

Public Audit Committee
Wednesday 7 January 2026
1st Meeting, 2025 (Session 6)

NHS in Scotland 2025

Introduction

1. At its meeting today, the Public Audit Committee will take evidence from the Auditor General for Scotland (AGS) on his report, the [NHS in Scotland 2025: Finance and performance](#) report, which was published on 4 December 2025.
2. The AGS has prepared a briefing paper on the key messages and recommendations from the report, which can be found at **Annexe A**. A copy of the report can be found at **Annexe B**.
3. The Committee will decide any further action it wishes to take following the evidence session today.

Clerks to the Committee
January 2026

Annexe A: Briefing Paper by the Auditor General for Scotland

1. The Auditor General's report on the NHS in Scotland was published on 4th December 2025. The report covers the financial and operational performance of Scotland's NHS in 2024/25, and reviews progress towards reform. The Auditor General for Scotland's reporting on performance of the NHS in Scotland includes this annual performance and finance report. A joint report with the Accounts Commission on Delayed discharges will be published in January 2026. The following provides a summary of the report and its key messages and recommendations.

Financial performance and outlook

2. Funding for Scotland's NHS grew again in 2024/25, a 3.4 per cent increase from 2023/24. Funding is now almost 25 per cent higher than ten years ago, and spending stands at 37.5 per cent of the Scottish budget. Health spending is projected to continue to grow over the medium term and the longer term, with cost pressures from workforce pay, new medicines, and procurement, as well as from growing

demand for health and care services, from an ageing population and due to health inequalities. The delivery of efficiencies and reform within the health and care system will play an important role in Scotland's medium term and longer-term financial sustainability.

3. Despite increased funding in 2024/25 an unprecedented amount of loan funding was required by NHS boards. Seven boards required Scottish Government loans (brokerage), totalling £230m, the highest amount to date. Only one board received brokerage below the initial cap level that Scottish Government advised. More boards have also required support and intervention to manage their finances, with 5 boards at level 3 due to financial management and position and NHS Grampian escalated to level 4. The Auditor General has prepared Section 22 reports on the 2024/25 audits of NHS Ayrshire and Arran and NHS Grampian due to the financial management and sustainability issues they face.

4. NHS boards have made unprecedented levels of savings and reduced their reliance on one-off savings. The Financial Delivery Unit within the Scottish Government's health finance directorate has engaged with NHS boards and embedded improvement tools into financial management and planning processes. This has resulted in savings in areas such as nurse agency spending.

5. Overall expenditure increases are largely due to increased spend on staffing, with a 3.7 per cent increase since 2023/24 and 31 per cent increase since 2018/19. Increased spending on staff is due to both an increase in staff numbers and real terms increase in pay.

6. Boards' financial plans show that a number of boards are facing recurring financial difficulties and carrying forward significant underlying deficits. The forecast deficit position has however improved since last year's financial plans with the forecast three-year deficit being reduced, demonstrating the impact that improvements to savings and recurring savings has made to the overall position.

7. The Scottish Government has replaced brokerage with other forms of financial support. Scottish Government had advised NHS Boards in December 2024 that there would be no brokerage in 2025/26. However, since then Scottish Government has put in place sustainability funding, deficit support funding and financial support funding. There is a lack of clarity and transparency around the introduction of deficit support funding, how it was communicated to boards and how it impacts on the Scottish Government's objectives in ending brokerage.

8. Capital spending fell again in 2024/25, four proposed national treatment centres remain paused and the maintenance backlog continues to grow. A lack of capital investment can impact on productivity. Capital budgets are however expected to

increase in 2025/26 with a new programme of work on high-risk maintenance issues. Work has also commenced on future health infrastructure plans, intended to align with the Health and Social Care Service Renewal Framework.

Operational performance and challenges

9. NHS Scotland is still struggling to deliver waiting times standards, with only three of the eight standards met at a national level. No board met planned care targets for new outpatients or in patient/day case treatment, while the CAMHS standard continues to perform well.

10. Commitments to eliminate long waits have been made again but it remains unclear whether they can be achieved. The Operational Improvement Plan, published in March 2025, committed to ensuring that no one is waiting longer than a year for their new out-patient appointment or inpatient/day case procedure by March 2026. Current figures show that long waits remain high, with 56,439 waits over a year for an outpatient appointment, and 29,417 waits over a year for an inpatient/day case appointment at September 2025.

11. Activity levels have increased, although they remain below pre-pandemic levels, and overall waiting lists are starting to fall. Outpatient attendances increased by 2.1 percent in the year to September 2025, and inpatients/day case admissions increased by 2.5 per cent over the same period. Waits over a year are also starting to fall, 5.3 per cent decrease for outpatients and 15.8 percent decrease for inpatient/day cases in the year to September 2025. Additional funding has been committed to tackling long waits. It remains to be seen if this progress can be sustained.

12. Public Health Scotland (PHS) are now publishing waiting times figures on a monthly basis. Data published at end of November, following finalisation of this report, shows that trends in increasing activity levels, decreasing waiting lists and decreased long waits has continued. Revised waiting times guidance is now being applied to waiting times statistics and PHS produced an impact report on the new guidance. This needs to be taken into account when making comparisons on waiting times.

13. More work is needed to understand how activity levels can be increased and productivity improved across the system, we have included this in our recommendations. While there is more funding and more staff in the health system activity level improvements have been modest. We have previously reported on the complexity of measuring NHS productivity.

14. Urgent and unscheduled care continues to face significant and sustained pressure. Headline indicators show that performance in emergency departments is still poor. Ambulance turnaround times are also historically high. Initiatives aimed at diverting people from emergency departments to the right healthcare setting are being rolled out but their overall impact is not yet clear. The Redesign of Urgent Care pathway has provided alternatives to A&E with scope for further improvements.

15. Serious concerns have also been raised about the standard of care in some emergency departments. Healthcare Improvement Scotland's (HIS) independent review of emergency departments within NHS Greater Glasgow and Clyde found sustained and substantial pressures which were reflected in poor waiting times, patient flow and quality of care, as well as leadership and culture that was impacting on staff morale and wellbeing. HIS has also highlighted the findings from their Safe Delivery of Care inspection reports which demonstrate that continued pressure on the NHS is resulting in patient safety risks.

Reforming the NHS in Scotland

16. Progress has been made in setting out the priorities for reform of the NHS in Scotland over the next decade. The Scottish Government published the Operational Improvement Plan (OIP) in March 2025, it includes actions to tackle current waiting lists and lays the foundations of reform over the next year 2025/26. The published OIP lacks clarity that will make reporting on progress difficult. Programme governance documents outline greater clarity. It will be important that there is clear public reporting on progress against the plan.

17. The Health and Social Care Service Renewal Framework, a joint publication with COSLA published in June 2025, is a welcome development that provides important key principles and further steps for reform of the health and care system over the next 10 years. Many of the changes in the Frameworks are ambitious and far reaching and will be both complex and challenging to deliver. It is too early to say whether the Framework is sufficient to drive the reform needed, but we set out some of our initial observations:

- The difficulties in achieving the community principle and delivering the long-standing ambition to shift the balance of care cannot be underestimated.
- Progress with population level planning and the national and regional collaboration needed has still to be fully tested.
- Digital access to Scotland's health and care services has been in development for some time, this will be reliant on the roll out of the MyCare app, the full business case for which is still to be fully approved and finance committed.

18. The Population Health Framework (PHF), also a joint publication with COSLA published in June 2025, demonstrates clarity in its priorities and a partnership approach, with the aim of improving life expectancy and reducing the life expectancy gap. The scope of the PHF is far beyond the health and care system. It remains to be seen whether the cross government and cross sector buy in required to deliver the framework can be achieved.

19. Collaborative working across NHS Scotland has strengthened and the introduction of these frameworks provides a clearer direction and more certainty for the NHS and boards. Governance arrangements that are being put in place are intended to provide joined up oversight of the reform programme. The report makes recommendations to Scottish Government and NHS boards for detailed implementation and monitoring plans for the Service Renewal Framework and the Population Health Framework.

20. Scottish Government and health care leaders need to take the opportunity that these Frameworks provide to drive forward the necessary change in direction for health and social care.

NHS in Scotland 2025

Finance and performance



AUDITOR GENERAL 

Prepared by Audit Scotland
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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Key messages

- 1 Every day the NHS provides vital services to thousands of people across Scotland.** Health spending in 2024/25 totalled £20.6 billion, equivalent to 37.5 per cent of the overall Scottish budget. Even with increased funding, the NHS in Scotland is not in a financially sustainable position. NHS boards did achieve unprecedented levels of savings. But boards are still struggling to break even, with seven territorial boards requiring Scottish Government loans. Health spending is projected to continue to grow over the medium term but this will put pressure on other vital public services. The delivery of efficiencies and reform within the health and care system will play an important role in both the NHS's and Scotland's overall medium-term financial sustainability.
- 2 In 2024/25, the NHS in Scotland employed over 160,000 whole-time equivalent staff and performed 1.3 million hospital procedures.** But, despite more money (+£3 billion since 2019) and more staff (+20,000 since 2019), NHS Scotland's performance has not improved in line with commitments made by the Scottish Government. There is demand pressure across the system. Activity in secondary care has increased in the last year but it remains below pre-pandemic levels. Waiting lists and waiting times are starting to fall but it remains to be seen if this progress can be sustained. Improvements in productivity and reform of the health and care system are essential if health outcomes are to get better, health inequalities are to be reduced and service delivery to improve.
- 3 The publication of the Operational Improvement Plan, Health and Social Care Service Renewal Framework and the Population Health Framework are welcome steps forward in setting out the key principles for delivering reform.** But some of the ambitions within these documents are long-standing and have yet to be delivered, for example, shifting the balance of care to the community. This persistent implementation gap, between policy ambitions and delivery on the ground needs to be addressed. Scottish Government and health and care leaders need to take the opportunity to drive forward the necessary change in direction for health and social care this time round. And with it, the long-term health of Scotland's citizens.

Recommendations

The Scottish Government should work with NHS boards:

- Over the next six months, to be clear and transparent on what financial support is available to NHS boards who are in a recurrent deficit position, and for NHS boards to set out in their three-year financial plans how they are going to achieve financial balance.
- To understand and clearly demonstrate why productivity remains below pre-pandemic levels and set out what measures need to be put in place to improve productivity within the NHS in Scotland.
- Within six months, transparently report on progress against the 17 actions contained within the Operational Improvement Plan.
- Over the next three to six months, to put in place detailed implementation and monitoring plans for the Service Renewal Framework and Population Health Framework, including:
 - Publish delivery plans, with clear actions including lead agency, timeframes, monitoring arrangements and intended outcomes.
 - How they will improve joint working with other partners that can support delivery of the plan and frameworks (including, Integrated Joint Boards, community planning partners and the third sector). This should focus on clarity about responsibilities, building and improving communication, collaboration and culture.
 - Ensuring governance arrangements are clear and joined up, and provide sufficient scrutiny of the change that is taking place.
 - How they intend to report on progress, ensuring that there is clear and transparent reporting against commitments made.
 - Putting in place a learning and evaluation framework for each plan and framework.

The Scottish Government should:

- Before the MyCare digital health and care app is rolled out, ensure equitable access to health and care services through setting out the digital inclusion support that will be available to those who need it.

The Scottish Government working with Public Health Scotland should:

- Over the next six months, publish data on the activity taking place in National Treatment Centres (NTCs), to enable a better understanding of the impact of NTCs at a board level and how they are being used as a shared, national resource to deliver on the Operational Improvement Plan additional activity commitments and tackle waiting lists.

Introduction

1. The NHS in Scotland provides a range of vital services to thousands of people every day across the country. Over the years, we have highlighted the growing pressures facing the NHS in our national and local audit work. These include a tight financial environment, growing demand for health and social care services, including from an ageing population, persistent health inequalities, difficulties in recruiting staff, and rising public and political expectations.
2. In the face of these pressures, a committed workforce has continued to work to deliver high-quality care. However, the growing pressures, as well as the ongoing backlog created by the pandemic, mean the current healthcare delivery model is not sustainable.
3. The Auditor General for Scotland publishes an annual report on the performance of the NHS in Scotland to provide assurance about NHS Scotland's performance and finances and to assess the progress of ongoing reforms.
4. Our [NHS in Scotland 2024](#) report called for the Scottish Government to develop a clear delivery plan, setting out national priorities for reform and how they will be delivered ([Appendix 5](#)). We welcomed the subsequent publication, in March 2025, of the [Operational Improvement Plan](#), followed by the joint publication with COSLA of the [Population Health Framework](#) and the [Health and Social Care Service Renewal Framework](#) in June. Collectively, the three documents are intended to provide a framework for reform over the next year and the next ten years.
5. This report covers the financial and operational performance of Scotland's NHS in 2024/25 and is intended to provide an overview of national and board performance, as well as providing a review of progress towards reform. The overall aim of the report is to answer the question:

What is the financial position of Scotland's NHS, and how well is it performing and supporting reform?

The high-level audit questions to support this aim are:

- What was the financial performance of the NHS in Scotland in 2024/25, and what is the medium-term financial outlook?

- How well is the NHS in Scotland addressing operational challenges and performing against national commitments?
- Do the Scottish Government's 2025 operational improvement, service renewal and population health plans clearly set out how reform will be achieved?

6. Further information about our audit methodology can be found in [Appendix 4](#).

7. The NHS in Scotland provides a wide variety of services, not all of which we are able to cover within this overview. This report is just one product, within a suite of products, about the financial and operational performance of different parts of the health and care system, including:

- [Adult mental health](#), published September 2023
- [Alcohol and drug services](#), published October 2024
- [Integration Joint Boards finances](#), published March 2025
- [General practice: Progress since the 2018 General Medical Services contract](#), published in March 2025
- [NHS in Scotland: Spotlight on governance](#), published in May 2025
- [Delayed discharges](#), due to be published January 2026
- [Community health and social care performance 2025](#), due to be published January 2026.

Note

When reporting on funding and finances, we refer to changes in real terms. This means that we show financial information for past and future years at 2024/25 prices, adjusted for inflation so that they can be compared. To adjust for inflation we use gross domestic product (GDP) deflators, which are published quarterly by HM Treasury. Using GDP deflators is the standard approach adopted by both the UK Government and the Scottish Government when analysing public spending. Because of the way that GDP is calculated, the Covid-19 pandemic resulted in volatility throughout 2020/21 and 2021/22. To compensate for this, and to allow meaningful comparisons between years, we used an average GDP growth rate for 2020/21 and 2021/22 in our calculations to separate inflation (increases in prices) from changes in outputs and those largely attributable to Covid-19 spending.

1. Financial performance and outlook

The NHS in Scotland continues to face financial pressures, with NHS boards experiencing financial sustainability issues despite increased funding. Reform of the health and social care system is needed to ensure the overall sustainability of the public sector as well as individual health boards.

Funding for health continues to increase

8. Health spending in 2024/25 totalled £20.6 billion, with a real terms funding increase of 3.4 per cent from 2023/24. Funding is now 24.9 per cent higher in real terms than it was ten years ago. Health spending was 37.5 per cent of the Scottish budget in 2024/25.
9. [Exhibit 1 \(page 9\)](#) sets out how health funding was distributed in 2024/25. Most health funding is distributed to territorial NHS boards to carry out their functions and deliver services.

10. NHS boards delegate a significant proportion of their budgets to **Integration Authorities (IAs)** to fund health services such as primary and community care. In 2024/25, territorial NHS boards delegated £8.0 billion directly to IAs, 47 per cent of their revenue budgets. NHS boards received £7.9 billion back to provide services on behalf of IAs. The Accounts Commission produces annual reports on the finances and performance of Integration Authorities; the most recent [finance report](#) was published in March 2025 and the next performance report will be published in January 2026.

11. The Health and Social Care Service Renewal Framework sets out a strategic commitment to shift funding from acute to primary and community health services. This includes moving more staff, funding and services into local areas. It is not clear that there is data available that will allow progress on this to be measured and monitored.¹

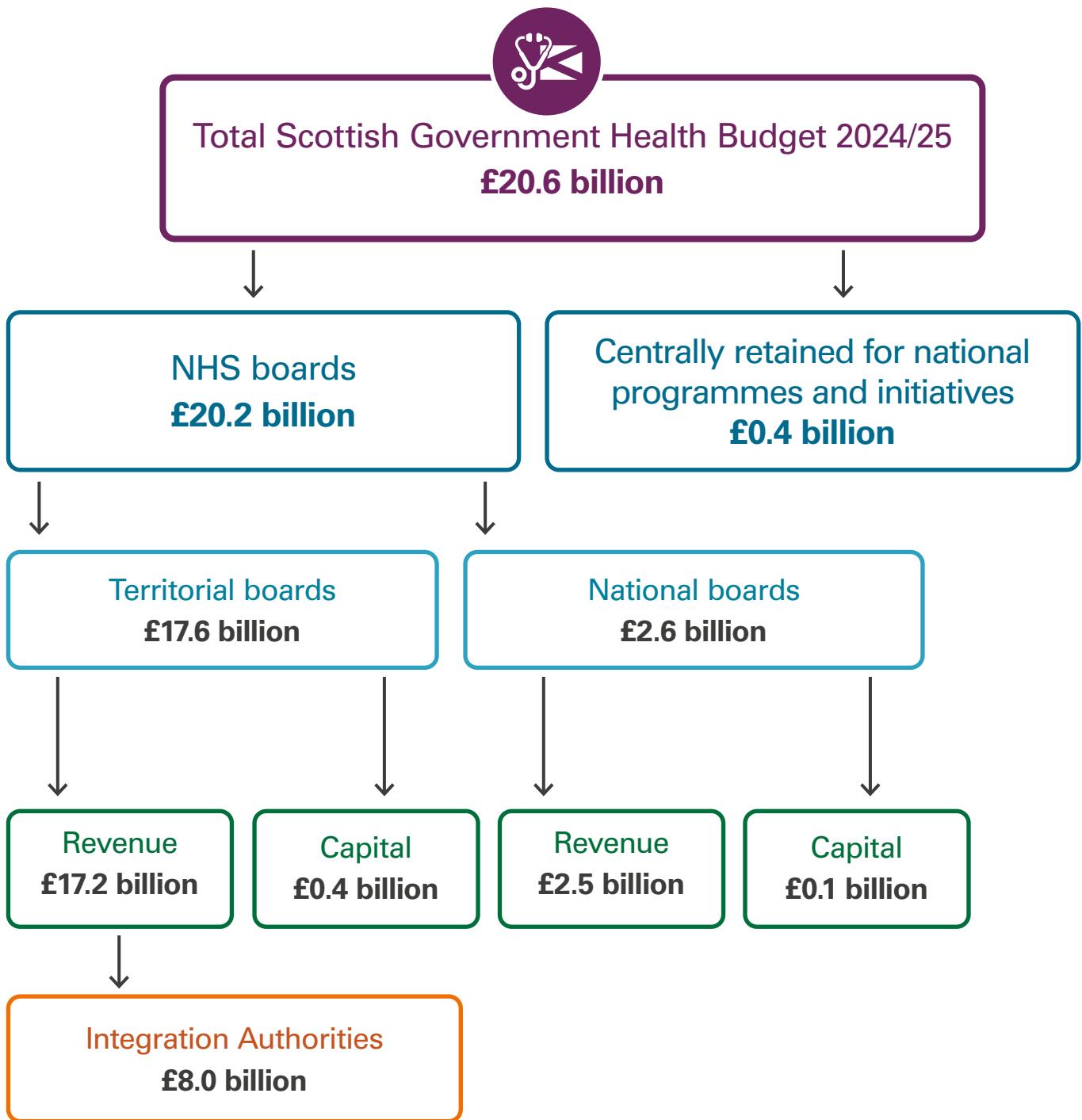


The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) requires councils and territorial NHS boards to work together in partnerships known as **Integration Authorities (IAs)**.

As part of the Act new bodies were created – Integration Joint Boards (IJBs). The IJB is a separate legal entity, responsible for the strategic planning and commissioning of the wide range of health and social care services across a partnership area. Of the 31 IAs in Scotland, 30 are IJBs and one area, Highland, follows a Lead Agency model.

Exhibit 1.

Scottish Government health funding in 2024/25



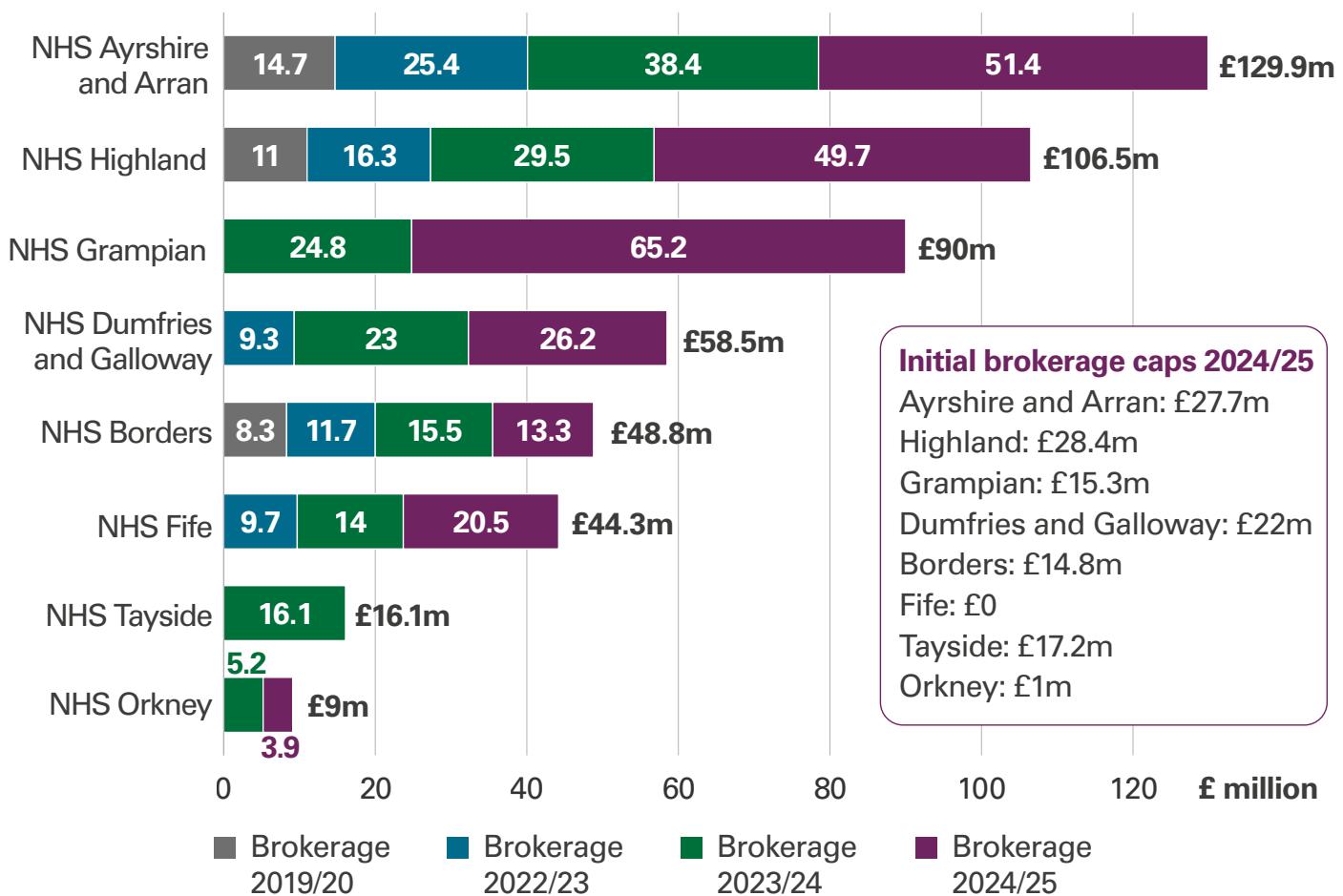
Source: Scottish Government Budget documents and NHS boards' audited accounts

Despite increased funding in 2024/25 an unprecedented amount of loan funding was required by NHS boards

12. Seven NHS boards required additional funding in the form of loans (known as brokerage) from the Scottish Government in 2024/25 to break even. A total of £230 million **brokerage** funding was provided, the highest to date. [Exhibit 2](#) sets out brokerage provided to NHS boards, which is expected to be repaid once boards reach financial balance. Since 2019/20 only one board has repaid any brokerage. In 2019/20, NHS Tayside required £7 million brokerage, but this was repaid over two years (£3 million in 2020/21 and £4 million in 2021/22). Cumulative brokerage now stands at just over £500 million.

Brokerage is a form of loan funding that the Scottish Government can agree to provide an NHS board to help it manage changes to planned expenditure. These loans are repayable. The Scottish Government will set repayment terms only once a board has returned to a break-even position.

Exhibit 2. Brokerage received by NHS boards 2019/20 to 2024/25



Notes:

1. There was no brokerage in 2020/21 or 2021/22. Boards were fully funded to enable them to focus on an effective response to the Covid-19 pandemic.
2. NHS Tayside initially had a brokerage cap but did not require brokerage in 2024/25.
3. Brokerage caps outlined are the original brokerage caps advised by the Scottish Government.

Source: Scottish Government

13. Those NHS boards who had previously received brokerage were advised by the Scottish Government that the amount of brokerage in 2024/25 would be capped. The cap was revised in December 2024 following quarter two financial reviews and only one of the seven boards received brokerage below the original cap level.

More NHS boards have required support and intervention to manage their finances

14. Those NHS boards facing the greatest financial difficulty have been escalated on the Scottish Government's **Support and Intervention Framework**. Five boards are at level 3 due to financial management and position, while NHS Grampian was escalated to level 4 due to financial sustainability concerns and a deteriorating position in 2024/25, as well as leadership and governance issues.

15. The Auditor General for Scotland has prepared **Section 22 reports** on the 2024/25 audits of both NHS Ayrshire and Arran, and NHS Grampian due to the financial sustainability and financial management issues they face. [Exhibit 3 \(page 12\)](#) outlines the key findings from the reports and highlights the financial pressures facing the NHS and, without reform, its longer-term affordability.

NHS boards have made unprecedented levels of savings, and reduced their reliance on one-off savings

16. Progress has been made with NHS boards achieving £657 million in savings in 2024/25, compared with £491 million in 2023/24, or 4.8 per cent of baseline revenue resource limit (RRL) compared with 3.6 per cent the previous year. Notably, NHS boards have increased the proportion of recurring savings from 37 per cent in 2023/24 to 46 per cent in 2024/25.

17. The Scottish Government has set a target for NHS boards to deliver recurring annual savings equivalent to three per cent of baseline RRL. These efficiency savings are retained by NHS boards to help them achieve the board's statutory duty to break even.

18. Two territorial boards (NHS Lothian and NHS Orkney) and three national boards (NHS 24, Public Health Scotland and Health Improvement Scotland), achieved the three per cent recurring target. However, other boards have improved on their levels of recurring savings from previous years. In 2023/24, boards achieved recurring savings which were 1.3 per cent of baseline resource limits, in 2024/25 these had increased to 2.2 per cent.



Where NHS boards are not delivering effective performance against agreed outcomes, or appropriate governance, or are facing significant financial challenges they may be subject to additional scrutiny and support through the NHS Scotland **Support and Intervention Framework**. There are five stages in the **Framework**.



A **Section 22 report** allows the Auditor General for Scotland to bring to the attention of the Scottish Parliament matters arising from the audit of public bodies in Scotland.

Exhibit 3.

Key findings from Section 22 reports

Financial management and sustainability concerns at NHS Ayrshire and Arran, and NHS Grampian.

Section 22 reports on NHS Ayrshire and Arran and NHS Grampian

Background	<ul style="list-style-type: none"> The audit of NHS board's accounts in 2024/25 resulted in the Auditor General preparing Section 22 reports for both NHS Ayrshire and Arran and NHS Grampian. Section 22 reports were produced for these boards because of concerns about their financial performance and sustainability of the board, service performance and quality, and leadership and governance issues.
Brokerage	<ul style="list-style-type: none"> Both NHS boards required brokerage to break even in 2024/25. NHS Ayrshire and Arran received £51.4 million and NHS Grampian received £65.2 million.
Savings	<ul style="list-style-type: none"> NHS Ayrshire and Arran achieved £26.8 million in savings. However, the board relied on non-recurring savings and was £8.6 million below the Scottish Government's recurring savings requirement. NHS Grampian met their savings target, but this did not reduce their overspend. Significant overspends across the board's Integration Joint Boards (£22.4 million) contributed to the board's own overspend.

Section 22 findings

NHS Ayrshire and Arran	<ul style="list-style-type: none"> The scale of the financial challenge facing the board is unprecedented. Despite the severity of its financial position, the board does not have a clear plan for achieving financial sustainability. It is also relying on overly optimistic savings plans that may not be achievable. The board is working with the Scottish Government to develop a realistic recovery plan to address its forecast deficit for 2025/26 and set out a path to breaking even over five years. Board members and the Corporate Management Team need to continue to work together to provide effective leadership to secure the sustainability of services.
NHS Grampian	<ul style="list-style-type: none"> In May 2025, NHS Grampian were escalated to stage 4 of the NHS Scotland: support and intervention framework following concerns about the board's financial position and sustainability, leadership and governance, local services and performance against national priorities and standards. The Scottish Government commissioned an external diagnostic review to be undertaken to identify areas for improvement which was concluded in July 2025 and now been published.¹ It will not be possible for NHS Grampian to return to financial balance without a significant redesign of the health and social care system and/or obtain fundamental changes in the funding model. Due to the upcoming change in senior management, continued active leadership will be pivotal to drive the health board's plans to secure improved operational and financial performance.

Note 1. [NHS Grampian: independent review](#), Scottish Government, October 2025.

19. The Financial Delivery Unit (FDU) within the Scottish Government's health and social care finance directorate was set up in 2023 with the aim of delivering insight, driving financial sustainability and providing hands on support to NHS boards. The FDU has engaged with NHS boards and embedded improvement tools into both in-year financial management processes and financial planning processes.

20. The FDU created a 15-box grid to collate savings opportunities and direct focus across NHS Scotland ([Exhibit 4](#)). This sets out 15 common areas for boards to pursue savings delivery and share best practice and learning across NHS Scotland. Board self-assessments are also shared, to compare progress and practical advice on how to implement the savings opportunities.

Exhibit 4.

15-box savings grid

 Innovation and value-based healthcare	 Workforce optimisation	 Service optimisation
1 Sustainable prescribing	6 Agency reduction	11 Theatres optimisation
2 Clinical variation review	7 Sustainable staff bank usage	12 Remote outpatients appointments
3 Digitally-enabled savings	8 Sickness absence reduction	13 PLICS roll out
4 Energy efficiency scheme	9 Non-compliant rotas review	14 Length of stay reductions
5 Prescribing savings	10 Central functions job family review	15 Non-pay spend review

Source: Scottish Government

21. The 15-box grid has enabled a focus on nurse agency reduction. NHS boards became increasingly reliant on nurse agencies to meet service demand during the Covid-19 pandemic. A Supplementary Staffing Task and Finish Group was set up which installed a control framework for nurse agency bookings across NHS Scotland. Nurse agency spend declined from £170 million in 2022/23 to £56.7 million in 2024/25, a fall of 70 per cent in real terms.

22. The FDU is continuing to develop a suite of financial benchmarking measures and add them to the **Discovery** tool which provides service performance indicators to boards. Work is also ongoing to develop the Patient-level Information and Costing System (PLICS) pilot and roll it out across boards.



Discovery is an online management information system that provides approved users with access to comparative healthcare information. It supports performance and quality improvement across health and social care in Scotland.

Overall expenditure increases are largely due to increased spend on staffing

23. [Exhibit 5 \(page 15\)](#) sets out the trends in NHS board level of expenditure over the past year and the change since 2018/19. While expenditure has increased by 3.3 per cent over the year, overall expenditure by NHS boards has increased in real terms by 19.6 per cent since 2018/19.

24. Staff costs are the main area of increase over the year and the medium term with a real-terms increase of 3.7 per cent since 2023/24 and 31 per cent since 2018/19. The share of expenditure on staffing has also increased from 53 per cent of expenditure to 58 per cent from 2018/19 to 2024/25.

25. Increased expenditure on staffing in the medium term has been due to both an increase in staff numbers and a real-terms increase in pay. Since June 2019 to June 2025, the size of the workforce (WTE) has increased by 14.3 per cent ([Exhibit 8, page 22](#)). Other impacts on staff costs, include the **Agenda for Change** review programme, including a 36-hour working week, protected learning time and the Band 5 Nursing Review.

26. A two-year pay deal has been agreed for Agenda for Change staff. This provides some certainty in staff costs going forward, although it does include an 'inflation guarantee' which means that the pay award in each year of the two-year deal will be one percentage point higher than average Consumer Price Index (CPI) inflation. The pay deals also represent a significant ongoing spending commitment.²



The **Agenda for Change**

agreement includes nurses, midwives, paramedics, allied health professionals, porters and others.

The Scottish Government is making progress in reducing late funding allocations to NHS boards

27. NHS boards received a greater proportion of their funding allocations in the early part of the year, but there were still large amounts received in the final month. Of the funding NHS boards received, 89 per cent was allocated by July, compared to 82 per cent the previous year; 4.1 per cent was allocated in March, down from 5.5 per cent in 2023/24. There was variation between NHS boards in how much funding was allocated in the final month, with scope for further progress on earlier allocations.

28. While some budget allocations may be made at year end as they are allocated on a demand basis, late funding allocations can impede effective financial management by creating uncertainty in budgeting and service planning, can slow decision making, and reduce the efficiency of resource use in boards.

Exhibit 5.

Boards faced significant cost pressures in 2024/25, many of which are likely to continue

Staff costs are the main area of increase over the past year.

Expenditure 2024/25	Percentage of total expenditure	Change since last year	Change since 2018/19
 Net expenditure	£19.8 billion	3.3%	19.6%
 Staff costs	£11.5 billion	58.0%	31.0%
Medical and dental staff	£2.8 billion	14.1%	6.8%
Nursing and midwifery	£4.3 billion	21.8%	2.5%
Other staff, including AHPs	£4.4 billion	22.1%	33.8%
 Agency staff costs	£256 million	1.3%	-31.3%
Medical agency	£108 million	0.5%	-19.9%
Nursing agency	£57 million	0.3%	71.0%
 Nursing bank	£353 million	1.8%	0.2%
 Prescribed drugs costs	£2.4 billion	12.3%	0.8%
In primary care	£1.3 billion	6.5%	-1.1%
In secondary care	£1.1 billion	5.8%	3.0%
 Net capital expenditure	£472 million	2.4%	-6.1%
 Clinical negligence and other risks indemnity scheme (CNORIS)	£858 million	4.3%	-0.1%

Notes:

1. Overall agency staff costs include other staff costs as well as the medical agency and nursing agency detailed.
2. Costs related to the use of nursing bank are not included within agency costs, or separately disclosed in NHS board accounts, but are published by NHS Education for Scotland.
3. CNORIS is a financing scheme for health and social care which allows boards to manage future potential clinical negligence payments. The scheme provides risk-pooling and claims management arrangements for members of the scheme which includes NHS health boards, National health boards and Integration Authorities. The scheme is run by National Services Scotland (NSS).³

Source: NHS boards' audited accounts and NES workforce statistics

While some boards are carrying forward significant deficits the position has improved with reductions in the overall forecast deficit

29. NHS board financial plans indicate that a number of boards are facing recurring financial difficulties and carrying forward significant underlying deficits. Eight territorial boards and three national boards were forecasting a deficit for 2025/26 when plans were submitted. The deficit totalled £190 million.

30. Exhibit 6 sets out the cumulative expected savings and remaining deficit for NHS boards based on their three-year financial plans. The position has improved since last year's financial plans, with the forecast three-year deficit being reduced by £317 million, demonstrating the impact that improvements to savings and recurring savings has made to the overall picture. Several boards were required to submit revised plans as savings did not meet the three per cent baseline target and deficits were unacceptably high. All but one of NHS board (NHS Ayrshire and Arran) have had their three-year financial plans approved by the Scottish Government.

Exhibit 6.

Cumulative expected savings and remaining deficit for NHS boards based on their three-year financial plans



Source: Audit Scotland analysis of NHS audited information and the Scottish Government's summary of NHS board three-year financial plans submitted by NHS boards in 2025

The Scottish Government has replaced brokerage with other forms of financial support

31. The Scottish Government advised NHS boards in December 2024 that there would be no brokerage for NHS boards in 2025/26. It stated that brokerage had increased sharply in recent years, that it was unsustainable, and that it created an inequity with those boards who were operating within their statutory duty to break even.

32. The Scottish Government has, however, replaced brokerage with other financial support to boards which is intended to reduce boards' deficits and support the sustainability of those boards who have been escalated on the Support and Intervention Framework for finance. This support includes:

- **Sustainability funding** – all NHS boards have been allocated a share of a £250 million non-recurring sustainability fund, with a further £76 million allocated on a recurring basis for 2025/26. Allocations have been made based on the **NRAC formula**.
- **Deficit support funding** – eight territorial boards who are escalated on the Support and Intervention Framework for finance will receive a share of up to a maximum of £166 million which is not repayable.
- **Financial support funding** – seven territorial boards escalated for finance will receive a share of £2 million to tackle specific challenges to improve their financial outturn.

33. There is a lack of clarity and transparency around the introduction of deficit support funding, how this has been communicated to boards, how it impacts on the Scottish Government's objectives in ending brokerage, and how it will support boards in their financial planning and longer-term sustainability.

Capital spending fell again in 2024/25 and the maintenance backlog continues to grow

34. The capital budget fell again in 2024/25 by 5.5 per cent. Capital expenditure in health has been on a downward trend since 2021/22 and has fallen by 22 per cent over this period. This compares with a 5.35 per cent reduction in the overall Scottish Government capital budget for the same period, demonstrating that reductions in capital spending have not been shared equally across all areas of the Scottish budget.

35. According to the NHS State of the Estate report in 2024, the total backlog maintenance for the NHS estate was £1.3 billion. This is a two per cent real-terms increase from 2023. This includes £59 million of high-risk issues and £466 million of significant issues.⁴ NHS boards also report issues of ageing and unproductive diagnostic equipment. A lack of capital investment is one of the factors that can impact on productivity ([paragraph 76](#)).



NRAC formula

The Scottish Government uses a formula developed by the NHS Scotland Resource Allocation Committee (NRAC) to assess how much funding each of Scotland's 14 territorial NHS boards should be allocated. NRAC covers hospital and community health services and GP prescribing. It considers factors that influence the need for, and cost of, providing healthcare such as population size, deprivation levels and geographical differences. The Scottish Government currently adjusts NRAC allocations to reflect specific need and ensure stability of funding.

36. There are currently a small number of major capital projects under way. These include the new University Hospital Monklands in NHS Lanarkshire, Barra and Vatersay Community Campus in NHS Western Isles, the reprovision of Princess Alexandra Eye Pavilion in NHS Lothian, and the replacement of the Belford Hospital in NHS Highland.⁵ There is no commitment to any other major capital projects, and no further funding for National Treatment Centres (NTCs), other than the reprovision of the Princess Alexandra Eye Pavilion. [Exhibit 7](#) sets out the status of proposed NTCs. The Scottish Government is due to provide an update on the projects in December this year.

Exhibit 7.

Status of proposed National Treatment Centres

Operational NTCs	Status
NHS Golden Jubilee Eye Centre	Began operating in November 2020
NTC Fife	Began operating in March 2023
NTC Highland	Began operating in April 2023
NHS Golden Jubilee expansion	Began operating in August 2024
NTC Forth Valley	Phased opening began in October 2024 with expanded orthopaedic activity. Delays with opening 30-bed inpatient ward
Planned NTCs	Status
Edinburgh Eye Pavilion	In development
Paused NTCs	Status
NTC Grampian	Paused December 2023
NTC Lothian	Paused December 2023
NTC Ayrshire and Arran	Paused December 2023. Site declared surplus asset by NHS Ayrshire and Arran board in February 2025
NTC Tayside	Paused December 2023

Source: Scottish Government and NHS boards

Capital budgets are expected to increase in 2025/26 with a new programme of work on high-risk maintenance issues

37. The capital budget for 2025/26 is expected to increase by 3.6 per cent.⁶ The Scottish Government has identified £100 million of capital funding for maintenance projects after boards submitted estates business continuity plans in January 2025. All projects identified as high risk have been funded. Some of this maintenance work will take place in 2025/26, with some projects expected to take 2–3 years to complete. Examples of projects to be carried out include:

- Fire door replacement in Queen Elizabeth University Hospital Campus in NHS Greater Glasgow and Clyde
- Replacement of electrical systems within Raigmore Hospital, Inverness in NHS Highland
- Refurbishment and reconfiguration of the mental health estate in NHS Fife
- Replacement of the roof at St John's Hospital in NHS Lothian.

38. The Scottish Government has also started work on future health infrastructure plans. Boards are being consulted on their strategic priorities for health infrastructure, with the intention for strategic assessments to take place in 2026/27 and ministerial decisions on any new facilities in 2027. It is intended that these health infrastructure plans will support the ambitions for renewed health and care services set out in the Population Health Framework and the Service Renewal Framework.

39. NHS in Scotland 2024 reported on the risk to NHS boards from a range of public private partnership projects coming to an end. This is a risk that NHS boards will need to continue to manage and consider as part of their management of capital and revenue budgets.

Health spending is projected to grow over the medium term

40. The Scottish Government's Medium-Term Financial Strategy (MTFS), published in June 2025, has revised upwards assumptions on the growth of spending on health and care services over the next five years. Average annual health and care spending over the last four years has exceeded the forecasts that were made in the 2023 MTFS. From 2025/26 to 2029/30, there is now an expected average growth of 3.3 per cent per annum.⁷

41. The MTFS outlines spending pressures from new medicines, procurement and workforce pay. Growth in spending is also arising from growing demand from an ageing population, general growth in demand for health and care services and from persistent health inequalities.

42. While revised forecasts have taken account of recent higher levels of spending, risks will remain around the forecast assumptions on pay deals and other volatile areas of spending. At almost 40 per cent of the Scottish budget, any increase or decrease in expected health expenditure can have a knock-on impact on the overall Scottish budget.

The delivery of efficiencies and reform within the health and care system will play an important role in Scotland's medium-term financial sustainability

43. The MTFS includes delivery of efficiencies and improvement, service reform and prevention across the public sector, including the health and care system. The commitment to deliver three per cent recurring savings in NHS boards is a stated measure within the Fiscal Sustainability Delivery Plan (FSDP) that underpins the MTFS, as is delivery of the new Health and Social Care Service Renewal Framework and Population Health Framework, considered in detail in [Part 3](#) of this report.⁸

44. While there are overall cashable savings set out in the FSDP from efficiencies and programmes of reform over the next five years, there are no explicit figures for health and social care.

Improving population health is critical to the long-term sustainability of Scotland's public finances

45. Over the longer term the Scottish Fiscal Commission (SFC) project health and care spending will rise from 40 per cent of devolved spending in 2029/30 to 55 per cent in 2074/75, leading to an overall unsustainable fiscal position as total spending grows faster than funding.⁹

46. SFC analysis shows how the health of the population is crucial to the sustainability of Scotland's public finances. Over the SFC forecast period of 2029/30 to 2074/75 it has forecast a budget gap based on current projections with an ageing population and declining healthy life expectancy. A greater gap is expected given a 'worse' health scenario, and a smaller gap given a 'better' health scenario.

47. Reform and renewal of the health and care system are essential if both health outcomes and service delivery are to improve. These are also essential for the delivery of sustainable public finances for Scotland. The Scottish Government and COSLA's frameworks for reform of the health and care system are considered in [Part 3](#).

2. Operational performance and challenges

Despite more money and more staff, NHS Scotland's performance has not improved in line with commitments made.

There has been a small growth in the workforce across several medical professions

48. The workforce is the NHS's most important asset. The NHS depends on having the appropriate number of staff, in the right place, with the appropriate skills. [Exhibit 8 \(page 22\)](#) sets out the trends in the NHS workforce over the past year and since 2019.

49. Staffing numbers remained largely the same over the past year with 160,375 WTE staff employed by NHS Scotland at June 2025, a 0.2 per cent increase from June 2024. Clinical staffing groups have grown slightly (nursing and midwifery increased by 0.9 per cent; medical and dental staff increased by 1.4 per cent; allied health professional increased by one per cent) while administrative staff numbers have fallen by 1.7 per cent.

50. Since June 2019 to June 2025, the size of the workforce (WTE) has increased by 14.3 per cent.

51. Vacancy rates are lower than they were before the pandemic; however, there is variation between professional groups. Nursing and midwifery have the highest number of vacancies (3,227 vacancies) and the vacancy rate has increased since last year from 4.4 per cent to 4.6 per cent.

52. The sickness absence rate remains high having increased to 6.4 per cent by year ending June 2025, the highest rate recorded, and against a target of 4.0 per cent.

Exhibit 8.

NHS Scotland workforce: June 2019 to June 2025

NHS Scotland		
 Whole-Time Equivalent (WTE)		
June 2025	160,375	
June 2019	140,327	
 Headcount		
June 2025	187,427	
June 2019	163,610	
Medical and dental (WTE)		
June 2019	13,244	
June 2025	15,781	(+19.2%)
 Nursing and midwifery (WTE)		
June 2019	59,743	
June 2025	67,326	(+12.7%)
 Allied health professions (WTE)		
June 2019	11,851	
June 2025	14,096	(+18.9%)
 Sickness absence		
2024/25	6.4%	
2019/20	5.4%	
 Turnover rate		
2024/25	6.3%	
2019/20	6.4%	
 Turnover rate 2024/25		
Vacancies ¹	Number	Rate
June 2025	469	7.1%
June 2024	458	7.1%
June 2019	515	8.8%
 Turnover rate 2024/25		
Vacancies	Number	Rate
June 2025	3,227	4.6%
June 2024	3,103	4.4%
June 2019	4,013	6.3%
 Turnover rate 2024/25		
Vacancies	Number	Rate
June 2025	607	4.1%
June 2024	652	4.5%
June 2019	598	4.8%

Note 1. Consultant grades only.

Source: NHS Education for Scotland

NHS Scotland is still struggling to provide healthcare in a timely way; most waiting times standards are not being met

53. Scotland's NHS boards are only meeting three of the eight key waiting times standards that are currently reported. Five of the eight key waiting times standards have also seen a drop in performance from June 2024 to June 2025 ([Exhibit 9, page 24](#)). Performance against the standards continues to be impacted by the backlog of planned care, the availability of staff and hospital beds, and other factors that affect activity and capacity. The Scottish Government has committed to reducing waiting times and is currently prioritising efforts to reduce the length of time people are waiting, focusing on the longest waiting patients.

54. Performance against individual standards varies across boards, shown in [Appendix 1](#). No board met the planned care targets for the new outpatient standard that people referred for a new outpatient appointment should be seen within 12 weeks, or the Treatment Time Guarantee that people should begin inpatient/day-case treatment within 12 weeks of the decision to treat. The Child and Adolescent Mental Health Services (CAMHS) standard, that people referred to CAMHS should start treatment within 18 weeks, continues to perform well. It was met at a national level and by all but two boards.

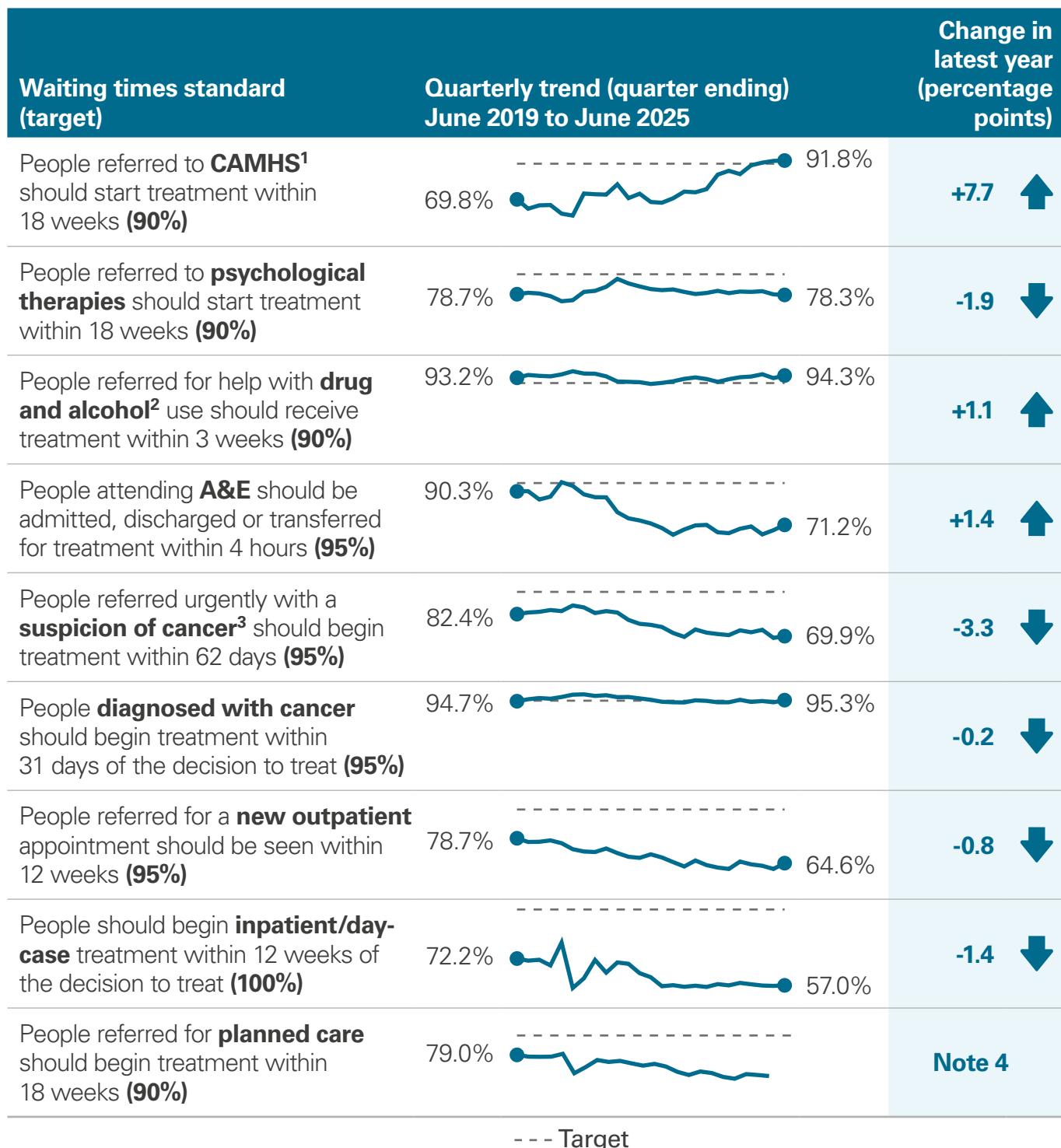
55. The Referral to Treatment 18-week standard has not been reported since March 2025. More detail is needed from the Scottish Government and Public Health Scotland on how the overall patient journey is being monitored given the pause in reporting on this standard.

56. We have reported a deteriorating position in waiting times standards, particularly for planned care, over the last few years. While there has been a shift in focus to long waits of over 52 weeks, the likelihood of meeting waiting times standards in the short term remains low.

57. The waiting times standards, although not providing a comprehensive picture of service performance, are the Scottish Government's official measure of NHS Scotland performance. While focusing on long waits, the Scottish Government needs to have a clear plan for delivering the standards.

Exhibit 9.

Performance against key waiting times standards, June 2019 to June 2025



Notes:

1. Child and Adolescent Mental Health Services (CAMHS).
2. Drug and alcohol standard includes community and prison-based services only.
3. The cancer waiting times standards do not apply to all referrals/cancers.
4. This standard is currently not being reported ([paragraph 55](#)).

Source: Public Health Scotland

Commitments to eliminate long waits have been made again but it remains unclear whether they can be achieved

58. In July 2022, the Scottish Government announced targets to eliminate long waits for new outpatients and inpatient/day-cases in most specialties and restated these in subsequent policy prospectuses.¹⁰ Only one of those targets was met. The Operational Improvement Plan (OIP) published in March 2025 again committed to eliminating long waits and ensuring that no one is waiting longer than a year for their new outpatient appointment or inpatient/day-case procedure by March 2026.¹¹ Current figures show that long waits remain high. It is unclear whether the target can be achieved in the stated timeframe. Transparent reporting on progress will be important and will help understand whether measures being put in place are having an impact. Public Health Scotland has now made available webpages that are intended to support the measurement of progress towards commitments set out in the OIP ([Exhibit 10](#)).¹²

Exhibit 10.

Commitments and progress on long waiting times

Length of wait to be eradicated	Commitments made in 2022 (most specialties)	Met/not met	Commitments made in 2025 (OIP) (all specialties)	Current waits: September 2025
Outpatient				
Over 2 years	31 August 2022	Met	March 2026	6,663
Over 18 months	31 December 2022	Not met	March 2026	17,561
Over 1 year	31 March 2023	Not met	March 2026	56,439
Inpatient/day-case				
Over 2 years	30 September 2022	Not met	March 2026	5,793
Over 18 months	30 September 2023	Not met	March 2026	13,180
Over 1 year	30 September 2024	Not met	March 2026	29,417

Note: Data within the table is drawn from Public Health Scotland published data that applies the 2023 Waiting Times Guidance ([paragraph 67](#)).

Source: Scottish Government and Public Health Scotland

Activity levels have increased and waiting lists are starting to fall

59. Public Health Scotland activity data shows that there has been an increase in activity for both outpatients and inpatient/day-cases in the year to September 2025, although activity levels remain below pre-pandemic levels.

60. In the year to September 2025, outpatient attendances increased by 2.1 per cent and inpatient/day-case admissions by 2.5 per cent, with the increase in activity starting to reduce waiting lists. Outpatient ongoing waits are down two per cent to 559,077 and inpatient/day-case ongoing waits are down 0.2 per cent to 155,849 to end September 2025 ([Exhibit 11, page 27](#)).

61. The Scottish Government is continuing its focus on long waits for planned care and meet weekly with NHS boards to scrutinise progress and assess the impact of additional money that has been invested. £30 million was allocated in 2024/25 to reduce NHS waiting times. A further £135.5 million was allocated for 2025/26 to meet the targets set out in the Operational Improvement Plan.¹³ The Scottish Government reports that the investment has led to additional appointments and procedures.¹⁴

62. Investment in 2024/25 targeted waits in diagnostics, ophthalmology, orthopaedics, urology, and cancer.¹⁵ Boards received additional money to invest in, for example:

- the expansion of imaging services
- recruitment or other staffing costs (such as the use of locum, bank, agency or overtime costs)
- waiting list initiatives such as weekend or evening clinics.

63. Exhibit 11 shows that waits over a year are starting to fall for both outpatients (down 5.3 per cent) and inpatient/day-cases (down 15.8 per cent). NHS boards manage their waiting lists and schedule patients based on several factors including how urgently they require treatment, the length of time they have waited, and their availability. Public Health Scotland notes as well as seeing patients with urgent clinical needs, there is an increase in outpatient attendances for those who have been waiting over 52 weeks which reflects the priority that is being given to patients that have been on the list the longest.¹⁶

64. While there is an overall drop in the number of waits over the year, at end of September 2025 there remained a large number of people waiting over 18 months and over two years for an outpatient appointment and an inpatient/day-case appointment (Exhibit 10).

Exhibit 11.

New outpatient and inpatient/day-case waiting list activity, size and waiting times

New outpatient waiting list activity	Year to September 2019	Year to September 2024	Year to September 2025	Latest year change
Attendances	1,460,075	1,268,088	1,295,324	▲ 2.1%
New outpatient ongoing waits and waiting times¹	End of September 2019	End of September 2024	End of September 2025	Latest year change
Number of ongoing waits	318,464	570,678	559,077	▼ -2.0%
Waits over 1 year	3,282	62,936	59,590	▼ -5.3%
Inpatient/day-cases waiting list activity	Year to September 2019	Year to September 2024	Year to September 2025	Latest year change
Admissions	281,630	255,179	261,623	▲ 2.5%
Inpatient/day-case ongoing waits and waiting times	End of September 2019	End of September 2024	End of September 2025	Latest year change
Number of ongoing waits	77,794	156,229	155,849	▼ -0.2%
Waits over 1 year	1,644	37,361	31,448	▼ -15.8%

Notes:

1. Before October 2019, the new outpatient waiting lists included some patients waiting for a diagnostic test. These patients are no longer included in this list, so caution is needed when comparing figures with those of later years.
2. Waits in the table are adjusted by PHS as a length of ongoing or completed wait that takes account of applicable clock pauses and resets. As noted in paragraphs 67 and 68, the waiting times guidance was updated in 2023 and applied in October 2025. The 2023 waiting times guidance has an impact on the figures. To allow a comparison over time the figures used in this table are based on the 2012 waiting times guidance, please note, these figures differ from the official figures which are now published based on the 2023 waiting times guidance.

Source: Public Health Scotland

65. There are challenges in tackling long waits due to demand increasing and outstripping activity in some areas. For example, there has been increased activity in the provision of cancer services but there has also been an increase in demand. Compared to the year to June 2019, where 15,176 patients were referred to the 62-day pathway, 18.1 per cent more patients were referred in the year to June 2025. Similarly, in the year to June 2019, 25,565 patients were referred on the 31 day pathway, and 8.7 per cent more patients were referred in the year to June 2025.

Public Health Scotland now publishes waiting times statistics monthly and is applying revised waiting times guidance

66. Public Health Scotland (PHS) has increased the publication frequency for waiting times statistics.¹⁷ New outpatient and inpatient/day-case waiting list activity, size and waiting times will now be published monthly rather than quarterly, with the first monthly release of waiting times statistics published in October 2025 for planned care waiting times up to 30 September 2025.¹⁸ PHS reports that the increased publication frequency reflects the high level of public interest in the data.

67. The new monthly publication also applies the calculation of wait rules set out in the Scottish Government's waiting times guidance published in December 2023, and which replaces the 2012 version.¹⁹ PHS reports that the revision aims to ensure consistency in how waiting lists are managed and includes updates to rules on clock pauses and resets, with the most impactful change in the 2023 guidance that a wait can now be reset to zero days where clinically appropriate, or if a patient cancels or fails to attend an agreed appointment.

68. Previously a wait could not be reset or paused if a patient had already experienced a wait beyond the guarantee of 12 weeks. The 2023 guidance also now states that patients must receive a minimum of ten days' notice, rather than seven for an offer to be considered reasonable.

69. PHS has applied these rules to the calculation of waits from 30 July 2025, with the data within the October 2025 publication and subsequent publications to be based on these rules.

70. PHS has also published an impact report on the new waiting times guidance.²⁰ This outlines the main impacts of the new guidance, comparing statistics using both the 2012 and 2023 guidance. It notes that the number of attendances and admissions, and waiting list sizes (ongoing waits) are unaffected by the revised guidance. Further to this, it notes that the length of waits under the new guidance are marginally shorter for some patients, with differences reported due to the adjustments that NHS boards are making in line with the 2023 guidance rather than because patients are being seen more quickly. This should be taken into account when making comparisons on waiting times.

71. PHS has advised the Office for Statistics Regulation (OSR) of the changes to NHS waiting times statistics, with OSR confirming that they will be carrying out a compliance review of these statistics.²¹

72. We have set out in this report where data reported is based on the 2012 or 2023 waiting times guidance.

Performance in tackling waiting lists varies between boards, and it is not clear how National Treatment Centres are having an impact

73. At a board level, some boards have reduced their waiting lists while others have increased:

- NHS Orkney and NHS Fife saw the largest decreases in **new outpatient appointments** when comparing September 2025 to September 2024, reducing their waiting list by 31.5 per cent and 17.9 per cent respectively ([Case study 1](#)).
- NHS Highland saw a 15.7 per cent drop in patients **waiting for an inpatient procedure** when comparing September 2025 to September 2024, with NHS Grampian seeing a 9.5 per cent drop.

Case study 1.

NHS Fife – increasing activity levels and tackling waiting lists in planned care

NHS Fife has increased activity levels in the delivery of planned care over the past year. These increases have exceeded the average increase at a national level for both outpatient attendances and inpatient/day-case admissions.

Planned care activity year to end September 2024 – year to end September 2025	Percentage increase: NHS Fife	Percentage increase: NHS Scotland
Outpatient attendances	▲ 5.8%	▲ 2.1%
Inpatient/day-case admissions	▲ 4.9%	▲ 2.5%

Outpatient waits are down 17.9 per cent overall, while overall waits for inpatient/day-cases have increased by 5.6 per cent, indicating that growing demand continues to outstrip increases in activity levels.

In 2024/25, NHS Fife recognised the challenge of increasing long waits and likelihood that demand would increase. NHS Fife's priority for planned care was to balance urgent cases while reducing long waits.

The board cites **leadership, culture** and **oversight** as key factors in supporting improvement. Also **service delivery innovation, knowing the data** and understanding the **challenges and barriers**.

It put in place:

- an Integrated Planned Care Programme Board – to provide a system-wide effort to tackle long waits with focused leadership and oversight
- weekly operational meetings with service managers from all specialities, and weekly oversight by the chief executive
- a nominated ‘waiting times manager’ – for weekly operational discussions and ‘knowing your problem’
- engagement with all levels of staff, eg medical secretaries.

In March 2025, NHS Fife received funding from the Scottish Government to improve waiting times and to tackle long waits for certain specialties. This built on the work the board had already put in place to tackle activity levels and waiting times.

NHS Fife used the funding for **additional clinics**, to **invest in diagnostics, theatre lists** and the **recruitment** needed to support this.

While there are still significant challenges with planned care waiting times, the impact of this work has resulted in NHS Fife having improvements in its planned care activity levels for outpatient and inpatient/day-case procedures, with levels exceeding the Scottish average.

Source: NHS Fife and Public Health Scotland

74. The public reporting of performance at NHS board level does not separate how much activity that takes place at a board from the additional activity which takes place at a National Treatment Centre (NTC). It is therefore not possible to identify the impact that NTCs are having on a board’s performance. Although aggregate data on NTC activity is published, data on this additional activity at a board level would enable a better understanding of the impact of NTCs.²² This includes how they are being used as a shared, national resource to deliver on the waiting times commitments and Operational Improvement Plan commitments.

75. Waiting lists and waiting times continue to be particularly long for some specialties. [Appendix 3](#) provides details of the number of waits for both outpatient and inpatient/day-cases for the highest volume specialisms.

More work is needed to understand how activity levels can be increased and productivity improved across the system

76. While there is more funding and more staff in the health system, activity level improvements have been modest.

77. NHS boards together with the Scottish Government, Centre for Sustainable Delivery, NHS Education for Scotland and the NHS Academy are working together to increase activity levels and understand the factors that can lead to improvements. Current innovations under way to support productivity include:

- 'Digital dermatology' which provides a new technology to allow faster diagnosis and assessment of skin conditions and is intended to improve waiting times. It was rolled out to all GPs and boards in spring 2025.
- 'Type 2 diabetes remission', a national digital intensive weight management programme to be used to support 3,000 people newly diagnosed with type 2 diabetes over the next three years, with the first patients recruited in January 2026.
- Genetic testing to target medications and deliver improved clinical outcomes for recent stroke patients and newborn babies with bacterial infections.
- A 'theatre scheduling' tool to increase operating theatre productivity.

78. However, we know there are challenges in understanding productivity. For example, due to NHS Grampian's deteriorating financial position in 2024/25, the Scottish Government commissioned KPMG to undertake a diagnostic review of the board. The recently published review found that NHS Grampian's increasing pay costs corresponds to an increase of 1,343 WTE staff (13.8 per cent) between 2019/20 and 2024/25. It found that while an increase in nursing WTE's is to comply with safer staffing legislation, substantive recruitment to vacancies, increased acuity, changes to care models and the working week, it did not align with the decrease in total beds and levels of activity that the board is experiencing. The KPMG review recommended that an independent review is undertaken of staffing levels across NHS Grampian to validate levels are in line with safer staffing legislation given that they could not reconcile the growth in WTE and concurrent reductions in beds.

79. We have previously reported on the complexity of measuring NHS productivity and the different factors that could be contributing to the challenge of increasing activity in hospitals. These include a lack of investment in infrastructure, workforce factors (such as the impact of vacancies and increased staff absence), patients requiring more care in hospital because they are sicker than before the pandemic and difficulties

in discharging patients from hospitals. There is a need for the Scottish Government, together with NHS boards, to better understand why productivity remains below pre-pandemic levels and set out measures to address these.

Urgent and unscheduled care continues to face significant and sustained pressure

80. Headline indicators show that performance in emergency departments is still poor. Performance against the four-hour standard has remained at around 70 per cent nationally over the past year.²³ The number of waits over 12 hours in A&E increased to 76,196 in the year from August 2024 to July 2025, an increase of three per cent on the previous year (74,172). There were a high number of waits during the winter months, when the number of influenza cases spiked. Waits over 12 hours have been decreasing in recent months and are lower than at the same time last year.

81. Waiting for long periods in A&E is progressively less safe for patients.²⁴ The A&E waiting time standard states that 95 per cent of people attending A&E should be seen and admitted, discharged or transferred within four hours. The proportion of attendances spending under four hours in A&E has remained below 75 per cent since early 2022.

82. Pressure on emergency departments are an indication of wider pressure and challenges with patient flow across the whole health and social care system. In January 2026, the Auditor General for Scotland and the Account Commission will publish an audit on delayed discharges which aims to assess how well the challenge of reducing hospital delayed discharges is being addressed in Scotland. This report, therefore, focuses on attendances at emergency departments.

Ambulance turnaround times at hospitals are historically high

83. The long-term aim for handover of a patient conveyed to hospital by ambulance is 15 minutes.²⁵ Guidance issued in 2023 stated that by August 2023 100 per cent of patients should be handed over within 60 minutes. But hospital turnaround times remain historically high. The Scottish Ambulance Service (SAS) faced significant pressure in the winter of 2024/25 due to the spike in influenza cases. The average turnaround time in December 2024 was nearly one hour and ten minutes, an increase of almost 13 minutes compared to December 2023. In August, the most recent month, the average turnaround time was one hour. SAS have reported that they are taking action to address long handover times including trying to ensure that patients are directed towards the most appropriate part of the service for their needs.

84. Continued overcrowding in A&E departments and high hospital occupancy levels continue to impact on turnaround times. Long turnaround times for ambulances reduce the availability of ambulances and increases the time to respond to other 999 patients. It also increases the risk of poorer patient experiences and outcomes because ambulances are not intended to provide care for patients for extended periods of time.

Initiatives aimed at diverting people from emergency departments to the right healthcare setting are being rolled out but their overall impact is not yet clear

85. The Operational Improvement Plan commits to reducing the pressure in hospitals through supporting people to access the right healthcare setting for their care needs. This includes, where possible, avoiding unnecessary attendance at an emergency department. Key initiatives include:

- **Flow Navigation Centres (FNCs)** – which refer patients away from the Emergency Department to services such as diagnostics, same day emergency care or Hospital at Home. The OIP aims to optimise the use of FNCs to increase virtual access to emergency department teams, for professionals such as those working in a care home or ambulance who need advice to prevent an unnecessary move of a person to hospital.
- **Frailty Centres** – Frailty Units are specialist beds to which people can be admitted directly from the emergency department or by arrangement. Access to frailty services has been shown to shorten length of stay and result in better outcomes for patients admitted into hospital. The OIP committed to direct access to specialised staff in frailty teams in every core emergency department in Scotland by summer 2025.

The Redesign of Urgent Care pathway has provided alternatives to A&E with scope for further improvement

86. The Redesign of Urgent Care (RUC) pathway was launched nationally in December 2020 with the aim of improving the way people access urgent and unscheduled care and ensuring people access the 'Right Care in the Right Place at the Right Time.' The model is centred on increasing capacity in the NHS 24 111 service and set up of more local Flow Navigation Centres, so that:

- more care is nearer to home
- some unscheduled care becomes planned care activity
- there is a reduction in patients who self-present to A&E services
- there is a reduction in overcrowding in A&E services.

87. The Scottish Government's evaluation of the RUC was published in January 2025.²⁶ The evaluation reported positive findings from patients with respect to the quality of care from staff, the experience of using Flow Navigation Centres (FNCs), and good awareness of NHS 24 111 as the first point of care. Negative findings included long waits to speak to someone at NHS 24 111 with call abandonment common.

88. Positive outcomes reported by staff included alternative pathways for patients through FNCs and the increased opportunities for partnership working between services – particularly with the Scottish Ambulance Service. Although, it was noted that there are variations between NHS boards in the scope and capacity of FNCs, with some more administrative. The evaluation also found that there has been increased use of NHS 24 111 and the number of attendances at A&E have reduced against modelled projections.

89. The evaluation made seven recommendations, which have been accepted by the Scottish Government. Some of these have been included in the Operational Improvement Plan, with progress ongoing:

- Reduce NHS 24 Time to Answer, particularly on weekends, with additional funding and staffing.
- Expand and standardise alternative care pathways, particularly via FNCs and primary care.
- Explore opportunities to improve scheduling of urgent care such as ring-fenced capacity for booked appointments.
- Support services to work together potentially through a national professional-to-professional system.
- Encourage collaboration between smaller NHS boards, in partnership with SAS and NHS 24, to share resources and build resilience.
- Strengthen public education on when and how to use NHS 24 111 and alternative services.
- Improve data collection on FNC activity and planned attendances to support future evaluations.

90. While the RUC and the FNCs at the centre of the model are providing helpful support to many people, there is still room for improvement and for clearer evidence on how the RUC on its own, and in tandem with other initiatives, can impact on the pressures in urgent care.

Serious concerns have been raised about the standard of care in some emergency departments

91. Healthcare Improvement Scotland (HIS) carried out an independent review of emergency departments within NHS Greater Glasgow and Clyde (NHS GGC). The findings, published in March 2025, found sustained and substantial pressures which were reflected in poor waiting times, patient flow and quality of care.²⁷ The review found that a key issue for emergency departments is crowding due to the inability to admit patients to hospital wards in a timely way.

92. The HIS review focused on three key areas: patient experience, quality of care and patient safety, and leadership and culture. It found a culture of 'disrespectful behaviours, poor teamwork and incivility' having a negative impact on staff morale and wellbeing and likely having a detrimental impact on patient care. [Exhibit 12 \(page 36\)](#) outlines the key findings and summary of the recommendations to NHS GGC from the review.

93. The HIS report made recommendations for NHS GGC and the Scottish Government. The NHS GGC board has accepted the recommendations and has started a programme of work to implement them.

94. While the review focused on NHS GGC, some of the challenges are common to other boards and the review also made recommendations that are relevant to improvement across the health and care system (Exhibit 12). The Scottish Government has responded to HIS on the 11 national recommendations made, accepting nine and partially accepting two.²⁸ The HIS recommendations provide an opportunity for NHS boards to focus on common issues and improvement opportunities.

95. NHS Grampian experienced operational pressures at acute hospitals that led to the board declaring a critical incident for three days, in November 2024. The critical incident meant that some ambulance patients were diverted away from the Grampian area and some elective procedures were postponed. While the board's critical incident lasted less than 48 hours, the healthcare system remained under sustained pressure. During the week of the critical incident, hospitals in NHS Grampian had occupancy of over 100 per cent while recommended occupancy levels for hospitals are 85 per cent.

96. Our report on delayed discharges, due to publish in January 2026 will report on other initiatives that support improvement in unscheduled and urgent care. The report will include a case study on NHS Lothian which has shown improvements in the A&E standard through a local partnership approach.

Exhibit 12.

Findings and summary of recommendations from the Healthcare Improvement Scotland Review of NHS Greater Glasgow and Clyde Emergency Department



Review findings

- Crowding and poor patient flow in the emergency departments across NHS Greater Glasgow and Clyde.
- The lack of a co-ordinated strategy to improving patient flow within the whole system of health and social care.
- Serious concerns raised by staff about insufficient management support to frontline staff.
- Senior leadership not visibly and actively engaged in addressing the serious challenges in emergency departments.
- Compassionate, proactive, respectful and positive leadership at all levels of the organisation, especially in listening to and responding to concerns raised by staff, should underpin whole system working in urgent and unscheduled care.
- An unacceptable normalisation of care in non-standard bed areas (such as in emergency department corridors and other ward spaces) in Glasgow Royal Infirmary and the Royal Alexandra Hospital.
- A normalisation of ambulance stacking at the Queen Elizabeth University Hospital as a solution for emergency department crowding.
- The majority of patients that responded to a survey carried out for the review, and that had received care within the three emergency departments, reported a largely positive experience of care.

Recommendation themes and key actions

- **Patient experience:** Improve waiting times and communication with patients; take action to improve patients concerns about personal safety; all staff to treat patients with dignity and respect.
- **Quality of care and patient safety:** Strengthen whole system unscheduled care plan; recognise and address low morale, poor wellbeing and moral distress among staff; protect the physical safety of staff and improve physical environment and staff facilities; improve systems for learning about safety concerns; review workforce, introduce systems for assessment of real time staffing; and ensure staff have time and resources for training.
- **Leadership culture:** Ensure that compassion and respect are at the centre of the leadership culture; take action to collectively heal relationships across and within staff groups and sector and corporate management levels; and commission external mediation; ensure all staff feel able to speak up and their voices are consistently heard.

Continued pressure on the NHS is resulting in patient safety risks

97. In September 2025, Health Improvement Scotland (HIS) published their first Safe Delivery of Care Overview Report, with the purpose of highlighting the findings from their inspection reports.²⁹ Since the introduction of the Safe Delivery of Care programme of inspections in 2021, 31 inspections have been carried out. This has resulted in 282 requirements and 27 recommendations. The inspections have also identified 186 areas of good practice, including open and transparent culture, compassionate care, and strong leadership.

98. The report highlighted that following on from the Covid-19 pandemic, NHS Scotland has been under increased pressure because of overcrowding, staff shortages and delays in discharging patients. Common risks identified by the inspections include care being delivered in non-standard areas such as corridors, fire safety issues, staff shortages, staff training gaps, infection prevention and control concerns, and an older built environment, which all impact on the safe delivery of care.

99. HIS intends to expand their Safe Delivery of Care programme of inspections to include mental health inpatient units as well as maternity units. As of November 2025, HIS has inspected five maternity units, published two maternity reports, and carried out four mental health unit inspections and published two adult mental health inspection reports.³⁰

3. Reforming the NHS in Scotland

Progress has been made in setting out the priorities for reform of the NHS in Scotland. But it remains to be seen if Scottish Government and health and care leaders can drive forward the necessary change in direction for health and social care.

The Scottish Government has made progress in setting the direction for reform of the NHS in Scotland over the next decade

100. The Scottish Government has stated the vision for NHS in Scotland is 'to enable people to live longer, healthier and more fulfilling lives'.

The Auditor General's [NHS in Scotland 2024](#) report recommended that to deliver this vision the Scottish Government should develop a clear delivery plan, setting out national priorities for reform, how they will be delivered, and how progress will be measured and monitored.

101. While previously stating that no further strategies or plans would be published, in January 2025 the First Minister outlined a plan for renewal of the NHS in Scotland. The Cabinet Secretary for Health and Social Care, on the same day, set out more detail on the actions to take place and announced that they would publish their approach to the reform of health and care services in spring 2025.³¹

102. The Scottish Government published the Operational Improvement Plan in March 2025, followed by the joint publication with COSLA of the Population Health Framework and the Health and Social Care Service Renewal Framework in June 2025.³²

The three documents provide different horizons for change and differ in their scope

103. Collectively, the three documents are intended to provide a framework for reform over the next year and the next ten years:

- The Operational Improvement Plan (OIP) is focused on the first phase of reform in 2025/26, with a focus on improving access to treatment, shifting the balance of care, and improving access through digital innovation and prevention.

- The Service Renewal Framework (SRF) has a ten-year horizon and a stronger focus on reform and change in the way health and care services are delivered.
- The Population Health Framework (PHF) also has a ten-year horizon but takes a wider cross-government and cross-sector approach to focus on the determinants of health and primary prevention.

104. Reform of the health and care system is intended to deliver: long-term financial sustainability; improve health outcomes for the people of Scotland; reduce health and care inequalities; and further harness the benefits of digital technology.

The Operational Improvement Plan includes actions to tackle current waiting lists and lay the foundations of reform but has a short timeframe to deliver

105. Exhibit 13 (page 40) sets out the four areas of focus, commitments and actions within the OIP. With most activity to take place in the current year, 2025/26, it has a short timeframe to deliver its activity and have impact.

The published plan lacks clarity and transparency that will make reporting its progress difficult

106. Actions within the OIP are set out in a narrative format, meaning that not all actions are clear, have clear timeframes, or outline who is responsible.

107. Exhibit 10 and paragraph 58 sets out the waiting times commitments made within the plan and some of the activity to deliver it. The commitment to eradicate long waits by March 2026 and deliver an additional 150,000 appointments will be extremely challenging.

108. The Auditor General previously reported on the NHS Recovery Plan, including commitments to eradicate long waits that have been made again in the OIP.³³ Our NHS in Scotland 2022 report found that the Recovery Plan was 'a high-level, top down document' and that 'progress against the plan was difficult to measure'. We made recommendations that annual progress updates report clearly and transparently on what progress has been made and whether commitments have been met.

109. Programme governance documents for the OIP outline greater clarity in the actions and delivery plan for the OIP. It is intended that public reporting on the OIP will align with the final reporting of the NHS Recovery Plan. There needs to be transparency and clarity in both the actions and reporting on progress of the OIP if it is to avoid repeating the mistakes of the NHS Recovery Plan.

Exhibit 13.

Operational Improvement Plan: key areas of focus, commitments and actions

Key areas of focus	Key commitments and actions
Improving access to treatment	<ul style="list-style-type: none"> Reduce waiting times with no one waiting longer than a year for their new outpatient appointment or inpatient/day-case procedure by March 2026 Deliver 150,000 extra appointments and procedures Expanding regional and national delivery at key sites Diagnostics – reduce the backlog with 95% of referrals to radiology being seen within six weeks by March 2026 Deliver additional MRI, CT, ultrasound and endoscopy procedures
Shifting the balance of care	<ul style="list-style-type: none"> Improve flow, reduce delays, reduce length of stays Reduce the pressure on hospitals Increase hospital at home Prioritise care at home and improve and expand frailty services Increase general practice capacity and dentistry, pharmacy, optometry
Improving access to care through digital and technological innovation	<ul style="list-style-type: none"> Digital access through roll out of health and social care app Roll out of digital dermatology pathway to all General Practitioners New national digital intensive weight management programme Increase operating theatre productivity through theatre scheduling tool
Prevention	<ul style="list-style-type: none"> Proactive prevention Expand targeted interventions for cardiovascular disease and frailty prevention

Source: [NHS Scotland operational improvement plan](#), Scottish Government, March 2025

The Plan lays important foundations for reform that should inform the ambitions of the other frameworks

110. The OIP's focus on shifting the balance of care, adoption of digital technology and innovation, and prevention are important actions that lay the foundations for reform of the health and care system. Learning and evaluation will be essential to inform the activities of the Service Renewal Framework and Population Health Framework, including engagement with stakeholders across the system to understand the impact of change on outcomes and experiences, particularly for patients and staff.

111. While NHS boards 2025/26 Annual Delivery Plans were in the main finalised by the time the OIP was published, boards are now meeting with the Centre for Sustainable Delivery on a weekly basis on performance against the OIP waiting times commitments, with trajectories against the plan being developed. Taking account of this, the timescales for delivery of the plan are very challenging.

The Health and Social Care Service Renewal Framework is a welcome development that provides important key principles and further steps for reform of the health and care system

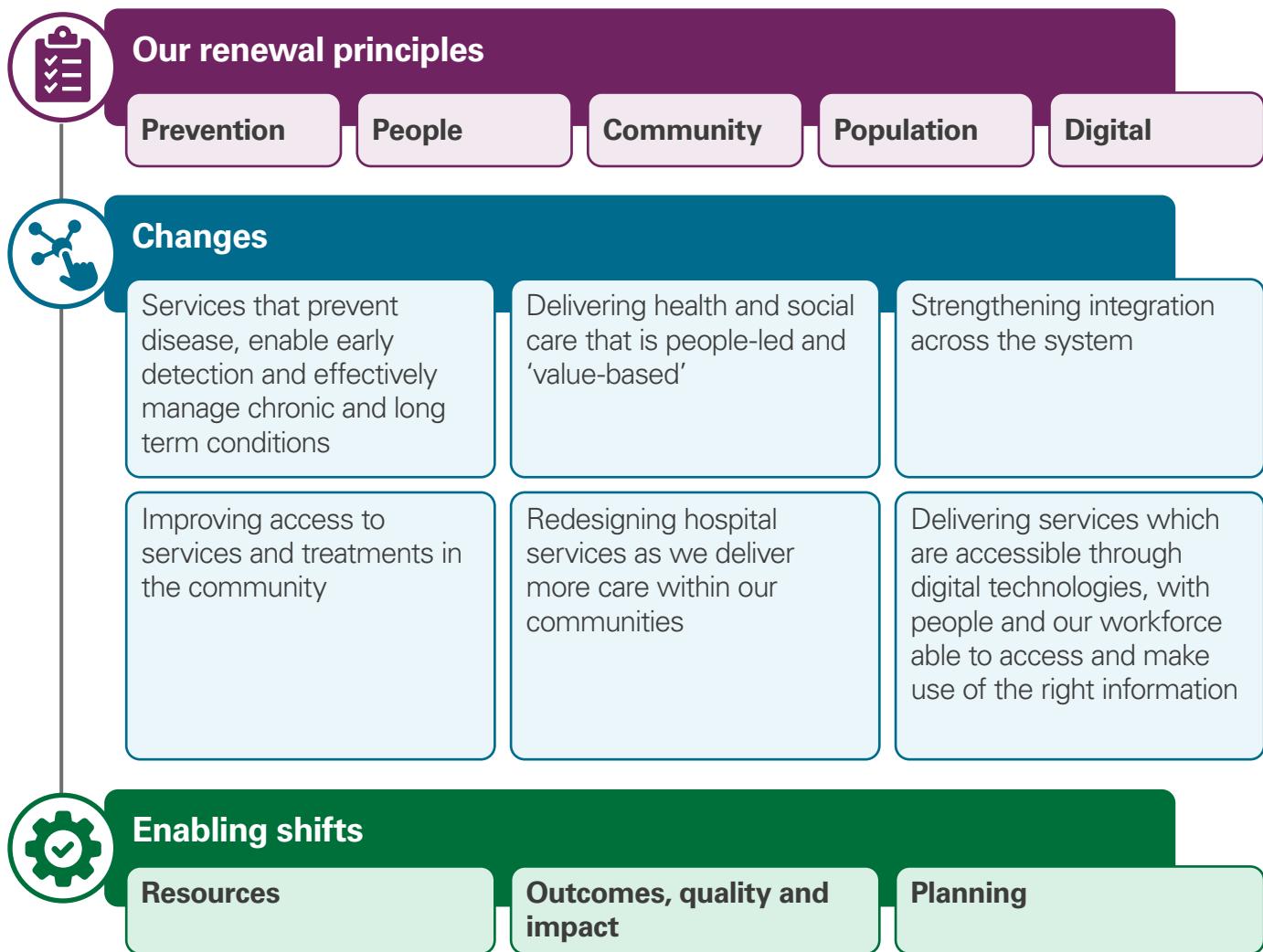
112. The Service Renewal Framework (SRF) was published in June 2025 and is a joint framework with COSLA. It is intended to guide change and reform in how health and care services are delivered over the next ten years from 2025 to 2035.

113. The SRF is comprised of a set of principles and major changes that are intended to inform design, planning and decision-making and provide the direction of change and reform that is needed for a sustainable health and care system. [Exhibit 14 \(page 42\)](#) sets out the key principles together with major changes and enabling shifts for the framework.

114. The SRF provides a high-level guide for change rather than a comprehensive plan. At the heart of the SRF is a shift to a community-orientated approach to health and social care to better meet the needs of individuals and families. The framework is currently in the set-up phase, with the Scottish Government making progress in putting in place the necessary delivery arrangements and governance arrangements for the framework.

Exhibit 14.

Health and Social Care Service Renewal Framework 2025 to 2035



Source: [Health & Social Care Service Renewal Framework 2025–2035](#), Scottish Government, June 2025

Many of the changes set out in the framework are ambitious and far reaching and will be both complex and challenging to deliver

115. The SRF takes a 'three horizons' model with specific actions set out in year one, years two to five, and the high-level objectives for a renewed health and care system in year ten. The first year is focused on carrying out strategic needs assessments that will provide a foundational analysis of current and future health needs that can inform planning. We would expect that some of this work builds on what is already known about the health and social care needs of the population.

116. It is too early to say whether the SRF is sufficient to drive reform of the health and care system, or whether it can deliver the pace of change needed given the pressing issues the health and care system is facing. Our observations on the SRF and some of its principles are outlined below.

The difficulties in achieving the community principle and shifting the balance of care cannot be underestimated

117. Shifting the balance of care is at the heart of the SRF. Our report on Performance of Integration Authorities will publish in January 2026. The following paragraphs set out what needs to be considered in delivering the community principle.

118. A focus on prevention and early intervention and shifting the balance of health and social care into the community has been the ambition for many years. The Public Bodies (Joint Working) (Scotland) Act, 2014 was intended to ensure that health and social care services were well integrated, that people receive the care they need at the right time and in the right setting, with a focus on community-based, preventative care. However, this has yet to be achieved, and the significant financial and demand pressures across the system means it remains to be seen if this can be achieved.

119. Integration Authorities are critical to delivering more care in our communities and yet their role, particularly the role of Integration Joint Boards is not made explicit within the framework. NHS boards feature more prominently throughout the framework.

120. The framework does not fully reflect the significant difficulties in the social care and social work sector and the very important role it plays. There has also been some challenge from parts of the sector about how well the framework has reflected social care and social work.

121. It is essential that Integration Authorities and particularly Integration Joint Boards, are front and centre in the planning and decision-making outlined in the framework and have an equal voice.

Progress with population level planning and the national and regional collaboration needed has still to be fully tested

122. The Auditor General's [spotlight report on governance](#) in the NHS in Scotland provided an update on the renewed approach to **population level planning** that is being adopted across NHS Scotland. The report outlined the need for robust governance structures, a strong collaborative culture and clear lines of accountability to support this.

123. The NHS Scotland Executive Group was set up in October 2024 as a new approach to system leadership of NHS Scotland. This includes working collaboratively and making decisions and recommendations on what should be delivered at a national level and across health boards,



Population level planning intends to align planning for services with the size of the population that will make use of those services, including at a national, regional and local level.

in line with NHS Scotland ambitions for population planning. Our spotlight report found that the group's ability to make effective shared decisions was still to be fully tested. The group continues to meet, with engagement from across boards, and an action tracker is in place for the work of the group. It has developed the approach to population level planning, with a current focus on 'fragile' services, and includes:

- strategic needs assessment
- development of a target operating model
- adoption of target operating model by target boards.

124. Further change was announced in November 2025 to support the move from organisation level planning to population level planning and building on the renewed approach to population based planning set out in 2024. This includes the set up of two sub-national structures, Scotland East and Scotland West, with two Sub-National Planning Committees to support. They are intended to deliver specific objectives and enable the SRF and the PHF. These new structures are also expected to produce a consolidated financial plan for Scotland East and Scotland West for 2026–27, this is intended to support a significant reduction in certain NHS boards' deficits by 2028–29.

125. It is still too early to say whether the new arrangements being put in place will be effective enough to deliver population level planning. Further examples of population level planning will be needed to fully test out the model.

126. The redesign of vascular services has been held up as a new example of population planning. A Target Operating Model for vascular services was agreed by the NHS Scotland Executive Group in July 2025, following preparation of a strategic needs assessment. A learning review of the process has been carried out to inform other service redesign approaches. The review identified several areas of good practice, including a clear methodology for commissioning and redesign, use of external clinical experts and strong engagement across NHS boards. The review also identified issues to be addressed for future commissions:

- appointing a chief executive level senior responsible officer
- establishing a process for transitioning recommendations into implementation
- clarifying the balance between individual board accountability and collective responsibility.

Digital access to Scotland's health and care services has been in development for some time but is now confirmed to launch across Scotland in 2026

127. The SRF outlines digital as one of its key principles, reflecting societal expectations and allowing people to have better control over their health and care services. The first iteration of the digital app for access to Scotland's health and care services, MyCare.scot, is being launched in NHS Lanarkshire in December 2025, with a plan for the app to be available to everyone across Scotland from April 2026 and full roll-out of an 'enhanced service' by 2030.³⁴

128. The functionality of MyCare on initial launch in Lanarkshire will enable people to sign in securely, view appointments, allow digital communication with services, find services and view some personal information. It is intended that the app will, over its phased development, provide access to not just hospital-based care but will include other parts of the health and care system including GP practices, pharmacy and social work and social care.

129. The full business case for MyCare is still to be approved and the budget for a national roll-out is not yet committed. This may present a risk to the roll-out of MyCare across NHS Scotland.

130. The Auditor General and Accounts Commission's report on [Tackling digital exclusion](#) highlighted that all public bodies have a responsibility for enabling digital inclusion in their programmes of reform. It recognised the work that has been carried out as part of the Digital Health and Care Strategy in testing different models for digital inclusion.³⁵ It will be important that as the MyCare app is rolled out that there is equitable access to health and care services and digital inclusion support is available for those who need it.

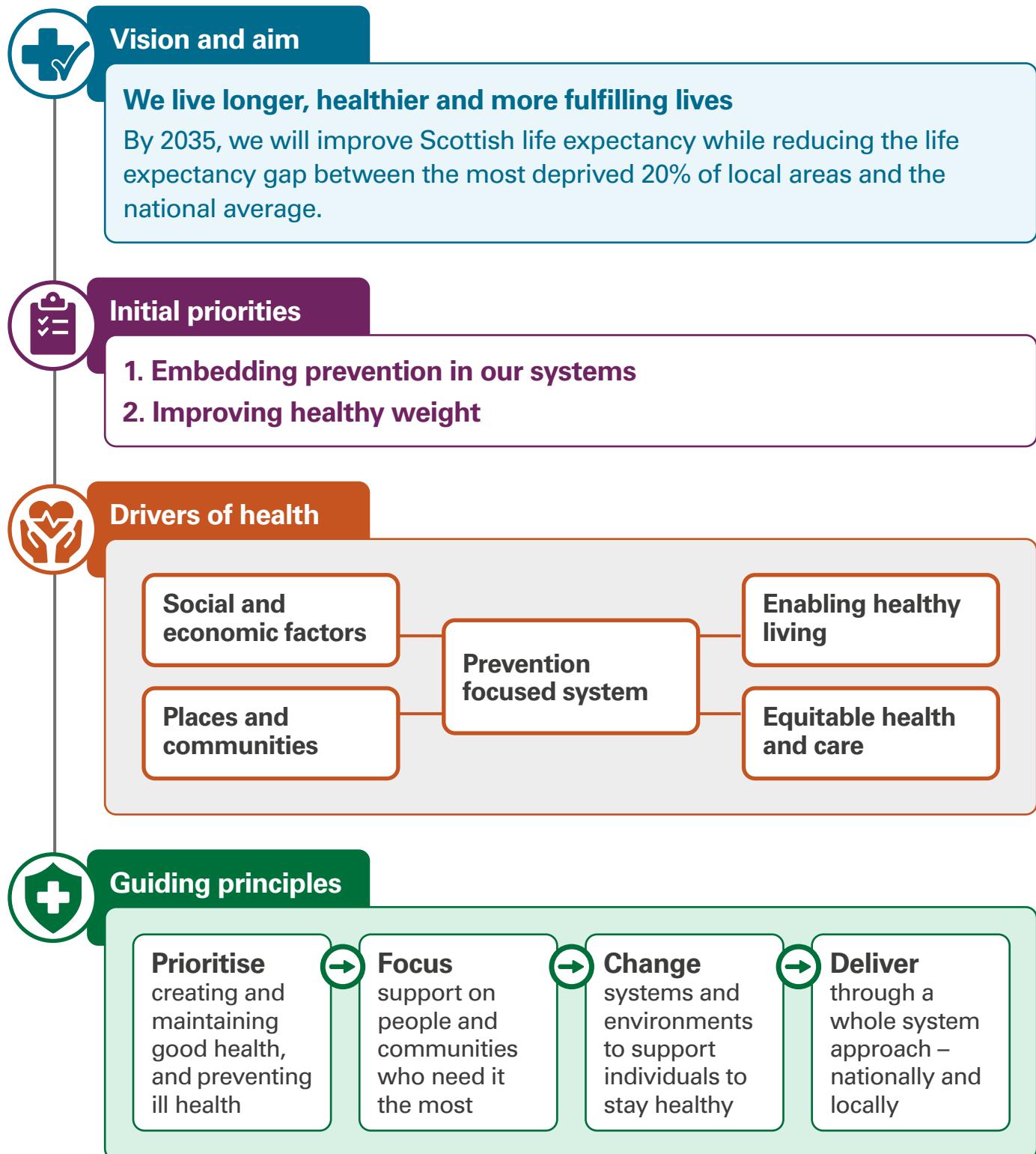
The Population Health Framework demonstrates clarity in its priorities and a partnership approach

131. The Population Health Framework (PHF) as a joint framework with COSLA cuts across government and sectors and is clear on its aim to improve life expectancy and reduce the life expectancy gap between the most deprived 20 per cent of local areas and the national average by 2035. The framework sets out initial priorities for 2025–27 with actions to focus on embedding prevention and improving healthy weight.

132. The scope of the PHF is far beyond the health and care system and is based on five interconnected prevention drivers of health and wellbeing including wider social and economic factors, and place and communities. The framework states that as much as 80 per cent of what determines health happens outwith the health and care system, with housing, employment, education, environment and poverty all playing a role in determining health. [Exhibit 15 \(page 46\)](#) sets out the framework and its initial priorities.

Exhibit 15.

Scotland's Population Health Framework 2025–35



A shift to community-based services and greater preventative spending in the health and care system are central to delivering the framework

133. The framework's Equitable Health and Care driver is focused on change with the health and social care system with a shift to community-based services central to delivery of prevention and early intervention. We have outlined the challenges in delivering the community principle for the SRF ([paragraphs 117–121](#)). Delivery of the PHF will need to address the same issues.

134. A longstanding challenge in reform of the system is 'upstream' investment. The framework includes a focus on preventative spending and trialling new activities to secure this shift, which if properly designed and implemented should contribute to improvements in the long-term financial sustainability of public services.

It remains to be seen whether the cross-government and cross-sector buy-in required to deliver the framework can be achieved

135. The scale of ambition in the framework and the level of working across sectors is significant. The framework begins to set out how national and local government intend to work with public sector partners, community organisations and business to focus on and increase primary prevention measures, actions that try and stop health problems happening in the first place. Delivery of the framework ambitions will need leadership and drive across sectors and for partners to take on accountability for improving population health.

136. Part 1 outlined how population health is critical to the long-term sustainability of Scotland's public finances. Delivery of the PHF is vital for Scotland's people to live healthy and happy lives, and for long term sustainable public services.

Collaborative working across NHS Scotland has been strengthened

137. The introduction of these new documents provides a clearer direction and more certainty for the NHS and boards. The Scottish Government have engaged with NHS boards and made clear the need for collaboration and work across boundaries to deliver on reform and renewal of the NHS in Scotland.

138. The documents and programme of reform have been well received by NHS boards, and they report greater collaboration and joint working taking place. But it is not yet clear that there is sufficient capacity across the system to sustain this activity and deliver the long-term reform ambitions.

Governance arrangements that are being put in place will need to support scrutiny of a large and complex programme

139. Systems of governance and accountability that are being put in place are intended to provide joined up oversight of the reform programme. Programme boards have been put in place for the OIP and the frameworks, with senior responsible owners (SROs) for the workstreams within each programme. These report into a Scottish Government-led reform executive who will report into a new Reform Oversight Board, expected to meet for the first time in November 2025 and co-chaired by the Cabinet Secretary for Health and Social Care and the COSLA spokesperson for health and social care who will provide strategic oversight across the reform programme.

140. The programme is large and complex and the Scottish Government needs to make sure it sufficiently involves all key partners in planning and decision-making and that there is clear reporting on progress. Strong and collaborative leadership will be vital to avoid duplication and confusion and to move from ambition to reality.

Shifting funds from existing commitments to invest to save models will be difficult to achieve

141. The programme of reform contained within the Operational Improvement Plan has been supported as part of an additional circa £200 million provided within the 2025/26 budget. However the SRF and the PHF are to be delivered within the existing financial settlement, with no current commitment to provide additional funds to support any reform activity set out in these frameworks. The financial and operational pressures set out in Part 1 and Part 2 of this report highlight the already very tight financial environment that boards are operating in, and the lack of funds to support any new investment. A new Investment and Value Board, reporting to the reform executive is intended to support investment in reform priorities.

142. Many reform activities may need 'invest to save' programmes, for example digital investment. But with no financial provision or clear mechanism for shifting funds from existing commitments to these programmes there is a risk that there will be no available funds for some of the essential pillars of reform.

Endnotes

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- 4** NHS state of the Estate report 2024 provided by Scottish Government.
- 5** Funding for Monklands, Belford and Eye pavilion announced in Scottish Budget 2025–26, Scottish Government, December 2024, Barra and Vatersay announced in Programme for Government, Scottish Government, May 2025.
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- 7** The Scottish Government's Medium-Term Financial Strategy, Scottish Government, May 2023; Scotland's fiscal outlook: medium-term financial strategy, Scottish Government, June 2025.
- 8** Fiscal sustainability delivery plan, Scottish Government, June 2025.
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- 12** How we support the NHS Operational Improvement Plan, Public Health Scotland, October 2025.
- 13** £30 million to reduce waiting times, Scottish Government, July 2024; NHS Scotland operational improvement plan, Scottish Government, March 2025.
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33 NHS Recovery Plan 2021–2026, Scottish Government, August 2021.

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35 Digital health and care strategy, Scottish Government, October 2021.

Appendix 1

NHS board performance against nine key waiting time standards, quarter ending June 2025

NHS board	People referred to CAMHS should start treatment within 18 weeks	People referred to psychological therapies should start treatment within 18 weeks	People referred for help with drug and alcohol use should receive treatment within 3 weeks
	Target 90.0%	Target 90.0%	Target 90.0%
	June 2025	June 2025	June 2025
NHS Scotland	91.8% 	78.3%	94.3% 
NHS Ayrshire and Arran	100.0% 	89.8%	96.8% 
NHS Borders	93.9% 	84.8%	98.5% 
NHS Dumfries and Galloway	100.0% 	57.3%	97.2% 
NHS Fife	99.2% 	73.3%	96.6% 
NHS Forth Valley	99.6% 	72.1%	99.8% 
NHS Grampian	98.3% 	79.2%	96.3% 
NHS Greater Glasgow and Clyde	99.1% 	85.8%	94.4% 
NHS Highland	82.5%	88.7%	83.9%
NHS Lanarkshire	96.6% 	75.6%	98.9% 
NHS Lothian	63.8%	77.7%	89.0%
NHS Orkney	100.0% 	97.8% 	100.0% 
NHS Shetland	100.0% 	62.9%	100.0% 
NHS Tayside	93.3% 	69.8%	90.8% 
NHS Western Isles	100.0% 	75.0%	91.7% 
Golden Jubilee Hospital	Not applicable	Not applicable	Not applicable

Source: Public Health Scotland

NHS board	People attending A&E should be admitted, discharged or transferred for treatment within four hours	People referred urgently with a suspicion of cancer should begin treatment within 62 days	People diagnosed with cancer should begin treatment within 31 days of the decision to treat
	Target 95.0%	Target 95.0%	Target 95.0%
	June 2025	June 2025	June 2025
NHS Scotland	71.2%	69.9%	95.3% 
NHS Ayrshire and Arran	68.0%	56.7%	97.6% 
NHS Borders	62.6%	64.6%	100.0% 
NHS Dumfries and Galloway	80.3%	75.9%	98.6% 
NHS Fife	76.2%	67.4%	93.6%
NHS Forth Valley	61.9%	72.4%	99.3% 
NHS Grampian	65.7%	61.2%	91.6%
NHS Greater Glasgow and Clyde	72.0%	67.9%	95.2% 
NHS Highland	84.1%	69.8%	90.8%
NHS Lanarkshire	54.7%	95.4% 	98.3% 
NHS Lothian	72.4%	72.9%	94.8%
NHS Orkney	96.2% 	50.0%	100.0% 
NHS Shetland	83.4%	82.1%	100.0% 
NHS Tayside	89.0%	60.0%	95.7% 
NHS Western Isles	97.4% 	64.0%	100.0% 
Golden Jubilee Hospital	Not applicable	Not applicable	98.3% 

Source: Public Health Scotland

NHS board	People referred for a new outpatient appointment should be seen within 12 weeks	People should begin inpatient/day-case treatment within 12 weeks of the decision to treat	People referred for planned care should begin treatment within 18 weeks
	Target 95.0%	Target 100.0%	Target 90.0%
	June 2025	June 2025	December 2024 ¹
NHS Scotland	64.6%	57.0%	68.0%
NHS Ayrshire and Arran	63.2%	63.3%	70.6%
NHS Borders	55.8%	47.8%	59.5%
NHS Dumfries and Galloway	65.1%	49.5%	63.8%
NHS Fife	67.3%	46.2%	66.2%
NHS Forth Valley	82.5%	35.5%	79.0%
NHS Grampian	65.1%	47.9%	63.0%
NHS Greater Glasgow and Clyde	59.4%	57.3%	70.5%
NHS Highland	64.0%	67.7%	65.8%
NHS Lanarkshire	56.5%	43.6%	60.2%
NHS Lothian	69.7%	53.7%	72.1%
NHS Orkney	72.2%	68.2%	86.9%
NHS Shetland	69.6%	78.0%	76.2%
NHS Tayside	75.1%	55.7%	64.7%
NHS Western Isles	80.9%	63.3%	81.2%
Golden Jubilee Hospital	19.5%	91.8%	87.1%

Note 1. This standard is currently not being reported. We have used the latest published data for this standard from December 2024 ([paragraph 55](#)).

Source: Public Health Scotland

Appendix 2

Diagnostics waiting list sizes

Diagnostics (type)	Month ending June 2019	Month ending June 2024	Month ending June 2025	Change in latest year
All Diagnostics				
Ongoing waits	88,012	149,911	150,506	▲ 0.4%
Over 6 weeks	16,212	74,936	69,888	▼ -6.7%
Over 3 months ¹	4,356	39,072	33,943	▼ -13.1%
Over 1 year	Note 2	3,399	4,507	▲ 32.6%
Imaging/radiology				
Ongoing waits	65,326	115,937	116,772	▲ 0.7%
Over 6 weeks	8,337	54,557	49,669	▼ -9.0%
Over 3 months ¹	1,080	24,465	18,869	▼ -22.9%
Over 1 year	Note 2	293	177	▼ -39.6%
Endoscopy				
Ongoing waits	22,686	33,974	33,734	▼ -0.7%
Over 6 weeks	7,875	20,379	20,219	▼ -0.8%
Over 3 months ¹	3,276	14,607	15,074	▲ 3.2%
Over 1 year	Note 2	3,106	4,330	▲ 39.4%

Notes:

1. Waits over 3 months refers to waits over 13 weeks.
2. PHS did not capture this length of wait until October 2020.

Source: Public Health Scotland

Appendix 3

Outpatient and inpatient/day-case waits by specialty

Specialty	Total ongoing waitlist size September 2024	Total ongoing waitlist size September 2025	Change in latest year	% of total overall waits in September 2025
Outpatient				
Dermatology	63,387	66,369	▲ 4.7%	11.9%
Ophthalmology	67,238	65,844	▼ -2.1%	11.8%
Orthopaedic	64,606	64,972	▲ 0.6%	11.6%
Gynaecology	54,168	53,484	▼ -1.3%	9.6%
Ear, nose & throat	54,522	47,748	▼ -12.4%	8.5%
Inpatient/day-cases				
Orthopaedic	45,628	43,165	▼ -5.4%	27.7%
Ophthalmology	24,456	26,728	▲ 9.3%	17.1%
Ear, nose & throat	14,765	15,515	▲ 5.1%	10.0%
General surgery (excluding vascular)	14,985	13,901	▼ -7.2%	8.9%
Urology	12,823	13,009	▲ 1.5%	8.3%

Source: Public Health Scotland

Appendix 4

Audit methodology

Our findings are based on:

- The 2024/25 audited accounts and annual audit reports of NHS boards and supplementary returns provided by appointed auditors.
- Analysis of NHS board accounts and Scottish Government budget documents.
- Relevant Scottish Government strategies, plans and publications.
- Activity and performance data published by Public Health Scotland, NHS Education for Scotland and other national boards.

This work was supplemented by a series of interviews and discussions with senior Scottish Government staff alongside our wider ongoing programme of stakeholder engagement across the health and social care sector.

Advisory Panel

To support our work, an advisory panel was established to provide feedback and insight at key stages of the audit process. Members sat in an advisory capacity only and the content and conclusions of this report are the sole responsibility of the Auditor General for Scotland.

We wish to extend our thanks to the members of the panel: Dougie McLaren (Scottish Government), Tom Steele (Scottish Ambulance Service), Nicky Connor (NHS Tayside), Scott Urquhart (NHS Forth Valley), Claire Gardiner (Audit Scotland).

Appendix 5

Progress against the recommendations in the NHS in Scotland 2024 report

NHS in Scotland 2024	
Recommendations for the Scottish Government	Progress/status
<p>In 2025, publish the national strategies and plans previously recommended in our NHS in Scotland 2023 report, namely:</p> <ul style="list-style-type: none"> • a national capital investment and asset management strategy • a revised Medium-Term Financial Framework for health and social care. 	<p>Recommendation superseded</p> <p>The Scottish Government did not publish a Medium-Term Financial Framework for health and social care but published a government-wide Medium-Term Financial Framework in June 2025, this includes efficiencies and improvement, service reform and prevention across the public sector, including the health and care system.</p> <p>In progress</p> <p>The Scottish Government has started a programme of Whole System Infrastructure Planning with strategic assessments to take place in 2026/27 and ministerial decisions on new facilities in 2027.</p>
<p>For the financial year 2025/26, increase certainty for NHS boards by undertaking to baseline a greater proportion of their total allocations and increase, again, the pace at which allocations to boards are made.</p>	<p>Complete</p> <p>NHS boards have received a greater proportion of their funding allocations in the early part of the year.</p>
<p>Ensure that the lessons learned from the process of negotiating the end of private finance initiative (PFI) contracts are communicated to NHS boards and provide greater certainty about how associated capital and revenue costs will be funded.</p>	<p>In progress</p> <p>The Scottish Government reports that NHS Scotland Assure and the Scottish Futures Trust have a joint Specialist Support Team to assist health boards with management of their PPP contracts. End of contract is a focus of the team's work, including handback readiness reviews of contracts expiring in seven to ten years, and sharing lessons on negotiations under way between NHS boards and PFI providers on expiring contracts. It is important that this continues as PFI contracts come to an end.</p>

Cont.

NHS in Scotland 2024

In line with previous recommendations, publish clear and transparent annual progress reports on the work to reform services. These should show the effectiveness and value for money of new innovations and ways of providing NHS services.

In progress

The Scottish Government published a health and social care reform report through the Finance and Public Administration Committee in December 2024.

Reform documents – the Operational Improvement Plan (OIP), Health and Social Care renewal framework (SRF) and Population health framework (PHF) have now been published.

The Scottish Government has committed to reporting on the progress of the OIP along with the NHS Recovery Plan reporting within 2025–26.

Annual progress reports on the SRF and PHF should be published, to make clear the progress that is being made to reform the health and care system.

Recommendations for NHS boards

Work towards setting a balanced financial position in their next three-year plans, by identifying realistic recurring savings targets and reducing their reliance on non-recurring savings by considering fundamental changes to how services are provided and the range of services offered.

Progress/status

In progress

The Financial Delivery Unit is working with NHS boards to improve their financial management and position. Savings delivered in total and on a recurring basis have improved however a number of boards still require financial support to break even, and a number of boards have still to achieve a balanced financial position.

Recommendations for the Scottish Government and NHS boards

Ahead of 2025/26, jointly identify areas of limited clinical value and consider how services can be provided more efficiently, or withdrawn, to allow funding to be redirected, while ensuring that any relevant impact assessments have taken place.

Progress/status

Limited progress

Work has taken place to refresh the Exceptional Referral Protocol (ERP) guidance. If this is approved it is likely to reduce waste, potential harm and free up capacity. However, it is unlikely to result in any financial savings.

Further work is required to implement this guidance.

Building on the overarching vision announced by the Cabinet Secretary, the Scottish Government and NHS boards should work together, with their staff, partners and the public to develop a delivery plan by 2025. This plan should set out national priorities and plans for reform; how these will be delivered; and how progress on achieving the vision and reforms will be measured and monitored.

Complete

The Scottish Government published the Operational Improvement Plan, the Health and Social Care Renewal Framework and the Population Health Framework in 2025. These documents set out the key principles for delivering reform. Recommendations on the arrangements for the delivery of the Health and Social Care Renewal Framework and the Population Health Framework have been made in this report.

NHS in Scotland 2025

Finance and performance



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