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Press release

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NHS financial performance is good but it faces significant pressures

The financial performance of the NHS in Scotland was good over the past year, and it met most of its national targets for patient care and service improvement. However, the service faces significant financial pressures and there are deep-seated health-related problems that it cannot deal with alone.

An Audit Scotland report published today, *Overview of the NHS in Scotland's performance in 2008/09*, reviews the financial performance of the NHS and examines its progress against national performance targets over the past year.

All NHS boards met their financial targets in 2008/09 and the health service had an overall £4 million underspend. However the current financial year, 2009/10, will be the peak year for public spending for some time to come, and budgets are predicted to reduce in real terms over the next five years.

The NHS continues to face a number of cost pressures, and in the current financial climate it needs to focus on efficiency and productivity while continuing to provide safe and quality services for patients. To help achieve this, it needs better information on quality, costs and activity.

The report says people in Scotland are living longer and some key indicators of health are showing improvement. But there are deep-seated health-related problems such as drug and alcohol misuse and teenage pregnancy. The NHS cannot deal with these by itself and needs to work with other parts of the public sector, such as education and social services.

In 2008/09 the service met 10 out of 13 national performance targets, such as reducing cancer treatment waiting times.

The Auditor General for Scotland, Robert Black, said: "The financial performance on the NHS in Scotland continues to improve, with all bodies meeting their targets in 2008/09 and the service finishing the year with a small underspend.

"However the service faces real pressure, from both existing cost pressures and from the impact of the recession on public sector spending. As the amount of public money available reduces in coming years, the NHS will need to ensure that it continues to provide good quality care while becoming more efficient, and it should make sure it is getting the information it needs to achieve this.

"There has been encouraging progress against a number of health performance. However it is important that the NHS works in partnership with other services to tackle some of Scotland's deep-seated health-related issues, as it can't do this by itself."

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Notes to editors

1. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website www.audit-scotland.gov.uk
2. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Auditor General for Scotland.
3. The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.