

Cabinet Secretary for NHS Recovery Health and
Social Care
Rùnaire a' Chaibineit airson Ath-shlànachadh NHS, Slàinte
agus Cùram Sòisealta
Michael Matheson MSP/BPA



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Ian Murray MP
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Our Reference: 202300376163
Your Reference: (Case Ref: IM87614)

27 September 2023

Dear Ian,

I write in response to your most recent letter of 11 September on the subject of a proposed new health centre in Liberton.

NHS Lothian has the authority to carry out projects with a capital cost of up to £10 million without the approval of the Scottish Government. Health Boards' delegated capital spending limits are set out at the attached link - [DL\(2019\)5 - Delegated limits: capital investment projects \(scot.nhs.uk\)](#).

The capital cost of the proposed Liberton Health Centre is £5.5 million and NHS Lothian therefore has the authority to carry out that project without Scottish Government approval.

Health Boards may use their delegated capital budgets for their priorities without Scottish Government approval as long as the cost of any individual project does not exceed their delegated capital spending limit. In 2023/24, NHS Lothian has a delegated capital budget of £24.7 million.

An element of the Health Portfolio's capital budget is managed centrally and is allocated to Health Boards' following approval of a satisfactory business case in line with the Scottish Capital Investment Manual. The projects supported in this way tend to be those with a cost greater than Health Boards' capital spending limits. In the case of NHS Lothian, major projects submitted to Scottish Government in recent years include business cases for the replacement of the Princess Alexandra Eye Pavilion and the Edinburgh Cancer Centre and for the construction of a National Treatment Centre in Livingston.

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Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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The Scottish Government published its Infrastructure Investment Plan in February 2021 - [A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/infrastructure-investment-plan-2021-22-to-2025-26/pages/introduction/). It sets out the priority health projects for the Scottish Government for the period 2021-22 to 2025-26.

As a result of very high levels of inflation in the construction sector and a lower than anticipated capital grant from the UK Government, the Scottish Government is focussing its investment on delivering the priority health projects set out in the Infrastructure Investment Plan. To assist with this, we are reviewing those projects and their sequencing. This review does not extend to what Health Boards allocate their delegated capital budgets to and they continue to have the authority to spend those budgets without Scottish Government approval, subject to their capital spending limits.

Yours sincerely,



MICHAEL MATHESON

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