Scottish Health Service Costs
Year ended March 2018

20 November 2018
This is a National Statistics Publication

National Statistics status means that the official statistics meet the highest standards of trustworthiness, quality and public value. They are identified by the quality mark shown above.

They comply with the Code of Practice for statistics and are awarded National Statistics status following an assessment by the UK Statistics Authority’s regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

Find out more about the Code of Practice at:

Find out more about National Statistics at:
Contents

Introduction ..................................................................................................................................3

Main Points ..................................................................................................................................5

Results and Commentary ..............................................................................................................6

1. Total Operating Costs ..............................................................................................................6
   1.1 NHS Costs by sector .............................................................................................................6

2. Hospital Services .....................................................................................................................9
   2.1 Inpatients ...........................................................................................................................9
   2.2 Day cases and outpatients .................................................................................................10

3. Community Services .............................................................................................................11

4. Family Health .........................................................................................................................12
   4.1 Primary Medical Services .................................................................................................12
   4.2 Pharmaceutical Services .................................................................................................12
   4.3 General Dental Services and General Ophthalmic Services ...........................................13

5. Resource Transfer to Local Authority ..................................................................................13

6. Staff Costs ...............................................................................................................................14

Further Information ..................................................................................................................15

Glossary.........................................................................................................................................16

List of Tables ................................................................................................................................17

Contact.........................................................................................................................................18

Further Information ..................................................................................................................18

Rate this publication ..................................................................................................................18

Appendices ..................................................................................................................................19

A1 – Background Information ..................................................................................................19

A2 – Publication Metadata (including revisions details) .........................................................21

A3 – Early Access details (including Pre-Release Access) .....................................................26

A4 – ISD and Official Statistics .................................................................................................27
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 £12 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** – covering the cost of services provided in hospitals. This ranges from the delivery of complex surgery within an inpatient setting within a large teaching hospitals to outpatient clinics run at rural community hospitals

- **Community services** – covering services delivered out with a hospital setting but excluding those provided by independent contractors providing ‘Family health services’. Examples includes home visits by healthcare professionals, such as health visitors, district nurses or occupational therapists, but also 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 2017/18 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 2017/18. The November 2018 published figures were used as the adjustment factor for this Costs Book publication.
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 2017/18. (All dates refer to financial years – for example, ‘2017/18 refers to the year beginning in April 2017 and ending March 2018.) 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 2017/18 data.
Main Points

The following are some of the key findings for 2017/18:

- In 2017/18, £12.0bn 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. This represents a 2.9% increase compared to the £11.7bn expended in 2016/17. In real terms, once inflation has been taken into account, total operating costs increased by 1.0% compared to 2016/17.

- Expenditure within the hospital sector was £6.6bn, an increase of 2.0% in cash terms compared to 2016/17. In real terms, there was an increase of 0.1% compared to the previous year. The hospital sector accounted for 55.0% of expenditure compared to 55.5% in 2016/17 and 56.9% five years previously (2013/14).

- Within the community sector, £2.4bn was expended, a cash terms increase of 6.8% and a real terms increase of 4.8%, when compared to 2016/17. In cash terms, the Community sector percentage share of the total expenditure over the last five years has risen from 16.8% in 2013/14 up to 19.8% in 2017/18.

- Expenditure on the family health sector expenditure, which includes the cost of running local GP practices in addition to the local pharmacy, dental and ophthalmic services, amounted to £2.6bn in 2017/18 – a cash terms increase of 1.5%. However, this reflected a real terms decrease of 0.4% compared to 2016/17.

- Almost half of the expenditure (47.6% or £5.7bn) related to the cost of employing staff within the hospital and community sector, this includes those staff employed through an agency or bank staff. This expenditure excludes laboratory staff whose services provide support all sectors.
Results and Commentary

1. Total Operating Costs

In 2017/18, £12.0bn was spent on operating costs by the 14 geographic NHS Boards and two special Boards, The State Hospital and the Golden Jubilee National Hospital, which provide additional hospital services. This represented a £340M (2.9%) increase in expenditure compared to 2016/17. In real terms, after adjusting for inflation, this represents an increase of 1.0% compared to 2016/17.

Table 1 shows how this expenditure has increased over the last five years, in both cash terms and in real terms. Over this period expenditure rose from £10.4bn in 2013/14 to £12.0bn in 2017/18.

Table 1: Trends in Operating Costs, 2013/14–2017/18

<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(^1) Operating Costs (£000)</th>
<th>Change on Previous Year (real terms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>10,446,415</td>
<td>--------</td>
<td>11,108,599</td>
<td>--------</td>
</tr>
<tr>
<td>2014/15</td>
<td>10,800,916</td>
<td>3.4%</td>
<td>11,339,901</td>
<td>2.1%</td>
</tr>
<tr>
<td>2015/16</td>
<td>11,226,453</td>
<td>3.9%</td>
<td>11,693,126</td>
<td>3.1%</td>
</tr>
<tr>
<td>2016/17</td>
<td>11,689,661</td>
<td>4.1%</td>
<td>11,911,613</td>
<td>1.9%</td>
</tr>
<tr>
<td>2017/18</td>
<td>12,026,998</td>
<td>2.9%</td>
<td>12,026,998</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

1. Real terms operating costs for 2017/18 remain unchanged, whereas costs for 2016/17 are 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. Real terms costs in 2016/17 show what the cost of providing goods and services from that year would have been in 2017/18.

1.1 NHS Costs by sector

Over the same period of time, Figure 1, Table 2a and Figure 2 illustrate how this expenditure was distributed between the hospital, community and family health sectors, as well as the NHS funds transferred to Local Authorities (LAs) for the continued care of patients (resource transfer).

Of the £337M increase in expenditure between 2016/17 and 2017/18, £152M was spent on community services, £132M on hospital services, £38M of family health services and £15M on funds transferred to LAs. However, hospital services remain the largest sector in respect of spend at £6.6bn.
Figure 1: Total Operating Costs by sector (cash terms), 2013/14 - 2017/18

![Bar chart showing total operating costs by sector for different financial years.]

Table 2a: Trends in Operating Costs (£bn) by sector, 2013/14–2017/18

<table>
<thead>
<tr>
<th>Operating Costs (£bn)</th>
<th>Financial Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013/14</td>
</tr>
<tr>
<td>Total Cash Terms</td>
<td>10.4</td>
</tr>
<tr>
<td>Hospital</td>
<td>5.9</td>
</tr>
<tr>
<td>Community</td>
<td>1.8</td>
</tr>
<tr>
<td>Family Health</td>
<td>2.4</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>0.4</td>
</tr>
<tr>
<td>Total Real Terms¹</td>
<td>11.1</td>
</tr>
<tr>
<td>Hospital</td>
<td>6.3</td>
</tr>
<tr>
<td>Community</td>
<td>1.9</td>
</tr>
<tr>
<td>Family Health</td>
<td>2.5</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>0.4</td>
</tr>
</tbody>
</table>

¹. Real terms operating costs for 2017/18 remain unchanged, whereas costs for 2016/17–2013/14 are 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. Real terms costs in 2016/17 show what the cost of providing goods and services from that year would have been in 2017/18.
Table 2b shows how expenditure was distributed in percentage terms across the sectors in each of the five years. The percentage of expenditure spent on hospital services, has gradually decreased, from 56.9% in 2013/14 to 55.0% in 2017/18. In comparison, the percentage of expenditure spent on community services has increased over the same period from 16.8% to 19.8%. The sections that follow discuss the trends in expenditure in each sector in more detail.

Table 2b: Trends in Operating Costs (£bn) by sector, 2013/14–2017/18 percentages of total operating costs

<table>
<thead>
<tr>
<th>Operating Costs (%)</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Terms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Hospital</td>
<td>56.9%</td>
<td>56.9%</td>
<td>56.9%</td>
<td>55.5%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Community</td>
<td>16.8%</td>
<td>17.0%</td>
<td>17.2%</td>
<td>19.1%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Family Health</td>
<td>23.0%</td>
<td>22.8%</td>
<td>22.6%</td>
<td>22.1%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Resource Transfer</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Figure 2: Trends in Cash and Real Terms Operating Costs by sector, 2013/14 –2017/18
2. **Hospital Services**

The hospital services sector, accounts for the largest percentage of expenditure (55.0% or £6.6bn, Figure 1). This includes all operational costs ranging from the cost of clinical services, including medical and nursing care, through to portering, cleaning and administration. In cash terms, expenditure in hospital services has increased by £0.7bn or 11.3% since 2013/14. In real terms, expenditure has increased by 4.6 % over the same period (Table 2a and Figure 2).

Staff employment costs account for the largest percentage of hospital sector costs (67.9% or £4.5bn) in 2017/18. This excludes laboratory staff who may be based in a hospital but provide services in support of either hospital, community or family health services. (See table R740 in the published Excel tables for further statistics on laboratory staff).

The following sections discuss the costs associated with particular forms of patient care within hospitals.

2.1 **Inpatients**

There were approximately 1.1M inpatient discharges, excluding long stay specialties, recorded in Scotland in 2017/18, a slight reduction of around 17k discharges compared to in 2016/17. The average cost of an inpatient discharge in Scotland was £2,971 in 2017/18. In cash terms, the average cost of an inpatient discharge has increased by £281 or 10.4% since 2013/14. In real terms, the cost increased by 3.8% since 2013/14.

The cost of inpatient treatment varies across NHS Boards in Scotland (Figure 3). In 2017/18, the average cost per inpatient discharge ranged from £2,206 in NHS Lanarkshire to £6,059 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.

Taking all the non long stay specialties, the average cost per day in 2017/18 was £1190, in cash terms, which represents an increase of 3.6% from 2016/17. This average cost per day has increased by 25.4%, from £949 in 2013/14 (R040X).
2.2 Day cases and outpatients

There were 498,785 day cases in 2017/18, a 3.0% reduction in cases compared to 2016/17. The average cost per case was £1,010 (this figure varies between specialties). The average cost per day case has increased by 15.7% in cash terms and 8.8% in real terms since 2013/14.

Outpatient attendances totalled 5.6M attendances in 2017/18, with an average cost of £157 per attendance. This represents, an increase of 24.8% from £126 in 2013/14 in cash terms and up by 17.4%, in real terms.
3. Community Services

Community services now constitute nearly a fifth of total operating costs (£2.4bn or 19.8%, Figure 1). This sector covers services delivered outside hospitals within communities, such as district nursing, health visiting, home dialysis and GP-out-of-hour’s services but also prevention services, such as breast screening and health promotion. Community costs have risen year on year over the last five years in both cash and real terms but also as a percentage of the total expenditure (Table 2, Figure 2).

In cash terms, expenditure has increased by 6.8% since last year. In comparison, annual increases of 4.9% were seen in 2014/15 and 2015/16. However, 2016/17’s 15.9% increase was due to the inclusion of £250M, allocated to supporting integration of health and social care.

Staff costs, excluding laboratory staff, account for 51.9% of expenditure in community services. Non-staff costs included expenditure on 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: £179M on district nursing (an increase of 3.1% since 2016/17), £39M on community dentistry (a 5.2% decreases on 2016/17) and £96M on child health (an increase of 3.5 % 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, 2013/14 - 2017/18
4. Family Health

Family health is the second largest sector in terms of expenditure (21.8% or £2.6bn, Figure 1). Costs within the family health services have risen by 9.4% in cash terms since 2013/14 (Table 2) and in real terms, these costs have increased by 2.9%. 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 2017/18 breakdown of family health sector costs.

**Figure 5: Family Health Sector Operating Costs, 2017/18**

- Pharmaceutical Services: 49.2%
- Primary Medical Services: 30.9%
- General Dental Services: 15.8%
- General Ophthalmic Services: 4.1%

**4.1 Primary Medical Services**

In 2017/18, the cost of delivering primary care medical services at the 959 GP practices in Scotland was £822M; an increase of 2.7% in cash terms on 2016/17. The proportion of the total operating costs spent on primary medical services is currently 6.8% - a reduction from 7.3% in 2013/14.

**4.2 Pharmaceutical Services**

In 2017/18, almost half (£1.3bn or 49.0%) of family health sector costs was spent on pharmaceutical services (Figure 5). This represented 10.7% of total operating costs. This percentage has remained stable over the last five years in both cash and real terms, although there are signs of a reduction in the annual rate of increase in drug expenditure. Drugs expenditure makes up 83.4% of the pharmaceutical services costs in this sector. Compared to 2016/17, the total expenditure on drugs increased by 1.2% in cash terms but reduced by
0.7% in real terms. Over the last five years, this expenditure has increased by 13.9% in cash terms since 2013/14 (7.2 % in real terms).

**Figure 6: Trends in Family Health Sector Drugs Expenditure, 2013/14–2017/18**

Note: To obtain ‘real-terms’ figures, the costs have been divided by an adjustment factor determined by HM Treasury. Real terms costs show approximately what the services provided in that year would have cost in 2017/18.

### 4.3 General Dental Services and General Ophthalmic Services

The cost of providing general dental services was £409M (15.6% of family health service expenditure – Figure 5). This represents a cash terms decrease of 0.2% compared to 2016/17 but is 4.6% increase from 2013/14.

General ophthalmic services cost £108M in 2017/18, an increase of 2.3% over the previous year’s cash terms expenditure. This represents a 7.1% increase, in cash terms, over the last five years.

### 5. Resource Transfer to Local Authority

Resource transfer includes healthcare services purchased, by the NHS board, from local authorities, voluntary organisations and the private sector. In 2017/18, this figure was £402m or 3.3% of total expenditure (Figure 1).

In cash terms, costs in this sector have increased by 14.6% since 2013/14, while in real terms, they have increased by a lower figure of 7.7% (Table 2).
6. **Staff Costs**

In 2017/18, almost half of the total operating expenditure, 47.6%, related to the cost of employing staff 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 who are detailed separately.

In 2017/18, staff costs increased from £5.6bn to £5.7bn compared to 2016/17, but the percentage of expenditure remained at 47.6%.

Staff expenditure has increased year on year since 2013/14, with a 2.9% cash terms increase since 2016/17 and a 14.5% increase over the course of the last 5 years. This translates to a real terms increase since 2013/14 of 7.7% (Figure 7).

**Figure 7: Trends in staff costs, 2013/14 – 2017/18**

![Trends in staff costs, 2013/14 – 2017/18](image-url)
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 [146kb].
- **R100T** – cash and real terms expenditure and activity figures for the last five years, for Scotland and each Board [494kb]

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 2017/18 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

**GPD 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 2017/2018 begins on 1st April 2017 and ends 31st March 2018).

**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

<table>
<thead>
<tr>
<th>File name</th>
<th>File and size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance standards</td>
<td>Excel 500 Kb</td>
</tr>
<tr>
<td>Performance standards (three-year rolling periods)</td>
<td>Excel 750 Kb</td>
</tr>
<tr>
<td>Uptake by NHS Board</td>
<td>Excel 750 Kb</td>
</tr>
<tr>
<td>Historical trends in Performance standards (three-year rolling periods)</td>
<td>Excel 1.2 Mb</td>
</tr>
<tr>
<td>Historical trends in Uptake by NHS Board</td>
<td>Excel 1.2 Mb</td>
</tr>
</tbody>
</table>
Contact

Edmund Anderson
Principle Information Analyst
0141-282-2182
NSS.isdCOSTSINFO@nhs.net

Further Information

Further information on costs data for 2017/18 and earlier years can be found on the Costs area of the ISD website.

The next release of this publication will be 19 November 2019.

Rate this publication

Please provide feedback on this publication to help us improve our services.
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.
Scottish Health Service Costs, year ended 31 March 2018

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.

Health and Social Care

Hospitals and Health Care

Web pages, Excel and PDF files

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.

June to October 2018

20 November 2018

Annual

April 2017 to March 2018
| Continuity of data | 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, 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 2017/18 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. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revisions statement</td>
<td>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.</td>
</tr>
<tr>
<td>Revisions relevant to this publication</td>
<td>Any revisions relevant to this publication will be contained within the R100 and R100T reports.</td>
</tr>
</tbody>
</table>
| 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.

<table>
<thead>
<tr>
<th>Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 <em>Summary Guidance</em> document.</td>
</tr>
<tr>
<td>Despite the efforts of the ISD Data Management team, there can be some data quality factors that are out with their control. For example, unavailability of some statistics such as theatre hours – in this case, NHS Boards are instructed to use estimates.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>To aid user interpretation, any data quality issues or factors are footnoted at the bottom of tables where possible.</td>
</tr>
<tr>
<td>Information contained in Costs Book is primarily derived from <em>Scottish Financial Returns (SFRs)</em> 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 <em>Annual Accounts manual</em>. ISD also issue data templates (<em>SFR 29.0</em>) 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.</td>
</tr>
<tr>
<td>Completeness</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Comparability</td>
</tr>
<tr>
<td>Accessibility</td>
</tr>
<tr>
<td>Coherence and clarity</td>
</tr>
<tr>
<td><strong>Value type and unit of measurement</strong></td>
</tr>
<tr>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Disclosure</strong></td>
</tr>
<tr>
<td><strong>Official Statistics designation</strong></td>
</tr>
<tr>
<td><strong>UK Statistics Authority Assessment</strong></td>
</tr>
<tr>
<td><strong>Last published</strong></td>
</tr>
<tr>
<td><strong>Next published</strong></td>
</tr>
<tr>
<td><strong>Date of first publication</strong></td>
</tr>
<tr>
<td><strong>Help email</strong></td>
</tr>
<tr>
<td><strong>Date form completed</strong></td>
</tr>
</tbody>
</table>
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’, i.e. 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 (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.