

# RELEVANT DISCLOSURES IN RESPECT OF THE PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010

## 1. Background to the disclosures

1.1 The Public Services Reform (Scotland) Act 2010 (“the Act”) received Royal Assent in April 2010. It contained a number of provisions for the restructuring of Public Sector organisations in Scotland and set up powers for Scottish Ministers to improve the exercise of public functions. It also imposed duties on Scottish Ministers and listed public bodies (including NHS Lothian) to publish information on expenditure and other matters on an annual basis.

1.2 Under the Act’s information provisions, NHS Lothian must publish annually the following information:

### Section 31 disclosures

- Expenditure incurred in the financial year on public relations
- Expenditure incurred in the financial year on overseas travel
- Expenditure incurred in the year on hospitality and entertainment
- Expenditure incurred in the year on external consultancy (including that incurred on construction or infrastructure projects)
- Expenditure payments in excess of £25,000 not including remuneration
- The number of employees receiving remuneration in excess of £150,000

### Section 32 disclosures

- Statement outlining the steps taken to promote sustainable economic growth in Lothian
- Statement outlining the steps taken to improve efficiency, effectiveness and economy

1.3 The timing of public release of such disclosures in NHS Lothian is typically built around the time that the Annual Accounts of NHS Lothian are placed before Parliament.

1.4 The following paragraphs summaries’ the position of NHS Lothian in respect of the disclosures required by the Act in respect of the items in paragraph 1.2 above.

## 2. Section 31 disclosures

### **Public Relations**

2.1 The total expenditure in public relations for NHS Lothian is £646,000, (2018/19 - £570,000). This expenditure includes the running costs of the NHS Lothian Communications department and associated support, of which the majority relates to staff costs, £593,000 (2018/19 - £520,000).

### **Overseas Travel**

2.2 This data is captured from the e-expenses and procurement processing systems. The total cost for financial year 2019/20 has been identified at £260,391, (2018/19 £273,378). A small decrease in costs can be attributed to decreased travel activities in March 2020 due to COVID-19.

## Hospitality and Entertainment

- 2.3 This data incorporates all of the relevant cost offset recharges provided through catering services for meetings and events held internally within NHS Lothian and the cost of Board meetings and away days. The total cost for 2019/20 is £153,144 (2018/19 - £163,458).

## External Consultancy

- 2.4 There are two principal elements to this cost. The first element of consultancy expenditure is in relation to revenue costs. This amounts to £925,237 (2018/19 - £1,538,777). The reduction in costs is largely due to
- the stage of completion of the Royal Hospital for Children and Young People / Department of Clinical Neurosciences with a reduction in costs classified as consultancy and attributed to this project; and
  - specific 2018/19 projects with no projects of the similar scale in 2019/20.
- 2.5 The other element relates to capital schemes. Under this category NHS Lothian is required to include such costs relating to construction or related infrastructure. The total incurred for 2019/20 amounts to £13,380 (2018/19 - £157,366k). The reduction in the costs in this category is due to the specific projects currently under development with significant projects moving into the construction phase, or being in the early pre-feasibility stage.
- 2.6 The total consultancy costs incurred by NHS Lothian for 2019/20 to be disclosed therefore amount to £938,617 (2018/19 - £1,692,939).

## Expenditure > £25,000

- 2.7 Reports have been regularly extracted from the financial ledger since October 2010 in order to fulfil the statutory requirements. After review of content and format these are now in publishable form, with suitable redaction of information that would contravene Data Protection Act legislation. In order to complete the expenditure profile, the summaries published retain **aggregate** payment data for payroll costs and payroll deductions paid to HMRC and SPPA in respect of tax, national insurance and pension scheme payments.
- 2.8 Accordingly the monthly expenditure reports' value accounts for approximately 85.42% of total gross capital and revenue expenditure flowing through the NHS Board accounts over approximately 2,500 lines of information for any one year. The balance is made up principally by expenditure flowing through FHS practitioner services under payments on behalf. Publication will continue to be separate months' listings.
- 2.9 In order to manage the risk around confidentiality of contracts and data protection the monthly reports extracted from the financial systems were circulated around local finance/management teams, for review in advance of the publication. There are 11 individual payments, amounting in total to just over £1.7m, relating to severance payments and legal compensation awards have been redacted.

## Employees in receipt of Remuneration > £150,000

- 2.10 This information is capable of extraction from the Annual Accounts but due to the aggregation of employers' pension contributions with gross pay for executive members in the Accounts' remuneration report, a separate disclosure is required to meet the Act's specific requirements.
- 2.11 For 2019/20 the number in receipt of remuneration in excess of £150,000 was 147 (2018/19 - 139) including 145 (2018/19 - 138) clinical staff and 2 (2018/19 - 1) non- clinical.

## **Voluntary Disclosure**

2.12 In addition to the above statutory disclosures NHS Lothian incorporate a voluntary disclosure on the aggregate of members' expenses. The amount of the aggregate of expenses is £7,728.96 (2018/19 - £14,717.75).

### **3. Section 32 Disclosures**

#### **3.1 Sustainable Economic Growth**

Please refer to pages 19-20 of the NHS Lothian Annual Report and Accounts for the year ended 31 March 2020 (Statement of steps taken to promote and increase sustainable economic growth).

#### **3.2 Efficiency, Effectiveness and Economy**

Please refer to pages 20-21 of the NHS Lothian Annual Report and Accounts for the year ended 31 March 2020 (Statement of steps taken to improve efficiency, effectiveness and economy).