



NHS Lothian

Annual report on the 2013/14 audit

Prepared for the Board of NHS Lothian and the
Auditor General for Scotland

July 2014



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Key messages

Financial statements

- Unqualified auditor's report on the 2013/14 financial statements.
- Audited financial statements submitted to Scottish Government by 30 June 2014.

Financial position

- All financial targets in 2013/14 met:
- Surplus against total RRL of £0.324 million.
- Recurrent savings of £19.1 million against planned savings of £27.8 million.
- Financial management is well implemented with a robust budget setting process in place.

Governance & accountability

- The Board had sound governance arrangements in place.
- The Board has an effective internal audit function and sound anti-fraud arrangements.

Best Value, use of resources & performance

- The Board has a well developed framework in place for monitoring and reporting performance.
- In 2013/14 the Board only met or exceeded 35% of its HEAT targets.

Outlook

- A breakeven position in each of the next five financial years is forecast. This will depend on the Board achieving significant recurrent savings to bridge the funding gap. This is against the background of major challenges including health and social care integration and pension reform.

Financial Statements

We have given an unqualified audit opinion on the financial statements of NHS Lothian for 2013/14.

The Board achieved all of its financial targets in 2013/14 and returned a surplus against its total Revenue Resource Limit of £0.324 million. However, the Board did not achieve its Recurrent Savings target identified in its Local Reinvestment Plan (LRP).

Overall, NHS Lothian delivered £19.1 million of recurring LRP cost savings in 2013/14. A recurring shortfall of £8.7 million (31%) therefore exists against the 2013/14 LRP target of £27.8 million. In the context of the recurring target set for 2014/15, this highlights the significant challenges facing NHS Lothian in the coming year. As a result, this has increased the recurring savings target included in the Board's 2014/15 financial plans to £37 million.

It is important that the Board achieves these savings targets on a recurring basis as carrying forward unachieved recurrent savings is unsustainable in the longer term.

The Board received £10 million in brokerage from the Scottish Government Health and Social Care Directorates (SGHSCD) in 2012/13 to help address the waiting times backlog. The Board has now repaid £6 million in total, of which £4 million was in 2013/14 and anticipates repaying the outstanding balance, financed from efficiency savings, by 2015/16.

Financial management is well implemented with a robust budget setting process and challenge evident in agreeing and monitoring the financial position of the Board.

Financial position

The Board's 2014/15 financial plan requires the delivery of £37 million in recurring cost savings. Additionally, in order to strengthen the Board's resilience to any emerging issues, a further target of £13 million in non-recurring savings has been introduced for 2014/15. The plan gives indicative figures for 2015/16 to 2018/19 ranging from £46 million to £39.5 million. The Board recognises the challenging operating environment, the risks it faces and is closely monitoring its cost pressures.

The NHS Lothian Efficiency & Productivity Group is focusing on a number of key areas to obtain the recurring savings in the 2014/15 Local Reinvestment Plan (LRP). A savings target of 5% has been set for Corporate Departments and the balance of LRP savings is to be spread equally across all business units. The delivery of all business unit targets is supported by work stream opportunities including Procurement, Acute Prescribing, Outpatients, Effective Interventions and Innovation.

The NHS Lothian Efficiency & Productivity Group also considers detailed plans for all other areas, in particular Scheduled and Unscheduled Care ensuring robust achievable proposals. The Director of Unscheduled Care reviews all proposals that impact on bed numbers and on nursing staff.

Governance and accountability

In 2013/14, the Board had sound governance arrangements overall which include a number of standing committees overseeing key aspects of governance. The Board also has an effective internal audit function and sound anti-fraud arrangements.

The Public Bodies (Joint Working - Scotland) Act requires NHS Boards and local authorities to prepare integration schemes for functions described within the Act. The NHS Board and the four local authorities have already jointly appointed a director of health & social care and have established a shadow health & social care partnership board in each local authority area. This is to support the development of integration schemes and associated strategic plans. The Scottish Ministers must approve the integration schemes, and the NHS Board is aiming to secure agreement to establish integration joint boards in 2015/16.

Best Value, use of resources and performance

The Board has a well developed framework in place for monitoring and reporting performance, which is reported to the Board at every meeting. This framework highlighted that HEAT targets were not achieved in some important areas, e.g. treatment time guarantees and delayed discharges.

NHS Lothian has and is continuing to make investments to reduce waiting times, but the benefits of this investment are yet to be fully realised. NHS Lothian also has a clear focus on the challenges posed by delayed discharge and, through working with partners and the development of the Board's Strategic Plan, further

solutions are planned to reduce the number of people delayed in NHS Lothian hospitals, to ensure compliance with the HEAT target. This remains an area of substantial management attention and close scrutiny by the Board.

Efficiency initiatives at the Board were assessed during the year using an Audit Scotland Best Value toolkit. The Board's overall rating of Better Practice represents strong performance in its achievement of Best Value for efficiency. However, achieving recurrent efficiency savings remains a challenge for the Board.

During the course of our audit work we have considered and reviewed the evidence supporting the Board's Best Value framework. This included a review of committee minutes and supporting papers. We are satisfied that the Board can demonstrate a clear commitment to Best Value and continuous improvement.

The Board has arrangements in place to consider national performance reports issued by Audit Scotland, whereby local performance is assessed against national findings and improvement actions identified. These actions are monitored by the Audit and Risk Committee to confirm implementation.

Outlook

The Board is forecasting a balanced budget position in each of the years from 2014/15 to 2018/19. However, this is dependent on the delivery of efficiency savings each year to compensate for the gap between available funding and the cost of services. The level of flexibility within expenditure budgets is considerably reduced by the delivery of cost savings in previous years. The Board will continue to operate in a funding environment which is subject to sustained pressure to deliver more with less. This has been made more challenging with lower than expected NHS Scotland Resource Allocation Committee (NRAC) budget uplifts in 2014/15 and 2015/16. Achieving sustainability in the medium term will require innovation and vision to design and deliver the services needed to serve the future needs of citizens.

Health and social care integration is a key component of the Scottish Government's public sector reform. It is important that the Board and its council partners work jointly and effectively to make integration a success. Even though NHS Lothian and its partners have made progress to date they need to keep a strong focus on this important area of public sector reform.

Introduction

This report is a summary of our findings arising from the 2013/14 audit of NHS Lothian. The purpose of the annual audit report is to summarise the auditor's opinions and conclusions, and to report any significant issues arising from the audit. The report is divided into sections which reflect our public sector audit model.

Our responsibility, as the external auditor of NHS Lothian, is to undertake our audit in accordance with International Standards on Auditing (UK and Ireland) and the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011.

The management of NHS Lothian is responsible for:

- preparing financial statements which give a true and fair view
- implementing appropriate internal control systems
- putting in place proper arrangements for the conduct of its affairs
- ensuring that the financial position is soundly based.

This report is addressed to the Board and the Auditor General for Scotland and should form the basis of discussions with the Audit and Risk Committee as soon as possible after it has been issued. Reports should be made available to stakeholders and the public, as audit is an essential element of accountability and the process of public reporting.

This report will be published on our website after it has been considered by the Board. The information in this report may be used for the Auditor General's annual overview of NHS financial performance. The overview report will be published and presented to the Public Audit Committee of the Scottish Parliament later this year.

A number of **local and national reports**, have been issued during the course of the year. These reports (**appendix I**) include recommendations for improvements. We do not repeat all of the findings in this report, but instead we focus on the financial statements and any significant findings from our wider review of NHS Lothian.

The concept of audit risk is of key importance to the audit process. During the planning stage of our audit we identified a number of key audit risks which involved the highest level of judgement and impact on the financial statements. We set out in our annual audit plan the related source of assurances and the audit work we proposed to undertake to secure appropriate levels of assurance. **Appendix II** sets out the **key audit risks** identified at the planning stage and how we addressed each risk in arriving at our opinion on the financial statements.

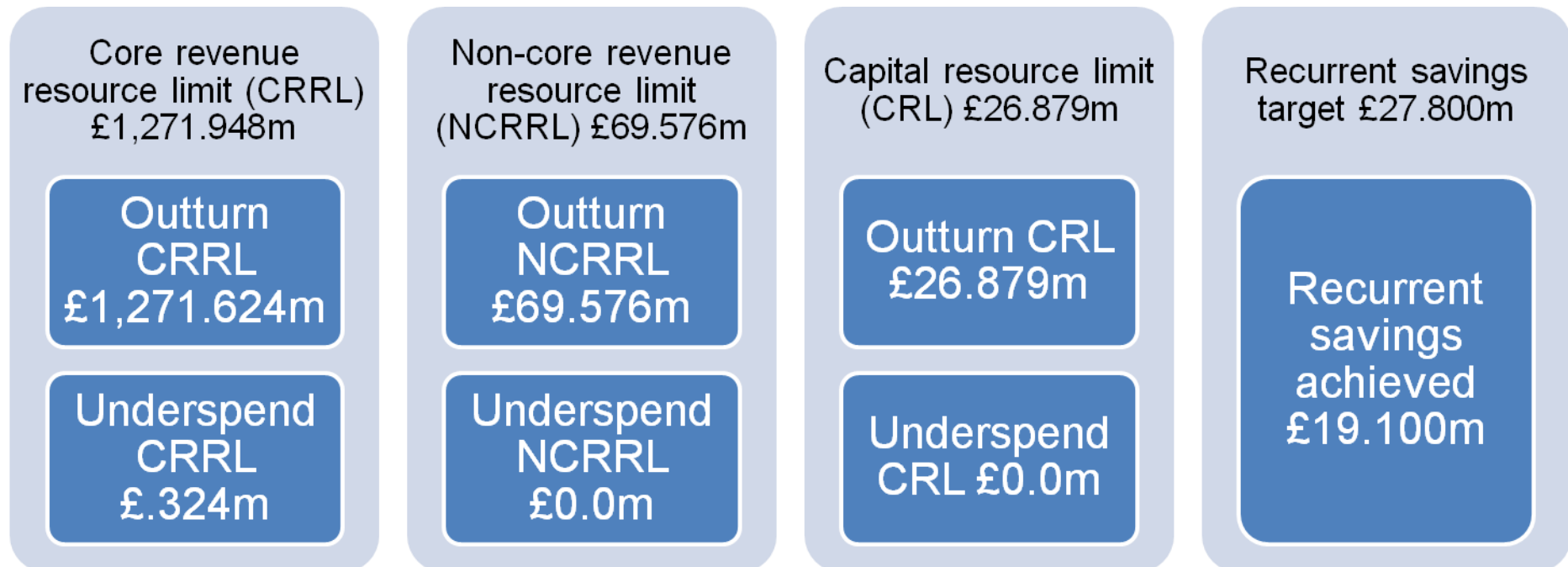
Appendix III is an **action plan** setting out the issues, risks and recommendations arising from the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response".

We recognise that not all risks can be eliminated or even minimised. What is important is that NHS Lothian understands its risks and has arrangements in place to manage these risks. The Board and Accountable Officer should ensure that they are satisfied with proposed management action and have a mechanism in place to assess progress and monitor outcomes.

We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.

Financial statements



Audit opinion

We have given an unqualified opinion that the financial statements of NHS Lothian for 2013/14 give a true and fair view of the state of its affairs and of its net operating cost for the year.

Other information published with the financial statements

Auditors review and report on other information published with the financial statements, including the Directors' Report, Governance Statement and the Remuneration Report. We have nothing to report in respect of these statements.

Regularity

The Public Finance and Accountability (Scotland) Act 2000 requires auditors to certify that, in all material respects, the expenditure and income shown in the accounts was incurred or applied in accordance with relevant legislation and guidance issued by Scottish Ministers. We addressed the requirements of the Act through a range of procedures, including obtaining written assurances from the Accountable Officer. No issues require to be reported.

Accounting issues arising

A number of disclosure and presentational adjustments were identified in the financial statements during the course of our audit. These were discussed with management who agreed to amend the unaudited financial statements.

In addition, a small number of other monetary adjustments

(totalling £3.740 million) were identified during the course of the audit, where if amended would have a net effect of decreasing by £3.740 million net operating costs for the year shown in the statement of Consolidated Comprehensive Net Expenditure. The net impact on the balance sheet would be that net assets would increase by £3.740 million.

Report to those charged with governance

On 23 June 2014 we presented our report to those charged with governance (ISA 260) to the Audit and Risk Committee. The primary purpose of this report is to communicate the significant findings arising from our audit prior to finalisation of the independent auditor's report. The main points are set out in the following paragraphs.

Accruals

Several accruals were identified during the audit, where, if adjustments were made, these would decrease the net operating costs and increase the saving against the Core Revenue Resource Limit by £3.740 million. The net impact on the balance sheet would be that net assets would increase by £3.740 million. The Board has not adjusted for this primarily on the grounds that they considered they were unable to defer the relevant Scottish Government funding. It is our view that it is not material to the financial statements.

Assets Under Construction Credit Balances

We noted two large credit balances included in the total for Assets Under Construction (AUC) for Westerhailes Health Living Centre - £0.548 million, and Royal Victoria Building - £1.131 million.

The AUC Credit Balances are due to a double count of expenditure and the timing of activities at month end where a portion of the spend was correctly written off as a capital grant, but also mistakenly capitalised with the rest of the asset. It has no effect on the overall Net Book Value (disclosed in note 11a), but impacts on the disclosure of account balances within the note. The Board has not adjusted for this primarily on the grounds of materiality. It is our view that it is not material to the financial statements.

Note 24 Pension Costs

The note in the annual accounts complies with the 2013/14 NHS Accounting Manual. However, we wish to highlight that, due to a moratorium on the publication of actuarial pension valuations, the figures are based on the last valuation of the NHS Superannuation Scheme which was for the year ended 31 March 2004 and it was published in 2008. An updated actuarial valuation has now been carried out and the results are awaited.

Equal pay

The National Health Service in Scotland has received in excess of 9,000 claims for equal pay of which 907 claims relate to NHS Lothian. Such claims are referred to the NHS National Services Scotland Central Legal Office (NSS CLO).

In common with other NHS boards, NHS Lothian has not been able to quantify the extent of its liability for equal pay claims and has disclosed a contingent liability. There is a risk that as these claims progress they could have an impact on the Board's financial position (**Action plan no1**).

Endowment Funds

The 2013/14 accounts manual, requires host Boards, to consolidate endowment funds established by the National Health Service (Scotland) Act 1978 into their financial statements for the first time.

The Lothian Health Board Endowment Fund (Charity registration number SC007342) has been consolidated into NHS Lothian's financial statements for 2013/14. The basis of consolidation is merger accounting with any intra-group transactions between NHS Lothian and the Endowment Funds eliminated on consolidation. Consolidation has required the restatement of prior year comparatives and the inclusion of a consolidated opening balance sheet at 1 April 2012.

An inconsistency arose as a result of the different accounting requirements of Health Boards and Endowment Funds. This inconsistency came to light upon preparation of the consolidated financial statements and regards the disclosure of endowment realised and unrealised gains. The Board substantially addressed this through an adjustment to the financial statements. There remains, however, some smaller residual adjustments in the disclosure of endowment fund realised and unrealised gains and losses. Due to the size of the endowment fund income in relation

to the Board's income, these adjustments would not constitute a material amount. NHS Lothian will review its consolidation processes for 2014/15 to ensure all figures are correctly included and that a clear audit trail is provided, in particular for accounting entries related to gains and losses on investments.

Outlook

The financial statements of the Board are prepared in accordance with the Government financial reporting manual (the FReM). The main new standards adopted in 2014/15 are:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interests in other entities

Compliance with FReM is mandatory and the impact of the adoption of the new standards required Group Financial Statements to be prepared for NHS Lothian to consolidate the Lothian Health Board Endowment Fund.

Financial position

NHS Lothian is required to work within the resource limits and cash requirement set by the SGHSCD. Final RRL and CRL were agreed with SGHSCD on 30 April 2014. The Board achieved all of its financial targets in 2013/14. However, the Board did not achieve its Recurrent Savings target identified in its Local Reinvestment Plan (LRP).

The Board had budgeted to break-even against its Revenue Resource Limit in 2013/14; a cumulative surplus of £0.324 million was reported for the financial year.

Overall, NHS Lothian delivered £19.1 million of recurring LRP cost savings in 2013/14. A recurring shortfall of £8.7 million (31%) therefore exists against the 2013/14 LRP target of £27.8 million. In the context of the recurring target set for 2014/15, this highlights the significant challenges facing NHS Lothian in the coming year. As a result, this has increased the recurring savings target included in the Board's 2014/15 financial plans to £37 million.

With a tighter financial settlement compared to the past and reduced flexibility within expenditure budgets, there is less scope for reliance on non-recurring income to achieve financial balance, which is unsustainable in the longer term.

The Board received £10 million brokerage from the Scottish Government Health and Social Care Directorates (SGHSCD) in 2012/13 to help address the waiting times backlog. The Board has

now repaid £6 million in total, of which £4 million was in 2013/14 and anticipates repaying the outstanding balance, financed from efficiency savings, by 2015/16.

Capital expenditure

The Board spent a total of £26.879 million on capital projects during 2013/14. This amount matched its total Capital Resource Limit (CRL).

The core capital allocation was reduced from £34.321 million in 2012/13 to £26.879 million due to the completion of major build projects and the rephasing of schemes which are specifically funded (i.e. those over £5 million and a small number of nationally financed schemes). Currently, the major area of capital expenditure is enabling works for the new Royal Hospital for Sick Children and the Department for Clinical Neurosciences project of £8 million and due to initial delays in agreements with PFI partners this project has been rephased.

Other major items of capital expenditure in 2013/14 were £6.353 million on Medical Equipment, £1.662 million incurred on the Royal Edinburgh Hospital and £9.138 million on primary care developments.

NHS Lothian has a programme to address backlog maintenance and will spend around £5 million annually until 2016/17. At this stage expenditure reduces to £2.5 million to reflect the anticipated decline in reliance on this programme as the major backlog is addressed. Major developments such as the Royal Victoria Building, Royal Hospital for Sick Children and the Department for

Clinical Neurosciences project and forward investment proposals such as the East Lothian Community Hospital; cancer facilities at the Western General Hospital; replacement of the Princess Alexandra Eye Pavilion; replacing poor facilities in primary care; capacity at St John's Hospital and the Western General Hospital should contribute to the reduction in backlog maintenance requirements.

Financial sustainability

Historically, boards have relied upon a measure of non-recurring funding to achieve financial targets. There is a risk that over reliance on non-recurring income to achieve financial balance becomes unsustainable. Longer term financial plans should be based upon recurring expenditure streams as a basis for reviewing and redesigning models for service delivery.

The Board's draft Local Delivery Plan (LDP) for 2014/15 aligns strategic priorities with financial plans, workforce plans and asset plans. The Financial Plan for 2014/15 - 2018/19 includes pay & workforce projections, infrastructure spending implications, medicines and supplies information and efficiency and productivity details. Assumptions for uplifts are presented as well as savings. It also details savings needed for each year to break even. These are incorporated into an annual Local Re-Investment Plan that includes further detail which savings are to be made. All future savings have been designated as recurring and identified, however NHS Lothian historically has not been able to achieve its entire forecast savings on a recurring basis.

"Financial Position" is a standing agenda item for all Board meetings. An up to date summary is given including any under or overspend. Topics covered include: Key issues, efficiency and productivity, property and asset management and a forecast of the year end position.

The Board's five year financial plan indicates a break-even position in each of the five years. The plan assumes recurring efficiency savings of some £37 million in 2014/15, £46 million in 2015/16 reducing to £39.5 million by 2018/19. Anticipated future funding uplifts are in the range of 1.8% for the period 2014/15 to 2018/19.

NHS Lothian has recognised that delivering £37 million of recurring in year savings will be a significant task. To maximise the ability to support any emerging issues, an additional £13 million non-recurring target will be introduced. This will be delivered through the management of new allocations, provisions and other one-off in year benefits. Therefore in 2014/15 the Board will have a combined LRP target of £50 million, £37 million recurring and £13 million non-recurring.

Currently, NHS Lothian has plans for £20.1 million of the recurring savings of £37 million and plans for the £13 million non-recurring. A review of the risk profile of plans and potential opportunities for efficiency savings identified at least 63% as high or medium risk of achievement. Whilst the Board is confident that it will be able to identify further savings during 2014/15 there remains a risk that the required efficiency savings are not achieved. The Board should ensure formal plans are produced covering all the required savings

for 2014/15 as a priority (**Action plan no 2**).

NHS Lothian has a ten year plan for 2014-2024 in development called "Our Health, Our Care, Our Future". The plan describes *what NHS Lothian intends to do over the coming decade to improve the health and wellbeing of the citizens it serves. It involves transforming services*, the development of community and intensive home treatment teams, reducing the need for hospitalisation. It contains expected demographic changes and four representative patients created to illustrate pressures and responses to future care needs.

Workforce Costs

The 2013/14 financial statements include £1.144 million of costs relating to 20 individual exit packages for both clinical and non-clinical staff. During 2012/13 18 exit packages were approved at a cost of £1.084 million. A robust evaluation process is in place to ensure that exit packages are supported by a business case signed by the relevant director. Exit packages in excess of £100,000 require approval by the Remuneration Committee, which is chaired by a non-executive Board member.

During 2013/14 the Board incurred significant costs in relation to agency staff. Costs increased from £25.545 million in 2012/13 to £26.679 million, an increase of 4.4%. Agency staff is required for a variety of reasons including cover for senior vacant posts and waiting times. Continued reliance on agency workers to this extent will have a significant impact on the Board's plans to achieve the

savings required for longer term sustainability (**Action plan no 3**).

In 2013/14 the Board continued to spend a substantial amount (£33.5 million) to meet Waiting Times standards (2012/13 - £27.2 million). This includes actions to address both the management of patients waiting in excess of standards and the development of sustainable capacity to support ongoing delivery. Of this, £19 million (2012/13 £17.1 million) was incurred with non NHS contractors and £3 million (2012/13 £3 million) with NHS partner organisations in Scotland. The Board continues to progress towards sustainable arrangements to deliver its Waiting Times targets from internal capacity.

Cost of pension provision

Following the advice of the Scottish Government, Note 24 in the financial statements for 2013/14 "Pension Costs" reflects a net liability of £370 million for the NHS Superannuation Scheme arising from the most recent actuarial valuation. This figure is based on the last quinquennial actuarial valuation on the NHS Superannuation Scheme which was for the year ended 31 March 2004. While there was a more recent actuarial valuation carried out at 31 March 2008, the publication of this valuation has been postponed by HM Treasury pending the outcome of public sector pension reforms. In future, potentially increased, contribution rates will need to be managed as part of the cost base.

Changes in pension legislation came into force in 2012 requiring that all eligible employees must be automatically enrolled into a workplace pension scheme. In 2015/16 there is a proposed 2%

increase in the employer's pension contribution and this has been estimated at £11.8 million for the Board. This is a significant challenge for NHS Lothian given the difficult economic climate and lower levels of uplift that will reduce flexibility to fund further developments.

PFI/ PPP costs

NHS Lothian has a number of PFI/PPP commitments which are disclosed in Note 23 of the accounts. Seven contracts are reported on balance sheet and include the Royal Infirmary of Edinburgh and Midlothian Community Hospitals, elderly health facilities and a diagnostic treatment centre, at a combined value of £205.722 million. The associated recurrent revenue cost of these schemes is around £54.933 million with a total future commitment recorded in the balance sheet of £625.242 million.

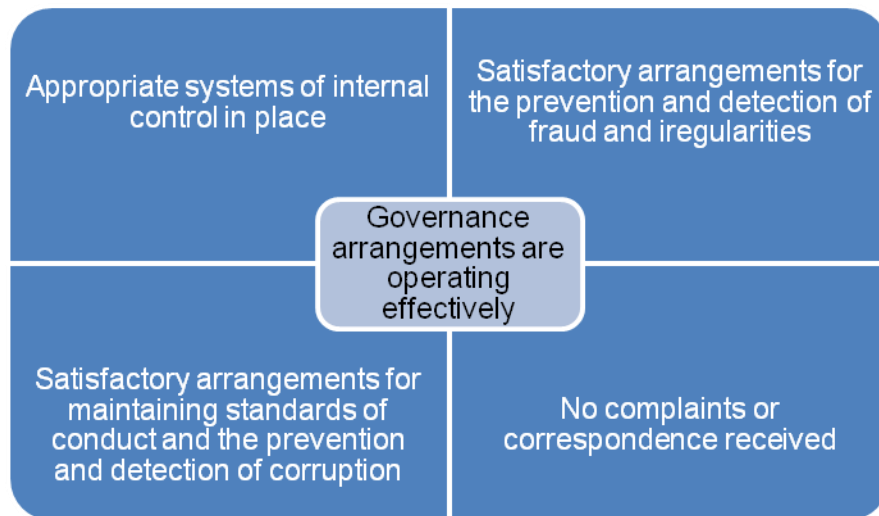
Outlook

The Board is predicting a balanced budget position in each of the years from 2014/15 to 2018/19. However, this is dependent on the delivery of efficiency savings each year to compensate for the gap between available funding from current sources and the cost of services. The Board will continue to operate in a challenging funding environment, which is subject to sustained pressure to deliver more with less. The Board will receive a final NRAC uplift in 2015/16 of £7 million, which is a £10 million reduction on 2014/15.

The Board had already made significant commitments on assumptions of the continuation of NRAC funding so this revision to funding will be very challenging. The level of flexibility within

expenditure budgets is considerably reduced by the release of cost savings in previous years. The cost of pension provision and liabilities in respect of equal pay compensation are issues which will impact on the future financial position of the Board.

Governance and accountability



The Board and accountable officer are responsible for establishing arrangements for ensuring the proper conduct of the affairs of NHS Lothian and for monitoring the adequacy and effectiveness of these arrangements.

Corporate governance

The corporate governance framework within NHS Lothian is centred on the Board which is supported by a number of standing committees. Based on our observations and audit work our overall

conclusion is that the governance arrangements within NHS Lothian are operating effectively.



Internal control

As part of our audit we reviewed the high level controls in a number of NHS Lothian systems that impact on the financial statements. This audit work covered payroll, general ledger, trade payables, trade receivables, capital accounting and the Family Health Services. Our overall conclusion was that NHS Lothian had appropriate systems of internal control in place during 2013/14.

Internal audit

Internal audit provides the Board and accountable officer with independent assurance on the overall risk management, internal control and corporate governance processes. In addition, in an effort to avoid duplication, we place reliance on internal audit work where appropriate. We are required by international auditing

standards to make an assessment of internal audit to determine the extent to which we can place reliance on its work.

The review of internal audit was carried out in November 2013 and concluded that the internal audit service operates in accordance with Government Internal Audit Standards and has sound documentation standards and reporting procedures in place.

ICT audit

During the term of our appointment as the Board's external auditor, we have reviewed the key ICT arrangements put in place for the production of financial information used in the Board's financial statements.

Our programme of work carried out in prior years has not identified any significant issues in this regard and it was assessed that there was no requirement for specific ICT work in 2013/14. Although no specific work was completed, we continue to place reliance on service auditor reports and monitor related internal audit reports.

Arrangements for the prevention and detection of fraud

The Board's arrangements in relation to the prevention and detection of fraud and irregularities were satisfactory.

NHS Lothian participates in the National Fraud Initiative (NFI). The NFI uses electronic data analysis techniques to compare information held on individuals by different public sector bodies and different financial systems, to identify data matches that might indicate the existence of fraud or error. Overall, we concluded that

the Board has satisfactory arrangements in place for investigating and reporting data matches identified by the NFI.

Arrangements for maintaining standards of conduct and the prevention and detection of corruption

The arrangements for the prevention and detection of corruption in NHS Lothian are satisfactory and we are not aware of any specific issues that we need to record in this report.

Correspondence referred to the auditor by Audit Scotland

No correspondence was received.

Integration of adult health and social care

The Public Bodies (Joint Working) (Scotland) Act received royal assent on 1 April 2014. The Act provides the framework for the integration of health and social care services in Scotland. The Act offers some flexibility on the partnership arrangements for the governance and oversight of integrated health and social care services. The integration will be complex and challenging and the Board will need to engage at the highest level with the relevant councils in its area to ensure that integration is delivered within the required timescales and that the arrangements are functional and fit for purpose. This will require:

- The establishment of a local integrated partnership and related governance arrangements.

- Integrated budgets for health and social care.
- Joint responsibility for strategic and locality planning in the area served.

The Board and the four local authorities in the NHS Lothian area are currently developing integration schemes on a 'Body Corporate' model whereby four new public bodies (integration joint boards) will be created. These are commonly referred to as Health & Social Care Partnerships. A Shadow Health & Social Care Partnership and a Director of Health & Social Care are already in place for each local authority area, and they will progress the necessary work so that the integration joint boards will go live from 1 April 2015.

Action will be required by the Board to ensure that current strategic joint working plans are migrated to the new public bodies by April 2015 and that they include integrated financial plans. The financial data for integration are still being developed and are expected to be brought to a future Board meeting. The Integration Joint Boards will have the responsibilities for the strategic planning and the carrying out of the functions that are delegated to them by the NHS Board and the relevant local authority. As Integration Joint Boards will not be employing authorities and will not hold any assets, they must give directions to the NHS Board and the local authorities to carry out their functions.

The Board continues with its agreed timetable for integration. This means that that draft integration schemes will be brought to the October Board and the final draft to the December Board (aligned with council committees and governance processes). If the draft

integration schemes are agreed then these will then be consulted on during December 2014 to end of February 2015. Thereafter, the schemes will be submitted to the Scottish Ministers for a go live' date of 1 April 2015. Overall, the Board appears to be progressing its arrangements in place for the implementation of the integration of Adult Health and Social Care (**Action plan no 4**).

Equality Act 2010

The Equality Act 2010 introduced a new public sector 'general duty' which encourages equality to be mainstreamed into public bodies' core work. To allow the public to assess an organisation's performance on equality the Act requires publication of information on actions taken and the progress made to achieve equality outcomes. The Board must review its outcomes and publish a review by April 2015. The Board's 'Mainstreaming Equality in Lothian Health Board - Report 2013' reports progress towards mainstreaming equality. The report sets out the context for equality legislation and Lothian Health Board. It cites potential benefits of mainstreaming and recognises what Lothian Health Board is doing to integrate equality into its core functions. This is being achieved in a number of ways, including:

- Equality and Rights Action Plan 2013-17
- Through the Equality and Diversity Team, EQIA Steering Group, Equality Leads and relevant Executive Directors and senior management
- Targeted training programmes to meet identified needs from

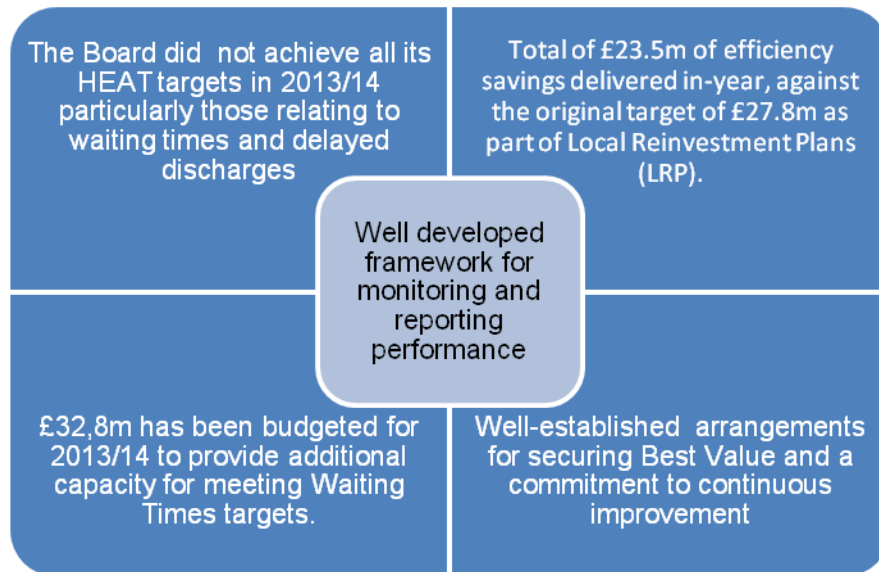
Equality Rights Action Plan 2013-17

- The setting of objectives for relevant managers as part of their performance management arrangements
- Establishment of baseline and robust data to measure achievement of equality outcomes
- Communication of equality issues through the intranet, internet and staff newsletter
- The achievement of equality outcomes for monitoring by the Board.

Outlook

Integration of health and social care is a complex and challenging process and the Board will need to continue to engage at the highest level with partner local authorities to ensure that the unified service is in place by the statutory date of 1 April 2016. The Scottish Government has opened a two part consultation on regulations and guidance to be issued by Ministers under the Public Bodies (Joint Working) (Scotland) Act 2014. The consultation will inform the approach to matters relating to the integration scheme, delegated functions and the national health and wellbeing outcomes.

Best Value, use of resources and performance



Accountable officers have a specific responsibility to ensure that arrangements have been made to secure Best Value.

Arrangements for securing Best Value

The Board has well-established arrangements for securing Best Value (BV) and commitment to continuous improvement. The Audit and Risk Committee receives an annual report which sets out the evidence demonstrating the Board's approach to the key BV

themes of:

- Vision and leadership
- Effective partnerships
- Governance and accountability
- Use of resources
- Performance management.

In addition, this BV framework covers cross-cutting themes of Equality and Sustainability.

The Board is committed to the principles of BV and continuous improvement, and the Accountable Officer produces an annual Best Value Assurance Statement for the SGHSCD, which details the achievement of key BV themes and lists key strategic documents of direct relevance to the themes of BV. Over the last 12 months, the Board has approved a number of strategic documents. On 2 April 2014 the Board agreed that the draft NHS Lothian Strategic Plan 2014-2024 – Our Health, Our Care, Our Future should be issued for public consultation.

The Board was assessed during the year against an Audit Scotland BV toolkit examining efficiency. The BV toolkit takes the form of a series of questions based on identified good practice. The Board's overall rating of Better Practice represents strong performance in its achievement of BV for efficiency. There were a number of examples of sound practices. In particular, the reporting framework in place appears to be performing effectively, while the Efficiency and Productivity Group established by the Board is evidence of the

priority attached to efficiency savings. However, achieving recurrent efficiency savings is still a challenge for the Board.

During the course of our audit work we have considered and reviewed the evidence supporting the Board's BV framework. This included a review of committee minutes and supporting papers. We are satisfied that the Board can demonstrate a clear commitment to BV and continuous improvement.

Use of resources: workforce planning

Workforce planning forms one of the strategic arms of the corporate planning process which supports the Local Delivery Plan. There will be pressure to reduce whole time equivalent workforce numbers across the organisation in order to meet the Board's Local Delivery Plan. There are a number of risks associated with this including the need to retain and/or develop the skills, knowledge and experience required to continue to deliver quality health services.

The future delivery of the Board's services and the workforce required is been considered in a draft clinical strategy (**Our Health, Our Future**) which sets out their approach to deliver the redesign of clinical services over the next five to ten years. The key themes of the clinical strategy are a focus on new ways of integrated working; an ethos of continuous improvement and aligning corporate services to support service delivery.

A workforce plan is being developed allied to the draft clinical strategy which is to modernise and train the workforce, reflecting

efficient and innovative use of knowledge and skills and challenging outmoded systems of working.

Performance management

The Board has a well-developed Performance Management Framework in place. Performance Management is reported to every Board meeting with detail in a Performance Management Scorecard. There is a separate report to each Board on Waiting Times Performance, Progress and Elective Capacity. We are satisfied that appropriate arrangements were in place within NHS Lothian for 2013/14.

National performance audit reports

The Board has arrangements in place to consider national performance reports issued by Audit Scotland, whereby local performance is assessed against national findings and improvement actions identified. These actions are monitored by the Audit and Risk Committee to confirm implementation. A summary of national performance audit reports is included in appendix I.

Following our national report, 'Scotland's Public Finances', a targeted follow-up report for NHS Lothian was presented to the Audit and Risk Committee. The report concluded that Board has the main elements of a sound performance management framework including consistent approach to monitoring performance across the organisation and regular reporting to the Board and Finance & Resources Committee.

Management of patients on NHS waiting lists

Audit Scotland carried out a review of waiting times across the health service in Scotland following reported misuse of patient unavailability codes at NHS Lothian. The review recognised the need for independent assurance on the management of waiting times to restore public confidence in the system.

A follow up review was published in December 2013. The review found that the trend of reducing use of unavailability codes noted in the original report continued during 2012 and 2013. The review also noted that boards were improving controls and audit trails in the systems used to manage waiting lists. In particular, there is a stronger focus on how boards record and monitor the reasons for patient unavailability. See table for report recommendations.

The report also identified three referral to treatment standards, that NHS Lothian did not meet month ending September 2013:

- 90% of patients to be seen within 18 weeks from 'referral to treatment';
- No outpatient will wait more than 12 weeks for their first appointment;
- All eligible inpatients guaranteed to be seen within 12 weeks.

Management of patients on NHS waiting lists- audit update , December 2013

Boards should:

- ensure their management of waiting lists includes scrutinising how they use all waiting list codes, not just unavailability codes
- implement the national controls framework to assess whether they have all the necessary controls in place to manage waiting lists, and address the gaps they need to fill
- implement our previous recommendation about making sure they identify patients with additional support needs and provide the required support
- ensure letters to patients about the treatment time guarantee provide clear and detailed information
- use the new codes to monitor unavailability due to patient choice reasons as part of their overall capacity planning
- use the tool being developed by ISD Scotland to monitor indicators for the management of waiting lists and benchmark their performance against other boards.

The follow-up report concluded that NHS Lothian has a comprehensive action plan for 2013/14 to improve the way it meets patients' additional support needs. This involves amending its electronic system, including setting it up to automatically generate patient letters that are specific to individuals' identified needs, for example in larger text or in a different language. The Board expects the developments to the electronic system to produce better data to monitor whether it is managing patients appropriately for their needs.

However, the latest figures reported to the Board in the 2013/14 Financial Statements show that the three referral to treatment standards have still not been met. £10million of additional revenue funding was provided to the Board in 2012/13 to address backlogs in treatments for patients, with these sums being repaid as identified in the NHS Lothian 5 year financial plan.

The Internal Audit follow-up report on Waiting Times Arrangements within NHS Lothian was issued in November 2013. Over the past year, NHS Lothian has made further progress towards implementing the recommendations from Internal Audit, Audit Scotland and the Public Audit Committee. In particular, a project team has been set up to centralise waiting list teams under Health Records.

Standard Operating Procedures (SOPs) have also been updated to reflect the Treatment Time Guarantee, and training has been rolled out across waiting list staff. Meanwhile, the number of users and authority levels within TrakCare has been reviewed, and

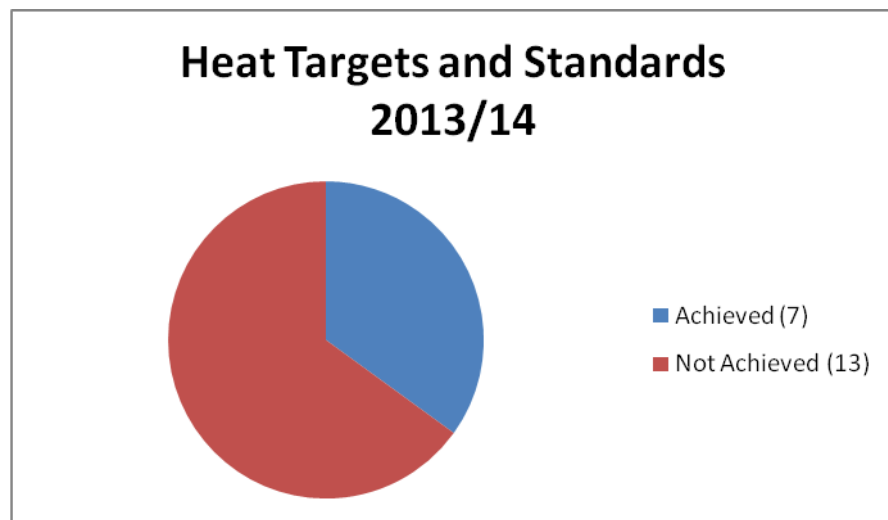
development sessions have been held with Board members to consider reporting requirements. Regular updates on progress have been presented to the Audit & Risk Committee/Board, as well as the Scottish Government. We have concluded that the Board is well sighted on the management of patient's waiting lists and actions required locally.

Overview of performance targets in 2013/14

Board members monitor NHS Lothian's performance against HEAT targets and other standards which contribute towards delivery of the Scottish Government's Purpose and National Outcomes, and NHS Scotland's Quality Ambitions. The Board's performance management is reported at each Board meeting and provides members with assurance on the overall performance of the organisation.

Performance against HEAT targets is reported monthly, with the availability of data differing for each target due to the methodology for data collection and calculation. The most up-to-date data for each target as it stood at March 2014 was reported to the NHS Lothian Board on 2 April 2014. At that time, of the 20 HEAT targets, NHS Lothian was off trajectory / did not meet the overall target on 13 occasions. Following the Board development workshop on 5 March 2014, further work is planned during 2014/15 to develop the Board's system of performance management.

The Board's performance against its HEAT targets and standards is summarised in the diagram below.



Performance management reported in the Financial Statements highlighted some areas of concern particularly in relation to access targets, as well as delayed discharges.

Performance on Waiting Times

The Board's performance on waiting times (as at the end of March 2014) was as follows:

- 85.2% of patients were treated within 18 weeks of being referred, compared to the required performance standard of 90%.
- 402 inpatient and day-case patients were waiting beyond

the treatment time guarantee of 12 weeks.

- Within the population of patients who were treated in March, 574 had waited beyond the 12 week treatment time guarantee.
- 2,442 outpatients were waiting over 12 weeks.

Recurrent funding of £8.9m was approved in 2013/14, in addition to recurring commitments of £5.1m against board reserves. The 2014/15 Financial Plan agreed a further step investment to increase core NHS capacity of £7.1m rising to £15m over a three year period. This investment programme is in support of the board's *Delivering for Patients* Strategy which outlines plans for recovery of performance against waiting times standards and Treatment Time Guarantee. The Board is currently forecasting that no patient will wait longer than 12 weeks for treatment by end of December 2014 and for a new outpatient appointment by 31st March 2015.

Delayed Discharge

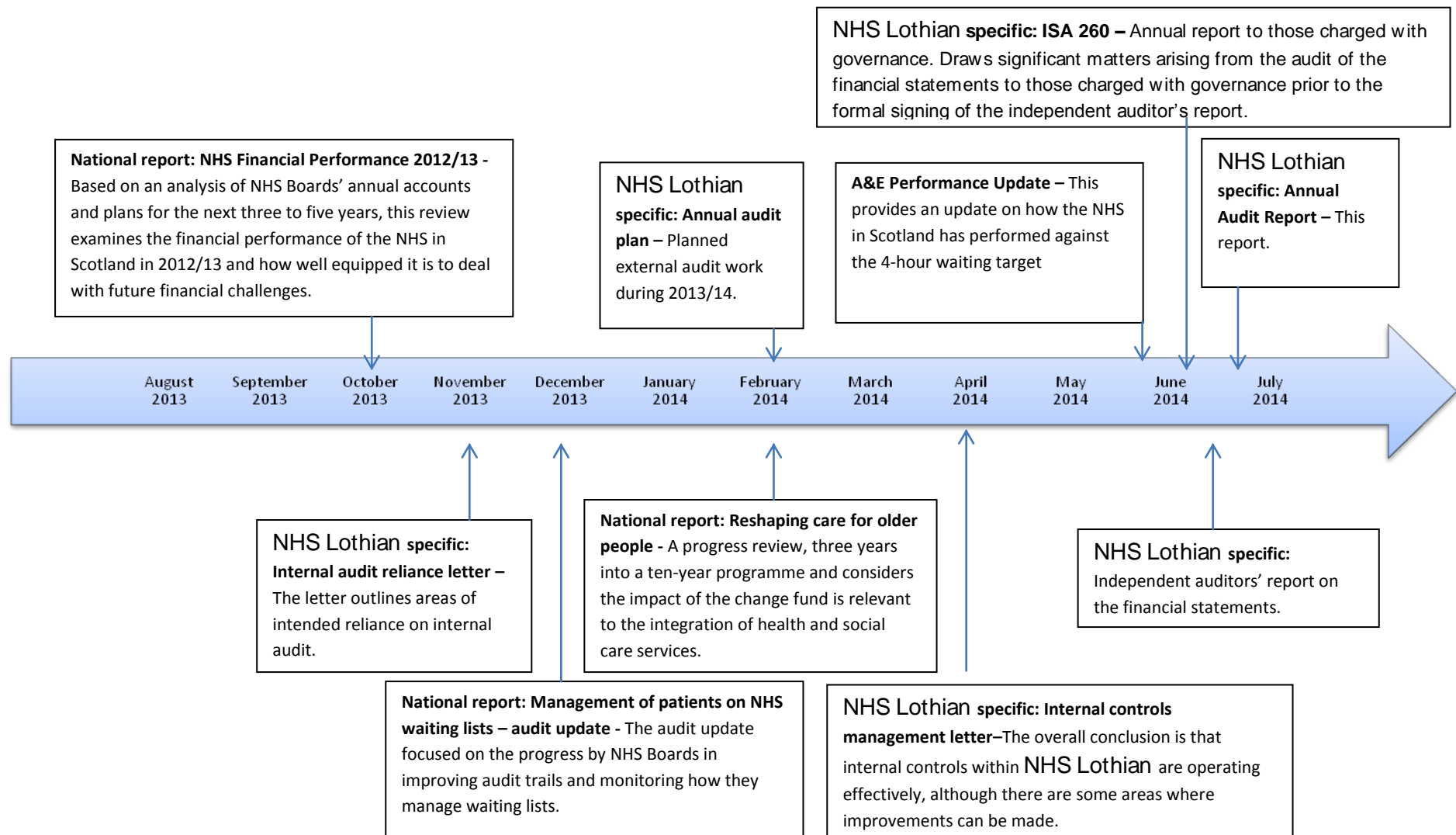
Delayed discharge continues to remain a key pressure on the system, particularly in Edinburgh. Weekly meetings between the Chief Executives of the City of Edinburgh Council and NHS Lothian offer a direct focus on the challenges posed by delayed discharge. Through this work and the development of the Board's Strategic Plan, further solutions are to be developed to reduce the number of people delayed in NHS Lothian hospitals in line with the HEAT target (**Action plan no 5**).

Outlook

In common with other NHS Boards, NHS Lothian faces unprecedented demand for increased and improved services arising from changing demographics, lifestyles, health inequalities, increasing public expectations, the availability of new drugs, treatments and technologies and the impact health service specific inflation. As demand, and the consequent cost of healthcare, continues to grow, the Board will struggle to deliver at current funding levels. The scope of what can be done to respond to tough financial pressures is limited: services will need to be transformed to improve quality, while also making them more efficient and sustainable.

In 2014/15, the Board will continue to invest in services to address both the management of patients waiting in excess of standards and the development of sustainable capacity to support ongoing delivery. However, it will remain very challenging for the Board to improve Waiting Times targets in this challenging economic and changing demographic environment.

Appendix I –Summary of Audit Scotland reports 2013/14



Appendix II: Significant audit risks

The table below sets out the key audit risks identified at the planning stage and how we addressed each risk in arriving at our opinion on the financial statements.

Audit Risk	Assurance procedure
<p>Endowments - This is a new accounts area and there is a risk that it is misstated. Endowment balances are material and will be consolidated into the NHS Lothian accounts template.</p>	<p>Board and endowment funds auditors met to discuss arrangements and timings for both audits and communication of audit information.</p> <p>We reviewed the audited endowment fund financial statements and agreed prior year balances to audited endowment accounts.</p> <p>We also confirmed that the consolidation process generated appropriate figures for the consolidation template.</p>
<p>Projected Outturn - There is a risk of a budget deficit at year end.</p>	<p>Review of Board and NHS Lothian Finances and Resources Committee minutes and reports. We concluded that the financial and budgetary reporting was appropriate in managing the risk of a budget deficit. Overall the client reported a small surplus.</p>

Audit Risk	Assurance procedure
<p>Savings targets - There is a risk that NHS Lothian fails to deliver its planned efficiency savings.</p>	<p>We monitored the financial plan and finance reports to the Finance and Resources Committee. We also monitored Board papers and monthly monitoring returns to SGHSCD. NHS Lothian identified a shortfall on achieving its planned efficiency savings on a recurrent basis of £8.7 million, which is to be carried forward for recurrent delivery in 2014/15.</p> <p>We also undertook a Best Value Toolkit on Efficiency and reported to management. Our overall conclusion was that the organisational culture at NHS Lothian supports improved efficiency to a Better Practice level. This has been achieved despite a difficult operational environment with challenges such as waiting times and a management restructure.</p>
<p>Property and Asset Management - There is a risk that the property and asset management investment programme will not be delivered due to slippage</p>	<p>We monitored reports to the Finance and Resources Committee and Board, and monthly monitoring returns to SGHSCD. An overall capital programme expenditure of £56.1 million was reported for the year, including £22.6 million of capital grants to third parties. This represents a break-even outturn against the Capital Resource Limit.</p>

Audit Risk	Assurance procedure
<p>Royal Hospital Sick Children/ Department of Clinical Neurosciences - There are a range of risks associated with this project, these include:</p> <ul style="list-style-type: none"> • Unanticipated costs • Project slippage • Delays due to 3rd parties. 	<p>We have monitored reports to the Finance and Resources Committee and Board, which have indicated slippages over a number of years including 2013/14 where enabling works, including clinical enabling have slipped from initial plans for the 2013/14 financial year. The Finance and Resources Committee receive regular reports including the projects affordability that the construction capex, lifecycle and FM costs are below or in line with the SG funding letter benchmarks. Approval for the projects funding has also been established subject to satisfactory due diligence and legal documentation. The project now has a preferred bidder for the Royal Hospital for Sick Children/Department of Clinical Neurosciences development at Little France. We would conclude that some important milestones have been achieved and the project will continue to progress but due to its complexity and the number of 3rd parties' project slippage will continue to be a risk.</p>
<p>Family Health Services - There is a risk of fraud due to invalid income claims or false exemptions.</p>	<p>The NSS service auditor identified a number of control weaknesses none of which were classified as "very high risk exposure" requiring immediate attention. Two are classified as "moderate risk exposure" which has been actioned by management. We would conclude that there is a good control environment concerning Family Health Service practitioner payments.</p>

Audit Risk	Assurance procedure
<p>Waiting times - There is a risk that the Board will fail to meet performance targets for waiting times and unscheduled care.</p>	<p>We have monitored developments in this area through review of Board minutes and papers. Expenditure on elective capacity to meet waiting times targets totalled £33.3 million for 2013/14. Slippage on internal recruitment in particular Anaesthetic and Theatre staffing resulted in increased use of private sector capacity. As part of the <i>Deliver for Patients</i> strategy a recovery plan has been developed to increase internal capacity to meet ongoing demand.</p> <p>Performance against the 18 week referral to treatment (RTT) target had dipped to 84% below the 90% target. However, the Board co-ordinated action between unscheduled care and scheduled care in order to ensure patients in the most urgent need received treatment although this was an ongoing challenge.</p> <p>We would conclude that Board recognises that it faces major continuing challenges and we will continue to monitor and report on the Board's performance.</p>
<p>Equal pay - There is a risk that the Board will be liable when cases settle.</p>	<p>The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland as well as developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available, such as appropriate comparators. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that is not possible to quantify.</p> <p>We will continue to monitor how this matter is progressed by the Central Legal Office and recommendations for future provisions.</p>

Audit Risk	Assurance procedure
<p>Partnership working - There is a risk that the final integrated adult health and social care models fail to deliver outcomes.</p>	<p>We have monitored developments in this area through review of Board minutes. The Board have identified the need for Community Planning Partnerships to be more aligned to the strategic plan and Health and Social Care Partnerships (HSCP) plans in order to develop appropriate Single Outcome Agreements (SOAs).The Board has also agreed on a need to align the use of people involved in Partnership arrangements and the challenge would be how to do this to meet HEAT targets.</p> <p>The Board are planning ahead to receive four draft Integration Plans on 3 December 2014 for approval to consult with parties as prescribed by Scottish Government and following the timeline that has yet to be finalised with the aim of establishing Integration Joint Boards as early as possible.</p> <p>We would conclude that Board has a good focus and receives regular reports on the issues that need to be addressed on the integration of adult health and social care.</p>

Appendix III – Action plan

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
1/9	<p>Equal pay</p> <p>NHS Lothian, in common with other NHS bodies, has not been able to quantify the extent of its liability for compensation in respect of equal pay claims.</p> <p>Risk</p> <p>Settlement of equal pay claims could have an impact on the Board’s future financial position.</p> <p>Recommendation</p> <p>The Board should continue to work with CLO to establish its potential exposure to successful claims for compensation payments.</p>	<p>Work is ongoing at a national level to deal with these cases through the Employment Tribunal system and within the Board we await further direction as to what action requires to be taken.</p>	<p>Alan Boyter Director of Human Resources & Organisational Development</p>	<p>Ongoing</p>

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
2/13	<p>Efficiency Savings Target</p> <p>The delivery of the cost savings plan for 2014/15 and subsequent years will continue to remain challenging. £17 million of the 2014/15 savings target has not as yet been identified and 63% of the planned savings identified have a risk profile of high/medium risk.</p> <p>Risk</p> <p>Whilst the Board is confident that it will be able to identify these further savings during 2014/15, there remains the risk that the required efficiency savings will not be achieved.</p> <p>Recommendation</p> <p>The Board should ensure that formal plans are produced covering all the required savings for 2014/15 as soon as possible.</p>	<p>At the end of Month 3 savings plans of £29.6 million have been identified against the £39.4 million target, leaving a gap of £9.8 million. Business Units continue to identify plans supported by corporate initiatives such as the Procurement and Prescribing workstreams. Additional Programme and Project Management resource is being identified to support the identification and delivery of savings in parallel to the development of the Strategic Plan. The Efficiency & Productivity Group will continue to monitor and review the performance of the Business Units in the development of plans and agreed delivery. A corporate savings programme to achieve a further £13 million of savings in the current financial year is in place and schemes are being developed to deliver this.</p>	Susan Goldsmith Director of Finance	March 2015

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
2/13	Efficiency Savings Target (contd)	Approximately £12 million of the in-year savings target is required on a non-recurrent basis, leaving a recurring value of £27 million to be delivered in future years. The full year recurring value associated with the savings plan is over £25 million at this stage and progress continues to close this remaining recurring gap		

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
<p>3/13</p>	<p>Agency Staff</p> <p>The spending on agency/bank staff increased again by (4.4%) in 2013/14 to £26.679 million. Agency staff is required for a variety of reasons including cover for senior vacant posts and waiting times. Continued reliance on agency staff to this extent will have a significant impact on the Board's plans, to achieve the savings required for longer term sustainability. It is important that controls are in place and that trend and patterns of agency staff are managed and monitored closely.</p> <p>Risk</p> <p>Continued reliance on agency staff to this extent could have a significant impact on the Board's plans to achieve the savings required for longer term sustainability.</p> <p>Recommendation</p> <p>The Board should monitor the cost of agency staff with a view to reducing/managing their cost effectiveness.</p>	<p>The agency spend reported includes £14 million in 2013/14 and £13.9 million and 2012/13 cost relating to university staff working under honorary contracts within the NHS, external providers (eg medinet), consultant sessions worked in other Health Boards and consultant distinction awards. The true agency spend over 2013/14 was £12.6 million compared with £11.7 million in 2012/13. An in year increase of £965,000. The two main areas are:-</p> <p><u>Nursing & Midwifery - inc £780,000</u></p> <p>The increase in agency use in nursing reflects increased use to ensure patient safety (e.g. providing 1:1 care for patients at risk of falls) and to cover unplanned staffing shortfalls (e.g. sickness). In addition NHS Lothian has had higher numbers of additional unfunded beds open for longer periods than anticipated to manage the levels of activity which have required</p>	<p>Melanie Johnson Executive Director of Nursing, AHPs & Unscheduled Care</p>	<p>March 2015</p>

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
3/13	Agency Staff (contd)	<p>additional supplementary nurse staffing to be engaged from bank and agency sources.</p> <p><u>Allied Healthcare Professionals workforce – inc £300,000</u></p> <p>The use of agency to support the AHP workforce in 2013/14 (when there had been no use in 2012/13) is entirely due to additional bed capacity being opened.</p> <p>The Board has robust controls in place, a financial procedure for the ordering of supplementary staffing which includes segregation of duties and using the Finance Authorised Signatory Database to manage those with access to order supplementary staffing.</p> <p>There is monthly monitoring of bank and agency spend, detail is included in both the finance performance report and the workforce utilisation report.</p> <p>Spend and other metrics are routinely collated and Chief Nurses are provided</p>		

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
3/13	Agency Staff (contd)	<p>with a suite of reports.</p> <p>Agency staffing is used only when the Staff Bank cannot fill shifts and is subject to scrutiny from senior managers who are required to formally approve authorisation of all agency by email having carried out a risk assessment.</p> <p>The Board has carried out an extensive review of nursing and midwifery staffing levels and has invested in substantive staffing in areas of greatest risk to reduce the requirements to access supplementary staffing.</p> <p>The Board is pursuing the implementation of an e-Rostering system to ensure the most efficient and effective use of the workforce, initially this will be for nursing and midwifery staffing. The Board also has an electronic job planning software solution to ensure the optimum use of the consultant medical workforce.</p>		

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
4/17	<p>Health and social care integration</p> <p>The integration of health and social care services in Scotland requires to be implemented from 1 April 2016.</p> <p>Risk</p> <p>There is the risk that the Board and its local authority partners will not be fully prepared for the integration of health and social care from 1 April 2016 This could adversely impact on the effectiveness of service delivery.</p> <p>Recommendation</p> <p>The Board continues to work closely with its partners to prepare for and manage this significant reform of health and social care services.</p>	<p>NHS Lothian with its four local authority partners have appointed four joint directors and have established four shadow health and integration boards to assist in the work to be done within each partnership. We are considering our options re models of integration and also our draft integration schemes which we hope to go out to consult on in December 2014 in advance of submitting to the Cabinet Secretary as required by 31st March 2015.</p>	<p>Alex McMahon Director of Strategic Planning</p>	<p>March 2015</p>

Action plan point/ page	Issue, risk and recommendation	Management action/response	Responsible officer	Target date
5/23	<p>Performance against HEAT targets and standards</p> <p>The Board did not achieve all its performance targets in 2013/14 particularly those relating to treatment times/delayed discharges.</p> <p>Risk</p> <p>The delivery of quality and affordable services is not sustainable.</p> <p>Recommendation</p> <p>The Board should monitor its investment in new initiatives aimed at improving treatment times/delayed discharges and determine whether specific areas / specialties require more detailed scrutiny or additional actions to be taken.</p>	<p>The Board takes its performance against HEAT targets seriously. In addition to a general performance we also take specific reports on unscheduled and scheduled care as well as HAI and quality more generally.</p> <p>Going forward the development of the Boards Strategic Plan and the further development of the four integration schemes and strategic commissioning plans aligned to health and social care integration will further develop our partnership approach to both meeting key targets and driving quality and patient safety.</p>	Alex McMahon Director of Strategic Planning	March 2015