Thank you for your letter dated 27 July 2018.

Publication of Health and Social Care Financial Framework

As you will be aware, on 17 June 2018 the Prime Minister announced that the NHS in England will receive an increase of £20.5 billion per year in real terms by 2023/24. It is important that the Health and Social Care Financial Framework reflects the implications of the announcement given the potentially material impact, however this is complicated by significant uncertainties about the details of the funding arrangements and associated Barnett consequentials.

The Cabinet Secretary for Finance and the Constitution wrote to the Chief Secretary to the Treasury on 19 June seeking urgent clarification about the scale and timing of funding, the planned income tax changes, and the so-called “Brexit dividend”. On the basis that we are unlikely to receive clarity on these issues in advance of the UK Autumn Budget, I have therefore instructed my officials to update the Health and Social Care Financial Framework based on the limited information available and noting the uncertainties for both the Health and Sport Portfolio and the wider Scottish Government. I intend that the Financial Framework will be published in September.
The Financial Framework will provide an update to the anticipated levels of health funding outlined in the Scottish Government’s Fiscal Outlook. This will reflect our understanding of the UK Government’s funding announcement and will demonstrate the Scottish Government’s ongoing commitment to pass on health resource consequentials in full. The Financial Framework will also address the issues you have raised about anticipated demand for health services.

Regional Plans

The Programme for Government 2017/18 included a commitment to develop Regional Delivery Plans as part of our work in providing modern and sustainable health and social care services. I am keen that the plans form the basis for a programme of engagement with staff, stakeholders and the wider public before these are formally signed off by the individual local boards that are involved in the proposals.

The Regional Delivery Plans will be made available in the form of discussion documents as soon as possible in order for this engagement to take place.

I look forward to discussing these matters with you in further detail following the publication of the Financial Framework.

Many thanks for your kind words

Yours sincerely

JEANE FREEMAN