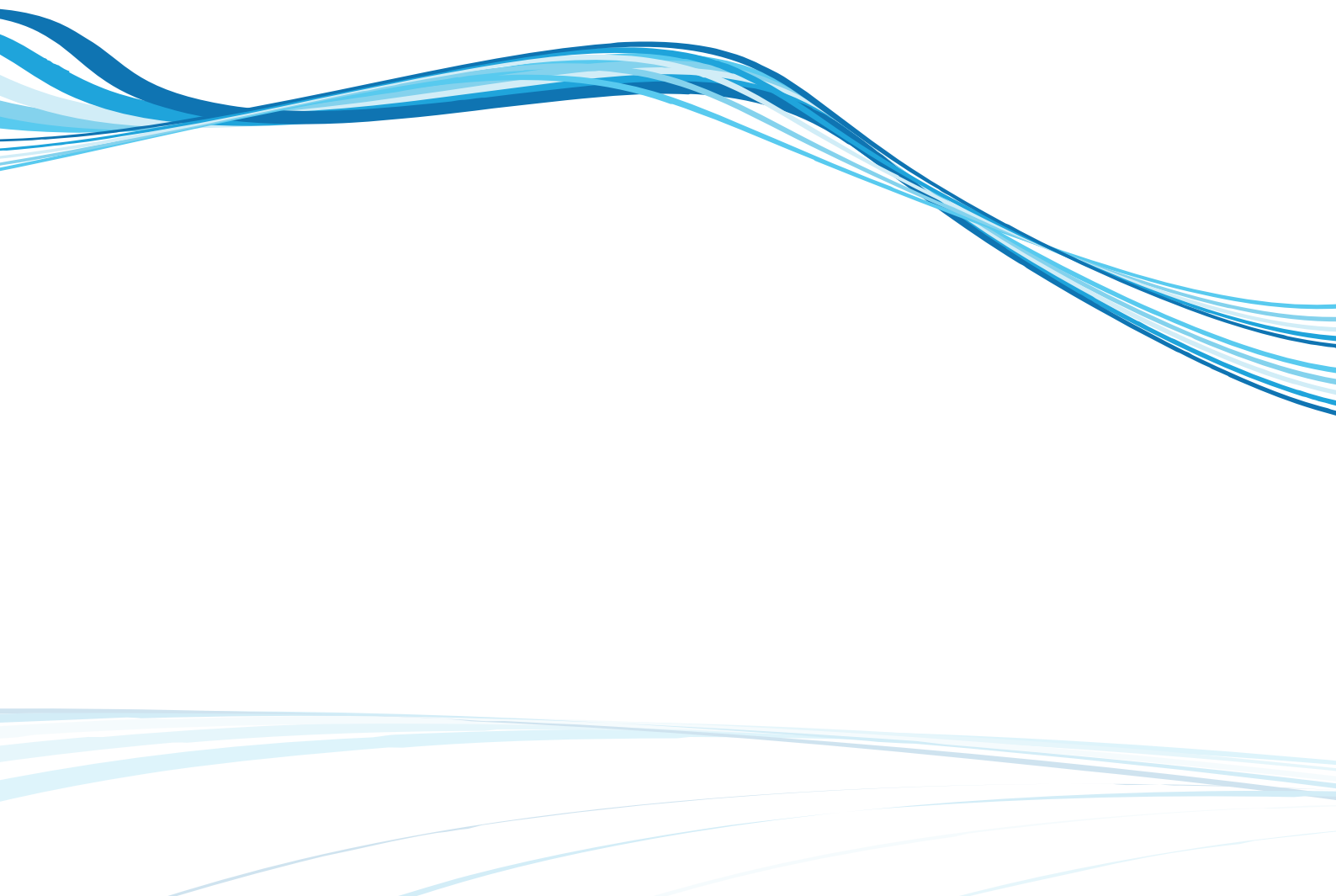


STRATEGIC PLAN 2011-14

April 2011



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SECTION ONE: INTRODUCTION AND STRATEGIC OBJECTIVES

Introduction

NHSBT is a Special Health Authority in England and Wales, with responsibilities across the United Kingdom for organ donation and transplantation. Our core purpose is to '**save and improve patients' lives**' through the provision of a safe and reliable supply of blood components, solid organs, stem cells, tissues and related diagnostic services to the NHS, and to the other UK Health Services where directed.

The supply of these critical products and services depends entirely on the loyalty of our donors. In 2009-10 they contributed:

- 2 million units of blood
- 3,500 organs
- 4,000 tissue donors
- 2,200 banked cord blood units.

In performing this essential activity, NHSBT engages with millions of people throughout the country and connects directly with more people on a daily basis than any other single part of the NHS. In addition to supplying the life saving products that are needed by NHS patients we are proud that our activities support the incredible altruism and generosity of our donors and bring communities together across the country.

In these respects NHSBT is unique. Our peers can only be found in similar services provided in other countries in the UK, Europe and across the rest of the world. As a result, comparing and benchmarking our effectiveness with other national services is a major focus of our strategic process. Our ambition is simple – to be demonstrably the best service of our type in the world.

In early 2008 we generated a three-year Strategic Plan which established a series of very challenging objectives and reflected the ambition, and far reaching implications, of both the first Organ Donation Taskforce (ODTF) report and the National Blood Service Strategy Review.

The programme of initiatives and projects generated by the 2008 plan is effectively complete. Our objectives have been met and benefits fully secured, including £30m pa savings to the NHS, before inflation, through reducing the prices of red cells to hospitals.

Our 2011-14 plan is focused on:

- continuing to modernise blood donation and improve the interfaces with NHS hospitals so that our services are as accessible as possible
- generating the next wave of initiatives to improve the effectiveness of the blood service
- utilising the infrastructure now in place to further accelerate the rate of organ donation across the UK and reduce the three people who die every day for the lack of a suitable organ transplant
- building on our unique skills and capabilities in tissues, stem cells and diagnostic services in support of the provision of life changing therapies for NHS patients.

The new plan also responds to the Government white paper 'Equity and Excellence – liberating the NHS' published in July 2010 and the subsequent review of Arms Length Bodies (ALBs) issued shortly thereafter.

Strategic Plan 2011-14

The review confirmed the benefit of retaining NHSBT in the ALB sector as:

- providing economy of scale and supply
- meeting public health requirements in relation to quality, safety and consistency across the blood, tissue and transplant service
- critically, addressing public sensitivities regarding voluntary donation of blood, tissues and organs.

As a result of the review NHSBT continues within the ALB sector but sees:

- the Bio Products Laboratory (BPL) transferred out of NHSBT into a Department of Health (DH) owned limited company
- a review of opportunities to make the remainder more commercially effective.

NHSBT welcomes the conclusions of the ALB review. We believe that the results of the last two years, and our new plan, clearly demonstrates our commitment to improving efficiency while maintaining safety and increasing reliability of supply of a range of life saving therapeutic products. This is based on maintaining a strong relationship with our donors and their continued goodwill in support of the voluntary donation of blood, tissues and organs. The results of the commercial review process are expected during 2011-12.

Our plan is committed to continuous improvement of our 'back office' functions so that any efficiency savings that can be generated contribute to limiting increases to, if not reducing, the prices of our products and services. As such we will be fully engaging with Government and DH partners in exploring all opportunities to improve efficiency and share functions.

The major impact of the review, however, is the transfer of BPL out of NHSBT which was completed, as planned on 31 December 2010. As a result this plan makes no further reference to the future strategy and plans for BPL.

Any projects/initiatives within our detailed work plan are related solely to the transition process and the management of the limited legacy issues that exist post transfer.

The economic situation in the UK, and the responses made by the Coalition Government, are leading to enormous changes in the public sector. As these changes are implemented it is clear that, outside of NHSBT, there is a relatively limited understanding of our activities and achievements. Although the results of the ALB review reflected public sensitivities around blood and organ donation, on a practical day to day basis our classification as an ALB requires us to comply with departmental processes that are often inconsistent with our operational role as a critical supplier to the NHS. As a result a significant element of our plan will include more focus on overall stakeholder engagement, to ensure an informed context for decision making, especially with regard to potential financial impacts on overall health system costs.

Given the pressure on public sector finances, and the inevitable prioritisation of health programmes that will be required, we will also look to further promote the economic case for organ donation. We will ensure that stakeholders are fully briefed and recognise the favourable impact of increased organ donation on overall health system costs, so that this is reflected as appropriate within their funding decisions.

In addition, in some areas of our activity, private sector competition is rapidly increasing. This requires NHSBT to adopt a more commercial response in a manner that is not directly consistent with our legal form as a Special Health Authority and our associated Directions. A further element of our plan will be to consider, with stakeholders, alternative legal forms, and whether a different form would provide a more appropriate platform from which NHSBT can deliver its objectives.

Section One: Introduction and Strategic Objectives

Strategic Objectives: NHSBT

1. Blood Components: To deliver a modern, world class blood service that provides a sustainable and dependable supply of blood components that meet all safety, quality, compliance and service standards, as effectively as possible.

Our first concern will always be the safe and dependable supply of blood components to NHS hospitals, as well as providing a safe and high quality service to our donors without whom our service would not exist.

We will continue to develop and improve the quality of service to donors and the experience they undergo when donating whole blood or platelets. We will continuously review donor satisfaction and monitor changes in the profile, values and expectations of our donor base to ensure that we can anticipate their needs and respond accordingly.

We intend to further strengthen the interfaces with our customers, NHS hospitals, to ensure we deliver our life-saving products on time and in full without fail. We will develop modern, technology based processes that make NHSBT easy to do business with and ensure that we are seen as a supplier of choice, rather than necessity.

In conjunction with this, we will continue to modernise processes and systems throughout each stage of the blood supply chain, from the collection of blood to the processing, testing, issue and delivery of blood components to hospitals. We will work with hospitals to improve the service to patients and realise benefits from the development of an end to end supply chain, from donor to patient.

We will build on our strong collaboration with international blood services. In particular we will continue to benchmark our performance against our international partners and will use this to identify opportunities for improvement within NHSBT.

2. Organ Donation and Transplantation:

To maximise the number of organ donors, donated organs and registered supporters of organ donation and enable year on year increase to the number of life-saving transplants.

We are committed to continuing the development of NHSBT as the UK wide Organ Donation Organisation envisaged by the report of the first Organ Donation Taskforce (ODTF). The report called for a 50% increase in deceased organ donation in the UK by 2012-13 (versus a 2007-08 baseline).

We will deliver the recommendations of the task force that relate specifically to NHSBT. We will build on the infrastructure that has now been put in place and will work with our partners to continually improve performance at each stage of the clinical process from (potential) donation through to transplantation.

We will continue to work with the public to inform and influence their perceptions of organ donation. We will seek approval and funding for appropriate marketing campaigns that will facilitate this and ultimately lead to increased numbers of registrants on the Organ Donation Register (ODR). We will particularly seek to work with BME communities where there is a proportionately lower probability of receiving a matching organ than in the general population.

Subject to funding being available we intend to implement the recommendations made by Professor Sir Gordon Duff in his review of the Organ Donation Register (October 2010). This would require us to invest in a replacement ODR recognising that the current system was not designed to fulfil the function for which it is now used and technology has advanced greatly since the ODR was originally implemented 16 years ago.

3. Specialist Services: Is a group of distinct operational activities. We have identified three strategic objectives relating specifically to our activities in Tissues, Diagnostic Services and Stem Cells.

Tissues: To develop an 'NHS Tissues' organisation, for the overall benefit of the NHS and its patients, that builds on the capability and capacity of the Speke tissue bank, and which is capable of generating a critical mass that would support investment in new products and technologies.

We aim to leverage the capability of our state of the art Speke tissue bank and its highly capable and skilled team. We will grow our sales and generate a positive financial contribution, through increasing the visibility and recognition of our tissues business with NHS clinicians, and supporting these with high quality sales and marketing plans.

We will develop an appropriate and sustainable new product pipeline, deploying effective evaluation tools, and supporting agreed investments with professional launch and marketing plans.

Diagnostic Services: To ensure the clinically effective use of blood, organs and stem cells through the provision of high quality diagnostic services.

We will continue to develop a portfolio of clinically relevant and financially viable diagnostic services sourced from our existing national network of world class laboratories and highly trained staff.

We will provide services where these are consistent with the capabilities and objectives of NHSBT in supplying blood components, organs, tissues and stem cells. We will look to provide such services where NHSBT is best placed to meet the needs of NHS hospitals and provide them with value for money.

Stem Cells: To work in partnership with third sector organisations and the UK Health Services in the provision of an efficient and effective source of donor haemopoietic stem cells for the treatment of UK patients.

NHSBT is the largest UK provider of haemopoietic stem cells for the treatment of blood cancers. In this respect NHSBT aims to continually increase the quality and effectiveness of the British Bone Marrow Registry (BBMR) and the UK Cord Blood Bank (CBB) that it operates on behalf of the DH. In particular NHSBT is committed to growing the CBB to 20,000 units of donated cords by 2012-13 and maximising the donation of cords from BME communities and the proportion of rare blood types.

NHSBT will continue to lead the implementation of the recommendations of the UK Stem Cell Strategic Forum.

4. NHSBT Corporate: To be the advocate for the voluntary donation of blood, organs and tissues; to champion a culture of sustainability across all of our activities; to develop organisational capacity, capability and processes in support of our objectives; to identify opportunities for effective collaboration across our Operating Divisions and support them with an effective programme of research and development and an efficient operating infrastructure.

NHSBT is one of the largest and most complex organisations of its type in the world. We aim to be the best. We will continue to review and develop, our organisational structure and leadership capabilities in order to meet our ambitious objectives.

We will seek to identify and deliver synergies between our operating units (Blood Components, Organ Donation and Transplantation, Tissues, Stem Cells and Diagnostic Services) and underpin them with an effective programme of research and development and efficient functional services.

SECTION TWO: BLOOD COMPONENTS

Strategic Objectives and Themes for 2011-14

BLOOD COMPONENTS

Strategic Objective: To deliver a modern, world class blood service that provides a sustainable and dependable supply of blood components that meet all safety, quality, compliance and service standards, as effectively as possible.

We have identified four strategic themes that underpin the strategic objective for Blood Components:

Customer Service

To be the 'supplier of choice' to our customers through the introduction of modern, value adding, service and supply chain models that ensure reliability and dependability, minimise wastage 'vein to vein' and ensures that NHSBT remains at all times their most cost effective option for provision of the complete range of services and clinical advice needed for transfused patients.

Sufficiency of Supply

To ensure there is a sustainable supply of red cells and platelets that will be sufficient to meet current and future demand through modernising blood collection activities and by providing a service to our donors that is both a convenient and highly positive experience.

Safety and Compliance

To proactively identify new risks and to implement the highest standards of safety and compliance across the full range of NHSBT activities.

Efficiency and Effectiveness

To be a highly cost effective supplier of blood and components to NHS hospitals through the continuous improvement of processes across operational and support functions. This is underpinned by systematic benchmarking of our performance to identify areas for improvement.

Underlying each of these themes is a programme of detailed action plans at varying stages of implementation, from initial analysis through to implementation and roll-out.

Within the customer service theme we are currently rolling out the implementation of our Online Blood Ordering System (OBOS) to hospitals. This will bring much needed modernisation to our interface with customers and represents the creation of a new web portal on which further initiatives will be developed as part of a broader 'customer fulfilment' initiative. As well as bringing better visibility to customer orders OBOS will also allow us to measure and report our 'on time in full' (OTIF) delivery performance.

We also intend to partner with NHS transfusion laboratories to develop, pilot and evaluate alternative models that enable improvement in the effectiveness of the supply chain and:

- provide greater visibility of usage
- enable better planning of demand
- minimise wastage through the entire supply chain from donor to patient.

Over the last two years our focus in blood donation has been on implementing new standard processes within blood donation sessions, optimising the size of collection teams and ensuring that we are more responsive to short-term supply and demand changes. This has led to significant improvement in the stability of blood stocks (for all blood groups) whilst delivering substantially higher productivity at the same time.

The new plan will involve a significant update of the blood donation strategy. This will fundamentally review the future shape of demand for blood components and match this to the changing profile and behaviours of our donors. In so doing we will anticipate and plan for the service that will be required to attract donors who can donate the required blood types, at the right time, to enable us to meet the needs of our customers and their patients.

In the short-term this should see the introduction of changes to the environment on-session (e.g. the introduction of innovative new donor chairs) along with web based technologies to improve on-session communications and reduce the volume of paper based processes. We will also initiate a programme of research into donor health, beginning with a study of donor iron and anaemia, a major cause of donor deferral. In addition, programmes are in train to improve the safety and experience for donors on-session through reduction in fainting, bruising and rebleeding.

The introduction of safety initiatives into the blood components supply chain can have a major impact on both operations and costs. We are currently implementing bacterial screening of platelets and have managed to do this without an increase in prices. Our other short-term focus is on reviewing the process for the donation, processing and supply of platelets where we have been directed to ensure that 80% of the supply is generated through component donation. We are close to this level but need to move up from the levels of 78% that we have been operating at through 2010-11, on a sustainable basis.

Following recommendations from SaBTO, and pending instructions from DH, we are currently planning for a number of safety initiatives including prion filtration of red cells for children younger than 16 and adult haemoglobinopathy patients, the replacement of NHSBT manufactured and supplied cryoprecipitate with fibrinogen concentrate supplied externally and the importation of all Fresh Frozen Plasma (FFP). These would all have a significant impact on our ability to meet the price targets we have set within this plan.

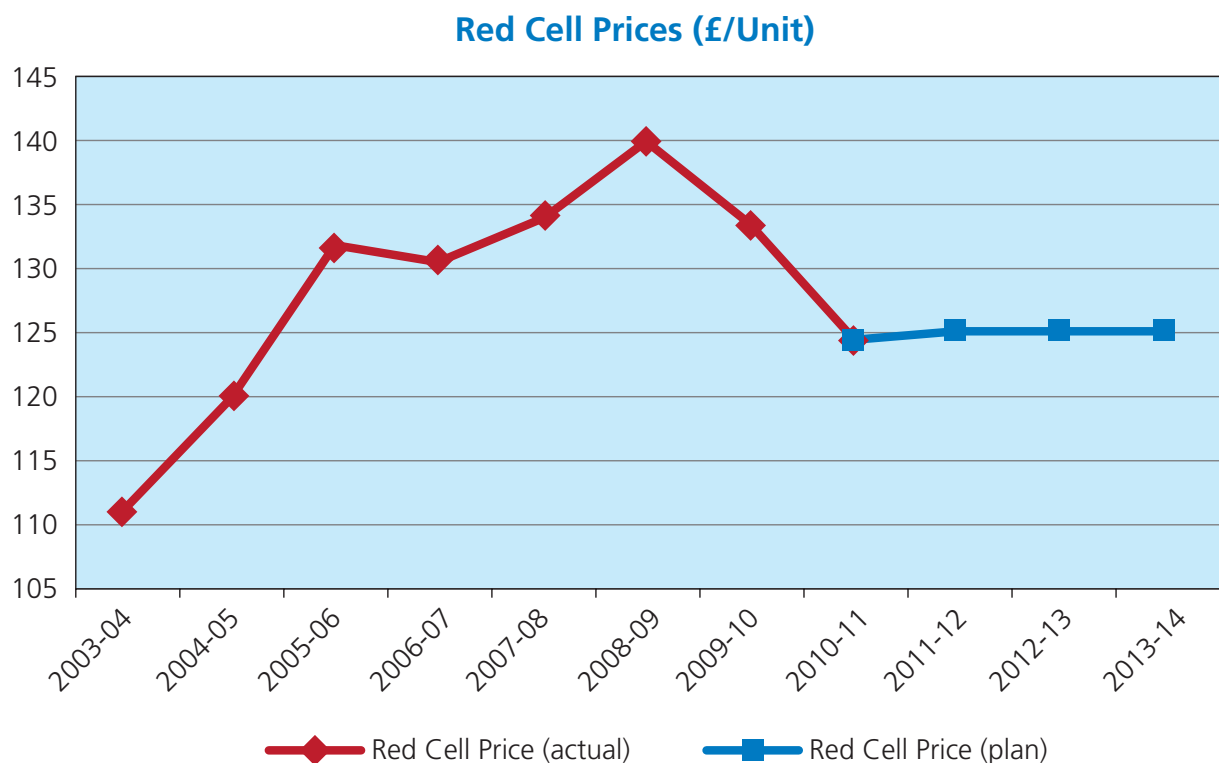
In response to this we intend to be more proactive with regard to the cumulative impact of safety initiatives on our processes and costs. To this end the NHSBT Board has adopted a safety framework to be used to assess the benefits, risks and costs of any proposed safety steps. We will continue to review opportunities to make our processes more efficient from the removal of any steps that can be clinically proven to be no longer necessary in the delivery of safe products.

In addition to the pressure on our costs from the impact of safety initiatives we are acutely aware of the financial pressures facing public sector services and, in particular, our customers, NHS hospitals. We work on the basis that every £1 on the price of our products and services is £1 that is unavailable for the treatment of NHS patients. As a minimum we look to work to the same financial planning assumptions and constraints as our customers.

Section Two: Blood Components

This attitude has underpinned our actions of the last two years and our efforts in removing over capacity in the blood supply chain. As a result NHSBT is now achieving productivity levels in processing and testing that are world class. The most visible outcome of this is the trend in the 'headline' price of red cells, which has reduced from a high of c£140/unit in 2008-09 to a price in 2010-11 of c£125/unit (lower than the price that was charged in 2005-06). We are now planning to maintain the red cell price at £125/unit or lower in the three years to 2013-14 (assuming that no new blood safety initiatives are mandated).

In order to avoid price increases we will need to find further substantial efficiency improvements, year on year, within our plan. We will do this through further productivity improvements within the blood donation strategy and a focus on continual improvement in configuration and processes within both our other operational and back office functions. We will underpin this with continual reference to, and learning from, benchmarking of our operational performance with international blood services, and also in back office functions across both public and private sectors.



The initiatives that will form the basis of our efficiency improvements will include:

- continued focus on procurement savings in manufacturing consumables through partnership with the other UK blood services and also the European blood services
- leveraging procurement savings through further engagement with new public sector processes and frameworks
- further optimisation of the processes models in blood donation leading to improvement in productivity and partial closure of the gap to the productivity levels that are seen in the European blood services
- size, configuration and geographic profile of blood collection activity following the review of strategy
- review of European models for blood donation and an assessment of what elements could be incorporated into NHSBT in the longer term
- continuous improvement of core process and a focus on reducing paper flows and automating transactions.

Development of the Supply Chain

In particular we will continue to develop the effectiveness of our supply chain. Between our blood donors and our customers we operate what is, in many ways, a traditional supply chain with relatively simple process steps. However, it is a supply chain that has a number of unique characteristics:

- the voluntary donation of critical, life saving products
- limited/no clinical substitution is possible
- the very limited shelf life and fast moving nature of the products (red cells and especially platelets)
- the effective tailoring of each unit to the needs of individual patients through supporting matching and reference services
- the need for real time traceability, vein to vein, and close integration with clinical processes for feedback to donors, customers and patients

- where failure to supply would immediately impact a patients life
- highly regulated environment, from donor through to patient.

As a result it is difficult, if not impossible, to identify any supply chain with the same characteristics except for the blood services operated in other countries.

Our supply chain strategy is following four distinct phases:

Phase 1

Starting in 2008 the removal of the significant (40%+) over capacity that existed at that time and which led to the '6+5' processing and testing configuration by end 2010 (and '5+5' by the end of March 2011).

Phase 2

The introduction of lean methodologies to improve the productivity of functions within the supply chain. In particular further developing Filton as a world class leader in productivity and transferring the learning through to other processing and testing centres.

Phase 3

Optimisation of processes across the supply chain through introduction of improved planning processes, supported by appropriate IT tools as necessary.

Phase 4

The extension of supply chain processes into hospitals in order to support local consolidation of blood transfusion services.

The journey is broadly sequential in nature and theoretically requires significant completion of earlier phases so that later phases can be implemented effectively. We can be considered to be in phase 2 but with our new strategy considering the ways by which we can implement phase 3 and accelerate our ability to support the transfusion services that our customers are increasingly demanding.

Section Two: Blood Components

Against this background we will continue to consider (tactical) opportunities for insourcing services. However, it is critical that such opportunities do not damage public considerations with regard to altruistic donation and do not disrupt the operation of our unique supply chain. Some services are already insourced (e.g. our donor call centre) where we consider that such services meet these requirements and can be provided by organisations with the necessary public service ethos.

The practical impact of this overall approach to supply chain development in this plan will be seen in:

- ongoing review of the configuration of the supply chain and optimisation of our manufacturing, laboratory and office estates footprint (and including and the proposed rationalisation of testing in the North)

- further projects to develop lean thinking within the supply chain but also taking this into Blood Donation and Group Services as appropriate
- new logistical processes in support of the movement of people, equipment and consumables to session in order to minimise wastage and reduce infrastructure costs
- optimisation of logistics costs through the introduction of modern tools and technology and better planning of movements
- responding to the increasing demands from customers for the local consolidation of transfusion services.

The objectives and themes described above are reflected in a number of strategic targets. These are described opposite (page 10).

Strategic Targets for 2011-14					
Strategic Targets – Blood Components	2010-11 Plan	2010-11 Actual	2011-12 Plan	2012-13 Plan	2013-14 Plan
% of product requests met	>99.9%	>99.9%	> 99.9%	OTIF	OTIF
% of hospitals scoring \geq 9/10 for satisfaction with overall service	58%	57%	58%	>60%	>60%
Number of occasions where red cell stocks (for any blood group) are below the three day alert level for three or more consecutive days	0	0	0	0	0
Number of occasions where opening stock of platelets is below average daily demand for two or more consecutive days	0	0	0	0	0
% of blood donors scoring \geq 9/10 for satisfaction with overall service	66%	67%	67%	68%	69%
Number of TRALI cases	\leq 3	2	\leq 2	\leq 2	\leq 2
Number of confirmed TTIs from bacterial contamination (incidents)	\leq 2	0	\leq 1	\leq 1	\leq 1
% of platelets produced by component donation	80%	78.4%	80%	80%	80%
Number of 'critical' regulatory non-compliances	0	0	0	0	0
Unit price of red cells	£124.21	£124.21	£124.85	£125	£125

Note

- TRALI = Transfusion Related Acute Lung Injury, TTI = Transfusion Transmitted Infection
- 2010-11 actual performance is based on the position as at December 2010
- unit price of red cells assumes no further instructions to implement additional blood safety initiatives (and specifically the importation of FFP)
- '% product requests met' to be replaced with an 'OTIF' measure post OBOS implementation.

SECTION THREE: ORGAN DONATION AND TRANSPLANTATION

ORGAN DONATION AND TRANSPLANTATION

Strategic Objective: To increase deceased organ donation by 60% in 2013-14 and sustain and improve thereafter. To seek opportunities to achieve self sufficiency in donation and transplantation across the UK, taking into account the changing donor pool. To change public behaviour with regard to organ donation, especially amongst BME communities.

The strategy for organ donation and transplantation that was developed in 2007-08 was originally constructed around those recommendations of the Organ Donation Task Force (ODTF) for which NHSBT are accountable. Activities were largely focused on creating the infrastructure identified as being critical to improving the rates of organ donation in the UK.

Much of that work is now complete and the focus is now on NHSBT developing into the UK Organ Donation Organisation that was envisaged by the ODTF and building on the infrastructure now in place to improve performance.

Seven strategic themes have thus been identified in support of the strategic objective for Organ Donation and Transplantation:

Enable NHSBT to fulfil its role as the UK Organ Donor Organisation

Enable NHSBT to fulfil its role as the UK Organ Donor Organisation ensuring compliance with EU directives, implementation of an integrated quality and governance system and development of modern IT systems to support donor registration and organ allocation.

Development support for organ donation throughout the wider NHS

Remove the obstacles to organ donation and effectively performance manage the identification and referral of potential donors.

Maximise conversion of potential organ donors into actual donors

Maximise the conversion of potential donors into actual donors by developing and implementing a robust, sustainable donor co-ordination service and further developing the network and effectiveness of clinical leads and donation committees.

Ensure organ retrieval services are sustained through a period of change

Ensure organ retrieval services are sustained through a period of change in commissioning across England, and potentially the other UK health services, and are able to respond in a constrained financial environment.

Change public behaviour with regard to organ donation

Change public behaviour with regard to organ donation through social marketing strategies to promote organ donation as 'expected behaviour' amongst UK citizens.

Develop living organ donation

Develop and implement a strategy for increasing Living Donation.

Sustainable cornea donation

Develop and implement a robust, sustainable cornea donation service.

There are currently 17.7million people – 29% of the UK population – on the NHS Organ Donor Register, with just under one million names added in the last year. There has been a steady increase in the number of transplants in this country over the past seven years, with 3,708 transplants recorded in 2009-10, a 7% increase on the previous year.

Progress on organ donation over the last three years, since the creation of ODT within NHSBT, has also been very encouraging. As at December 2010 deceased organ donation had increased by 26% over the 2007-08 baseline and is on course to deliver the 50% increase by 2012-13 targeted by the ODTF report.

Nevertheless, UK donor rates are significantly below those of our European counterparts, such as Portugal and Spain. Currently 10,000 people in this country need an organ transplant. Put simply, this translates into more than 1,000 people (three each day) who die every year waiting for a transplant.

In addition the donor pool is changing as a result of the increasing age profile and relative body mass index of donors. This adversely impacts the number and quality of organs that can be retrieved such that growth in transplantation is proportionately lower than the growth in donation. As a consequence the need to deliver the targets of the ODTF, and be able to sustain further increases beyond the time period that was set, become even more challenging.

In addition to saving and improving lives there is an economic case for organ transplantation. The existing transplantation programme realises gross annual savings in excess of £300m versus alternative medical treatments.

The impact of increasing the number of organs available by 50% for transplant by 2013 would increase the savings to the NHS by an additional £200m p.a. (ref report by the Specialised Commissioning Team, West Midlands – October 2010).

Our underlying broad action plans therefore include:

- promoting more widely the economic case for organ donation and transplantation
- deriving the benefits from the deployment and ongoing development of the 12 Regional Specialist Nurse (Organ Donation) Teams and the Clinical Leads for Organ Donation (CLOD) now in place, and building on the CLOD Professional Development Programme
- creating and sustaining regional collaboratives, bringing together clinicians from all parts of the donation and transplantation pathway, with identifiable, accountable Regional Clinical Leads in each Region. Part of this is the creation and roll-out of supportive, visible performance improvement systems on a quarterly basis
- driving performance improvement through reporting a balanced scorecard of performance data that measures national, regional and team performance at each stage of the pathway
- continued development and optimisation of the commissioning of organ retrieval and supporting processes. Begin exploring options for integrating the commissioning/funding of retrieval and transplantation across the UK
- review of the current ODR infrastructure, following publication of the Duff report, leading to the development and implementation of a modern, fit for purpose ODR
- developing a strategy for data collection and processing and the development of supporting IT systems
- continued development of the EOS system for the offering of donor organs and review of the collection and analysis of PDA data
- developing strategies and processes aimed at increasing the representation of BME communities within the ODR and assisting the donation process

Section Three: Organ Donation and Transplantation

- implementation of a research and development framework and approval process, leading to development of an agreed programme, and reflecting our intent to work with hospital partners to assess novel methods for improving the quality and number of organs available for transplant
- subject to Cabinet Office approval, marketing plans to sustain and further develop the public awareness campaign that was launched in November 2009
- optimising transplant activity from living donors in order to enable further expansion in live donation. Optimising pre-emptive living donor kidney transplantation. Optimising transplant activity from non-directed altruistic donation. Facilitating appropriate expansion in other forms of living donation. Encouraging paired pooled live donation and facilitating development of ABO incompatible and antibody incompatible transplants.

Strategic Targets for 2011-14					
Strategic Targets – Organ Donation and Transplantation	2010-11 Plan	2010-11 Actual	2011-12 Plan	2012-13 Plan	2013-14 Plan
Number of Deceased Organ Donors	1,104	1,000	1,095	1,214	1,297
Cumulative percentage increase in deceased organ donation (from a 2007-08 baseline of 809 donors)	36%	26%	35%	50%	60%
Number of people registered on the Organ Donor Register (ODR)	20.0m	17.9m	18.9m	20.3m	21.6m
Number of Living Organ Donors	1,100	996	1,050	1,081	1,112
Number of Organ Transplants	4,308	3,754	4,108	4,488	4,843

Note: 2010-11 actuals based on November 2010 data with % variance projected to full year.

The targets for improving the rate of organ donation and transplant are a shared objective of all stakeholders within the DH, the other UK Health Services and partners across Government. They have been incorporated into the Terms of Reference of the DH Programme Delivery Board, and reflected in the strategic targets of NHSBT.

SECTION FOUR:

SPECIALIST SERVICES

Strategic Objectives and Themes for 2011-14

TISSUES

Strategic Objective: To develop an 'NHS Tissues' organisation, for the benefit of the NHS and its patients, that builds on the competencies and capabilities of the Speke tissue bank, and with the critical mass to support investment in new products and emerging technologies.

Four strategic themes have been identified in support of the strategic objective in Tissues:

Visibility and Recognition

To develop the visibility and recognition of the business by adopting and leveraging 'NHS Tissues' as the business name, building a supporting brand and vision supported by a detailed sales and marketing plan with education as a core entry point.

New Product Development

To develop a new product pipeline, underpinned by appropriate tools and evaluation processes, targeted on appropriate markets and customers and with a professional launch plan.

Capability and Capacity

To build the capability and capacity of the tissues organisation and its supporting processes in support of the strategic plan.

Safety and Compliance

To proactively identify and implement the highest standards of safety and compliance across the full range of the tissue business activities.

As with blood, organs and stem cells the altruistic donation of tissues is at the core of what we do.

This is facilitated by a team of dedicated senior nurses in our national referral centre at Speke who every day talk to the grieving families of potential donors who may be interested in donating tissues to those in need.

At this point it is critical that NHSBT coordinates the consenting process for organ and tissue donation so that it is a single discussion and limits the potential stress on the families of grieving donors.

Once consent for a tissue donation has been received our three retrieval teams around the country retrieve the donated tissue and transport it to Speke for processing, in state of the art, purpose built facilities, to produce the life saving and enhancing products needed by NHS patients.

Other tissue banking activities exist in NHS Trusts but these are smaller and therefore do not have the scale, capability and national reach of Speke, nor the obvious synergy with our activity in organ retrieval. In addition there is excess demand for some tissues (e.g. heart valves) and hence a concern that allocation of supply within the NHS overall is not optimal. However, the capability and skills we possess at Speke are very poorly recognised by the wider NHS and provide an opportunity for much improved utilisation.

In addition to the fragmented tissue banking activities within the NHS there are also very large private sector competitors.

Hence our challenge is to leverage the capability for the benefit of the NHS and its patients, while operating within NHSBT as a 'non profit' organisation, but adopting a much more commercial approach and competing only in sectors where it is appropriate for us to do so.

In support of this we have sought private sector expertise in product management and have generated a strategy and plan for driving our tissues business forward over the short/medium term. At the heart of this plan is the opportunity to build on existing capabilities and promote these across the NHS to generate incremental sales income.

In parallel we will then adopt a more professional process for reviewing new product opportunities and defining those that can meet a real need within the NHS whilst being financially viable.

Hence the key actions underpinning the strategic objectives and themes described above include:

- developing a fully NHS branded service, ideally evolving into a formal 'NHS Tissues' business
- generation of an appropriate customer segmentation, focused on clinical speciality, and development of targeted sales and marketing plans per segment

- adopting an education lead approach to marketing with development of high quality supporting materials and resources and presence at national conferences and exhibitions
- establishment of a direct sales team, initially based on the existing customer services and donor teams and eventually supported by specific field personnel
- development of a product development road map with biological products as a theme (natural tissue, enhanced by biological processing and potentially combined with therapeutic additions)
- introduction of professional new product evaluation tools leading to high quality, targeted launch plans
- identifying the needs for improved customer management and order fulfilment processes and building these into an NHSBT IT application strategy
- continued focus on development of the GMP capability at Speke and potentially partnering with new start ups through offering spare capacity in processing services.

DIAGNOSTIC SERVICES

Strategic Objective: To ensure the clinically effective use of blood, organs and stem cells through the provision of high quality financially viable diagnostic services.

Our red cell immunohaematology (RCI) and histocompatibility and immunogenetics (H&I) services support blood transfusion, organ transplantation and stem cell transplantation. These services are delivered as a nationally managed pathology network from laboratories managed by a highly skilled and dedicated workforce, supported by modern equipment and a national IT system.

Our focus in the past three years has been on financial viability and reducing the significant cross subsidy that blood prices were providing to these services. The response has included a tactical mix of volume growth, price increases, cost reduction (via consolidation of facilities) and divestment of routine antenatal screening. These programmes are now mostly complete.

However, there are now enormous structural changes taking place across the Health Service. Modernisation and consolidation of pathology services is a major element of these changes and is starting to see the entrance of private sector service providers. In addition the impact of DNA based technologies for extended blood group typing is capable of bringing significant changes to the service landscape. As a result of our national reach and very high levels of capability NHSBT is extremely well placed to participate in these changes but a fundamental review of diagnostic services provision is now necessary. At this time our specific strategic responses are still under development and are reflected in a limited set of underlying strategic themes:

Strategic Development

To conduct fundamental reviews of services and customer requirements in the context of the significant changes to the pathology services landscape.

Service Delivery and Effectiveness

To review and develop existing service models and ensure these are fit for purpose and meet developing customer needs for quality and cost effectiveness.

Efficiency

To continue the focus on efficient delivery of services so that all services are capable of making an appropriate financial contribution to NHSBT and avoid any need for cross subsidy.

The actions that we will undertake in support of these themes include:

- greater engagement with customers in order to better understand the changing landscape in pathology services and the appropriate positioning of NHSBT
- engagement and consideration of partnerships with the private sector providers in order to better deliver efficient and effective services to hospitals
- introduction of product management and enhanced sales and marketing capabilities within the organisation
- a review of the scope of the current national commissioning process for blood and the need to adopt a commercial pricing approach in some of our services
- a review of the specific pricing methodology for RCI services
- a review of existing IT applications for diagnostic services (Hematos) to better support the integration of end-to-end processes between hospitals and NHSBT
- introduction of electronic reporting of pathology results
- ongoing review of reagents supply.

STEM CELL SERVICES

Strategic Objective: To work in partnership with third sector organisations and the UK Health Services in the provision of an efficient and effective source of donor haemopoietic stem cells for the treatment of UK patients.

Our Stem Cells service processes and stores haemopoietic stem cells for approximately 50% of transplants. NHSBT provides stem cells, from unrelated donors, for the treatment of patients with leukaemia and other haematological malignancies through our operation of the British Bone Marrow Registry (BBMR) and the NHS Cord Blood Bank (CBB). Similar services are provided, or are under development, by Anthony Nolan Trust and the UK Health Services.

Some 440 patients per year are denied access to a transplant of stem cells and 200 lives are lost as a result of the lack of suitable donors. This loss of life disproportionately affects the BME community due to the particular challenge of identifying donors in these communities.

As a consequence the Minister of State for Public Health asked NHSBT to establish a UK Stem Cell Strategic Forum in January 2010. Subject to the necessary funding being made available the NHSBT strategy is geared towards implementing the recommendations made by the Forum in July 2010.

As such the strategic themes that currently underpin the strategic objective are:

Improved Provision of Donor Stem Cells

To increase the number of UK patients finding an acceptable match within a clinically appropriate timescale.

Improved Provision of Cord Blood Stem Cells

Contribute to the development of a UK inventory of 50,000 cord blood units with 30-50% of

donations from BME women and high resolution typing of new and selected units.

Quality and Efficiency

To work with our partners in consolidating and standardising operational centres and processes and drive the efficiency and effectiveness of the service to patients

The actions that we will undertake in conjunction with our partners, and subject to funding, include:

- developing the provision of a UK Stem Cell Registry, a UK Cord Blood Bank of 50,000 units and a database of patient outcomes
- increasing the level of contact with donors
- further increasing efforts to improve the representation of BME communities in registries and cord banks
- developing educational tools and platforms
- implementing standardised commissioning frameworks
- consolidating resources and expertise for cord blood transplantation into regional centres of excellence with minimum levels of activity
- implementing standardised data collection and outcome monitoring
- prospective use of high resolution typing and in respect of new cord blood units and selected existing units
- implementing predictive search technologies to increase the chance of matching across international registries
- defining a programme of research opportunities.

Strategic Plan 2011-14

Strategic Targets for 2011-14					
Strategic Targets – Specialist Services Group	2010-11 Plan	2010-11 Actual	2011-12 Plan	2012-13 Plan	2013-14 Plan
Sales income – Tissues (£m)	New	New	7.6	8.2	9.1
Contribution to O/Heads – Group (£m)	New	New	2.4	3.5	5.0
Number of 'critical' regulatory non-compliances – Group	0	0	0	0	0
Cord Blood stock (units with high Total Nucleated Count)	New	New	9,100	10,400	11,900
Cord Blood – proportion of BME units	New	New	40%	40%	40%
Percentage of hospitals scoring $\geq 9/10$ for satisfaction – RCI	New	New	55%	>60%	>60%
Percentage of hospitals scoring $\geq 9/10$ for satisfaction – H&I	New	New	55%	>60%	>60%

SECTION FIVE: NHSBT CORPORATE Strategic Objectives and Themes for 2011-14

NHSBT CORPORATE

Strategic Objective: To be the advocate for the voluntary donation of blood, organs and tissues; to champion a culture of sustainability across all of our activities; to develop organisational capacity, capability and processes in support of our objectives; to identify opportunities for effective collaboration across our Operating Divisions and support them with an effective programme of research and development and an efficient operating infrastructure.

The Plan identifies six strategic themes in support of the above objective:

Structures and Governance

To ensure NHSBT corporate and accountability structures enable effective and efficient delivery of its strategy and management of risk.

Capacity, Capability and Leadership

To develop NHSBT's capacity and capability to deliver strategic change through the deployment of appropriate resource, leadership and skills.

Stakeholder Engagement

To maintain NHSBT's position and reputation as the supplier of choice and ensure effective engagement with our workforce, their representatives and key stakeholders.

Research and Development

To ensure the strategic objectives and targets of our Operating Divisions (Blood Components, Tissues, Diagnostic Services, Stem Cell Services, STS and ODT) are supported by a targeted programme of R&D.

Group Systems and Processes

To ensure our Operating Divisions are supported by highly effective and efficient group systems and processes.

Sustainable Development

To be a strong advocate for sustainable development across NHSBT, promoting it effectively across the organisation and workforce and meeting, as a minimum, all targets set by our stakeholders.

The impending changes to the DH landscape, driven by the white paper 'Equality and Excellence: Liberating the NHS' and the subsequent report on the ALB sector, will create enormous challenges for NHSBT. In addition to the changing landscape NHSBT will be impacted by both the announced review of our commercial effectiveness and the intention to consolidate and aggregate back office services across government. This represents an opportunity to enhance and accelerate our existing strategy and plans but there is also a risk that it cuts across and creates alternative priorities.

Our broad action plans therefore include:

- an intent to fully assess and review the opportunities and risks created by the impending changes and ensure our plans respond and are modified accordingly
- an intent to consider alternative legal structures for NHSBT where these would generate a clear advantage in ensuring NHSBT is better placed to deliver its directions and strategic aims and operate more effectively within an increasingly commercial and competitive environment
- ongoing review and identification of operational synergies across NHSBT (e.g. marketing, donor consenting etc)
- ongoing development of performance management and integrated governance structures, adherence to regulation, risk management capability and business continuity management
- continued focus on leadership development and our capacity and capability for managing change
- a programme of effective stakeholder engagement that supports delivery of our corporate strategy and ensures our purpose, opportunities and achievements are clearly understood
- development of an overall IT applications strategy in support of the objectives and plans of the individual operating divisions utilising common standards and fit for purpose platforms
- ongoing optimisation of our Estates footprint and strategies
- targeting a reduction of 10% in our non-frontline management costs (band 7 and above)
- continuous improvement to supporting group systems and processes based on reducing transactional activity and increasing automation
- ongoing assessment of the opportunity to outsource back office processes
- ongoing partnership with the Carbon Trust and implementation of a detailed sustainable development action plan.

Research & Development

In blood components we will focus our efforts and invest in research into donor health and the behavioural factors which lead people to donate. We will continue to investigate emerging infectious threats and the possibilities for screening and inactivation of such threats. In addition we will continue to invest in research which defines the optimal use of blood components and potential alternatives.

In support of diagnostic services we will explore an appropriate portfolio of next generation diagnostics using genotyping and recombinant proteins with the aims of:

- improving clinical outcomes, including alloimmunisation, by improved donor/patient matching
- increasing availability of extended genotype stock to hospitals.

We will continue to develop our strong research programme in Tissues. This will see us develop partnerships with a focused set of academic partners. This will help identify the next generation of products and services where NHSBT can add value and support to the NHS and its patients.

In ODT we will drive the implementation of a research and development framework and approval process. This is intended to lead to development of an agreed overall programme, and will reflect our intent to work with hospital partners to assess novel methods for improving the quality and number of organs available for transplant. We will in particular look to support the development of ABO incompatible and antibody incompatible transplants.

Strategic Targets for 2011-14					
Strategic Targets – Corporate	2010-11 Plan	2010-11 Actual	2011-12 Plan	2012-13 Plan	2013-14 Plan
Corporate Service costs as a percentage of total costs (IT, HR, Finance & Procurement, as per VFM definitions)	8.0%	8.3%	7.4%	7.3%	7.2%
Estate costs as a percentage of total costs (As per VFM definitions)	8.7%	8.5%	8.5%	8.3%	8.2%
Reduction of CO ₂ emissions (tonnes) (estate based emissions as per the Carbon Reduction Commitment)	New	New	6.3%	11.5%	16.5%

Note: 2010-11 actual performance based on November 2010-11.

SECTION SIX: FINANCIAL SUMMARY

Revenue

NHSBT is an SHA and is therefore required to plan for a balanced income/expenditure position.

Income for blood components and much of tissues and diagnostic services derives from the sale of these products/services to NHS hospitals. Prices are set to recover costs and are agreed via a national commissioning process.

Income for ODT comes from grant in aid (GIA) provided via the Department of Health along with contributions from the other UK Health Services.

It is anticipated that expenditure in Blood, Tissues, Diagnostic Services and Stem Cells will remain

broadly flat over the period of the plan. This primarily reflects the intention to maintain red cell prices at a maximum of £125/unit and drive efficiency initiatives that will deliver this outcome. The plan does not include the funding needs identified by the UK Stem Cell Review. However it does include an additional £1.4m non-recurring funding in support of this activity as part the £4m for 2011-12 recently announced by the Minister (with the £2.6m balance going to Anthony Nolan).

It is also anticipated that ODT can deliver its core objectives within the existing financial envelope. Provision has been made (in part) for investment in a new ODR.

NHSBT Revenue Statement

	2011-12 £ million	2012-13 £ million	2013-14 £ million	Change £ million
Opening Expenditure Position	442.9	432.1	437.5	442.9
Estimated volume impacts	(7.3)	7.5	0.3	0.5
Inflation	3.5	3.4	6.9	13.8
Estimated cost pressures and developments	5.9	3.9	5.9	15.7
Estimated cost reduction programme	(12.9)	(9.4)	(9.4)	(31.7)
Net Expenditure (reduction)/increase	(10.8)	5.4	3.7	(1.7)
Estimated Total Expenditure [A]	432.1	437.5	441.2	441.2

Funded By	2011-12 £ million	2012-13 £ million	2013-14 £ million	Change £ million
Income from product and service sales	361.2	368.0	371.7	371.7
Grant in Aid funding	65.4	64.0	64.0	64.0
Income from Devolved Administrations	5.5	5.5	5.5	5.5
Estimated Total Income [B]	432.1	437.5	441.2	441.2
Net Income & Expenditure Surplus [B-A]	0.0	0.0	0.0	0.0

Revenue Investment Plan

The 2011-12 prices for blood components and specialist services have been agreed with the National Commissioning Group for Blood and will result in a reduction to our cost base of 2.0% in overall terms (including inflation). The headline price for Blood of £124.85 will be achieved by delivering efficiency savings of 3.4% on our cost base for 2010-11. These include a mix of productivity improvements, cash releasing consolidations and operational efficiencies.

The blood price also incorporates a number of material cost pressures, including the incremental impact of VAT at 20%, an additional 1% in employers National Insurance contributions and also costs associated with meeting pay scale increments driven by Agenda for Change.

The impact of inflation is mostly confined to Non-Pay and is based on the forecast Treasury deflator of 2%. Pay inflation is set to zero for all but those employees below a salary of £21,000.

The level of GIA to be received from the DH has been reduced and will be £2.3m/3.5% lower than the 2010-11 allocation. The revised allocation has been set at £64.0m and is expected to remain flat for the duration of the plan 2011-14.

There are a number of uncertainties at the point of preparing the plan. It should be noted that:

- the target red cell price assumes there is no direction from the DH to implement a blood safety initiative in-year. In particular a decision on the importation of 100% Fresh Frozen Plasma is imminent. If this were to happen during 2011-12 it is assumed that the impact would be absorbed in year but would result in a £5/per unit increase to the price of red cells in 2012-13 and beyond
- there is material uncertainty in the level of costs that would be necessary to implement and maintain a new Organ Donation Register
- our GIA assumption (and strategic targets) includes no provision at this stage for meeting the recommendations of the UK Stem Cell Forum report. As noted above, however, an additional £1.4m of agreed non-recurring funding is included in 2011-12 to assist improved outcomes in this area.

Strategic Plan 2011-14

Capital Investment Plan

During 2011-14, we are planning to deliver a capital investment programme totalling £26.2m. These plans are largely centred on maintaining our processing, testing and laboratory facilities, IT and system development, plus rolling equipment replacement and renewal programmes. Largely driven by regulatory requirements.

The allocation requested for 2011-12 includes c£3m to meet the requirement for a new modern and fit for purpose ODR and also c£0.8m for a Transport Management System, which will be integral to improving efficiencies in logistics and supporting the developing Blood Donation strategy.

Summary of Capital Investment Plans

Plan Initiative	2011-12	2012-13	2013-14
Estates Investment Programme	£1.6m	£0.8m	£0.8m
IT and system development projects	£5.5m	£1.0m	£0.8m
Minor Capital Programme – asset replacement programme	£4.3m	£5.6m	£5.8m
Total	£11.4m	£7.4m	£7.4m

Performance and Assurance

We adopt an integrated approach to planning, performance, governance and assurance. This means that each strategic objective is subjected to risk evaluation and assessment and that supporting activities and work plans (and their respective controls) have been developed to mitigate the risks of failing to achieve these objectives. Such risks are captured within our Strategic Risk Register and forms a key element of our Assurance Framework.

Progress against delivery of this plan will be reported each month to the NHSBT Executive Management Team and NHSBT Board using our Performance Management Framework. This consolidates reporting of progress against our strategic targets with other key operational KPIs, progress against key milestones, key performance trends and risks.

Risks to delivery of our work plan, which arise in-year, are captured within our Programme Governance arrangements and as part of each Functional Management Team's ongoing review of performance and management of risk. Risks are escalated, as appropriate, for resolution via the monthly performance review process.

The performance report will form the basis for the formal NHSBT accountability review arrangements with the UK Health Departments.

The process and reporting is subject to scrutiny by the Governance and Audit Committee (GAC) and by our Internal Auditors.

