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Richard Leonard, Convener,
Public Audit Committee
Room T3.60
The Scottish Parliament
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Dear Mr Leonard,

NHS in Scotland 2023

Thank you for your letter of 28 June. Please see the below responses to your requests for further information.

Digital and Innovation

You asked what work is being progressed to ensure that planned and developing digital innovations receive sufficient funding to deliver efficiencies and increase productivity and patient outcomes within the NHS in Scotland.

I anticipate a number of factors to have an impact on the speed of delivery of this work. These include complexity in the technical landscape and availability of appropriately skilled staff, alongside the impact that the challenging financial climate has and will continue to have on public service projects.

I concur with the Auditor General that a key element to reform of digital health and care services and developments is ensuring availability of the required level of funding to deliver against our strategic ambitions, whether this a major programme or small innovation project. One example of this is our investment in a national roll-out of a digital theatre scheduling system following a successful pilot in three Health Boards that delivered a 15 to 30 per cent increase in theatre availability and a reduction in surgery waiting times. We have just appointed a supplier to a five-year contract to implement the new system. Next year we will also implement a Digital Prescribing and Dispensing process that will remove wet ink signatures from GP Prescriptions, enabling electronic prescribing and dispensing without paper, improving the citizen experience and streamlining the system.

Our recently published Delivery Plan 2024-25 sets out our agreed priorities. For each programme, costs will be clarified through the development of a dedicated business case that will be fully scrutinised as part of the overall Health and Social Care portfolio's considerations for priority investments.

Our strategic vision is the empowerment of people, supporting flexibility and personal control over their support and improved access to the services they need, when they need them. Our aim is to deliver solutions and services that are more effective and convenient, support health and care professionals in their decision-making, and deliver improved insights into new approaches and treatments.

You also asked what role digital health care solutions will play in the longer-term reform of the healthcare system and how the Scottish Government is supporting 'Once for Scotland' adoption across NHS Boards.

While a 'Once for Scotland' adoption of a number of digital health solutions has been common practice for many years, we recognise this does not apply to all current systems. We will therefore continue to focus on a "Once for Scotland" approach. As part of this, we have developed and implemented innovation based on national partnerships, for example with COSLA, NHS National Services Scotland, and Public Health Scotland; and in collaboration with NHS Health Boards and Local Government.

This includes a focus on national procurement, scaling up proven innovation opportunities across Scotland, and ensuring that our understanding of digital maturity across the health and social care landscape supports effective and consistent identification of priorities, funding allocations, and the measurement of benefits and progress.

We absolutely recognise the need for our services to be modernised to meet the needs of people in Scotland and address key challenges, including workforce capacity and NHS waiting lists. Digital can reduce pressures on Scotland's health and social care system by providing information that people require when they need it; and deliver support in the home, in a care home, or in local communities, rather than in a hospital or other clinical setting. Home Monitoring services such as Connect Me support over 100,000 people with hypertension alone, as well as conditions such as prostate cancer, diabetes and weight management, and are expected to expand to support over 500,000 people by 2025. Digital Mental Health referrals passed 71,000 last year, offering people flexibility and additional options for those who need out of hours support or who may find it difficult to attend in person.

The national Data Strategy for Health and Social Care commits us to adopting a national approach to the ethical, transparent consideration of adoption and implementation of AI based tools, products and services, with AI already providing benefits in areas including early diagnosis.

The Accelerated National Innovation Adoption Pathway (ANIA) supports the delivery of a more focused route for the development of new treatments and methods, encouraging consistency and efficient scale-up. Our work with CivTech 10, the Scottish Health and Industry Partnership and the Centre for Sustainable Delivery demonstrate our commitment and are delivering results. One example, the National Elective Co-ordination Unit, a programme within CFSD, has validated over 51,000 patients and identified over 4,700 slots that can now be allocated to those patients still requiring an appointment. This has resulted in the release of 286 outpatient sessions and 466 theatre sessions in additional treatment capacity.

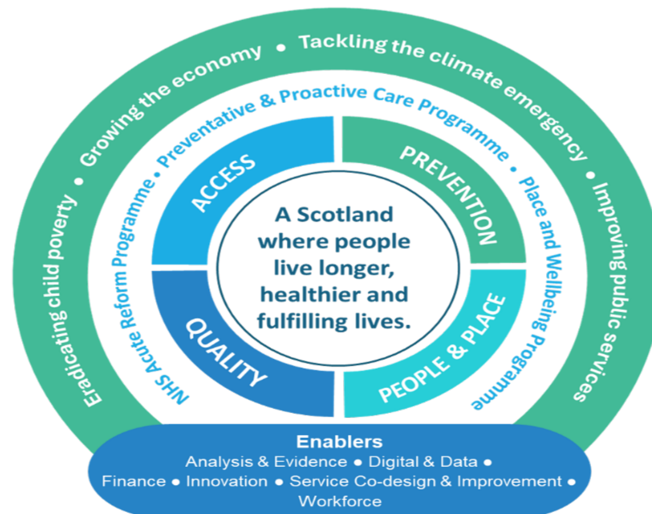
The roll out of Microsoft Office 365 across our health and social care system will support enhanced multi-disciplinary team working and the sharing of information. Seer 2.0, hosted on the National Digital Platform, provides ready access for those delivering health and social care services with access to timely, near real-time data to provide improved insight and support decision-making.

As well as empowering people and supporting professionals in their decision making, digital will support greater efficiency and effectiveness as we seek to reform our services.

Prevention

You sought further information on how the Scottish Government intends to develop a clear national strategy for health and social care that prioritises investment in preventative healthcare measures, and how this will be balanced against more immediate operational pressures.

On 4 June, the Cabinet Secretary for Health and Social Care set out in Parliament our vision for health and social care in Scotland – *A Scotland where people live longer, healthier and more fulfilling lives*. Within his speech, the Cabinet Secretary stated that we are not looking to publish another strategy. Instead, he outlined our clear vision for the direction of reform and a programme of improvements already underway, including those with a strong focus on prevention. This approach to reform is set out in the following diagram:



Our vision and programme of reform seeks to deliver health and social care services that are fit for the 21st century and is underpinned by four key areas: improving population health, a focus on prevention and early intervention, providing quality services, and maximising access - all with people at the heart of our decision making.

Our key reforms have been brought together within a single portfolio – 'the Care and Wellbeing Portfolio' - to deliver this vision and accelerate progress on our efforts to improve population health and wellbeing, reduce inequalities, and create a more sustainable health and social care system.

By taking a cross-government approach that considers the wider drivers of health and wellbeing, the Portfolio provides us with a vehicle to coordinate our reform work and support a more preventative approach.

Our approach to reform spans three key time horizons. In the short term we must ensure that our services are delivered in a way that optimises current arrangements. In the medium term, we need to begin to transform how we work and begin to shift the balance of care closer to people's homes and drive forward more proactive approaches. In the longer term we need to fundamentally change how we think about the delivery of health and care, driving investment in prevention and early intervention.

Further information on our programme of reform is provided at **Annex A**.

PFI

You requested that detailed information is provided for each of PFI contracts, incorporating the financial implications of bringing these assets into the public sector, including whether they are likely to involve an exit fee, and if so, the estimated cost of this fee, and what other planning is underway on each of the contracts, including any workforce planning and transfers.

In general, whilst each contract has its own nuances, early PFI contracts may contain one or more of the following expiry options. The PFI facilities can for example:

a) remain with the PFI provider at the end of the contract period;
b) the PFI agreement can be extended;
c) there can be an option for the Board to undertake a procurement exercise for provision of the Facilities Management Services; or
d) the facility can transfer to back to the Board at a cost.

In addition, the exact arrangements at the end of the contract are subject to commercial negotiation and a joint NHS National Services Scotland / Scottish Futures Trust team is in place to support Health Boards with preparing for end of contract.

Details of PFI contracts can be seen in **Annex B.**

It is important to note that all end of contract arrangements will be subject to ongoing discussion and negotiation with the SPV and final conditions may change from those outlined.

Data

You asked what work the Scottish Government is undertaking, in partnership with NHS Education for Scotland and Public Health Scotland, to develop datasets to better understand and evaluate patient outcomes.

The Health and Care Experience (HACE) is a biennial survey that asks about people's experiences of accessing and using their general practice. The survey includes questions that ask people who've had a consultation at their general practice in the last 12 months to describe the effect the treatment or advice received had on the symptoms they were experiencing and also on their overall wellbeing. This information is published and available at the individual general practice level through an interactive dashboard.

The Scottish Care Experience Survey Programme is a suite of national surveys that measure the quality of health and care services from the perspective of people using them.

The Health and Care Experience Survey asks about people's experiences of accessing and using their General Practice. The survey programme is currently under review. The review is considering the scope, content and timings of the surveys. A user survey, which will help us to understand how care experience survey data is currently used and how effectively it meets current and future needs, has recently completed and will inform the next steps of the review.

You also asked what work is being undertaken to improve the availability of data and information on general practice.

The Scottish Government has, in partnership with Public Health Scotland (PHS) and National Services Scotland (NSS), established a programme of work to improve the availability, quality and use of operational and outcome data on primary care, delivering actionable intelligence to staff working within primary care, supporting health service planning, approved research and policy development. A Primary Care Data and Intelligence Programme Board is providing oversight and strategic direction to the development of evidence and data for Primary Care delivery, investment and change.

Current priorities for this programme are the establishment of a Primary Care data platform and associated editorial board, to facilitate appropriate access to wider data from General Practice.

The Scottish Government have commissioned NSS to develop this platform, with the aim of providing centralised national access to data from GP IT systems across Scotland. This will help to address current gaps in data and intelligence to inform service planning, broaden our understanding of Primary Care's role in delivering public health improvements, the impact of policy on inequalities, as well as better understanding patient journeys.

Whilst the platform will provide a modern digital infrastructure from which to access data, a GP Editorial Board is required to provide an efficient, robust and transparent governance route for approvals to access the data. The inaugural meeting of the GP Editorial Board took place in May 2024.

This strategic development builds on work already commenced to provide access to activity data from in hours General Practice. This project has been running since 2021, when Scottish Government commissioned NSS and PHS to improve access to general practice activity data. Data is extracted from the majority of General Practices, and analysed by PHS. PHS publish this data on a monthly basis (links here and also here). Additionally, the project includes the creation of local dashboards, enabling practices to analyse their own data and to improve data quality.

Going forward, the project will continue to improve data quality by engaging with and responding to user feedback, and making changes to the dashboards accordingly. It will also work to ensure continuous improvement of the monthly publication.

Overall, the regular extraction of GP in hours data will help users of the data to understand pressures in the system, to understand how pressures are evolving over time and is part of wider monitoring and evaluation of primary care reform.

Further examples of work being undertaken are outlined in **Annex C**.

GP practices

You inquired about the extent to which the number of private GP practices has changed over recent years and the Scottish Government's views on whether more people are now seeking private GP appointments.

Healthcare Improvement Scotland (HIS) regulates independent healthcare services in Scotland and this includes independent clinics where services are provided by medical practitioners.

In April, HIS advised that 11 independent GP practices were registered with them in 2024. This compares to 3 independent GP practices that were registered with them in 2019.

As you are aware, the pandemic was the biggest shock in the history of the NHS and its effects are still felt. Activity in general practice returned to pre-pandemic levels once GPs could safely offer more appointments – but false perceptions that GP practices are unwilling to see patients endure.

General practice is fundamental to an NHS that is free at the point of need; we invested £1.2 billion into general practice last year. We are working to better understand the increasing complexity of GP appointments and the nature of demand so we can reform and support delivery of better services to patients.

Workforce - Staff Absences

The Committee asked that updated figures relating to staff absences and turnover are provided once available.

NHS Education for Scotland have announced they will publish sickness absence data for the year to 31 March 2024 on 13 August 2024. An update will be provided to the Committee once the data have been published.

In the year ending 31 March 2024 the outflow from NHS Scotland was 12,546 headcount. This was lower than the inflow, which was 18,526 headcount. The turnover rate (i.e. the number of leavers divided by the number of staff in post) for the year ending 31 March 2024 was 7.2%. This is a decrease from 2022/23, where the turnover rate was 10.0%.

Please see the chart in **Annex D** for further information.

NTCs

The Committee also requested that updated cost estimates for the NTCs awaiting completion are provided as soon as they are available.

With regards to costs set out in my letter of 22 July 2023, the original National Treatment Centre (NTC) programme included 6 centres with an initial cost estimate of £200 million.

The programme has since expanded significantly and the £827 million also set out in that letter related to estimated remaining costs for the expanded programme and therefore is not a like for like comparison.

However, it is correct that expected costs for the remaining projects within the programme had increased from initial estimates. Key contributing factors include: progression of the business cases, resulting in increased understanding of service and technical requirements and or changes to requirements as a result of wider factors such as net zero targets and assurance processes, and; the impact of inflation, which has been particularly pronounced as a result of the Covid-19 pandemic, the economic impact of EU exit, and uncertainty in the supply chain due to a range of external factors.

As the Committee is aware, design and business case development work on the remaining NTCs (NTC Grampian, inc Dr Gray's Hospital MRI), NTC Tayside, NTC Lanarkshire, NTC Lothian, NHS Ayrshire and Arran and the replacement Edinburgh Eye Pavilion) has been on pause since December 2023 due to budgetary constraints.

Consequently, no further work is being progressed at this stage to complete the business cases for these projects and to determine the final technical and service specification and capital and operating costs for these new facilities. The completion of the remaining National Treatment Centres will require additional funding to be allocated. The review of the Scottish Government infrastructure pipeline due later this year.

While this review is ongoing, and in the context of an extremely challenging financial position, we are working with NHS Boards to develop a whole-system infrastructure plan. This will support due consideration as to which projects can be included within the revised pipeline to ensure it is affordable and deliverable, while providing the best value for money.

I hope these answers are helpful, and I look forward to working with the Committee in the future,

Many thanks,

Caroline Lamb

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ANNEX A – REFORM PROGRAMME

Our programme of reform builds on the strategic foundations developed over the past decade or so, notably the 2016 National Clinical Strategy, but also the 2010 Quality Strategy, 2016 Realistic Medicine, 2018 Public Health Priorities for Scotland and the 2022 NHS Scotland Climate Emergency and Sustainability Strategy.

In 2016, we published the National Clinical Strategy, which outlines a framework for the evolution of health services across Scotland over 10 to 15 years. It emphasises evidence-based reasoning for necessary changes and provides strategic direction for the transformation of healthcare services to ensure sustainability and quality of care. This strategy aims to guide NHS Scotland in adapting to the evolving landscape, ensuring that services remain effective, accessible, and responsive to the needs of the population.

Alongside this work, the developing National Clinical Framework will set out operating models at a service level, rather than the current geographical planning of acute services. In practice, this will build from the national planning that we already undertake successfully for specialist services. We will plan our acute services at a Scotland population level, taking into consideration procedures of varying volume and complexity.

The framework will be responsive to the changing needs of the population; it is not a fixed destination point, rather a framework to guide year-on-year planning of services. In the longer term we need to fundamentally change how our acute system is structured to respond to the changing needs of the population; concurrently, we must reduce demand and not simply improve services.

Without improving our nation's general health, no end of service improvements or clinical strategies or refined operating models will be able to make us a healthier nation in the long run. Interventions at a population level that work to prevent ill health and intervene early, and therefore reduce demand on NHS services, are a critical part of the whole of government response that is required to improve health, reduce demand, and improve NHS performance.

The Preventative and Proactive Care Programme within the Care and Wellbeing Portfolio is focused on secondary prevention, actions which focus on early detection of a problem to support early intervention and treatment. The Programme is currently looking to address common risk factors for areas where we see a higher burden of disease (cardiovascular disease, diabetes, etc.) and transform how our system works to focus more on prevention and early intervention.

As an example, one area of work within this programme is the cardiovascular disease risk workstream, which brings together research and evidence from across the UK around health checks and lifestyle change programmes.

The aim is to enhance the detection and management of key clinical risk factors for cardiovascular disease, including high blood pressure, high cholesterol, high blood sugar, and obesity.

The Cancer Action Plan for Scotland 2023-2026 includes two actions to reduce the burden of cervical cancer. We continue to work towards the World Health Organisation's targets to eliminate cervical cancer using all available tools. This includes introducing a one-dose schedule of the HPV vaccine, increasing screening uptake and continued investment in treatment. We have also established an Expert Group to lead on scoping work to consider and provide recommendations on how Scotland will work towards eliminating cervical cancer.

We are also supporting Primary Care to deliver high quality preventative health and care services by increasing the capacity of, and access to, general practice, community pharmacy, dental and community eyecare services by end 2026, as part of a Route Map for Primary Care reform.

We will complete roll out our flagship Community Glaucoma Service across all Health Boards by March 2026, providing a service for up to 20,000 patients; introducing from 2024/25 a new UK-leading Masters-level undergraduate degree course to deliver a wider range of community-based services that support early intervention and avoid adding pressure to acute services . We also plan to enhance NHS Pharmacy First Scotland so that a wider range of health conditions are covered.

How we approach innovation in service delivery is critical. We are committed to ensuring that people across Scotland benefit fully from advances in science and technology that could transform lives, increase healthy life expectancy and reduce health inequalities. For example, the ANIA pathway will support joint decision making between the Scottish Government and the NHS around which innovations to prioritise for investment to maximise our impact on the prevention of ill health and the productivity of the NHS in Scotland.

Also within the Portfolio, our Place and Wellbeing Programme is developing a Population Health Framework for Scotland which takes a cross-government, cross-sector approach to improve the key building blocks of health. The Framework in being developed in collaboration with key partners, including COSLA, PHS and NHS Scotland leaders and will focus on primary prevention activities that try to stop problems happening in the first place.

The Framework will consider what more can be done to mitigate against the social and economic drivers of ill health and build a Scotland – with places and communities – that positively supports health and wellbeing. This will be complemented by holistic actions which promote health and wellbeing, reduce health harming activities and enable equitable access to healthcare.

We are already taking action - key primary prevention actions planned in Scotland for the next 18 months include taking forward the Four Nations Tobacco & Vapes Bill; including the single use vapes ban and progressing actions from our Tobacco & Vaping Framework, improving the food environment through taking forward legislation to restrict the promotion of food and drink high in fat, sugar or salt; and uprating the Minimum Unit Price of alcohol to 65p. Later this year, in partnership with COSLA, we will publish a new Physical Activity for Health Framework which will support the development of local and national evidence-based actions to improve levels of physical activity. Further measures to support improvements in population health will be set out in our Population Health Framework later this year.

In terms of the prioritising of investment in relation to prevention measures, the 2025-26 budget process will require decisions to be made on prioritisation and how any additional funding can be best utilised, with competing pressures across pay, waiting times and ongoing increased demand for services.

The Health and Social Care Portfolio Medium Term Financial Framework is due to be published later this year, giving a five-year outlook of the financial position, which will help frame the need for a wider view of reform and how we tackle the growing burden of disease within a constrained budgetary envelope.

ANNEX B – PFI

In the case of **University Hospital Wishaw**, the PFI contract is scheduled to expire on 25 December 2028. NHS Lanarkshire has served notice on the Special Purpose Vehicle (SPV) which is the other party to the PFI contract along with the Health Board, that it does not wish to vacate the site on expiry of the term and for both the PFI contract and ground lease to terminate. The effect of this is that the facilities will fully revert to NHS control on payment by NHS Lanarkshire of a residual value sum to the SPV.

The residual value sum is the net present value of the aggregate management fees the SPV would receive if the term of the contract were extended applying assumptions set out in the contract. The contract prohibits the residual value sum from exceeding £15 million (this figure is fixed and not subject to RPI adjustments).

NHS Lanarkshire brought soft facilities management services in-house in May 2023. As part of this agreement, NHS Lanarkshire paid the SPV a sum of £9.3 million, which was the portion of the residual value sum which related to those services. The maximum remaining residual value sum that NHS Lothian must pay the SPV is £5.7 million on expiry of the term.

The PFI contract includes the provision of a range of Siemens medical equipment. The maximum remaining residual value sum does not include the purchase of this equipment. NHS Lanarkshire and Siemens have commenced negotiations of the price, which will have to be agreed between them, for this purchase.

In the case of **Tippethill Hospital**, the project facility was built by the Tippethill SPV on premises which were leased by NHS Lothian (acting through Scottish Ministers) to the SPV and the subsequently constructed project facility was then sub-leased back by the SPV to NHS Lothian. The site lease has a term of 99 years. The sub-lease has a term which is based on the period of the PFI contract. The PFI contract provides NHS Lothian with four options on expiry of the original term of the PFI contract. NHS Lothian has the option to vacate the facility and the SPV would be entitled to use the site for the remainder of the 99-year lease term in exchange for paying market rent to NHS Lothian. NHS Lothian has notified the SPV that it wishes to extend the PFI arrangement for a period that is to be agreed, to allow for a replacement facility to be adapted appropriately.

With regards to **New Craigs Hospital**, NHS Highland have informed the New Craigs Hospital SPV that the SPV will be required to vacate the facilities on the expiry date of the contract, July 2025, and that NHS Highland will deliver the facilities management services in house. A payment is due from NHS Highland on expiry which represents the market value of the SPV's interest in the facilities (£2.7 million

for the SPV interest in the head lease and £0.3 million for the SPV's interest in the Aonach Mhor Community Unit site).

In the case of the **Carseview Centre**, the Carseview SPV have been notified that NHS Tayside will deliver the facilities management services in house and the SPV will be required to vacate the facility on the expiry date of the contract, June 2026. Upon expiry of the PFI contract, the Carseview SPV will be required to renounce the ground lease, for which NHS Tayside will have to pay the Carseview SPV the lower of either the market value of the facility or its residual value (which is capped at £1.5 million).

In the case of **Larkfield**, NHS Greater Glasgow & Clyde have notified the Larkfield SPV that the Board will remain on site following expiry of the PFI Agreement on 31 October 2025 and facilities management services will be provided in-house. Upon expiry of the PFI Agreement NHS Greater Glasgow & Clyde will have to pay the SPV the market value of the SPV's interest in the head lease. Negotiations are ongoing between the parties to agree the market value.

With the **Royal Infirmary of Edinburgh**, the contract between NHS Lothian and the SPV is due to expire on 31 December 2027. At that stage a Secondary Period would begin automatically should NHS Lothian not exercise its right to break from the sub lease. During the Secondary Period, NHS Lothian would be obligated to pay the SPV an annual management fee (c.£1.5 million p.a.), however the SPV are not obliged to provide any services in exchange for this.

NHS Lothian and the SPV are in negotiations regarding the condition of the facility and lifecycle maintenance. As part of these discussions, it is proposed that the facility will be handed-back to NHS Lothian in December 2027, that there will be no Secondary Period and that all payments by NHS Lothian to the SPV will cease.

Regarding **Ellen's Glen House**, the project structure is based on a sale and lease back by NHS Lothian. The project facility was built by the SPV on a site which was sold by NHS Lothian (acting through the Scottish Ministers) to the SPV. The project facility was then leased back by the SPV to NHS Lothian.

NHS Lothian has the option, exercisable by it giving written notice to the SPV not less than two years prior to the expiry of the contract term on 29 November 2029, to confirm that it wishes to negotiate an extension of not less than five years of the contract term. If NHS Lothian serves such notice, the parties are then obliged in good faith to negotiate terms and conditions on which the contract term may be extended.

If the parties have not unconditionally agreed terms for an extension by the date which is eighteen months prior to the expiry of the contract term, then the contract expires at the end of its term. In this situation, NHS Lothian becomes obliged to notify the SPV whether it proposes to vacate the site on expiry of the term. If it does not intend to vacate the site, NHS Lothian is required to pay the SPV the market

value for the site. Alternatively, the Board can vacate the site. The market value is yet to be determined.

ANNEX C – DATA

Improvements to data on workforce are also being made. The General Practice Workforce survey for 2024 was launched in May. NSS have improved the previous data collection tool and created a Workforce Data Collection App which will allow practices to be able to update information previously submitted and make changes all year round. This makes completion easier for practices and alongside SG encouraging response with support from Health Boards, RCGP and BMA, should increase response rates. This will lead to less missing data and imputation used in publications by NHS Education for Scotland (NES).

In 2023, NES took over responsibility for analysing and publishing the results of 3 publications on General Practice and Out-of-Hours workforce. NES are now working to improve the clarity and range of analysis which is available from these surveys and data.

Another area we are currently working to address is evidence gaps in the implementation of Multidisciplinary Teams (MDT), as we look to support more effective MDT team working.

To achieve this, the Scottish Government have established, with the support of Healthcare Improvement Scotland (HIS), the Primary Care Phased Investment Programme which will demonstrate what a model of full implementation of the multidisciplinary team (MDT) can look like in practice. The programme supports four demonstrator sites to use improvement methodologies to more fully implement Pharmacotherapy and Community Treatment and Care (CTAC) services locally, while maintaining full delivery of the Vaccination Transformation Programme. They will increase their understanding of the impact of these services for people, the workforce and the healthcare system, with a reduction in GP and practice workload and improvement in patient outcomes the key aims.

The programme will collect evidence on the impact and the cost-effectiveness of MDT working which will then inform and support future long term investment. The programme will run from April 2024 to September 2025 with final findings expected December 2025.

In addition to the work with the demonstrator sites, HIS has established a national ‘Primary Care Improvement Collaborative’. This will offer support for local teams out with the demonstrator sites to implement quality improvement approaches in Pharmacotherapy and CTAC services and in access to primary care services.

ANNEX D – STAFF ABSENCES

The chart below shows the number of NHS Scotland joiners, leavers and the turnover rate over the last decade.