

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

1 Background to 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:
- 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

2 Public Relations

- 2.1 This disclosure is already included within the Annual Accounts for the year ended 31 March 2013. These accounts are now in the public domain after being laid before Parliament in October 2013. The total expenditure in public relations for NHS Lothian reflected in the annual accounts is £594,000 (2011/12 £625,000), a reduction of just under 5%. The total expenditure includes the running costs of the NHS Lothian Communications department and associated support.

Overseas travel

- 2.2 A number of process improvements have been established to capture this data more routinely from the e-expenses and procurement processing systems. The total cost for financial year 2012-13 has been evaluated at £19,315 (2011/12-£62,124) a 69% reduction.

Hospitality and Entertainment

- 2.3 The data here 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 2012/13 is £128,739(2011/12-£102,358) - an increase of 25%.

External Consultancy

- 2.4 There are two principal elements to this cost. The first is routine **revenue** costs of bought in resource coded to detail national accounts code 4806 in the financial ledger revenue cost hierarchy. This amounts to £609,910 (2011/12-£1,763,053). The 2012/13 figure includes £0.40m (2011/12- £1.15m) of costs in respect of RHSC/DCN project.
- 2.5 The other, more significant, element relates to **capital** schemes. Under this category NHS Lothian is required to include such costs relating to construction or related infrastructure. Substantial costs have been incurred in this category in support of project proposals (such as surveying and structural engineering). Accordingly the total incurred for 2012/13 amounts to £1,119,429 (2011/12 £4,160,691); of which £88,490 (2011/12-£2,703,861) relates to the RHSC/DCN re-provision project. Stripping out the separate impact of the RHSC/DCN costs shows an overall reduction of £0.43m.
- 2.6 The total consultancy costs incurred by NHS Lothian for 2012/13 to be disclosed therefore amount to £1,729,339 (2011/12-£5,923,744).

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 77% of total gross HCH capital and revenue expenditure flowing through the NHS Board accounts over approximately 2500 lines of information for any one year. This is consistent with the share of overall payments' value in 2011/12. The balance is made up principally by expenditure flowing through FHS practitioner services under payments on behalf.
- 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 publication. 25 individual payments, amounting in total to just over £1.1m, relating to capital grants, 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 2012/13 the number in receipt of remuneration in excess of £150,000 was 70 (2010/11-75) including 68 (2011/12-73) clinical staff and 2 (2011/12-2) non-clinical. Of the above number of clinical and non-clinical staff, two (2011/12-two) were executive members of the NHS Board during 2012/13.

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 £8,309 (2011/12-£7,482).