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Convener
Health, Social Care and Sport Committee

Via Email: HSCS.committee@Parliament.Scot

19 December 2023

Dear Clare,

Health, Social Care and Sport Committee: Pre-budget scrutiny 2024-25

I would like to thank the Committee for their letter of 24 October 2023 and assure you that the recommendations and comments made have been fully considered as part of the planning work undertaken in advance of the publication of the 2024-25 Scottish Budget.

The Annex to this letter sets out in detail the responses to the key points and recommendations in the Committee's report.

I look forward to providing evidence to the Committee at the Budget evidence session.

Yours sincerely,



MICHAEL MATHESON

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Annex A – RESPONSE TO THE COMMITTEE’S RECOMMENDATIONS

Multi-year budgeting

Committee Recommendation

15. The Committee wishes to highlight to the Scottish Government the extent to which single year budget settlements hamper the ability of public bodies within the health and social care sectors to undertake effective medium and long-term financial planning. The Committee calls on the Scottish Government to set out what actions it is taking to address this issue in the lead-up to publication of the Scottish budget for 2024-25 and beyond.

Response to Committee’s Recommendation

The Resource Spending Review, published in May 2022, set out the Scottish Government’s high-level resource spending plans for future Scottish Budgets (2023-24 to 2026-27). Subsequently, and in light of ongoing economic and fiscal volatility, we remain committed to publishing refreshed indicative multi-year plans. The disappointing settlement at the Autumn Statement delivered a real terms reduction to our block grant. We are prioritising our spending towards our core missions and making difficult choices to ensure our finances remain on a sustainable trajectory. It is important that we work through the impacts of these choices and the impact of our ongoing public services reform programme, before publishing multi-year budget allocations.

This will provide clarity on the direction of Scottish Government investment and give partners increased certainty on which to base their own financial planning, ahead of the Scottish Budget being confirmed by Parliament each year.

In addition to this, and more specifically, to support NHS Boards and Integration Joint Boards with their planning, as far as is possible we provide multi-year funding assumptions. For example committing to increasing social care spending by 25% over the life of this parliament.

Committee Recommendation

16. In particular, the Committee reiterates previous requests for clarification on timescales for the publication of the refreshed Medium Term Financial Framework for Health and Social Care, which would help provide greater clarity on medium-term financial planning for these sectors. The Committee would also request that this provides more detailed analysis than was set out in the MTFS or Resource Spending Review.

Response to Committee’s Recommendation

Work is underway to update the assumptions underpinning the Health and Social Care Medium Term Financial Framework to reflect changes and challenges. The refreshed Framework will be published in Spring 2024 and will set out the overarching financial context across health and social care, taking account expected cost pressures and mitigations in future years. Key considerations include inflation, Covid legacy costs, growth in demand/activity, and Programme for Government commitments including those related to the National Care Service.

Alongside cost pressures, this work will factor cost reduction and reform measures, including implementation of co-ordinated local and national cost reduction programmes such as the work of the Scottish Government's Finance Delivery Unit and our capital investment Programme for the Future, as well as considering the impact of committing to new priorities and redesigning services and workforce.

Committee Recommendation

17. The Committee notes the concerns raised in evidence regarding the level of detail set out in medium-term plans, which often differ when actual budgets are set, and the difficulty this poses to organisations when it comes to long-term planning. The Committee therefore asks for greater detail to be added to the spending plans up to 2026-27. Where budget plans differ from plans set out in the MTFS and Resource Spending Review, the Committee would also request further information as to the rationale behind any change in spending plans.

Response to Committee's Recommendation

It is important to note that the Resource Spending Review and the Medium Term Financial Strategy are not budgets. These strategic, forward planning documents provide stakeholders with the parameters and context within which the Scottish Government undertakes its longer term financial planning which, in turn, supports those organisations with their own planning.

Our financial planning is limited by the extent of the information available from the UK Government, and with uncertainty on levels of block grant and tax receipts. We are also in a time of unprecedented economic and fiscal volatility. It is therefore inevitable that funding and spending scenarios change.

The benefits of longer term planning are understood and, for this reason, refreshed indicative multi-year allocations will be published once we have worked through the full impact of the UK Government's Autumn statement.

Transparency in the health and social care budget

Committee Recommendation

27. & 28. The Committee welcomes the commitment from Richard McCallum to provide additional information to assist its scrutiny of health and social care spending as part of the Scottish budget.

In this context, the Committee would request that the forthcoming 2024-25 Scottish budget clearly sets out the various commitments to spending in relation to health and social care – including the progress towards achieving these, along with clarity around the definitions used. The Committee would specifically call on the Scottish Government to deliver on its commitment to enhanced transparency concerning how health and social care budgets are spent by providing a level of detail beyond level 2 to enable progress against specific commitments to be properly tracked and measured.

Response to Committee's Recommendation

As the Committee notes, it is important that there is a clear link between spending plans and commitments.

The three missions set out in the Policy Prospectus – equality, opportunity and community – are the golden thread running through our operational and financial planning to support delivery of the outcomes set out in the national performance framework. An annualised resource model has been implemented across Scottish Government to tie Programme for Government to Budget, with the specific objective of aligning resources to the three missions and improving underlying fiscal balance.

This is underpinned by work throughout the year to align budgets to priorities. Those priorities are articulated in the Programme for Government, which sets out plans for the year ahead, with related spending plans set out in the 2024-25 Budget (to level 4).

Portfolio mandate letters, published alongside Programme for Government set out Portfolio-level priorities for the year – aligned to the three missions. And the process of aligning priorities to resources for 2024-25 will culminate in a further publication next spring, a year on from the policy prospectus and following the Budget Act being passed by Parliament, setting out delivery plans for 2024-25. We will report again on these in the autumn of 2024, and then repeat the cycle for 2025-26.

At a Portfolio-level, as set out at point 29, a range of in-year reporting provides data on spending across health and social care, supporting both analysis of and decision-making in relation to commitments and priorities. In particular, Public Health Scotland's annual Costs Book publication provides information on health service spending and supports the Scottish Government and external stakeholder in tracking progress against a number of key commitments such as shifting the balance of care, increased investment in primary care and mental health, as well as informing wider exercises such as NRAC calculations.

Committee Recommendation

29. The Committee also seeks further clarification as to what consideration the Scottish Government has given to publishing more regular and timely information on spending in health and social care – as well as assurances that any further information published is done so in a format which is accessible and supports meaningful scrutiny. The Committee would also welcome a detailed update on what the Scottish Government is doing to address points previously raised by the Committee in relation to the lack of availability of data and how it plans to address these in the preparation of its 2024-25 budget.

Response to Committee's Recommendation

A range of spending data is available to support decision-making, analysis and scrutiny, with ongoing work to improve availability and accessibility, and to improve transparency. Examples include:

The Scottish Health Service Costs Book

As set out at the point above, Public Health Scotland (PHS) publish annual information on Scottish health service costs. This sets out annual costing and activity statistics across the health service in Scotland. The information contained in the PHS report is classified as Official National Statistics and is used by a range of internal and external stakeholders to review costs across the NHS, as well as aiding tracking of progress against commitments including those on investment in mental health and primary care. Further detail on reporting on primary care spending is set out below and at point 30 for mental health.

NHS Boards' and IJBs' Financial Performance and Expenditure Information

The publication of consolidated NHSScotland and Integration Joint Boards' financial performance reporting was paused in 2020-21 as a result of the pandemic. During this period the NHS Boards' reporting cycle was reduced to quarterly in an effort to reduce administrative burden on staff to build capacity to support the Covid-19 effort. Recognising the importance of transparency and to support scrutiny, the Scottish Government will return to publishing these reports from early 2024 on a quarterly basis, and will also make available reports back to 2020-21. This quarterly reporting will set out the financial position of each organisation as well as providing the national picture for NHS Boards and, separately, for IJBs.

In addition, IJBs and NHS Boards are required to report annually on their spend (annual accounts) and how this spend has contributed to the objectives (performance report) set out in their delivery plans.

Primary Care

A Primary Care Data and Intelligence Programme Board has been established to support and optimise the development and analysis of Primary Care data. A number of data analyses have been developed over the past year which enhance our understanding of Primary Care's role in delivering public health improvements, better understand patient journeys across the whole health and social care system and identify opportunities to improve how we deliver services. These include: a new [publication](#) by Public Health Scotland (PHS) relating to the Pharmacy First Service; a weekly release of NHS24 activity and outcomes will start on 23 November 2023; and a refreshed analysis of [disease prevalence data](#) as recorded in General Practice.

The introduction of a monthly official statistics in development [publication](#) of General Practice in hours activity data in December 2022 was a significant step in our journey to improving access to primary care data. Routinely publishing this data allows for PHS and National Services Scotland (NSS) to work collaboratively with stakeholders/GP profession to undertake a continuing process of quality assurance, helping to ensure that data quality is monitored and improved.

We conducted two surveys on patient experience, with the research report "Public Understanding and Expectations of Primary Care in Scotland: Survey Analysis Report" being [published](#) , and "Scottish Social Attitudes Survey 2021-22: public views of telephone and video appointments in general practice" being [published](#) in November 2022. Together these reports provided insight to how members of the public understand and experience primary care (primarily general practice). The surveys asked participants about their understanding of MDT

services, awareness of services available, and attitudes to these services and to different appointment types. Where samples allowed, the reports included differences in findings based on equalities characteristics.

Work is also underway to improve collection of race and ethnicity data. Officials are working with stakeholders to update the patient registration form to more accurately capture race and ethnicity data in the first instance, with a longer term aim to establish ways to capture this data via patient interactions with primary care.

Analysis of Health and Care Experience data by equalities characteristics, including ethnicity, will be published in Winter 2023/24. This will include a breakdown of all survey questions analysed by equalities characteristic where sample sizes allow, and will be accompanied by a more detailed piece of analysis that explores the factors that affect patient experience of General Practice. Fieldwork for the latest survey is underway and results will be published in May 2024, including results for individual General Practices.

Looking ahead to 2024/25, we have a substantial programme of work planned, in collaboration with the profession and National Boards, to further advance the progress made to date. This will include work that NSS have been commissioned to deliver, in conjunction with PHS, with a focus on an efficient and transparent governance route for approvals to use primary care data and development of a modern digital infrastructure that can provide a sustainable solution from which to access primary care data.

Additionally, through the Primary Care Improvement Phased Investment Programme, establishment of demonstrator sites over the next 18 months, to build evidence on the delivery of multi-disciplinary teams in General Practice.

Demonstrator sites will be supported to use improvement methodologies to fully implement three key MDT services (Vaccine Transformation Programme, Community Treatment and Care and Pharmacotherapy) and to understand the impact for people, the workforce and the healthcare system, with reduction in GP and practice workload and improvement in patient outcomes a key aim.

This programme of work will collect evidence on the impact and the cost-effectiveness of MDT working across all services which will then inform and support future long term investment in General Practice. We are also in the process of developing a broader monitoring and evaluation strategy for Primary Care as a whole, determining next steps to ensure it remains dynamic and appropriate for the current context and challenges. This will include reflecting on areas of success and areas requiring development, and ensuring the strategy aligns with ambitions for integrated health and social care, along with other relevant government strategies.

Finally, in dentistry, the new payment system introduced from the 1 November, with a view to introducing new fee levels that are more reflective of the costs of providing modern dentistry, will be supported by official statistics published quarterly by PHS, with the first publication provisionally set for February 2024. The information will be reflective of the new system covering suite of activity data, access measures and financial claims information.

Social Care Workforce

The National Workforce Strategy for Health and Social Care in Scotland recognises that data about our workforce is key to understanding where and how that workforce delivers health and care services to the people of Scotland. [Health and social care: national workforce strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/Publications/2022/06/Health-and-social-care-national-workforce-strategy.pdf)

Core partners including Scottish Government, Local Government, NHS employers, Social Care providers, the Care Inspectorate and NES all have a role in defining, collating and analysing Social Care data and will work to make improvements over the life of the Workforce Strategy.

The Scottish Social Services Council have the responsibility for workforce data and intelligence on the social service workforce in Scotland: <https://www.sssc.uk.com/the-scottish-social-services-council/workforce-data/>

Committee Recommendation

30. The Committee also highlights concerns around difficulties in evaluating fulfilment of the Scottish Government's commitment that 10 per cent of all front-line health spend will go towards spending in mental health by the end of the parliamentary session. The Committee therefore seeks clarification on progress towards meeting this commitment and improved transparency to enable it to be properly evaluated for the remainder of the parliamentary session.

Response to Committee's Recommendation

Public Health Scotland publishes its Costs Book data on an annual basis. This latest report was published in February 2023, covering the financial year 2021-22.

This showed that NHS Mental Health expenditure rose from £1.25 billion in 2020-21 to £1.3 billion in 2021-22, an increase of £51.5 million or 4.1% and representing 8.8% of total NHS expenditure. Over the last five years mental health expenditure has increased by £331.1 million, an increase of 34.2% in cash terms and £232.6 million (21.8%) in real terms compared to 2017-18. Of that £333.1 million cash terms increase, just under £220.8 million (66.7%) has occurred since 2019-20.

Progress against this commitment has been monitored through Annual Delivery Plans and the Public Health Scotland Costs Book data. However, the need for more explicit guidance on what should be reported is recognised and this work has started with the aim that there is a consistent benchmark nationally against what is reported against this commitment. The Scottish Government aims to develop this guidance, alongside partners, by the beginning of the 2024-25 financial year, including more rigorous reporting/monitoring arrangements. Information against this target will continue to be published by Public Health Scotland.

NHS Board Budgets

Committee Recommendation

37. The Committee calls on the Scottish Government to clarify whether the NRAC formula continues to be “the key and main driver” when determining health board budgets, and to confirm whether there are still plans to replace the formula and to provide a prospective timescale for completing this review.

Response to Committee’s Recommendation

The majority of Boards’ funding continues to be allocated in accordance with the NRAC formula with Scottish Government continuing to provide targeted funding to those Boards below parity, in order to move all Boards towards their target allocation. No Board is currently further than 0.6% below parity – down from 0.8% at the time of the 2023-24 Scottish Budget.

Work to review the formula is underway, however, funding formulas are inherently complex and the review will take time.

The Technical Advisory Group on Resource Allocation (TAGRA) has met three times this year to continually update and consider refinements to the formula. The full set of Costs Book data is due to resume next year, which is required to support wider review of the formula. After this point more detailed work can be considered on review of the formula.

Committee Recommendation

38. The Committee also asks whether the Scottish Government is still expecting boards to demonstrate an ability to break even by 2025-26 and to provide an assessment of how likely it is that this will be achieved and details of what further action it will take in relation to those boards that are unable to meet this expectation.

Response to Committee’s Recommendation

Three-year plans have been commissioned from NHS Boards, covering the period 2024-25 to 2026-27. Annual Delivery Plan are being progressed alongside this which will ensure greater join-up between service plans and finance plans. The focus of these plans will be Boards evidencing improvements from 2023-24 and work towards medium to longer-term financial sustainability with Boards required to set out:

- a clear programme of work and supporting actions to achieve the target of 3% recurring savings on baseline budgets from 2024-25;
- an improved forecast outturn position for 2024-25 compared to the NHS Boards’ forecast outturn position reported at the start of 2023-24.

Where assurance cannot be given on both of these areas, financial plans will not be accepted and consideration will be given as to how to support those Boards in developing realistic improvement plans.

The recently established NHS Scotland Finance Delivery Unit (FDU) is already supporting a number of Boards. Over the next 4 to 5 months, before the start of 2024-25, NHS Boards are expected to engage with the FDU, and with each other across NHS Scotland and IJBs, to identify at local, regional and national opportunities to move towards financial balance.

We have recently reviewed the NHS Scotland Support and Intervention Framework which considers Boards' escalation status. Four Boards currently sit at level three of this framework and in formal escalation for finance: NHS Ayrshire and Arran, NHS Borders, NHS Highland and NHS Orkney. Further review will take place early 2024-25 to consider all Boards' status on this framework.

Workforce and Pay

Committee Recommendation

45. The Committee would ask the Scottish Government to set out what specific actions it intends to take as part of the 2024-25 budget to address challenges around staff recruitment, training and retention in the health and social care sectors.

Response to Committee's Recommendation

There is an interplay between wellbeing and staff retention. Research indicates employers can expect a five-fold return on investment in staff mental health, citing reduced turnover, sickness absence and other organisational costs. (Deloitte, 2020). Improved staff wellness and wellbeing improves productivity and enables better patient care. Our national wellbeing offers can also help lower risk of burnout and improve resilience through developing better coping skills and self-awareness.

Our wellbeing programmes such as Workforce Specialist Service (WSS) and Workforce Development Programme (WDP) deliver psychological support and treatment to staff with often complex mental health needs when they require it most. Both have strong records of significantly improving mental health for staff they treat, enabling them to remain in or return to work healthy and positively influencing their intention to stay in the workplace.

Whilst WDP was developed during the pandemic with an initial time-limited budget, the current pressures across the sectors mean it is still desperately needed (with demand for services rising), particularly for non-regulated staff who cannot access WSS. Continuing to provide funding nationally through Scottish Government would be the most efficient method. Both services are running at capacity and need expansion to meet future demand. Investment in both will release significant savings against the wider costs of mental ill health and associated service disruptions whilst further enabling staff retention. Seventy-three per cent of WSS referrals, not in work at registration, return to work following treatment and 87% of staff referred for psychological therapies rated strongly agree or agree it helped them remain or return to work. Seventy-nine per cent of staff show improvement in treatment with 61% classed as recovered at the end of treatment on standardised outcome measures.

The Scottish Government will continue to implement the National Workforce Strategy for Health and Social Care, to achieve our vision of a sustainable, skilled workforce with attractive career choices where all are respected and valued for the work they do. We have supported targeted recruitment in support of our National Treatment Centre programme and have supported Boards with a significant level of international recruitment. We are also working collaboratively with our Health Boards to identify specific recruitment challenges by specialism and geography and consider mitigations. A clear focus and purpose in that is to reduce reliance on off-framework agency staffing.

While the use of temporary staff in an organisation as large and complex as NHS Scotland will always be required to ensure vital service provision during times of unplanned absence, sickness and increased unforeseen activity, it is critical that we seek to secure best value whenever we are delivering services within NHS Scotland. Accordingly, we have been working with colleagues across the NHS to explore how we can reduce our reliance on agency staffing and have made progress in reducing our use of the most expensive agencies involved in the supply of nursing staff across Scotland. We will continue to explore what more can be done to build on these initial steps.

Nursing and midwifery and paramedic undergraduate target training numbers have already been agreed for three years from 2022-23 at 4873 (nursing 4536 and midwifery 301) and 335 (paramedics). The corresponding budget in 2024-25 for this expenditure has been forecast and the work of the Nursing and Midwifery Task Force attraction and marketing activity is expected to have a positive effect on recruitment to meet these challenging targets for nursing and midwifery students. To widen access to recruitment opportunities we will continue our work through our Anchors workforce workstream and continue to develop a diversification of training routes through apprenticeships and earn as you learn models which can support locally provided training – especially important in rural areas. We will continue work with the aim that our unregistered clinical workforce has a standardised training offer across Scotland to ensure confidence in their practice across NHS Scotland. With regards our registered workforce, we will undertake a review of the process to assess training intakes and more broadly how we can ensure that proportionally we are training the right people at the right time.

We will continue to support and promote measures to encourage the retention of the health workforce, including the retire and return policy to encourage those approaching retirement to consider continuing to work after their retiral date; and, more broadly, through the ongoing Once for Scotland Workforce Policies programme which is being taken forward in partnership with employers and trade unions, with the aim of ensuring that all employees and workers are treated in a non-discriminatory, fair and consistent way.

In addition, to support retention of our nursing and midwifery workforce, our Ministerial Nursing and Midwifery Taskforce will develop a clear plan of action to support workforce sustainability with a specific focus on culture and leadership, education and training, wellbeing, recruitment and retention, and diversification of training pathways.

Within the medical workforce, we are creating 48 additional Foundation training posts in 2024 to accommodate an increased number of Scottish medical school graduates. An additional 153 trainee doctor posts will also be created in 2024 representing the largest annual

expansion on record with uplifts in 24 different specialties overall, including anaesthetics, emergency medicine, general practice, intensive care medicine, paediatrics, psychiatry and surgery.

The Scottish Government is aware of the pressures faced by the Social Care sector at present, and greatly appreciate the efforts of the social care workforce who continue supporting our communities. There are more than 1,200 social care providers across Scotland, with local authorities and Health and Social Care Partnerships responsible for providing or commissioning services. Local authorities and Health and Social Care Partnerships will wish to ensure that, in providing a range of services, their workforce planning arrangements take full account of the need to have safe and sustainable numbers of staff. The Scottish Government is committed to continuing support for local recruitment efforts.

To increase awareness of the careers available in the adult social care sector, we have an Adult Social Care marketing campaign which offers a stakeholder toolkit for providers to utilise campaign assets to support their own local recruitment efforts. We provide funding to enable all social care providers to advertise vacancies on the MyJobScotland recruitment website at no additional cost. We also recently launched a new campaign to support the recruitment of more adult social care workers and help address vacancies. The campaign focuses on the difference someone working in adult social care can make to people's lives, highlighting the rewarding relationship between carer and care receiver.

The Scottish Government recognises the value in overseas workers who choose to live and work in Scotland, and is exploring how we can best support ethical international recruitment that upholds our Fair Work Principles. A pilot project was launched in summer to support providers with rapid, ethical international recruitment, and to gather information on how we can best support providers and the workforce through the visa sponsorship process and develop supporting materials to be shared across Scotland.

Committee Recommendation

46. The Committee calls on the Scottish Government to address directly concerns raised in evidence that any commitment to increase the budget for health and social care risks being entirely absorbed by current and future pay settlements and broader price inflation and to outline what further action it intends to take to address this.

Response to Committee's Recommendation

While pay makes up a significant proportion on health and social care spending, this is not unique to the sector or to public services. The workforce is our biggest asset; workforce capacity is critical for the delivery of both day-to-day services and our post-pandemic service recovery ambitions. Since March 2020 we have successfully grown our NHS workforce by an unprecedented 10.41% (14,934 WTE). Consequently, it is recognised that Portfolio spend on staffing has increased from c. 46% of total Portfolio expenditure in 2019, to c. 56% in 2023. There are a number of factors affecting this in addition to workforce growth, including responding to domestic and international workforce supply challenges which have created market pressures, and the sustained inflationary pressures experienced since 2021.

We are taking forward a number of workstreams under the auspices of the National Workforce Strategy for Health and Social Care to attempt to mitigate some of these competing pressures, including our work to enhance early career, work experience and apprenticeship opportunities; increasing workforce diversification through an evidence-based expansion of medical associate, advanced practice and associate practitioner roles; improved operational workforce supply planning through the development of a new visualisation tool to assist with forecasting, and enable both government and health boards to more proactively address workforce shortages through service adaptation and redesign; engaging directly with our workforce to drive improvement in retention and wellbeing through the Nursing and Midwifery Taskforce and its Listening Project.

Our commitment to delivering fair working conditions and fair pay settlements for the workforce have been a key building block in ensuring we have a sustainable, skilled workforce with attractive career choices where all are respected and valued for the work they do. In doing so we have sought to respond proactively to the sustained inflationary pressures that have been observed both across the UK, and internationally, and we have sought to maintain productive and mature partnership working relations with employers and with trade unions.

Nevertheless, we recognise that there are likely to be sustained financial pressures for health and social care services going forward. Consequently, in addition to our work to strengthen supply, attraction, recruitment and retention, our strategic focus over the medium term will be to seek to optimise workforce capacity to seek to minimise overall future growth demand and improve productive opportunities across the NHS estate. We have already taken steps to reduce the use of off-framework agency staffing and thereby reduce the costs associated with purchasing supplementary staffing capacity, we will now look more broadly at medical locum and agency spend, optimise staff banks, and deliver supportive wellbeing and workforce practice interventions to reduce the overall incidence of unplanned absence and to enhance capacity. It is acknowledged that whilst the demand for services will, in all likelihood, continue to rise, we will continue to need to work with domestic and international workforce supply limitations. Recent changes to UK visa and immigration rules will significantly compromise our ability to take forward any further international recruitment. We do not anticipate any significant workforce growth over the medium term, but maintain existing commitments to build capacity in priority areas, including our commitments to planned care recovery and general practice. We will continue to focus on workforce retention, skills development and adaptation, with a view to minimising staff turnover and recruitment pressures.

Preventative spend and a whole system approach

Committee Recommendation

57. The Committee asks the Scottish Government to provide examples of where budget decisions have reflected a commitment to preventative spend and a whole system approach. The Committee would also seek further clarity from the Government as to how both preventative spend and a whole system approach are built into the decision-making process for the health and social care budget.

Response to Committee's Recommendation

The Scottish Government's approach to funding public services embodies a preventative approach, recognising the wide range of benefits this can provide, not least in maximising the health and wellbeing of the population which is critical to the delivery of outcomes across the National Performance Framework. Our Budget process is guided by these outcomes and, within the health and social care portfolio, is underpinned by our commitment to shifting focus to prevention and early intervention and to shifting the balance of spend towards mental health, and to primary, social and community care.

There are a range of current and planned preventative measures – including activity to support and deliver reform of health and social care services in a way that delivers a preventative approach. Prevention will underpin the National Care Service (NCS), which the Scottish Government is committed to introducing by the end of this Parliament to ensure quality, fairness and consistency of provision that meets individuals' needs, regardless of where they live in Scotland. The NCS is a central component of our investment strategy towards sustainable public services.

We recognise that change cannot wait until the NCS is in place, and we have established a number of programmes across the Health and Social Care portfolio which will further embed a preventative approach. The Preventative and Proactive Care programme is helping develop preventative healthcare models, and will support the delivery of many of the recommendations made in the Independent Review of Adult Social Care, which highlighted the need for a greater preventative approach. A range of Getting it Right for Everyone (GIRFE) pathfinders are testing potential models in various settings. We are focusing on maximising Digital Prevention and Proactive Care via new initiatives, and supporting scale and standardisation of use of effective digital approaches. We recently launched a 'Waiting Well' hub on NHS inform – our aim is that the waiting period for a health and social care intervention should be an active phase of preventative and proactive activity; with the mission of ensuring that people's health and wellbeing does not deteriorate from preventative causes in the waiting period; and indeed, the aim is to stabilise, enhance or improve health and wellbeing for people by pre-habilitation approaches. We are working across Primary Care to improve services and support for all, including people who have unmet needs and are at higher risk of health inequalities. This includes our work to enhance the role of the MDT in both primary care General Practice (GP) and locality settings; to maximise preventative and proactive approaches which are offered in the community, such as glaucoma services in community optometry. We are investing more in practices servicing disadvantaged areas and have provided up to £1.3 million of new Inclusion Health Action in GP funding general practices in NHS Greater Glasgow and Clyde with the highest levels of poverty and disadvantage. Through our recently published Mental Health and Wellbeing Strategy, and accompanying Delivery Plan, we have committed to focus on preventing mental health issues from occurring or intensifying and tackling the underlying causes and inequalities wherever possible. This year we are investing a further £15 million in our Communities Mental Health and Wellbeing Fund for adults to support local, grass roots, community interventions. This brings our total investment through the Fund to £51 million since 2021.

We are committed to ensuring people can be treated in their own home which enables people to keep their independence for as long as possible and avoid hospital stays.

How we approach innovation in service delivery is critical. We are committed to ensuring that people across Scotland benefit fully from advances in science and technology that could transform lives, increase healthy life expectancy and reduce health inequalities. The Accelerated National Innovation Adoption (ANIA) pathway has been established to provide a whole system approach to the identification, assessment and accelerated adoption of innovative technologies within the NHS in Scotland. This will support joint decision making between the Scottish Government and the NHS around which innovations to prioritise for investment to maximise our impact on the prevention of ill health and the productivity of the NHS in Scotland.

The Scottish Vaccination and Immunisation Programme already contributes significantly to the prevention of disease and with new and improved vaccines and programmes being developed, this contribution is set to increase. The extensive programme now includes a wide range of vaccines which prevent or reduce the impact of infection; for example the covid vaccination programme which WHO estimates prevented more than 27,000 deaths in Scotland, and Scotland's HPV vaccination programme has significantly reduced the incidence of cervical cancer. RSV is one of the leading causes of hospitalisation in the first year of life, with over 3,000 hospitalisations in Scotland per year leading to pressure, particularly within paediatric intensive care units. A new RSV vaccination programme to protect infants and older adults is being planned in response to JCVI recommendations. We have invested significantly in the expanded programme with additional funding being invested in capacity and new vaccines.

A key aspect of our preventative approach is creating the conditions for people to live healthier lives, and we recognise that the building blocks of good health require concentrated action across government to maximise income and address socio economic factors and we work across government as part of our policy making and budget setting process to drive preventative activity. Examples include allocating almost £3 billion to mitigate the effects of the cost of living crisis on people, delivering the Scottish Child Payment, delivering Best Start Bright Futures to tackle child poverty, free school meals and the council tax reduction scheme. Our ambition is that from 2030, we will be investing at least 5% of all community-based health and social care spend in preventative whole family support measures.

We also need to support and encourage positive health behaviours, and maximise the preventive impact of vaccination and screening services. We are building on our preventive work on smoking, tobacco and vaping, alcohol, diet and healthy weight and physical activity as part of our longer term approach to improving population health. Whilst investment in prevention – particularly in addressing the wider building blocks of health is vital to ensuring we support our health and care reforms to improve population health and reduce the burden of disease, we know there are important actions we are taking that do not require the same level of financial investment, but can deliver significant impacts at a population level. These include the use of legislation and restrictions to support population level behaviour change, such as Minimum Unit Pricing (MUP), potential restrictions to support healthy diet and smoking. We are taking decisive preventative action to reduce alcohol harm, including reviewing minimum unit pricing, considering an approach to reducing children's exposure to alcohol marketing and working to make Scotland tobacco-free by 2034.

These actions, in addition to investment and health and care reform, will support a shift towards a preventative approach, and our refreshed Medium Term Financial Framework (MTFF) planned for Spring 2024 will provide the financial context for our longer-term planning. Given the anticipated impact of demographic changes on burden of disease and future workforce, a greater emphasis on prevention will be essential both in terms of sustainability and also in making improvements to health outcomes.

Workforce

Our health, social care and social work services are reliant on sufficient, well-trained staff delivering safe, high quality care to the people of Scotland. Evidence shows clear links between untreated workforce mental illness and increased absence; lower productivity; and reduced quality of care experienced including increased errors.

Cost-effective services which help prevent staff from burnout, improve resilience and support staff when they become unwell are vital to a whole system, preventative approach to delivering health and social care and social work services.

Our suite of national workforce wellbeing offers collectively deliver a preventative approach by recognising the hierarchy of need (as developed by NES Psychology Directorate, June 2020):

- National Wellbeing Hub provides information enabling staff to support their own wellbeing and signposting to other services
- Coaching for wellbeing improves coping skills and resilience
- Workforce Development Programme provides psychological therapy to treat issues such as anxiety and difficulty sleeping
- Workforce Specialist Service offers treatment for regulated staff from mental illness such as depression and addiction and support during regulatory issues.
- National wellbeing Helpline offers 24/7 trained telephone support through NHS24 for staff in crisis
- Emerging peer support and reflective practice opportunities offer staff a safe, confidential space to connect, reflect and reframe difficult experiences.

These Wellbeing services offer a 'spend to save', sustainable approach, allowing staff timely access to appropriate support enabling them to remain in, or safely return to work.

Sickness absence due to mental illness increases likelihood staff will consider leaving. Evidence from NHS England shows a consultant missing 3 days work for poor mental health is 58% more likely to leave the organisation three months later. The evidence also shows such quality wellbeing support helps minimise systemic pressure on the NHS by improving staffing levels, retention; quality of patient care experience; and minimising unnecessary spend on sick leave, agency/bank cover, recruitment and training.

Primary Care

We continue to invest in Primary Care reform. Around 90% of all healthcare contacts take place in primary and community care - and primary care is instrumental in driving a preventative, sustainable and integrated healthcare system. Our joint strategic priorities for primary care reform are to focus on shifting the balance of care closer to people's homes and driving a proactive approach of early intervention and prevention, promoting value for money across the health system.

- In 2024-25 over £2.1 billion is provided to deliver and improve primary health care services in the community, enabling dental reform, provision of community pharmacy services and supporting crucial GP services through investment in multi-disciplinary teams and targeted assistance to support system sustainability.
- We continue to invest in quality community health services to support our priorities relating to prevention and early intervention.
- In 2021-22, the latest year for which data is available, 49.2% of spend was in the community compared to 50.8% in hospitals

There is clear international evidence that strong primary care systems are positively associated with better health outcomes, effectiveness, efficiency and equity.

- **Effectiveness** - Primary care drives achievement of improved health outcomes through free and local access to health care, facilitating early detection and prevention of health conditions.
- **Efficiency** is achieved through preventative action before health conditions escalate requiring more expensive secondary care treatment. Scottish data suggests a Primary Care consultation costs around £35, compared to a trip to A&E which would cost £146.
- **Equity** - Inequalities are reduced through increased proactive and preventative care and dedicated and effective inclusion-enhanced support from Mental Health and Community Links Workers.

Working as part of the Preventative and Proactive Care (PPC) workstream within the Care and Wellbeing Portfolio, we are working to ensure that Scotland's citizens, communities and services to access and benefit from preventative and proactive ways to improve healthy life expectancy and reduce health inequalities. Some of the following are examples of primary care projects within the PPC programme:

- We implemented dental payment reform on 1 November 2023 which delivers a simpler system of payments that afford greater clinical discretion to NHS dental teams, better transparency of the NHS offer for patients and reflect modern techniques in dentistry.
- We have introduced enhanced examination and prevention fees for children from 1 February 2022, ensuring that more patients' oral health is improved and treated early, before problems materialise.
- We are funding the Inclusion Health Action in General Practice (IHAGP) project, which is making payments to General Practices serving some of the most deprived communities in NHS Greater Glasgow and Clyde. Funding is used to provide enhanced support to patients to help tackle the causes and effects of health inequalities for people who often have complex life circumstances and unmet needs.

- Rollout of the Community Glaucoma Service (CGS) is underway, which will be a nationally available service providing care for lower risk glaucoma and treated ocular hypertension (OHT) through local optometrists in their community rather than secondary care hospitals.

Committee Recommendation

58. The Committee also seeks an update on progress towards meeting the Scottish Government's commitment to invest at least 5% of all community-based health and social care spend in preventative whole family support measures as well as what work is being done to identify and measure the preventative impact on public health of budget interventions outside the health and social care portfolio.

Response to Committee's Recommendation

In collaboration with Public Health Scotland, Health and Social Care Analysis (HSCA) division is developing a Care and Wellbeing dashboard to provide access to a range of evidence, structured around the evidence-based [Marmot framework](#) which looks at the wider social determinants of health, the conditions in which people are born, grow, live, work and age which can lead to health inequalities. The dashboard will be part of the [Scottish Public Health Observatory](#) (ScotPHO) providing a single repository of data to track progress on key population health outcomes and the wider determinants which influence health outcomes, many of which sit outside the health and social care portfolio.

An example of wider work that follows the Marmot framework and investigates the impact of preventative interventions, including those outside of the H&SC portfolio, is an [Impact Assessment](#) of the cost of living crisis carried out by Public Health Scotland, and including an analysis of the mortality impacts of changes to household income using the PHS Triple I model.

As part of the National Mission to reduce drug related deaths we are investing over £6.5 million per year to implement our Whole Family Approach framework which seeks to support families affected by substance use in a holistic way. We are also investing in significant expansions to preventative programmes such as Planet Youth, which supports communities to identify risk and protective factors for substance use in young people, and Routes, which supports young people affected by familial substance use.

The Whole Family Wellbeing Funding programme is supporting local areas to transform their services and to prioritise preventative, holistic whole family support. We published an interim evaluation report for Year 1 of the fund, which told us that local services are finding the funding beneficial for improving their holistic family support offer. We will publish a full evaluation of the first year of the programme in the New Year.

A key principle of this funding is that we have incorporated an iterative learning process. This is to ensure we understand what it takes to deliver transformational change and to embed preventative investment beyond the lifetime of the funding. Including how we ensure that by

2030 at least 5% of all community-based health and social care spend across Scotland is invested in preventative whole family support measures.

Work is also currently progressing to deliver our 2022-23 Programme for Government commitment to publishing a Whole Family Wellbeing investment approach to support the provision of preventative, holistic family support.

Public Engagement

Committee Recommendation

62. The Committee asks the Scottish Government to set out what plans it has, if any, (and over what timescale) to engage the public in a 'national conversation' about the future of the health and social care system and the ways in which it will likely need to adapt to meet changing priorities, new and emerging challenges and in the context of finite budget resources.

Response to Committee's Recommendation

Under this Scottish Government, Scotland's NHS will always remain in the hands of the public and be free at the point of use.

We know our approach to planning and delivering health and care services needs to change to enable recovery. Our Policy Prospectus and Programme for Government is explicitly clear: **reform is required**.

However, the fundamentals of Scotland's NHS will not change; we remain committed to free health care at the point of access, to the improvement of health outcomes across Scotland, and to the reduction of health inequalities that persist in our communities.

We continue to work with partners across the health and social care system, local government and wider stakeholders, to develop our shared long-term planning for population health and integrated health and social care services development.

The approach to engagement with the public will be fully developed in due course; as with the development of National Care Service we are committed to focused person-centred co-design to make real changes to our services and improve the access to sustainable and high quality care.

We engage with the public on an ongoing basis, such as through our Citizens Panel, run by Healthcare Improvement Scotland, to understand people views and what matters most to people regarding health and social care services. We also hear from people through Care Opinion, and Boards' have a statutory obligation to consult prior to any changes in statutory services.

Health outcomes

Committee Recommendation

68. The Committee asks the Scottish Government to set out what role the NPF has in informing decisions on the health and social care budget. As highlighted in evidence from Audit Scotland and the IPPR, it calls on the Scottish Government to address how it intends to shift spending away from a current focus on short term targets and towards a long-term outcomes-based approach. In particular, it calls on the Scottish Government to address to what extent the introduction of lower-level milestones linked to NPF outcomes might assist a shift towards a more strategic, long-term outcomes-based approach to spending.

Response to Committee's Recommendation

The Scottish Government's approach to funding public services embodies a preventative approach, recognising the wide range of benefits this can provide, not least in maximising the health and wellbeing of the population which is critical to the delivery of outcomes across the National Performance Framework. Our Budget process is guided by these outcomes and, within the health and social care portfolio, is underpinned by our commitment to shifting focus to prevention and early intervention and to shifting the balance of spend towards mental health, and to primary, social and community care.

We are committed to set out a long-term approach for the reform of the NHS to improve population health and system sustainability to meet the needs of our diverse population of Scotland. We are giving this focus through Care and Wellbeing, which brings together our key reforms within a single portfolio to accelerate progress on our efforts to improve population health and wellbeing, reduce inequalities, and create a more sustainable health and social care system.

The [Care and Wellbeing dashboard](#) uses existing indicators from the National Performance Framework and other SG outcome frameworks, such as the children, young people and families outcomes framework, to ensure alignment and commitment to drive progress towards a common set of long term outcomes. The dashboard includes headline population health outcome indicators which may take many years of concerted action to improve as well as other indicators to track the wider determinants of health which can help monitor interim progress.

Committee Recommendation

69. The Committee indicates its intention to undertake focused scrutiny of the relevant outcomes in the National Performance Framework as part of the forthcoming five-year review. As part of this scrutiny, it would welcome a debate with the Scottish Government and key stakeholders as to how the NPF can be reformed to become a more effective tool to support strategic outcomes-based policymaking and spending in the fields of health, social care and sport.

Response to Committee's Recommendation

The Review of National Outcomes is underway, and the statutory document for the revised National Outcomes is expected to be laid in early 2024 for Parliamentary scrutiny.

In response to a recommendation from the Finance and Public Administration Committee's Inquiry into the NPF, the Scottish Government has committed to producing an implementation plan for the revised National Outcomes, which will support further implementation and effective use of the NPF across Scotland.