

# Publication Report



## Summary of Scottish Health Service Costs

Year ended 31 March 2012

Publication date - 27 November 2012

Revised on – 24 November 2015



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## Introduction

Scottish Health Service Costs (known as the Costs Book) is the only source of published costs information for NHSScotland (NHSS). The Costs Book provides a detailed analysis of how board operating costs, reported in board annual accounts, have been spent on patient care within NHS Scotland. Scottish Health Service Costs are published by ISD with the support of the Scottish Government Health Department (SGHD) and are also used for comparison across health care providers to ensure efficiency and to benchmark costs.

Information contained in Costs Book is primarily derived from [Scottish Financial Returns \(SFRs\)](#) which are compiled by Scottish Health Boards, and completed as part of their annual accounts cycle. NHS Board annual accounts are audited by an independent body before being agreed by the Scottish Government (SG). While there is no audit of Costs Book, boards are required to show how the quantum of costs included in the Costs Book reconciles to expenditure and income reported in the Statement of Comprehensive Net Expenditure (SOCNE) from the annual accounts. To support this process, the SG are responsible for providing NHS Boards with an [Annual Accounts manual](#). ISD also issue [data templates \(SFR 29.0\)](#) to record this reconciliation.

On a yearly basis, there can be numerous changes to the Costs Book data templates and to the accounting guidance. While every attempt is made to make year-on-year comparisons of the data possible, some of the variations across time periods may be due to other factors such as organisational change or missing data. See [Summary of Changes](#) for important changes about the 2011/12 data.

The Costs Book 2012 detailed reports are structured to analyse around 94% of the NHSS net operating costs, presenting information on the boards that provide hospital and community care directly to patients. For 2011/12, this reflects health care expenditure within the 14 health board areas and at two of the special boards, namely the State Hospital and Golden Jubilee National Hospital, from April 2011 to March 2012. This report gives an overview of data contained within The Costs Book 2012.

When making comparisons across Scotland, or interpreting the Costs Book data, it should be noted that individual NHS Boards/hospitals (e.g. Island Boards) can face; low volume of patients, fixed costs, economies of scale and rural settings which can result in substantial fluctuations in unit costs and case figures for some hospitals.

The collection of costs data is supported by a number of guidance manuals, reference files and systems logic to ensure consistency and quality of the Costs Book. Additional costing information and guidance can be found within the [Summary Guidance](#) document and the Costs Book [Reference](#) section of the ISD website.

The statistics included within this publication report have not been adjusted for inflation. A number of indices are available to adjust for inflation, therefore it has been agreed with the SGHD that no adjustment for inflation is made in the Costs Book. Users are advised to apply the most appropriate adjustment measure for their own use. Further, many of the figures in this report have been rounded. Please see the tables outlined in the 'List of Tables' for more precise figures.

## Key points

Costs Book contains large amounts of data ranging from national and board summaries to detailed information for individual hospitals. A range of data tables provide information on main expenditure areas and how that translates to average cost of treating patients in various services. The following are some of the key findings for 2012:

- Cost Book 2012 analyses more than £10 billion of operating costs across the 14 territorial health boards and hospital services provided by 2 special boards, namely the State Hospital and Golden Jubilee National Hospital. The costs relate to hospital (£5.6bn), community (£1.6bn) and family health sectors (£2.4bn) as well as resource transfers to local authorities (£0.3bn).
- Board operating costs increased by 2.5% from £9.8 billion in 2011 to just over £10 billion in 2012. This is equivalent to an increase of £35.56 per person<sup>i</sup> which takes costs to £1,908 per person per year<sup>ii</sup>.
- Expenditure on the hospital sector amounts to £5.6 billion, an increase of 2.2% compared to 2011.
- Costs in the community sector increased by 5.6% on the previous year, the largest percentage increase of any sector. The community sector has seen the largest percentage increase year-on-year since 2008.
- In the hospital and community sectors, staff costs, excluding laboratory staff, account for 66.4% and 62.1% of the operating costs respectively. Staff costs as a percentage of total cost have decreased in both sectors (2.0% in the hospital sector and 5.3% in the community sector).
- Expenditure on the family health sector was just over £2.4 billion for the year, an increase of 1.5%. The largest constituent part of this expenditure was pharmaceutical services, which rose 0.9% to £1.18 billion.
- The average cost of an attendance at A&E (Accident and Emergency) rose by £3 to £104.

**Revision Note:** The 2012 Primary Medical Services figures for NHS Lothian and NHS Greater Glasgow and Clyde have been restated due to accounting changes (further details on this are provided on the R100 notes page); the figures in relation to this were revised on 24<sup>th</sup> November 2015.

<sup>i</sup> (Total Operating Cost in 2012/Population 2012) – (Total Operating Cost in 2011/Population 2011)

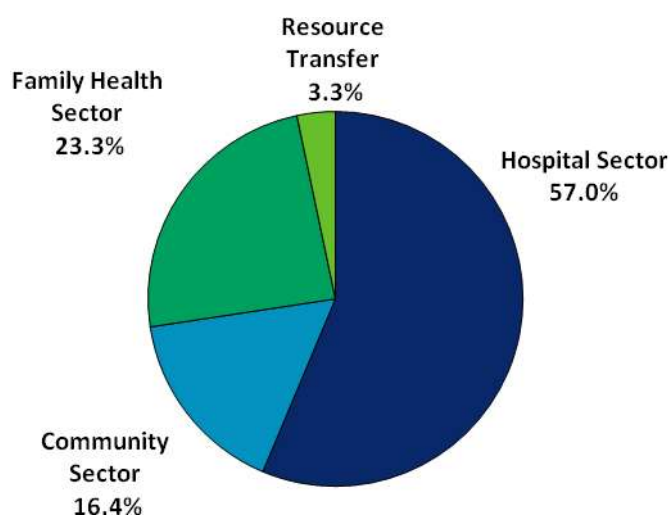
<sup>ii</sup> Total Operating Cost in 2012/Population in 2012

## Results and Commentary

ISD Scotland collects annual data on the cost of providing health care in Scotland and publishes this information in Scottish Health Service Costs (Costs Book). Costs Book 2012 presents a detailed breakdown of expenditure on health at the 14 territorial boards, the State Hospital and the Golden Jubilee National Hospital, covering over £10 billion of NHS spending, across a wide range of data tables. Below are some findings from the data available within the Costs Book:

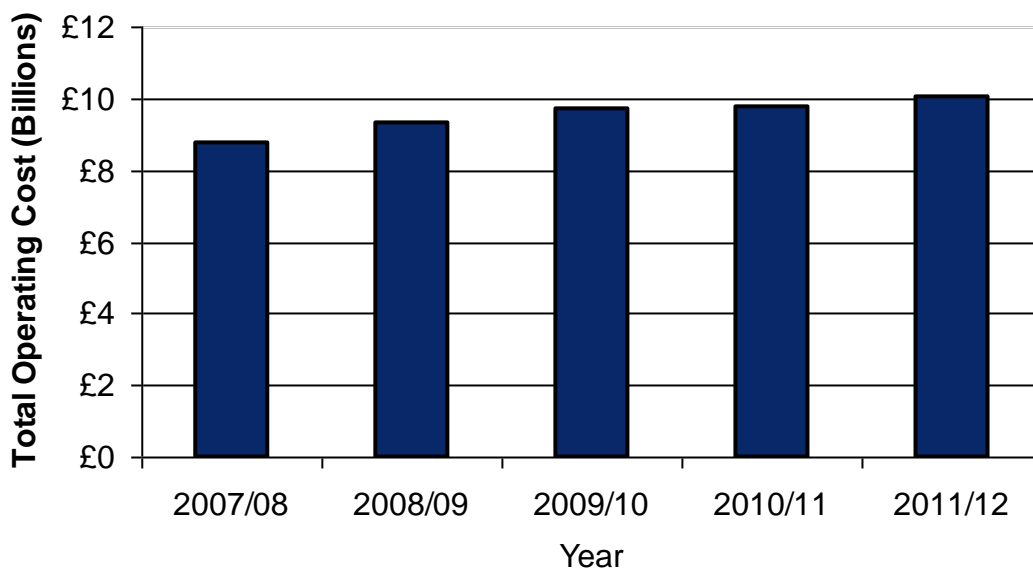
- Operating costs of the 16 NHS Boards analysed in the Costs Book amount to over £10 billion for 2012, an increase of 2.5%. Expenditure on the Hospital, Community and Family Health sectors, as well as the NHS funds transferred to local authorities for the continued care of patients (Resource Transfer), is shown in the chart below.

**Figure 1: Total Operating Costs by sector 2012**



- The board operating costs have been increasing year on year (Figure 2).
- Staff costs, excluding laboratory staff, have fallen by 2.0% and 5.3% as a percentage of hospital running costs in the hospital and community sectors respectively.

**Figure 2: Trends in NHS Board Operating Costs**



- Hospital Sector
 

£5.6 billion was spent on the hospital sector of which £3.75 billion (66.4%) was staff costs, excluding laboratory staff. Non-staff costs include supplies and utilities. Staff and non-staff costs can be combined to show costs of providing specific functions or services such as:<sup>iii</sup>

  - Cleaning costs – rose by 0.3% to £117million. This rise represents an increase of 5.9% in cost of cleaning per square metre
  - Catering costs - increased by 0.2% to £81 million
  - Despite conducting 232,392 more radiology examinations than in 2011, the total cost of radiology examinations fell by 3% to £237 million

<sup>iii</sup> Full breakdown of the data can be found in reports on the ISD website

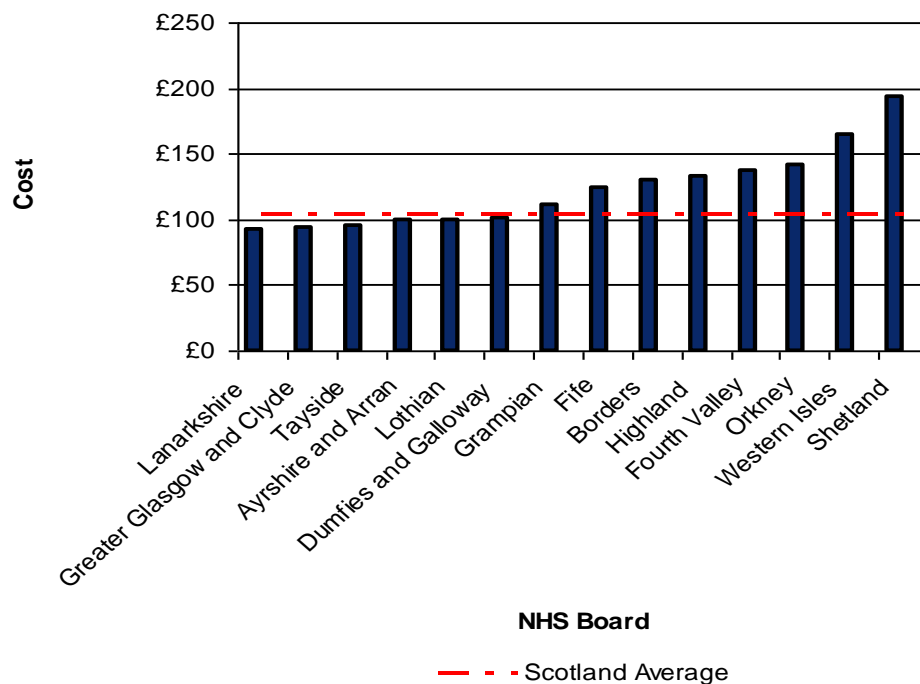
- Hospital costs (average per patient)

By allocating the running costs of each hospital to the various patient services provided, NHS Boards provide information on the average cost of treating patients within each service. In 2012:

- The cost of treatment as a surgical inpatient was £3,138.
- The national average cost for an attendance at an outpatient clinic was £120.
- The cost per MRI scan fell by 10.4%, to £192.
- The cost per attendance at Accident and Emergency increased by 3.7% to £104.

Data is also available for each NHS Board. As an example, the figures for A&E for the various health boards are shown in Figure 3 below.

**Figure 3: Cost per patient of an A&E visit by NHS Health Board 2012**



Note: State Hospital and Golden Jubilee Hospital do not provide A&E services and are, therefore, not shown.


- Community Services


Over £1.6 billion of cost is attributed to the community sector in 2012 with staff costs, excluding laboratory staff, accounting for 62.1% of this figure. Non-staff costs include travel costs, drugs, laboratory services and various supplies. Staff and non-staff costs can be combined to provide costs of providing specific services or functions such as<sup>iv</sup>:

<sup>iv</sup> Full breakdown of the data can be found in reports on the ISD website

- £37.6 million on community midwifery
  - £80.55 million on child health
  - £6.2 million on home dialysis
  - £75.3 million on GP out of hours service
- Family Health Services  
Data is available on the cost to each of the 14 territorial health boards of providing Primary Medical, General Dental, General Ophthalmic and Pharmaceutical Services. £2.4 billion was spent in total in this area, an increase of 1.5% on the previous years spending.  
The costs from 2012 are as follows:
    - £746 million on Primary Medical Services delivered at more than 1000 GP practices
    - £389 million on General Dental Services with a total of 3.9 million people registered at a dental practice
    - £98 million on General Ophthalmic Services which included costs for more than 1.9 million sight tests
    - £1.18 billion on Pharmaceutical Services provided at 1,233 pharmacies supplying prescription drugs at a cost of £982 million.

The figures described here are available at Scotland level and for each individual board in the following reports

 [R100](#) – expenditure and activity figures for current and previous years, for Scotland and each board [260kb]

 [R100T](#) – expenditure and activity figures for the last 5 years, for Scotland and each board [324kb]

The full range of data tables for Costs Book 2012 is available via the following links:

[Detailed Tables](#) – a wide range of data tables for the technical user of the Costs Book

[File Listings](#) – a full listing of the 2012 data files

[Report logic](#) – a document highlighting the source of the data included in each table and how the figures are calculated

[Summary of Changes](#) – a document highlighting the key changes to the Costs Book data templates and to the accounting guidance



## Glossary

Hospital Running Costs - The total revenue expenditure (pay, supplies and services) for a hospital, incurred in providing a service to patients.

Board Operating Costs – the annual costs incurred by a board in running its business of healthcare. Capital expenditure is excluded.

NHSScotland - National Health Service Scotland.

Resource Transfer - Transfer of monies from NHS to fund health care provided by local authorities such as community based care packages and the support infra-structure for patients discharged from long stay hospitals.

Scottish Financial Returns (SFRs) - A series of templates used for standardising the return of the Costs Book data.

## List of Tables

<b>Table No.</b>	<b>Name</b>	<b>Time period</b>	<b>File &amp; size</b>
<a href="#">R100</a>	Executive Summary, for Scotland and each board	2011/12	Excel [263kb]
<a href="#">R100T</a>	Expenditure and activity figures for the last 5 years, for Scotland and each board	2011/12	Excel [328kb]
<a href="#">R086</a>	NHS Board Annual Accounts	2011/12	Excel [19kb]
<a href="#">File Listings</a>	All data tables	2011/12	Excel [various]

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## Further Information

Further information on costs data for 2011/12 and earlier years can be found on the [Costs](#) area of the ISD website.

## Rate this publication

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## Appendix

### **A1 – Background Information**

#### **Costs Book Data Collection System**

The Costs Book Data Collection System (CBDCS) is a web-based data collection system issued to NHS Boards to assist them in compiling and submitting the [Scottish Financial Returns](#) (Costs Book dataset) to ISD on an annual basis. A central version of CBDCS is held at ISD which holds data returns from NHS Boards. To support data collection and submission, ISD provides NHS Boards with a comprehensive [Costs Guidance Manual](#). To ensure consistency across all NHS Boards, this manual is updated on a regular basis with input from NHS Boards, the Scottish Government and ISD. In addition, a supplement to the Costing Guidance manual with information specific to the coming year's collection is provided to NHS Board staff.

More information on the Costs Book Data Collection System can be found within the [Summary Guidance](#) document.

#### **Quality Assurance**

The CBDCS has built in functionality to support data compilation and data quality assurance. The system is updated regularly to include any changes to data templates (SFRs) and validation rules.

In June 2012 an updated version of the CBDCS was introduced across NHS Scotland. The new CBDCS has a comprehensive on-line validation facility to ensure that data is complete and valid prior to submission to ISD. It also includes a year on year comparability function allowing NHS Boards to quality check their data at the point of input and prior to them submitting the data to ISD.

To further enhance the quality of the data submissions, the ISD Data Management team produce draft data quality reports for each NHS Board to review their information. Further manual quality checks of the data are then carried out by the ISD Data Management team. Any queries or anomalies are raised with the finance staff at the relevant NHS Board (s) either via the new web-based CBDCS, which allows a two way dialogue between ISD and the NHS Board in question, or by telephone or email contact. To ensure data robustness, queries may go back and forth between ISD and an NHS Board until a satisfactory resolution is reached.

Once agreement has been reached, the ISD Costs Book analytical team produce a draft version of the [R100 Executive Summary Report](#) for each individual NHS Board. The R100 Executive Summary Report profiles the main elements of the Costs Book data and is sent to the Director of Finance at each NHS Board for sign off. Once data has been signed off by the Directors of Finance the information is used by the ISD analytical team to produce the annual publication of Scottish Health Service Costs.

Additional information on Data Quality Assurance can be found within the [Summary Guidance](#) document.

## Reference Information

The collection of costs data is supported by a number of guidance manuals, reference files and systems logic to ensure consistency and quality of the Costs Book. These include:

[Annual accounts manual](#)

[Costing Guidance manual](#)

[Costs Book Reconciliation to Annual Accounts](#)

[Scottish Financial Returns](#)

Additional costing information and guidance can be found within the [Summary Guidance](#) and Costs Book [Reference](#) section of the ISD website.

## A2 – Publication Metadata (including revisions details)

Metadata Indicator	Description
Publication title	Scottish Health Service Costs, year ended 31 March 2012
Description	Scottish Health Service Costs (known as the Costs Book) provides a detailed analysis of how board operating costs, reported in board annual accounts, have been spent on patient care within NHS Scotland.
Theme	Health and Social Care
Topic	Hospitals and Health Care
Format	Web pages, Excel and PDF files
Data source(s)	<p>Information contained in Costs Book is primarily derived from <a href="#">Scottish Financial Returns (SFRs)</a> which are compiled by Scottish Health Boards, and completed as part of their annual accounts cycle. The Costs Book Data Collection System (CBDCS) is a web-based data collection system issued to NHS Boards to assist them in compiling and submitting the <a href="#">Scottish Financial Returns</a> (Costs Book dataset) to ISD on an annual basis. A central version of CBDCS is held at ISD which holds data returns from NHS Boards. To support data collection and submission, ISD provides NHS Boards with a comprehensive <a href="#">Costs Guidance Manual</a>. To ensure consistency across all NHS Boards, this manual is updated on a regular basis with input from NHS Boards, the Scottish Government and ISD. In addition, a supplement to the Costing Guidance manual with information specific to the coming year's collection is provided to NHS Board staff.</p> <p>The collection of costs data is supported by a number of guidance manuals, reference files and systems logic to ensure consistency and quality of the Costs Book. Additional costing information and guidance can be found within the <a href="#">Summary Guidance</a> document and the Costs Book <a href="#">Reference</a> section of the ISD website.</p>
Date that data are acquired	June 2012
Release date	27 November 2012
Frequency	Annual
Timeframe of data and timeliness	April 2011 to March 2012
Continuity of data	<p>On a yearly basis, there can be numerous changes to the Costs Book data templates and to the accounting guidance. While every attempt is made to make year-on-year comparisons of the data possible, some of the variations across time periods may be due to other factors such as organisational change or missing data. See <a href="#">Summary of Changes</a> for important changes about the 2011/12 data.</p> <p>When making comparisons across Scotland, or interpreting</p>

	<p>the Costs Book data, it should be noted that individual NHS Boards/hospitals (e.g. Island Boards) can face; low volume of patients, fixed costs, economies of scale and rural settings which can result in substantial fluctuations in unit costs and case figures for some hospitals.</p> <p>To aid user interpretation, footnotes are included at the bottom of tables where possible.</p> <p>More information on Continuity of Data can be found within the <a href="#">Summary Guidance</a> document, <a href="#">Summary of Changes</a> document and <a href="#">Costs Archive</a> webpage.</p>
Revisions statement	The 2012 Primary Medical Services figures for NHS Lothian and NHS Greater Glasgow and Clyde have been restated due to accounting changes (further details on this are provided on the R100 notes page); the figures in relation to this were revised on 18 <sup>th</sup> November 2015.
Revisions relevant to this publication	As stated above.
Concepts and definitions	<p>The collection of costs data is supported by a number of guidance manuals and reference files. These include:</p> <p><a href="#">Annual Accounts manual</a>  <a href="#">Costing Guidance manual</a>  <a href="#">Costs Book Reconciliation to Annual Accounts</a>  <a href="#">Scottish Financial Returns</a></p> <p>Data included in each report and how the figures are calculated can be found within the <a href="#">Report Logic</a> .</p> <p>Additional costing information and guidance can be found within the <a href="#">Reference</a> and <a href="#">Financial Definitions</a> section of the ISD website.</p>
Relevance and key uses of the statistics	Scottish Health Service Costs (known as the Costs Book) is the only source of published costs information for NHSScotland (NHSS). The Costs Book provides a detailed analysis of how board operating costs, reported in board annual accounts, have been spent on patient care within NHS Scotland. Scottish Health Service Costs are published by ISD with the support of the Scottish Government Health Department (SGHD) and are also used for comparison across health care providers to ensure efficiency and to benchmark costs. The Costs Book publication ensures that comparative information on health service costs is publicly available. Other uses of the data include supporting NHS Boards, public health researchers and pharmaceutical organisations, in addition to fulfilling Freedom of Information Requests and Parliamentary Questions.
Accuracy	The quality of these statistics are considered fit for publication. Robust quality assurance is carried out between ISD and NHS Boards to ensure accuracy and completeness. More information on Data Quality Assurance can be found within the <a href="#">Summary Guidance</a> document.

	<p>Despite the efforts of the ISD Data Management team, there can be some data quality factors that are outwith their control. For example:</p> <ul style="list-style-type: none"> <li>-- Unavailability of some statistics such as theatre hours – in this case, NHS Boards are instructed to use estimates.</li> </ul> <p>When making comparisons across Scotland, or interpreting the Costs Book data, it should be noted that individual NHS Boards/hospitals (e.g. Island Boards) can face; low volume of patients, fixed costs, economies of scale and rural settings which can result in substantial fluctuations in unit costs and case figures for some hospitals.</p> <p>To aid user interpretation, any data quality issues or factors are footnoted at the bottom of tables where possible.</p> <p>Information contained in Costs Book is primarily derived from <a href="#">Scottish Financial Returns (SFRs)</a> which are compiled by Scottish Health Boards, and completed as part of their annual accounts cycle. NHS Board annual accounts are audited by an independent body before being agreed by the Scottish Government. While there is no audit of Costs Book, boards are required to show how the quantum of costs included in the Costs Book reconciles to expenditure and income reported in the Statement of Comprehensive Net Expenditure (SOCNE) from the annual accounts. To support this process, the SG are responsible for providing NHS Boards with an <a href="#">Annual Accounts manual</a>. ISD also issue <a href="#">data templates (SFR 29.0)</a> to record this reconciliation. NHS Boards are also provided with comprehensive guidance on standard principles and recommended practices to be applied in the production of their cost information. One of the key principles is that the costing process should be transparent with a clear audit trail.</p>
Completeness	A complete financial analysis is included for all relevant NHS Boards.
Comparability	Hospital bed information, hospital patient activity and staffing information are broadly comparable with other ISD publications. See <a href="#">Costs</a> , <a href="#">Workforce</a> and <a href="#">Hospital Care</a> for more information.
Accessibility	It is the policy of ISD Scotland to make its web sites and products accessible according to <a href="#">published guidelines</a> .
Coherence and clarity	The Costs Book is compiled annually and is currently structured to analyse around 94% of the NHSS net operating costs, presenting information on the boards that provide hospital and community care directly to patients. For 2011/12, this reflects health care expenditure within the 14 health board areas and at two special boards, namely the State Hospital and Golden Jubilee National Hospital. In



	<p>addition to this, information on two other special boards that provide direct patient care - Scottish Ambulance Service and National Services Scotland (including the Scottish Breast Screening Programme) - is shown separately in <a href="#">Special Boards</a>.</p> <p>Statistics are presented within Excel spreadsheets and PDF. The following links provide short cuts to the 2012 data files for technical users:</p> <p><a href="#">Reports</a> - Excel files designed for viewing (note: some files include macros)  <a href="#">Downloads</a> - Excel files designed for further data analysis  <a href="#">SFRs</a> - Excel files giving access to the source data</p> <p>For important information about the 2012 data see <a href="#">Summary of Changes</a>. File listings for previous years are also available from the <a href="#">Costs Archive</a>.</p>
Value type and unit of measurement	Data included in each report and how the figures are calculated can be found within the <a href="#">Report Logic</a> .
Disclosure	The <a href="#">ISD protocol on Statistical Disclosure Protocol</a> is followed.
Official Statistics designation	National Statistics
UK Statistics Authority Assessment	Awaiting assessment by UK Statistics Authority
Last published	29 November 2011
Next published	26 November 2013
Date of first publication	1960s, but in its current format/content since 2000
Help email	<a href="mailto:NSS.isdCOSTSBOOK@nhs.net">NSS.isdCOSTSBOOK@nhs.net</a>
Date form completed	20 November 2012

## **A3 – Early Access details (including Pre-Release Access)**

### **Pre-Release Access**

Under terms of the "Pre-Release Access to Official Statistics (Scotland) Order 2008", ISD are obliged to publish information on those receiving Pre-Release Access ("Pre-Release Access" refers to statistics in their final form prior to publication). The standard maximum Pre-Release Access is five working days. Shown below are details of those receiving standard Pre-Release Access and, separately, those receiving extended Pre-Release Access.

#### **Standard Pre-Release Access:**

Scottish Government Health Department  
NHS Board Chief Executives  
NHS Board Communication leads

#### **Extended Pre-Release Access**

Extended Pre-Release Access of 8 working days is given to a small number of named individuals in the Scottish Government Health Department (Analytical Services Division). This Pre-Release Access is for the sole purpose of enabling that department to gain an understanding of the statistics prior to briefing others in Scottish Government (during the period of standard Pre-Release Access).

Scottish Government Health Department (Analytical Services Division)

#### **Early Access for Management Information**

These statistics will also have been made available to those who needed access to 'management information', ie as part of the delivery of health and care:

#### **Early Access for Quality Assurance**

These statistics will also have been made available to those who needed access to help quality assure the publication:

NHS Board Finance Departments

## A4 – ISD and Official Statistics

### About ISD

Scotland has some of the best health service data in the world combining high quality, consistency, national coverage and the ability to link data to allow patient based analysis and follow up.

Information Services Division (ISD) is a business operating unit of NHS National Services Scotland and has been in existence for over 40 years. We are an essential support service to NHSScotland and the Scottish Government and others, responsive to the needs of NHSScotland as the delivery of health and social care evolves.

**Purpose:** To deliver effective national and specialist intelligence services to improve the health and wellbeing of people in Scotland.

**Mission:** Better Information, Better Decisions, Better Health

**Vision:** To be a valued partner in improving health and wellbeing in Scotland by providing a world class intelligence service.

### Official Statistics

Information Services Division (ISD) is the principal and authoritative source of statistics on health and care services in Scotland. ISD is designated by legislation as a producer of 'Official Statistics'. Our official statistics publications are produced to a high professional standard and comply with the Code of Practice for Official Statistics. The Code of Practice is produced and monitored by the UK Statistics Authority which is independent of Government. Under the Code of Practice, the format, content and timing of statistics publications are the responsibility of professional staff working within ISD.

ISD's statistical publications are currently classified as one of the following:

- National Statistics (i.e. assessed by the UK Statistics Authority as complying with the Code of Practice)
- National Statistics (i.e. legacy, still to be assessed by the UK Statistics Authority)
- Official Statistics (i.e. still to be assessed by the UK Statistics Authority)
- other (not Official Statistics)

Further information on ISD's statistics, including compliance with the Code of Practice for Official Statistics, and on the UK Statistics Authority, is available on the [ISD website](#).

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics. Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.