

2020/21 Budget Review

Budget Outcome – Summary

NHSBT Overall

- The current budget build outcome is an overall surplus of £0.6m
- Less transformation / project spend of £23.3m (Blood/Group = £20.6m and DTS = £2.7m)
- Overall deficit of £22.7m
- Understanding the movements in **Blood/Group** is key
- **Reflects increased ambition and associated investment in digital and technology (across budget, transformation and capital)**

Organ Donation & Transplantation

- Underlying (funded) I&E deficit of £1.7m
- No project (transformation) spend capacity
- Ring fenced income/cost for Opt Out, DCD Hearts, Donor Characterisation
- **Additional funding required** – ideally in 2020/21, categorically in 2021/22 onwards

Diagnostic & Therapeutic Services

- Service income growth of 4.2%, direct operational cost growth of 3.0%:
- **Stable margins**
- Planned project spend of £2.7m

Data on DTS and ODT follows – presentation focused on Blood / Transformation

Budget Outcome – Summary

Blood & Group

- BAU budget higher than November forecast (£4.4m)
- Driven by investment in cyber security, additional donor marketing, apheresis and some increased resourcing in group services.
- Transformation costs also higher – increased ambition in digital and technology + restructuring and new donor centres
- Declining trend in margin expected/planned but now worse (£15m to £19m deficit)
- £20m less than 2018/19 actual

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£m	2018/19 Actual	2019/20 Budget	2019/20 Fcast	2020/21 Target	2020/21 Budget
Blood Income	271.8	271.3	272.7	276.2	274.9
Blood Donation	-73.8	-77.2	-76.2	-77.2	-78.1
Manu, Test & Issue	-66.8	-68.3	-66.1	-67.0	-65.2
Logistics	-20.5	-19.6	-19.4	-19.3	-19.9
Stock Movement	3.5	-	-2.6	-	-
Group Costs	-113.9	-118.1	-118.0	-127.3	-131.0
Margin pre transformation	0.3	(11.9)	(9.7)	(14.7)	(19.1)
Projects / Transformation	-9.1	-19.0	-13.5	-16.3	-20.6
Blood / Group Margin	(8.8)	(30.9)	(23.2)	(31.0)	(39.7)

Decline in operating margin driven by
 2 step up in blood donation costs (+150 wtes) in 2019/20
 3 increase in group cost over last two years – especially ICT

Blood – direct operating costs

Budget includes reduction in plasma imports (£2.7m) – offset by reduction in plasma components income

6.7% increase in direct cost / red cell unit over two years

A key driver is the step increase in blood donation costs late 2018/19

£m	2017/18 Actual	2018/19 Actual	2019/20 Budget	2019/20 Fcast	2020/21 Budget	Adjusted
Blood Donation	72.1	73.8	77.2	76.2	78.1	
Process/Test/Issue	67.4	66.8	68.3	66.1	65.2	67.9
Logistics	20.1	20.5	19.6	19.4	19.8	
Stock movement	1.3	-3.5	-	2.6	-	
TOTAL	162.2	157.6	164.3	164.3	163.1	165.8
Red cell issues (m's)	1.461	1.398		1.397	1.378	
Cost / red cell	£111.02	£112.73		£117.61		£120.32
				+4.3%		+2.3%

Key movements – Forecast to Budget

Pay / drift	+3.1
Apheresis	+1.0
Stock Movement	- 2.6
Plasma imports	- 2.7
LRP	- 0.9
Net Other	+0.9

Group Services costs – movement to budget

11% increase – investment in ICT increased by 38% since 2018/19

(underinvesting in maintenance in 2018/19 - assumed to be decommissioned post CSM)

£m	2018/19 Actual	2019/20 Fcast	2020/21 Budget	Change	Drivers / Comments
Estates	39.8	40.3	41.3	2.5%	£0.1m pay/drift, £0.2m cleaning, £0.9m Barnsley dual running
ICT	24.9	27.1	34.3	23%	See following
Clinical	13.9	13.2	14.9	13%	£0.3m pay/drift, £0.2m NHR premium, £0.9m filling vacancies
People	7.3	8.1	8.9	9.9%	£0.2m pay/drift, £0.4m +5 WTEs (4 =support for Op Model, 1 = FSUG), £0.2m training/conferences
Communications	6.8	7.7	8.5	10%	£0.1m pay/drift, £0.5m blood donor marketing, £0.1m +3 WTEs
Finance	5.5	5.5	5.4	-1.9%	£0.1m pay/drift, -£0.2m payroll/Nextra savings, £40k licences transfer to ITC
Quality	4.9	5.5	6.0	9.1%	£0.2m pay/drift, £0.4m re 6.6 WTEs (2 for CMT and 2 for ITC)
R&D	5.0	5.6	4.2	-25%	£1.2m external projects in 2019/20 off-set by additional income
Strategy & Transformation	1.7	1.9	2.2	14%	New roles - Director, CoSec (Director role offset by reduction in DTS)
Chief Exec/Board	0.7	0.7	0.8	15%	Transfer in - international post (from M&L)
Misc / capital charges	3.5	2.5	4.6	84%	Capital charges £1m, AFC absence/holiday pay claims £0.6m, VAT claim £0.3m
TOTAL	113.9	118.0	131.0	11%	

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Key movements – Forecast to Budget

ICT	+7.2
Pay / drift	+0.9
Barnsley dual running	+0.9
Headcount / vacancy fill	+1.9
Blood donor marketing	+0.5
Non pay increases	+0.6
Misc - cap charges / R&D	+0.9

ICT – budget to budget movement

Represents a step change increase in BAU activity and supporting capability

ICT – Budget 2019/20	£27.2m
+ Pay / incremental drift	+0.3
+ Additional services	+0.7
+ Session solution run costs	+0.9
+ Investment in modernisation of Pulse	+1.0
+ Headcount (+22 WTEs)	+2.2
+ Cyber security services	+1.4
+ Infrastructure cost increases	+1.0
+ ICT capital charges	+0.4
- Service terminations (inc 2.4 WTEs)	- 0.7
ICT - Budget 2020/21	£34.3m

£0.3m - additional software maintenance (eg donor portal)
 £0.3m - LAN/WAN, telephony (eg Storm)
 £0.1m - additional licence fees (eg ServiceNow, Nextrasoft)

£0.3m - 3 wtes additional testing resource
 £0.9m - 2 wtes for cyber security plus services – user visualiation / phishing
 £0.7m - 11 wtes to decrease the time it takes to release Pulse change
 £0.3m – 6 wtes service ops, solutions delivery, demand management

Assuming £4m of recurring cyber security run costs (spread over 3 years for budget purposes).
 Aim to reduce this by taking advantage of NHS Digital products, services and contracts

£0.3m - printer contract
 £0.3m - public cloud
 £0.2m - desktop refresh
 £0.2m - CRM upgrade

Projects / Transformation Budget (Blood/Group)

High spend in both 2020/21 and 2021/22

Two major ICT projects (blood tech strategy and datacentre migration) with spend profiles that will change as they fully mobilise and the results of the datacentre procurement are known.

The majority of the remaining ICT projects are investment in upgrading legacy infrastructure supporting critical NHSBT applications

£m	2020/21	2021/22	2022/23	2023/24	2024/25
Blood Tech strategy	4.0	5.0	5.0	5.0	5.0
Data Centre relocation	0.8	7.5			
Other IT projects (12 lines in 2020/21)	4.2	5.4	0.3		
LRP	2.2	0.2			
Estates (Colindale refurb)	2.0	1.5	1.5	1.5	1.5
Barnsley	1.1				
Blood Enquiry	1.0	1.0			
Session Solution (BD)	0.9				
Red Cells	0.8	0.3			
Gamma Irradiator Disposal	0.8				
Medical Device Regulation Change	0.5	0.3			
Restructuring	0.5	0.5			
New Donor Centres	0.5	0.5	0.5	0.5	0.5
Other	1.3	1.3	1.5	0.6	0.5
Total	20.6	23.5	8.8	7.6	7.5

.....and the capital budget

Note - 2020/21 budget confirmed within DHSC planning (not necessarily approved)

£m	2018/19	2019/20	2019/20	2020/21
	Actual	Budget	Fcast	Budget
BAU - Replenishment	4.3	4.4	4.4	7.0
Estates	2.4	2.6	1.0	3.5
CBC Filton	0.9	2.5	0.9	6.2
Barnsley Centre	1.4	13.5	13.5	0.9
ICT infrastructure renewal	-	4.8	3.2	12.8
TOTAL	9.0	27.8	22.6	30.4

Pricing

November Board

- 10% price increase in 2021/22 to restore margin and cash position
- £3m (1%) cost improvement in each of 2020/21 – 2022/23
- Plus use of cash / planned deficits
- Mitigates to around a 4% price increase

Today

- BAU budgets higher than target (first 1% mitigation effectively over-taken)
- Substantial increase in transformation 2020/21 and 2021/22
- Required price increase is therefore marginally worse at ca 10-12%

**Outcome assuming:
11% price increase in 2021/22
2% price increases thereafter
end 2021/22 with £10m cash**

	2019/20 Fcast	2020/21 Budget	2021/22 Est	2022/23 Est	2023/24 Est	2024/25 Est
<i>Red cell issues - millions</i>	1.397	1.378	1.361	1.348	1.346	1.346
<i>Red Cell price - £/unit</i>	133.44	138.33	153.55	156.62	159.75	162.94
Underlying I&E*	-£2m	£0m	£26m	£20m	£17m	£15m
Transformation	-£9m	-£21m	-£24m	-£9m	-£8m	-£8m
Surplus / Deficit	-£11m	-£21m	£2m	£11m	£9m	£7m
Cash Reserves	£29m	£8m	£10m	£21m	£30m	£37m

NB a 2% price increase in 2021/22 would see a cash deficit of £15m

Options (targeting £10m cash end 2021/22)

Note – all pre employers contribution increase (+2% on prices - assumed to be funded)

Efficiency improvements

- Assume £3m saving (ca 1%) in each of 2020/21 and 2021/22
- Price increase can be reduced to 8%

Constrain transformation spend (in addition) from £44m over 2 years

- To limit the price increase to 5%
- Transformation fund reduced from £44m over 2 years to £36m (£18m pa)

- To limit the price increase to 2%
- Transformation fund reduced from £44m over 2 years to £28m (£14m pa)

Summary / Recommendations

Declining BAU position/high transformation spend requires funding through a significant price increase

Options

1. **Seek 11% (plus 2% for pension increase)**
2. **Build 1% saving into budget and plan – seek 8% +**
 - **Probably the minimum NHS would expect**
 - **Work up plans for delivery in 2021/22**
3. **In addition - constrain the transformation fund to £18m pa – seek 5%+**
4. **In addition - constrain the transformation fund to £14m pa – seek 2%+**
 - **Major re-prioritisation required**
5. **Covid-19 – maximise contingency.....constrain contingency to £10m pa (say)**

Covid-19

- **Likely to change all of the existing assumptions (transformation run rate will reduce)**
- **Risk of lost income reducing cash available for transformation**
- **NHS planning stopped and moved to block contracts...impact on price increases (mechanism and appetite)**
- **Have flexibility but should maximise contingency**
- **Watch and re-plan**

End

Budget schedules follow

Income and overall budget outcome

Note - ODT project spend (DHSC / NHSE) balanced by income / cash

Income (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast		2020/21 Budget	Budget Movement
Programme Funding – ODT (DHSC)	62.1	62.9	62.3		62.3	-0.5
Programme Funding – ODT (DHSC for Opt Out)	0.2	10.1	7.5		10.5	0.4
Programme Funding - Diagnostic and Therapeutic Services	4.7	4.2	4.2		4.2	0.0
Programme Funding - Blood & Blood Components	2.2	0.0	0.0		0.0	0.0
Blood & Components Income	261.2	264.5	263.8	+1.6%	268.0	3.4
Diagnostic and Therapeutic Services Income	76.6	78.0	77.8	+4.2%	81.1	3.1
Research & Development	1.9	0.9	2.3		0.9	0.0
ODT – UKHD funding / Other	12.0	11.9	12.3		11.9	0.0
ODT - NHS-E (DCD Hearts and Donor Characterisation)	0.0	2.5	1.1		3.3	0.8
Blood Supply Other Income	3.5	3.3	3.5		3.3	0.0
Group Services Other Income	3.0	2.6	3.1		2.7	0.1
Total Income	427.4	440.9	437.7	+2.4%	448.1	7.2
Total Operating Costs	-399.7	-415.0	-415.3	+4.0%	-431.8	-16.9
Project Spend - Blood / Group	-9.1	-19.0	-11.7		-20.6	-1.6
Project Spend - ODT (Ring fenced projects)	-5.5	-17.3	-11.7		-15.7	1.6
Project Spend - DTS	-0.3	-1.0	-0.9		-2.7	-1.7
Net I&E Position	12.7	-11.3	-1.9		-22.7	-11.4

Blood Supply (current configuration – pre Op Model adjustments)

Blood (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast	2020/21 Budget	Movement from Budget	Movement from Forecast %
Income						
Programme Funding	2.2	0.0	0.0	0.0	0.0	-
Blood & Components Income	261.2	264.5	263.8	268.0	3.4	1.6%
Other Income	3.5	3.3	3.5	3.3	0.0	-5.7%
Total Income	266.9	267.8	267.3	271.3	3.4	1.5%
Direct Expenditure						
Cost of Sales - Stock Movement	3.5	0.0	-2.6	0.0	0.0	-100.0%
Manufacturing, Testing & Issue	-66.8	-68.3	-66.1	-65.2	3.1	-1.4%
Blood Donation	-73.8	-77.2	-76.2	-78.1	-0.8	2.4%
Logistics	-20.5	-19.6	-19.4	-19.8	-0.2	2.2%
Total Direct Costs	-157.7	-165.1	-164.3	-163.1	2.1	-0.8%
Blood Gross Surplus / Deficit	109.2	102.7	103.0	108.2	5.5	5.1%
Group Services Income	4.9	3.5	5.4	3.6	0.1	-33.3%
Group Services Expenditure	-113.9	-118.1	-118.0	-131.0	-12.9	11.0%
Blood & Group Surplus / Deficit (excl. Transformation)	0.3	-11.9	-9.7	-19.1	-7.3	97.7%
Transformation	-9.1	-19.0	-11.7	-20.6	-1.6	75.9%
Blood & Group Surplus / Deficit (incl. Transformation)	-8.8	-30.9	-21.4	-39.7	-9.0	85.7%

Blood – income assumptions

- Note improving demand assumptions – NCG versus budget versus actual
- 2020/21 budget demand also > NCG and likely to be revised upwards by another 1% in March

	2019/20			2020/21	
	NCG	Budget	Forecast	NCG	Budget
Red Cell demand (millions)	1.360	1.371	1.397	1.345	1.378

Blood – income analysis

	2019/20 - Budget			2019/20 – Forecast			2020/21 – Budget		
	Vol	Price	Value	Vol	Price	Value	Vol	Price	Value
	'000	£/unit	£m	'000	£/unit	£m	'000	£/unit	£m
Red Cells	1,371	133.44	184.5	1,397	133.44	187.7	1,378	138.83	192.9
CD Platelets	67.6	240.14	16.6	68.4	240.14	16.8			
Pooled Platelets	185.3	193.4	35.8	187.6	193.40	36.2	254.1	211.26	54.1
FFP / Ad vals / Other B&C's			24.7			19.7			17.5
Non-Clinical Issues			2.9			3.4			3.4
Logistics / Other			3.3			3.5			3.3
TOTAL			267.8			267.3			271.3

Group Services

GROUP (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast	2020/21 Budget	Movement from Budget	Movement from Forecast %
Income						
Research & Development Income	1.9	0.9	2.3	0.9	0.0	-60.9%
Other Income	3.0	2.6	3.1	2.7	0.1	-12.9%
Total Income	4.9	3.5	5.4	3.6	0.1	-33.3%
Expenditure						
Quality	-4.9	-5.5	-5.5	-6.0	-0.5	9.5%
Chief Executive and Board	-0.7	-0.7	-0.7	-0.8	-0.1	14.6%
Communications	-6.8	-7.9	-7.7	-8.5	-0.6	9.3%
Estates & Facilities	-39.8	-39.9	-40.3	-41.3	-1.3	2.5%
Finance	-5.4	-5.4	-5.5	-5.4	0.1	-1.7%
Strategy & Transformation	-1.7	-1.7	-1.9	-2.2	-0.4	13.9%
People	-7.3	-8.1	-8.1	-8.9	-0.8	10.1%
Information Communication Technology	-24.9	-27.2	-27.1	-34.3	-7.1	26.4%
Clinical Directorate	-13.9	-13.8	-13.2	-14.9	-1.1	13.2%
Research & Development	-5.0	-4.3	-5.6	-4.2	0.1	-24.9%
Miscellaneous and Capital Charges	-3.5	-3.5	-2.5	-4.6	-1.1	83.6%
Total Expenditure	-113.9	-118.1	-118.0	-131.0	-12.9	11.1%
Group Surplus / Deficit (excl. Transformation)	-109.0	-114.6	-112.6	-127.4	-12.8	13.1%
Transformation	-9.1	-19.0	-11.7	-20.6	-1.6	75.9%
Group Surplus / Deficit (incl. Transformation)	-118.0	-133.5	-124.4	-148.0	-14.4	19.0%

Transformation spend Blood / Group

Change Programme	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
<i>Blood Tech Strategy</i>	4.0	5.0	5.0	5.0	5.0
<i>Logistics Opportunities</i>	2.2	0.2			
<i>Strategic Estates Development</i>	2.0	1.5	1.5	1.5	1.5
<i>Leeds/Sheffield Consolidation</i>	1.1				
<i>Blood Enquiry</i>	1.0	1.0			
<i>Session Solution (BD)</i>	0.9				
<i>First-in-man Manufactured Red Cells</i>	0.8	0.3			
<i>Co-location</i>	0.8	7.5			
<i>Gamma Irradiator Disposal</i>	0.8				
<i>Blood Change Life Cycle</i>	0.7	0.1			
<i>Pulse database</i>	0.6				
<i>Medical Device Regulation Change</i>	0.5	0.3			
<i>Restructure</i>	0.5	0.5			
<i>Shared server and storage replacement</i>	0.5				
<i>Blood Agitators</i>	0.5	0.7	0.7		
<i>New Donor Centres</i>	0.5	0.5	0.5	0.5	0.5
<i>Sharepoint</i>	0.5				
<i>Windows 10</i>	0.4				
<i>Site Server replacement</i>	0.3				
<i>Early Donor Journey</i>	0.3				
<i>People - Increase Staffing</i>	0.3				
<i>Cyber Security</i>	0.3	1.5			
<i>IT Key Machines</i>	0.2				
<i>Application Strategy & Capability Roadmaps</i>	0.2				
<i>Vodafone Networks</i>	0.2	1.0			
<i>Teams</i>	0.2				
<i>Accessibility Law Changes (Website Development)</i>	0.2				
<i>LRP Pay Protection Contingency</i>	0.1	0.2	0.3	0.1	
<i>Video Conferencing</i>	0.1				
<i>Blood Grouping Sickle Testing</i>	0.1				
<i>ICT Other</i>	0.1				
<i>Desktop Refresh Implementation</i>		1.0			
<i>Vodafone Telecons</i>		0.5			
<i>Lims</i>		1.0			
<i>R&D Spend Envelope Increase</i>		0.5	0.5	0.5	0.5
<i>Mobile Telephony Replacement</i>			0.3		
<i>One drive for business</i>		0.3			
Blood and Group Total	20.6	23.5	8.8	7.6	7.5

DTS (current configuration – pre Op Model adjustments)

Key projects in change programme are IVDR, CBC (revenue elements), CBB collection reduction

DTS (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast	2020/21 Budget	Movement from Budget	Movement from Forecast
Income						
DTS – Service Income	76.6	78.0	77.8	81.1	3.1	4.2%
Programme Funding (CBB / BBMR)	4.7	4.2	4.2	4.2	0.0	-0.3%
Total Income	81.3	82.2	82.0	85.3	3.0	4.0%
Expenditure						
Cost of Sales - Tissues Stock Movement	-0.2	0.0	-0.4	-0.8	-0.8	114.3%
Operational Expenditure	-67.7	-69.9	-69.2	-71.3	-1.4	3.0%
Change Programme	-0.3	-1.0	-0.9	-2.7	-1.7	203.8%
Total Direct Costs	-68.2	-70.9	-70.4	-74.7	-3.8	6.1%
Gross Surplus/-Deficit	13.1	11.4	11.6	10.6	-0.8	-8.5%

DTS - Income budget

Most business units continue to show solid growth

Business Unit Income £Ms	2017/18 Actual	2018/19 Actual	2019/20 Forecast
Tissue & Eye Services	£12.9	£14.8	£15.2
Therapeutic Apheresis Services	£9.9	£11.4	£11.7
Histocompatibility & Immunogenetics	£13.4	£14.0	£13.1
Red Cell Immunohaematology	£15.9	£16.7	£17.4
IBGRL & Diagnostic Development	£1.3	£1.9	£1.8
SCI - Cellular Molecular Therapies	£11.3	£12.4	£13.1
SCI - Donation & Transplantation	£4.8	£5.1	£5.3
NHSBT Customer Services & DTS Mngt	£0.1	£0.2	£0.3
Total Income	£69.6	£76.6	£77.8

2020/21 Draft Budget	Growth from Forecast	Growth % from Forecast
£16.1	£1.0	6.4%
£12.0	£0.3	2.6%
£13.6	£0.4	3.4%
£17.9	£0.5	2.8%
£2.1	£0.3	17.8%
£14.0	£0.9	6.8%
* £5.4	£0.1	2.4%
£0.0	-£0.3	-84.6%
£81.1	£3.3	

2019/20 Budget	Growth from Budget	Growth % from Budget
£15.1	£1.0	6.9%
£11.7	£0.3	2.5%
£13.6	-£0.1	-0.5%
£17.2	£0.7	3.9%
£1.8	£0.3	18.8%
£13.3	£0.7	5.2%
£5.3	£0.2	3.0%
£0.1	-£0.1	-61.5%
£78.0	£3.1	

Underlying growth rate each year	10.2%	10.0%	1.6%
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4.2%

4.0%

*SCDT excludes DHSC programme/grant funding £4.2m

- ✓ Overall growth from current forecast is 4.2% / £3.3m
- ✓ TES – up £1.0m driven primarily by Ocular and ASE/AlloSE growth plus overall price increase of 1.9%
- ✓ TAS – additional £0.3m income vs 2019/20 forecast – primarily driven by RCEX and PBSC (prices on all exchange and collection procedures reduced by 3.75%)
- ✓ H&I – up £0.4m due to price increases of 1.3% plus new charges (virtual cross matches) / alignment of existing prices plus growth
- ✓ RCI – up £0.5m due to baseline growth particularly in antenatal and red cell plus price increase
- ✓ CMT – increase across all areas, generating £0.9m increase on 19/20 forecast
- ✓ IBGRL – overall £0.3m increase primarily related to fetal RhD growth

DTS - cost budgets

Business Unit Income £Ms	2017/18 Actual	2018/19 Actual	2019/20 Forecast
Tissue & Eye Services	-£10.1	-£10.7	-£11.0
Therapeutic Apheresis Services	-£7.0	-£8.1	-£8.3
Histocompatibility & Immunogenetics	-£14.7	-£15.9	-£15.0
Red Cell Immunohaematology	-£10.2	-£10.9	-£11.7
IBGRL & Diagnostic Development	-£2.3	-£2.6	-£3.4
SCI - Cellular Molecular Therapies	-£6.4	-£9.2	-£9.6
SCI - Donation & Transplantation	-£4.4	-£4.4	-£4.5
NHSBT Customer Services & DTS Mngt	-£5.2	-£6.1	-£5.8
Total Expenditure	-£60.4	-£67.9	-£69.6

2020/21 Draft Budget	Growth from Forecast	Growth % from Forecast
-£12.5	-£1.4	12.8%
-£8.9	-£0.6	7.2%
-£15.2	-£0.2	1.4%
-£12.2	-£0.5	4.3%
-£2.9	£0.5	-15.8%
-£10.6	-£1.0	10.5%
** -£3.5	£1.0	-22.2%
-£6.2	-£0.3	5.9%
-£72.1	-£2.5	

2019/20 Budget	Growth from Budget	Growth % from Budget
-£11.0	-£1.5	13.3%
-£8.4	-£0.5	6.5%
-£14.9	-£0.4	2.6%
-£11.7	-£0.5	4.4%
-£3.4	£0.6	-16.2%
-£9.9	-£0.7	6.8%
-£4.6	£1.1	-23.2%
-£6.0	-£0.2	2.5%
-£69.9	-£2.1	

Underlying growth rate each year	~	12.5%	2.5%
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3.6%

3.2%

Directorate I&E £Ms	2017/18 Actual	2018/19 Actual	2019/20 Forecast
Pay	-£36.1	-£39.6	-£42.7
Non Pay	-£24.3	-£28.2	-£26.8
Total Expenditure	-£60.4	-£67.9	-£69.6

2020/21 Draft Budget	Growth from Forecast
-£45.5	-£2.8
-£26.5	£0.2
-£72.1	-£2.5

2019/20 Budget	Growth from Budget
-£43.2	-£2.3
-£26.7	£0.2
-£69.9	-£2.2

Growth Rate in Costs	20.0%	26.6%	29.7%
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3.6%

3.2%

*SCDT includes costs of £4.2M linked to Programme Funding

- ✓ Overall cost increase of 3.2% / £2.1M versus 19/20 budget
- ✓ Establishment increase of 24.6wte - pay increased by 4.7% versus the 19/20 budget – 6.50wte approved during 19/20 linked to TAS growth, c10wte linked to new ACT & CBC activity. Remaining linked to BAU activity and Barnsley
- ✓ Pay increased by £2.3M / 5.2% - £1.4M relates to inflation / inc. drift; £0.9M to additional posts
- ✓ Non pay reduced by 0.6% versus the 19/20 budget – aligned to current volume forecasts

ODT (current configuration – pre Op Model adjustments)

No transformation fund – funded projects spending only (Opt Out, DCD Hearts, Donor Characterisation)

ODT (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast	2020/21 Budget	Movement from Budget	Movement from Forecast
Income						
Programme Funding – ODT (DHSC)	62.1	62.9	62.3	62.3	-0.5	-
Programme Funding – ODT (DHSC for Opt Out)	0.2	10.1	7.5	10.5	0.4	40.0%
ODT – UKHD funding / Other	12	11.9	12.3	11.9	0	-3.3%
ODT - NHS-E (DCD Hearts / Donor Characterisation)	0	2.5	1.1	3.3	0.8	200.0%
Total Income	74.3	87.4	83.2	88.0	0.6	5.8%
Expenditure						
Operational Expenditure	-60.3	-61.9	-63.4	-65.8	-3.9	3.8%
Project spend (DHSC / NHSE ring fenced projects)	-5.5	-17.3	-11.7	-15.7	1.6	34.2%
Total Direct Costs	-65.8	-79.2	-75.1	-81.5	-2.3	8.5%
Gross Surplus/-Deficit	8.5	8.2	8.1	6.5	-1.6	-19.8%
Directly attributed group costs	-8.3	-8.3	-8.3	-10.1	-1.8	21.7%
Less Cash funded costs (DCD Hearts)				1.7	1.7	0.0%
ODT “funded” margin	0.2	-0.1	-0.2	-1.8	-1.7	800.0%

2020/21 Summary of NHBST Expenditure Budget

Expenditure (£m)	2018/19 Actual	2019/20 Budget	2019/20 Forecast	2020/21 Budget	Budget Movement
Cost of Sales - Blood Component Stock Movement	3.5	0.0	-2.6	0.0	0.0
Cost of Sales - Tissues Stock Movement	-0.2	0.0	-0.4	-0.8	-0.8
ODT : Operational Expenditure	-60.3	-61.9	-63.4	-65.8	-3.9
ODT : Project Spend	-5.5	-17.3	-11.7	-15.7	1.6
Blood Supply: Blood Donation	-73.8	-77.2	-76.2	-78.1	-0.8
Blood Supply: Manufacturing, Testing & Issue	-66.8	-68.3	-66.1	-65.2	3.1
Blood Supply: Logistics	-20.5	-19.6	-19.4	-19.8	-0.2
DTS : Operational Expenditure	-67.7	-69.9	-69.2	-71.3	-1.4
DTS : Project Spend	-0.3	-1.0	-0.9	-2.7	-1.7
Quality	-4.9	-5.5	-5.5	-6.0	-0.5
Chief Executive and Board	-0.7	-0.7	-0.7	-0.8	-0.1
Communications	-6.8	-7.9	-7.7	-8.5	-0.6
Estates & Facilities	-39.8	-39.9	-40.3	-41.3	-1.3
Finance	-5.4	-5.4	-5.5	-5.4	0.1
Strategy & Transformation	-1.7	-1.7	-1.9	-2.2	-0.4
People	-7.3	-8.1	-8.1	-8.9	-0.8
Information Communication Technology	-24.9	-27.2	-27.1	-34.3	-7.1
Clinical Directorate	-13.9	-13.8	-13.2	-14.9	-1.1
Research & Development	-5.0	-4.3	-5.6	-4.2	0.1
Project Spend - Blood & Group	-9.1	-19.0	-11.7	-20.6	-1.6
Miscellaneous and Capital Charges	-3.5	-3.5	-2.5	-4.6	-1.1
Total Expenditure	-414.6	-452.2	-439.6	-470.8	-18.6

5 year cost trend by Directorate

£m	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Forecast	2020/21 Budget	% Movement from 2016/17	% of Total
Cost of Sales - Blood Component Stock Movement	0.1	1.3	-3.5	2.6	0.0	-100.0%	0.0%
Cost of Sales - Tissues Stock Movement	0.0	0.1	0.2	0.4	0.8	-1906.0%	0.2%
Blood Donation	76.1	72.1	73.8	76.2	78.1	2.6%	18.5%
Manufacturing, Testing & Hospital Services	69.0	67.4	66.1	66.1	65.2	-5.6%	15.4%
Logistics	20.2	20.1	19.6	19.4	19.8	-2.0%	4.7%
Diagnostic & Therapeutic Services	62.1	64.0	69.5	69.2	71.3	14.8%	16.8%
Organ Donation & Transplantation	59.8	59.8	60.1	63.4	65.8	10.0%	15.6%
Operational Directorates	287.3	284.8	285.7	297.3	300.9	4.7%	71.1%
Estates	40.2	39.6	39.8	40.3	41.3	2.7%	9.8%
Clinical	13.2	13.0	13.1	13.2	14.9	13.0%	3.5%
ICT	21.5	24.9	25.8	27.1	34.3	59.5%	8.1%
Finance	5.5	5.4	5.2	5.5	5.4	-2.9%	1.3%
People	7.7	7.4	7.5	8.1	8.9	14.9%	2.1%
Strategy & Transformation	1.6	1.4	1.7	1.9	2.2	36.5%	0.5%
Communications	7.9	7.2	6.8	7.7	8.5	7.1%	2.0%
Chief Executive/Board	0.6	0.6	0.7	0.7	0.8	23.3%	0.2%
Quality Assurance	4.8	5.0	4.9	5.5	6.0	25.3%	1.4%
Total Group Services	62.9	64.8	65.6	69.6	80.9	28.6%	19.1%
Total Baseline Expenditure	390.3	389.2	391.2	407.2	423.0	8.4%	100.0%
R&D	5.6	5.0	5.0	5.6	4.2		
Development Funds - Blood & Group	17.9	9.1	9.1	11.7	20.6		
Development Funds - DTS	0.0	0.3	0.3	0.9	2.7		
Development Funds - ODT	5.2	5.5	5.5	11.7	15.7		
Other	0.4	3.5	3.5	2.5	4.6		
Total NHSBT	419.5	412.7	414.6	439.6	470.8		
Red cell issues (millions)	1.511	1.461	1.398	1.397	1.378		
Red cell price (£/unit)	120.00	124.46	128.99	133.44	138.83		
Platelet issues (thousands)	263	255	259	256	254		
Platelet price (£/unit)	193.15	-	-	-	211.26		
Apheresis Platelet price (£/unit)	-	219.30	231.50	240.56	-		
Pooled Platelet price (£/unit)	-	178.19	185.86	193.14	-		

5 year headcount trend by Directorate

WTE	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual Dec-19	2020/21 Budget	% Movement from 2016/17	% of Total
Blood Donation	1,450	1,390	1,500	1,463	1,458	0.5%	30.7%
Manufacturing, Testing & Hospital Services	774	729	732	749	758	-2.1%	15.9%
Logistics	349	339	328	318	291	-16.6%	6.1%
Diagnostic & Therapeutic Services	791	818	836	861	900	13.8%	18.9%
Organ Donation & Transplantation	401	398	428	483	452	12.8%	9.5%
Operational Directorates	3,765	3,674	3,826	3,873	3,860	2.5%	81.2%
Estates	78	75	77	75	77	-0.8%	1.6%
Clinical	179	161	166	169	175	-2.0%	3.7%
ICT	166	189	181	169	222	33.7%	4.7%
Finance	91	89	87	85	91	0.3%	1.9%
People	122	121	121	126	129	5.6%	2.7%
Strategy & Transformation	26	23	23	23	32	23.1%	0.7%
Communications	72	68	70	70	68	-5.4%	1.4%
Chief Executive/Board	4	4	5	5	5	25.0%	0.1%
Quality Assurance	86	87	85	88	94	9.8%	2.0%
Total Group Services	746	741	736	735	817	9.5%	17.2%
Total Baseline	4,589	4,490	4,639	4,683	4,754	3.6%	100.0%
R&D	39	41	47	43	34		
Development Funds - Blood & Group	20	37	21	17	12		
Development Funds - DTS	0	0	1	1	0		
Development Funds - ODT	7	17	20	42	76		
Other	0	0	0	0	0		
Total NHSBT	4,655	4,586	4,727	4,785	4,876		