

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:
- 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
- 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. The Annual Accounts were laid before Parliament in October 2015.
- 1.4 The following paragraphs summarise 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. Disclosures

Public Relations

- 2.1 This disclosure is already included within the Annual Accounts for the year ended 31 March 2015. The total expenditure in public relations for NHS Lothian reflected in the annual accounts is £695,000 (2013/14 £607,000). The total expenditure includes the running costs of the NHS Lothian Communications department and associated support.

Overseas travel

- 2.2 This data is captured from the e-expenses and procurement processing systems. The total cost for financial year 2014-15 has been identified at £179,298 (2013/14-£182,803)

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 2014/15 is £157,652.27 (2013/14-£111,020).

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 £1,639,613 (2013/14-£1,147,200). Included within the revenue consultancy costs is around £1,214,000 (2013/14 - £690,000) in relation to RHSC/DCN and £103,000 (2013/14 - £159,000) for REH and bundle projects.
- 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 2014/15 amounts to £3,809,252 (2013/14 £4,016,481). Key balances included with this relate to £525,000 for the RHSC/DCN re-provision project, £612,000 for the REH project, other RIE projects £329,000 and the Lothian Hub Partnership Centre Bundle £1,097,000.
- 2.6 The total consultancy costs incurred by NHS Lothian for 2014/15 to be disclosed therefore amount to £5,448,865 (2013/14-£5,163,681).

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% of total gross HCH capital and revenue expenditure flowing through the NHS Board accounts over approximately 2200 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 publication. There are 6

individual payments, amounting in total to just under £0.5m, 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 2014/15 the number in receipt of remuneration in excess of £150,000 was 88 (2013/14-83) including 87 (2013/14-81) clinical staff and 1 (2013/14-2) non-clinical. Of the above number of clinical and non-clinical staff, three (2013/14-two) were executive members of the NHS Board during 2014/15.

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 £15,032 (2013/14-£16,070).