Scottish Health Service Costs
Year ended 31 March 2017
Publication date – 21 November 2017
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Introduction

Scottish Health Service Costs (often referred to as the ‘Costs Book’) is published annually by ISD, with the support of the Scottish Government Health Department (SGHD). The Costs Book is the only source of published costs information for NHSScotland, and provides a detailed analysis of where its resources are spent. The information contained within this report is used in many applications; for example, to ensure greater efficiency by allowing benchmarking comparisons to be made between health care providers.

The Costs Book is currently structured to analyse around 95% of the NHSScotland net operating costs. This includes £11.7 billion of expenditure on the provision of hospital and primary care within the 14 territorial NHS Boards, the State Hospital, and the Golden Jubilee National Hospital. Information on two other special Boards that provide direct patient care – the Scottish Ambulance Service and National Services Scotland – is also provided.

The Costs Book contains large amounts of data, ranging from national and NHS board level summaries to detailed information for individual hospitals. A range of data tables provide information on main expenditure areas and how that translates to the average cost of treating patients in various services. When making comparisons across Scotland, or interpreting the Costs Book data, it should be noted that individual NHS Boards/hospitals (e.g. island Boards) in rural settings can have a low volume of patients, but relatively high fixed costs, which can result in substantial fluctuations in unit costs for some hospitals.

The information in the Costs Book is organised into hospital and primary care service categories. The primary care service is further split into community services and family health services. The range of services covered in each sector includes:

- **hospital services** – ranging from complex surgery by consultants at large teaching hospitals to outpatient clinics at rural community hospitals
- **community services** – home visits by community midwifery, community dentistry and district nurses, for example, prevention services such as breast screening and health promotion
- **family health services** – services provided by the family doctor (GP) service and the "High Street" dentists, opticians and pharmacists.

Some of the Costs Book outputs compare expenditure in 2016/17 with that in previous years. The 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 2016/17.

Information contained in the Costs Book is primarily derived from Scottish Financial Returns (SFRs) which are compiled by NHS 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 the Costs Book, Boards are required to show how the costs included in the Costs Book reconcile to expenditure and income reported in the Statement of Comprehensive Net Expenditure (SOCNE) from the annual accounts. To support this process, the Scottish Government is responsible for providing NHS Boards with an Annual Accounts manual. ISD also issue data templates (SFR 29.0) to record this reconciliation.
This report gives an overview of data contained within the Costs Book 2016/17. (All dates refer to financial years – for example, ‘2016/17’ refers to the year beginning in April 2016 and ending March 2017.) Many of the figures in this report have been rounded. Please see the tables outlined in the ‘List of Tables’ for more precise figures.

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 important changes about the 2016/17 data.
Main points

The following are some of the key findings for 2016/17:

- Total NHS Board operating costs increased by 4.1% to £11.7bn compared to £11.2bn in 2015/16. In real terms, once inflation has been taken into account, total operating costs increased by 2.0% compared to 2015/16.

- Expenditure within the hospital sector was £6.5bn, an increase of 1.5% in cash terms compared to 2015/16. In real terms, there was a decrease of 0.5% compared to the previous year. The hospital sector accounts for the largest part of expenditure (55.4%).

- Within the community sector, £2.2bn was spent, a cash terms increase of 15.8% compared to 2015/16. This is substantially higher than the previous four years, where annual increases were between 4.4% and 5.0% between 2012/13 and 2015/16. The corresponding real terms increase was 13.6%. The large increase in community expenditure in the last year is mainly due to the inclusion of £250 million to support the integration of health and social care.

- Family health sector expenditure, which includes the cost of running local GP practices as well as local pharmacy, dental and ophthalmic services, amounted to £2.6bn in 2016/17 – a cash terms increase of 2.1% and a real terms increase of 0.1% compared to 2015/16.

- Almost half of the total operating costs (47.6% or £5.6bn) were accounted for by hospital and community sector staff, excluding laboratory staff.
Results and Commentary

1. Total Operating Costs

In 2016/17, £11.7bn was spent in operating costs by the 14 geographic NHS Boards and two special Boards, The State Hospital and Golden Jubilee National Hospital which provide additional hospital services.

In cash terms, the total Board operating costs increased by 4.1% compared to 2015/16. In real terms, the total Board operating costs increased by 2.0% compared to 2015/16. Over the last five years, the overall spend on health care has increased in cash terms from £10.2bn (or £10.8bn in real terms) in 2012/13 to £11.7bn in 2016/17.

Table 1: Trends in Operating Costs, 2012/13–2016/17

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Cash terms Operating Costs (£000)</th>
<th>Change on Previous Year (cash terms)</th>
<th>Real terms' Operating Costs (£000)</th>
<th>Change on Previous Year (real terms)</th>
</tr>
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<tr>
<td>2012/13</td>
<td>10,203,983</td>
<td>--------</td>
<td>10,808,388</td>
<td>--------</td>
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<tr>
<td>2013/14</td>
<td>10,446,415</td>
<td>2.4%</td>
<td>10,885,651</td>
<td>0.7%</td>
</tr>
<tr>
<td>2014/15</td>
<td>10,800,916</td>
<td>3.4%</td>
<td>11,092,083</td>
<td>1.9%</td>
</tr>
<tr>
<td>2015/16</td>
<td>11,230,027</td>
<td>4.0%</td>
<td>11,454,303</td>
<td>3.3%</td>
</tr>
<tr>
<td>2016/17</td>
<td>11,687,450</td>
<td>4.1%</td>
<td>11,687,450</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Note: To obtain ‘real-terms’ figures, the costs have been divided by an adjustment factor determined by HM Treasury. Real terms costs take account of the change in the value of money over time, due to economy-wide inflation.

1.1 NHS Costs by sector

Figure 1 shows the total operating costs from 2012/13 to 2016/17 in 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).
Trends in the four sectors over the last five years, in both cash terms and real terms, are shown in Table 2a and 2b and Figure 2. There has been a significant increase in expenditure in the community sector from 2015/16 to 2016/17 compared with the previous annual increases from 2012/13 to 2015/16.

Table 2b shows that hospital expenditure, as a proportion of total operating costs, has decreased from 57.0% in 2012/13 to 55.4% in 2016/17. In comparison, the proportion of total expenditure spent on community care has increased and the proportion spent on family health has remained stable (see sections 2, 3 and 4 for further details on these areas).
Table 2a: Trends in Operating Costs (£bn) by sector, 2012/13–2016/17

<table>
<thead>
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<th></th>
<th></th>
<th></th>
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<td><strong>Cash Terms</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>10.20</td>
<td>10.45</td>
<td>10.80</td>
<td>11.23</td>
<td>11.68</td>
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<tr>
<td>Hospital</td>
<td>5.81</td>
<td>5.94</td>
<td>6.15</td>
<td>6.39</td>
<td>6.48</td>
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<tr>
<td>Community</td>
<td>1.68</td>
<td>1.75</td>
<td>1.84</td>
<td>1.93</td>
<td>2.23</td>
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<tr>
<td>Family Health</td>
<td>2.37</td>
<td>2.40</td>
<td>2.46</td>
<td>2.53</td>
<td>2.59</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>0.34</td>
<td>0.35</td>
<td>0.36</td>
<td>0.38</td>
<td>0.39</td>
</tr>
<tr>
<td><strong>Real Terms</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10.81</td>
<td>10.89</td>
<td>11.10</td>
<td>11.45</td>
<td>11.69</td>
</tr>
<tr>
<td>Hospital</td>
<td>6.16</td>
<td>6.19</td>
<td>6.31</td>
<td>6.51</td>
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<tr>
<td>Community</td>
<td>1.78</td>
<td>1.82</td>
<td>1.89</td>
<td>1.97</td>
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<tr>
<td>Family Health</td>
<td>2.51</td>
<td>2.50</td>
<td>2.53</td>
<td>2.58</td>
<td>2.59</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>0.36</td>
<td>0.37</td>
<td>0.37</td>
<td>0.39</td>
<td>0.39</td>
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Note: To obtain ‘real-terms’ figures, the costs have been divided by an adjustment factor determined by HM Treasury. Real terms costs take account of the change in the value of money over time, due to economy-wide inflation.

Table 2b: Trends in Operating Costs (£bn) by sector, 2012/13–2016/17 – percentages of total operating costs

<table>
<thead>
<tr>
<th>Operating Costs (%)</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Terms</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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<tr>
<td>Hospital</td>
<td>57.0%</td>
<td>56.9%</td>
<td>56.9%</td>
<td>56.9%</td>
<td>55.4%</td>
</tr>
<tr>
<td>Community</td>
<td>16.4%</td>
<td>16.8%</td>
<td>17.0%</td>
<td>17.2%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Family Health</td>
<td>23.3%</td>
<td>23.0%</td>
<td>22.8%</td>
<td>22.5%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
Sections 2 – 4 provide further details of expenditure within each of the sectors: Hospital, Community and Family Health.

2. **Hospital Services**

The hospital sector accounts for the largest part of expenditure (55.4 % or £6.5bn, Figure 1). This contains costs for the larger hospitals and includes activities ranging from nursing and pharmacy to cleaning. Expenditure has increased within the hospital sector over the last five years. In cash terms, costs have increased by around £0.7bn or 11.5% since 2012/13. In real terms, costs have increased by 5.2% in the same time period (Table 2 and Figure 2).

Staff costs, excluding laboratory staff, make up a sizeable percentage of hospital sector costs (67.5% or £4.4bn) in 2016/17. Laboratory staff provide services to both hospital and community sectors (and elsewhere). Therefore it is not possible to split the staffing information across these sectors and laboratory staff are shown separately. See table R740 in the published Excel tables for further statistics on laboratory staff.
2.2 Inpatients

There were around 1.1m inpatient cases recorded in Scotland in 2016/17 (excluding long stay specialties). The average cost of an inpatient case in Scotland was £2,838 in 2016/17. In cash terms, the average cost of an inpatient case has increased by 5.5% since 2013/14 after a 0.9% drop from 2012/13 to 2013/14. In real terms, the cost increased by 1.2% since 2013/14 after a drop of 2.5% from 2012/13 to 2013/14.

The cost of inpatient treatment varies across NHS Boards in Scotland (Figure 3). In 2016/17, the average cost per inpatient case ranged from £2,114 in NHS Borders to £5,878 in NHS Orkney (Figure 3). This variation is caused by a number of factors including the additional costs associated with providing healthcare in remote and rural locations.

Figure 3: Average Cost per Inpatient Case by NHS Board, 2016/17

2.3 Daycases and outpatients

There were 514,373 day cases in 2016/17 costing an average of £973 per case (this figure will vary between specialties). The average cost per day case has increased by 9.3% in cash terms and 3.2% in real terms since 2012/13.

Outpatient attendances (over 5 million attendances in 2016/17) cost an average of £152 per attendance. This figure has increased in cash terms by 27.5% from £119 in 2012/13 (up by 20.4%, from £126, in real terms).
3. Community Services

Community services now account for almost a fifth of total operating costs (19.1% or £2.2bn, Figure 1). This sector contains the smaller hospitals which serve their local communities, as well as community services delivered outside hospitals, such as district nursing. Community costs have risen year on year over the last five years in both cash and real terms (Table 2, Figure 2).

In cash terms, costs have increased by 15.8% since last year. This is a far larger increase than has been seen in previous years. In comparison, annual increases of between 4.2 and 4.9 percent were seen between 2012/13 and 2015/16. The large increase in community expenditure in the last year is due to the inclusion of £250 million to support the integration of health and social care.

Staff costs, excluding laboratory staff, account for 53.2% of expenditure in community services. Non-staff costs include travel costs, drugs, laboratory services and various supplies. See table R740 in the published Excel tables for further statistics on laboratory staff.

Staff and non-staff costs can be combined to provide costs of providing specific services or functions, such as: £173.5m on district nursing (an increase of 3.0% since 2015/16), £41.2m on community dentistry (an increase of 5.4% since 2015/16), £41.1m on community midwifery (an increase of 5.1% in the last year). Figure 4 shows the expenditure over the last 5 years for these services, in cash terms.

Figure 4: Trend in expenditure on community services, 2012/13 - 2016/17
In general, more densely populated areas spent less money (relative to their overall community costs) on district nursing (NHS Greater Glasgow & Clyde – 5.0%, NHS Lothian – 6.9%) which is probably due to greater accessibility of health centres. Less densely populated areas (NHS Western Isles – 14.3%, NHS Highland – 16.0%, NHS Shetland – 25.2%) spent significantly more on district nursing relative to their overall community costs.

4. Family Health

Family health is the second largest sector in terms of expenditure (22.1% or £2.6bn, Figure 1). Costs within the family health services have risen by 9.0% in cash terms since 2012/13 (Table 2). In real terms, costs have increased by 2.9% since 2012/13. This sector includes Primary Medical Services (local GP practices) as well as local pharmacy (including drugs dispensed), dental and ophthalmic services. Figure 5 shows the breakdown of family health sector costs.

4.1 Primary Medical Services

In 2016/17, the cost of delivering primary care medical services at 963 GP practices in Scotland was £800m; an increase of 5.9% in cash terms since 2012/13 (<0.1% in real terms). The proportion of total expenditure spent on primary medical services was 6.8%. This figure has remained stable over the last 5 years.

4.2 Pharmaceutical Services

In 2016/17, almost half (£1.3bn or 49.2%) of family health sector costs was spent on pharmaceutical services (Figure 5). This represented 10.9% of total NHS Scotland operating costs. This percentage has remained stable over the last five years in both cash and real terms. Drugs expenditure makes up 83.3% of pharmaceutical services.
costs in this sector. The amount of money spent on drugs has increased since 2015/16 by 2.8% in cash terms and 0.8% in real terms. Over the last five years, this expenditure has increased by 14.5% in cash terms since 2012/13 (8.1% in real terms).

**Figure 6: Trends in Family Health Sector Drugs Expenditure, 2012/13–2016/17**

![Trends in Family Health Sector Drugs Expenditure, 2012/13–2016/17](image)

*Note: To obtain ‘real-terms’ figures, the costs have been divided by an adjustment factor determined by HM Treasury. Real terms costs take account of the change in the value of money over time, due to economy-wide inflation.*

### 4.3 General Dental Services and General Ophthalmic Services

The cost of providing general dental services was £409m (15.8% of family health service expenditure – Figure 5). This figure increased by 1.4% since 2015/16 and by 3.8% since 2012/13.

General ophthalmic services cost £105m in 2015/16, an increase of 2.5% over the last year and 8.4% over the last five years, since 2012/13.

### 5. Resource Transfer to Local Authority

Resource transfer includes healthcare services purchased from local authorities, voluntary organisations and the private sector. In 2016/17, this figure was £387m or 3.3% of total expenditure (Figure 1). In cash terms, costs in this sector have increased by 13.6% since 2012/13. In real terms, they have increased by 7.3% (Table 2).
6. Staff Costs

In 2016/17, almost half of the total operating expenditure (47.6% or £5.6bn) was spent on staff directly employed, including bank staff or those employed through an agency. This excludes the costs of independent contractors such as General Medical Practitioners and General Dental Practitioners, or the staff they employ. It also excludes laboratory staff.

In 2016/17, staff costs increased from £5.4bn to £5.6bn in cash terms compared to 2015/16. Expenditure on staff has increased year on year since 2012/13, with a 15.6% increase in expenditure in the last 5 years in cash terms and 9.1% in real terms (Figure 7).

Figure 7: Trends in staff costs, 2012/13 – 2016/17

Notes:
1. The figures for staff costs exclude laboratory staff.
2. To obtain ‘real-terms’ figures, the costs have been divided by an adjustment factor determined by HM Treasury. Real terms costs take account of the change in the value of money over time, due to economy-wide inflation.

Further information

The figures described within this report are available at Scotland level and for each individual Board in the following tables:

- **R100** – cash terms and real terms expenditure and activity figures for the current and previous year, for Scotland and each Board [151kb]

- **R100T** – cash and real terms expenditure and activity figures for the last five years, for Scotland and each Board [191kb]

The full range of data tables, including more detailed information at NHS Board and hospital level, 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 2016/17 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

**GDP Deflator** - A measure of price inflation or deflation with respect to a specific base year. The GDP deflator of the base year is equal to 100.

**Board Operating Costs** – The annual costs incurred by a Board in running its business of healthcare.

**Cash Terms** – A measure of the value of money without adjusting for the effect of inflation.

**Financial Year** – Period of time beginning in April and ending in March (e.g. Financial Year 2015/2016 begins on 1st April 2016 and ends 31st March 2017).

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

**NHSScotland** – National Health Service Scotland.

**Real Terms** – A measure of the value of money that removes the effect of inflation.

**Resource Transfer** – Transfer of monies from NHS to fund health care provided by local authorities, such as community-based care packages and the support infrastructure 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 from Boards.

Additional costing information and guidance can be found within the Reference and Financial Definitions sections of the ISD website.
## List of Tables

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<td>2016/17</td>
<td>Excel [various]</td>
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Contact

Lynne Jarvis
Principal Information Analyst
NSS.isdCOSTSINFO@nhs.net
0131 275 6424

Further Information

Further information on costs data for 2016/17 and earlier years can be found on the Costs area of the ISD website.

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Appendices

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)

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<td>Web pages, Excel and PDF files</td>
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<td>Data source(s)</td>
<td>Information contained in the Costs Book is primarily derived from Scottish Financial Returns (SFRs) which are compiled by NHS 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 SFRs 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. 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.</td>
</tr>
<tr>
<td>Date that data are acquired</td>
<td>June to October 2017</td>
</tr>
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<td>Release date</td>
<td>21 November 2017</td>
</tr>
<tr>
<td>Frequency</td>
<td>Annual</td>
</tr>
<tr>
<td>Timeframe of data and timeliness</td>
<td>April 2016 to March 2017</td>
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<tr>
<td>Continuity of data</td>
<td>Some figures for the current year are not directly comparable to those for previous years. While every attempt is made to make comparisons of the data possible,</td>
</tr>
</tbody>
</table>
Changes in accounting methodology must be considered along with other factors such as organisational change or missing data. See [Summary of Changes](#) for important changes about the 2016/17 data.

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.

To aid user interpretation, footnotes are included at the bottom of tables where possible.

More information on Continuity of Data can be found within the [Summary Guidance](#) document, [Summary of Changes](#) document and [Costs Archive](#) webpage.

### Revisions statement

Figures contained within the R100 and R100T reports may be subject to change in future publications. On a yearly basis, there can be numerous changes to the Costs Book data templates and to the accounting guidance. Every attempt is made to make year-on-year comparisons of the data possible.

### Revisions relevant to this publication

Any revisions relevant to this publication will be contained within the R100 and R100T reports.

### Concepts and definitions

The collection of costs data is supported by a number of guidance manuals and reference files. These include:

- [Annual Accounts manual](#)
- [Costing Guidance manual](#)
- [Costs Book Reconciliation to Annual Accounts](#)
- [Scottish Financial Returns](#)

Data included in each report and how the figures are calculated can be found within the [Report Logic](#).

Additional costing information and guidance can be found within the [Reference](#) and [Financial Definitions](#) section of the ISD website.

### Relevance and key uses of the statistics

Scottish Health Service Costs (often referred to as the ‘Costs Book’) is published annually by ISD, with the support of the Scottish Government Health Department (SGHD). The Costs Book is the only source of published costs information for NHSScotland, and provides a detailed analysis of where resources are spent in NHSScotland. The
Costs Book publication ensures that comparative information on health service costs is publicly available. The information is used in many applications: for example, to ensure greater efficiency by allowing benchmarking comparisons to be made between healthcare providers; and to predict future healthcare resource need in the context of resource allocation. Other uses of the data include supporting NHS Boards, public health researchers and pharmaceutical organisations, and fulfilling Freedom of Information Requests and Parliamentary Questions.

### Accuracy

The quality of these statistics is such that they 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 [Summary Guidance](#) document.

Despite the efforts of the ISD Data Management team, there can be some data quality factors that are outwith their control. For example, unavailability of some statistics such as theatre hours – in this case, NHS Boards are instructed to use estimates.

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.

To aid user interpretation, any data quality issues or factors are footnoted at the bottom of tables where possible.

Information contained in Costs Book is primarily derived from [Scottish Financial Returns (SFRs)](#) which are compiled by NHS 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 the Costs Book, Boards are required to show how the costs included in the Costs Book reconcile to expenditure and income reported in the Statement of Comprehensive Net Expenditure (SOCNE) from the annual accounts. To support this process, the SG is responsible for providing NHS Boards with an [Annual Accounts manual](#). ISD also issue [data templates (SFR 29.0)](#) 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...
<table>
<thead>
<tr>
<th><strong>Transparency and Audit Trail</strong></th>
<th>transparent with a clear audit trail.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completeness</strong></td>
<td>A complete financial analysis is included for all relevant NHS Boards.</td>
</tr>
<tr>
<td><strong>Comparability</strong></td>
<td>Hospital bed information, hospital patient activity and staffing information are broadly comparable with other ISD publications. See Costs, Workforce and Hospital Care for more information. There is not a similar publication to the Costs Book for the NHS in other parts of the country. Therefore, these figures may not be comparable with other regions of the UK. For costs information for the NHS in England please see NHS Reference Costs. Changes in accounting methodology and other factors mean that some figures for the current year are not comparable to previous years. Please see the relevant Summary of Changes document and the relevant notes pages for further information. To make year on year figures as comparable as possible the costs for years prior to 2016/17 have been adjusted for inflation (fixed terms costs). This has been done by using HM Treasury’s GDP deflator. More information on this can be found by browsing the relevant pages on the Treasury website. For important information about the 2015 data see Summary of Changes. File listings for previous years are also available from the Costs Archive.</td>
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<td><strong>Accessibility</strong></td>
<td>It is the policy of ISD Scotland to make its web sites and products accessible according to published guidelines.</td>
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| **Coherence and Clarity**     | Scottish Health Service Costs reports on how £11.2 billion of operating costs were spent in 2015/16 in providing hospital and primary care to patients, through geographical NHS Boards, the State Hospital and the Golden Jubilee National Hospital. Information on expenditure in the Scottish Ambulance Service and in National Services Scotland (including the Scottish Breast Screening Programme) is also provided. Statistics are presented within Excel spreadsheets and PDF documents. The following links provide short cuts to the 2015/16 data files for technical users: Reports – Excel files designed for viewing (note: some files include macros) Downloads – Excel files designed for further data analysis SFRs – Excel files giving access to the source data For important information about the changes to the 2017
data, and also historical changes, see [Summary of Changes](#). File listings for previous years are also available from the [Costs Archive](#).

<table>
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<tr>
<th>Value type and unit of measurement</th>
<th>Data included in each report and how the figures are calculated can be found within the <a href="#">Report Logic</a>.</th>
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<td>Disclosure</td>
<td>The <a href="#">JSD protocol on Statistical Disclosure Protocol</a> is followed.</td>
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<tr>
<td>Official Statistics designation</td>
<td>National Statistics</td>
</tr>
<tr>
<td>UK Statistics Authority Assessment</td>
<td>National Statistics</td>
</tr>
<tr>
<td>Last published</td>
<td>22 November 2016</td>
</tr>
<tr>
<td>Next published</td>
<td>November 2018</td>
</tr>
<tr>
<td>Date of first publication</td>
<td>1960s, but in its current format/content since 2000</td>
</tr>
<tr>
<td>Help email</td>
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<tr>
<td>Date form completed</td>
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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.

Standard Pre-Release Access:
- Scottish Government Health Department
- NHS Board Chief Executives
- NHS Board Communication leads

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:

- Internal Financial Performance Dept, Health Finance Directorate, Scottish Government

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
- Internal Financial Performance Dept, Health Finance Directorate, Scottish Government
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 (ie assessed by the UK Statistics Authority as complying with the Code of Practice)
- National Statistics (ie legacy, still to be assessed by the UK Statistics Authority)
- Official Statistics (ie 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.