Scottish Health Service Costs
April 2017 – March 2018
A National Statistics publication for Scotland
Publication date: 20 November 2018

About this release
This release from the Information Services Division provides an annual update on how £12 billion of health service operating costs were spent in 2017/18. 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
- 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.
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’ and in ‘real terms’ (adjusting for inflation). 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.

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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

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. Further information about our statistics.