

## News release

Embargoed until 00:01 hours, 24 February 2022

### Reform of NHS key to pandemic recovery

**The Scottish Government must focus on transforming health and social care services to address the growing cost of the NHS and its recovery from Covid-19.**

Improving the NHS will be very difficult against the competing demands of the pandemic and an increasing number of other policy initiatives, including plans for a National Care Service.

The health service in Scotland is on an emergency footing and remains under severe pressure. There is a growing backlog of patients waiting much longer for treatment because of the response needed to Covid-19. That has made workforce planning and delivering on ambitious recruitment plans all the more important. But the Scottish Government has historically struggled to recruit enough people with the right skills.

The NHS's ability to plan remains hindered by a lack of robust and reliable data, including workforce, primary care, community, social care, and health inequalities data. Meanwhile the pandemic has increased the fiscal pressures on the NHS, which remains financially unsustainable. This is despite the Scottish Government allocating £2.9 billion for pandemic-related costs in 2020/21 and committing more funding in 2021/22 and beyond.

Stephen Boyle, Auditor General for Scotland, said:

"Reforming the NHS is key to the Scottish Government's pandemic recovery plan and needs to remain a priority. Putting Covid costs to one side, health spending is rising every year, meaning less money for other public services.

"There's now a clear opportunity to do things differently by building on the innovation and collaboration we've seen across the NHS in the last few years.

"For that to happen, our leaders must take the public with them and involve them in the shift from care being delivered in hospitals to much closer to people's homes. But better-informed policy decisions and services won't be possible without better collection and use of data."

**For further information contact Patrick McFall Tel: 0131 625 1663 / 07786660171 [pmcfall@audit-scotland.gov.uk](mailto:pmcfall@audit-scotland.gov.uk) or [media@audit-scotland.gov.uk](mailto:media@audit-scotland.gov.uk)**

#### Notes to Editor:

1. The total health budget for 2020/21 was £18 billion. Excluding Covid-19 funding, the total Scottish Government health budget in 2020/21 was £15.1 billion, compared to £14.5 billion in 2019/20.
2. Responding to the Covid-19 pandemic resulted in significant additional costs. In 2020/21, £2.9 billion of funding was allocated across health and social care for Covid-19-related costs. Of this, £1.7 billion was allocated to NHS boards and integration authorities (IAs). In 2020/21, NHS boards' total funding allocation was £16.3 billion (Exhibit 8, page 32). This is 19 per cent more in cash terms than in 2019/20 (£13.7 billion).

3. 14 out of 22 NHS boards (national and territorial) required additional Scottish Government funding to achieve financial balance in 2020/21. Six NHS boards face a particularly challenging financial position and have, since autumn 2021, been submitting monthly plans to the Scottish Government on how they plan to achieve savings, with the aim of improving their positions by the start of the 2022/23 financial year. These boards are NHS Ayrshire and Arran, NHS Borders, NHS Dumfries and Galloway, NHS Fife, NHS Highland and NHS Orkney.

4. Trends in the demands for hospital services can be seen in Exhibit 4 of the report. One example of the growing backlog is the number of patients waiting for diagnostic tests - 92,239 people in April 2019, rising to 125,557 in September 2021 - a 36.1 per cent change.

5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.