Healthcare spending, staffing and activity
Introduction

- Health has been devolved to the Scottish Government since 1999
  - Some differences from the NHS in England, Wales and NI

- Health is the largest single area of Scottish Government spending
  - 35% of the SG’s total discretionary budget 2024–25
  - Share has grown over time and projected to keep growing

- This presentation will cover two things:
  1. Health spending in Scotland, England and Wales
  2. NHS staffing and activity in Scotland since the pandemic
Health spending
Health spending per person

- Rose from £1,659 per person in 1999–00 to £2,801 in 2019–20
- Much faster growth in the 2000s (5.0% per year) than in the 2010s (0.4% per year)
- Peaked during the pandemic, but in 2022–23 was still 10% above 2019–20
- Under current budgets, will fall between 2023–24 and 2024–25

Figure 4.1, ‘Healthcare spending, staffing and activity’, David Phillips and Max Warner, 2024
Health spending per person

- At dawn of devolution, Scotland spent 22% more than England and 9% more than Wales.

- This gap has declined over time as spending has grown faster in England and Wales.

- Under current plans, Scotland will spend 3% more than England and 10% less than Wales in 2024–25.

Figure 4.2, 'Healthcare spending, staffing and activity', David Phillips and Max Warner, 2024
NHS staffing and activity
NHS staffing and activity in January–June 2023 relative to 2019

- Consultants: 11%
- Junior doctors: 14%
- Nurses: 8%
- Elective admissions: -11%
- Emergency admissions: -8%
- Outpatient appointments: -6%

Figure 4.5, ‘Healthcare spending, staffing and activity’, David Phillips and Max Warner, 2024
NHS productivity

- Lower hospital activity
  - Means waiting lists are likely to keep rising
  - Points to a substantial fall in measured hospital productivity

- Similar to the fall in hospital productivity observed in England, but…
  - England has increased staffing by more
  - Hospital activity has recovered by more in England
NHS staffing and activity in January–June 2023 relative to 2019

Figure 4.5, ‘Healthcare spending, staffing and activity’, David Phillips and Max Warner, 2024

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- Measures of performance have worsened in both countries
  - A&E waiting times better in Scotland, elective waiting list grown by more in Scotland
What could explain lower measured hospital productivity?

- More staff but fewer hospital beds
- Covid-19 patients in hospital
- Patients are sicker than pre-pandemic
- Management and bottlenecks in the system

Likely a mix of all these, but importance of each remains unknown

Risk is higher spending will not translate into as much improved performance than before

Increasing productivity should be a major focus for Scottish Government
Summary

- Scottish health spending has grown over time, but English and Welsh health spending has grown even faster.
- Scottish health spending is set to fall in real terms next year, but may well be topped up.
- One striking difference: Scottish workforce plan implies 1% growth in NHS workforce between 2022 and 2027, English implies 20-21%.
- There has been a large and persistent fall in hospital productivity.
- This is a major concern: lower productivity is bad for everyone, means more resources may be required to deliver the same service.
- Particularly challenging given the difficult fiscal situation.