

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: 202300379404
Your Reference: IM87614

26 October 2023

Dear Ian,

I refer to your letter of 2 October regarding the proposal to build a new health centre in Liberton, Edinburgh.

As I stated previously, the challenge of providing necessary GP cover in areas of population growth is something that I too am keen to resolve, and I appreciate NHS Lothian's efforts so far in looking into solutions. Funding has not been withdrawn by the Scottish Government for the construction of a new health centre in Liberton as there has never been any agreement to provide that funding.

I explained in my last letter that, 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. This focus applies to that element of the health portfolio capital budget which is centrally managed. The effect of the very high levels of inflation in the construction sector is that costs across the whole of the Scottish Government's infrastructure investment programme have increased significantly. The pressure on the centrally managed health capital budget is such that we have to focus on delivering those projects which we are already committed to.

I also appreciate, as I stated in a previous letter, that NHS Lothian's own capital budget is under pressure from other competing priorities across the whole system and the common challenge of rising costs across the construction industry. It therefore may be the case that NHS Lothian has to prioritise other projects ahead of these.

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It will be some time before there is flexibility in the centrally managed capital budget to support other new construction projects. Unfortunately, this is the reality of the impact of inflation in the construction sector combined with the lower than anticipated capital grant from the UK Government.

Yours sincerely,



MICHAEL MATHESON

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