

Subject: Auditor General – NHS Scotland in 2019

Purpose: To allow the IJB to review the findings of the Audit Scotland report, produced in October 2019, on the NHS in Scotland and to note the current actions in place within the HSCP to support sustainability.

Recommendation: The IJB is asked to note the findings of the Auditor General's report and to note the current actions in place which support sustainability. A further update will be provided when the Scottish Government provide updated HSCP guidance in 2020.

Glossary of Terms	
HSCP	Health and Social Care Partnership
Auditor General	Lead for Audit Scotland
MSG	Ministerial Steering Group

1.	EXECUTIVE SUMMARY
1.1	The Auditor General's produced a report in October 2019, on the NHS in Scotland. A full copy of the report is available at https://www.audit-scotland.gov.uk/report/nhs-in-scotland-2019
1.2	<p>The report contained five key messages which have been summarised below:</p> <ol style="list-style-type: none"> 1. Health remains the biggest area of Scottish Government funding but is facing continuing pressure from rising demand and costs, which is resulting in waiting time failures and an estimated £1.8 billion shortfall in the projected funding for health and social care by 2023/24. So far, the pace of change to address this, particularly through the integration of health and social care, has been too slow. 2. The Scottish Government has started to put in place foundations to support boards make the changes required. These include the publication of the Health and Social Care: Medium-Term Financial Framework, the Waiting Times Improvement Plan and the introduction of a national leadership development project. It is, however, too soon to assess the impact of these initiatives. 3. Despite the existing pressures, patient safety and experience of hospital care continues to improve. Drugs costs have stabilised, and we have seen examples of new and innovative ways of delivering healthcare that involve a range of partners. 4. Achieving financial sustainability remains a major challenge for NHS boards. There have been increases in predicted deficits and additional financial support provided by the Scottish Government, and a continued reliance on one-off savings. 5. The ambitions within the Scottish Government's 2020 Vision, will not be achieved by 2020.

1.3	The Auditor general had provided a range of improvement recommendations for:
	<ul style="list-style-type: none"> • The Scottish Government in partnership with NHS boards and integration authorities, • the Scottish Government specifically and • the Scottish Government in partnership with NHS boards
1.4	The North Ayrshire Health and Social Care Partnership recognises many of the challenges identified in the Auditor General's report on NHS Scotland and has as result of the recent Ministerial Steering Group (MSG) action plan, already begun work to increase the pace of transformation and integration of services to support sustainability.
1.5	The IJB is asked to note the findings of the Auditor General's report and to note the current actions in place which support transformation and sustainability.
2.	BACKGROUND
2.1	The Auditor General's produced a report in October 2019, on the NHS in Scotland. A full copy of the report is available at https://www.audit-scotland.gov.uk/report/nhs-in-scotland-2019
2.2	<p>The report contained five key messages:</p> <ol style="list-style-type: none"> 1. Health remains the single biggest area of government spending, at £13.4 billion in 2018/19. This was 42 per cent of the 2018/19 Scottish Government budget and is growing. The healthcare system faces increasing pressure from rising demand and costs, and it has difficulty meeting key waiting times standards. Without reform, the Scottish Government predicts that there could be a £1.8 billion shortfall in the projected funding for health and social care by 2023/24. So far, the pace of change to address this, particularly through the integration of health and social care, has been too slow. 2. The Scottish Government has started to put in place foundations to support boards make the changes required. These include the publication of the Health and Social Care: Medium-Term Financial Framework, the Waiting Times Improvement Plan and the introduction of a national leadership development project. The new requirement for NHS boards to develop three-year financial and performance plans enables them to more effectively plan how services will be delivered in the longer term. It is, however, too soon to assess the impact of these initiatives. 3. Despite the existing pressures, patient safety and experience of hospital care continue to improve. Drugs costs have stabilised, and we have seen examples of new and innovative ways of delivering healthcare that involve a range of partners. These aim to increase the care provided in the community and expand multidisciplinary working, to improve access to care and treatment. 4. Achieving financial sustainability remains a major challenge for NHS boards. There have been increases in predicted deficits and additional financial support provided by the Scottish Government, and a continued reliance on one-off savings. Capital funding from the Scottish Government has decreased by 63 per cent over the last decade and the level of backlog maintenance remains high, at £914 million. High-profile, newly-built hospitals have come under significant scrutiny because of health and safety concerns.

	<p>5. The ambitions within the Scottish Government's 2020 Vision will not be achieved by 2020. The Scottish Government should work with NHS staff, partners and the public to develop its new strategy for health and social care. It should set out priorities that support large-scale, system-wide reform to increase the pace of change. Collaborative leadership is needed to focus on better partnership working, staff engagement and promoting positive workplace behaviours. Staff are at the heart of the NHS and it is vital that more is done to support them so that they can care for people in a safe, fulfilling and respectful environment.</p>
	<p>The Scottish Government should:</p> <ul style="list-style-type: none"> • finalise and publish as a matter of urgency, the national capital investment strategy to ensure that capital funding is strategically prioritised and report publicly on progress against the health and social care delivery plan. This should provide an update, and include measures of performance, on how services are being delivered differently to allow more people to be cared for closer to home • develop a single annual staff survey that relates to behaviours, culture and staff experience, to identify areas for improvement and address behaviour that is contrary to NHS Scotland values. <p>The Scottish Government in partnership with NHS boards should:</p> <ul style="list-style-type: none"> • Make sure that NHS boards' three-year plans are approved in time for the start of each financial year. The plans should be routinely managed and monitored and should include details of how boards intend to reduce their reliance on non-recurring savings • Ensure that the NHS Scotland A Blueprint for Good Governance is implemented in full and that areas for improvement are addressed, particularly around strengthening risk-management arrangements • Continue to monitor the effectiveness of the Scottish Government's NHS leadership development project and its impact on recruitment, retention and the support of senior healthcare leaders • Ensure that all NHS boards: <ul style="list-style-type: none"> ○ provide evidence that they actively promote positive workplace behaviours and encourage the reporting of bullying and harassment ○ have action plans in place to improve culture, address any issues identified and use the findings of the Sturrock review to inform their plans for cultural improvement.
3.	PROPOSALS
3.1	<p>From the recommendations for Scottish Government in partnership with NHS boards and integration authorities', the North HSCP has already put in place:</p> <ul style="list-style-type: none"> • A Strategic Plan which will be updated in 2020 supports large-scale, system-wide reform, with clear priorities that identify the improvement activities most likely to achieve the reform needed building on the previous transformation programme. • A North Ayrshire HSCP workforce plan which will be updated to reflect the new national, integrated health and social care workforce plan and guidance. • Using the MSG Action Plan North Ayrshire HSCP is working to Improve the quality and availability of data and information. This will now be enhanced to show primary and community care to enhance how patient information is shared across health and social care services.

	<ul style="list-style-type: none"> • The North Ayrshire HSCP has already signed up to and uses the principles of the Community Empowerment Act within communication and engagement strategies and engagement work. • Engaging or Supporting as a NHS Board caring for Ayrshire Programme.
3.2	<u>Anticipated Outcomes</u>
	The Auditor General report builds on the MSG review of integration action plans and enables further improvement, which should increase the pace of health and social care integration.
3.3	<u>Measuring Impact</u>
	The HSCP has undertaken a MSG Integration review self-assessment and provided and action plan to Scottish Government. It is expected that new HSCP guidance will be made available in 2020, which will include the Auditor General recommendations and a further review of progress towards integration will be undertaken at that time.
4.	IMPLICATIONS

Financial:	The improvements highlighted in the Auditor Scotland report are being actioned in the MSG integration review action plan. It is expected that the Scottish Government will produce new HSCP guidance in 2020, which will include the recommendations, and these will form part of the HSCP medium term financial plan.
Human Resources:	N/A
Legal:	N/A
Equality:	N/A
Children and Young People	N/A
Environmental & Sustainability:	The improvements highlighted in the Audit Scotland report are being actioned in the MSG integration review action plan. It is expected that the Scottish Government will produce new HSCP guidance in 2020, which will include the recommendations, and these will form part of plans to ensure HSCP sustainability.
Key Priorities:	The sustainability of HSCPs
Risk Implications:	Failure to integrate, transform and achieve financial sustainability may destabilise Health and Social Care Partnerships and reduce the delivery of positive outcomes for the people of North Ayrshire.
Community Benefits:	N/A

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	x
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

5.	CONSULTATION
5.1	Not Applicable.
6.	CONCLUSION
6.1	It is expected that the Scottish Government will produce new HSCP guidance in 2020, which will include the Auditor General recommendations, and the North Ayrshire HSCP will implement this guidance as part of the new Strategic Plan refresh.

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NHS in Scotland 2019



AUDITOR GENERAL 

Prepared by Audit Scotland
October 2019



Auditor General for Scotland

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Audit team

The core audit team consisted of: Leigh Johnston, Fiona Watson, Eva Thomas-Tudo, Agata Maslowska, Veronica Cameron and John Kirkwood with support from other colleagues and under the direction of Claire Sweeney.

Links

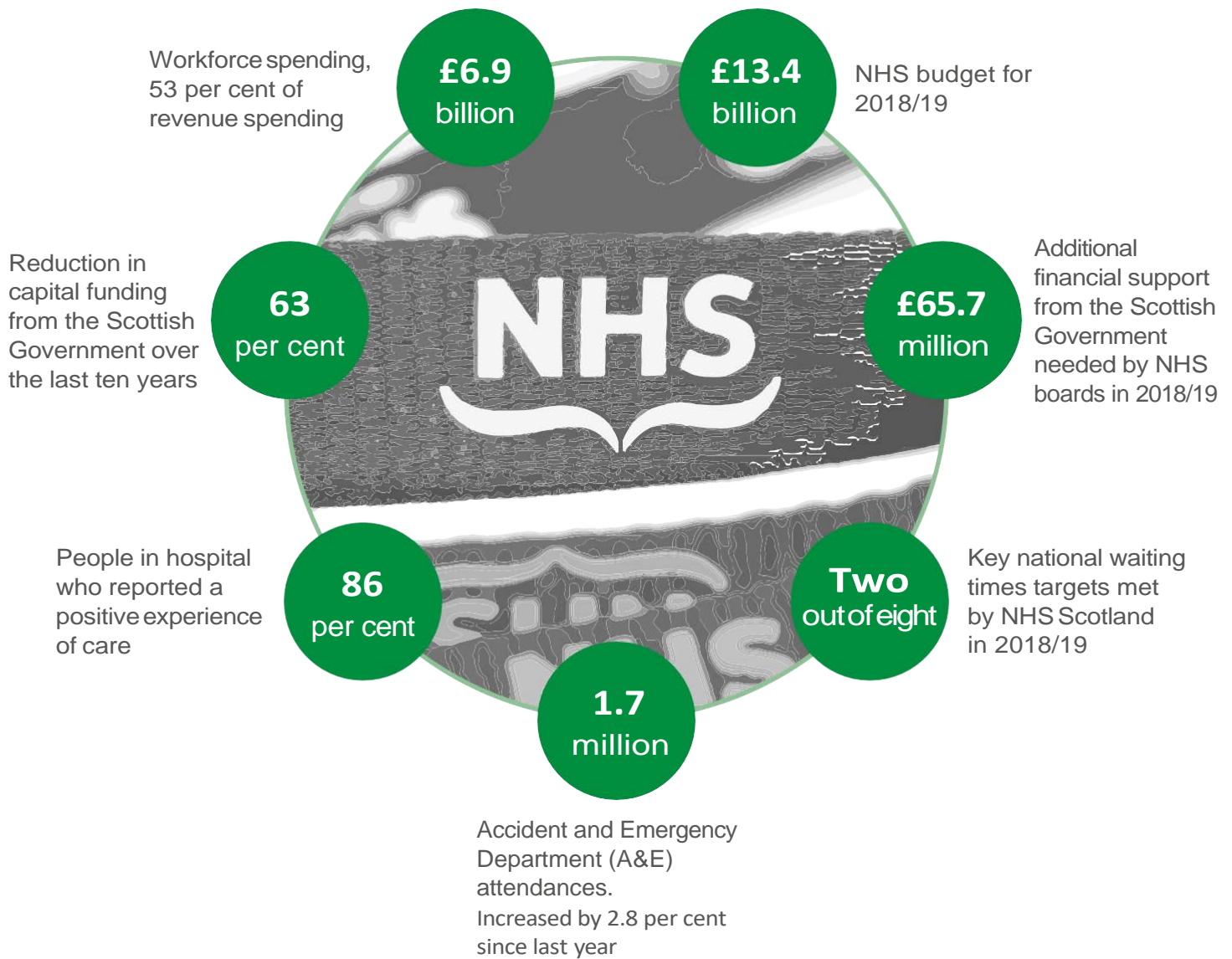
-  PDF download
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Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

Key facts



Summary



Key messages

- 1** Health remains the single biggest area of government spending, at £13.4 billion in 2018/19. This was 42 per cent of the 2018/19 Scottish Government budget and is growing. The healthcare system faces increasing pressure from rising demand and costs, and it has difficulty meeting key waiting times standards. Without reform, the Scottish Government predicts that there could be a £1.8 billion shortfall in the projected funding for health and social care of £18.8 billion by 2023/24. So far, the pace of change to address this, particularly through the integration of health and social care, has been too slow.
- 2** The Scottish Government has started to put in place foundations to support boards make the changes required. These include the publication of the *Health and Social Care: Medium-Term Financial Framework*, the *Waiting Times Improvement Plan* and the introduction of a national leadership development project. The new requirement for NHS boards to develop three-year financial and performance plans enables them to more effectively plan how services will be delivered in the longer term. It is, however, too soon to assess the impact of these initiatives.
- 3** Despite the existing pressures, patient safety and experience of hospital care continue to improve. Drugs costs have stabilised, and we have seen examples of new and innovative ways of delivering healthcare that involve a range of partners. These aim to increase the care provided in the community and expand multidisciplinary working, to improve access to care and treatment.
- 4** Achieving financial sustainability remains a major challenge for NHS boards. There have been increases in predicted deficits and additional financial support provided by the Scottish Government, and a continued reliance on one-off savings. Capital funding from the Scottish Government has decreased by 63 per cent over the last decade and the level of backlog maintenance remains high, at £914 million. High-profile, newly-built hospitals have come under significant scrutiny because of health and safety concerns.
- 5** The ambitions within the Scottish Government's 2020 Vision will not be achieved by 2020. The Scottish Government should work with NHS staff, partners and the public to develop its new strategy for health and social care. It should set out priorities that support large-scale, system-wide reform to increase the pace of change. Collaborative leadership is needed to focus on better partnership working, staff engagement and promoting positive workplace behaviours. Staff are at the heart of the NHS and it is vital that more is done to support them so that they can care for people in a safe, fulfilling and respectful environment.

Recommendations

The Scottish Government in partnership with NHS boards and integration authorities should:

- develop a new national health and social care strategy to run from 2020 that supports large-scale, system-wide reform, with clear priorities that identify the improvement activities most likely to achieve the reform needed
- develop and publish the national, integrated health and social care workforce plan and guidance, to inform future workforce planning
- improve the quality and availability of data and information, particularly in primary and community care. This will allow better performance monitoring, inform service redesign and improve care coordination by enhancing how patient information is shared across health and social care services
- incorporate the principles of the Community Empowerment Act within communication and engagement strategies.

The Scottish Government should:

- finalise and publish as a matter of urgency, the national capital investment strategy to ensure that capital funding is strategically prioritised
- report publicly on progress against the health and social care delivery plan. This should provide an update, and include measures of performance, on how services are being delivered differently to allow more people to be cared for closer to home
- develop a single annual staff survey that relates to behaviours, culture and staff experience, to identify areas for improvement and address behaviour that is contrary to NHS Scotland values.

The Scottish Government in partnership with NHS boards should:

- make sure that NHS boards' three-year plans are approved in time for the start of each financial year. The plans should be routinely managed and monitored and should include details of how boards intend to reduce their reliance on non-recurring savings
 - ensure that the *NHS Scotland A Blueprint for Good Governance* is implemented in full and that areas for improvement are addressed, particularly around strengthening risk-management arrangements
 - continue to monitor the effectiveness of the Scottish Government's NHS leadership development project and its impact on recruitment, retention and the support of senior healthcare leaders
 - ensure that all NHS boards:
 - provide evidence that they actively promote positive workplace behaviours and encourage the reporting of bullying and harassment
 - have action plans in place to improve culture, address any issues identified and use the findings of the Sturrock review to inform their plans for cultural improvement.
-

Introduction



1. The NHS provides vital health services to the people of Scotland. People are living longer, many with chronic health conditions. There are greater expectations for the NHS to provide high-quality, timely and technologically advanced care. Pressures on the NHS in Scotland continue to be substantial and demand for services is at an all-time high. Between 2017/18 and 2018/19 the NHS in Scotland saw:

- an increase of 2.2 per cent in people waiting for outpatient appointments
- an increase of 2.8 per cent in Accident and Emergency Department (A&E) attendances
- an increase of 6.1 per cent in people waiting for inpatient appointments.

2. Wide-scale reform is necessary to address the increasing pressures on the NHS and reduce demand for acute services. The Scottish Government has had a long-term commitment to delivering care closer to home. To achieve this, the successful integration of health and social care is vital. Effective collaboration with community partners will support better planning, design and coordination of patient-focused care and services.

3. In 2018/19, the NHS in Scotland received £13.4 billion from the Scottish Government. This funding is needed to support the increasing cost of healthcare delivery and to meet national policy directives such as integration and reducing waiting times. *The Health and Social Care: Medium-Term Financial Framework* (MTFF), published in October 2018, sets out the reforms required to ensure the financial sustainability of the NHS in Scotland. Without reform the Scottish Government predicts that there will be an increase in spending across health and social care in Scotland to around £20.6 billion by 2023/24.

4. Despite the significant challenges, the NHS in Scotland has a committed workforce that continues to provide high-quality, safe care. There have been significant improvements in key patient safety indicators, such as mortality rates in hospital, and patients' experiences of healthcare has also improved.

5. This report provides an overview of the NHS in Scotland and the realities of delivering healthcare in Scotland. It draws on a wide range of intelligence, interviews and data, to help understand the context, challenges and performance. It sets out the financial performance of the NHS in 2018/19, and the financial outlook for 2019/20 and beyond. This includes the new approach to longer-term financial planning and the new MTFF, and progress towards achieving the objectives of the Health and Social Care Delivery Plan (HSCDP). We report on the workforce, leadership and culture, governance and performance against national targets.

Part 1


How the NHS in Scotland is performing



Key messages

- 1 The NHS budget for 2018/19 was £13.4 billion, an increase of one per cent in real terms since 2017/18. Four NHS boards required a total of £65.7 million in additional financial support from the Scottish Government to break even. The NHS achieved £390.4 million in savings, less than one per cent below its target, but remains reliant on one-off savings. Fifty per cent of all savings were non-recurring.
- 2 The Scottish Government has started to put in place foundations to support financial sustainability. The introduction of new three-year financial and performance plans and break-even arrangements is an important step towards more effective longer-term planning.
- 3 The NHS in Scotland is facing growing pressures from population changes and increasing costs of delivering healthcare. NHS boards and the Scottish Government have implemented a range of initiatives to manage these pressures. Some progress has been made. For example, spending on drugs has stabilised.
- 4 The NHS capital budget decreased by 63 per cent over the last decade. The level of backlog maintenance remains high, at £914 million, with nine per cent being classified as high risk. High-profile new builds have come under significant scrutiny because of health and safety concerns.
- 5 Patient safety is continuing to improve, with a significant reduction in hospital mortality rates. People's experience of hospital care is also improving. However, boards continue to struggle to meet key waiting times standards, with only two of eight national standards being met. But in seven of the eight standards, the number of people that were seen and treated on time increased. The Scottish Government has introduced several initiatives to improve access to care, such as the *Waiting Times Improvement Plan* (WTIP).

The NHS is starting to address some of its financial pressures, but major risks remain

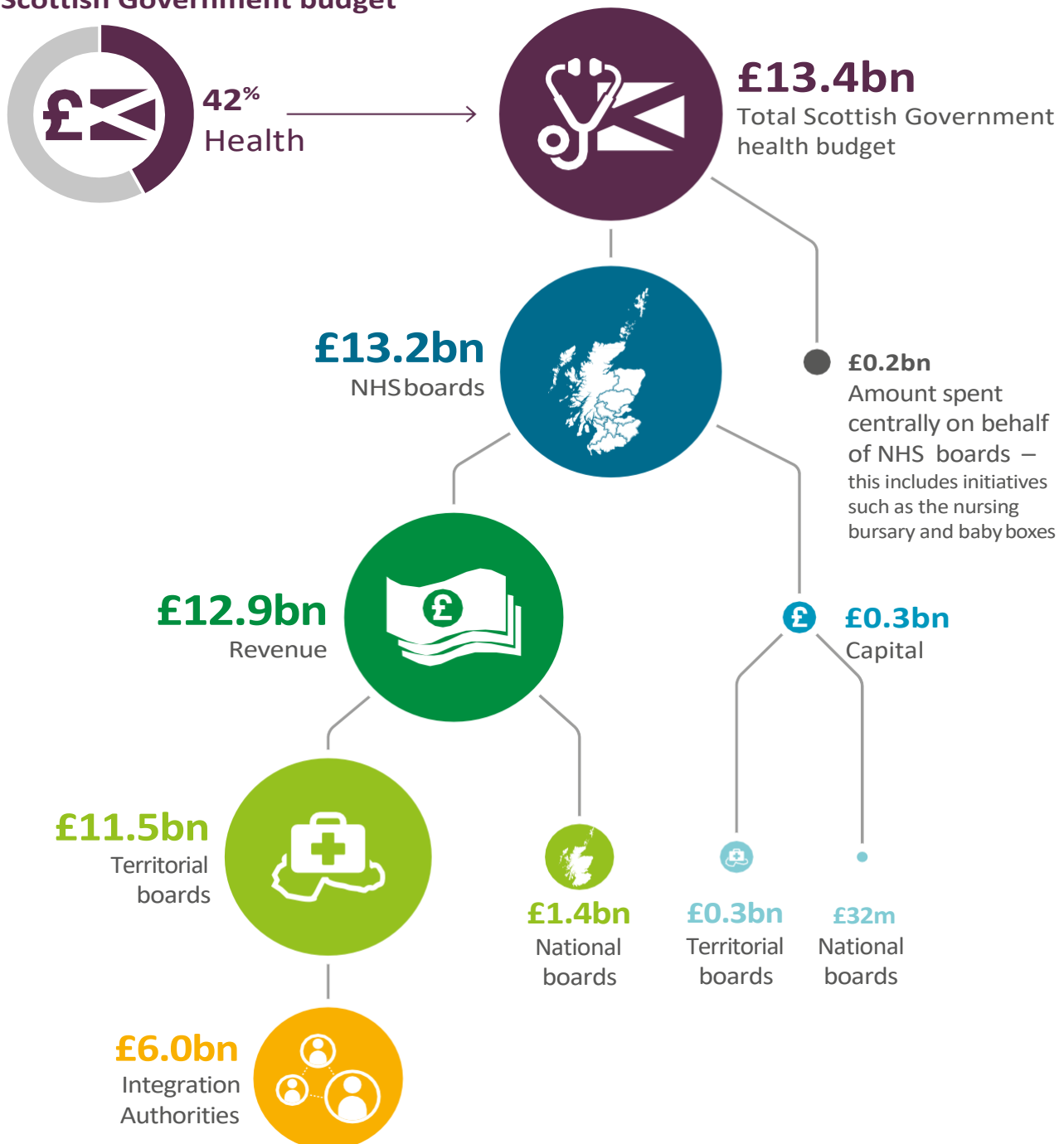
- 6 In [NHS in Scotland 2018](#),  we reported that the NHS was not in a financially sustainable position. This meant that it was unlikely to be able to continue delivering services effectively or change how services are delivered with the available resources. NHS boards continue to struggle with financial pressures, which makes it harder to reform the health and social care system.

7. The Scottish Government health budget in 2018/19 was £13.4 billion. This was one per cent higher than the previous year, taking inflation into account. Of this, the amount allocated to NHS boards was £13.2 billion. The total revenue budget, for day-to-day spending, allocated to NHS boards was £12.9 billion. This has increased by 0.6 per cent in real terms since 2017/18 ([Exhibit 1](#)).

Exhibit 1

A breakdown of NHS funding in 2018/19

Scottish Government budget



Source: Audit Scotland using NHS Consolidated Accounts

8. Health accounted for 42 per cent of the Scottish Government's budget in 2018/19. NHS boards delegate a significant proportion of their budgets to Integration Authorities (IAs) to fund health services such as primary and community care. In 2018/19, territorial boards delegated £6 billion to IAs, 52 per cent of their budget.

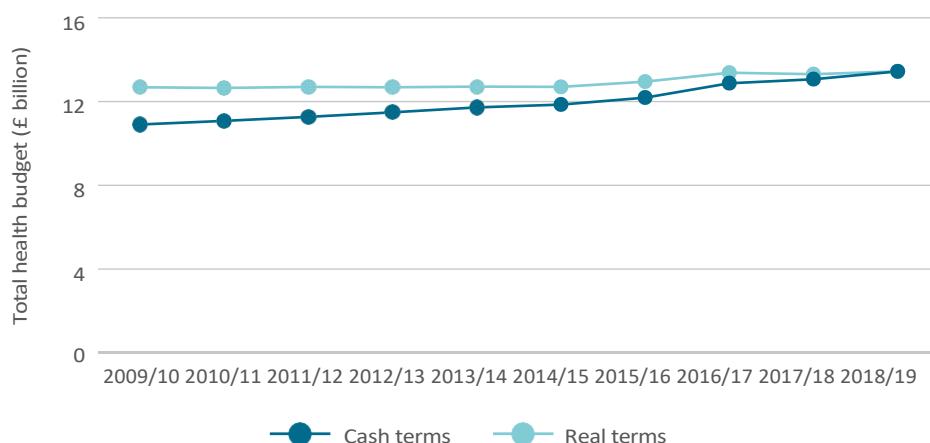
9. Over the last ten years, the health budget has increased by six per cent in real terms. Most of this increase has been in the last five years, with an increase of 5.8 per cent ([Exhibit 2](#)). Funding per head of population has increased at a slower rate. In 2018/19, health funding in Scotland was £2,471 per person. This compares to £2,424 in 2009/10, a two per cent increase in real terms.¹

10. The Scottish Government's draft budget for 2019/20 states that health funding will increase to £14.2 billion, an increase of 5.4 per cent in cash terms. Revenue funding is planned to increase by 5.6 per cent and capital funding is set to decrease by 1.5 per cent in cash terms.²

Exhibit 2

Health funding trend since 2009/10

Health funding has increased in both real terms and cash terms since 2009/10.



Source: Scottish Government budgets

Without ongoing reform, there could be a rise in spending across health and social care services to around £20.6 billion by 2023/24

11. Last year, we reported that the publication of the MTFP aimed to better address the financial challenges of integrating the delivery of health and social care services. The framework acknowledges that there will be increases in demand for services, workforce pay and the cost of delivering healthcare services. It predicts that without reform there will be a £1.8 billion shortfall in the projected funding of £18.8 billion by 2023/24.³


12. In 2016, the Scottish Government published its five-year [HSCDP](#) . It set some ambitious targets intended to drive the integration of health and social care across the NHS in Scotland to help achieve the 2020 Vision.⁴ Last year, we recommended that the Scottish Government should publish a report on progress



Exhibit 13

 A timeline of major Scottish Government health and social care policies and publications ([page 31](#))

against the HSCDP. This has not yet been published and we recommend the Scottish Government do so as soon as possible. Further work is required to achieve the reform needed across health and social care. This work will not be completed in time to achieve the 2020 Vision.

13. NHS boards delegate funding to IAs for certain health services. This funding has increased each year since 2016/17, when IAs were established. In 2018/19, NHS territorial boards delegated 52 per cent of their budgets to IAs. This represents a 4.1 per cent increase in real terms from 2016/17.⁵ IAs aim to shift spending and services from hospitals to community and social care. There is little evidence to date that this is happening.

At the beginning of 2018/19 the number of boards predicting a year-end deficit increased

14. Last year, we reported that the number of boards predicting year-end deficits had increased. These boards needed to make additional savings to offset any predicted overspend against their budget. There is a risk that boards will be unable to break even and will require additional financial support from the Scottish Government:

- In 2015/16, all territorial NHS boards predicted that they would break even or record a surplus by the end of the year.
- By 2016/17, three territorial boards predicted a year-end deficit, which increased to seven in 2017/18 and nine in 2018/19.
- The number of boards that required additional financial support from the Scottish Government, to break even at year end, were: one (2016/17), three (2017/18) and four (2018/19).
- The size of the predicted deficit also increased for 2018/19, from £99 million to £150 million, but decreased to £116 million for 2019/20. For 2021/22, however, the deficit is predicted to be significantly larger, at £207 million. Most of this deficit relates to NHS Lothian, which predicts a deficit of almost £90 million, and NHS Greater Glasgow and Clyde, which predicts a deficit of £61.5 million.⁶

The NHS in Scotland met its financial targets in 2018/19, but required £65.7 million in additional financial support from the Scottish Government to achieve this

15. In 2018/19, all NHS boards broke even, staying within the limits of their revenue and capital budgets, and delivered a surplus of £4.6 million.⁷ However, this was only possible because four boards received additional financial support from the Scottish Government, totalling £65.7 million.⁸ This was an increase from £50.7 million in 2017/18, but was £8.8 million lower than initially forecast. The four boards that required additional support were:

- NHS Ayrshire and Arran – £20 million
- NHS Borders – £10.1 million
- NHS Highland – £18 million
- NHS Tayside – £17.6 million.

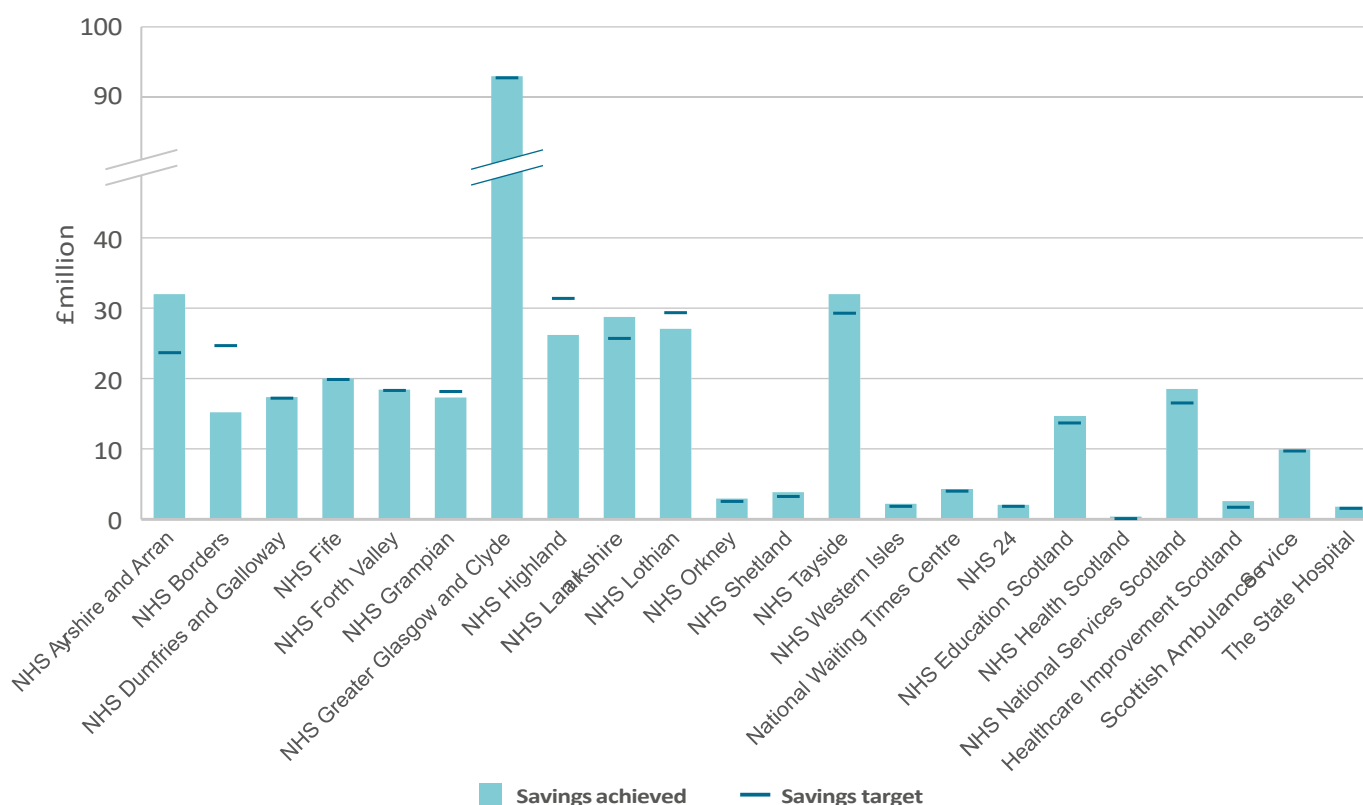
16. The Scottish Government announced that territorial boards would not have to repay any outstanding loans owed at the end of 2018/19. This totalled almost £150 million.⁹ It is unclear what the Scottish Government's approach will be if boards require additional financial support in future years.

The NHS almost achieved its savings target for 2018/19, but remains reliant on one-off savings

17. In 2018/19, the NHS achieved £390.4 million in savings. This was 0.3 per cent below its savings target of £391.1 million. This was a significant improvement compared with the previous year, when it achieved savings seven per cent below its target of £480.8 million. [Exhibit 3](#) shows the savings achieved against targets for all NHS boards.

Exhibit 3

Savings achieved against targets in 2018/19



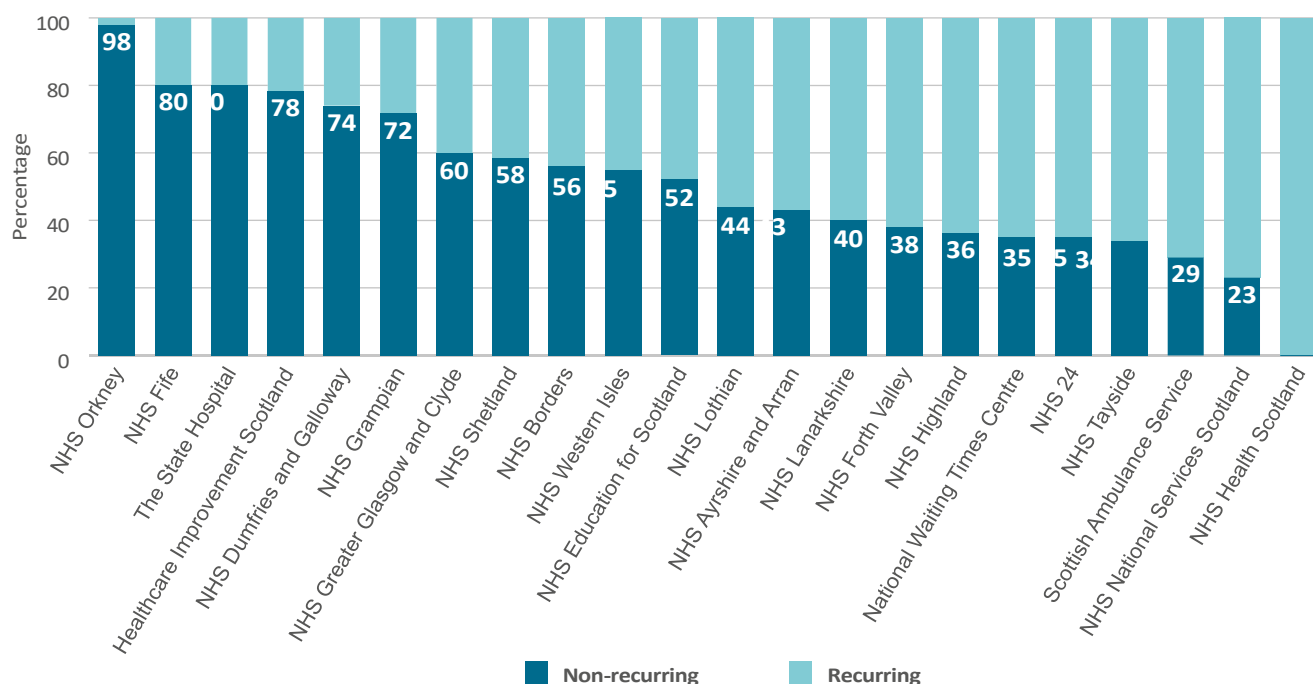
Source: NHS boards' annual audit reports and financial performance reports, 2019

18. In 2018/19, 50 per cent of all savings were non-recurring, up from 35 per cent in 2016/17. Non-recurring savings are not sustainable. They can improve a board's in-year financial position, but they do not reduce the cost of running the organisation and cannot necessarily be repeated in subsequent years. An example of a non-recurring saving is delaying recruitment for a vacant position. Recurring savings can be made in one year and can continue to save money in future years, for example by changing the way a service is delivered, to become more efficient. Boards varied significantly in their reliance on non-recurring savings, with territorial boards being more reliant than national boards ([Exhibit 4, page 13](#)).

Exhibit 4

The percentage of savings achieved that were non-recurring in 2018/19

Boards varied significantly in their reliance on non-recurring savings.



Source: Audit Scotland using annual audit reports and month-13 financial performance reports

The level of planned savings that are high risk has increased

19. In their annual plans for 2018/19, NHS boards categorised their planned savings as high, medium or low risk, depending on the likelihood that the savings would be realised. In 2018/19, the NHS in Scotland classified their planned savings as follows:

- 32.0 per cent as high risk
- 28.5 per cent as medium risk
- 39.5 per cent as low risk.

20. The proportion of high-risk savings was significantly higher in 2018/19 than in previous years (13.1 per cent in 2017/18). There was wide variation among boards. For example, NHS Greater Glasgow and Clyde classified all its planned savings as high risk, which had a significant impact on the total proportion of savings classified as high risk.

21. However, NHS boards vary in how they assess savings. For example, only some boards include unidentified savings as high risk. To improve transparency and consistency, NHS boards should ensure that any unidentified savings are classified as high risk.

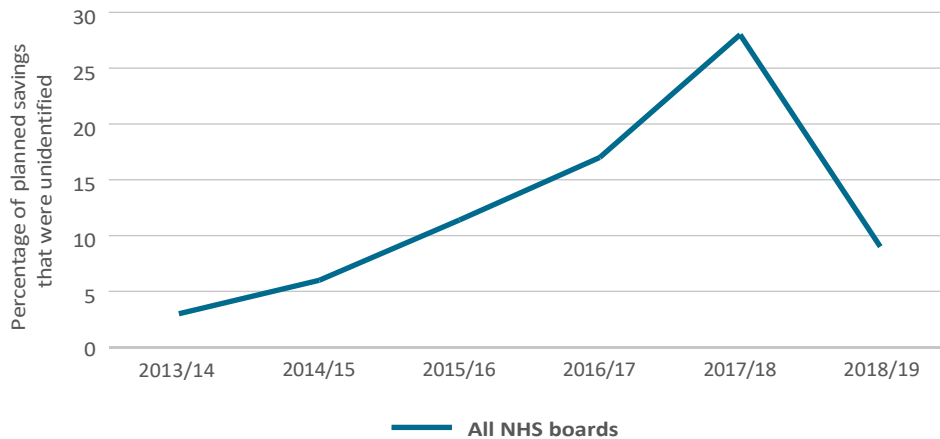
Boards were able to better identify where future savings will come from

22. There was a significant improvement in the proportion of unidentified savings in boards' plans for 2018/19. Last year, boards were unable to identify where 28 per cent of planned savings would come from. This year, nine per cent of required savings were not yet identified in boards' plans, a reduction of 19 percentage points ([Exhibit 5, page 14](#)).

Exhibit 5

Trends in unidentified planned savings, 2013/14 to 2018/19

The level of unidentified savings in all boards' plans decreased significantly in 2018/19.



Source: Audit Scotland using NHS boards' local delivery plans/annual operational plans 2013/14 to 2018/19

The Scottish Government has started to put in place the foundations to support financial sustainability

23. In October 2018, the Scottish Government published its MTFF. This was an important step towards supporting improvements to achieve financial sustainability of the NHS in Scotland. It outlines the scale of the financial challenges ahead and acknowledges that reform is necessary if the NHS is to be sustainable.

24. The MTFF sets out the activities required to support the reform needed. It also sets out the intention to invest more in primary, community and social care. The aim is for approximately 50 per cent of savings released from the hospital sector to be redirected to these areas through:

- increases in efficiency savings
- reductions in attendances at A&E, and the numbers of inpatients and outpatients
- regional working and public health prevention strategies.


25. Alongside the publication of the MTFF, the Scottish Government announced that boards will no longer be required to break even at the end of each financial year. Instead, they will be required to break even over a three-year period. This should provide greater flexibility in planning and investing over the medium to longer term.

26. NHS boards were required to produce three-year financial plans for the first time for 2019/20. This is an important step towards the NHS developing more effective longer-term planning. The Scottish Government developed guidance with boards to support the development of these plans, but this was not released until late February 2019. This gave them limited time to develop plans before the start of the financial year in April, and some were not approved until August 2019.

27. The Scottish Government held briefing sessions for boards during September 2019 and intends to release guidance in December 2019, to support them in developing next year's plans. In the first year of this new approach to financial planning, most boards included some information for the next three years, but the level of detail provided varied. Some boards, including NHS Borders and NHS Lanarkshire, did not include full details for all three years.

28. We expect the level of detail in boards' financial plans to improve next year, following the release of further guidance by the Scottish Government. The Scottish Government and NHS boards should work together to make sure that plans are in place and approved in time for the start of each financial year.

Five boards are receiving external support because they are struggling to meet financial and performance targets

29. The Scottish Government has a five-stage escalation process to provide boards with additional support when they are unable to meet financial or performance targets. Most boards are at stage one, which means that they are deemed to be performing steadily and are reporting normally. Stage five means that the Scottish Government deems that a board's organisational structure is unable to deliver effective care. [Case study 1](#) and [Case study 2 \(page 16\)](#) describe the external support being provided to help two boards achieve financial balance. At October 2019, no boards were at stage five, but **five boards were at stage three or four** .



Escalation at October 2019:

Stage three:

- NHS Ayrshire and Arran
- NHS Lothian

Stage four:

- NHS Borders
- NHS Highland
- NHS Tayside

Case study 1

NHS Borders receives external support to help it achieve financial balance



In November 2018, NHS Borders moved to escalation stage four in the Scottish Government's performance escalation framework. Boards at stage four face a significant risk to service delivery, quality, financial performance or safety, and senior-level external support is required.

In 2018/19, the board was unable to achieve financial balance and needed £10.1 million in additional financial support from the Scottish Government to break even. This was mainly to alleviate cost pressures at the Borders General Hospital and offset efficiency savings that were not achieved.

The Scottish Government Health and Social Care Directorate Board Recovery Team has been providing support since December 2018. NHS Borders created a new Financial Turnaround Programme to replace its previous transformation programme. The programme aims to achieve a more sustainable improvement in the board's finances. The Financial Turnaround Programme is in its early stage, and its success will depend on the pace of change and the resources made available.

The board has also developed a new project management office (PMO) structure. In the short term, the PMO director will be supported by a turnaround team with experience of successfully delivering similar financial recovery programmes elsewhere.

Source: Audit Scotland, 2019

Case study 2



NHS Ayrshire and Arran is further developing its improvement plan

In October 2018, the Auditor General published a report to draw Parliament's attention to the scale of the challenge that NHS Ayrshire and Arran was facing in meeting its financial targets. The report concluded that some of the cost pressures were not wholly within the control of the board, such as pay increases and the apprenticeship levy. However, the board's operating costs remained too high.

In 2017/18, PwC reviewed NHS Ayrshire and Arran's Transformational Change Improvement Plan (TCIP). It found that the TCIP was not substantial enough to achieve long-term financial sustainability and that greater transformational change would be required. During 2018/19, the PMO strengthened the governance and oversight of the TCIP. The board's internal auditors concluded that this provided only a partial level of assurance for the board and made several recommendations. These focused on improving governance for the implementation of the plan and a better understanding of dependencies between specific projects. Progress is reported regularly to the Corporate Management Team and the Performance Governance Committee.

In 2018/19, the board needed to make savings of £23.8 million. To support this, 143 improvement initiatives were identified. These initiatives achieved recurring savings of £18.4 million. This was £3.7 million more than in 2017/18. The board achieved £32 million of savings in total. Work will continue to implement the recommendations of the internal audit review, to improve the success of the TCIP in achieving recurring savings.

Source: Deloitte, 2019

Capital funding from the Scottish Government has decreased by 63 per cent over the last decade, and there are signs of strain

30. The NHS capital budget, that is, money for new buildings and equipment, can fluctuate as new projects are approved or completed. There has been a trend of reducing funding over the last decade. In 2018/19, capital funding from the Scottish Government was £334 million, a reduction of 63 per cent in real terms since 2009/10 ([Exhibit 6, page 17](#)).

31. Demand for capital funding outweighs what is available for the next two years. This will limit boards' ability to invest in their infrastructure. The Scottish Government is prioritising several infrastructure investments over the next two years. These include:

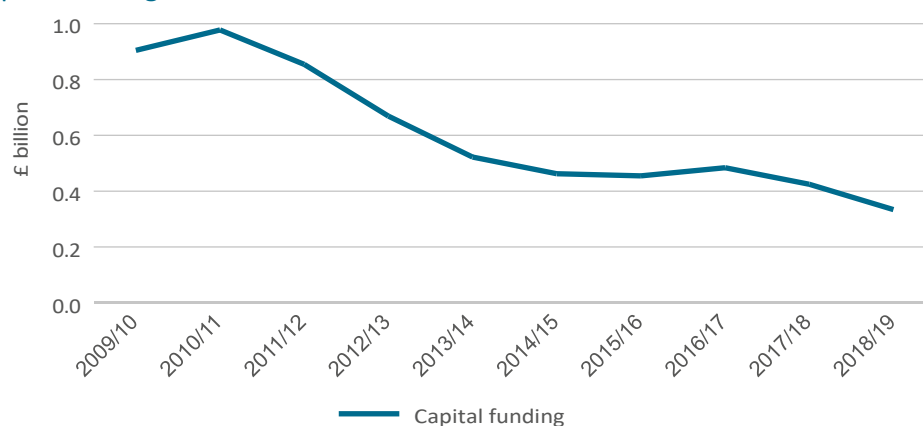
- an elective centres programme to create additional procedural and diagnostic capacity across Scotland¹⁰
- the new Baird Family Hospital and the Anchor Centre at Foresterhill Campus in Aberdeen
- new community hospitals in Aviemore and Broadford
- the replacement of St Brendan's Hospital, Barra, with a new health and social care hub.

32. NHS boards can use their revenue budget, which is allocated for day-to-day spending, to support additional capital investment. One way of doing this is to enter into contracts where the private sector finances the initial construction costs for the buildings and maintains them for a specific period, usually 25-30 years. NHS boards make annual payments from their revenue budgets for the length of the contract. Investment in these types of projects across the public sector in Scotland will be covered in more detail in our upcoming report on revenue funding of assets.

Exhibit 6

Capital funding from the Scottish Government since 2009/10

Capital funding has decreased in real terms.



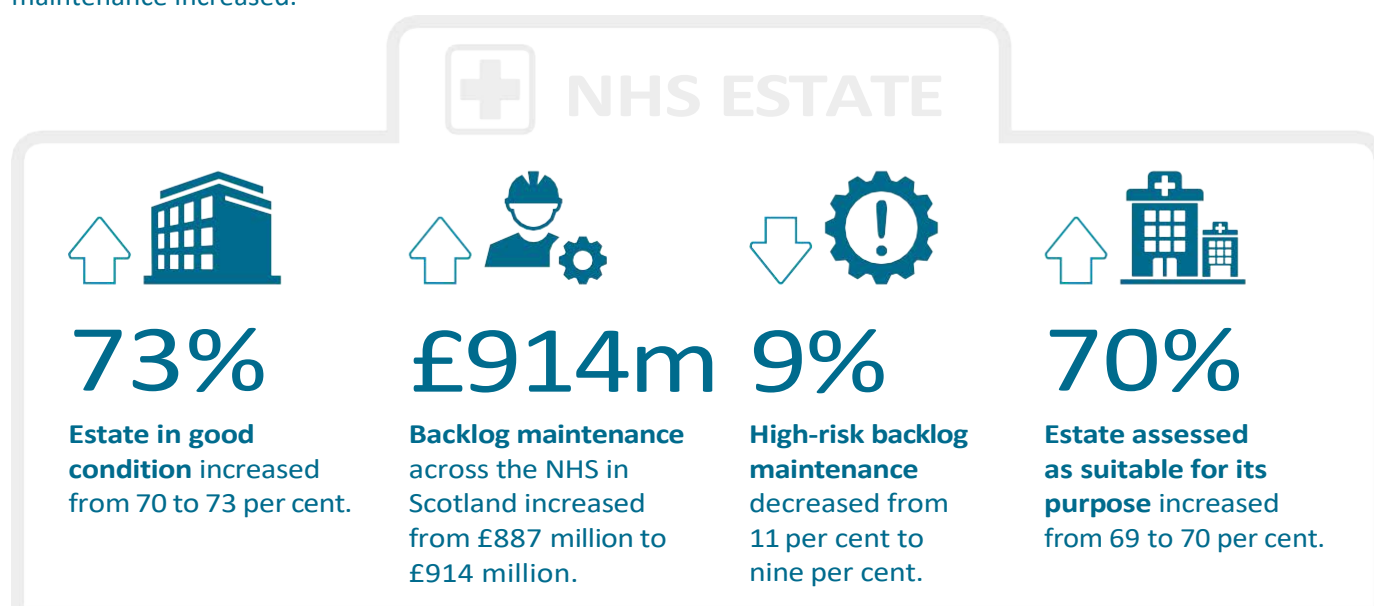
Source: Audit Scotland using NHS Consolidated Accounts

33. The condition of the NHS estate has improved, but there is still a significant maintenance backlog ([Exhibit 7](#)). Nine per cent of the backlog is classified as high risk, the majority of which (55 per cent) relates to electrical work required at Ninewells hospital in NHS Tayside. The Scottish Government has committed to fund the work required to resolve this. As recommended in *NHS in Scotland 2018*, [the Scottish Government has been developing a national capital investment strategy to ensure that capital funding is strategically prioritised. This strategy should be finalised and published as a matter of urgency.](#)

Exhibit 7

The condition of the NHS estate 2016 to 2018

The condition of the NHS estate has improved slightly over the last three years, but the level of backlog maintenance increased.



Source: Scottish Government, 2019

Major capital projects face significant challenges

34. New hospitals have recently been built in Glasgow and Edinburgh. These major new-build projects have come under considerable scrutiny as a result of significant health and safety concerns ([Case study 3 and Case study 4, page 18](#)). In September 2019, the Scottish Government committed to carrying out a public inquiry into the issues at the Queen Elizabeth University Hospital in Glasgow and the Royal Hospital for Children and Young People in Edinburgh. The inquiry will look at how the problems with the ventilation systems happened, and what steps can be taken to prevent these problems in future. It is essential that the Scottish Government and NHS boards learn from these projects when planning new healthcare facilities.

35. Delays in opening a new healthcare facility can mean that an older site must be operational for longer than expected. This can result in additional expenditure to make sure that the older site remains fit for purpose for longer. In these circumstances, the relevant NHS board and the Scottish Government should provide assurance that any risks to patient and staff safety have been addressed.

Case study 3



Queen Elizabeth University Hospital, Glasgow

In January 2019, Healthcare Improvement Scotland carried out an unannounced inspection of the Queen Elizabeth University Hospital, including the Institute of Neurosciences and the Royal Hospital for Children. The focus of the inspection was infection control, specifically considering the following standards:

- leadership in the prevention and control of infection
- infection prevention and control policies, procedures and guidance
- decontamination.

The inspection report published in March 2019 included 14 requirements and one recommendation. Nine of these were classed as urgent and had to be implemented within one week. The board developed an improvement plan to address the inspection findings.

The Cabinet Secretary for Health and Sport has also commissioned an independent review of the Queen Elizabeth University Hospital. As well as covering the infection control issues, this review will consider:

- the design of buildings
- the process for commissioning and constructing new healthcare facilities
- the scale of health problems acquired from the healthcare environment
- wider implications for healthcare facilities across Scotland.

The independent review is in its early stages. Two chairs have been appointed, and the terms of reference are under development. There is no timescale for the review to be completed or published.

Source: Unannounced Inspection Report – Safety and Cleanliness of Hospitals, Queen Elizabeth University Hospital (including Institute of Neurosciences and Royal Hospital for Children), Healthcare Improvement Scotland, 2019; Scottish Government, 2019

Case study 4

Royal Hospital for Children and Young People, Edinburgh



The opening of the new Royal Hospital for Children and Young People (RHCYP) in Edinburgh was delayed after final safety checks of the building found that the ventilation system in the critical care department did not meet national standards.

NHS National Services Scotland (NSS) reviewed all buildings systems in the new hospital that could have health and safety implications for patients and staff. The review assessed the water, ventilation and drainage systems and set out a timeframe for the opening of the hospital. NSS will also assess all current and recently completed new-builds and major refurbishments, to provide assurance that they comply with national standards.

KPMG carried out an independent review of the governance arrangements for the RHCYP. It identified the factors that led to the decision to delay the move to the new hospital, including communication and timescales. It found that a document produced by NHS Lothian during the tender stage of the project in 2012 was inconsistent with guidance, and that opportunities to rectify the error were missed. It also found that there was confusion over the interpretation of technical guidance and standards.

The Scottish Government has asked NHS Lothian to develop a recovery plan with clear milestones and responsibilities. The Cabinet Secretary for Health and Sport also announced that a package of tailored support measures would be made available to the board to support improvements.

Source: Scottish Government, 2019; *Review of: water, ventilation, drainage and plumbing systems*, NHS National Services Scotland, 2019; *Independent assessment of governance arrangements*, NHS National Services Scotland and KPMG, 2019

The NHS in Scotland is facing significant pressures from population changes and increasing demand for services

36. Certain factors, such as demographic changes, rurality and deprivation, can affect demand for services and can make it more costly for boards to deliver services. The Scottish Government uses a formula developed by the NHS Scotland Resource Allocation Committee (NRAC) to assess how much funding each board should be allocated. The NRAC formula considers the demographics of each board area, including population size, deprivation levels and unavoidable geographical variations in the cost of providing services.

37. In 2018/19, all NHS boards received allocations within 0.8 per cent of what the NRAC formula determined they should receive, known as parity.¹¹ This was an improvement from the previous year, where all boards received allocations within one per cent of parity. This required an additional £30 million investment. To maintain this position for 2019/20, £23 million additional investment was required.¹²

38. NHS Highland was the only board to move slightly further from parity in 2018/19, moving from 0.7 per cent below parity in 2017/18 to 0.8 per cent. NHS Western Isles has historically received an allocation that was significantly above parity; in 2018/19, it was 11.3 per cent above.

39. In 2018/19, demand for hospital care continued to grow with increases in attendances at A&E and the number of people waiting for inpatient and outpatient appointments. At the same time, more people were admitted to hospital for both emergency and planned care, and on average, their stay in hospital was slightly shorter than in 2017/18. The average length of stay in hospital reduced from 6.2 days in 2017/18 to 6.0 days in 2018/19, despite increases in delayed

discharges. Fewer operations were cancelled and there was a small increase in the number of outpatient appointments held, following significant decreases in 2017/18. [Exhibit 8 \(page 21\)](#) shows national trends across selected indicators of demand and activity for acute services in 2018/19. The quality and availability of health and social care data need to improve. This will help boards better understand the reasons for trends in demand and activity and how to make best use of existing capacity.

40. We have consistently reported the lack of data and information available to measure performance and outcomes, especially in primary and community care. It is crucial that this is addressed as a matter of urgency. The establishment of Public Health Scotland is another opportunity to provide boards with more useful data from across the health and social care system. This will allow NHS boards and IAs to make informed decisions when planning and designing services.

41. The Scottish Government has committed to increasing investment in primary care by £500 million by 2021/22. This should provide at least £1.28 billion by 2021/22 to support the new GP contract and primary care reform. This aims to free up capacity in acute hospitals to reduce waiting times and improve access to services. In addition, a whole-system partnership programme to reform adult social care started in June 2019. This work is being carried out in partnership with people with lived experience of social care, unpaid carers and people who deliver the services. The programme aims to create additional capacity in the community to better meet the needs of people, their carers and the workforce.

Boards continue to struggle to achieve key national standards






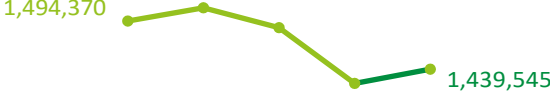


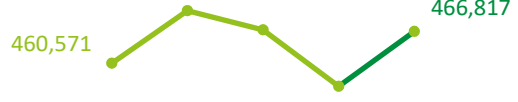





42. The NHS in Scotland met two of the eight key national waiting times standards in 2018/19 ([Exhibit 9, page 22](#)). This is a small improvement from 2017/18, when the NHS met only the drug and alcohol waiting times standard. The standards that were met were:

- patients starting cancer treatment within 31 days (decision to treatment)
- drug and alcohol patients seen within three weeks.

43. National performance declined for six out of the eight standards in 2018/19. Performance improved for outpatients waiting less than 12 weeks following first referral and for patients starting cancer treatment within 31 days of the decision to treat. [Appendix 1 \(page 42\)](#) shows performance against the national standards by NHS board for 2018/19, including the percentage change since the previous year and over the last five years.

44. It is important to acknowledge the impact of rising demand on waiting times. In 2018/19, the number of people seen on time increased for seven of the eight standards. This means that the waiting times targets were met for more people in 2018/19 than in 2017/18. However, demand for services increased at a higher rate, so the percentage of people for whom the targets were met declined.

Exhibit 8**National trends in demand and activity for acute services in 2018/19**

 Demand	Trend 2014/15 – 2018/19		Change since 2017/18
Number waiting for outpatient appointment		↑ 22.1% since 2014/15	↑ 2.2%
Number waiting for inpatient appointment		↑ 37.3% since 2014/15	↑ 6.1%
A&E attendances		↑ 3.2% since 2014/15	↑ 2.8%
 Activity	Trend 2014/15 – 2018/19		Change since 2017/18
New outpatient attendances		↓ 3.7% since 2014/15	↑ 1.1%
Return outpatient attendances		↓ 6.2% since 2014/15	↑ 0.9%
Emergency admissions		↑ 3.0% since 2014/15	→ 0.0%
Daycase admissions		↑ 1.4% since 2014/15	↑ 2.4%
Elective admissions		↓ 21.3% since 2014/15	↓ -2.8%
Number of procedures		↓ 1.7% since 2014/15	→ 0.0%
 Trend 2016/17 – 2018/19	Trend 2016/17 – 2018/19		Change since 2017/18
Cancelled planned operations		↓ 6.9% since 2016/17	↓ -16.4%
Bed days occupied by delayed discharges		↑ 2.9% since 2016/17	↑ 9.0%

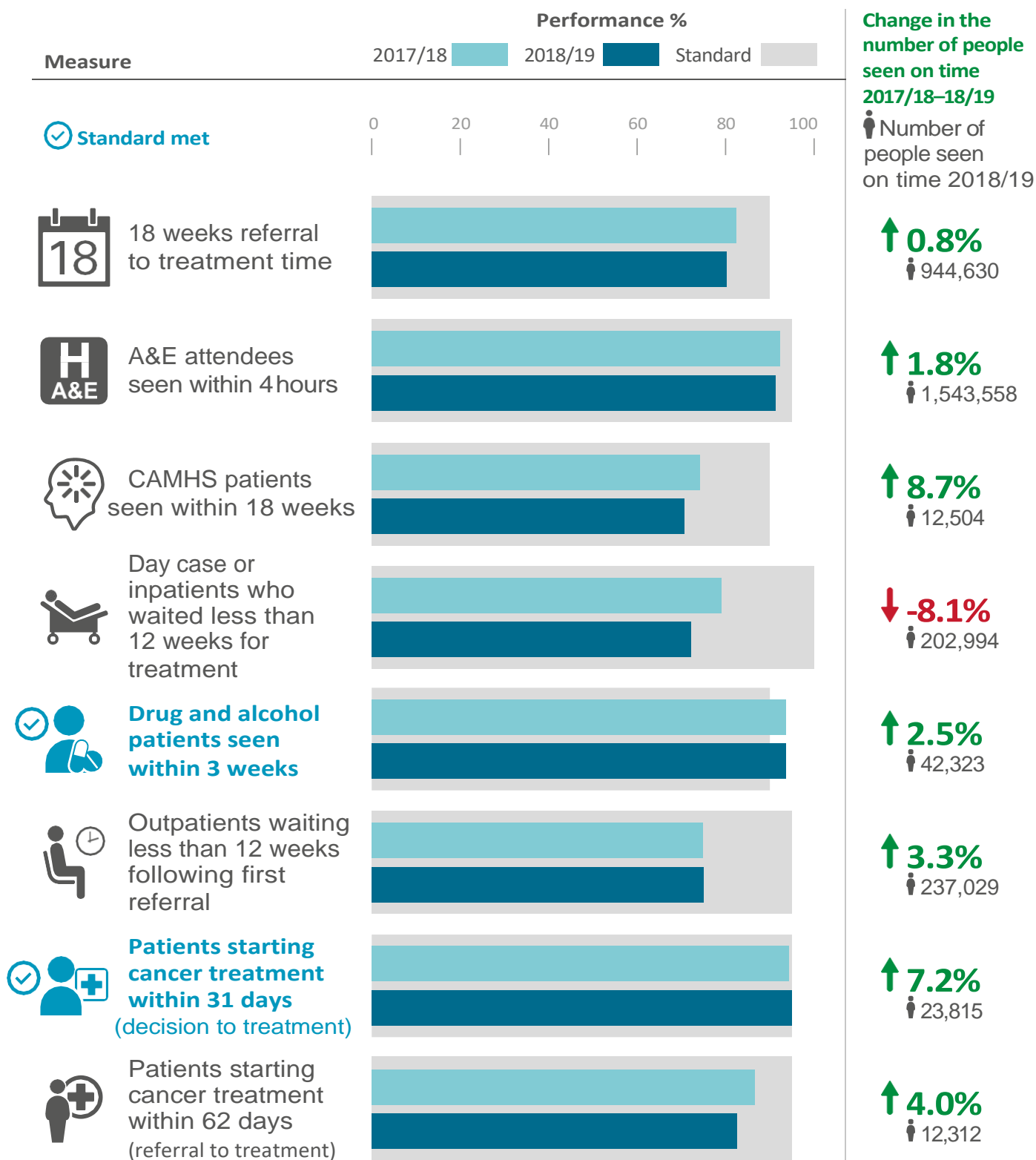
Note: 'Number waiting for outpatient appointment' and 'Number waiting for inpatient appointment' refer to the number of patients on the waiting list at the end of March in each year. 'Cancelled planned operations' refer to operations that have been cancelled for capacity or non-clinical reasons. The definition of bed days occupied by delayed discharges changed in June 2016, so the 2016/17 figure has been adjusted for comparability with subsequent years.

Source: Accident & Emergency Activity and Waiting Times Statistics, ISD Scotland, September 2019; Number on inpatient waiting list, ISD Scotland, August 2019; Number on new outpatient waiting list, ISD Scotland, August 2019; Cancelled planned operations, ISD Scotland, September 2019; Bed days occupied by delayed discharges, ISD Scotland, September 2019; Annual acute hospital activity and hospital beds, ISD Scotland, September 2019

Exhibit 9

NHS Scotland performance against key national waiting times standards, 2017/18 to 2018/19

NHS Scotland met two of the eight waiting times standards in 2018/19.



Note: Figures are annual aggregated performance figures for all standards, apart from 'Outpatients waiting less than 12 weeks following first referral' (census date at 31 March 2018 and 31 March 2019). CAMHS = child and adolescent mental health services.

Source: See [Appendix 3](#) for sources

The Scottish Government and NHS boards have recently introduced initiatives that aim to improve access to care

45. The Scottish Government has been working to improve waiting times and, in October 2018, introduced the WTIP.¹³ The Scottish Government is investing more than £850 million over two and a half years. Of this, £535 million will be spent on frontline services and £320 million on capital projects.

46. As part of the WTIP, the Scottish Government introduced new monitoring arrangements for NHS boards that require them to report quarterly on their performance. This enables the Scottish Government to hold boards to account and to provide additional support to those that are not on track to meet their phased improvement goals. So far, £102 million of WTIP funding has been allocated for 2019/20. It is too soon to assess whether this additional funding will help boards to meet the phased improvement goals set out in the WTIP.

47. The Scottish Government has also developed a national independent-sector contract to provide additional capacity and reduce waiting times. This contract is designed to cap private-sector charges for treatment. It is planned to be used as a short-term measure, while elective centres are being set up.

48. The National Theatre Productivity Group is a collaboration between the National Waiting Times Centre (NWTC) and some NHS territorial boards. They are working together to share good practice and introduce new ways of working, to improve efficiency and reduce waiting times. At a recent event, the Golden Jubilee Hospital shared information about an initiative to reduce patient waiting times for cataract surgery. This work focused on improving theatre use by calling patients from a pre-assessment clinic to fill late cancellations. NWTC reported that on average, around 18 per cent of patients who cancelled late were replaced with other patients. There has been very positive feedback from patients. This is a model that has clinical support, has been approved by the General Medical Council and has the potential to be tested in other specialties.

Inpatients' experiences of care and patient safety are improving

49. In 2018, the Scottish Government published its report on a survey of inpatients' experiences of quality of care.¹⁴ It showed that 86 per cent of inpatients had a positive experience of care, an improvement of two percentage points since 2016. There was a consistent picture of positive experience in many areas.

50. Results in relation to arrangements for leaving hospital remained consistent, with 78 per cent of inpatients rating this experience as good or excellent. Only 30 per cent of people reported being delayed on the day of leaving hospital, an improvement of nine percentage points since 2016. The most common reason for such delays continued to be waiting for medications.

Patient safety is improving across a range of measures

51. Despite the financial and demand challenges, staff are working hard across all health and social care settings to provide safe, high-quality care. Recently published data on the NHS Performs website shows improvement across a range of indicators over the past ten years. The Scottish Patient Safety Programme, established in 2008, has successfully improved patient safety.¹⁵ This programme has contributed to the following significant reductions:

- Post-surgical mortality rates have decreased by 36.6 per cent since 2008, following the introduction of the World Health Organization Surgical Safety Checklist.¹⁶ The checklist promotes a culture of teamwork and communication in operating theatres, helping to improve surgical care and safety.
- The number of deaths from sepsis has been reduced by introducing a structured response to, and treatment of, sepsis. Since its launch in 2012, the sepsis programme has contributed to a 21 per cent reduction in mortality rates.¹⁷
- The Hospital Standardised Mortality Ratio for Scotland has decreased by 14 per cent since 2014 because of improvements in the recognition of, and response to, acutely unwell patients. This means that the number of recorded deaths decreased compared to the number of deaths predicted.

52. In November 2016, the Scottish Ambulance Service (SAS) introduced a new system to prioritise patients. To create the system, over half a million 999 incidents were reviewed to determine what factors had the biggest impact on patient outcomes. This new system better prioritised incidents and matched the timing and type of ambulance response to the needs of the patient. In its first year of operation, there was a 43 per cent improvement in 30-day survival rates for patients in the most urgent category.

53. Minimising healthcare associated infections is a priority for the NHS. It has achieved consistent improvement in two key measures – Clostridium difficile (C. diff) infection rate and meticillin-resistant Staphylococcus aureus (MRSA)-associated bacteraemia rate. Between 2014 and 2018, a decreasing year-on-year trend has been seen in the incidence rate of:

- C. diff, which has decreased by 7.5 per cent in patients 15 years and older
- MRSA, which has decreased by 17.1 per cent between 2014 and 2018.¹⁸

The amount spent on drugs stabilised in 2017/18

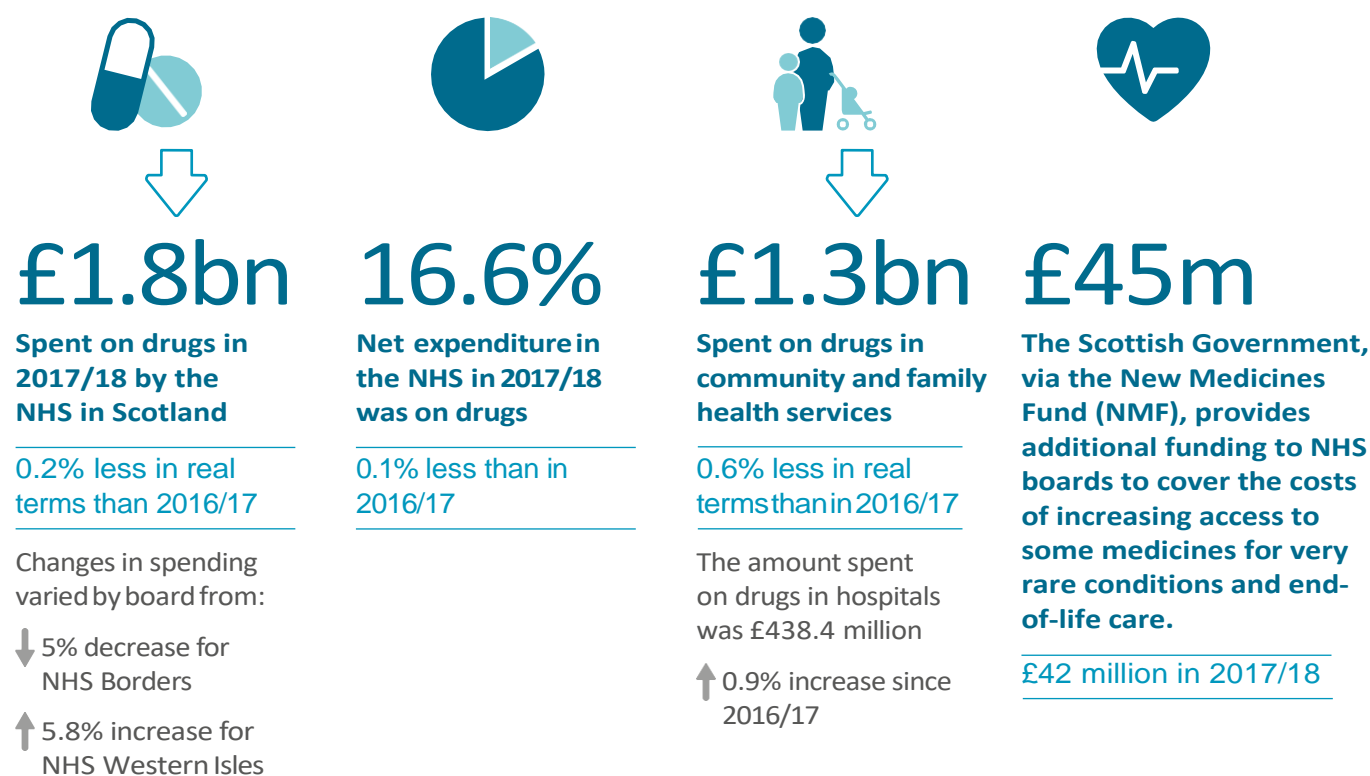
NHS boards and the Scottish Government have implemented a range of initiatives to manage prescription costs

54. The NHS in Scotland spent almost £1.8 billion on drugs in 2017/18, a reduction of 0.2 per cent in real terms since 2016/17 ([Exhibit 10, page 25](#)). Good progress continues to be made in the proportion of generic medicines prescribed. This increased from 83.9 per cent in 2017/18 to 84.3 per cent in 2018/19.¹⁹ Generic medicine is usually cheaper, sometimes significantly, compared to branded medicine. Some initiatives that boards have been working on include:

- increasing the use of generic medicines in secondary care
- reducing the amount of drugs dispensed in primary care by more regularly reviewing the medicines that are being prescribed
- switching from high-cost drugs to cheaper alternatives that are chemically similar to the original drugs and close enough to achieve the same results. These are referred to as biosimilars.

Exhibit 10

Expenditure on drugs stabilised in real terms, in 2017/18



Source: R600: pharmacy—drug expenditure, ISD Scotland costbook data, November 2018; Volume and Cost (NHS Scotland), ISD Scotland, July 2019; Scottish Government NHS allocations, March 2019

55. Ten boards have reduced their expenditure on drugs in real terms. An example of a successful approach for reducing drug expenditure is the three-year medicines' efficiency programme launched by NHS Fife in 2016. This has delivered £12 million in savings across health and social care services. The programme included three priorities. These were to restrict the list of medicines available for prescribing, to reduce medicines waste and to review more regularly the medicines that are being prescribed. NHS Grampian also reduced its prescribing budget by £3.5 million compared with last year, mainly through switching to biosimilars.

56. The Scottish Government effective prescribing team supported improvements to reduce costs including by:

- implementing electronic prompts for prescribers, to encourage them to use generic medicines and lower-cost alternatives
- emphasising the importance of carrying out medicines reviews, to safely reduce the number of medications being taken at the same time.

The NHS in Scotland continues to face significant workforce challenges

57. The NHS is reliant on its workforce to deliver healthcare services. However, it is increasingly challenging to recruit enough people with the right skills, particularly in some rural areas. [Exhibit 11 \(page 26\)](#) outlines some important

Exhibit 11

NHS workforce 2018/19

Headcount**164,114****March 2019**

↑ 0.6 % since last year

↑ 3.4% over five years

Full-time equivalent**140,881****March 2019**

(excluding some primary care staff)

↑ 0.7 % since last year

↑ 3.9% over five years

Staff costs**=****£6.9bn****in 2018/19**↑ 2.5% in real terms
since last year**Vacancy rates****Consultants****7.7%**

↑ from 7.5% in 2017/18

Highest: **44.2%** OrkneyLowest: **1.9%** Lothian**Nursing and midwifery****4.9%**

↑ from 4.5% in 2017/18

Highest: **8.4%** HighlandLowest: **0.7%** Ayrshire and Arran**Allied health professionals****4.7%**

↑ from 4.4% in 2017/18

Highest: **9.1%** GrampianLowest: **0.4%** Ayrshire and Arran**54%**Vacancies open
for at least 6 months

↓ from 60% in 2017/18

**28.5%**Vacancies open for
at least 3 months

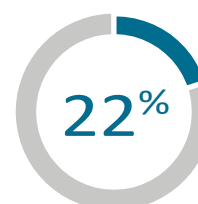
↓ from 30.3% in 2017/18

**32%**Vacancies open for
at least 3 months

↑ from 29.4% in 2017/18

**Sickness absence**
5.4%
same as 2017/18
**Territorial boards**Highest: **5.9%** NHS Forth ValleyLowest: **4.3%** NHS Shetland**National boards**

Highest:

8.6% NHS 24**8.3%** State Hospital**7.8%** Scottish Ambulance Service**Staff turnover**
6.4%
down from 6.6% in 2017/18
**Territorial boards**Highest: **9.8%** NHS ShetlandLowest: **6.5%** NHS Ayrshire and Arran**National boards**Highest: **10.5%** NHS Health ScotlandLowest: **4.5%** Scottish Ambulance
Service**Workforce
aged over 55****55+**

58. The Scottish Government's ambition is for the NHS to provide more care in the community than in acute hospitals. To support this ambition, the way that care and treatment is delivered will change, and therefore the way that NHS staff work will change too. There are examples of where roles have changed to support different ways of working ([Case studies 5 and 6](#)).

Case study 5



Pharmacy First has been a success at NHS Forth Valley

NHS Forth Valley has evaluated its Pharmacy First service. This service aims to improve patients access to treatment for certain conditions without the need to see a GP. This service is now available at all community pharmacies, many of which are open at the weekend or evenings, when most GP practices are closed.

Results found that between April 2017 and March 2019, pharmacists were able to provide treatment for 83 per cent of consultations. Pharmacists referred just ten per cent of patients to their GP. The remaining seven per cent of patients were given advice.

Service users were asked for feedback on the service and, of those who responded, 88 per cent said that the pharmacist was able to help them fully, and 100 per cent rated the service excellent or good. Pharmacists in Forth Valley also provided positive feedback on the service and, of the GPs who responded, 53 per cent said that there had been a decrease in the number of patients seeking treatment, as many conditions were covered by the Pharmacy First service.

Source: *Evaluation of the pharmacy first extension service*, NHS Forth Valley, April 2019

Case study 6




The Scottish Ambulance Service is helping to reduce demand for GP appointments

The Scottish Ambulance Service has been testing new ways of working as part of multidisciplinary teams in primary care, to help safely reduce the demand for GP appointments. Paramedics assess patients with urgent symptoms that need to be addressed before the next available GP appointment.

Initial results found that paramedics could safely assess and treat more than 65 per cent of requests for GP home visits, reducing demand for GP appointments. Patient feedback has been very positive. It also found that paramedics involved in this work brought additional expertise back to their 999 calls, with more patients being treated at the scene, which reduced hospital admissions. The Scottish Ambulance Service now plans to further develop this work and roll it out across the country.

Source: Scottish Ambulance Service, 2019

59. In 2018, the Scottish Government published the new General Medical Services Contract, also known as the GP contract. It included plans to expand the role of multidisciplinary teams in primary care, to ease GPs' workload and improve patient access to appropriate care. These teams will be based in GP practices and involve pharmacists, advanced nurse practitioners, physiotherapists and others. It aims to increase the role that GPs have in planning and delivering new health and social care services. It also aims to increase the amount of time that they have available to care for patients, particularly those with complex or difficult to diagnose conditions.

60. Our report [NHS workforce planning - part 2](#)  found that because of a lack of primary care data, it is difficult to assess whether these aims are on track to be achieved. Increasing the primary care workforce as planned will be a significant challenge and any changes are likely to have an impact on other parts of the system.

Temporary staffing costs remain significant, and there is a wide variation between boards

61. As a result of recruitment and retention issues, sickness absence and pressures to meet waiting time targets, NHS boards supplement their workforce by using temporary staff. In 2018/19, NHS boards spent £169.5 million on agency staffing. This was a real-terms increase of 0.3 per cent since 2017/18 ([Exhibit 12, page 29](#)).

Boards are working to reduce temporary staffing costs

62. The cost of temporary staffing is significant. Boards have carried out a range of initiatives to reduce temporary staffing costs:

- In 2018/19, NHS Greater Glasgow and Clyde developed a refreshed campaign to recruit graduate nurses. It took a proactive approach to meeting students and promoting the board. It provided graduates with the opportunity to speak to senior nursing staff to learn more about the organisation. The board recruited 458 newly qualified nurses through this recruitment exercise, which filled most of its nursing vacancies. The board saw a real terms reduction of 23.4 per cent in agency spending in 2018/19 compared with 2017/18.²⁰
- NHS Grampian has expanded its recruitment to alternative roles. The board has funded a considerable number of additional clinical development fellow, advanced nurse practitioner and physician associate posts. These posts can support areas that are struggling to recruit enough junior doctor posts and can help to reduce the reliance on medical locums. The board also recruited more than 100 nurses from Western Australia and is planning to develop a more formal partnership with Western Australia. It has also been promoting research and development opportunities, to attempt to attract more people to work at NHS Grampian.

Withdrawing from the European Union is likely to exacerbate existing workforce and cost pressures

63. There is considerable uncertainty around the potential impact of the UK's withdrawal from the European Union (EU). The immediate areas of potential impact for NHS boards include reduced access to medicines for certain patient groups and increased costs of medicines and supplies. Higher costs will compound the financial pressure on the NHS. In the longer term, there is uncertainty about future immigration rules and the impact that this may have on being able to attract applicants for vacancies. Professional bodies consider that the number of applicants to the NHS from other EU countries has already declined. This will place further strain on the NHS workforce.

64. The UK and Scottish Governments are leading and coordinating most of the preparations. NHS National Services Scotland has played a central role in contingency arrangements. In line with guidance from National Procurement, NHS boards have not been holding increased stocks of drugs or medical equipment. This is being managed at a UK-wide level.

65. Some boards have acted to strengthen their local arrangements to increase resilience. Several boards, with their partners, have established assurance groups to coordinate preparations, address risks where possible and keep their staff and board members updated. NHS boards should factor any known workforce and cost implications into their financial plans.

Exhibit 12

Temporary staffing costs in 2018/19

In real terms, several boards reduced their spending on temporary staff. Spending on medical agency locums has decreased but spending on agency and bank nurses continues to increase.



Medical locum

2014/15 – £72.8 million
2018/19 – £98.0 million

Peaked in 2016/17 at £114 million and has reduced year-on-year since



Nursing agency

2014/15 – £17.1 million
2018/19 – £26.2 million

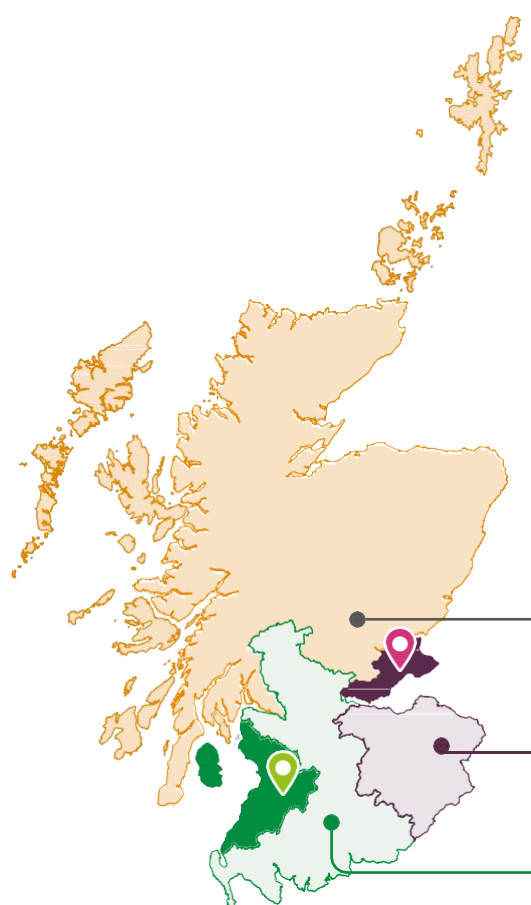
Decreased in 2017/18 but has reached its highest so far in 2018/19



Nursing bank

2014/15 – £138.8 million
2018/19 – £161.9 million

Continuing to rise year-on-year.
This is a more cost effective option for health boards than agency nurses



Compared with 2017/18 costs:

7 territorial boards reduced their agency spending in 2018/19, in real terms

NHS Fife saw the largest percentage increase in spending **↑ 20.6%**
£1.8 million

NHS Ayrshire and Arran saw the largest percentage decrease in spending **↓ 26.1%**
£3.0 million

Spending on agency staffing varied significantly across NHS boards and varied by region:

North region
£43 per 1,000 population

East
£27 per 1,000 population

West
£23 per 1,000 population

Note:

North: Grampian, Highland, Orkney, Shetland, Tayside and Western Isles.

East: Borders, Fife and Lothian

West: Ayrshire and Arran, Dumfries and Galloway, Forth Valley, Greater Glasgow and Clyde and Lanarkshire

Sources: NHS Consolidated Accounts for the financial year 2018/19, Scottish Government, 2019; NHS Scotland workforce, ISD Scotland, June 2019; Mid-year population estimates, National Records of Scotland, April 2019

Part 2

Achieving a sustainable NHS



Key messages

- 1 The Scottish Government's 2020 Vision is to change the way health and social care services are delivered. The successful integration of health and social care is essential for achieving this, but progress has been slow and the aims of the 2020 Vision will not be achieved on time. NHS boards are working on a significant number of local improvement initiatives, but there is scope to consolidate this activity to achieve larger-scale, system-wide reform. The Scottish Government should identify and prioritise the initiatives that are most likely to achieve the reform needed. It should use this information to develop its new strategy for health and social care for 2020 onwards. Much more work is also required to engage with local communities to inform and co-design changes to services.
- 2 Reforming health and social care also means that changes to the NHS workforce are required. To support this, the Scottish Government needs a national, integrated, health and social care workforce plan. This is overdue.
- 3 There has been significant turnover in senior leadership positions across the NHS in Scotland, with 26 new appointments in 2018/19. The Scottish Government has introduced a series of changes to improve its approach to senior leadership recruitment and development. This is a medium- to longer-term solution, and it is too soon to determine the impact of these changes on stabilising senior leadership in the NHS.
- 4 The NHS needs to improve workplace culture. Following reports of bullying and harassment and an independent review, the Scottish Government has committed to implementing a series of improvements. Boards are now required to provide assurance that they are aware of the culture and behaviours in their organisation and have plans to address any issues identified.

There has been long-term and consistent national policy direction for health and social care integration, but progress has been slow

66. Since 2005 there have been several strategies and frameworks published by the Scottish Government that aim to reform health and social care services across Scotland ([Exhibit 13, page 31](#)). To achieve the Scottish Government's vision to change the way services are delivered, successful integration of health and social care is urgently required and is a major priority across the whole system.

Exhibit 13

A timeline of major Scottish Government health and social care policies and publications, 2005–16

- **2005** The Scottish Government published *Delivering for Health*

This first set out the aim to provide care that is quicker, more personal and closer to home. It aimed to support more integrated working across health and social care, improve patient pathways and develop a culture of teamwork and co-operation.
- **2009** The Scottish Government and COSLA published *Improving Outcomes by Shifting the Balance of Care Improvement Framework*

It proposed ways that NHS boards and local authority partners could make better use of resources across the health and social care system. It aimed to help them to better manage the impact on acute hospitals of population growth, increase in the number of older people and long-term conditions.
- **2011** The Scottish Government published its *2020 Vision*

It set out the aim that by 2020 'everyone is able to live longer, healthier lives at home, or in a homely setting'. Ambitions were to shift care from acute to community care, increase integrated working focusing on prevention, anticipate care needs and support self-management of long-term conditions. It aimed to ensure people are discharged from hospital as soon as appropriate with minimal risk of readmission.
- **2014** Integration legislation passed and introduced the mandate for change with the establishment of Integration Authorities (IAs)

NHS boards need to work in close partnership with IAs and local authorities to plan together how services that were once provided in hospital can be moved to the community. IAs are responsible for planning, designing and commissioning primary care services. They are also responsible for developing primary care improvement plans, in collaboration with NHS boards and local GP subcommittees.
- **2015** The Scottish Government published the *National Clinical Strategy*

This highlighted areas where improvements would be necessary over the next five to ten years across primary and acute care. Significant changes were required to ensure the NHS could adapt to meet the needs of the population in the future.
- **2016** The Health and Social Care Delivery Plan set the direction required to make hospital services more sustainable and available for those who need them in the future

It provided more guidance for health and social care services to change the way services are delivered. It intended to increase the number of people that can be treated and cared for closer to their home, where it is safe and appropriate to do so.


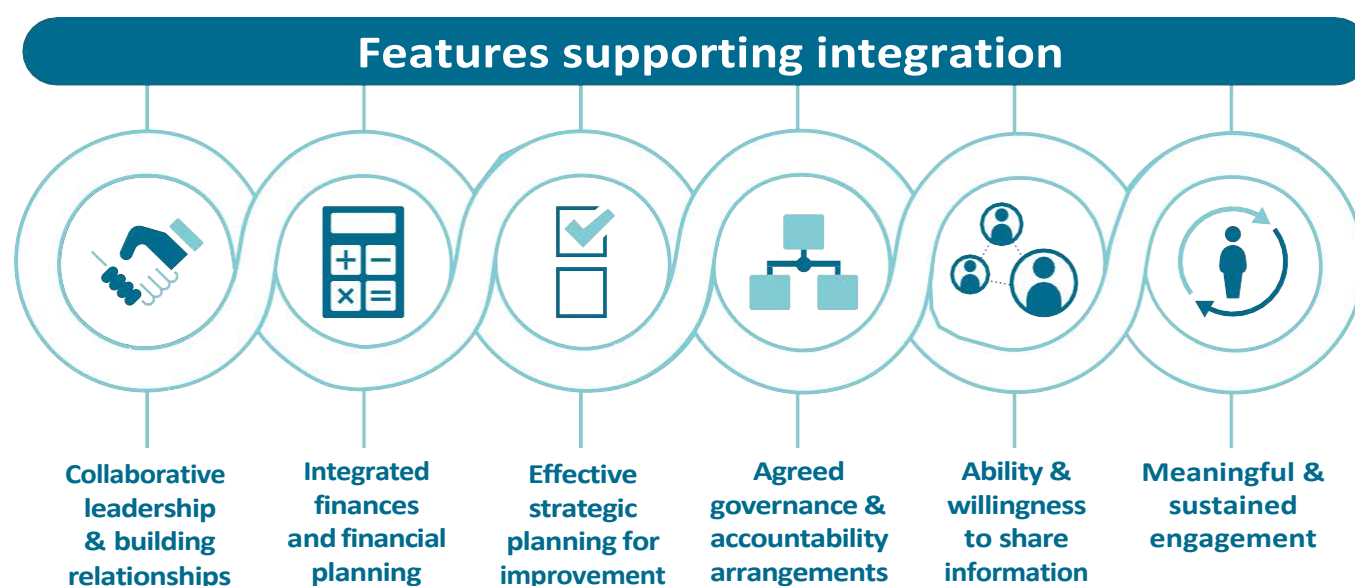
67. Changing how healthcare services are accessed and delivered has been too slow. In September 2018, the Scottish Government, NHS Scotland and COSLA released a joint statement setting out a shared commitment to integration. It clearly stated that the pace of integration needs to be stepped up. In our report, [*Health and Social Care Integration: update on progress*](#) , we identified six areas that IAs and their NHS and council partners need to address ([Exhibit 14](#)).

Exhibit 14

Features central to the success of integration



Source: [*Health and social care integration: update on progress*](#), Audit Scotland, November 2018

68. In 2018/19, NHS boards' external auditors reported on a range of challenges to the progress of integration. These included the following:

- Several boards reported IA overspends, including NHS Ayrshire and Arran, NHS Fife and NHS Forth Valley.
- There is a variation in the way that NHS boards work with IAs to plan services and budgets. Some reported that agreements are not yet fully implemented or are being renegotiated.
- There are workforce pressures, including the availability of key roles and having the right skills and experience.
- There is difficulty in finding time to support reform and integration while maintaining acute services.

69. As a result of concerns about the pace of health and social care integration, the Cabinet Secretary for Health and Sport commissioned a review of progress. This was conducted in late 2018. The Ministerial Strategic Group for Health and Community Care (MSG) published their findings in February 2019 and set out proposals for ensuring the success of integration.²¹ It set out its proposals under the headings identified in [Exhibit 14](#).

70. Following publication of their review, the MSG issued a self-evaluation template to be completed by health boards, councils and IAs. This aimed to evaluate their current position in relation to the findings of the review. This exercise will be repeated to demonstrate any progress made across the country. Work needs to continue to implement the recommendations highlighted in our report and the MSG review. The Scottish Government has appointed a dedicated lead for this work.

There are examples of NHS boards working with partners to successfully change the way that services are delivered

71. There are numerous innovative and successful examples of partnership working across health and social care to change the way that services are delivered. For example, NHS 24 works with Police Scotland and SAS to improve the pathway for people in distress who contact these three organisations. It also engaged with service users and those delivering services, to develop a mental health hub, based on similar models in London and Cambridgeshire. The hub aims to reduce the proportion of people experiencing mental health issues that are referred to emergency services. Early results show that it has been successful, with less than ten per cent of these cases being referred on to emergency services. [Case study 7](#) shows how SAS is working with NHS 24 to reduce the demand on emergency departments.

Case study 7



SAS is collaborating with NHS 24 to improve patient triage

SAS has been working with NHS 24 to improve the way patients are assessed and treated. Many people making 999 calls are experiencing symptoms relating to long-term conditions that may not always require hospital care or admission. SAS and NHS 24 worked with NHS boards and IAs to develop new pathways of care. These pathways are designed to deal with the immediate issue and minimise the risk of future emergencies.

As a result, more patients are being safely managed either within the ambulance control centre or in the community by paramedics, without having to attend A&E. In June 2019, 37 per cent of incidents were managed by paramedics or through the control centre. This compares with 32 per cent of incidents in April 2017.

Good progress is being made, but there is variation across Scotland in the rate of patients being taken to emergency departments. SAS is focusing on reducing this variation. It is working with IAs and GP clusters to develop local solutions with local communities, in line with the principles of realistic medicine.

Source: Scottish Ambulance Service, 2019

The potential of digital technology is not yet being maximised

72. In April 2018, the Scottish Government published a new digital health and care strategy.²² The strategy sets out national digital priorities for the next decade that aim to support the transformation of health and social care delivery. These include making use of new technologies to:

- share patient information across health and social care boundaries
- improve patient safety and the coordination of care
- support the redesign of services
- build workforce capability.

73. The Scottish Government is developing a new health and social care digital platform. The platform intends to improve access to health records where and when they are needed across acute, primary and community care. New ways of working using new technologies will also be tested, such as virtual clinics and the remote monitoring of chronic illnesses.

74. Work to implement the strategy is at an early stage. It requires collaboration between the Scottish Government, NHS boards and local government, and governance arrangements are being established to monitor progress. We will continue to monitor developments as part of our ongoing work programme.

75. There are examples of good work across Scotland to make the most of the technology that is currently available to improve patient care. The implementation of the electronic frailty index tool is an example of this ([Case study 8](#)).

Case study 8



The Living Well in Communities (LWiC) team is improving the identification and management of people with frailty

The LWiC team in Healthcare Improvement Scotland's improvement hub has developed preventative support for people with frailty in the community. It uses an electronic frailty index (eFI) to identify people with frailty before they reach crisis point. The eFI is available to GP practices through a national IT (information technology) system known as the Scottish Primary Care Information Resource (SPIRE). GP practices using SPIRE can now identify their frail population enabling them to better direct and manage their healthcare needs. During the summer of 2019, the LWiC team supported 19 health and social care partnerships across Scotland to implement the eFI. This could lead to more care being provided in the community rather than in acute hospitals and improve the quality of life of people with frailty.

Source: Healthcare Improvement Scotland, 2019

More work needs to be done to engage with local communities when making changes to health and social care services

76. We have previously reported that the NHS in Scotland needs to be more open, by improving public reporting and the way that the community is involved in planning and designing changes to services.

77. In 2019, NHS boards completed the blueprint for good governance self-assessments.²³ These identified that engagement with stakeholders required further development across several boards. It found that boards need to develop more effective communication and engagement strategies. The approach to community engagement was inconsistent, with some boards reporting that they needed more clarity around expectations. Some boards reported that improved guidance was needed to support better dialogue and inclusion of the community in decision-making.

78. The Community Empowerment (Scotland) Act 2015 sets the requirement for all public bodies to work alongside their stakeholders when making decisions about what services are delivered and where.²⁴ Working in partnership with the community aims to support the co-design of services and improve outcomes. This is particularly important for marginalised community groups. There is still much work to be done to meet the requirements of the Act with many boards still developing engagement strategies.

79. The Place Principle, recently introduced by the Scottish Government and COSLA, aims to support collaboration and co-design of places in the community.²⁵ It supports inclusiveness and sustainable outcomes. Planning and working together with the community is vital to ensure a positive, shared understanding and agreement on future community developments.

80. In November 2018, the Scottish Government commissioned an independent review of how NHS Lanarkshire had planned for the redevelopment of Monklands Hospital. Concerns had been raised by elected representatives and members of the public about the level of community engagement and consultation. There were also concerns about the quality of the information used in the planning process, particularly around identifying possible new sites for the hospital. The review found that NHS Lanarkshire had carried out their planning and consultation process well, and in line with existing guidance. Nonetheless, to restore public confidence and trust, it recommended that for the redevelopment, they should follow the Place Principle to create a shared vision with the local community.²⁶

81. NHS boards should incorporate the Community Empowerment Act principles into their communication and engagement strategies.²⁷ This will enable a more mature approach to involvement and improve trust and confidence within the community. Providing a range of community groups with a voice will allow a more informed and open conversation about the design and delivery of public services to meet local needs.

The development of a national, integrated health and social care workforce plan is overdue

82. Between June 2017 and April 2018, the Scottish Government published three workforce plans, covering the NHS, social care and primary care.^{28,29,30} It also intended to develop, with COSLA, a national integrated health and social care workforce plan. This was due to be published in 2018 but has been delayed until 2019.

83. IAs have been expected to provide health and social care workforce plans since 2017/18. These should include information about the existing workforce across their health and social care partnership, the expected workforce required in the future and an analysis of workforce supply and demand trends. Not all IAs, however, have produced a plan.

84. Health and social care reform includes changes in the way that care is delivered and by whom. To support planning for a different type of workforce, broader analysis is required. This should identify:

- what roles will be needed and how many
- where they are needed and what skills and training are necessary
- what these changes to the workforce will cost.

85. Acute hospitals and primary and community care services continue to face increasing workforce shortages. It is unclear if commitments to increase the number of GPs and create new multidisciplinary primary care teams can be achieved in the timescales expected. This is in addition to maintaining acute hospital services and establishing new elective centres. The Scottish Government needs to publish the national, integrated health and social care workforce plan and guidance to inform workforce planning.

The Scottish Government should develop a new strategy for health and social care that identifies priorities to support large-scale, system-wide reform

86. The Scottish Government's 2020 Vision is to provide more care closer to home and reduce demand for acute hospital services. This aims to improve patient experience and help achieve the longer-term financial sustainability of the NHS. The successful integration of health and social care is essential for achieving this vision. However, progress has been slow, and the aims of the 2020 Vision are unlikely to be achieved by 2020. NHS boards have been working on a significant number of local improvement projects that may or may not have contributed to these aims.

87. The Scottish Government should identify and prioritise which initiatives are most likely to achieve the level of large-scale reform needed. It should use this information to develop a new strategy for health and social care for 2020 onwards. Spreading successful improvements to support the delivery of a new strategy is not always straight forward. NHS boards need to consider how these initiatives will fit within their local circumstances. This can include the need for additional skills and the development of new relationships. Cultural change may also be required to accept new ways of working.³¹ NHS boards should be able to demonstrate how they are meeting the priorities of the new strategy and should report progress regularly to the Scottish Government.

The Scottish Government and boards still have work to do to improve NHS governance

88. Each NHS board is responsible for ensuring that health services are delivered safely, efficiently and effectively. To support this, NHS boards must have good governance arrangements in place that provide sufficient scrutiny and assurance of financial and operational performance. This year, external auditors found that most NHS boards had adequate governance arrangements in place but found recurring areas of concern. These included the capability and capacity of board members, commitment to transparency, and the quality and timing of information provided for board committee meetings. The Scottish Government is carrying out a range of work aimed at strengthening governance arrangements in NHS boards. This includes piloting a standardised review of corporate governance – NHS Scotland's *A Blueprint for Good Governance* – published in February 2019.³²

89. The blueprint for good governance intends to provide support for NHS board directors to better fulfil their oversight and decision-making role. It aims to create stronger systems and processes for effective scrutiny of performance. The first step in the framework was for NHS boards to conduct a self-assessment to provide a baseline of performance and to identify where improvements were needed. The self-assessment covered five functions of good governance. These are setting the direction, holding to account, assessing risk, engaging stakeholders and influencing culture.

90. Results showed that most boards scored themselves as performing well or exceptionally well across all five functions. Boards have developed action plans to address areas for improvement. NHS boards will provide six-monthly reports to the Scottish Government on progress against their agreed action plans. Themes for improvement include:

- board member induction, skills and ongoing training and development
- strengthening risk management arrangements
- standardising corporate governance documents
- improving the timing and quality of reports that are submitted to the board.

91. The national-level work to support improvement is being managed via three workstreams:

- corporate governance systems
- attraction and recruitment
- retention and development.

92. The blueprint recommends the independent validation of NHS boards in addition to the self-assessments. It is expected that all boards will be independently reviewed over a three-year period. The Scottish Government is currently considering options for the most appropriate way for this to be conducted. The Scottish Government Corporate Governance Steering Group is overseeing activity relating to the framework and workstreams.

The lack of stable leadership in the NHS is impeding reform

93. There has been a significant turnover of senior leadership positions during 2018/19. [Exhibit 15](#) outlines some of these key changes.

Exhibit 15

Changes in senior leadership appointments across the NHS in Scotland 2018/19



26 new
appointments
senior leadership positions

22 NHS board



5 chief executives

NHS Grampian, Highland, Orkney, Tayside, and National Waiting Times Centre

9 board chairs

NHS Borders (interim), Grampian, Highland (interim), Shetland, Tayside (interim), Western Isles, Scottish Ambulance Service, NHS Education for Scotland and National Waiting Times Centre

6 new directors of finance

NHS Forth Valley, Highland (interim), Orkney (interim), Tayside, Western Isles and Scottish Ambulance Service

6 new medical directors

NHS Fife, Lanarkshire, Shetland (interim), Tayside (interim), National Services Scotland and NHS 24

94. At October 2019, over half of NHS boards in Scotland have senior leaders holding dual positions. Typically, this involves only one member of each board's senior leadership team, although three members of the NHS Grampian Executive Team held positions at NHS Tayside during 2018/19. At NHS Shetland, auditors were concerned that three members of the leadership team found managing dual roles challenging, as responsibilities continue to increase.

95. NHS boards are finding it difficult to recruit future leaders. It often takes a long time to appoint people to these positions. Vacancies, interim roles and short tenure can lead to short-term decision-making. This can affect the level of reform and the effective working relationships needed across NHS Scotland. The NHS Leadership Academy suggests that chief executives should stay in post for at least five years, to give organisations the stability they need for effective strategic planning. It is also considered that new chief executives can take 15-32 months to transition into their role.³³

The Scottish Government has improved its approach to senior leadership recruitment and development


96. Greater collaboration and partnership working are needed to support health and social care integration and to improve staff engagement and workplace culture. The Scottish Government recognised that to achieve this, a different style of leadership was required. This was an important factor in the creation of its new leadership development programme called Project Lift.

97. Project Lift has introduced a series of changes that have been progressed over the past two years.³⁴ Project Lift focuses on building positive relationships, respect and kindness. It intends to help people work together more effectively across health and social care services, communities, local authorities and the third sector to improve outcomes. The changes include the following:

- Values-based recruitment: this is a multi-stage recruitment process that includes a competency-based application form, and psychometric tests that are independently analysed and used to set questions for interview and role play. A one-year evaluation is under way and will include feedback from candidates. This process has been extended from only the recruitment of board chairs to now include board members and executive directors.
- A new approach to appraisal: for chairs and deputy chairs, this aims to include 360-degree appraisal by March 2020. The Scottish Government is planning to extend this to non-executive directors. This process aims to support improvements recommended in *A Blueprint for Good Governance* and the Sturrock review.
- A stronger process for induction and professional development: this has been introduced for new non-executive directors and chairs, and NHS Education for Scotland provides mentoring and coaching opportunities.
- A new talent management process: this has been established to help identify and develop future leaders. Individuals complete an online self-assessment and are invited to participate in a supported process of personal and leadership development. Over 1,500 staff from across Scotland have registered with this programme since its launch in 2018.
- Improved engagement across health and social care and the wider public sector: this has included leadership learning events and support to build relationships and cross system, collaborative working.

98. Project Lift aims to resolve future recruitment challenges. The Scottish Government should continue to monitor the effectiveness of the initiatives and their impact on recruitment and retention of senior healthcare leaders. However, this is a medium- to long-term solution and there is an immediate need to fill existing senior leadership vacancies on a substantive basis.

The NHS needs to improve its workplace culture

99. In 2013, the Scottish Government published its *Everyone Matters: 2020 Workforce Vision*. It set out the commitment to put people at the heart of delivering high-quality care, to value the workforce and to treat people well .

100. In September 2018, four senior doctors from NHS Highland publicly reported problems with bullying and harassment. They reported a long-standing culture of fear and intimidation and an environment where concerns could not be raised in an open and transparent way. As a result of this the Cabinet Secretary for Health and Sport commissioned an independent review to further explore the matters raised.

101. John Sturrock QC published his review in April 2019.³⁵ There was extensive engagement, with input from around 300 NHS Highland staff. Many reported that they had experienced some form of bullying, harassment or inappropriate behaviour that was considered significant and harmful. The review made important immediate and longer-term recommendations that also have wider implications for the NHS in Scotland. We expect all boards and the Scottish Government to respond actively and positively. The recommendations included:

- a requirement for person-centred leadership
- working in partnership and engaging with staff at all levels
- improvements in governance
- improvements in the management of human resources processes.

102. The Scottish Government has committed to supporting improvements across NHS Scotland as a result of the Sturrock review.³⁶ Several initiatives are being put in place to support a safe, open and honest workplace culture. These include the following:

- The establishment of a ministerial-led short-life working group to ensure that the recommendations from the report are implemented.
- A review of all workplace policies, including bullying and harassment, conduct, and grievance and the development of a single workforce investigation policy.
- The formation of new legislation to establish an Independent National Whistleblowing Officer for NHS Scotland. This will form part of the Scottish Public Services Ombudsman role and will have the authority to investigate the way that whistleblowing complaints are handled and will make recommendations and report to the Scottish Parliament.
- Each NHS board appoints a whistleblowing champion as part of the role of one of their non-executive directors.



NHS Scotland values

- Care and compassion
- Dignity and respect
- Openness, honesty and responsibility
- Quality and teamwork

103. The Scottish Government is seeking assurance that all boards are considering the outcomes and recommendations from the Sturrock review. Given the importance of this issue across NHS Scotland, the Scottish Government should ensure that all NHS boards:

- provide evidence that they actively promote positive workplace behaviours and encourage reporting of bullying and harassment
- have action plans in place to improve culture, address any issues identified and use the findings of the Sturrock review to inform continual cultural improvement.

104. The Scottish Government should consider what it can do to support NHS boards with this and whether a national cultural reform programme is required.

Senior leaders should consider how they can improve engagement with front-line staff

105. The everyone matters: 2020 workforce vision led to the introduction of the iMatter survey in 2015.³⁷ This staff experience survey was designed to help individuals, teams and health boards understand the extent to which employees feel motivated, supported and cared for at work.

106. The response rate for the 2018 survey was 59 per cent.³⁸ This was less than the response rate in 2017, at 63 per cent. An employee engagement index (EEI) score is provided when there is a response rate of 60 per cent. Therefore, a national EEI score for health and social care was not published as part of the national report. In 2018, 13 boards, only five of which were territorial, received an organisational EEI score compared with 19 in 2017. The Scottish Government has commissioned an independent academic review to identify reasons for the reduction in response rate and to recommend ways to improve participation.






107. The results of the 2018 national report showed that staff were clear about their work and had confidence in their line manager. Areas that were rated lower included how well staff were involved in decision-making and the visibility of senior leaders. The areas where responses scored lowest align with some of the important leadership and cultural issues discussed in this report.

108. The iMatter survey does not contain questions specifically relating to culture such as bullying and harassment. This is covered in the biennial Dignity at Work Survey, last conducted in 2017.³⁹ Those results showed an increase in the proportion of staff experiencing bullying. Nine per cent of staff experienced bullying from their manager compared with eight per cent in 2015. Fifteen per cent of staff experienced bullying from a colleague compared with 13 per cent in 2015.

109. The Scottish Government should consider incorporating questions relating to organisational culture and behaviour within a single annual staff survey. This will enable the Scottish Government to monitor staff experience and the status of organisational culture and behaviour across the NHS. This will also avoid the requirement to conduct, analyse and report on two separate surveys. There are examples of public-sector surveys that include a combination of such questions.

Endnotes



- 1 Audit Scotland using the draft budget for 2019/20, Scottish Government, December 2018; Mid-year population estimates, National Records of Scotland, April 2019.
- 2 *Draft budget for 2019/20*, Scottish Government, December 2018.
- 3 *Scottish Government Medium-Term Health and Social Care Financial Framework*, Scottish Government, October 2018.
- 4 The 2020 Vision published by the Scottish Government set out the aim that everyone is able to live longer and healthier lives at home or in a homely setting.
- 5 Audit Scotland using NHS consolidated accounts for financial years 2016/17-2018/19, Scottish Government, 2019.
- 6 NHS board local delivery plans and annual operational plans 2015/16-2019/20.
- 7 NHS consolidated accounts for financial year 2018/19, Scottish Government, 2019.
- 8 *NHS Scotland 2018-19 consolidated financial reporting to 31 March 2019*, Scottish Government, May 2019.
- 9 Based on data reported in [NHS in Scotland 2018](#) , Auditor General, October 2018.
- 10 New facilities will be established in Golden Jubilee National Hospital, NHS Highland, NHS Lothian, NHS Grampian, NHS Tayside and NHS Forth Valley.
- 11 NRAC parity status, Technical Advisory Group on Resource Allocation, 2019.
- 12 Scottish Budget 2019-20: Level 4 data, Scottish Parliament Information Centre (SPICe).
- 13 *Waiting Times Improvement Plan*, Scottish Government, October 2018.
- 14 *Inpatient Experience Survey*, Scottish Government, January 2019.
- 15 www.scottishpatientsafetyprogramme.scot.nhs.uk/ 
- 16 *Reducing surgical mortality in Scotland by use of the WHO Surgical Safety Checklist*. BJS 2019; 106: 1005-1011.
- 17 Deteriorating patient workstream update, ihub, Healthcare Improvement Scotland, March 2019.
- 18 *Healthcare Associated Infection Annual Report 2018*, Health Protection Scotland, May 2019.
- 19 *Generic prescribing*, ISD Scotland, July 2019.
- 20 [NHS Scotland workforce](#) , ISD Scotland, June 2019..
- 21 *The Ministerial Strategic Group for Health and Community Care: Review of progress with integration of health and social care – Final Report*, Scottish Government and COSLA, February 2019.
- 22 *Scotland's digital health and care strategy*, Scottish Government, April 2018.
- 23 *A Blueprint for Good Governance*, NHS Scotland, January 2019.
- 24 Community Empowerment (Scotland) Act 2015.
- 25 Place Principle introduction: www.gov.scot/publications/place-principle-introduction/ 
- 26 An independent review of the process followed by NHS Lanarkshire Monklands Replacement /Refurbishment Project, Institute of Health and Wellbeing, University of Glasgow, June 2019.
- 27 [Principles for community empowerment](#) , Auditor General, July 2019.
- 28 *National health and social care workforce plan: part 1*, Scottish Government, June 2017.
- 29 *National health and social care workforce plan: part 2*, Scottish Government, December 2018.
- 30 *National health and social care workforce plan: part 3*, Scottish Government, April 2018.
- 31 *The spread challenge*, The Health Foundation, September 2018.
- 32 *A Blueprint for Good Governance*, NHS Scotland, January 2019.
- 33 *Leadership in today's NHS: delivering the impossible*, The Kings Fund, July 2018.
- 34 *Putting people at the heart of leadership in health and care in Scotland: Project Lift Progress Report*, Scottish Government, June 2019.
- 35 *Report to the Cabinet Secretary for Health and Sport into cultural issues related to allegations of bullying and harassment in NHS Highland*, John Sturrock QC, April 2019.
- 36 *The Scottish Government response to the Sturrock Review into cultural issues related to allegations of bullying and harassment in NHS Highland*, Scottish Government, May 2019.
- 37 *Everyone matters: 2020 workforce vision*, Scottish Government, 2013.
- 38 *Health and social care staff experience report 2018*, Scottish Government, February 2019.
- 39 *Health and social care staff experience: report 2017*, Scottish Government, March 2018.

Appendix 1

Audit methodology



This is our annual report on how the NHS in Scotland is performing. Our audit assessed how well the NHS managed its finances and performance against targets in 2018/19 and how well the NHS is adapting for the future.

Our findings are based on evidence from sources that include:

- the audited annual accounts and auditors' reports on the 2018/19 audits of the 22 NHS boards
- Audit Scotland's national performance audits
- NHS boards' Annual Operational Plans which set out how boards intend to deliver services to meet performance indicators and targets, and indicative spending plans for the next three years
- activity and performance data published by ISD Scotland, part of NHS National Services Scotland
- publicly available data and information on the NHS in Scotland including results from staff and patient surveys
- interviews with senior officials in the Scottish Government and a sample of NHS boards.

We reviewed service performance information at a national and board level. Our aim was to present the national picture and highlight any significant variances between boards. We focused on a sample of key targets and standards, covering some of the main activities of the NHS. Where we have used trend information, we have selected a time period where information is most comparable. Information about the financial performance of the NHS is included in [Appendix 2 \(page 43\)](#).

Appendix 2

Financial performance 2018/19 by NHS board



Board	Core revenue outturn (£m)	Total savings made – Annual Audit Report (£m)	Non-recurring savings in Annual Audit Report (%)	NRAC: distance from parity (%)	
Ayrshire and Arran	796.6	32.0	43	-0.8	
Borders	237.7	15.2	56	1.1	
Dumfries and Galloway	343.2	17.3	74	2.8	
Fife	706.8	20.0	80	-0.8	
Forth Valley	568.8	18.4	38	-0.8	
Grampian	1,035.1	17.3	72	-0.8	
Greater Glasgow and Clyde	2,404.3	93.0	60	1.8	
Highland	714.6	26.2	36	-0.8	
Lanarkshire	1,271.9	28.8	40	-0.8	
Lothian	1,535.1	27.1	44	-0.8	
Orkney	58.7	2.9	98	-0.4	
Shetland	59.3	3.8	58	-0.4	
Tayside	848.7	32.0	34	-0.8	
Western Isles	83.8	2.2	55	11.3	
National Waiting Times Centre	71.1	4.3	35		
NHS 24	65.0	2.1	35		
NHS Education Scotland	464.4	14.6	52		
NHS Health Scotland	19.5	0.4	0		
NHS National Services Scotland	466.9	18.5	23		
Healthcare Improvement Scotland	29.4	2.6	78		
Scottish Ambulance Service	251.8	9.9	29		
The State Hospital	32.8	1.8	80		

Source: Scottish Government Consolidated accounts, 2019. Annual Audit Reports and Financial Performance Reports, 2019. Information on NRAC parity by board, Technical Advisory Group for Resource Allocation, 2019

Appendix 3

Annual performance against key waiting times standards in 2018/19 by NHS board



Health board	18 weeks referral to treatment time	A&E attendees seen within four hours	CAMHS patients seen within 18 weeks	Patients starting cancer treatment within 31 days of decision
	standard = 90%	standard = 95%	standard = 90%	standard = 95%
Ayrshire and Arran	⊗ 79.0	⊗ 92.2	✓ 92.3	98.9
Borders	✓ 90.4	⊗ 93.6	⊗ 56.9	100.0
Dumfries and Galloway	⊗ 89.0	⊗ 92.6	⊗ 85.1	96.8
Fife	⊗ 79.0	✓ 95.2	⊗ 76.0	95.6
Forth Valley	⊗ 83.4	⊗ 86.1	⊗ 70.8	96.8
Grampian	⊗ 65.0	⊗ 94.4	⊗ 44.3	⊗ 91.6
Greater Glasgow and Clyde	⊗ 84.4	⊗ 90.3	⊗ 80.7	⊗ 94.6
Highland	⊗ 80.7	✓ 96.5	⊗ 82.3	⊗ 93.9
Lanarkshire	⊗ 85.7	⊗ 90.8	⊗ 70.9	98.6
Lothian	⊗ 72.0	⊗ 85.9	⊗ 62.8	⊗ 94.3
Orkney	✓ 93.1	✓ 95.7	✓ 95.0	96.2
Shetland	⊗ 83.6	✓ 96.3	✓ 95.0	98.5
Tayside	⊗ 76.3	✓ 97.5	⊗ 43.5	⊗ 92.7
Western Isles	✓ 90.7	✓ 98.9	✓ 95.0	100.0
Scotland	80.2	91.2	70.7	95.0



Standard met



Standard missed

Health board	Patients starting cancer treatment within 62 days of referral	Outpatients waiting less than 12 weeks following first referral	Day case or inpatients who waited less than 12 weeks for treatment	Drug and alcohol patients seen within three weeks
	standard = 95%	standard = 95%	standard = 100%	standard = 90%
Ayrshire and Arran	⊗ 84.6	⊗ 82.4	⊗ 83.9	✓ 98.6
Borders	⊗ 93.3	✓ 96.8	⊗ 78.4	✓ 95.3
Dumfries and Galloway	⊗ 92.0	✓ 95.9	⊗ 83.7	✓ 94.6
Fife	⊗ 85.4	✓ 98.2	⊗ 70.5	✓ 96.5
Forth Valley	⊗ 81.8	⊗ 88.2	⊗ 60.3	✓ 98.4
Grampian	⊗ 78.9	⊗ 64.9	⊗ 54.7	✓ 91.4
Greater Glasgow and Clyde	⊗ 77.1	⊗ 74.6	⊗ 77.3	✓ 94.8
Highland	⊗ 80.3	⊗ 84.7	⊗ 57.7	⊗ 87.8
Lanarkshire	✓ 95.9	⊗ 89.7	⊗ 63.3	✓ 97.9
Lothian	⊗ 81.0	⊗ 65.1	⊗ 77.2	⊗ 80.5
Orkney	⊗ 89.2	⊗ 78.9	⊗ 83.0	✓ 97.9
Shetland	⊗ 78.2	⊗ 71.2	⊗ 88.1	✓ 96.0
Tayside	⊗ 84.8	⊗ 62.7	⊗ 67.5	✓ 90.6
Western Isles	⊗ 83.3	⊗ 91.6	✓ 100.0	⊗ 89.3
Scotland	82.5	75.0	72.2	93.6



Standard met



Standard missed

Sources: Child and Adolescent Mental Health Services: waiting times, workforce and service demand, ISD Scotland, June 2019; National drug and alcohol treatment waiting times, ISD Scotland, June 2019; 18 weeks referral to treatment: ISD Scotland, May 2019; New outpatient appointment: waiting times for patients waiting at month end, census date at 31 March 2019, ISD Scotland, May 2019; Inpatient or day case admission: waiting times for patients seen, ISD Scotland, May 2019; Accident and emergency: attendances and time in department, ISD Scotland, June 2019; Performance against the 62-day standard from receipt of an urgent referral with suspicion of cancer to first treatment by NHS board, ISD Scotland, June 2019; Performance against the 31-day standard from date decision to treat to first cancer treatment by NHS board, ISD Scotland, June 2019

NHS in Scotland 2019

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