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News release

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NHS financial performance was good but there are significant challenges ahead

The overall performance of the NHS in Scotland was good in 2010/11, but there are significant financial pressures building.

An Audit Scotland report published today, *Overview of the NHS in Scotland's performance 2010/11*, looks at the service's performance and financial position, and highlights current and future pressures and risks.

It says healthy life expectancy in Scotland has increased and rates of deaths from coronary heart disease, stroke and cancer continue to fall. However, overall life expectancy in Scotland remains lower than that of most other western European countries and there remain significant health inequalities and long-standing health-related problems such as obesity, smoking, and drug and alcohol misuse. The NHS cannot tackle these alone and needs to work more effectively with other public bodies to make the best use of resources and increase the focus on preventative services.

The NHS spent £12 billion in 2010/11. All health bodies met their financial targets, but ten out of the 14 territorial NHS boards have reported underlying recurring deficits. The service faces pressures from an ageing population, rising public demand and expectations, increased costs and reducing staff. The budget for 2011/12 is £232 million higher but this is a reduction in real terms due to inflation.

The NHS has strategies to make the service more efficient and effective and to help improve the quality of NHS services. Information on hospital activity is good but the NHS continues to find it difficult to measure productivity due to weaknesses in data and difficulties in linking costs, activity and quality. This is needed to inform how to improve services and the nation's health with the same or fewer resources.

Auditor General for Scotland Robert Black said: "At a national level, we are seeing a good picture of the performance of the NHS in Scotland. In 2010/11, all NHS boards met their financial targets for the third year in a row, and there is continued progress against the 'big three' diseases of coronary heart disease, stroke and cancer. However, it is clear that there are building pressures in the system from increased costs and rising expectations and demand."

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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
- 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.
- 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.