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Neil Gray, MSP Cabinet Secretary for Health and Social Care Scottish Government Address: Via mail <u>CabSecHSC@gov.scot</u>

Date: 25/02/2025

Dear Cabinet Secretary,

We are writing to you following the concerns that Integration Joint Board (IJB) Chairs and Chief Officers have expressed for some time now on the challenging financial positions of IJBs and our Health and Social Care Partnerships (HSCPs).

Our community health, primary care and social care services support thousands of people every day across all ages – from supporting childhood development to providing end-of-life care. As whole system leaders we have the privilege of steering and seeing the impact of the inspiring work of our teams and of our partners. We also know that our staff are increasingly stretched in striving to meet the needs of our communities. That is why we are clear about the need to transform our system of care.

However, the scale of the financial shortfalls that IJBs are facing present an escalating risk to our collective ability to deliver services today and deliver reform tomorrow. This has been reflected in our regular financial returns to Scottish Government, public reporting at IJB meetings and in our audited annual accounts.

The Audit Commission report on *Integration Joint Boards' Finance and Performance* (2024) highlighted that the then projected funding gap for IJBs in 2023/24 was £357million, almost triple that of 2022/23. That Audit Commission report also stated that the projected financial position was set to worsen – and unfortunately, that prediction has come to fruition.

Analysis completed by Health and Social Care Scotland of the projected budget positions of all thirty-one IJBs has confirmed an estimated recurrent financial gap of circa **£560million** for 2025/26. This will require IJBs to be faced with savings proposals for as much as 11%.

As part of statutory budget setting processes, IJBs will be meeting over the coming weeks to consider how best to protect vital supports for the most vulnerable and at-risk in our communities. The reality is that with the cost of and increased demand for health and social care outstripping any funding increases, it will not be possible to sustain existing levels of care across all services. It also poses risks to achieving NHS Renewal, including shift the balance of care from acute services to the community; and securing other key improvements, from the joint mission on delayed discharges to improving population health.

We welcome your leadership and support in seeking to provide greater transparency on these financial challenges and your commitment to engage collaboratively in responding to them. Your planned engagement session with Chief Officers on 5 March 2025 will be a timely opportunity for the further details of the financial analysis to be shared with you ahead of a discussion focused on solutions. With your agreement we would welcome extending the invitation to attend that session to IJB Chairs, Vice-Chairs and Chief Financial Officers alongside representatives from COSLA and the NHS Board Chairs Group.

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Thank you in advance for your continued support.

Yours sincerely

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Professor Soumen Sengupta Chair, Health and Social Care Scotland

Ms Rachael King Chair, IJB Chairs/Vice-Chairs Network

Copy:

Cllr Paul Kelly, COSLA Health & Social Care Spokesperson Ms Carole Wilkinson, Chair of NHS Board Chairs Group Ms Lesley McDonald, Vice-Chair, IJB Chairs/Vice-Chairs Network Mr Nick Fayers, Vice Chair, Health and Social Care Scotland