

Sweeping cuts loom as health board wrestles with £133m shortfall

Health chiefs warn closing the budget gap will involve cutting “into the muscle” of the region’s health services

Dealing with the financial shortfall could lead to longer waiting lists, staff reductions, cancelled operations, less money for medicines, and even greater difficulty in seeing a GP, NHS Lothian health chiefs have warned.

An NHS Lothian board meeting heard this week it was the “tightest financial situation” the organisation has faced in decades.

It comes after the Scottish Government announced a two-year freeze on any new capital funding for health boards, casting doubt over the future of Edinburgh’s replacement eye hospital and new cancer centre at the Western General, as well as plans for a new treatment centre at St John’s in Livingston – projects regarded as vital to cope with the region’s rapidly growing population.

Representing 7 per cent of the overall budget, the projected £133m gap in 2024/25 is more than double the 3 per cent saving usually required by NHS Lothian, having increased following the Scottish Government’s budget announcement in December.

Health chiefs have warned measures set to be taken to balance the books would “cut into the muscle” and not be “small scale”. But they said arriving at a balanced financial position was vital in order to be at the “front of the queue” when the government resumes spending on new hospitals and

treatment centres.

Addressing board members on Wednesday (February 7) director of finance Craig Marriott said the gap "could continue to move up". He said a 0 per cent uplift in funding for NHS Lothian delivered by the government's settlement would mean "no new money for drugs, no new money for demographic growth, no new money for additional procedures". He said: "We've not been in that position before where we've not had any uplift."

He added the board was also expecting no additional funding for "small scale" projects such as desperately-needed GP practices.

In addition funding for maintaining existing hospitals and medical centres would need to be "spread much further across the organisation". Mr Marriot continued: "We can't kid ourselves on that this is all going to be delivered all through efficiencies.

"This will be about cutting into the muscle; this won't be about small scale things that won't have an impact – they will have an impact on performance."

NHS Lothian chief executive Calum Campbell told members the plan to bridge the gap, which will come forward next month, would contain "things a lot of us will not like".

He said: "We don't get to that number without staff reductions.

"It is going to be tough. But actually procrastinating on these things is not a good thing – we need to get stuck in."

Mr Campbell then clarified there would be no redundancies. Employee director Tracy Anne Miller, who has worked for NHS Lothian for over 40 years, said it was the "tightest financial situation I've ever known".

Councillor Stephen Jenkinson, Edinburgh City Council's representative on the board, pointed out 84 per cent of Scotland's population growth over the next ten years will take place in the Lothians.

He told the LDRS a growing population "will need hospitals, health centres and GP surgeries".

He added: "When the Scottish Government removes capital

funding and essentially forces the board to accept a £133m 7% cut to its 24/25 budget, what does this actually mean?

“It means there won’t be a new eye hospital, a new national treatment centre at St John’s, a new cancer centre at the Western General and an expansion of the Royal Edinburgh hospital.

“And means there won’t be any new GP surgeries built – and that is just capital spend. The drugs budget will be cut, surgeries will be cancelled, waiting times will increase and seeing a GP will become even harder. Worst of all, as the staff budget will be cut this will lead to redundancies for the very people who helped get this country through the worst of the pandemic.”

NHS Lothian insisted there would be no redundancies in line with NHS Scotland’s policy of no compulsory redundancies.

A Scottish Government spokesperson said: “The Scottish Government is providing over £14.2 billion for NHS Boards in 2024-25 to support services.

“Despite this significant investment, NHS Boards, like other public services, are under unprecedented pressure as a result of inflation, Brexit and Covid and we are continuing to work with each Board to recover and reform services and address the financial challenge this year and beyond