

FORTH VALLEY NHS BOARD

PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010

STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

INTRODUCTION

Under the requirements of the Public Services Reform (Scotland) Act 2010, Forth Valley NHS Board is required to produce information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

The Act came into force on 1st October 2010 and the obligations under the Act generally extend from 1st October to the year end, for statements of expenditure. Forth Valley NHS Board has opted to report expenditure for the full year, for the purposes of completeness and to aid comparison with future years statements.

PUBLIC RELATIONS, OVERSEAS TRAVEL, HOSPITALITY & ENTERTAINMENT AND EXTERNAL CONSULTANCY

The Board is required to provide a statement of any expenditure incurred during the financial year on or in connection with the following matters:

- Public Relations
- Overseas Travel
- Hospitality & Entertainment
- External Consultancy

The following table summarises total expenditure for the period 1st April 2010 to 31st March 2011 within each heading. The statement has been prepared on an Accruals basis to reflect actual consumption during the period rather than simply recording Cash transactions.

Statement of Expenditure for the Period 1 April 2010 to 31 March 2011

Public Relations	£305,928
Overseas Travel	£15,395
Hospitality & Entertainment	£100,170
External Consultancy	£247,120

Public Relations

This figure is consistent with the amount quoted within Note 6 to the 2010/2011 Annual Accounts and, as such, goes beyond the requirements of the Public Services Reform (Scotland) Act 2010, by including expenditure on internal publications too.

Overseas Travel

This is defined as per the Act and includes all costs associated with the trip including accommodation and subsistence, not just transportation costs.

In 2010/2011 Forth Valley NHS Board incurred expenditure on 14 foreign trips with 20 members of staff involved at a cost of £15,395.

Hospitality & Entertainment

Under the Act, Hospitality & Entertainment should be interpreted widely as including any gifts, meals, parties, receptions, tickets for or invitations to public, sporting, cultural or other events or other similar benefits accorded by the Board to its own members or employees or third parties for whatever reason. A de minimis threshold of £25 for one-off gifts or benefits is recommended but Forth Valley NHS Board has opted to include all expenditure including items below the £25 level, for the purposes of completeness.

In interpreting the requirements of the Act, the Board has made the following assumptions / points of clarification:

- While the above statement of expenditure would include any expenditure incurred by the Board on events such as Long Service Awards and Retiral Teas, there is currently no cost reported for such events as the Board does not fund these. However funding may be sought from other sources such as Endowments or the Employee Lottery.
- The Board operates both a Conference Centre and a Clinical Simulation Unit on a trading basis, providing facilities to third parties and invoicing accordingly. Expenditure incurred in both Units has been excluded.
- Current Board guidance requires that all meetings utilise Board premises where possible. Catering for meetings is restricted and is typically **not** provided for staff meetings and/ or training. However, the Act has been widely interpreted to include all identifiable expenditure on teas, coffees, milk, sandwiches etc. for User Groups, training, interviews, regional & national projects, away days and so forth. This includes costs of all day events/ training associated with GPs, nursing staff and other medical personnel.

External Consultancy

The definition of External Consultancy is taken from the Public Services Reform (Scotland) Act 2010 which in turn refers to the following web-link for Scottish Government Procedures (including clarification of definitions), relating to Use of

Consultancy:

<http://www.scotland.gov.uk/Topics/Government/Procurement/about/SPDDOCFORMS/v>

The value quoted above includes both Revenue and Capital expenditure.

PAYMENTS WITH A VALUE IN EXCESS OF £25,000

The Board is required to provide a statement specifying the amount, date, payee and subject-matter of any payment made during the financial year which has a value in excess of £25,000, inclusive of VAT. Please refer to Appendix One for the completed list.

MEMBERS OR EMPLOYEES WHO RECEIVE REMUNERATION IN EXCESS OF £150,000

Forth Valley NHS Board has 37 individuals who receive remuneration in excess of £150,000. This figure can be split into 3 Executive and 34 Clinical Staff. Any more detailed information can be accessed from Forth Valley NHS Board's Annual Accounts which are published on the Internet. These specific figures are published in the Remuneration Report as part of the Annual Report for the Executive Directors and in Note 2 (b) Higher Employees Remuneration for the Clinical Staff.

SUSTAINABLE ECONOMIC GROWTH

Forth Valley NHS Board employs around 8,000 people and is responsible for providing health services for and improving the health of the population of Forth Valley.

Forth Valley NHS Board is committed to working with its partner organisations to strengthen the broader partnerships by minimising cultural and structural barriers to joint working and maximizing collaborative approaches and integration. NHS Forth Valley Integrated Healthcare Strategy 2009 – 2014, supports a renewed approach to partnership which is one of the cornerstones of the updated strategy. The strategy sets out Forth Valley NHS Board's commitment to work together with other public, commercial and voluntary agencies and organisations to make a difference for the people of Forth Valley.

Forth Valley NHS Board is committed to the principles of Best Value, the duty of which is to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development. Within the context of the current economic climate, balancing improving patient experience, improving health and maximising efficiency and

effectiveness have become increasingly challenging. Ways to gain efficiencies through increased emphasis on partnership working across public services are being investigated. For example a review of opportunities for sharing premises and certain support services where appropriate to do so is on-going, taking account of 'A Policy for Property and Asset Management in NHSScotland', September 2010.

Supporting this and delivery of the integrated Healthcare Strategy are a number of supporting plans that detail how Forth Valley NHS Board is implementing the strategy and in doing so promoting and increasing sustainable growth whilst exercising its functions. Overarching is the Corporate Plan which details both national and local priorities for action, and is subject to annual review. The Local Delivery Plan (LDP) is an annex of this. In addition, the Healthcare Strategy is fully supported by enabling Strategies such as the eHealth Strategy, the Communications Strategy, the Financial Plan and the Workforce Modernisation Strategy.

Forth Valley NHS Board acknowledges that staff are vitally important in achieving its vision. By developing skills and competencies to best effect and breaking down traditional professional boundaries a modern workforce is being created, thus ensuring continuing provision of services that are equitable, sustainable, safe and effective, accessible and of good quality.

Forth Valley NHS Board works closely within its communities via the three CHPs where Equally Well continues to be implemented. This emphasises the importance of good partnership working within Community Planning Partnerships and to embed health and health inequalities within community planning. Improvement groups in each CHP area have been formed and are the main mechanism for developing and implementing Joint Health Improvement Plans or equivalent, and influencing the development of Single Outcome Agreements (SOAs). Specific Health contributions to SOAs are detailed within the LDP with local actions supporting the national focus on Health inequalities, Early years, Tackling poverty and Socio-Economic Inequality and Economic recovery. Examples of this work are; Employability work, Future Jobs Fund Scheme and Drug and Alcohol reduction.

EFFICIENCY, EFFECTIVENESS AND ECONOMY

Improved efficiency, effectiveness and economy are essential to meeting statutory financial requirements and therefore form an integral part of Forth Valley NHS Board's organisational strategy and objectives.

Over the last year, plans have been put in place across a wide range of services and functions to generate recurring financial efficiencies which total in excess of £20m. The key areas targeted to generate savings include workforce redesign, strategic changes, prescribing efficiencies, asset management and corporate functions including Finance, Human Resources and Information Technology.

All areas of discretionary spend continue to be monitored and assessed including temporary staffing costs, travel and stationery. Additional measures have been put in place to control workforce and drugs costs which account for the majority of spend.

Realising this level of savings is extremely challenging in the timescales required and it is recognised that further efficiencies must be delivered in order to maintain recurrent financial balance over the duration of the current government spending review period and beyond. Areas being assessed for further efficiencies include regional working, capping specific services, and further prescribing initiatives.

Forth Valley NHS Board has delivered a range of technological improvements including pharmacy robotics within the new Forth Valley Royal Hospital, and shared services developments within finance through the introduction of systems for electronic expenses and electronic invoicing, and is moving towards a national ePayroll system.