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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	Audit Committee Tuesday 31 st July	Agenda Item	3c
Report Title	Bridgend Clinic Trading Account 2017-18		
Report Author	Joanne Ilsley: Finance Manager POW Mandy Pady: Finance Business Partner POW		
Report Sponsor	Lynne Hamilton: Director of Finance		
Presented by	Lynne Hamilton: Director of Finance		
Freedom of Information	Open		
Purpose of the Report	To present the Bridgend Clinic Trading Account for 2017/18 and advise the Audit Committee of the Bridgend Clinic performance for the financial year ended 31st March 2018.		
Key Issues	<ul style="list-style-type: none"> In 2017/18 the Bridgend Clinic made a net profit of £739,000 an increase of £358,000 compared to 2016/17. The increase in Net Profit in 2017/18 was due to a combination of a change in the mix of cases undertaken (particularly an increase in cataract surgery) which has generated additional profit and a reduction in the extent to which bed closures were required to manage winter pressures as part of the Health Board response. By maximising the utilisation of the Clinic it has been possible to keep the ward beds for large cases and day cases through PIU. Increased direct cost would be offset by higher income levels and is reflected in the increased profit. Inflation was applied to inpatient tariffs at an average of 2% on Insurance funded patients and 2.5% for self-funding patients at the start of 2017/18. All profits generated through the Bridged Clinic are used to support NHS services on the POWH site 		

	and/or reinvestment in further development of the Bridgend Clinic.			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
			✓	
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the performance of the Bridgend Clinic for 2017/18 			

BRIDGEND CLINIC TRADING ACCOUNT 2017/18

1. INTRODUCTION

The purpose of this report is to present the Bridgend Clinic Trading Account for 2017/18 and advise the Audit Committee of the Bridgend Clinic performance for the financial year ended 31st March 2018.

2. BACKGROUND

The Bridgend Clinic Trading Account is attached as **APPENDIX A**.

In 2017/18 the Bridgend Clinic made a net profit of £739,000 an increase of £358,000 compared to 2016/17.

The table below summarises the clinic's financial performance in comparison to 2016/17.

	2017-18	2016-17	Movement
	£'000	£'000	£'000
Income	2,765	2,159	606
Less Total Direct Costs	1,798	1,554	244
Gross Profit / (Loss)	967	605	362
Less Indirect Charges	229	225	4
Net Profit (Loss)	738	380	358

The increase in Net Profit in 2017/18 was due to a combination of a change in the mix cases undertaken (particularly an increase in cataract surgery) which has generated additional profit and a reduction in the extent to which bed closures were required to manage winter pressures as part of the Health Board response.

By maximising the utilisation of the Clinic it has been possible to keep the ward beds for large cases and day cases through PIU. Increased direct cost would be offset by higher income levels and is reflected in the increased profit.

Inflation was applied to inpatient tariffs at an average of 2% on Insurance funded patients and 2.5% for self-funding patients at the start of 2017/18.

3. GOVERNANCE AND RISK ISSUES

Following the Princess of Wales Hospital quarter four Performance Review, a process of enhanced scrutiny of the governance of Bridgend Clinic has been initiated. This will involve increased financial scrutiny.

Relevant Delivery Unit, corporate and Internal Audit colleagues are involved in this process.

4. FINANCIAL IMPLICATIONS

There are no financial implications other than to note that all profits generated through the Bridged Clinic are used to support NHS services on the POWH site and/or reinvestment in further development of the Bridgend Clinic.

The Audit Committee is asked to note the performance of the Bridgend Clinic for 2017/18.

Governance and Assurance											
Link to corporate objectives (please ✓)	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access		Demonstrating value and sustainability		Securing a fully engaged skilled workforce		Embedding effective governance and partnerships		
			✓		✓						
Link to Health and Care Standards (please ✓)	Staying Healthy	Safe Care	Effective Care		Dignified Care		Timely Care	Individual Care	Staff and Resources		
							✓	✓	✓		
Quality, Safety and Patient Experience											
A process of enhanced scrutiny of the governance of Bridgend Clinic has been initiated. This will involve increased financial scrutiny. Relevant Delivery Unit, corporate and Internal Audit colleagues are involved in this process.											
Financial Implications											
There are no financial implications to consider other than to note that all profits generated through the Bridged Clinic are used to support NHS services on the POWH site and/or reinvestment in further development of the Bridgend Clinic.											
Legal Implications (including equality and diversity assessment)											
No anticipated legal implications.											
Staffing Implications											
No known staffing implications.											
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015 - https://futuregenerations.wales/about-us/future-generations-act/)											
No Long Term Implications known.											
Report History		Bridgend Clinic Trading account is reported annually									
Appendices		Appendix A: Bridgend Clinic Trading Account 2017/18:									

Abertawe Bro Morgannwg University LHB
Trading Account - Private Patient Activities (Princess of Wales Hospital)
Year ending 31st March 2018

		Total Year ending 31 March 2018 £	NHS Activity Adjustment £	Restated with NHS Activity Year ending 31 March 2018 £	Total Year ending 31 March 2017 £	NHS Activity Adjustment £	Restated with NHS Activity Year ending 31 March 2017 £
INCOME							
Inpatients	Note 2	2,460,633		2,460,633	1,843,104		1,843,104
Outpatients		248,878		248,878	248,509		248,509
Hire of Consulting Rooms		55,625		55,625	67,764		67,764
Total Income		2,765,136	0	2,765,136	2,159,377	0	2,159,377
DIRECT COSTS							
DIRECT PAY							
Consultant		6,900		6,900	9,750		9,750
Management Support		61,243		61,243	75,148		75,148
Nursing Staff	Note 1	678,386	-95,441	582,944	628,718	-96,366	532,352
Clerical Support		74,689		74,689	77,563		77,563
Healthcare Assistants	Note 1	174,559	-24,559	150,001	154,192	-23,634	130,558
Scientific/Therapeutic		196,879		196,879	158,570		158,570
Radiographers+Other Pams		32,734		32,734	21,353		21,353
Total Direct Pay		1,225,390	-120,000	1,105,390	1,125,294	-120,000	1,005,294
DIRECT NON PAY							
Supplies & Services - Clinical		7,867		7,867	7,061		7,061
Supplies & Services - Surgical		26,208		26,208	16,325		16,325
Supplies & Services - Clinical - Drug Costs		58,000		58,000	23,566		23,566
Supplies & Services - Clinical - Prosthetics & Implants		301,449		301,449	205,339		205,339
Supplies & Services - Clinical - Prosthetics WLI				0			0
Supplies & Services - General		14,174		14,174	7,578		7,578
Establishment Expenses		3,925		3,925	4,021		4,021
Premises & Fixed Plant		641		641	1,223		1,223
Legal & Professional Fees		17,068		17,068	11,885		11,885
Miscellaneous		36,331		36,331	45,689		45,689
Total Direct Non Pay		465,662	0	465,662	322,687	0	322,687
DIRECT CHARGES							
Capital Charges		139,100		139,100	139,100		139,100
Theatre - Pay Costs				0	0		0
Theatre - Non Pay Costs		55,640		55,640	55,640		55,640
Medicine Recharges				0			0
HDU Beds				0			0
Diagnostic & Therapeutic Support		31,720		31,720	31,720		31,720
Total Direct Charges		226,460	0	226,460	226,460	0	226,460
Total Direct Costs	Note 1	1,917,511	-120,000	1,797,511	1,674,441	-120,000	1,554,441
Gross Profit / Loss		847,625	120,000	967,625	484,937	120,000	604,937
INDIRECT COSTS							
Electricity, Gas & Water		14,980		14,980	14,980		14,980
Rates		14,445		14,445	14,445		14,445
Facilities Repair/Maintenance		23,540		23,540	23,540		23,540
Printing/Telephones/Postage/Photocopying		12,840		12,840	12,840		12,840
Catering & Provisions		73,295		73,295	73,295		73,295
Misc		4,280		4,280	4,280		4,280
Cleaning / Portering		31,030		31,030	31,030		31,030
Management Support (includes finance, personnel, nursing & executive)		29,447		29,447	25,476		25,476
Bad Debt Provision		15,463		15,463	15,463		15,463
Welsh Risk Pool Contribution		9,551		9,551	9,551		9,551
Total Indirect Costs		228,871	0	228,871	224,900	0	224,900
NET PROFIT / (LOSS)		618,754	120,000	738,754	260,037	120,000	380,037