider how services can be provided more efficiently, or withdrawn, to allow funding to be redirected, while ensuring that any relevant impact assessments have taken place [\(paragraph 104\)](#).

- Building on the overarching vision announced by the Cabinet Secretary, the Scottish Government and NHS boards should work together, with their staff, partners and the public to develop a delivery plan by 2025. This plan should set out national priorities and plans for reform; how these will be delivered; and how progress on achieving the vision and reforms will be measured and monitored (paragraph 96).

Introduction

1. The NHS in Scotland provides a range of vital services to thousands of people every day across the country. Over the years we have highlighted the growing pressures facing the NHS in our national and local audit work. These include a tight financial environment, increasing demand for services, difficulties in recruiting staff, and rising public and political expectations.
2. In the face of these pressures, a committed workforce has continued to work to deliver high-quality care. However, the demands of a growing and ageing population on top of these pressures, as well as the ongoing backlog created by the pandemic, mean the current healthcare delivery model is not sustainable.
3. The Auditor General for Scotland publishes an annual report on the performance of the NHS in Scotland to provide assurance about NHS Scotland's performance and finances and to assess the progress of ongoing reforms.
4. Over recent years, these reports have focused on the response to, and recovery from, the Covid-19 pandemic. They highlighted the scale of the challenges brought about by Covid-19 and concerns about a lack of progress in implementing the NHS Recovery Plan 2021–2026 (published by the Scottish Government in August 2021).
5. Our [**NHS in Scotland 2023**](#) report reflected the need for short-, medium- and long-term investment and reform to ensure the future sustainability of the NHS in Scotland. We focused on funding and financial performance, position and sustainability; analysing service performance and patient safety; and providing an update on progress on wider reforms aimed at ensuring that services remain sustainable.
6. As part of our own response to Covid-19, from 2020 to 2023 our annual report on the NHS was published later in the year. We are now reverting to an earlier publication date that will make the report more timely and allow NHS Scotland and boards to prepare their plans and budgets. This means less time than usual has passed since we published our last NHS in Scotland report.
7. This report covers the financial and operational performance of Scotland's NHS in 2023/24. This report is intended to provide an overview, with a particular focus on NHS boards. We outline our audit methodology in [**Appendix 1, \(page 43\)**](#) and note progress

against the recommendations from our NHS in Scotland 2023 report in [Appendix 2, \(page 44\)](#).

8. The NHS in Scotland provides a wide variety of services, not all of which we are able to cover within this overview. This report is just one product, within a suite of products we either have published or plan to produce about the financial and operational performance of different parts of the health and care system, including:

- [Adult mental health](#) (published September 2023).
- [Integration Joint Boards: Finance and performance 2024](#) (published July 2024 and next finance report due March 2025).
- [Drug and alcohol services](#) (published October 2024).
- [General practice and the impact of the 2018 General Medical Services contract](#) (due to publish March 2025).
- a complementary NHS in Scotland spotlight report which will consider NHS Scotland's governance and scrutiny arrangements (due to be published spring 2025).

9. It is also worth noting that [we published a report in November 2024](#) on the Scottish Government's approach to achieving fiscal sustainability, and how it is supporting public service reform.

Note:

When reporting on funding and finances, we refer to changes in real terms. This means that we show financial information for past and future years at 2023/24 prices, adjusted for inflation so that they can be compared. To adjust for inflation we use gross domestic product (GDP) deflators, which are published quarterly by HM Treasury. Using GDP deflators is the standard approach adopted by both the UK Government and the Scottish Government when analysing public spending. Because of the way that GDP is calculated, the Covid-19 pandemic resulted in volatility throughout 2020/21 and 2021/22. To compensate for this, and to allow meaningful comparisons between years, we used an average GDP growth rate for 2020/21 and 2021/22 in our calculations to separate inflation (increases in prices) from changes in outputs and those largely attributable to Covid-19 spending.

1. Financial performance and outlook

The NHS in Scotland is experiencing immediate financial challenges, rising demand and operational pressures, underlining the need for significant service reforms

The health budget continues to increase. This is unsustainable and will become unaffordable, putting pressure on other areas of the public sector and overall Scottish budget, highlighting a need for change

10. Health remains the single biggest area of government spending, at £19.1 billion in 2023/24, a 2.5 per cent increase since 2022/23 in real terms. This accounted for 40 per cent of the 2023/24 Scottish budget. The planned increase to £19.4 billion in 2024/25 reflects the long-term trend of annual increases in health spending ([Exhibit 1, page 9](#)).

11. Most health funding is provided directly to territorial boards to carry out their functions and deliver services ([Exhibit 2, page 10](#)). Budget increases have been spent largely on new pay obligations, meaning that funding increases have not been available to support services in other ways ([paragraph 35](#)).

12. In its last Medium-Term Financial Strategy (May 2023), the Scottish Government revised how much it expects to increase spending on health to reflect the Scottish Fiscal Commission's projections that health spending will grow faster than other public services.¹ This puts pressure on other areas of the public sector.

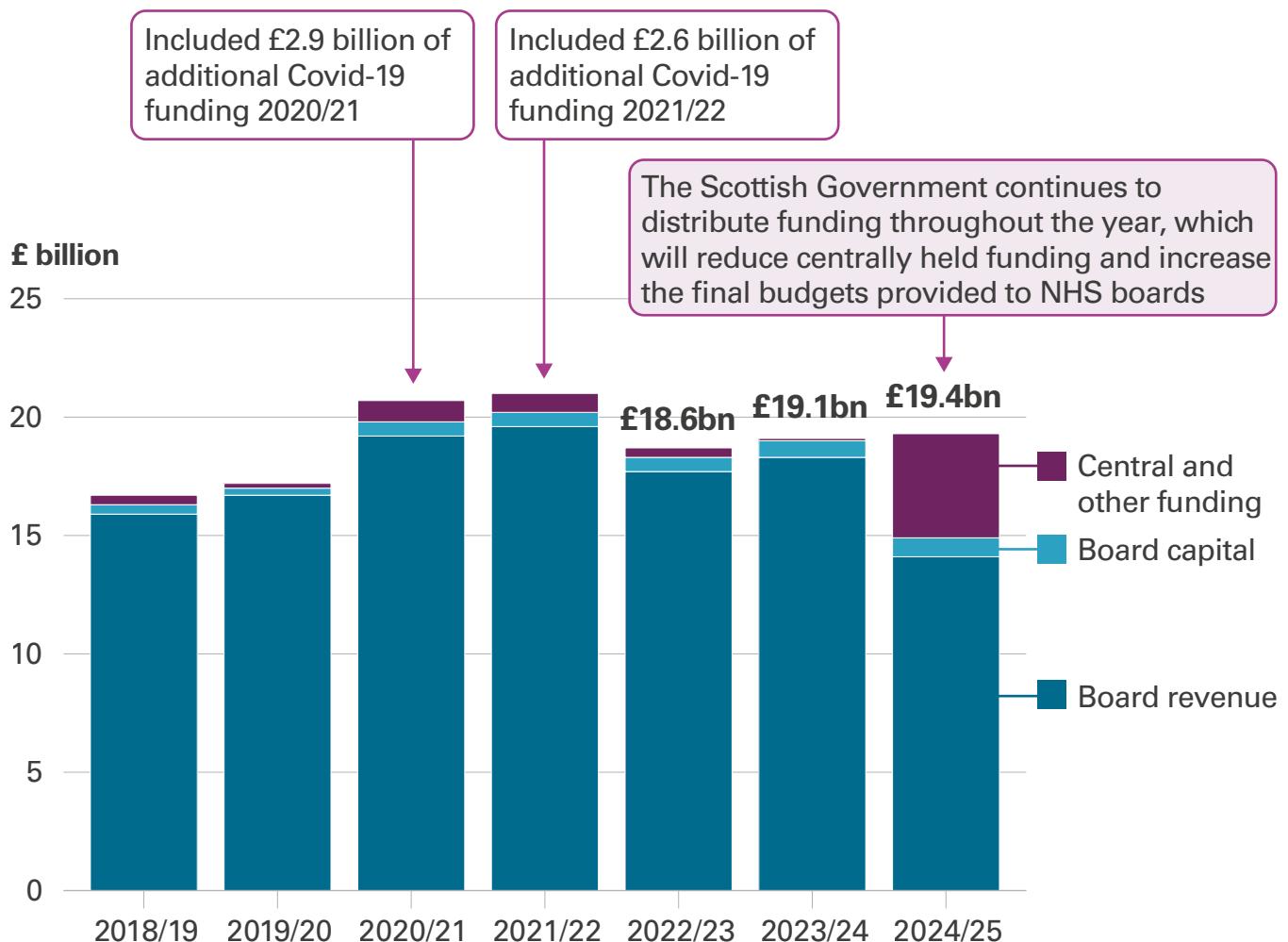
13. [Our report on the Scottish Government's approach to fiscal sustainability and reform](#) outlined a need for the Scottish Government to change its approach to public spending and public service delivery models to be financially sustainable. It highlighted spending on health as the main driver in Scottish Fiscal Commission forecasts for longer-term spending increases, with health projected to grow to 50 per cent of the devolved spending budget over the next 50 years.²

14. The affordability of healthcare spending is now an urgent issue that the Scottish Government must address. The scale and pace of reform needs to increase. Difficult decisions need to be made about transforming services, and potentially about what the NHS stops doing. This will be essential for managing the demands placed on the healthcare system and ensuring its future sustainability.

Exhibit 1.

The health budget increased in real terms in both 2023/24 and 2024/25

Both the overall health budget and money directly allocated to NHS boards continue to increase.



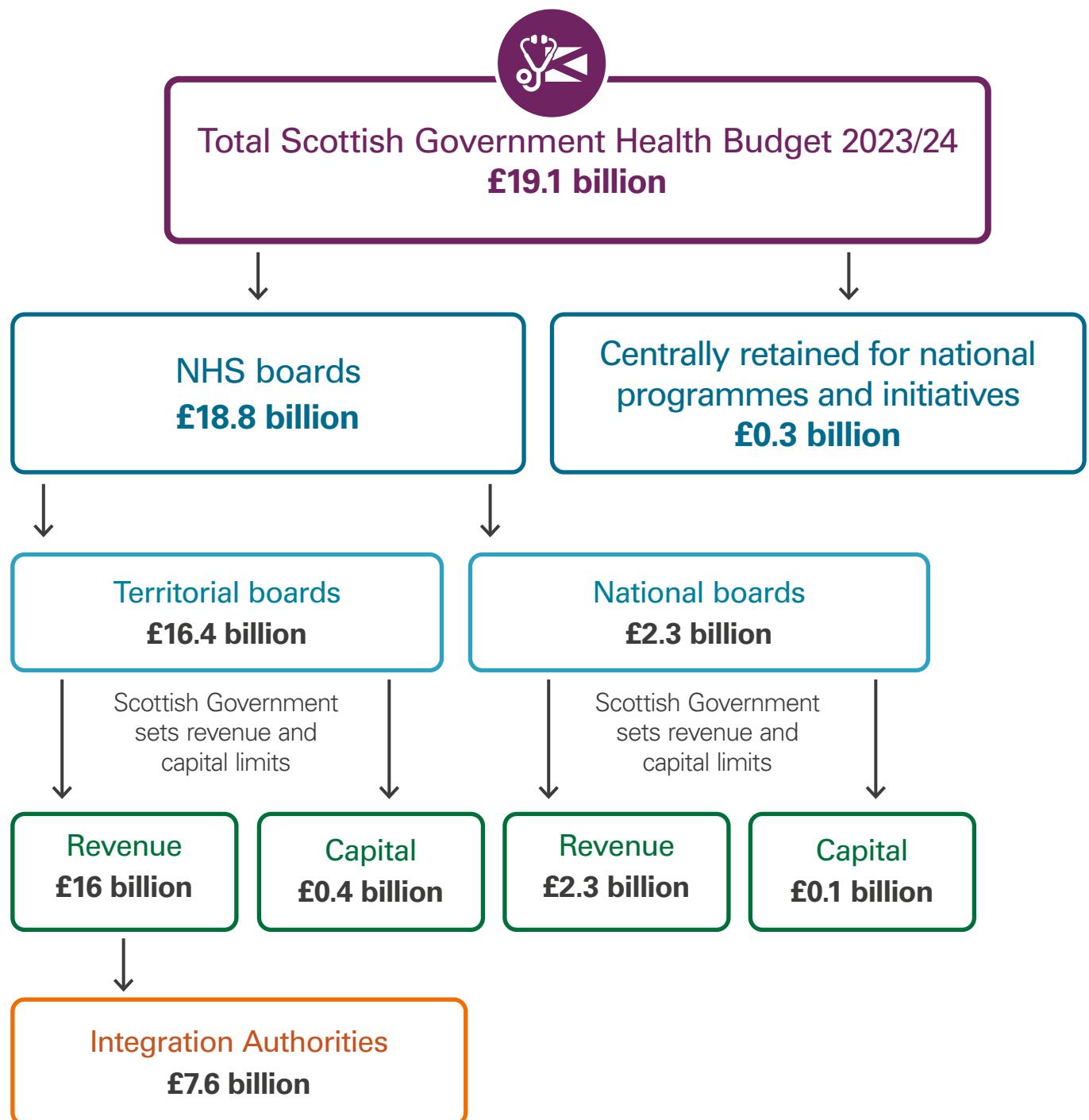
Notes:

1. The total health budget reflects the position in relevant Scottish Government budget documentation up to the 2024/25 Budget Bill.
2. The 2023/24 budget has been updated from the Auditor General's NHS in Scotland 2023 report to reflect the outturn position, and an underspend against non-cash technical elements of the budget.
3. Board allocations reflect final allocations up to 2023/24 and assume all capital funding will be distributed to boards in 2024/25.
4. Central funding represents the difference between the health budget and direct board allocations and, for 2024/25, funds that will be distributed in-year. It also contains some technical elements of the Scottish budget.
5. All figures have been adjusted to 2023/24 prices.

Source: Audit Scotland analysis of Scottish Government budget documentation and NHS boards' audited annual accounts

Exhibit 2.

Scottish Government health funding in 2023/24



Note: Figures may not balance due to rounding.

Source: Scottish Government budget documents and NHS boards' audited accounts

The Scottish Government's recent fiscal update has increased the financial pressures on the NHS in Scotland

15. The fiscal update that the Cabinet Secretary for Finance and Local Government provided to Parliament in September 2024 outlined the need to introduce spending controls and the halt of discretionary spending across Scottish Government portfolios.³

16. £116 million of savings from the Health and Social Care Portfolio in 2024/25 were announced as part of this update. The money saved across a number of areas will be used to support 2024/25 pay deals which have exceeded budget allocations.

17. The 2024/25 budgets provided to NHS boards have already been adjusted based on the 2023/24 pay deals. In addition, the Scottish Government has committed to providing further additional funding to meet the financial costs of the 2024/25 pay deals [\(paragraph 37\)](#).

18. The UK Government announced additional funding for the Scottish Budget of £1.5 billion for this financial year and an additional £3.4 billion for 2025/26 through the Barnett formula as part of the Autumn Budget 2024. The full implications of this for the NHS in Scotland will not be known until the Scottish Budget is published on 4 December. We will monitor and report on this in the NHS in Scotland 2025 report.

Funding increases have been insufficient to address the financial challenges NHS boards are now facing, with a record number needing additional funding to break even

19. NHS boards have a statutory responsibility to make sure their expenditure does not exceed the resources they have for that year, with some limited flexibility to manage overspending of one per cent of their core revenue budget across a three-year period. The NHS met its overall financial targets in 2023/24. Boards are struggling to break even, however. The amount of **brokerage** provided by the Scottish Government to enable boards to break even is increasing.

20. In 2022/23 five boards required additional funding, and one made use of its limited three-year financial flexibility, to break even. The overall position has worsened in 2023/24 and eight territorial boards needed additional funding from the Scottish Government at the end of the year to meet their targets, totalling £166.5 million; this included all five boards requiring support in 2022/23. [Exhibit 6, \(page 20\)](#) shows a breakdown by board.

21. Boards who required brokerage identified a range of cost pressures. Common areas of pressure include prescribing costs, pay, non-pay



Brokerage is a form of loan funding that the Scottish Government can agree to provide an NHS board to help it manage changes to planned expenditure. These loans are repayable. The Scottish Government will set repayment terms only once a board has returned to a break even position.

inflationary pressures, overspending in specific service areas such as acute services or services delivered via Integration Joint Boards (IJBs), and agency staff costs.

There are indications that pressures across the wider health and social care system are now affecting the financial position of NHS boards more directly

22. Financial transfers are made routinely from the Scottish Government's health and social care portfolio budget to the local government portfolio budget. For 2023/24 these amounted to nearly £1 billion (about 5.6 per cent of the announced health budget). This increased from £878 million in 2022/23, with the increase driven by commitments to paying adult social care workers in the third sector and the private sector the Real Living Wage.

23. NHS boards allocate a significant proportion of their budgets to **Integration Authorities (IAs)** to fund primary and community health services. In 2023/24, territorial boards delegated £7.6 billion to IAs (about 45 per cent of their revenue budgets) and received a similar sum back to provide delegated services on behalf of the IAs ([Exhibit 2, page 10](#)).

24. During the Covid-19 pandemic IJBs built up significant reserves of about £0.3 billion, which were used largely in 2022/23 ([Integration Joint Boards: Finance and performance 2024](#), July 2024). The financial position of IJBs is starting to have a greater impact on the financial position of NHS boards, with a number of boards required to fund IJB overspending under their individual integration agreements. Most boards have managed this within their overall budgets in the current year but, as detailed in [paragraph 19](#), some boards have had to seek additional funding from the Scottish Government to break even.

NHS boards remain reliant on one-off savings

25. In 2023/24, the Scottish Government set an NHS-wide target for boards to deliver recurring annual savings equivalent to three per cent of their baseline revenue resource limit. These efficiency savings are retained by the boards and used to achieve their statutory responsibility to break even.⁴ For 2023/24 boards planned to make savings equivalent to 3.6 per cent of their baseline budgets. NHS boards achieved £471.4 million of savings, equivalent to 3.3 per cent of the baseline but this included both recurring and non-recurring savings ([Exhibit 3, page 13](#)).

26. Boards continue to rely on non-recurring savings, which made up 63 per cent of the 2023/24 savings (Exhibit 3). This is contributing to boards being unable to close forecast deficits within their three-year financial plans ([paragraph 29](#)).



The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) requires councils and territorial NHS boards to work together in partnerships, known as **Integration Authorities (IAs)**. As part of the Act, new bodies were created – Integration Joint Boards (IJBs). The IJB is a separate legal entity, responsible for the strategic planning and commissioning of the wide range of health and social care services across a partnership area. Of the 31 IAs in Scotland, 30 are IJBs and one area, Highland, follows a Lead Agency model.

Exhibit 3.

NHS boards have been reliant on non-recurring savings in 2023/24

While most boards did not meet the three per cent recurring savings target, most did meet their planned savings.

NHS board	Savings made (£ million)			Savings target (£ million)	Savings made as a percentage of baseline RRL (%)
	Recurring	Non-recurring	Total		
NHS Scotland	173.8	297.6	471.4	505.8	3.3%
NHS Ayrshire and Arran	8.9	0.0	8.9	9.6	1.0%
NHS Borders	3.7	4.4	8.1	10.0	3.0%
NHS Dumfries and Galloway	4.0	13.0	17.0	10.4	4.4%
NHS Fife	3.0	5.2	8.1	15.0	1.0%
NHS Forth Valley	2.7	22.3	25.0	25.0	3.7%
NHS Grampian	12.4	5.1	17.5	16.6	1.4%
NHS Greater Glasgow and Clyde	52.0	138.9	190.9	190.9	6.7%
NHS Highland	8.1	5.5	13.6	29.5	1.6%
NHS Lanarkshire	3.2	27.6	30.8	56.5	2.0%
NHS Lothian	36.9	10.9	47.8	54.8	2.5%
NHS Orkney	0.9	2.9	3.8	3.8	5.7%
NHS Shetland	0.5	2.2	2.7	2.6	4.0%
NHS Tayside	14.6	26.3	40.9	30.0	4.1%
NHS Western Isles	2.6	3.0	5.6	5.6	5.7%
NHS 24	1.7	1.8	3.5	3.5	3.3%
NHS Education for Scotland	0.0	6.7	6.7	3.4	1.2%
NHS Golden Jubilee	1.8	4.9	6.7	6.7	8.1%
NHS National Services Scotland	6.2	6.6	12.8	12.7	3.2%
Healthcare Improvement Scotland	1.6	0.0	1.6	1.6	4.6%
Public Health Scotland	0.6	5.9	6.5	4.9	10.4%
Scottish Ambulance Service	8.4	3.6	12.0	12.0	3.0%
State Hospital	0.0	0.8	0.8	0.8	1.9%

Source: Audit Scotland analysis of NHS audited information

27. In 2023/24, the Scottish Government asked NHS boards to minimise all spending. It subsequently requested that all national NHS boards make additional savings of five per cent of baseline funding by halting, pausing or deferring certain spending programmes. The ability of some national boards to identify and make these savings was constrained by the nature of their baseline funding, for example if a larger proportion of spending is on staff costs.

28. Overall, national NHS boards achieved further savings equivalent to five per cent of their total baseline funding. For example, NHS Education for Scotland (NES) identified a further £6.9 million of in-year savings (five per cent of their baseline) on top of their £6.7 million targeted savings. Where boards were able to identify and make savings, funding was returned to the Scottish Government to support territorial boards.

NHS boards have deficits forecast over the next three years with reliance on one-off savings and rising costs creating a risk to financial sustainability

29. In their three-year financial plans submitted to the Scottish Government, for 2024/25 to 2026/27, boards have continued to forecast increases in spending.

30. Boards are also increasingly citing their reliance on non-recurring savings, and therefore carrying forward underlying deficits into future years, as a risk to financial sustainability. This together with cost pressures explains why boards have been unable to plan to break even against forecast baseline budgets over the medium term ([Exhibit 4, page 15](#)).

31. Cost pressures were identified by boards in their three-year plans. These reflect some of the cost pressures highlighted in [paragraph 33](#) and in [Exhibit 5, \(page 16\)](#). Smaller and more rural boards often refer to recruitment challenges and continued high use of agency and bank staff. Other areas of challenge highlighted by boards include:

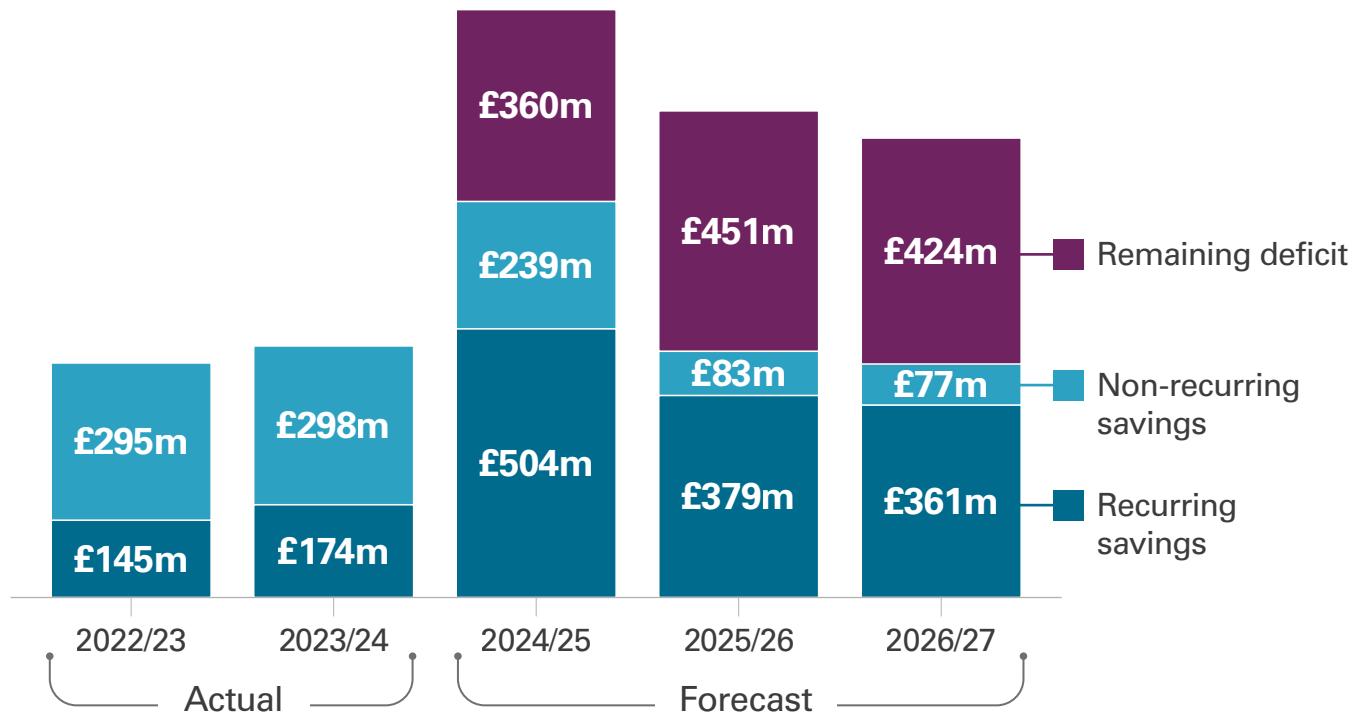
- making savings while managing increasing demand for services
- an ageing estate.

32. These challenges all contribute to NHS boards forecasting recurring deficits between 2024/25 and 2026/27, even if they achieve ambitious savings targets.

Exhibit 4.

Significant deficits are forecast over the next three years

This is expected to be the case even if savings are achieved and more savings are recurring.



Notes:

1. The total for 2023/24 differs from Exhibit 3 because of rounding.
2. Planned savings in 2024/25 are equivalent to 3.7 per cent of baseline RRLs. Planned savings in 2025/26 and 2026/27 are 3.1 and 3.3 per cent of forecast baseline RRLs. Remaining deficit is against forecast core RRLs.
3. Figures from 2023/24 onwards have not been adjusted by Audit Scotland as they were adjusted by boards when preparing their financial plans.

Source: Audit Scotland analysis of NHS audited information and the Scottish Government's summary of NHS board three-year financial plans submitted by NHS boards in 2024

Exhibit 5.

Banks faced significant cost pressures in 2023/24, many of which are likely to continue

Staff and prescribing costs are two areas which drive increases in spending.

Expenditure 2023/24		Change since last year ¹	Change since five years ago ¹
 Net expenditure	£18.4 billion	 2.1%	 20.4%
 Staff costs	£10.6 billion	 2.5%	 18.4%
Medical and dental staff	£2.5 billion	3.5%	
Nursing and midwifery	£4.0 billion	2.9%	
Other staff, including AHPs	£4.1 billion	1.5%	
 Agency staff costs²	£357.5 million	 -11.9%	 45.7%
Medical agency	£129.6 million	2.0%	
Nursing agency	£151.2 million	-16.1%	
 Nursing bank³	£338.8 million	14.8%	
 Prescribed drugs costs	£2.3 billion	 2.4%	 5.2%
In primary care	£1.2 billion	2.0%	-2.2%
In secondary care	£1.1 billion	2.8%	15.4%
 Net capital expenditure	£486.5 million	 -13.4%	 43.6%
 Clinical negligence and other risks indemnity scheme (CNORIS)	Set aside to manage future potential clinical negligence payments £824.9 million	 -3.5%	 -2.9%

Notes:

1. All changes are in real terms.
2. Overall agency staff costs include other staff costs as well as the medical agency and nursing agency detailed.
3. Costs related to the use of the nursing bank are not included within agency costs, or separately disclosed in NHS board accounts, but are published by NES.

Source: Audit Scotland analysis of NHS boards' 2023/24 audited accounts and NES workforce statistics

NHS boards faced significant increases in costs in 2023/24, with increases forecast to continue

33. NHS boards' ability to identify and make planned savings is affected by in-year cost pressures, for example in relation to staffing, prescribing and medical supply costs and general inflationary pressures.

34. Boards were successful in reducing spending on agency staff. Capital spending was also reduced, partly reflecting the pause in new projects ([paragraph 51](#)); and there were reductions in central costs for NHS boards related to the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) (Exhibit 5).

Most NHS spending is on staff costs and recent pay deals mean significant medium and longer-term spending commitments

35. Staff costs account for almost 60 per cent of annual NHS costs. In 2023/24, NHS boards spent £10.6 billion employing staff (a 2.5 per cent real terms increase from the £9.8 billion spent in 2022/23). Commitments on pay, and terms and conditions play an important role in recruiting and retaining staff. Increases in staff costs are the result of annual pay increments and nationally agreed pay deals as well as increases in staff numbers. [Exhibit 11, \(page 38\)](#) shows growth in staff numbers in recent years.

36. There is uncertainty around whether pay deals being negotiated in the rest of the UK will be funded from existing budgets or will be new allocations. This may mean there will be no additional funding for Scotland for the NHS pay deals through the Barnett funding mechanism.

37. In 2023/24, the Scottish Government increased NHS boards' budgets by a total of £526 million to cover new commitments, including about £390 million for pay deals. This included the average pay increases of 12.4 per cent and 6.5 per cent agreed on with resident doctors (previously junior doctors) and **Agenda for Change** staff respectively. This, however, did not cover the full costs of pay deals to boards. As [paragraph 25](#) sets out, the Scottish Government expect that the efficiency savings that NHS boards can retain, through their annual three per cent targeted savings, can be used to support other spending. This allows for additional funding to be directed to support pay commitments, as it assumes that the savings that boards make act as an effective increase to operational budgets.

38. Pay deals for NHS staff in Scotland have now been agreed. A pay offer of an average 5.5 per cent increase for Agenda for Change staff, an offer of 10.5 per cent increase for NHS consultants, and an offer of 11 per cent increase for resident doctors (formally called junior doctors) has been agreed. The Scottish Government has already informed boards



The **Agenda for Change**

agreement includes nurses, midwives, paramedics, allied health professionals, porters and others.

that additional funding will be made available to support these pay offers. The £116 million of health and social care savings will support boards in meeting these additional costs ([paragraph 16](#)).

Spending on agency staff was reduced in 2023/24, reversing recent trends, but is still significantly higher than five years ago

39. Following years of annual increases, the total amount that NHS boards spent on agency staffing reduced in the past year, falling from £382 million in 2022/23 to £358 million in 2023/24 (cash terms), with 12 boards spending less than the previous year. Adjusting this for inflation, spending fell by almost £50 million in real terms (12 per cent) and 16 boards spent less in these comparable terms.

40. Early in 2023/24, the Scottish Government removed financial flexibilities that were introduced during the Covid-19 pandemic to allow boards to respond to staffing needs. This will have contributed to the reduction in spending. Boards have reduced their reliance on agency staff and made better use of their own nursing banks as part of savings programmes ([paragraph 89](#)), bringing financial benefits and continuity in care. But spending on agency staff remains over 45 per cent higher in real terms than five years ago.

A lack of certainty about medium-term financial plans remains, and late funding allocations continue to make in-year financial management more difficult for boards

41. The absence of national plans that provide indicative medium-term financial planning assumptions, workforce projections and national priorities, continues to affect the ability of individual boards to identify the types of service transformation and reforms that are now necessary ([Appendix 2, page 44](#)).

42. The Scottish Government continues to allocate elements of funding on a one-off basis and towards the end of the financial year. This includes additional funding in budget revisions and brokerage, but also other non-recurring funding. This makes managing budgets in-year more difficult for boards. While boards have their own three-year financial plans in place, the absence of national plans makes it difficult for boards to plan over the medium term. Further progress is needed to provide more certainty for boards and allow them to effectively manage their budgets in-year and over the medium term.

43. The Scottish Government is helping boards achieve financial balance over the medium term by monitoring and engaging with individual boards, while also progressing national initiatives through the Scottish Government's Finance Delivery Unit (FDU). Part of the FDU's remit is to

liaise with its UK counterparts to learn from health systems across the UK that are facing similar financial challenges.

44. The FDU has engaged with NHS boards and embedded improvement tools into both in-year financial management processes and financial planning processes. A 15-box grid has been used by boards in 2023/24 to highlight savings opportunities, examples of good practice and to encourage learning. The FDU also met a commitment to distribute 80 per cent of total funding to boards in the first quarter of 2024/25.

45. The FDU is continuing to develop a suite of financial benchmarking measures and add them to the **Discovery** tool which provides service performance indicators to boards. Work is also ongoing to develop the Patient-level Information and Costing System (PLICS) pilot and roll it out across boards.

46. Individual boards are more actively monitoring their in-year position and savings, for example by forming new savings boards or through existing oversight groups meeting more frequently.

The Scottish Government is capping the additional financial support it will provide to boards in 2024/25

47. The Scottish Government has advised those boards that received brokerage in previous years that further loans would be capped in 2024/25. This reflects the increasing pressures on the health and social care budget and that funding given for brokerage, limits wider investment.

48. Boards submit their three-year financial plans to the Scottish Government for approval in March each year. For 2024/25 and 2026/27, the Scottish Government asked boards to include the following:

- plans to improve on the board's 2023/24 position
- plans to meet the three per cent recurring savings target
- a credible plan to meet any brokerage cap that the Scottish Government had previously communicated to boards.

49. The NHS Scotland Support and Intervention Framework recommenced in 2023/24.⁵ Financial engagement arrangements outlined in our [NHS in Scotland 2023](#) report now form part of the support for boards at specific intervention stages. Boards that needed brokerage in 2023/24 have been advised of brokerage caps and have resubmitted initial financial plans. The Scottish Government will monitor and engage with these boards more regularly as they look to return to a more financially sustainable position ([Exhibit 6, page 20](#)).



Discovery is an online management information system that provides approved users with access to comparative healthcare information. It supports performance and quality improvement across health and social care in Scotland.

Exhibit 6.

The NHS Scotland Support and Intervention Framework escalation levels, 2023/24 brokerage and 2024/25 brokerage caps

The majority of boards at higher escalation levels have required additional financial support.

NHS board	Primary factor for escalation	Financial support sought in 2023/24	Brokerage cap 2024/25
Stage 5: The level of risk and organisational dysfunction is so significant that the NHS board requires direct intervention.			
No boards at this level			
Stage 4: Significant risks to delivery, tailored support is not producing improvements, senior level external support required.			
No boards at this level			
Stage 3: Significant variation from plan, risks materialising, tailored support package is required.			
NHS Ayrshire and Arran	• Financial Management	£38.4 million brokerage	£27.7 million
NHS Borders	• Financial Management	£15.5 million brokerage	£14.8 million
NHS Forth Valley	• Governance, Leadership and Culture	No brokerage required	
NHS Highland	• Financial Management • Mental Health Performance	£29.5 million brokerage	£28.4 million
NHS Orkney	• Financial Management	£5.2 million brokerage	£1.0 million
NHS Tayside	• Mental Health Performance	£16.1 million brokerage	£17.2 million
Stage 2: Enhanced Monitoring, some variation from agreed plan(s), possible delivery risk if no remedial action is taken.			
NHS Dumfries and Galloway	• Financial Management • Mental Health Performance	£23 million brokerage	£22.0 million
NHS Fife	• Financial Management • Mental Health Performance	£14 million brokerage	£0 million
NHS Grampian	• Financial Management • Mental Health Performance	£24.8 million brokerage	£15.3 million

Cont.

NHS board	Primary factor for escalation	Financial support sought in 2023/24	Brokerage cap 2024/25
NHS Greater Glasgow and Clyde	• Infection Prevention and Control	No brokerage required	
NHS Lanarkshire	• Mental Health Performance	No brokerage required	
Stage 1: Steady State. NHS boards are delivering in line with agreed plans. Normal reporting arrangements in place.			
NHS Lothian	Steady state	No brokerage required	
NHS Shetland	Steady state	No brokerage required	
NHS Western Isles	Steady state	No brokerage required	
All National Boards	Steady state	No brokerage required	

Notes:

1. The framework applies to NHS territorial boards only. National boards are covered by separate arrangements.
2. NHS Tayside is at level 3 for mental health performance and level 2 for financial management.

Source: Scottish Government

Investment in new healthcare facilities remains paused and available budgets are not sufficient to maintain the existing estate

50. The health capital budget, like revenue funding, has been increasing in both cash and real terms but not all of it has been available to spend on new buildings and equipment or to maintain the existing estate. If funding for health research is excluded, the budget available to invest fell from £484 million in 2022/23 to £373 million in 2023/24. It will fall again in 2024/25 to £314 million.

51. The Scottish Government asked all NHS boards to review their capital expenditure during 2023/24 and to defer any discretionary expenditure, alongside its announcement to pause new projects, including the remaining national treatment centres (NTCs). Capital funding is now focused on maintaining the existing estate and completing projects already in construction. Reductions mean that the intention to double spending on maintenance over the current capital spending review period (2021/22 to 2025/26) will not be possible. These capital spending cuts will impact on the NHS's ability to address the pressures it is currently facing as well as investing in longer-term reform such as innovation and technology.

52. The general allocations made to NHS boards will be maintained in 2024/25, and all major projects under construction will be funded until they are complete (including Baird Family Hospital and ANCHOR Centre, Parkhead Health Centre, Queen Elizabeth University Hospital rectification and Golden Jubilee Phase 2). Funding will also be available for national programmes to replace ambulances and radiotherapy equipment. However, there is no indication of when investment in new projects, including the planned NTCs, will resume.

53. Boards are therefore now focusing on managing their existing assets and estates. This means having to keep increasingly older properties and equipment in good working order to ensure that patients are treated in safe environments. Boards have limited ability to increase capacity and the risk that elements of the estate will need to be closed (temporarily or permanently) is increasing. Estimates provided to us by boards, which will form the basis of upcoming Scottish Government publications on the age and condition of the NHS estate and 2023/24 spending, respectively, indicate that the costs of maintaining buildings, and general spending on utilities, will continue to increase.

54. As part of its preparations for a national capital investment and asset management strategy, the Scottish Government has asked all boards to submit updates on their existing estates, including estate management plans, by January 2025. Submissions must include maintenance only business continuity plans. These should be based on risk assessments of the existing estate, reflecting the increased risk of asset failure as buildings age and will provide a baseline of infrastructure need for Scotland.

NHS boards have commitments to paying significant sums as part of Public Private Partnership contracts. This will continue to affect budgets

55. Alongside investing and maintaining their own estates, NHS boards have made use of a range of different Public Private Partnership (PPP) contracts to make additional investments in health facilities. Under such contracts, the NHS board makes annual payments to the company tasked with building, maintaining and managing new facilities. Between 1997 and 2022, NHS Scotland signed around 50 of these contracts to build healthcare facilities worth £2.2 billion. Since then, £4.8 billion has been paid in **annual unitary charges**. A further £5.8 billion of payments is due before the last contract ends in 2045/46 ([Exhibit 7, page 23](#)).

56. A number of early private finance initiative (PFI) contracts are now nearing the end of their terms. The Scottish Government and NHS boards are now having to prepare for, and manage, complex closing arrangements which will potentially affect NHS boards' revenue and capital budgets ([Case study 1, page 24](#)).



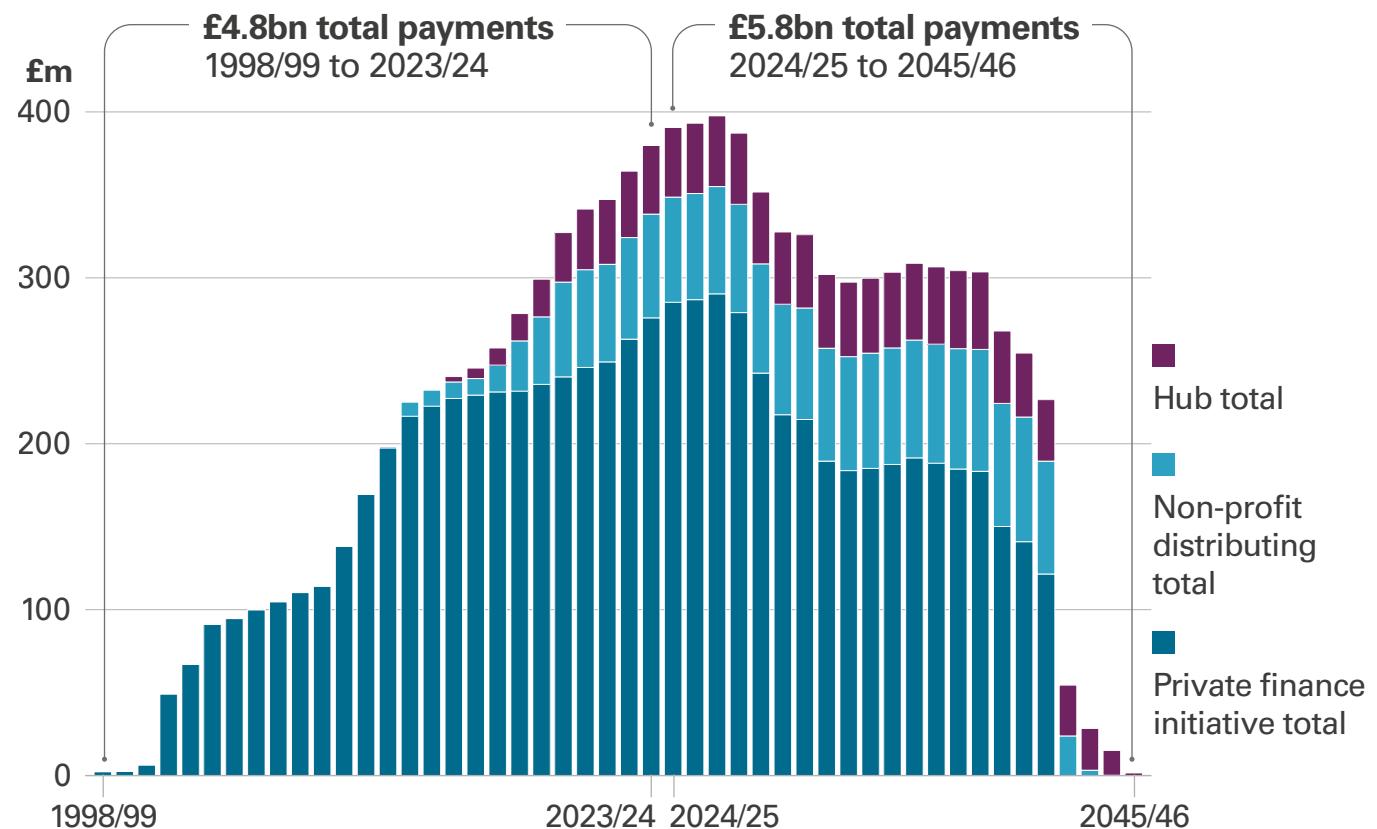
Annual unitary charges

These are the contractual payments that the public sector makes each year to the company set up to design, build, finance and manage the asset. The payments cover: interest charges; repayment of the money borrowed; ongoing maintenance of the asset; any other services the company is providing. The first two parts of this payment are generally fixed. Those related to maintenance and other services are often linked to inflation.

Exhibit 7.

Annual unitary charges payable under Public Private Partnership contracts

From 2024/25 until the final contract ends in 2045/46, NHS Scotland will make a further £5.8 billion of annual payments.



Source: Scottish Government and HM Treasury data as at 31 March 2023

Case study 1. Management of expiring Public Finance Initiative (PFI) contracts

Since the 1990s, a range of PPP contracts have been used to invest in additional public infrastructure. The Auditor General for Scotland and Accounts Commission reported on the successors to PFI, the non-profit distributing (NPD) and hub models, in a 2020 audit of privately financed infrastructure investment.

The contracts all involve creating a project company to build, maintain and manage the asset over the contract period (generally 25–30 years). The public sector then makes annual payments from its revenue budgets to use this asset. Contracts can cover a large building (such as a hospital) or multiple smaller buildings (such as health centres).

Newer contracts are more standardised, with the assets (maintained to an agreed standard) transferred automatically to public ownership at the end of the contract. For some earlier PFI contracts the transfer does not happen automatically and is subject to negotiated additional payments.

Under earlier PFI contracts, the assets can remain with the project company at the end of the contract period, if the NHS board does not pay a negotiated exit fee, be subject to an agreed extension of the contract or be transferred to the NHS board at a fixed cost. In some cases, the board needs to undertake a procurement exercise to provide the service elements of the contract (such as maintenance), even after ownership of the asset has been transferred to the NHS board.

Some smaller PFI contracts were for shorter periods, with a small number bought out by the public sector before the contract was due to end. Most PFI contracts, however, are still active and many are approaching their end dates.

Six NHS Scotland PFI contracts are due to expire before 2030:

- NHS Greater Glasgow and Clyde: Larkfield (2026)
- NHS Highland: New Craigs Hospital (2025)
- NHS Lanarkshire: Wishaw General (2028)
- NHS Lothian: Tippethill Hospital (2025), Ellen Glen's House (2029)
- NHS Tayside: Carseview Centre (2026).

In addition to this the PFI primary period of NHS Lothian's Royal Infirmary of Edinburgh ends in 2027.

A joint NHS National Services Scotland and Scottish Futures Trust team are supporting the boards in managing the contract end periods, including the inspection of the condition of assets and the negotiation of any contractual terms or exit payments.

The expiring contracts have a range of exit options. Boards have already entered into negotiations about paying exit fees, extending the contracts for a shorter fixed period, and notifying the company of their intention to staff and maintain the buildings in-house.

All of these options come at a cost to NHS boards. While their annual payments under the contracts will stop, expiring contracts will continue to affect both revenue budgets and capital budgets. The Scottish Government have already committed to meeting the contractual payment that NHS Tayside will need to make for the Carseview Centre (capped at £1.5 million).

It is important that the Scottish Government ensures that learning from current negotiations is shared across the sector and wider public sector. It must also provide certainty about what support it will offer for facilitating asset purchases or transfers (capital costs) and, subsequently, for ensuring that services continue to be provided by boards to patients (revenue costs).

Source: Audit Scotland

2. Operational performance and challenges

The NHS in Scotland is currently not able to keep up with increasing demand across the health and social care system

Scotland's NHS is still struggling to deliver care in a timely way; most waiting times standards are not being met

57. Our [NHS in Scotland 2023](#) report noted that Scotland's NHS boards were not meeting most waiting times standards. This is still the case, with only two out of nine national standards that we looked at for this report being met as at the quarter ending June 2024. Performance against five of the standards improved in the year to June 2024, but overall performance has not changed markedly at a national level in the last year ([Exhibit 8, page 27](#)).

58. Performance against individual standards varies across boards, shown in [Appendix 3, \(page 46\)](#). Three standards, however, have not been met by any board in the last year, reflecting the continued growth in demand for services and in waiting lists for planned care:

- people referred for a new outpatient appointment should be seen within 12 weeks
- people should begin inpatient/day case treatment within 12 weeks of the decision to treat
- people referred for planned care should begin treatment within 18 weeks.

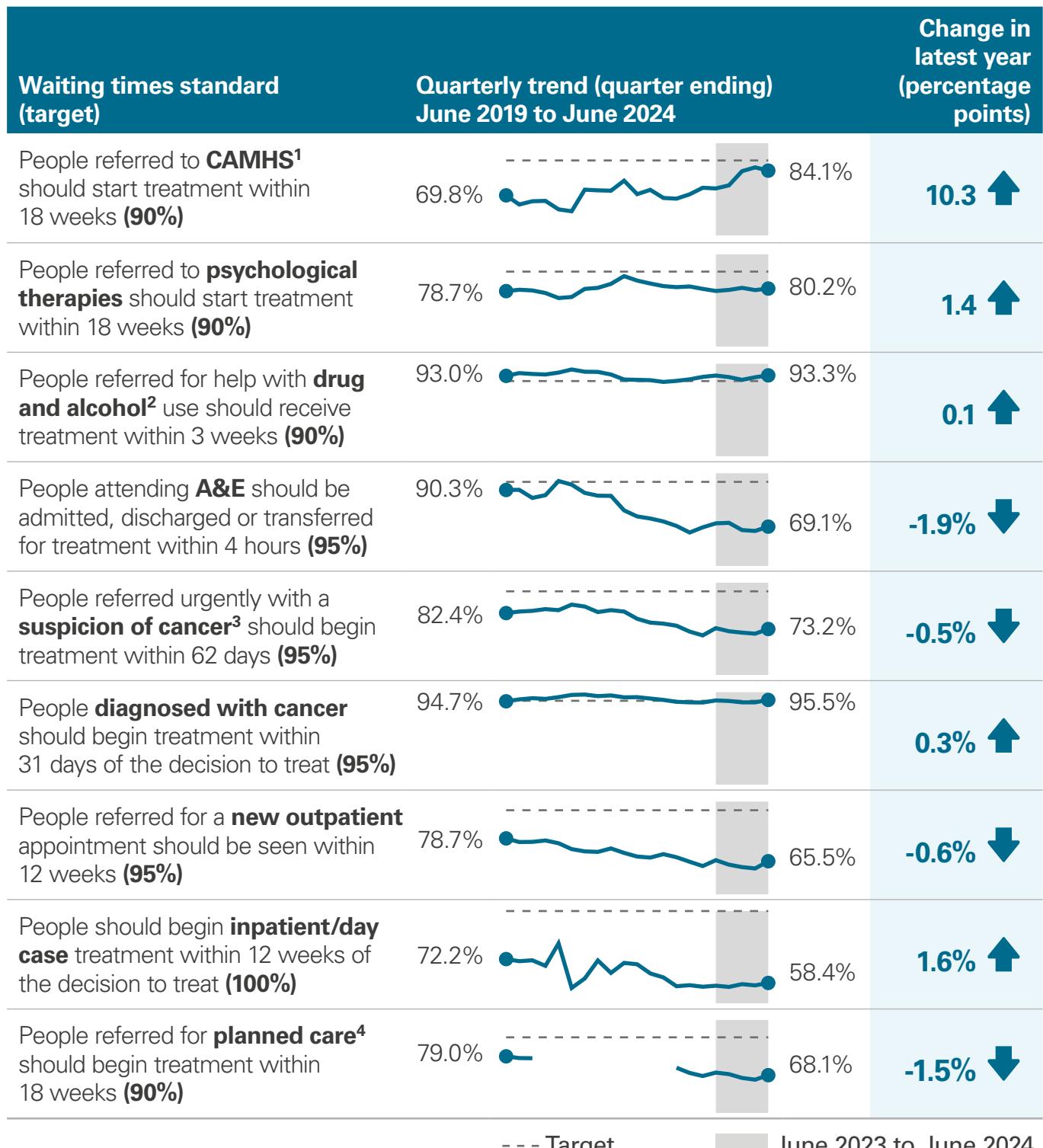
59. Although waiting times standards are an official measure of performance, they do not provide a comprehensive picture of service performance. Performance against the standards continues to be influenced by the backlog of care that built up during the pandemic, efforts to reduce the number of long waits for planned care, the availability of staff and hospital beds, and other factors that affect activity and capacity.

60. There are, however, some areas of improvement. Over the last year, performance against the Child and Adolescent Mental Health Services (CAMHS) standard, while still not reaching the national target of 90 per cent of people referred starting treatment within 18 weeks, increased by 10.3 percentage points from 73.8 per cent for the quarter ending June 2023 to 84.1 per cent for the quarter ending June 2024.⁶

Exhibit 8.

Performance against key waiting times standards, June 2019 to June 2024

Only two of nine waiting times targets were being met by the end of 2023/24.



--- Target

June 2023 to June 2024

Notes:

1. Child and Adolescent Mental Health Services (CAMHS).
2. Drug and alcohol standard includes community and prison-based services only.
3. The cancer waiting times standards do not apply to all referrals/cancers.
4. National trend data for the referral to treatment standard is unavailable for some quarters.

Two boards have shown a notable and sustained improvement against this standard. NHS Forth Valley saw an increase from 33.4 per cent of people starting treatment within 18 weeks in the quarter ending June 2023 to 97.9 per cent in the quarter ending June 2024 ([Case study 2, page 29](#)), and NHS Tayside saw an increase from 61.9 per cent in the quarter ending June 2023 to 97.9 per cent in the quarter ending June 2024.

61. In its Programme for Government 2024–2025, the Scottish Government set out an aim to clear backlogs for CAMHS services by December 2025.⁷ Learning from improvements and sharing lessons learned across boards will be important if this is to be achieved.

Planned care activity has increased in the last year, but so has demand, so waiting lists continue to grow

62. The number of both new outpatient attendances and inpatient/day case admissions have increased steadily over the last three years, but planned activity remains lower than before the pandemic. In the year to June 2024, there were 1.26 million outpatient attendances at a consultant led clinic and 250,880 inpatient/day case admissions. The equivalent attendances and admissions in the year to June 2019 were 1.43 million and 279,937 respectively ([Exhibit 9, page 30](#)).⁸

63. The number of ongoing waits has continued to grow in the last year. The rate of increase in ongoing waits has started to slow for both outpatients and inpatient/day cases, however overall activity remains lower than before the pandemic. The number of new outpatient ongoing waits increased by seven per cent in the year to June 2024, compared with the previous year's increase of 16.5 per cent. The ongoing waits for inpatient/day cases increased by 3.95 per cent in the year to June 2024 compared with an increase of 7.9 per cent in the previous year (Exhibit 9).

64. Waiting lists and waiting times continue to be particularly long for some specialties. For example, nearly a third of waits for inpatient/day case treatment are for an orthopaedic procedure, and the number of waits for this specialty increased to 45,984 in the year to March 2024 (+2 per cent). Orthopaedics has the highest number of ongoing waits lasting over 18 months (5,082 or 11 per cent of all ongoing waits within this specialty).

Case study 2.

Positive change for Child and Adolescent Mental Health Services (CAMHS) in NHS Forth Valley

NHS Forth Valley set out to improve its performance against the national waiting times standard for CAMHS, which is that 90 per cent of people referred should start treatment within 18 weeks. NHS Forth Valley last met this standard in March 2019, and other NHS boards are also finding it hard to meet.

In January 2022, NHS Forth Valley implemented the Choice and Partnership Approach (CAPA). CAPA focuses on the service user and their family. The CAPA model has been used with success in other areas of the UK and in Australia, New Zealand and Canada. It aims to increase the range of treatment options available and ensure oversight of demand for the service and capacity. The CAPA model is centred on a 7 Helpful Habits Assessment Scale that services can evaluate themselves against and make improvements accordingly. These habits are:

- handling demand
- extending capacity
- letting go of families
- process mapping
- flow management
- using care bundles
- looking after staff.

NHS Forth Valley has increased its capacity by recruiting dedicated CAMHS professionals. The board, along with NES, is also looking into training opportunities to enhance the skill set of the whole team.

As at the end of May 2024 there were no children or young people on the waiting list for more than 18 weeks for an initial assessment. In comparison to May 2023 where there were 217 patients waiting more than 18 weeks for an initial assessment, of which 28 patients had been waiting over 52 weeks to start treatment.

Source: Audit Scotland using information from NHS Forth Valley

Exhibit 9.

New outpatient and inpatient/day case waiting list activity, size and waiting times

Planned care activity has increased in the last year, but so has demand, and so waiting lists continue to grow.

New outpatient waiting list activity	Year to June 2019	Year to June 2023	Latest year to June 2024	Latest year change
Attendances	1,435,767	1,231,060	1,264,565	 2.7%
New outpatient ongoing waits and waiting times ¹	End of June 2019	End of June 2023	End of June 2024	Latest year change
Number of ongoing waits	323,403	521,447	558,896	 7.0%
Waits over 1 year	3,670	37,544	58,191	 54.9%
Waits over 18 months	1,237	5,410	12,331	 127.9%
Waits over 2 years	845	1,202	2,024	 68.3%
Inpatient/day cases waiting list activity	Year to June 2019	Year to June 2023	Latest year to June 2024	Latest year change
Admissions	279,937	227,297	250,880	 10.4%
Inpatient/day case ongoing waits and waiting times	End of June 2019	End of June 2023	End of June 2024	Latest year change
Number of ongoing waits	76,234	149,643	155,558	 3.9%
Over 1 year	1,904	36,437	37,972	 4.2%
Over 18 months	645	17,045	17,263	 1.3%
Over 2 years	251	6,730	7,146	 6.2%

Note 1. Before October 2019, the new outpatient waiting lists included some patients waiting for a diagnostic test. These patients are no longer included in this list, so caution is needed when comparing figures with those of later years.

Source: Public Health Scotland

Commitments to reduce the backlog of care have yet to be met

65. In July 2022, the Scottish Government announced targets to eliminate long waits for new outpatients and inpatient/day cases in most specialities.⁹ Although some progress has been made in clearing the longest waits (over three years), key targets for eradicating long waits have been missed and ongoing waits in all three measures (waits over two years, 18 months and one year) have increased over the last year (Exhibit 9):

- At June 2024, there were 2,024 ongoing waits for a new outpatient appointment, where patients have been waiting for over two years, across 24 out of 41 specialities.
- At June 2024, there were 7,146 ongoing waits for inpatient/day case treatment, where patients have been waiting for over two years, across 19 out of 30 specialties.

66. The Scottish Government renewed its commitments to reduce waiting lists and waiting times year-on-year in its policy prospectus in April 2023.¹⁰ But as noted, waiting lists and waiting times have increased over the year to June 2024 (Exhibit 9). We recommended, in our [NHS in Scotland 2023](#) report, that the Scottish Government confirm which indicators will be used to measure year-on-year reductions in waiting times but this has not been done. Being transparent on the measures to be used will be important in assessing progress and planning further activity.

Unless the NHS in Scotland increases hospital activity and transforms services to focus on prevention and care closer to home, it is likely that waiting lists and waiting times will continue to grow

67. As outlined in Exhibit 9, overall planned care activity is still running below pre-pandemic levels. In its annual Scottish budget report, published in February 2024, the Institute for Fiscal Studies analysed Scottish health spending, staffing and activity. The findings from its work suggests that, following the pandemic, even with more money and staff, hospital productivity has fallen significantly. The Institute for Fiscal Studies concluded that, 'without a substantial boost to hospital productivity, there is a risk that even additional funding and staffing will not bring the Scottish NHS back to pre-pandemic performance'.¹¹

68. Measuring NHS productivity is complex and different factors could be contributing to the reduction in activity in hospitals. These include, a lack of investment in infrastructure, workforce factors (such as the impact of vacancies and increased staff absence), patients requiring more care in hospital because they are sicker than before the pandemic and difficulties in discharging patients from hospitals.^{12, 13}

69. Our NHS in Scotland 2023 report detailed the progress made on developing a network of National Treatment Centres (NTCs). NTCs are one of the Scottish Government's key measures aimed at increasing activity and addressing waiting lists. The original commitment made in the NHS Scotland Recovery Plan 2021–2026 was for ten new NTCs to deliver 55,000 additional inpatient/day case procedures by 2026.¹⁴ Five NTCs are now operational but a pause on the development of the remaining five NTCs was announced at the end of 2023.¹⁵ No date has been set for these projects to be restarted [\(paragraph 52\)](#).

70. In its Programme for Government 2024–2025, the Scottish Government has reiterated a commitment to 'strengthen the performance of the NHS...and tackle waiting times and backlogs'.¹⁶ This programme includes a range of commitments to increase activity and improve productivity.

71. The gap between capacity and demand is likely to grow in the coming years without further intervention. The gap is unlikely to be bridged solely through performance improvements unless planned care capacity is increased and there is a transformation in services and models of care which focus on prevention [\(paragraph 100\)](#) and care closer to home.

Unscheduled care continues to experience sustained pressure resulting in accident and emergency waiting times remaining considerably below target

72. According to activity data published by Public Health Scotland (PHS), there are fewer unplanned A&E attendances now than before the pandemic.¹⁷ In the year to August 2019 there were 1.7 million unplanned A&E attendances. This compares with 1.6 million in the year to August 2024. There are, however, now attendances at A&E that are scheduled, as part of flow navigation initiatives. PHS intend to include planned attendance figures in published statistics from February 2025.

73. The A&E waiting time standard is an important indicator of pressure throughout the acute care system. It states that 95 per cent of people attending A&E should be seen and admitted, discharged or transferred within four hours. Performance against the four-hour standard has remained about 70 per cent nationally with a high number of waits over 12 hours. Performance in the most recent month (August 2024) has fallen and is lower than at the same point a year ago.

74. An expert group was created in October 2023 to review the emergency access standard. The review considered which patients should be included in the standard, based on new models of care and service delivery, and how the standard could be applied consistently across NHS Scotland. The recommendations of the expert group have now been published and are now being used by PHS to develop new

reporting guidance for boards, with planned attendances to be included within the emergency access standards. The revised standard will be in place from December 2024.¹⁸

The Scottish Government and NHS boards have been working to find ways to make sustainable improvements in unscheduled care

75. There are activities taking place to improve performance in unscheduled care. This includes initiatives through the Urgent and Unscheduled Care Collaborative:

- urgent care pathways in the community
- flow navigation centres/redesign of urgent care
- Hospital at Home services
- assessment and care pathways in Accident and Emergency (A&E) departments
- and hospital discharge planning.

76. Flow navigation centres and the redesign of urgent care aim to reduce the number of people who self-present at hospital, particularly when this is not the best place for them to receive care. When they need to attend an A&E department patients can be offered a scheduled or 'planned' time to attend.

77. The Centre for Sustainable Delivery (CfSD) also recently carried out work in each NHS board to identify opportunities for improving unscheduled care. Data supplied by each health board and health and social care partnership (HSCP), along with nationally available data was used to identify the best opportunities for improvement. Across health boards the greatest opportunities that were identified included reducing the length of stay of over 14 days for non-delayed patients and increasing short stays of less than 72 hours.

78. Reports for each board, outlining the improvement aims, were shared in February 2024. Boards are now implementing their own improvement plans. For example, NHS Lothian was issued with 12 areas for improvement and is putting in place initiatives as part of their delivery plans and work with the HSCP on a discharge framework, these include:

- optimising the public 111 pathway and signposting and scheduling of minor injury appointments
- reviewing models of care with the aim of increasing the number of patients on accelerated pathways and discharged within 48 hours of admission.

79. The Scottish Government is now putting in place monitoring plans for the next phase of this improvement work.

Delayed discharge rates are at their highest on record and hospital occupancy is still putting pressure on the health and care system

80. The number of patients whose discharge is delayed continues to impact on the ability of a hospital to move patients through the hospital to the right care and treatment. Patients whose discharge is delayed can also have poorer experiences and poorer outcomes. Delayed discharges are now at the highest levels since the current guidance came into place in July 2016.

81. The year to March 2024 saw 666,190 days spent in hospital by people whose discharge was delayed. These delays represent an average 1,820 daily hospital beds used by people delayed in their discharge and is the highest annual figure on record.

82. The average number of beds occupied by delayed discharges also continued to increase throughout the summer months in 2024. This means that the winter period, which typically experiences higher overall demand and a surge in delayed discharges, will begin under significant pressure. By August 2024, the average daily number of beds occupied by delayed discharges was 2,000, this is higher than the peak in November 2022 (1,950) and is the highest monthly number since the current guidance came into place in July 2016.

83. The severity of the situation varies among NHS boards and local authority areas. NHS Highland has a high number of patients whose discharge has been delayed, relative to the size of its population, whereas in NHS Tayside the situation is relatively low. The Scottish Government has created a rapid peer review and response team to deploy additional support and provide practical help and capacity to the boards and HSCPs that are experiencing the most challenge in sustaining a reduction in delayed discharges.

84. The average occupancy rate for acute specialty beds across NHS Scotland was 87.5 per cent for the year ending to March 2024. The Delayed Discharge and Hospital Occupancy Plan ([Exhibit 10, page 35](#)) indicates that boards should be aiming for a hospital occupancy rate of around 85–89 per cent. This annual figure does not capture the variation among hospitals or peaks in particular months or weeks. Board-level data shows that six boards had an average hospital occupancy rate above 90 per cent in 2023/24.

85. Hospital occupancy rates and patient flow are affected by the number of delayed discharges, but also by the length of time patients stay in hospital even when their discharge is not delayed. The average length of stay associated with all inpatient discharges, delayed or otherwise, had been decreasing prior to the Covid-19 pandemic (to a low of 6.08 days in 2018/19). It has increased in recent years although fell this year from a peak in 2022/23 (6.7 days in 2023/24 compared with 7.1 days in 2022/23).

Exhibit 10.

Delayed discharges

The Scottish Government has put in place a number of initiatives to help reduce delayed discharges.

Initiative	Description
 Delayed Discharge and Hospital Occupancy Plan (The Plan)	<p>The Delayed Discharge and Hospital Occupancy Plan was issued to boards in March 2023. It is the main plan for boards to implement or mainstream actions. Boards are now carrying out self-assessments against the plan.</p>
 Collaborative Response and Assurance Group (CRAG)	<p>CRAG was set up by the Scottish Government and Convention of Scottish Local Authorities (COSLA), in July 2024, to look at the pressures caused by delayed discharge and take action to achieve a sustainable reduction in delayed discharge.</p>
	<p>CRAG meets weekly and is co-chaired by the Cabinet Secretary for NHS Recovery, Health and Social Care and the COSLA spokesperson for Health and Social Care.</p> <p>CRAG agreed to reduce the number of people whose discharge was delayed to pre-pandemic levels before the beginning of winter 2024. This reduction looks unachievable given that the latest figures show an overall continued increase (paragraph 80).</p>
 Rapid peer review and response team	<p>Set up by the Scottish Government to deploy additional support and provide practical help to the NHS boards and HSCPs that are having difficulty in sustaining a reduction in delayed discharges.</p>
 Improved data	<p>For 2023/24 this workstream within 'the plan' has focused on ensuring timely and consistent data is available. It aims to help understand the problem and variation in improvement across Scotland.</p>
	<p>Two dashboards have been developed to monitor system resilience, and to inform national and local decision-making about how to prioritise targeted support:</p> <ul style="list-style-type: none"> • The Social Care Response and Delayed Discharge dashboard – to improve access to information relating to delayed discharges and care home/care at home activity and capacity. • The Health and Social Care Whole System and Winter (situational) dashboard – to improve information about seasonal winter illnesses and more than 30 indicators of whole system performance (for example NHS 24, ambulance service, A&E, delayed discharge, care homes/care at home, staff sickness data).

Cont.

Initiative	Description
 Hospital at Home	<p>Hospital at Home helps to reduce unscheduled care attendances, hospital admissions and delayed discharges. It allows acute care to be provided to more patients in their own homes and has lower overall running costs than inpatient capacity. It is reported to have prevented over 14,000 older people from spending time in hospital between April 2023 and March 2024.</p> <p>The Scottish Government has funded Hospital at Home directly but despite achieving its impact funding decisions have meant that additional Scottish Government funding for Hospital at Home has not been continued beyond March 2024. Some boards have stepped down this capacity or have not been able to expand the service this year.</p>

Source: Audit Scotland using information from Scottish Government

Measures to tackle delayed discharges have been put in place but these have still to demonstrate impact

86. Alongside work to reduce attendances, admissions and length of hospital stay, the Scottish Government has put in place initiatives to help reduce delayed discharges (Exhibit 10).

87. The Scottish Government's Programme for Government published in September 2024, reiterated its commitment to reducing delayed discharges and the variation in practice across Scotland. It outlined activities such as ensuring that partners work together to support effective discharge and reducing hospital admissions by providing the right care in the right setting including through Hospital at Home (Exhibit 10).

88. What is clear is that despite a lot of focused work, hospital flow has not yet improved. As at autumn 2024, several systemic pressures in NHS Scotland remained unresolved, despite long-term work focused on tackling them. Changing this situation will rely on the wider, more rapid and sustainable reform of services and investment in preventative measures. It will also require a shared sense of responsibility and collaboration across the whole system. The Auditor General plans to consider these issues further in an audit of [General Practice and progress with the 2018 General Medical Services contract](#) in early 2025.

Despite growth in the workforce across several medical professions, vacancies remain unfilled and high levels of staff absences continue to put pressure on staff and the wider system

89. The workforce is the NHS's most important asset. The NHS depends on having the appropriate number of staff, in the right place, with the appropriate skills. The number of staff employed by the NHS in Scotland has increased over the last five years.¹⁹ Boards' reliance on agency staff, is still higher than before the pandemic but it has decreased over the past year, while the use of bank staff has increased ([Exhibit 11, page 38](#) and [paragraph 34](#)).

90. The number of vacancies across professions remains a pressure although the picture is much improved since last year. There has been a decrease in vacancies in nursing and midwifery, allied health professions and medical and dental consultants.

91. The turnover rate for the NHS workforce has fallen to 6.6 per cent, from 9.4 per cent in 2022/23, although turnover rates for staff in medical roles remain above the average. Before the pandemic, the turnover rate was largely stable. It fell during the pandemic (5.2 per cent in 2020/21) and then rose sharply, partially due to the expiry of fixed-term contracts among temporary staff taken on during the pandemic (9.4 per cent in 2022/23). Early indications are that the turnover rate is returning to pre-pandemic levels.

92. Workforce capacity is affected by high rates of sickness absence. The rate of staff sickness absence remained at 6.2 per cent, the same as in 2022/23, equivalent to 9,991 whole-time equivalent (WTE) staff over the year (WTE is the number of employees in an organisation adjusted to take part-time staff into account). This is above the four per cent national standard rate of sickness absence set by the Scottish Government, and is the highest rate reported in the last ten years.

93. [NHS in Scotland 2023](#) reported that there remains significant pressure on NHS staff. In July 2024, the [Scottish Government published a vision](#) to improve wellbeing and working cultures across the health, social care and social work workforce. They now plan to prepare an action plan to be shared with stakeholders by the end of the financial year that will outline the work to deliver the vision.²⁰

Exhibit 11.

NHS Scotland workforce: June 2019 to June 2024

The NHS Scotland workforce has grown in the last five years, vacancies and turnover have decreased in the last year, but sickness absence remains high.

NHS Scotland		
	Whole-Time Equivalent (WTE)	
June 2024	160,066	Sickness absence
June 2019	140,327	2023/24 6.2%
	Headcount	2018/19 5.4%
June 2024	186,293	
June 2019	163,610	Turnover rate
Medical and dental (WTE)		
June 2019	13,244	Turnover rate 2023/24 12.0%
June 2024	15,567 (+18%)	Vacancies¹ Number Rate
Nursing and midwifery (WTE)		
June 2019	59,243	Turnover rate 2023/24 7.1%
June 2024	66,725 (+12%)	Vacancies Number Rate
Allied health professions (WTE)		
June 2019	11,852	Turnover rate 2023/24 7.4%
June 2024	13,959 (+18%)	Vacancies Number Rate

Note 1. Consultant grades only

Source: NHS Education for Scotland

The need for reform is more urgent than ever. Its scale and pace must increase if pressing capacity and affordability issues are to be addressed

94. Over recent years we have regularly called for the NHS to drive forward innovation, reform and long-term fundamental change. Our [NHS in Scotland 2023](#) report made clear the urgency of the issues faced. This year's report details a worsening financial position and ongoing performance issues.

95. There are a range of projects and initiatives aiming to improve productivity and outcomes for patients but the impact of these across the system has yet to show evidence. That is why we call again this year, for clear and transparent annual progress reports on the work to reform services. These should show the effectiveness and value for money of new innovations and ways of providing NHS services.

The Scottish Government's restated vision for health and social care lacks significant operational detail in terms of how it will contribute to ensuring that services remain affordable

96. In our NHS in Scotland 2023 report, we noted that a range of strategies, plans and policies are in place for the future delivery of healthcare, but that no overall vision had been set out. To shift from recovery to reform, the Scottish Government needed to lead the development of a national strategy for health and social care. It should include investment in preventative measures and put patients at the centre of future services. It should set out priorities that support system-wide reforms.

97. In response to this, in June 2024, the Cabinet Secretary for NHS Recovery, Health and Social Care described his overarching vision: 'a Scotland where people live longer, healthy and fulfilling lives'. He said this vision is supported by four key areas of work: improving population health, a focus on prevention and early intervention, providing quality services, and maximising access, with all of these underpinned by putting people at the heart of those services.^{[21](#)}

98. But the Cabinet Secretary for NHS Recovery, Health and Social Care has also been clear that no work will be undertaken to produce a strategy that sets out how the Scottish Government intend to deliver this vision because it is felt that existing plans and strategies are already aligned to it. Yet, this vision is a restatement of the 2020 vision and is reliant on a number of the same delivery plans. Moreover, the 2020 vision was not delivered.

99. In the absence of a delivery plan, it remains unclear what the national priorities and plans for reform are; how these will be delivered; and how progress on achieving the vision and reforms will be measured and monitored.

An increased and ongoing focus on preventing ill health is needed to manage current and future demand for healthcare

100. The Chief Medical Officer's 2023–24 annual report highlights the need to focus on a health and care system that focuses on 'equity, prevention and early intervention'. To manage current and future demand on the whole health and care system, a whole-system approach to improving the health of the Scottish population is essential. Without an increased and ongoing focus on prevention, it is likely that any increases in activity or short-term service reforms will remain insufficient to respond to growing demand.

101. To help support the vision outlined above, the Scottish Government and COSLA are leading on the development of a Population Health Framework. The framework is intended to take a cross-government and cross-sector approach to improve the factors which shape people's health and wellbeing.

102. It is intended that the framework will set out how the Scottish Government, COSLA, Local Government, the NHS and partners across business, the third sector and communities themselves, can focus on and increase primary prevention measures, which means actions that try to stop health problems happening (for example, by improving the conditions in which people work, live and grow). The framework is due for publication at the end of 2024.

103. The framework is a promising development but it remains to be seen what takes priority, how actions will be delivered and monitored, and whether the cross-government and cross-sector buy-in required, can be achieved.

Difficult choices will need to be made about what level and types of services can be provided in future

104. The Scottish Government now need to focus more on longer-term reform, including difficult decisions about what the NHS should potentially stop doing. Difficult choices will need to be made about what level and types of services can be provided in future, including how and where they will be provided. It is likely that some fundamental changes may need to be made to the overall shape and focus of health and care services. These changes will directly affect us all. As such, it is important that citizens and communities are involved in the decisions that need to be made about how services might change in the future.

105. In June 2024, the Cabinet Secretary for NHS Recovery, Health and Social Care called for a 'national conversation' about how the health service can be reformed to help meet today's challenges while remaining free at the point of use. There is a lack of evidence of progress with this 'national conversation'.²²

Effective leadership and good governance are required to support longer-term reform

106. Effective leadership and collaboration are essential to enable the more radical decisions required around service reform. [Our report on the Scottish Government's approach to fiscal sustainability and reform](#) outlined a need for greater leadership and strategic direction on reform. A clear vision and strategic direction for reform from senior leaders will help public bodies work together and provide them with assurance that they are working towards the same goals and objectives.

107. This is the first year of our revised approach to overview reporting. Our first NHS spotlight publication will focus on governance. This will allow us to assess how well leadership, scrutiny and governance are operating to support financial management, service performance and longer-term reforms. We will report on this in the spring of 2025.

Endnotes

- 1** Scotland's Fiscal Outlook: The Scottish Government's Medium-Term Financial Strategy, Scottish Government, May 2023.
- 2** Fiscal Sustainability Report – March 2023, Scottish Fiscal Commission.
- 3** Letter from the Cabinet Secretary for Finance and Local Government to the Convener of 3 September 2024.
- 4** Official Report Health, Social Care and Sport Committee, The Scottish Parliament, January 2024.
- 5** Previously known as the NHS Scotland Performance Management Framework, or escalation, it was renamed in September 2023.
- 6** Child and Adolescent Mental Health Services (CAMHS) waiting times data, Public Health Scotland.
- 7** Programme for Government 2024 to 2025, Scottish Government, 4 September 2024.
- 8** NHS Waiting times – stage of treatment. Inpatients, day cases and new outpatients quarter ending 30 June 2024, Public Health Scotland.
- 9** New national targets to tackle long waits for planned care, Scottish Government, July 2022.
- 10** Equality, opportunity, community: New leadership – A fresh start, Scottish Government, 18 April 2023.
- 11** IFS Report R298, Healthcare spending, staffing and activity, Institute for Fiscal Studies, 9 February 2024.
- 12** Ibid.
- 13** NHS Financial Management and Sustainability 2024, National Audit Office, 23 July 2024.
- 14** NHS Recovery Plan 2021–2026, Scottish Government, August 2021.
- 15** Major Capital Projects progress update, Scottish Government to PAC, 16 October 2024.
- 16** Programme for Government 2024–25: Serving Scotland, Scottish Government, 4 September 2024.
- 17** Accident and Emergency Activity data, Public Health Scotland, August 2024.
- 18** Four Hour Emergency Access Standard: Expert Working Group recommendations report, Scottish Government, October 2024.
- 19** NHS Scotland Workforce, NHS Education for Scotland, September 2024.
- 20** Health and social care: improving wellbeing and working cultures, Scottish Government, July 2024.
- 21** Vision for health and social care: Health Secretary speech, 4 June 2024.
- 22** Ibid.

Appendix 1

Audit methodology

We aim to answer the following audit questions in this report:

- What was the financial performance of the NHS in Scotland, and what is the medium-term financial outlook?
- How is the NHS in Scotland addressing operational challenges and performing against national commitments, for example waiting times standards?

Our findings are based on:

- the 2023/24 audited accounts and annual audit reports of NHS boards and supplementary returns provided by appointed auditors
- analysis of NHS board accounts and Scottish Government budget documents
- relevant Scottish Government strategies, plans and publications
- activity and performance data published by PHS, NES and other national boards.

This central work was supplemented by a series of interviews and discussions with senior Scottish Government staff alongside our wider ongoing programme of stakeholder engagement across the health and social care sector.

Advisory panel

To support our work, an advisory panel was established to provide feedback and insight at key stages of the audit process. Members sat in an advisory capacity only and the content and conclusions of this report are the sole responsibility of Audit Scotland.

We wish to extend our thanks to the members of the panel: Caroline Hiscox (NHS Lothian); Stuart Lyall (NHS Tayside); Neena Mahal (NHS Forth Valley); Alan Payne (Scottish Government); and Claire Gardiner (Audit Services Group, Audit Scotland).

Appendix 2

Progress against the recommendations in NHS in Scotland 2023

Our new approach to overview reporting, and an earlier publication date than in recent years, means that progress cannot be assessed against a small number of recommendations from our 2023 report.

Recommendations for the Scottish Government	Progress/status
Develop and publish a national NHS capital investment strategy in 2024, stating how spending is being prioritised, and the overall estate is being managed.	<p>In progress</p> <p>NHS boards are currently preparing initial returns to the Scottish Government.</p>
Ensure that the relationship between new financial engagement arrangements and the NHS Scotland Support and Intervention Framework is widely understood by stakeholders ahead of NHS boards preparing and submitting their 2024/25 to 2026/27 financial plans.	<p>Complete</p> <p>Financial engagement arrangements are no longer a separate process and are now part of the formal NHS Scotland Support and Intervention Framework.</p>
Publish a revised Medium-Term Financial Framework (MTFF) for health and social care, following publication of its wider Medium-Term Financial Strategy (MTFS) in 2024.	<p>In progress</p> <p>The Scottish Government intends to publish the revised MTFF in summer 2025.</p>
Confirm which indicator(s) will be used to measure year-on-year reductions in waiting times.	<p>No progress</p> <p>There has been no clarification on the indicators.</p>
Publish an update to the National Workforce Strategy for Health and Social Care that includes guidance on improving staff wellbeing and culture and indicative workforce growth projections for 2024.	<p>In progress</p> <p>The Scottish Government plans to provide an update on the delivery of the National Workforce Strategy but no timeline is confirmed. It published a vision to improve wellbeing and working cultures across our health, social care and social work workforce in July 2024. An action plan to deliver this vision is being developed. A workforce planning tool which projects the NHS workforce has been developed in collaboration with Scottish Government NHS Education for Scotland. The Scottish Government report that they are considering the best way to provide future workforce information across the health and social care system including assumptions about workforce growth.</p>
	<p>Cont.</p>

Recommendations for the Scottish Government	Progress/status
<p>Revisit NHS Recovery Plan commitments and use its annual progress updates to report clearly and transparently on what progress has been made and whether those commitments, or the targets and delivery timeframes related to them, need to change and why.</p>	<p>The 2024 annual recovery plan update has not yet been published.</p>
<p>Publish clear and transparent annual progress reports on:</p> <ul style="list-style-type: none"> the work being undertaken on the reform of services showing the effectiveness and value for money of new innovations and ways of delivering NHS services the care and wellbeing portfolio to better show how it is making a difference. 	<p>The 2024 annual updates have not yet been published.</p>
<p>Work with NHS boards, their staff, partners, and the public to develop a new long-term vision for the wider health system by 2025 that sets out national priorities and recognises the interdependencies in the healthcare system, to enable the necessary reforms that will ensure the future sustainability of health services.</p>	<p>Limited progress The restated vision from the Scottish Government does not clearly set out national priorities or provide a framework for reform.</p>
The Scottish Government and NHS boards should:	Progress/status
<p>Work together to progress the 13 actions set out in the Value Based Health and Care Action Plan, empowering staff to take advantage of innovative opportunities for service reform and transformation and measuring the difference Realistic Medicine is making to outcomes and service sustainability.</p>	<p>In progress The focus on Realistic Medicine continues across NHS boards and within the Scottish Government.</p>
<p>Ensure that the new approach to self-assessment in the revised Blueprint for Good Governance in NHS Scotland is rolled out across all NHS boards in 2024 and that any areas for improvement identified are addressed.</p>	<p>This recommendation will be followed up in our upcoming NHS in Scotland spotlight report on governance and scrutiny. This is due to be published in the spring of 2025.</p>

Appendix 3

NHS board performance against nine key waiting times standards, quarter ending June 2024

NHS board	People referred to CAMHS ¹ should start treatment within 18 weeks	People referred to psychological therapies should start treatment within 18 weeks	People referred for help with drug and alcohol use should receive treatment within 3 weeks ²
	Target 90.0%	Target 90.0%	Target 90.0%
NHS Scotland	84.1%	80.2%	93.3% 
NHS Ayrshire and Arran	98.7% 	85.9%	99.1% 
NHS Borders	77.1%	72.4%	96.3% 
NHS Dumfries and Galloway	77.6%	69.4%	99.4% 
NHS Fife	79.1%	69.1%	94.5% 
NHS Forth Valley	97.9% 	71.6%	94.9% 
NHS Grampian	96.6% 	81.7%	95.9% 
NHS Greater Glasgow and Clyde	95.6% 	91.5% 	93.9% 
NHS Highland	71.3%	87.1%	86.8%
NHS Lanarkshire	51.6%	75.9%	94.1% 
NHS Lothian	62.7%	81.6%	87.6%
NHS Orkney	100.0% 	100.0% 	Data not available
NHS Shetland	100.0% 	73.2%	Data not available
NHS Tayside	97.9% 	71.6%	88.1%
NHS Western Isles	100.0% 	85.5%	93.6% 
Golden Jubilee Hospital	Not applicable	Not applicable	Not applicable

Notes:

1. Child and Adolescent Mental Health Services (CAMHS).
2. Drug and alcohol standard includes community and prison-based services only.



NHS board	People attending A&E should be admitted, discharged or transferred for treatment within four hours	People referred urgently with a suspicion of cancer should begin treatment within 62 days³	People diagnosed with cancer should begin treatment within 31 days of the decision to treat
	Target 95.0%	Target 95.0%	Target 95.0%
NHS Scotland	69.1%	73.2%	95.5% 
NHS Ayrshire and Arran	65.2%	83.5%	98.1% 
NHS Borders	65.0%	77.9%	96.6% 
NHS Dumfries and Galloway	76.9%	90.1%	98.6% 
NHS Fife	74.5%	73.1%	95.9% 
NHS Forth Valley	54.1%	83.5%	99.7% 
NHS Grampian	67.9%	60.6%	89.2%
NHS Greater Glasgow and Clyde	70.5%	67.4%	96.7% 
NHS Highland	84.7%	73.9%	95.1% 
NHS Lanarkshire	55.2%	89.6%	97.7% 
NHS Lothian	64.7%	74.7%	94.1%
NHS Orkney	92.2%	60.0%	100.0% 
NHS Shetland	89.3%	50.0%	100.0% 
NHS Tayside	90.4%	60.1%	95.2% 
NHS Western Isles	96.0% 	73.1%	100.0% 
Golden Jubilee Hospital	Not applicable	Not applicable	97.7% 

3. The cancer waiting times standards do not apply to all referrals/cancers.

 Target met

NHS board	People referred for a new outpatient appointment should be seen within 12 weeks	People should begin inpatient/day case treatment within 12 weeks of the decision to treat	People referred for planned care should begin treatment within 18 weeks
	Target 95.0%	Target 100.0%	Target 90.0%
NHS Scotland	65.5%	58.4%	68.1%
NHS Ayrshire and Arran	68.4%	56.8%	67.8%
NHS Borders	59.7%	57.1%	65.7%
NHS Dumfries and Galloway	68.2%	50.9%	60.7%
NHS Fife	66.1%	47.2%	66.4%
NHS Forth Valley	72.3%	47.5%	70.4%
NHS Grampian	65.9%	46.2%	63.7%
NHS Greater Glasgow and Clyde	62.1%	61.5%	70.9%
NHS Highland	61.9%	55.2%	66.7%
NHS Lanarkshire	61.7%	46.8%	60.9%
NHS Lothian	71.6%	60.3%	74.3%
NHS Orkney	67.7%	56.2%	79.2%
NHS Shetland	76.1%	72.1%	78.7%
NHS Tayside	67.8%	58.8%	67.8%
NHS Western Isles	77.0%	65.6%	77.1%
Golden Jubilee Hospital	20.1%	89.3%	88.4%

NHS in Scotland 2024

Finance and performance



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: info@audit.scot

www.audit.scot

ISBN 978 1 915839 58 9 AGS/2024/8