

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 £520,000, (2016/17 - £543,000). This expenditure includes the running costs of the NHS Lothian Communications department and associated support, of which the majority relates to staff costs, £490,000 (2016/17 - £511,000).

Overseas travel

- 2.2 This data is captured from the e-expenses and procurement processing systems. The total cost for financial year 2017/18 has been identified at £191,819, (2016/7 £158,383) This level of expenditure is consistent to prior years, 2015/16 - £217k, 2014/15 - £179k.

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 2017/18 is £155,341 (2016/17 - £125,059), however £14k of the 17/18 costs relate to invoices for 16/17 hospitality which were not presented to Lothian for payment until Month 3 (June) of the financial year 17/18.

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 £1,607,839 (2016/7 - £1,264,778). Included within the revenue consultancy costs £863,514 (2016/17 - £733,976) in relation to RHSC/DCN.
- 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. There continues to be a substantial reduction in the costs that have been incurred in this category due to significant projects being out of the initial construction phase. The total incurred for 2017/18 amounts to £85.1k (2016/17 - £210,540k).
- 2.6 The total consultancy costs incurred by NHS Lothian for 2016/17 to be disclosed therefore amount to £1,692,939(2016/17 - £1,475,319).

Expenditure > £25,000

- 2.7 Reports have been regularly extracted from the financial ledger since October 2010 in order to fulfill 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 83% of total gross capital and revenue expenditure flowing through the NHS Board accounts over approximately 2400 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 20 individual payments, amounting in total to just over £2.2m, 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 2017/18 the number in receipt of remuneration in excess of £150,000 was 140 (2016/17 - 126) including 139 (2016/17 - 125) clinical staff and 1 (2016/17 - 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 £14,591.27 (2016/17 - £17,078.74).

3. Section 32 Disclosures

3.1 Sustainable Economic Growth

The Government Economic Strategy, which was published in November 2007, sets out the Government's central Purpose is *"to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. By sustainable economic growth we mean building a dynamic and growing economy that will provide prosperity and opportunities for all, while ensuring that future generations can enjoy a better quality of life too."*

NHS Lothian is the single largest employer in Lothian with over 28,500 employees. NHS Lothian, along with its partner organisations, strives to ensure continued sustainable economic growth for the population of Lothian.

NHS Lothian continued to pursue sustainable improvements relating to energy use, transport, travel and waste across the organisation. This has led to the development and approval of an updated comprehensive Sustainable Development Action Plan for NHS Lothian. We have engaged in staff development in this area of business through the delivery of master classes on climate change and health and wellbeing, presentation and attendance at a national climate change conference. We have led NHS Scotland in the infrastructure planning for and deployment of electric vehicles and as a consequence a member of our management team won the NHS Scotland Sustainable Leadership Award.

NHS Lothian has a specific Early Careers and Apprenticeships Delivery Plan which supports our strategic ambitions around our school engagement, employability and youth employment programmes of work. This work sits within our Workforce Development and Planning Programme Board and ensures our impact is supporting workforce development need and sustainable workforce growth from robust career development pathways. 6 career pathways across key service areas have been developed supporting and promoting broad role and career development guidance for those within and outwith the organisation, this is being used to support meaningful development conversations and sustainable service skill growth.

We have grown our apprenticeship programme with 78 staff currently undertaking this learning. Offers of employment have grown from 10 in 2015 to 120 in 2018. This covers newly recruited youth employment of modern apprentices and existing staff of all ages being funded through Graduate Apprenticeship programmes for degrees supporting long term service development need. Service areas include a wide range of clinical and non-clinical areas including a focus of recruitment in nursing support worker posts aligned to nursing and midwifery workforce need, this has been cited as an example of innovative practice in the CNO Commission report into Widening participation in Nursing and Midwifery education and careers (Dec 2017). Our latest cohort includes joint delivery with Health and Social care apprentices to show opportunity for integrated progression pathways across health and social care. We are also supporting pilot work with Scottish Social Services Council and Scottish Qualifications Agency re mapping of education in apprenticeships to maintain recognition of transferrable skill and registration opportunity.

We have established a 3 tiered mentoring programme for staff including training 70 staff in youth engagement training, partnerships with agreed employability programmes to support individuals gaining employment during their transition as well as a peer model for young staff aged 16-30yrs.

Other success exists around our review of employability programmes with Princes Trust and Project Search where we are aligning vocational work experience with workforce need and apprenticeship opportunity with programme timing. This is evidencing pathways into employment that are more sustainable due to partner transition agreements and early career learning structures. We are delivering our 5th cohort of Project Search, our 2nd cohort with Career Ready and have delivered 8 cohorts with Princes Trust – the ‘Get Into’ programme for Healthcare. Over 74 people have secured employment to date.

Strong partnerships with 3rd sector and school engagement support our talent pipelines both within and outwith the organization. Key learning from this work is also being used to develop an age diversity and inclusion approach to work. This will continue to build on and support flexible agile working and value transferrable skills and experience for those entering and within our staff groups. This approach will contribute to more sustainable growth through career pathways, valuing and supporting non linear opportunity for development.

NHS Lothian’s Procurement Department, in line with the Procurement Reform (Scotland) Act, ensures that Regulated Procurement exercises are advertised to the supply market in a transparent and consistent manner through the Public Contracts Scotland website. This, combined with the publishing of a Procurement Strategy, [Annual Procurement Report](#) and a Contract Register creates a business friendly and transparent approach to promoting sustainable economic growth. NHS Lothian Procurement will also, where possible attend Meet the Buyer events to engage with business and support them in bidding for public contracts.

NHS Lothian is committed to supporting business by paying bills quickly, and aims to pay all undisputed invoices within 10 working days. In 2017/18 the average number of day the Board took to pay an invoice was 11 working days. No payments were made under Late Payment of Commercial Debts Act 1998 in 2017/18

3.2 Efficiency, Effectiveness and Economy

The Scottish Government publishes guidance on the definition of efficiencies as part of the Efficient Government Programme. It also publishes Efficiency Delivery Plans which explain how various public bodies intend to deliver efficiencies together with an annual outturn report which sets out the extent to which that has been achieved. All of these documents can be found at:

<http://www.scotland.gov.uk/Topics/Government/PublicServiceReform/efficientgovernment>

NHS Lothian achieved its three key financial targets for the year 2017/18:

- ✓ Revenue Resource Limit
- ✓ Capital Resource Limit
- ✓ Cash Requirement

The successful achievement of these targets was made possible through the delivery of efficiency savings totalling £23.5 million during the course of 2017/18. These savings were delivered through a range of initiatives including workforce, procurement, prescribing and estates.

As a responsible steward of public resources, NHS Lothian recognises its responsibility to consistently strive to deliver increased value through improvements in the economy, efficiency and effectiveness of its functions.

NHS Lothian Facilities is leading a south east regional group in the development of a business case to promote a regional catering production and service strategy including NHS Borders Fife and Tayside. This is ground-breaking piece of work within Scotland and aims to achieve a step change in the quality and nutritional value of hospital meals as well as ensuring a sustainable financial framework for the service into the future. The Initial Agreement for this has been prepared and has started the governance process.

NHS Lothian in partnership with NHS Tayside continue to jointly fund an Associate Director of Procurement to lead both Procurement Teams thus supporting the standardisation of process and maximising economies of scale. Two further senior Procurement roles are being shared. Senior management support is also provided to NHS Forth Valley through a Service Level Agreement. Further collaboration with East and North health boards is being progressed to further the efficiencies already achieved in NHS Lothian with this approach.

During 2017/18, NHS Lothian continued to be part of the South East Payroll Services Consortium (along with seven other NHS Boards) which aims to ensure the development and delivery of a sustainable, efficient and cost-effective payroll service across the South East. This is being taken forward through a dedicated programme of work consisting of two main workstreams: service improvement activity and service model development.

Another major area of efficiency programmes is within the Theatres, this comprises of a wide range of projects that combined will improve the quality of patient care, staff experience and efficiency in use of our resources as their outcome, within theatres.

There are growing vacancies in key clinical staff groups nationally. NHS Lothian has a detailed workforce plan for 2017 – 2019 supported by a detailed action plan, setting out

how it will plan and develop its workforce to support service sustainability and ensure best use of resources.

A Workforce Planning and Development Programme Board has been established to oversee implementation. NHS Lothian is working closely with other boards in the region, to develop and implement a regional service delivery plan, and is collaborating closely on workforce planning and development where there is benefit in doing so.

As per the strategy set out in the NHS Scotland Health and Social Care Delivery Plan as well as national Procurement Transformation Programme, a number of Health Boards in the East and North of Scotland are currently engaged on a case for change and proposals to change the way procurement services are delivered. Such change will be taken forward by the East and North Procurement Project Board following a developed Business Case detailing an options appraisal, outcomes and benefits, and will be presented for approval to each Health Board in early 2020.

Implementing a Regional Operating Model shall deliver greater resilience, sustainability economies of scale, financial savings, increased pooling and sharing of knowledge, reduction of duplication and standardisation of product supply, as well as more efficient use of fixed operational resources across participating Health Boards. Detailed outcomes and benefits will be analysed as part of the Business Case development.