Dear Cabinet Secretary

2019-20 Pre-budget scrutiny

This is my first correspondence with you following your appointment as Cabinet Secretary for Health and Sport and I would therefore like to take the opportunity to congratulate you on your new role. The Committee looks forward to working with you and your new ministerial team over the coming months.

On the 5 June 2018 Paul Gray, Director-General Health and Social Care and supporting officials gave oral evidence to the Committee as part of our 2019-20 Pre-budget scrutiny. Some issues explored during the evidence session were identified as matters that you as Cabinet Secretary would be best placed to respond to.

One of the issues was confirmation of when the five year financial framework underpinning the Health and Social Care Delivery Plan would be published. Paul Gray indicated that this was a matter for the Cabinet to determine, but that it was expected shortly. We also note the Scottish Government’s publication ‘Scotland’s Fiscal Outlook: The Scottish Government’s Five Year Financial Strategy’ stated that the
Medium Term Health and Social Care Financial Framework would be published in June 2018. We are still awaiting publication of this Framework.

- Are you able to confirm why the publication of the five year financial plan underpinning the Health and Social Care Delivery Plan has been delayed and when it will be published?

Paul Gray indicated that regional plans would be available once the financial framework was published.

- Are you able to confirm when the regional plans will be published?

Another issue was the basis for the additional £2bn commitment to health funding and application of any future Barnett consequentials. The Medium Term Financial Strategy restates the commitment to pass on all health resource Barnett consequentials. The Strategy sets out various scenarios for public spending (with a lower, central and upper scenario). However, the indicated health budget is identical under each scenario i.e. the funding identified for health is not reduced under the more pessimistic scenario, but neither is it increased under the more optimistic scenario.

- Is the additional £2bn commitment to health funding based on assessment of anticipated demand for health services or does it reflect application of the anticipated health Barnett consequentials over this period?
- If health Barnett consequentials exceed the uplifts set out in the Medium Term Financial Strategy can you confirm if these will be applied to the health budget? If this is the case will this result in an increase in the health funding beyond the proposals in the Medium Term Financial Strategy?

The Committee will finalise its pre-budget report in the early autumn so a response to this letter by 22 August would be much appreciated.

Yours sincerely

[Signature]

Lewis Macdonald