

# NHSBT Finance Report

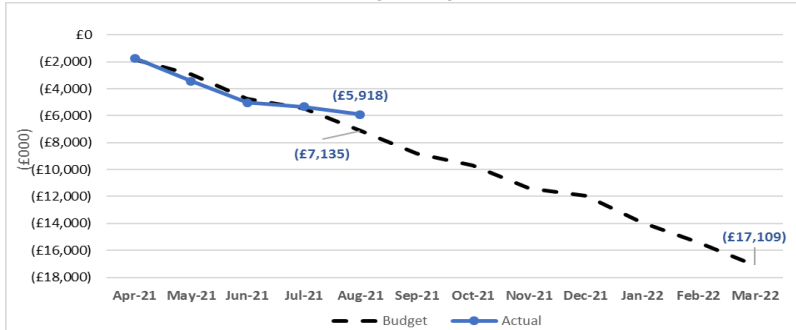
August 2021

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# 2021/22 NHSBT Financial Performance Headlines - August 2021

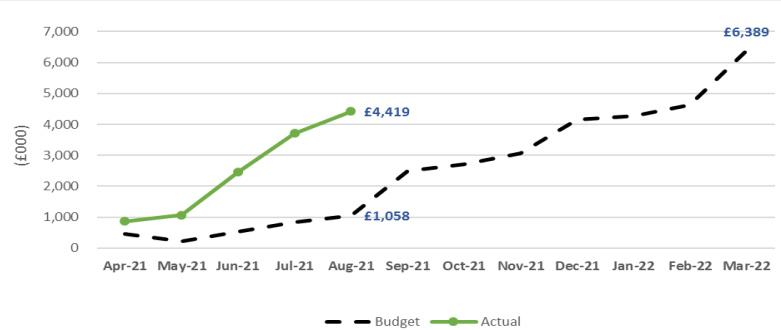
Year to Date surplus of £1.4m (£9.0m ahead of plan)

## Blood and Group Net Income & Expenditure (excl. Change Programme)



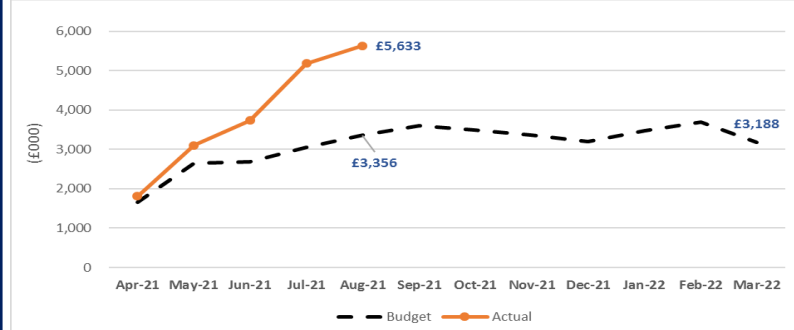
Overspends in Blood Supply offset by underspends in group services - detail on page 5 & 6

## Clinical Services Net Income & Expenditure (Business unit contribution)



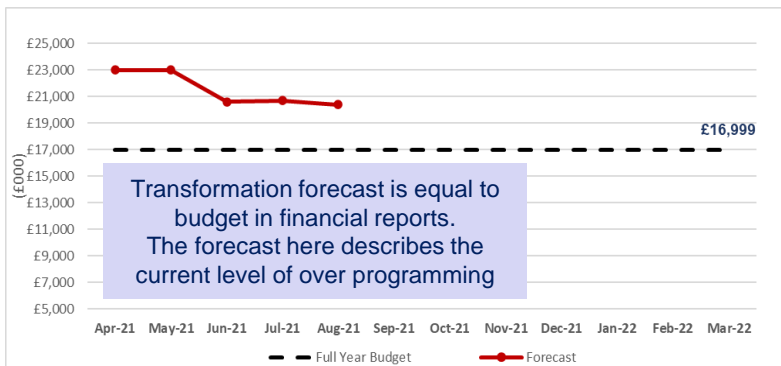
£3.4m favourable variance – activity higher than (conservative) plan across most Business Units – detail on page 7

## Organ Donation & Transplantation Net Funding & Expenditure



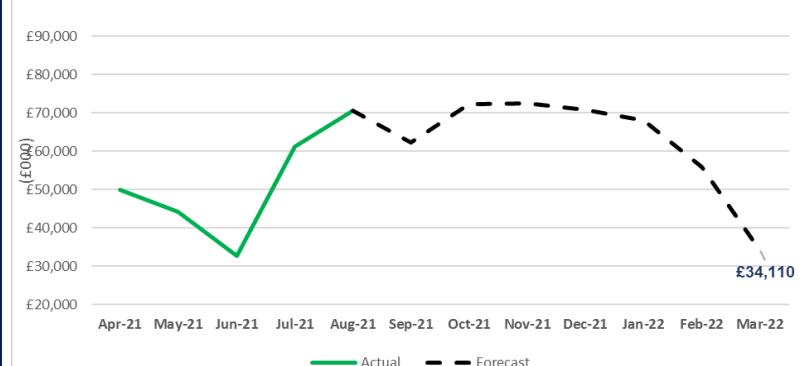
£2.3m favourable variance due to lower activity expenditure and transformation spend – detail on page 8  
Additional £1.3m favourable variance reported in TES

## Blood and Group Change Programme Full Year Forecast



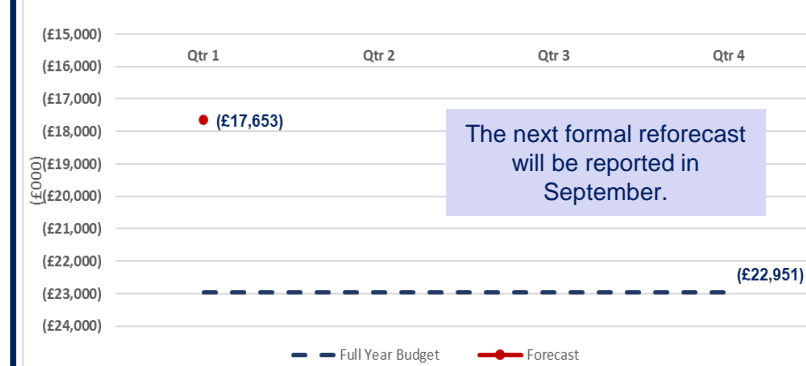
Full Year budget is £17m.

## NHSBT Cash Flow 2021/22



Cash balance at March 2022 forecast to be £6.7m ahead of plan

## NHSBT I&E Full Year Forecast



Full year forecast is a deficit of £17.7m - £5.3m better than plan.

# 2021/22 NHSBT Financial Performance Headlines - August 2021

## Surpluses in Clinical Services and OTDT more than offsetting overspends in Blood Supply (collection)

<b>Year to date I&amp;E Position</b>	<b>£1.4m surplus</b> vs <b>£7.6m budget deficit</b>	Blood/Group	<b>+ £2.1m</b>	Significant overspends in Blood Supply (£2.8m) offset by positive variances in group services and lower transformation spend. Detail on pages 5 & 6.	
		Clinical Services	<b>+ £3.4m</b>	Increased activity (income) versus a conservative budget.	
		OTDT	<b>+ £3.5m</b>	<b>ODT</b> (+£2.3m) - activity levels and associated cost lower than plan, plus low transformation spend. <b>TES</b> (+£1.3m) - increased sales income versus a conservative budget.	
<b>Full year forecast</b>	<b>£17.7m deficit</b> vs <b>£23.0m budget deficit</b>	Blood/Group	<b>- £4.3m</b>	Full year effect of adverse expenditure in Blood Supply plus a decline in red cell stock (fixed cost movement in stock).	
		Clinical Services	<b>+ £1.6m</b>	Activity higher than conservative plan (especially Stem Cells, RCI and TAS).	
		OTDT	<b>+ £8.0m</b>	<b>ODT</b> (+£6.2m) - activity levels lower than plan plus an additional budgeted NORS team <i>not</i> mobilised. <b>TES</b> (+£1.8m) - full year effect of higher sales income versus a conservative plan.	
<b>Cash and Debtors</b>	<b>Cash balance £71m</b>	Debtor Days		19 days - 3 days ahead of target.	
		90+ day overdues		Decreased to £0.6m (within the £0.5m - £1.0m target range).	
		Cash		Forecast cash at end March 2022 increased to £34m.	

**Pay** – pay costs will increase by 3% in September (with back pay to April), versus 2.5% assumed in the budget. There is therefore a positive overall pay variance of £2.0m, across all the budgets above, in the year to date. The NHSBT underlying year to date position is therefore a deficit of £0.6m versus a budgeted deficit of £7.6m (and Blood/Group would be reporting a positive variance of £0.7m versus the £2.1m above).

**Covid-19** - costs of £8.5m were included in blood prices (and budget) to cover anticipated Covid costs. This included £1.5m for additional touch point cleaning, £2.0m for additional collection staff, £0.7m higher venue costs and £0.8m for additional pop up venues, with the balance being for contingency (£2m) and to cover a potential lost/uncovered contribution in TES. At Q1 the estimate is £6.5m reflecting yet higher costs in blood collection being more than offset by release of contingency and a higher TES contribution.

Demand and supply in Blood continues to be highly variable. At this stage it is therefore uncertain how this, and the ongoing impact of Covid-19, will impact the future operating capacity, and hence the baseline cost for blood collection that will be carried forward in 2022/23 prices.

# NHSBT Summary I&E statement - August 2021

Period (£k)		
Budget	Actual	Variance
4,080	2,976	(1,103)
908	1,159	251
24,577	24,562	(15)
411	292	(118)
<b>29,975</b>	<b>28,990</b>	<b>(985)</b>
(4,080)	(2,969)	1,111
(450)	399	850
(13,004)	(13,146)	(142)
(14,096)	(13,846)	251
(1,587)	(1,299)	287
<b>(33,217)</b>	<b>(30,861)</b>	<b>1,253</b>
<b>(3,242)</b>	<b>(1,871)</b>	<b>267</b>

347	347	0
5,160	5,452	292
<b>5,507</b>	<b>5,799</b>	<b>292</b>
(4,936)	(5,010)	(74)
(340)	(79)	261
<b>(5,276)</b>	<b>(5,090)</b>	<b>186</b>
<b>231</b>	<b>709</b>	<b>478</b>

6,792	6,773	(20)
0	0	0
278	168	(109)
<b>7,070</b>	<b>6,941</b>	<b>(129)</b>
(5,498)	(5,089)	409
(1,267)	(1,400)	(133)
<b>(6,765)</b>	<b>(6,489)</b>	<b>276</b>
<b>305</b>	<b>452</b>	<b>147</b>

1,132	1,336	205
<b>1,132</b>	<b>1,336</b>	<b>205</b>
(1,050)	(995)	55
<b>(1,050)</b>	<b>(995)</b>	<b>55</b>
<b>82</b>	<b>342</b>	<b>259</b>

<b>43,684</b>	<b>43,066</b>	<b>(618)</b>
<b>(46,307)</b>	<b>(43,434)</b>	<b>2,873</b>
<b>(2,623)</b>	<b>(368)</b>	<b>2,255</b>

Blood and Group
Programme Funding - Plasma
Programme Funding - Corporate
Blood Supply Income
Group Services Income
<b>Blood and Group Income</b>
Plasma for Medicine
Blood Supply Cost of Sales
Blood Supply Operations
Group Services
Change Programme
<b>Blood and Group Expenditure</b>
<b>Blood and Group Total</b>

Clinical Services (DTAS)
Programme Funding
Diagnostic and Therapeutic Services Income
<b>Clinical Services Income</b>
Diagnostics, Therapeutic Apheresis and Stem Cells Operations
Diagnostics, Therapeutic Apheresis and Stem Cells Change Programme
<b>Clinical Services Expenditure</b>
<b>Clinical Services Total</b>

Organ Donation & Transplantation
Programme Funding (DHSC and Other UK Health Authorities)
Programme Funding - Opt Out
NHSE Funding
<b>ODT Income</b>
Organ Donation and Transplantation Operations
Organ Donation and Transplantation Change Programme
<b>ODT Expenditure</b>
<b>ODT Total</b>

Tissues and Eye Services
Tissue & Eye Services Income
<b>TES Income</b>
Tissue and Eye Services Operations
<b>TES Expenditure</b>
<b>TES Total</b>

<b>NHSBT Summary</b>
<b>Income</b>
<b>Expenditure</b>
<b>NHSBT Surplus/(Deficit)</b>

WTE	
Budget	Actual
177	99
0	0
2,535	2,506
1,151	1,076
12	36
<b>3,876</b>	<b>3,716</b>
<b>3,876</b>	<b>3,716</b>

764	739
0	4
<b>764</b>	<b>743</b>
<b>764</b>	<b>743</b>

469	460
23	22
<b>493</b>	<b>482</b>
<b>493</b>	<b>482</b>

148	143
<b>148</b>	<b>143</b>
<b>148</b>	<b>143</b>

<b>206,019</b>	<b>215,158</b>	<b>9,139</b>
<b>(213,630)</b>	<b>(213,806)</b>	<b>(177)</b>
<b>5,281</b>	<b>5,084</b>	<b>(197)</b>
<b>5,281</b>	<b>5,084</b>	<b>(197)</b>

Year to Date (£k)		
Budget	Actual	Variance
8,159	14,501	6,342
4,542	4,828	286
122,938	123,515	576
2,050	2,244	194
<b>137,689</b>	<b>145,087</b>	<b>7,398</b>
(8,181)	(14,524)	(6,342)
(939)	(1,925)	(986)
(65,468)	(67,322)	(1,855)
(70,235)	(67,234)	3,001
(5,299)	(4,453)	847
<b>(150,123)</b>	<b>(155,458)</b>	<b>(5,335)</b>
<b>(12,434)</b>	<b>(10,370)</b>	<b>2,063</b>

1,734	1,734	0
25,568	27,244	1,675
<b>27,303</b>	<b>28,978</b>	<b>1,675</b>
(24,885)	(24,190)	695
(1,360)	(368)	992
<b>(26,245)</b>	<b>(24,558)</b>	<b>1,687</b>
<b>1,058</b>	<b>4,419</b>	<b>3,362</b>

33,961	33,692	(269)
0	0	0
1,389	848	(541)
<b>35,350</b>	<b>34,540</b>	<b>(810)</b>
(27,540)	(25,759)	1,781
(4,454)	(3,147)	1,307
<b>(31,994)</b>	<b>(28,906)</b>	<b>3,088</b>
<b>3,356</b>	<b>5,633</b>	<b>2,277</b>

5,677	6,553	876
<b>5,677</b>	<b>6,553</b>	<b>876</b>
(5,267)	(4,883)	384
<b>(5,267)</b>	<b>(4,883)</b>	<b>384</b>
<b>410</b>	<b>1,669</b>	<b>1,260</b>

<b>521,516</b>	<b>527,121</b>	<b>535,641</b>	<b>8,521</b>
<b>(534,532)</b>	<b>(550,072)</b>	<b>(553,294)</b>	<b>(3,222)</b>
<b>(13,016)</b>	<b>(22,951)</b>	<b>(17,653)</b>	<b>5,299</b>

Full Year (£k)			
Prev. Yr Actual	Budget	Q1 Forecast	Variance
57,623	46,044	53,000	6,956
11,061	10,900	10,900	0
283,445	295,060	295,167	107
6,613	5,071	5,419	348
<b>358,742</b>	<b>357,075</b>	<b>364,486</b>	<b>7,411</b>
(57,623)	(46,066)	(51,900)	(5,834)
(515)	0	(2,267)	(2,267)
(150,304)	(156,792)	(159,521)	(2,729)
(177,269)	(171,327)	(172,218)	(892)
(12,701)	(16,999)	(16,999)	0
<b>(398,412)</b>	<b>(391,183)</b>	<b>(402,905)</b>	<b>(11,722)</b>
<b>(39,670)</b>	<b>(34,108)</b>	<b>(38,419)</b>	<b>(4,310)</b>

4,173	4,162	4,162	0
58,602	66,747	67,810	1,063
<b>62,774</b>	<b>70,909</b>	<b>71,972</b>	<b>1,063</b>
(53,520)	(60,780)	(60,624)	156
(903)	(3,740)	(3,326)	414
<b>(54,423)</b>	<b>(64,520)</b>	<b>(63,949)</b>	<b>570</b>
<b>8,351</b>	<b>6,389</b>	<b>8,022</b>	<b>1,633</b>

74,880	81,506	80,998	(508)
11,509	0	0	0
1,617	3,333	2,185	(1,148)
<b>88,006</b>	<b>84,839</b>	<b>83,183</b>	<b>(1,656)</b>
(55,260)	(66,350)	(63,360)	2,990
(14,860)	(15,302)	(10,413)	4,889
<b>(70,120)</b>	<b>(81,652)</b>	<b>(73,773)</b>	<b>7,879</b>
<b>17,886</b>	<b>3,188</b>	<b>9,411</b>	<b>6,223</b>

11,994	14,298	16,000	1,703
<b>11,994</b>	<b>14,298</b>	<b>16,000</b>	<b>1,703</b>
(11,577)	(12,717)	(12,667)	50
<b>(11,577)</b>	<b>(12,717)</b>	<b>(12,667)</b>	<b>50</b>
<b>417</b>	<b>1,580</b>	<b>3,333</b>	<b>1,753</b>

<b>521,516</b>	<b>527,121</b>	<b>535,641</b>	<b>8,521</b>
<b>(534,532)</b>	<b>(550,072)</b>	<b>(553,294)</b>	<b>(3,222)</b>
<b>(13,016)</b>	<b>(22,951)</b>	<b>(17,653)</b>	<b>5,299</b>

# Blood and Group - August 2021

Blood Supply
(£)m
Blood and Component Income
NCI Income
Logistics Income
<b>Total Income</b>
Cost of Sales - Blood Component Stock Movement
Blood Donation
Manufacturing, Testing & Issue
Logistics
<b>Total Expenditure</b>

WTE	
Bud.	Act.
1,449	1,403
784	796
303	306
<b>2,535</b>	<b>2,506</b>

Year to Date		
Bud.	Act.	Var.
120.1	120.4	0.3
1.4	1.6	0.1
1.4	1.5	0.1
<b>122.9</b>	<b>123.5</b>	<b>0.6</b>
(0.9)	(1.9)	(1.0)
(27.4)	(28.5)	(1.1)
(29.8)	(30.1)	(0.3)
(8.3)	(8.7)	(0.4)
<b>(66.4)</b>	<b>(69.2)</b>	<b>(2.8)</b>

Full Year		
Bud.	Q1 Fcst.	Var.
288.3	289.5	1.2
3.4	2.4	(1.1)
3.3	3.3	0.0
<b>295.1</b>	<b>295.2</b>	<b>0.1</b>
0.0	(2.3)	(2.3)
(65.3)	(66.7)	(1.4)
(71.8)	(72.7)	(0.8)
(19.7)	(20.2)	(0.5)
<b>(156.8)</b>	<b>(161.8)</b>	<b>(5.0)</b>

Plasma for Medicine
(£)m
Programme Funding
Expenditure
<b>Programme Surplus/(Deficit)</b>

WTE	
Bud.	Act.
177	99
<b>177</b>	<b>99</b>

Year to Date		
Bud.	Act.	Var.
8.2	14.5	6.3
(8.2)	(14.5)	(6.3)
<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>

Full Year		
Bud.	Q1 Fcst.	Var.
46.0	53.0	7.0
(46.1)	(51.9)	(5.8)
<b>(0.0)</b>	<b>1.1</b>	<b>1.1</b>

<b>Blood Supply Operating Surplus/(Deficit)</b>
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<b>2,713</b>	<b>2,605</b>
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<b>56.5</b>	<b>54.2</b>	<b>(2.3)</b>
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<b>138.2</b>	<b>134.5</b>	<b>(3.8)</b>
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<b>Group Services (incl. Change Programme)</b>
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<b>1,163</b>	<b>1,111</b>
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<b>(68.9)</b>	<b>(64.6)</b>	<b>4.3</b>
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<b>(172.4)</b>	<b>(172.9)</b>	<b>(0.5)</b>
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Group Services detail on page 6

<b>Blood and Group Surplus/(Deficit)</b>
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<b>3,876</b>	<b>3,716</b>
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<b>(12.4)</b>	<b>(10.4)</b>	<b>2.1</b>
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<b>(34.1)</b>	<b>(38.4)</b>	<b>(4.3)</b>
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Although Blood and Group overall is reporting a positive variance of £2.1m against budget, this is the result of an adverse variance in Blood Supply of £2.3m being more than offset by a positive variance of £4.3m in Group. Note that the positive variance overall includes £1.4m for the pay award that has not yet been processed (and will come through in September).

The adverse variance in Blood Supply reflects the overspending in blood collection that was reported in Q1 as a result of high overtime and use of temporary labour. Spend continues to run ahead of plan, but at a much reduced level, due to additional controls/approvals put in place, especially with regard to teams that are over established and hence were overtime/temp expenditure should be minimal. As a result, it is expected that the current forecast operating overspend for the year of £2.7m will further decrease in the Q2 reforecast. Within the latest forecast this adverse cost variance is offset by increased income £1.2m (higher red cell demand) and the remaining Covid-19 contingency (reported in Group Services) of £1.3m. The forecast also reflects the full year effect of a 3.0% pay award,

Notice has also been served to NCI plasma brokers that supply will be ramped down as a result of the PFM programme, resulting in a £1.1m adverse income variance in the forecast. This lost income is fully covered by PFM funding (and can be seen as a positive variance in the forecast for PFM).

Note that the PFM budget includes the funding and costs over Q2 - Q4 following go live, post approval of the DHSC business case. Actuals, however, also capture the funding and costs for the CVP project and initial PFM activity in Q1, prior to approval of the business case.

The forecast for Blood and Group overall is an adverse variance of £4.3m reflecting the full year effect of the adverse cost variances in Blood Supply plus a catch up in the spending rate to budget levels in Group. The forecast also assumes an adverse (non-cash) variance for cost of sales of £2.3m based on forecast red cell stock of 26.3k units at March 2022 (versus an opening stock of 42.5k units).

# Group - August 2021

Group Services (£)m	WTE		Year to Date			Full Year		
	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
Programme Funding			4.5	4.8	0.3	10.9	10.9	0.0
Group Services Income			0.7	0.9	0.2	1.7	2.0	0.3
Medical			0.4	0.4	(0.1)	1.0	0.9	(0.2)
Research & Development			0.9	1.0	0.1	2.4	2.6	0.2
<b>Total Income</b>			<b>6.6</b>	<b>7.1</b>	<b>0.5</b>	<b>16.0</b>	<b>16.3</b>	<b>0.3</b>
Chief Executive and Board	4	5	(0.3)	(0.3)	0.0	(0.8)	(0.8)	0.0
Donor Experience	157	141	(8.6)	(7.2)	1.4	(20.5)	(20.8)	(0.2)
Quality	111	115	(3.0)	(2.8)	0.2	(7.2)	(7.2)	(0.0)
Estates & Facilities	79	73	(17.9)	(17.9)	0.0	(44.8)	(44.4)	0.4
Finance	106	104	(2.8)	(2.9)	(0.2)	(6.6)	(7.1)	(0.5)
Strategy and Transformation	38	33	(1.0)	(1.0)	(0.1)	(2.3)	(2.6)	(0.3)
Business Transformation Services	12	3	(0.3)	(0.3)	(0.0)	(0.6)	(0.5)	0.1
People	143	128	(4.2)	(4.5)	(0.4)	(10.1)	(10.4)	(0.3)
Digital, Data and Technology Services	266	249	(16.4)	(15.9)	0.5	(40.4)	(40.8)	(0.3)
Research & Development	39	35	(2.0)	(2.0)	(0.0)	(5.3)	(5.5)	(0.2)
Medical	192	190	(7.2)	(6.8)	0.4	(17.0)	(16.4)	0.5
Miscellaneous and Capital Charges	6	0	(6.8)	(5.8)	1.0	(15.6)	(15.7)	(0.1)
<b>Total Expenditure</b>	<b>1,151</b>	<b>1,076</b>	<b>(70.2)</b>	<b>(67.2)</b>	<b>3.0</b>	<b>(171.3)</b>	<b>(172.2)</b>	<b>(0.9)</b>

<b>Operating Surplus/(Deficit)</b>	<b>1,151</b>	<b>1,076</b>	<b>(63.6)</b>	<b>(60.2)</b>	<b>3.5</b>	<b>(155.4)</b>	<b>(155.9)</b>	<b>(0.5)</b>
<b>Change Programme</b>	<b>12</b>	<b>36</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>0.8</b>	<b>(17.0)</b>	<b>(17.0)</b>	<b>0.0</b>
<b>Group Services Surplus/(Deficit)</b>	<b>1,163</b>	<b>1,111</b>	<b>(68.9)</b>	<b>(64.6)</b>	<b>4.3</b>	<b>(172.4)</b>	<b>(172.9)</b>	<b>(0.5)</b>

Most Directorates are reporting small positive variances year to date with Donor Experience in particular reporting a £1.4m underspend. The Finance and People directorates are starting to see adverse cost variances within the year to date position, with much of this driven by additional resources needed to high demand in support of post Covid catch up and plasma (and the associated transactional volumes). The forecast assumes that these cost pressures will continue for the remainder of the year, with most Directorates reporting small adverse variances in the forecast.

The change programme is over programmed at a current predicted spend of £20m (£3m higher than budget). A forecast of £17m remains, in line with budget. pending a prioritised plan.

Note that £1.3m of unallocated Covid contingency is reported within the Miscellaneous forecast, partially offsetting overspends in Blood Supply.

# Clinical Services - August 2021 (operating contributions - pre ABC analysis)

(£)m	WTE		Year to Date			Full Year		
	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
<b>Therapeutic Apheresis Services</b>								
Income			4.6	5.4	0.8	11.3	12.2	0.9
Expenditure	93	93	(3.7)	(3.6)	0.1	(8.9)	(8.9)	(0.0)
<b>TAS I&amp;E</b>	<b>93</b>	<b>93</b>	<b>0.9</b>	<b>1.8</b>	<b>0.9</b>	<b>2.3</b>	<b>3.2</b>	<b>0.9</b>
<b>Histocompatibility &amp; Immunogenetics</b>								
Income			5.7	5.7	(0.0)	13.9	13.4	(0.5)
Expenditure	179	179	(6.5)	(6.6)	(0.0)	(15.7)	(15.8)	(0.1)
<b>H&amp;I I&amp;E</b>	<b>179</b>	<b>179</b>	<b>(0.8)</b>	<b>(0.9)</b>	<b>(0.1)</b>	<b>(1.9)</b>	<b>(2.5)</b>	<b>(0.6)</b>
<b>Red Cell Immunohematology</b>								
Income			7.7	7.9	0.2	18.6	18.8	0.2
Expenditure	193	187	(5.3)	(5.1)	0.2	(12.7)	(12.6)	0.2
<b>RCI I&amp;E</b>	<b>193</b>	<b>187</b>	<b>2.4</b>	<b>2.8</b>	<b>0.4</b>	<b>5.9</b>	<b>6.3</b>	<b>0.4</b>
<b>IBGRL</b>								
Income			1.0	1.0	(0.0)	2.4	2.4	0.0
Expenditure	50	45	(1.4)	(1.4)	0.0	(3.3)	(3.3)	(0.0)
<b>IBGRL I&amp;E</b>	<b>50</b>	<b>45</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>0.0</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>0.0</b>
<b>SCI - Cellular &amp; Molecular Therapies</b>								
Income			4.7	4.9	0.2	12.8	12.8	0.0
Expenditure	104	100	(3.6)	(3.6)	0.0	(9.2)	(9.2)	(0.0)
<b>CMT I&amp;E</b>	<b>104</b>	<b>100</b>	<b>1.0</b>	<b>1.3</b>	<b>0.2</b>	<b>3.6</b>	<b>3.6</b>	<b>0.0</b>
<b>CBC</b>								
Income			0.6	0.5	(0.1)	3.9	3.9	0.0
Expenditure	35	30	(1.2)	(1.2)	(0.0)	(3.3)	(3.3)	(0.0)
<b>CBC I&amp;E</b>	<b>35</b>	<b>30</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>0.7</b>	<b>0.7</b>	<b>(0.0)</b>
<b>SCI - Donation &amp; Transplantation</b>								
Income			3.1	3.7	0.6	8.0	8.4	0.4
Expenditure	46	44	(1.3)	(1.3)	0.0	(3.2)	(3.2)	0.0
<b>SCDT I&amp;E</b>	<b>46</b>	<b>44</b>	<b>1.8</b>	<b>2.4</b>	<b>0.6</b>	<b>4.8</b>	<b>5.2</b>	<b>0.4</b>
<b>Customer Services</b>	<b>46</b>	<b>49</b>	<b>(1.2)</b>	<b>(1.1)</b>	<b>0.1</b>	<b>(2.8)</b>	<b>(2.8)</b>	<b>0.0</b>
<b>DTS Management</b>	<b>19</b>	<b>12</b>	<b>(0.7)</b>	<b>(0.4)</b>	<b>0.2</b>	<b>(1.6)</b>	<b>(1.5)</b>	<b>0.1</b>
<b>Operating Surplus/(Deficit)</b>	<b>764</b>	<b>739</b>	<b>2.4</b>	<b>4.8</b>	<b>2.4</b>	<b>10.1</b>	<b>11.3</b>	<b>1.2</b>
<b>Change Programme</b>	<b>0</b>	<b>4</b>	<b>(1.4)</b>	<b>(0.4)</b>	<b>1.0</b>	<b>(3.7)</b>	<b>(3.3)</b>	<b>0.4</b>
<b>Clinical Services Surplus/(Deficit)</b>	<b>764</b>	<b>743</b>	<b>1.1</b>	<b>4.4</b>	<b>3.4</b>	<b>6.4</b>	<b>8.0</b>	<b>1.6</b>

Clinical Services are reporting a £3.4m positive variance at direct contribution level in the year to date results, with a further improvement expected in the Q2 reforecast. The positive variances primarily reflect the conservative income budgets that were set for Q1 in relation to the expected COVID recovery. The reduction in the forecast positive contribution versus the year to date suggests some conservatism in the forecast and will be reviewed as part of the reforecast exercise at Q2.

## Summary by Business Unit;

- **TAS** favourable income variance driven primarily by the strong PEX performance as well as through the agreed ECP 'sustainability' allowance will continue to be received until H2.
- **H&I** broadly in line with a conservative income budget year to date, albeit forecasting a deteriorating position through the rest of the year (and hence will be a primary focus within the Q2 reforecast process).
- **RCI** activity above plan, specifically for Red Cell / Antenatal reference. The favourable variance is increased further by underspends on pay (unfilled vacancies)
- **IBGRL** in line with plan
- **CMT** although service activity is higher than plan in the year to date it is expected to slow during the latter half of the year, reflecting the anticipation that cryo bag storage volumes will reduce as the NHS exits the pandemic.
- **CBC** income slightly behind year to date, however latest forecast expects the position to finished in line with plan
- **Stem Cell Donation & Transplantation** favourable against plan primary driven by increased BBMR harvest activity. This is expected to continue throughout the remainder of the year, with an improved forecast position expected at Q2.



# ODT - August 2021

ODT I&E (£)m	WTE		Year to Date			Full Year		
	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
Programme Funding			28.6	28.6	0.0	68.6	68.6	0.0
Other UK Health Authorities Funding			5.1	5.0	(0.1)	12.2	12.0	(0.2)
Operating Expenditure	469	460	(27.5)	(25.8)	1.8	(66.3)	(63.4)	3.0
<b>Operating Funding &amp; Expenditure</b>	<b>469</b>	<b>460</b>	<b>6.2</b>	<b>7.9</b>	<b>1.7</b>	<b>14.5</b>	<b>17.3</b>	<b>2.8</b>
<b>Transformation</b>	<b>23</b>	<b>22</b>	<b>(2.8)</b>	<b>(2.2)</b>	<b>0.6</b>	<b>(11.3)</b>	<b>(7.9)</b>	<b>3.4</b>

<b>ODT Surplus/(Deficit)</b>	<b>493</b>	<b>482</b>	<b>3.4</b>	<b>5.6</b>	<b>2.3</b>	<b>3.2</b>	<b>9.4</b>	<b>6.2</b>
<b>Direct contribution to Group Services</b>						<b>(10.8)</b>	<b>(10.8)</b>	<b>0.0</b>
<b>ODT Deficit (funded by cash)</b>						<b>(7.6)</b>	<b>(1.4)</b>	<b>6.2</b>

ODT Transformation Detail	WTE		Year to Date			Full Year		
	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
<b>DCD Hearts</b>								
NHSE Funding			0.3	0.3	0.0	0.8	0.8	0.0
Expenditure	1	0	(1.1)	(1.9)	(0.8)	(2.5)	(2.5)	0.0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>(0.8)</b>	<b>(1.5)</b>	<b>(0.8)</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>0.0</b>

Donor Characterisation	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
	NHSE Funding			1.0	0.5	(0.5)	2.5	1.4
Expenditure	3	3	(0.9)	(0.3)	0.5	(2.5)	(1.4)	1.1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Opt Out	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
	Scotland Funding			0.3	0.1	(0.2)	0.7	0.3
Expenditure	19	15	(1.1)	(0.2)	0.9	(3.2)	(2.8)	0.3
<b>Total</b>	<b>19</b>	<b>15</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>0.7</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>0.0</b>

<b>ODT Development Fund</b>	<b>0</b>	<b>4</b>	<b>(1.4)</b>	<b>(0.8)</b>	<b>0.6</b>	<b>(7.2)</b>	<b>(3.8)</b>	<b>3.4</b>
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<b>Transformation Total</b>	<b>23</b>	<b>22</b>	<b>(4.5)</b>	<b>(3.1)</b>	<b>1.3</b>	<b>(15.3)</b>	<b>(10.4)</b>	<b>4.9</b>
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ODT is reporting a £2.3m positive variance at direct operating level in the year to date. This results from lower donation and transplant volumes versus plan (and hence related lower activity costs ) versus fixed programme funding, plus lower transformation spend than plan.

The forecast for the year is based on 1,550 deceased donors versus a plan of 1,697. The related reduction in costs results in an a positive variance of £2.8m for year.

In addition an additional NORS team that was assumed in the budget (included in the ODT Development Fund budget line budget ) will not now happen, generating a positive variance of £2.2m.

Transformation spend is also forecast to be £1.2m lower than plan, now that business cases and associated plans, have now been worked up.

Taken together, this results in a total forecast positive contribution variance of £6.2m.

The cash surplus generated by this variance will be held for discussion with DHSC at year end and either returned or carried forward against 2022/23 funding requirements.

# Tissue and Eye Services - August 2021

TES is reporting a £1.3m positive variance against plan at direct contribution level (ie pre ABC cost allocation). As with Clinical Services this reflects the conservative income level that were set in the budget. Given the recovery that is now being seen it is anticipated that this will continue and result in a £1.8m positive variance at contribution level for the year.

TES I&E (£)m	WTE		Year to Date			Full Year		
	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.
Income			5.7	6.6	0.9	14.3	16.0	1.7
Cost of Sales			(0.3)	(0.2)	0.1	(0.8)	(0.8)	0.0
Expenditure	148	143	(5.0)	(4.7)	0.3	(12.0)	(11.9)	0.0
<b>Surplus/(Deficit)</b>	<b>148</b>	<b>143</b>	<b>0.4</b>	<b>1.7</b>	<b>1.3</b>	<b>1.6</b>	<b>3.3</b>	<b>1.8</b>

WTE	
Bud.	Per Act.
148	143
<b>148</b>	<b>143</b>

Year to Date		
Bud.	Act.	Var.
5.7	6.6	0.9
(0.3)	(0.2)	0.1
(5.0)	(4.7)	0.3
<b>0.4</b>	<b>1.7</b>	<b>1.3</b>

Full Year		
Bud.	Q1 Fcst.	Var.
14.3	16.0	1.7
(0.8)	(0.8)	0.0
(12.0)	(11.9)	0.0
<b>1.6</b>	<b>3.3</b>	<b>1.8</b>



# Cash Flow – as at August 2021

	Actual Apr-21 £k	Actual May-21 £k	Actual Jun-21 £k	Actual Jul-21 £k	Actual Aug-21 £k	Forecast Sep-21 £k	Forecast Oct-21 £k	Forecast Nov-21 £k	Forecast Dec-21 £k	Forecast Jan-22 £k	Forecast Feb-22 £k	Forecast Mar-22 £k	Total £k
<b>Opening bank balance</b>	<b>53,211</b>	<b>49,942</b>	<b>44,169</b>	<b>32,800</b>	<b>61,342</b>	<b>70,557</b>	<b>60,478</b>	<b>71,229</b>	<b>71,977</b>	<b>70,923</b>	<b>68,549</b>	<b>57,177</b>	<b>53,211</b>
<b>Receipts</b>													
Debtors & Other Receipts	33,878	35,028	37,837	35,339	42,097	34,423	34,295	32,418	32,070	33,902	32,256	36,818	420,360
Revenue Cash Limit	0	0	0	24,158	5,958	6,086	6,086	6,086	6,086	6,086	6,086	6,167	72,800
Revenue Cash Limit - Pensions Uplift	824	0	0	3,633	906	908	908	908	908	908	908	910	11,724
Revenue Cash Limit - Plasma for Medicine	0	0	0	9,090	2,465	2,946	5,305	5,305	6,333	6,335	6,333	7,128	51,241
Capital Cash Limit	0	0	0	0	0	0	8,000	0	3,000	0	5,000	5,000	21,000
<b>Total Receipts</b>	<b>34,702</b>	<b>35,028</b>	<b>37,837</b>	<b>72,220</b>	<b>51,426</b>	<b>44,364</b>	<b>54,594</b>	<b>44,718</b>	<b>48,397</b>	<b>47,232</b>	<b>50,583</b>	<b>56,023</b>	<b>577,125</b>
<b>Payments</b>													
Staff Expenses	15,253	20,370	20,881	17,657	20,983	20,625	20,770	21,790	23,218	20,783	21,270	26,349	249,951
Other Revenue Payments	22,286	19,669	27,681	25,403	20,739	22,822	22,173	21,180	24,733	26,822	26,500	44,898	304,907
Capital Charges Less DH Credit Due	0	0	0	0	0	10,184	0	0	0	0	10,184	0	20,368
Capital Payments	432	762	644	618	488	812	900	1,000	1,500	2,000	4,000	7,844	21,000
<b>Total Payments</b>	<b>37,971</b>	<b>40,801</b>	<b>49,205</b>	<b>43,679</b>	<b>42,210</b>	<b>54,443</b>	<b>43,844</b>	<b>43,970</b>	<b>49,451</b>	<b>49,606</b>	<b>61,955</b>	<b>79,091</b>	<b>596,226</b>
<b>Closing bank balance</b>	<b>49,942</b>	<b>44,169</b>	<b>32,800</b>	<b>61,342</b>	<b>70,557</b>	<b>60,478</b>	<b>71,229</b>	<b>71,977</b>	<b>70,923</b>	<b>68,549</b>	<b>57,177</b>	<b>34,110</b>	<b>34,110</b>

Debtor Days (Target is 22 days)	16	17	14	17	19
YTD BPPC By Value % (Target is 95%)	92.2%	95.1%	93.5%	94.0%	94.1%
YTD BPPC By Number % (Target is 95%)	94.3%	97.0%	96.1%	95.7%	95.1%

Overdue Debtors NBS/ODT £000's	1-30 Days overdue £000's	31-60 Days overdue £000's	61-90 Days overdue £000's	>90 Days overdue £000's	Total Overdue £000's
<b>Total Overdue Debtors</b>	<b>10,727</b>	<b>1,013</b>	<b>585</b>	<b>648</b>	<b>12,973</b>

Top 5 > 90 days Overdue Debtors £000's	Jul-21		Aug-21	
	>90 Days overdue £000's	Total Overdue £000's	>90 Days overdue £000's	Total Overdue £000's
IMPERIAL COLLEGE HEALTHCARE NHS TRUST			168	743
LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST	261	695	136	293
EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST	113	172		
LEEDS TEACHING HOSPITALS NHS TRUST	48	409		
ASTRAZENECA	47	49	47	48
GREAT ORMOND STREET HOSPITAL FOR CHILDREN NHS FOUN	44	164		
GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST			39	293
SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST			39	260
<b>Total 5 Overdue Debtors</b>	<b>514</b>	<b>1,490</b>	<b>429</b>	<b>1,637</b>
Other Debtors	262	3,495	218	11,335
<b>Total Overdue Debtors</b>	<b>775</b>	<b>4,985</b>	<b>648</b>	<b>12,973</b>

Notional Split	£m
Blood	14.2
Clinical Services	6.3
ODT	13.6
	<b>34.1</b>

>90 DAYS OVERDUE	Profile by Month											
	Actual Apr-21 £000s	Actual May-21 £000s	Actual Jun-21 £000s	Actual Jul-21 £000s	Actual Aug-21 £000s	Actual Sep-21 £000s	Actual Oct-21 £000s	Actual Nov-21 £000s	Actual Dec-21 £000s	Actual Jan-22 £000s	Actual Feb-22 £000s	Actual Mar-22 £000s
Target Range Between £0.5m and £1.0m												
Ledger Balance at month end	369	467	497	775	648							

# Contribution Statement– as at August 2021

Post allocation of costs via the ABC model

Year to date Actual £m	Blood & Components inc. R&D	Diagnostics		Stem Cells			TAS	TES	ODT	NHSBT
		RCI	H&I	CMT	CBC	SCDT				
<b>Income/Funding</b>										
Prices	123.0	8.5	5.4	4.6	0.0	2.0	5.3	6.6	0.0	155.3
Central Funding from DHAs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0
Grant in Aid (DHSC Funding)	17.8	0.2	0.1	0.1	0.0	1.8	0.1	0.2	29.7	50.1
Other	2.4	0.4	0.3	0.2	0.5	0.0	0.1	0.0	0.9	4.8
<b>Total Income/Funding</b>	<b>143.3</b>	<b>9.1</b>	<b>5.8</b>	<b>5.0</b>	<b>0.5</b>	<b>3.8</b>	<b>5.5</b>	<b>6.7</b>	<b>35.6</b>	<b>215.2</b>
<b>Expenditure</b>										
Variable Costs	(13.5)	(0.8)	(1.7)	(0.8)	(0.5)	(0.3)	(1.3)	(1.0)	(1.4)	(21.3)
<b>Variable Contribution</b>	<b>129.8</b>	<b>8.3</b>	<b>4.1</b>	<b>4.2</b>	<b>0.0</b>	<b>3.4</b>	<b>4.2</b>	<b>5.7</b>	<b>34.2</b>	<b>193.9</b>
Direct Costs	(69.2)	(4.1)	(3.0)	(2.7)	(0.7)	(1.7)	(2.2)	(4.3)	(25.6)	(113.5)
<b>Direct Contribution</b>	<b>60.6</b>	<b>4.2</b>	<b>1.1</b>	<b>1.5</b>	<b>(0.7)</b>	<b>1.7</b>	<b>2.0</b>	<b>1.4</b>	<b>8.6</b>	<b>80.4</b>
Direct Support Costs	(39.0)	(2.6)	(0.3)	(1.3)	(0.3)	(0.9)	(0.5)	(1.3)	(4.0)	(50.1)
<b>Total Allocated Costs</b>	<b>(121.8)</b>	<b>(7.5)</b>	<b>(5.0)</b>	<b>(4.7)</b>	<b>(1.5)</b>	<b>(3.0)</b>	<b>(4.0)</b>	<b>(6.6)</b>	<b>(31.0)</b>	<b>(185.0)</b>
<b>Total Unallocated Costs</b>	<b>(11.5)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(4.9)</b>	<b>(20.9)</b>
<b>Operating Net Surplus / (Deficit)</b>	<b>10.0</b>	<b>0.5</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(1.2)</b>	<b>0.4</b>	<b>0.9</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>9.3</b>
Transformation	(4.5)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.1)	-	(3.1)	(8.0)
<b>Net Surplus / (Deficit) Inc Transformation</b>	<b>5.6</b>	<b>0.4</b>	<b>0.1</b>	<b>(0.5)</b>	<b>(1.2)</b>	<b>0.3</b>	<b>0.9</b>	<b>(0.8)</b>	<b>(3.5)</b>	<b>1.4</b>
<b>Budget</b>	<b>3.1</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(2.0)</b>	<b>(5.7)</b>	<b>(7.6)</b>
<b>Variance</b>	<b>2.5</b>	<b>0.7</b>	<b>0.0</b>	<b>0.4</b>	<b>(0.1)</b>	<b>0.8</b>	<b>1.1</b>	<b>1.2</b>	<b>2.2</b>	<b>9.0</b>
<b>RAG</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>R</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>

**CBC-** year to date income is below plan due to the cancellation of a contract and delay in starting the MRC/Life Arc project. The forecast for the year, however, remains as plan.

# Outlook and Items to Note

## Pay

The pay award of 3% that has been offered by the Government will be processed through payroll, with back pay, in September. This compares to the 2.5% assumed in the budget (and prices). The 0.5% excess will theoretically be funded by DHSC (£0.6m).

## Blood Pricing

Based on current capacity and run rate, and as previously noted, the increase in income required for 2022/23 would be 5.5 - 6.0% (assuming current demand forecast and change programme spend of £15m). If the donor collection capacity (staff and pop ups) that were put in place for Covid-19 were removed, this could be reduced to c.a. 3.0 - 3.5%. This would require that both social distancing requirements are removed and that both fill and conversion rates return back to pre-Covid levels. Donor Experience are concerned that the latter may not be possible for some time given current experience with regard to donor behaviour in the "Covid environment". It is therefore currently unclear when these costs can be removed, and we may continue to be in that position when prices for 2022/23 need to be confirmed (in February 2022).

Note that capacity and cost levels will also be influenced by the level of demand and how the recently announced funding for the NHS will impact on (potentially higher) blood demand. This is also highly uncertain.

Further work on the assumptions and demand/costs will be undertaken following September month end, the associated Q2 forecast and an updated indicative budget for 2022/23. Along with a relevant scenario analysis, this will be provided as an update to the November Board meeting. Further work (based on the detailed budget build) will then be brought to the Board in January 2022, prior to the anticipated NCG meeting in February 2022, where the income increase / pricing will be agreed with the NHS. Note that there is likely to be an initial NCG meeting in late October but this will be mostly focused on listening to the customer and review of trends and their potential impact on pricing.

As reflected above, there are many uncertainties and moving parts around both demand and supply. It is unlikely, however, that these will be resolved, or better intelligence received, in the short term. Pricing in 2022/23 may therefore require a mechanism where a higher price settlement is sought, based on the current environment/intelligence, with rebates offered in case of change (e.g. the removal of social distancing is confirmed).

## Spending Review 2021 (SR21)

NHSBT has submitted funding requirements up to 2024/25 to DHSC as part of the SR21 process. The primary items are the programme funding required for ODT and the Plasma for Medicines Programme. With regard to the latter the submission reflects the business case but there is high probability that the case, and the associated funding requirements, will change to a significant degree. In respect of ODT the funding requirement reflects both the anticipated base line costs plus the investments (recurring and non-recurring) implied by the strategy. The submission also includes funding for stem cells, although this remains at existing levels pending a review of the strategy by the UK Forum.