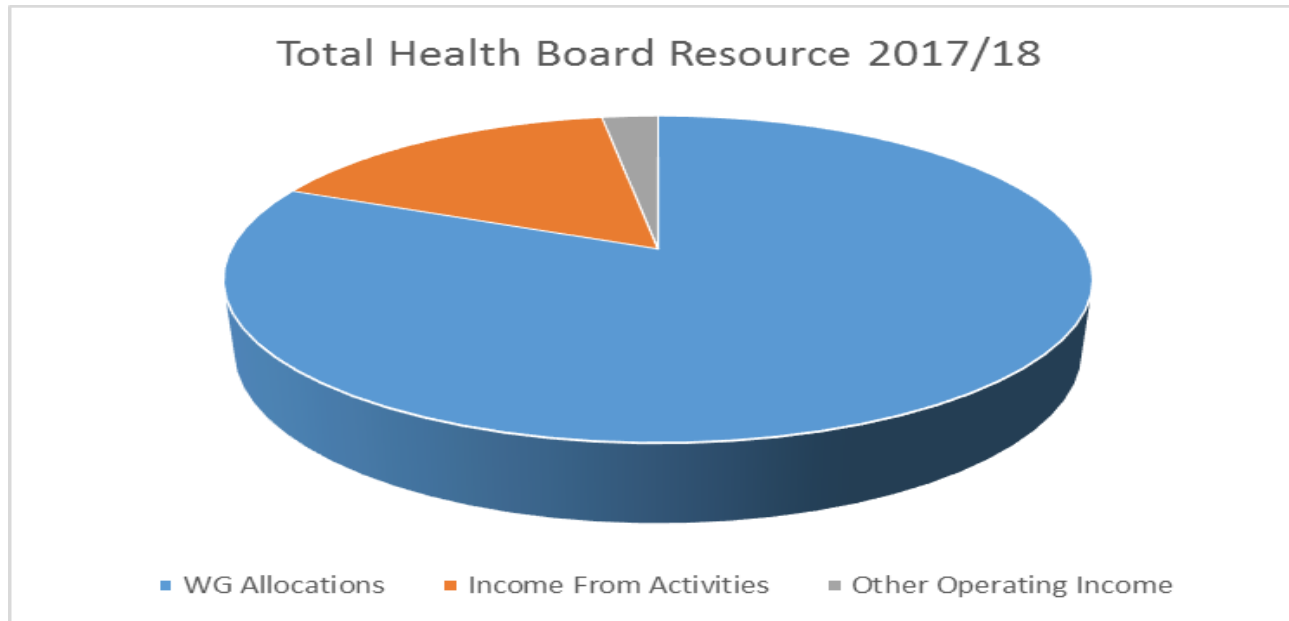




Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU FINANCE DEPT. PERFORMANCE & FINANCE COMMITTEE – INCOME ANALYSIS

- The Health Board total resource for 2017/18 was £1.326bn.
- This was made up of :
 - WG Allocations £1,080m
 - Income from Activities £ 213m
 - Other Operating Income £ 33m



- The WG Allocation comprises of 4 main elements. The table provides a breakdown of the allocation for 2017/18.

WG Allocations	£000
Revenue	937,515
GMS	82,286
Pharmacy Contract	29,570
Dental Contract	28,598
Non Resource Limited	1,962
Total WG Allocation	1,079,931

- The WG allocation will include some elements of funding issued on a non-recurrent basis eg GP IMT Refresh, Primary Care Training, Performance Funding.
- The baseline WG allocation set out in the 2018/19 Revenue Allocation Letter was £1,073m.
- The current forecast WG allocation for 2018/19 is £1,101 due to the issue of additional allocations for Performance, Invest to Save and other non-recurrent issues.

- The Income from Activities reflects income from key core service provision. The table provides an analysis of the income for 2017/18.

Income from Activities	£000
LTA/Core Service Provision	180,078
Local Authorities	7,667
Overseas Visitors	202
Other WG Income	7,683
Private Patients	3,847
Injury Cost Recovery Unit	2,367
Dental Charges	6,818
Other Income	4,000
	212,662

- The LTA/Core Service provision relates to services provided to other Health Boards and Trusts either as direct service provision or the provision of input into other services eg visiting consultants. This income is bound by Long Term Agreements(LTAs) or Service Level Agreements (SLAs), which are based on agreed activity, tariff and tolerance levels. Work is ongoing to make LTAs more reflective of current casemix and practices.
- The overall income from activities for 2018/19 is not expected to change significantly, however, the other income includes search fee income which is no longer able to be recovered under GDPR. This resulted in a loss of income of around £150k in 2018/19.

- The Other Operating Income reflects income from non-core service provision eg Training and Education, Research & Development, Laundry, Catering. The table provides an analysis of the income for 2017/18.

Other Operating Income	£000
Training & Education	17,466
R&D	4,753
Other Income	10,635
	32,854

- The most significant element of income is Training and Education. Whilst major change is expected in 2018/19, the establishment of HEIW may change the way in which training and education is supported in the future.
- Other income includes around £3.5m catering income, £1m drugs rebate income and a range of smaller items eg rental income, laundry, pharmacy sales.
- There is no significant change in income levels expected in 2018/19.

- There are a number of potential opportunities to increase income:
 - Greater collaboration around asset management, including rental income from public, third sector and industry partners
 - Greater collaboration around non clinical support services and corporate functions for example, income from shared occupational health, job evaluation, laundry, catering, mortuary
 - Commercialisation – industry partners plus expert services (ICT software product design)
 - Maximising patient income recovery from overseas visitors and injury cost recovery unit.
 - Formalising a Health Board Strategy for Private work
 - Research income, particularly in partnership with University, maximising use of national and international funds and industry eg Lifesciences hub.
 - Maximising Charitable Fund support, whilst not essentially income it is important that we maximise potential to support non-core costs.
 - Maximising opportunities to access WG funding streams.
- The Health Board is establishing an income group to support the maximisation of income potential.