Scottish Health Service Costs
April 2018 – March 2019

A National Statistics publication for Scotland

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About this release
This release by Information Services Division provides an annual update on how health service operating costs were spent in 2018/19. It covers hospital, community 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 2018/19

- £12.4 billion was spent on health service operating costs. This represents a 2.8% (£335M) increase compared to the £12.0 billion expended in 2017/18. The total operating costs, adjusted for inflation increased by 0.9% compared to 2017/18. This percentage increase has remained the same for the second year running.

Figure 1: Trends in Cash and Real Terms Operating Costs by sector, 2014/15 – 2018/19
• Of the £335M increase in expenditure between 2017/18 and 2018/19, £196M (58%) was spent on hospital services, £54M (16%) on community services, £78M (23%) on family health services and £8M (2%) on funds transferred to Local Authorities.

• Expenditure on hospital services was £6.8bn, a cash terms increase of 3.0% and a real terms increase of 1.1%, when compared to 2017/18.

• Expenditure on community services was £2.4bn, a cash terms increase of 2.2% and a real terms increase of 0.4%, when compared to 2017/18.

• Family health expenditure, which includes the cost of running local GP practices in addition to the local pharmacy, dental and ophthalmic services, amounted to £2.7bn, a cash terms increase of 3.0%. This reflects a real terms increase of 1.1% compared to 2017/18.

**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 2018/19.

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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.

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