

Scottish Health Service Costs

April 2015 – March 2016

Publication Date – 22 November 2016

Revised on – 9 December 2016



Revision Notes: Within the publication on the 22nd November 2016, the Family Health Sector figures for Tayside had not been updated for 2015/16 and were therefore £5.254m below their anticipated value. All figures and reports in relation to this were subsequently revised on 9th December 2016.

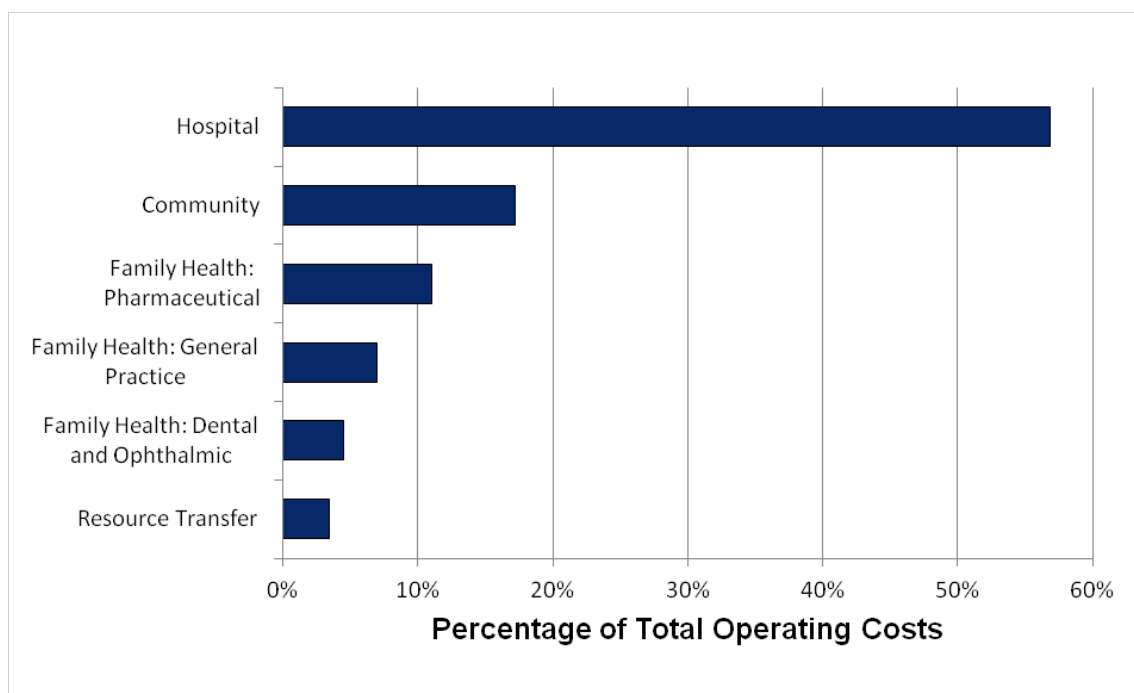
About this release

This release from the Information Services Division provides an annual update on how £11.2 billion of health service operating costs were spent in 2015/16. It covers hospital and primary care provided to patients, through territorial NHS Boards, the State Hospital and the Golden Jubilee National Hospital. Information on expenditure in the Scottish Ambulance Service and in National Services Scotland is also provided.

Main Points

- Total NHS Board operating costs increased by 3.9% to £11.2bn in cash terms, not adjusting for inflation, compared to 2014/15. In real terms, once inflation has been taken into account, total operating costs increased by also 3.9% compared to 2014/15.

Percentage of Operating Costs by Sector, 2015/16



- Expenditure within the hospital sector was £6.4bn, an increase of 3.9% in cash terms compared to 2014/15 (3.8% in real terms). The hospital sector accounts for the largest part of expenditure (56.9%).
- Within the community sector, £1.9bn was spent, a cash terms increase of 4.9% compared to 2014/15 (also 4.9% in real terms). The community sector contains the smaller hospitals which serve their local communities, as well as community services delivered outside hospitals.
- Family health sector expenditure, which includes the cost of running local GP practices as well as local pharmacy, dental and ophthalmic services, amounted to £2.5bn in 2015/16 – a cash terms increase of 2.8% and a real terms increase of 2.7% compared to 2014/15.

Background

The information is primarily derived from [Scottish Financial Returns \(SFRs\)](#) compiled by NHS Boards. Some figures for the current year may not be directly comparable to those for previous years; while every attempt is made to make comparisons of the data possible, changes in accounting methodology must be considered, along with other factors such as organisational change or missing data. See [Summary of Changes](#) for more information.

Historic costs have been expressed both in 'cash terms' (not adjusting for inflation) and in 'real terms'. To obtain 'real-terms' figures, the costs have been divided by an adjustment factor (the '[GDP deflator](#)') determined by HM Treasury. Rather than expressing simply the amount of money which was spent in any previous year, real terms costs therefore show approximately what the services provided in that year would have cost in 2015/16.

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Further Information

Further information and more detailed breakdowns can be found in the [Full Publication Report](#). Background information on Scottish Health Service Costs can be found in the [Costs](#) pages of the ISD website.

ISD and Official Statistics

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