

Neil Gray, MSP  
Cabinet Secretary for Health and Social Care  
Scottish Government  
Address: Via mail [CabSecHSC@gov.scot](mailto:CabSecHSC@gov.scot)

Date: 21/05/2025

Dear Cabinet Secretary,

Thank you for your letter dated 4 March 2025. We appreciate your acknowledgment of the financial challenges faced by Integration Joint Boards (IJBs) and Health and Social Care Partnerships (HSCPs). Your commitment to open discussions and leadership in highlighting these issues are greatly valued. As we have discussed, these substantial financial shortfalls pose escalating risks to our ability to deliver current services and future reforms, most notably in relation to the ambitions for increased capacity and a shift in the balance of care to community-based health and care services; and a greater focus on early intervention and prevention.

As your letter alluded to, the projected financial position detailed in our letter of 25 February 2025 was based on prudent forecasting information amidst a range of uncertainties. We can now confirm that the updated combined real-terms budget shortfall between 2024/25 and 2025/26 across all 31 IJBs is £497.5 million, this budget gap reflects approved budgets and is the difference between all funding uplifts and the increased cost and demand for services, effectively this represents the budget shortfall to stand still.

We share your commitment to transparency and so have appended here a summary of this updated comprehensive position. This refreshed budget shortfall reflects all additional funding allocated by the Scottish Government and contributions from partners (i.e. Health Boards and Councils) and through the updated position Health and Social Care Scotland is able to confirm that the budget “pass throughs” for IJBs as directed by Scottish Government have been made in full. It is also important to highlight that most IJBs now hold no contingency reserves with the then heightened financial risk that will have to be managed with partners.

We appreciate your encouragement for a greater national understanding of how local systems are navigating their particular financial challenges. Our upcoming session with the Minister for Social Care, Mental Health and Sport and the COSLA Spokesperson for Health and Social Care on 5 June 2025 will be a timely opportunity to present this aggregated analysis in more depth and to explore how the forthcoming Health and Social Care Service Renewal Framework could help address these challenges. Chief Officers have previously shared concerns about the impact that these financial challenges have had in relation to the consistent delivery of national policies and strategic priorities and so recognise that there are significant risks for the achievement of the Service Renewal Framework’s ambitions given these now critical financial pressures.

## OFFICIAL

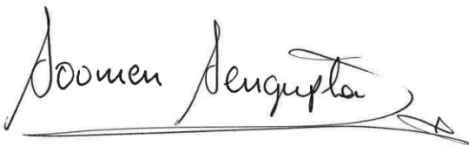
As Audit Scotland have highlighted there is a pressing need for clear and frank conversations with the public and across civic society about the opportunities, imperatives and urgency for service redesign and reconfiguration; and what will be needed to deliver more services in the community aided by digital and technological innovation.

IJBs, Councils, Health Boards and crucially our local teams on-the-ground continue to do their best with the resources available, and we continue to be grateful for the dedication of our staff and the appreciation expressed by our local population for the differences that our staff make to their lives. A united and candid community conversation, supported by Scottish Government, that marries our ambitions for improving health and social care with the necessity for sustained fiscal responsibility will be vital to public confidence in our staff and our services.

We value your leadership and support in increasing the visibility and shared understanding of these financial challenges. We remain committed to collaborating with you, your officials, and our wider stakeholders to address these issues to ensuring that those who receive, those who provide our services and the community as whole understand why reform is both necessary and urgent.

Thank you in advance for your continued support.

Yours sincerely



Professor Soumen Sengupta  
Chair, Health and Social Care Scotland  
Copy:



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

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  
IJB Chairs and Vice-Chairs  
IJB Chief Officers  
IJB Chief Financial Officers

OFFICIAL