

**NHS 24
BOARD MEETING
20 JUNE 2024
ITEM NO 10.5
FOR ASSURANCE**

NHS IN SCOTLAND 2023 AUDIT SCOTLAND REPORT

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Action Required: The Board is asked to note the Key Messages and Recommendations within Audit Scotland's report entitled "NHS in Scotland 2023".

Key Points for this Committee to consider

This report covers a wide range of issues and concerns and recognises the need for short, medium, and long-term investment and reform to ensure the future sustainability of the NHS in Scotland. It provides an update on the implementation of longer-term reforms, such as Sustainability and Value Programme and the Care and Wellbeing Portfolio approach, alongside reporting on how recovery has progressed.

Governance process

Presented to the Audit and Risk Committee on 6 June 2024 before submission to the June Board.

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

Potential key risks are outlined in this paper.

Financial Implications

This report recognises the need to transform health and social care services where necessary to address the growing cost of the NHS.

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 2023' (published in February 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 2023, which includes an increased focus on funding and financial performance, position and sustainability compared to previous reports ; analysis of service performance and patient safety; and progress on wider reforms aimed to ensure services are sustainable into the future.
- 2.3. The Audit Scotland review has three main sections :
 - Financial Performance and Outlook
 - Operational Performance and Recovery
 - Reform and Redesign
- 2.4. Whilst a link to the full document including various graphs and statistics can be sourced at [NHS in Scotland 2023 \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk) salient points from the Audit Scotland report are shown below. Additionally, please refer to Appendix 1 for fuller details.
- 2.5. Wider context that £17.8bn was spent in 2022/23 across Health & Social Care, which accounts for 39% of the SG budget. All 22 Boards made break-even but 5 required additional specific funding to

3. AUDIT SCOTLAND - NHS IN SCOTLAND 2023 REPORT – KEY MESSAGES

- 3.1 Significant service transformation is required to ensure the financial sustainability of Scotland's health service. Rising demand, operational challenges and increasing costs have added to the financial pressures on the NHS and, without reform, its longer-term affordability.

- 3.2 The NHS, and its workforce, is unable to meet the growing demand for health services. Activity in secondary care has increased in the last year but it remains below pre-pandemic levels and is outpaced by growing demand. This pressure is creating operational challenges throughout the whole system and is having a direct impact on patient safety and experience.
- 3.3 There are a range of strategies, plans and policies in place for the future delivery of healthcare, but no overall vision. To shift from recovery to reform, the Scottish Government needs to lead on the development of a clear national strategy for health and social care. It should include investment in preventative measures and put patients at the centre of future services. The current absence of an overall vision makes longer-term planning more difficult for NHS boards.
- 3.4 Summarise as three main and related themes:



4. AUDIT SCOTLAND - NHS IN SCOTLAND 2023 REPORT – KEY RECOMMENDATIONS

- 4.1 The undernoted key recommendations feature in the report:

The Scottish Government should:

- develop and publish a national NHS capital investment strategy in 2024, stating how spending is being prioritised and the overall estate is being managed (paragraph 30).

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- publish a National Workforce Strategy update for health and social care that includes guidance on improving staff wellbeing and culture (paragraph 75) and indicative workforce growth projections (paragraph 79) in 2024.
- revisit its 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 (paragraph 92)
- 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 (paragraph 121).

The Scottish Government and NHS boards should:

- 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 sustainability¹ (paragraph 116)
- ensure that the new approach to self-assessment within 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 (paragraph 126)

5. CONCLUSION

- 5.1. NHS 24 are not specifically referenced in the paper but recognises the challenges outlined in the paper, in particular the focus on funding and financial sustainability. The report outlines the broad sectoral issues, and it is important that NHS 24 understands these and works collaboratively to play our part in seeking solutions. This is done via the various networks NHS 24 participates and already incorporated into our strategy and planning. This includes a focus to achieve efficiencies and improve performance, collaboration and digital first approach.

Appendix 1 – Summary of NHS in Scotland 2023 - Audit Scotland - February 2024

1. Financial Performance and Outlook. The NHS in Scotland faces medium-term financial challenges that highlight the need for service reform.

- 1.1 Health funding has been increasing in real terms and is projected to take up an increasing share of the Scottish Government’s budget.
- 1.2 The Scottish Government has made progress in moving boards towards receiving their calculated share of the health budget.
- 1.3. All boards met financial break-even requirements in 2022/23, but over one-third of territorial boards needed financial support to do so.
- 1.4 Seven boards failed to make planned savings in 2022/23 and the NHS remains reliant on one-off savings.
- 1.5 Even if ambitious future savings targets are achieved, boards are likely to require further financial support.
- 1.6 NHS boards faced significant cost pressures in 2022/23, with staff and prescribing costs increasing alongside inflation.
- 1.7 Staffing remains the most significant cost for NHS boards and will continue to increase.
- 1.8 Capital funding will not be sufficient to deliver new healthcare facilities and also maintain the current estate.
- 1.9 Currently, Reinforced Autoclaved Aerated Concrete (RAAC) across the NHS estate is unlikely to require significant spending in the short term.
- 1.10 Recognising the scale of the overall financial challenge the Scottish Government has put in place a range of support for boards.
- 1.11 There is a need for greater clarity about Scottish Government monitoring and support as financial challenges become more widespread.
- 1.12 Boards require greater certainty to appropriately plan for the medium term.

2. Operational performance and recovery The NHS in Scotland is still struggling to recover following the Covid-19 pandemic, and increasing demand is adding to capacity issue.

- 2.1 The NHS in Scotland is still struggling to provide healthcare in a timely way; most waiting times standards are not being met.
- 2.2. Meeting waiting times standards for cancer remains a priority, but performance against the 62-day standard is poor.
- 2.3 Planned care activity has increased in the last year, but so has demand, and so waiting lists continue to grow.
- 2.4 New commitments on waiting lists and waiting times are unlikely to be met in 2023/24.
- 2.5 Winter planning began earlier in 2023 and focused on building resilience across the health and social care system.
- 2.6 Demand for unscheduled care continues to cause pressure, but the Scottish Government and NHS boards are acting to address this.
- 2.7 Increased ambulance turnaround times are reducing the effectiveness of work to improve urgent and unscheduled care.
- 2.8 The Scottish Government and NHS boards have worked to reduce delayed discharges, but they remain stubbornly high.

- 2.9 Despite growth in the workforce, the number of vacancies remains high and staff turnover and absences have increased.
- 2.10 NHS staff remain under significant pressure, and it is not clear that the workforce strategy and other ongoing actions will resolve this challenge.
- 2.11 Operational performance and workforce capacity challenges are having a direct impact on patient safety and experience.
- 2.12 Some staff still lack trust in processes for raising concerns.
- 2.13 A new Patient Safety Commissioner will advocate for the welfare and safety of patients.
- 2.14 Operational challenges have slowed progress in achieving the ambitions of the NHS Recovery Plan
- 2.15 Reform and redesign A clear vision is required to move from recovery to reform; and significant service transformation is needed to ensure the future sustainability of the NHS.

3. **Reform and redesign A clear vision is required to move from recovery to reform; and significant service transformation is needed to ensure the future sustainability of the NHS**

- 3.1 The Scottish Government and NHS boards have adopted a three horizons approach to planning.
- 3.2 National commitments to deliver reform and innovation are at risk of not being delivered.
- 3.3 There is a need for greater transparency in reporting progress of the Care and Wellbeing Portfolio against its strategic priorities.
- 3.4 There is an increased focus on public health interventions and prioritising prevention, but this still remains secondary to more immediate operational pressures.
- 3.5 Realistic Medicine can support better use of resources to deliver person-centred outcomes, but stronger clinical leadership is required.
- 3.6 Boards are planning over the longer term, but the scale of the challenge requires national coordination and a shared vision.
- 3.7 To support longer-term reform, effective and collaborative leadership will be required.
- 3.8 To support reform NHS boards must have good governance arrangements in place.