



Briefing on ...

NHS Budget & Workforce Projections 2010-11

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Introduction

This briefing looks at the Scottish NHS board budget allocations and at workforce projections from NHS Boards, which show predicted job cuts of nearly 4,000 and savings of more than £270m planned in the coming year.

Budget allocations

Revenue allocations to health boards for 2010-11 total £8.464 billion, a rise of 2.7%. This is from an overall NHS budget of £11.35 billion, up by 2.4%. Boards will receive a minimum uplift of 2.55%, with some (NHS Fife, NHS Forth Valley, NHS Grampian, NHS Lanarkshire and NHS Orkney) receiving higher increases taking account of health needs linked to changes in population, and levels of deprivation. NHS Special Boards, including the Scottish Ambulance Service and NHS 24 receive 2.15%. The table overleaf details what the 14 regional boards each receive.

The boards have told the Scottish Parliament Health and Sport Committee that they need to make savings of more than £270m. This includes nearly £262m for the regional boards, with the rest being made by NHS Special Boards, including NHS 24, the Scottish Ambulance Service and other national departments.

The Scottish Government says that it has protected the health budget. However, calculations of a real terms rise are based on a deflator of 1.5%. Inflation in May was running at 5.1% (Retail Price Index – 3.4% Consumer Price Index).

Fuel costs and drugs costs are high and the Scottish Government has warned that the 20% VAT rate imposed in the Emergency Budget would cost health boards an extra £23m annually.

In evidence to the health committee, boards highlighted the rising costs of GP prescribing, including newer, more expensive drugs. NHS Lothian is budgeting for a £5.5m (11.5%) rise in hospital drug costs and for £7m (5.5%) more in prescribing costs. NHS Lanarkshire expects GP prescribing to rise by 8.1% and hospital drugs by 9%. Pay inflation figures range from 2-3.3%, including pay awards, Agenda for Change and European Working Time Directive factors.

The Health and Sport Committee report of 28 June on NHS board revenue allocations warned that the NHS faces great financial strain due to cuts in budget growth, rises in demand and inflationary pressures. It called for urgent action to provide better data on quality and outcomes to show whether savings being made are affecting quality and patient care.

Workforce Projections

The Scottish Government published NHS Board workforce projections in June. These estimated figures from all boards show a total predicted reduction in whole time equivalent (WTE) posts by the end of 2010/11 of 3,790 (2.8%).

The largest reductions are in nursing and midwifery (1,523 WTE) and in administration services (1,053). The figures come from management information in which the potential effect

of service redesigns or changes in skill mix are assessed. The reductions will be achieved by not replacing staff who leave or retire. A table overleaf shows the projected figures for each of the 14 regional boards. All except NHS Orkney and NHS Western Isles predict a loss of posts. NHS Greater Glasgow and Clyde says 1252 posts will go. Other big losses include NHS Lothian (734), NHS Grampian (577) and NHS Tayside (495).

The NHS employed 135,450 WTE staff at 1st April 2010.

Health Secretary Nicola Sturgeon said that the policy of no compulsory redundancies in the NHS will continue. She has set up a national scrutiny group

involving the main unions (UNISON, RCN, RCM, Unite and BMA), NHS employers and the Scottish Government. Ms Sturgeon said that this group will ensure the plans "do not compromise the quality of patient care".

Allocations, loss of posts and savings required

More detailed tables, including for NHS 24, Scottish Ambulance Service, Quality Improvement Scotland etc. are available online. See Further Information.

Health Board	Allocation 2010-11 £m	Projected loss of posts WTE (whole time equivalent)	Savings needed 2010-11 £m *
NHS Ayrshire & Arran	570.2	112	12.3
NHS Borders	166	96	7.9
NHS Dumfries & Galloway	238.3	32	7.8
NHS Fife	502.9	54	9.7
NHS Forth Valley	398.8	154	26.5
NHS Grampian	678.5	577	34
NHS Greater Glasgow & Clyde	1871.4	1252	62
NHS Highland	480.6	108	14.7
NHS Lanarkshire	798.4	123	19.9
NHS Lothian	1018.2	734	31
NHS Orkney	31.3	<i>6 more posts</i>	2.5
NHS Shetland	36.8	8	1.4
NHS Tayside	592.9	495	30
NHS Western Isles	58.1	0	4.4

*(usually including/comprising 2% cash releasing efficiency savings)

UNISON response

UNISON warned of concern at the scale of the planned job cuts. While no individual will lose their job, the loss of posts will clearly affect services.

There is partnership working in the NHS and UNISON welcomed the new

partnership group with the trade unions, which will scrutinise the workforce plans. Tam Waterson, Chair of UNISON Scotland's Health Committee, said: "We won't accept any cuts that have an impact on the quality or safety of patient care."

Action for Branches

Monitor the impact of financial cuts and job cuts on specific services.

With Regional Organisers, fill in Cuts Impact Assessment forms whenever you have updates, and return to the P&I team.

Further Information

NHS Health Board Submissions to Finance Committee Spring 2010

www.scottish.parliament.uk/s3/committees/hs/inquiries/Budget1011/NHSBOARDALLOCATIONS2010-11.htm

NHS Workforce Projections 2010-11
www.scotland.gov.uk/Resource/Doc/924/0099600.pdf

Health and Sport Cttee Report 28 June on NHS Board revenue allocations
www.scottish.parliament.uk/s3/committees/hs/reports-10/her10-08.htm