

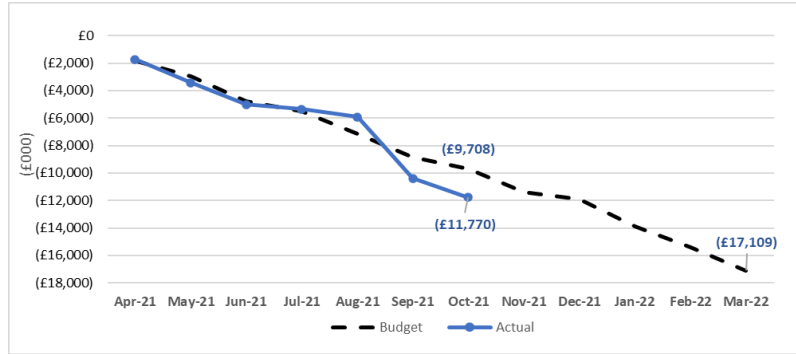
# NHSBT Finance Report

October 2021

Contents	Page
Financial Performance Headlines	2-3
NHSBT – Summary I&E Statement	4
Divisional I&E statements	5-8
Cash & Debtors	9
Contribution Statement	10

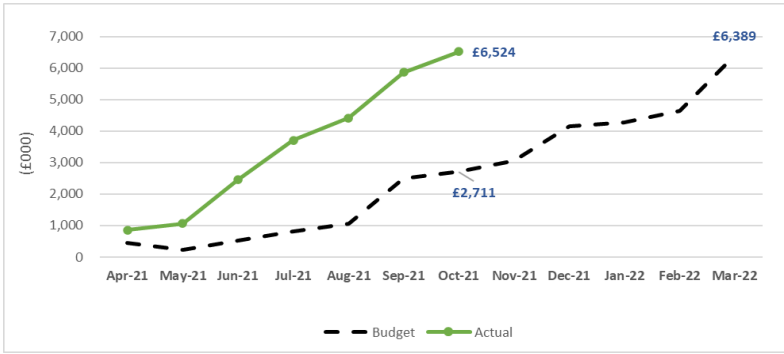
2021/22 NHSBT Financial Performance Headlines - October 2021  
Year to Date deficit of £4.0m (£7.5m ahead of plan)

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



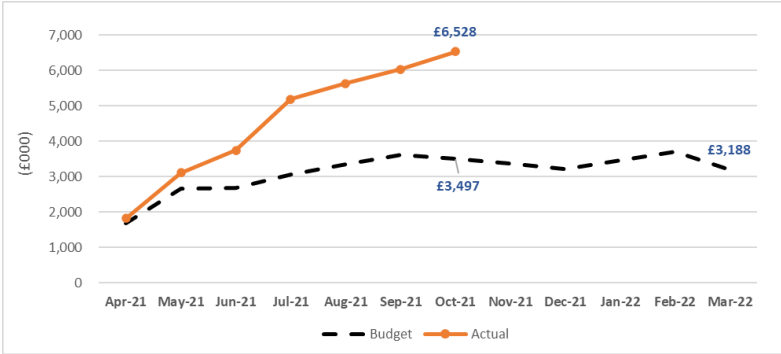
Significant overspends in Blood Supply partially offset by underspends in group services - detail on page 5 & 6

Clinical Services  
Net Income & Expenditure  
(Business unit contribution)



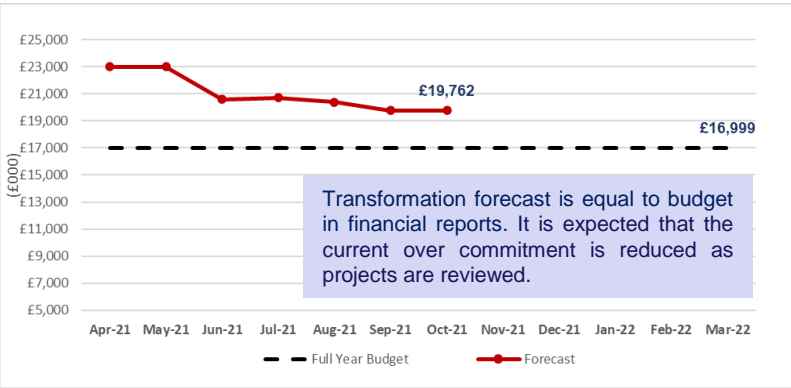
£3.8m favourable variance – activity higher than (conservative) plan across most Business Units – detail on page 7

Organ Donation & Transplantation  
Net Funding & Expenditure



£3.0m favourable variance due to lower activity expenditure and transformation spend – detail on page 8  
Additional £1.3m favourable variance reported in TES

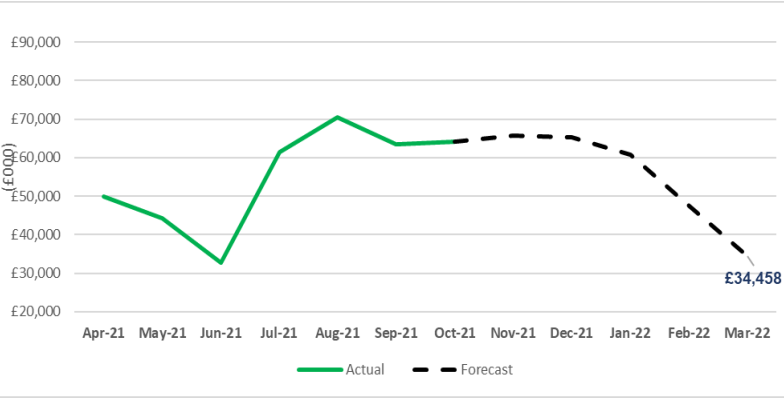
Blood and Group Change Programme  
Full Year Forecast



Transformation forecast is equal to budget in financial reports. It is expected that the current over commitment is reduced as projects are reviewed.

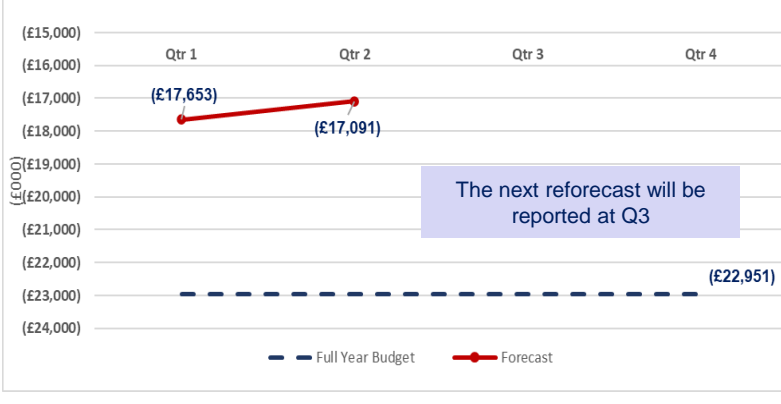
Over committed plan versus a full year budget of £17m.

NHSBT Cash Flow 2021/22



Forecast cash at end March 2022 continues to be £34m

NHSBT I&E  
Full Year Forecast









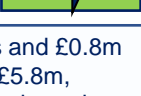


The next reforecast will be reported at Q3

At Q2, the full year forecast is a deficit of £17.1m, £5.9m better than plan.

# 2021/22 NHSBT Financial Performance Headlines - October 2021

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

Year to date I&E Position	£4.0m deficit vs £11.5m budget deficit	Blood/Group	- £0.6m	Significant overspends in Blood Supply (£4.1m) offset by positive variances in group services and lower transformation spend. Detail on pages 5 & 6.	
		Clinical Services	+ £3.8m	Increased activity (income) versus a conservative budget.	
		OTDT	+ £4.3m	ODT (+£3.0m) - activity levels and associated costs lower than plan, plus low transformation spend. TES (+£1.3m) - increased sales income versus a conservative budget.	
Full year forecast	£17.1m deficit vs £23.0m budget deficit	Blood/Group	- £6.8m	Combination of full year effect of adverse expenditure in Blood Supply and a decline in red cell stock (fixed cost movement in stock).	
		Clinical Services	+ £4.8m	Activity higher than conservative plan (especially Stem Cells, RCI and TAS).	
		OTDT	+ £7.9m	ODT (+£6.0m) - activity levels lower than plan plus an additional budgeted NORS team <i>not</i> mobilised. TES (+£1.9m) - full year effect of higher sales income versus a conservative plan.	
Cash and Debtors	Cash balance £64m	Debtor Days		14 days - 8 days ahead of target.	
		90+ day overdues		Decreased to £0.4m (below the £0.5m - £1.0m target range).	
		Cash		Forecast cash at end March 2022 continues to be £34m.	

**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. In addition to these costs, the Q2 forecast has identified an upturn in our cost base of c£5.8m, predominately driven by overspends in blood collection. This in year cost pressure will be partially mitigated by the release of the Covid Contingency (£1.3m) and higher TES contribution (c£1.8m), with the balance to be met through cash reserves.

**AfC Pay Award** – the budget assumed a 2.5% pay award. The additional 0.5% now agreed has been reflected as an unplanned in year cost pressure in the Q2 forecast (c£1.2m NHSBT, c£0.7m relating to Blood and Group), implying that this will need to be managed through BAU/Cash Reserves.

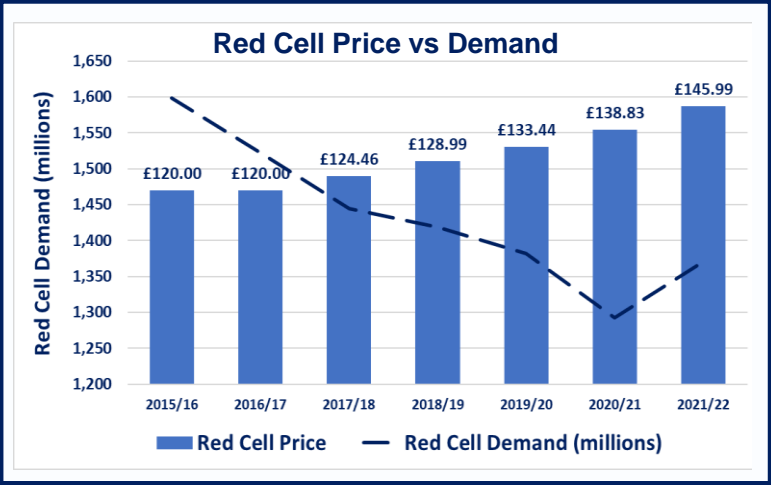
**Demand and supply** in Blood continues to be highly variable. At this stage it is therefore uncertain how this, and the ongoing impact of Covid-19, will impact the future operating capacity, and hence the baseline cost for blood collection that will be carried forward in 2022/23 prices.

NHSBT Summary I&E statement - October 2021

Period (£k)			Blood and Group	WTE		Year to Date (£k)			Full Year (£k)			
Budget	Actual	Variance		Budget	Actual	Budget	Actual	Variance	Prev. Yr Actual	Budget	Q2 Forecast	Variance
5,094	2,763	(2,331)	Programme Funding - Plasma			17,332	20,051	2,719	57,623	46,044	39,811	(6,233)
908	928	20	Programme Funding - Corporate			6,358	6,720	361	11,061	10,900	12,314	1,414
24,561	24,837	276	Blood Supply Income			172,179	173,246	1,067	283,445	295,060	294,617	(443)
411	451	40	Group Services Income			2,875	3,183	309	6,613	5,071	5,432	361
30,973	28,979	(1,994)	Blood and Group Income			198,744	203,200	4,456	358,742	357,075	352,174	(4,901)
(5,094)	(2,763)	2,331	Plasma for Medicine	253	116	(17,354)	(20,073)	(2,719)	(57,623)	(46,066)	(38,912)	7,154
504	(416)	(920)	Blood Supply Cost of Sales	0	0	(451)	(2,813)	(2,362)	(515)	0	(2,220)	(2,220)
(12,989)	(13,563)	(574)	Blood Supply Operations	2,534	2,476	(91,903)	(95,890)	(3,987)	(150,304)	(156,792)	(162,596)	(5,804)
(14,285)	(13,631)	654	Group Services	1,148	1,073	(98,743)	(96,194)	2,549	(177,269)	(171,327)	(172,390)	(1,064)
(1,855)	(1,663)	193	Change Programme	12	42	(8,741)	(7,299)	1,442	(12,701)	(16,999)	(16,999)	(0)
(33,718)	(32,035)	(271)	Blood and Group Expenditure	3,947	3,708	(217,193)	(222,270)	(5,077)	(398,412)	(391,183)	(393,117)	(1,934)
(2,745)	(3,056)	(2,265)	Blood and Group Total	3,947	3,708	(18,449)	(19,070)	(621)	(39,670)	(34,108)	(40,943)	(6,835)
			Clinical Services (DTAS)									
347	347	0	Programme Funding			2,428	2,428	0	4,173	4,162	4,162	0
5,225	5,336	111	Diagnostic and Therapeutic Services Income			37,250	39,230	1,980	58,602	66,747	69,824	3,077
5,572	5,682	111	Clinical Services Income			39,678	41,658	1,980	62,774	70,909	73,986	3,077
(5,005)	(4,922)	83	Diagnostics, Therapeutic Apheresis and Stem Cells Operations	763	740	(34,927)	(34,579)	347	(53,520)	(60,780)	(60,369)	411
(340)	(90)	250	Diagnostics, Therapeutic Apheresis and Stem Cells Change Programme	0	5	(2,040)	(555)	1,485	(903)	(3,740)	(2,418)	1,322
(5,345)	(5,012)	333	Clinical Services Expenditure	763	745	(36,967)	(35,134)	1,833	(54,423)	(64,520)	(62,787)	1,733
226	671	444	Clinical Services Total	763	745	2,711	6,524	3,813	8,351	6,389	11,199	4,810
			Organ Donation & Transplantation									
6,792	6,849	56	Programme Funding (DHSC and Other UK Health Authorities)			47,545	47,307	(239)	74,880	81,506	81,033	(473)
0	0	0	Programme Funding - Opt Out			0	0	0	11,509	0	0	0
278	125	(153)	NHSE Funding			1,944	1,091	(854)	1,617	3,333	2,185	(1,148)
7,070	6,973	(97)	ODT Income			49,490	48,398	(1,092)	88,006	84,839	83,218	(1,621)
(5,537)	(5,533)	5	Organ Donation and Transplantation Operations	470	466	(38,630)	(36,855)	1,775	(55,260)	(66,350)	(63,408)	2,942
(1,646)	(935)	711	Organ Donation and Transplantation Change Programme	23	25	(7,363)	(5,015)	2,348	(14,860)	(15,302)	(10,654)	4,648
(7,183)	(6,468)	716	ODT Expenditure	493	492	(45,993)	(41,870)	4,123	(70,120)	(81,652)	(74,062)	7,590
(113)	505	619	ODT Total	493	492	3,497	6,528	3,031	17,886	3,188	9,157	5,969
			Tissues and Eye Services									
1,240	1,239	(1)	Tissue & Eye Services Income			8,116	9,145	1,030	11,994	14,298	16,000	1,703
1,240	1,239	(1)	TES Income			8,116	9,145	1,030	11,994	14,298	16,000	1,703
(1,059)	(1,239)	(180)	Tissue and Eye Services Operations	148	136	(7,412)	(7,134)	277	(11,577)	(12,717)	(12,504)	214
(1,059)	(1,239)	(180)	TES Expenditure	148	136	(7,412)	(7,134)	277	(11,577)	(12,717)	(12,504)	214
181	(0)	(181)	TES Total	148	136	704	2,011	1,307	417	1,580	3,496	1,916
			NHSBT Summary									
44,855	42,873	(1,981)	Income			296,027	302,401	6,374	521,516	527,121	525,378	(1,742)
(47,306)	(44,754)	2,552	Expenditure	5,351	5,080	(307,564)	(306,408)	1,156	(534,532)	(550,072)	(542,469)	7,603
(2,451)	(1,880)	571	NHSBT Surplus/(Deficit)	5,351	5,080	(11,537)	(4,007)	7,530	(13,016)	(22,951)	(17,091)	5,861

Blood and Group - October 2021

Blood Supply			WTE			Year to Date			Full Year		
(£)m			Bud.	Act.		Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Blood and Component Income						168.2	168.8	0.6	288.3	288.4	0.1
NCI Income						2.0	2.2	0.1	3.4	2.6	(0.9)
Logistics Income						1.9	2.1	0.1	3.3	3.5	0.2
Blood Donation Income						0.0	0.1	0.1	0.0	0.2	0.2
Total Income						172.2	173.2	1.0	295.1	294.6	(0.4)
Cost of Sales - Blood Component Stock Movement						(0.5)	(2.8)	(2.4)	0.0	(2.2)	(2.2)
Blood Donation			1,478	1,422		(42.1)	(44.9)	(2.9)	(71.4)	(75.5)	(4.1)
Manufacturing, Testing & Issue			753	743		(38.3)	(38.6)	(0.4)	(65.7)	(66.3)	(0.7)
Logistics			303	311		(11.6)	(12.3)	(0.8)	(19.7)	(20.7)	(1.1)
Total Expenditure			2,534	2,476		(92.4)	(98.7)	(6.3)	(156.8)	(164.8)	(8.0)
Plasma for Medicine			WTE			Year to Date			Full Year		
(£)m			Bud.	Act.		Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Programme Funding						17.3	20.1	2.7	46.0	39.8	(6.2)
Expenditure			253	116		(17.4)	(20.1)	(2.7)	(46.1)	(38.9)	7.2
Programme Surplus/(Deficit)			253	116		(0.0)	(0.0)	(0.0)	(0.0)	0.9	0.9
Blood Supply Operating Surplus/(Deficit)			2,787	2,592		79.8	74.5	(5.3)	138.2	130.7	(7.5)
Group Services (incl. Change Programme)			1,160	1,115		(98.3)	(93.6)	4.7	(172.4)	(171.6)	0.7
Blood and Group Surplus/(Deficit)			3,947	3,708		(18.4)	(19.1)	(0.6)	(34.1)	(40.9)	(6.8)



Group Services detail on page 6

Year to date, Blood and Group Services are now starting to report an overall net adverse cost variance against budget. This continues to reflect a large overspend in Blood Supply (predominately blood donation and logistics) that is largely offset by positive variances in Group and Transformation.

The adverse variance in Blood Supply reflects pay overspends in collection teams, driven by increase usage of additional hours, overtime and temporary labour. A high proportion of this expenditure was reported in Q1, with operating run rates reducing during Q2 (excluding six months pay inflation processed in September), due to additional controls/approvals put in place. However, in October, Blood Collection saw pay expenditure significantly exceed the budget in response to the current stock challenge, and as a result, it is likely that the Blood Donation forecast will deteriorate further. Additionally, large adverse cost variances are also being reported in logistics, driven by delays in the benefits of the LRP project and higher fuel costs, partially offset by increased “click and collect” income.

The income forecast for blood components is in line with plan. Losses on NCI income, driven by supply being withdrawn in favour of plasma for fractionation, is fully covered by the PFM programme funding.

The forecast also assumes an adverse (non-cash) variance for cost of sales of £2.2m. This is based on a forecast red cell stock of 26k units at March 2022, versus an opening stock of 42.5k units. Excluding this non-cash transaction, the underlying Blood and Group forecast variance at Q2 is (‑£4.6m) adverse, this is partially offset against increased TES contribution (£1.8m), with the remaining balance to be met through cash reserves.

5

Group - October 2021

Group Services (£)m	WTE		Year to Date			Full Year		
	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Programme Funding			6.4	6.7	0.4	10.9	12.3	1.4
Group Services Income			1.0	1.2	0.3	1.7	1.9	0.2
Medical			0.6	0.5	(0.1)	1.0	1.0	(0.0)
Research & Development			1.3	1.4	0.1	2.4	2.6	0.2
Total Income			9.2	9.9	0.7	16.0	17.7	1.8
Chief Executive and Board	4	5	(0.5)	(0.4)	0.0	(0.8)	(0.7)	0.0
Donor Experience	157	141	(12.2)	(10.8)	1.4	(20.5)	(20.5)	0.0
Quality	111	118	(4.2)	(4.1)	0.1	(7.2)	(7.3)	(0.1)
Estates & Facilities	79	72	(25.4)	(25.2)	0.2	(44.8)	(44.6)	0.2
Finance	108	103	(3.9)	(4.2)	(0.3)	(6.6)	(7.5)	(0.8)
Strategy and Transformation	35	34	(1.3)	(1.4)	(0.1)	(2.3)	(2.5)	(0.2)
Business Transformation Services	14	2	(0.4)	(0.3)	0.0	(0.6)	(0.5)	0.1
People	144	132	(5.9)	(6.6)	(0.7)	(10.1)	(11.0)	(0.9)
Digital, Data and Technology Services	266	243	(23.1)	(22.4)	0.8	(40.4)	(40.9)	(0.5)
Research & Development	39	34	(2.8)	(2.8)	(0.1)	(5.3)	(5.5)	(0.2)
Medical	192	191	(10.1)	(9.6)	0.5	(17.0)	(16.8)	0.2
Miscellaneous and Capital Charges	0	0	(9.1)	(8.4)	0.8	(15.6)	(14.4)	1.2
Total Expenditure	1,148	1,073	(98.7)	(96.2)	2.5	(171.3)	(172.4)	(1.1)
Operating Surplus/(Deficit)	1,148	1,073	(89.5)	(86.3)	3.2	(155.4)	(154.6)	0.7
Change Programme	12	42	(8.7)	(7.3)	1.4	(17.0)	(17.0)	0.0
Group Services Surplus/(Deficit)	1,160	1,115	(98.3)	(93.6)	4.7	(172.4)	(171.6)	0.7

Year to date, most directorates are reporting broadly in line with plan and/or small positive variances. Donor Experience are continuing to report a large underspend (£1.4m year to date) as a result of delayed treasury approval for marketing spend, however, a catch up is expected throughout the remainder of the year.

Note that the £1.3m unallocated Covid contingency is reported within the Miscellaneous forecast. This is currently being utilised to partially offset the increased cost base reported in Blood Supply and, as a result, the underlying Group Services forecast outturn is £0.6m adverse. This is predominately driven by additional staffing resource in People, due to the increased transactional volumes for plasma and Covid catch up.

Finance and DDTS are also reporting an upturn in their cost bases largely attributable to expenditure associated with EU Exit (Customs agency and the Repatriation of the Organ Donation Register). DHSC have agreed an additional £1.2m to fund these costs. Taking this into account, DDTS' underlying full year outturn is broadly in line with budget and Finance are reporting £0.3m adverse. The latter variance is mostly driven by additional temporary resources in payroll that re required to manage a significant increase in pay transactions.

In the forecast within our financial reports, the transformation programme is capped at the £17m budget level. The programme is currently over programmed and resulting in an anticipated spend of £19.6m. It is expected that following further review and prioritisation the programme will come in at budget level (at worst).

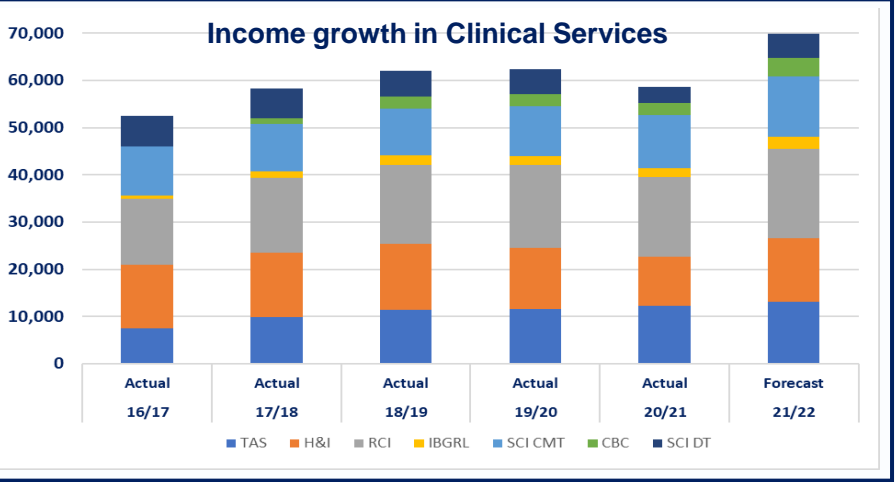
Clinical Services - October 2021 (operating contributions - pre ABC analysis)

(£)m	WTE		Year to Date			Full Year		
Therepeutic Apheresis Services	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			6.5	7.5	1.0	11.3	13.1	1.8
Expenditure	93	86	(5.2)	(5.1)	0.1	(8.9)	(8.9)	0.0
TAS I&E	93	86	1.3	2.4	1.1	2.3	4.2	1.8
Histocompatibility & Immunogenetics	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			8.1	7.9	(0.2)	13.9	13.5	(0.3)
Expenditure	179	184	(9.2)	(9.3)	(0.1)	(15.7)	(15.8)	(0.1)
H&I I&E	179	184	(1.1)	(1.4)	(0.3)	(1.9)	(2.3)	(0.4)
Red Cell Immunohematology	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			10.8	11.0	0.2	18.6	18.9	0.3
Expenditure	193	184	(7.4)	(7.3)	0.1	(12.7)	(12.6)	0.1
RCI I&E	193	184	3.4	3.7	0.3	5.9	6.3	0.4
IBGRL	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			1.4	1.4	(0.0)	2.4	2.5	0.1
Expenditure	50	47	(1.9)	(1.9)	(0.0)	(3.3)	(3.4)	(0.1)
IBGRL I&E	50	47	(0.5)	(0.6)	(0.0)	(0.9)	(0.9)	0.0
SCI - Cellular & Molecular Therapies	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			6.8	6.9	0.1	12.8	12.8	0.1
Expenditure	104	102	(5.1)	(5.2)	(0.1)	(9.2)	(9.1)	0.1
CMT I&E	104	102	1.7	1.8	0.0	3.6	3.7	0.1
CBC	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			1.6	1.6	(0.0)	3.9	3.9	(0.0)
Expenditure	35	30	(1.7)	(1.7)	(0.0)	(3.3)	(3.2)	0.1
CBC I&E	35	30	(0.1)	(0.1)	(0.0)	0.7	0.7	0.1
SCI - Donation & Transplantation	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income			4.4	5.4	0.9	8.0	9.2	1.2
Expenditure	46	44	(1.9)	(1.9)	(0.0)	(3.2)	(3.3)	(0.1)
SCDT I&E	46	44	2.6	3.5	0.9	4.8	5.9	1.1
Transfusion (Excl. R&D and Medical)	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
	21	22	(0.4)	(0.2)	0.2	(0.6)	(0.3)	0.3
DTS Management	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
	43	41	(2.2)	(2.0)	0.2	(3.8)	(3.7)	0.1
Operating Surplus/(Deficit)	763	740	4.7	7.1	2.4	10.1	13.6	3.5
Change Programme	0	5	(2.0)	(0.6)	1.5	(3.7)	(2.4)	1.3
Clinical Services Surplus/(Deficit)	763	745	2.7	6.5	3.8	6.4	11.2	4.8

Clinical Services is reporting a £3.4m positive variance at direct contribution level in the year to date results. The forecast anticipates that this will increase to £4.8m by year end. The positive variances primarily reflect the conservative income budgets that were set in relation to Covid-19 recovery.

Summary by Business Unit;

- TAS favourable income variance driven primarily by ECP. The Q2 forecast suggests a continuation of strong activity performance in Plasma Exchange combined with the assumption that the sustainability allowance will be available for the remainder of the year.
- H&I behind plan driven by lower activity. The forecast assumes that the current lower income run rate reported since August will continue into the latter half of the year.
- RCI activity above plan predominately driven by a the strong reference activity performance in Q1. The positive variance is increased further by underspends on Pay, driven by a large amount of unfilled vacancies.
- IBGRL in line with plan
- CMT broadly in line with budget
- CBC income slightly behind year to date, however latest forecast expects the position to finish broadly 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 a slight dip during the Christmas period.



Note: Excludes Medical and R&D funding.



# ODT - October 2021

ODT I&E	WTE		Year to Date			Full Year		
(£)m	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Programme Funding			40.0	40.0	0.0	68.6	68.6	0.0
Other UK Health Authorities Funding			7.1	7.1	(0.1)	12.2	12.0	(0.2)
Operating Expenditure	470	466	(38.6)	(36.9)	1.8	(66.3)	(63.4)	2.9
Operating Funding & Expenditure	470	466	8.5	10.3	1.7	14.5	17.3	2.8
Transformation	23	25	(5.0)	(3.7)	1.3	(11.3)	(8.1)	3.2
ODT Surplus/(Deficit)	493	492	3.5	6.5	3.0	3.2	9.2	6.0
Direct contribution to Group Services						(10.8)	(10.8)	0.0
ODT Deficit (funded by cash)						(7.6)	(1.6)	6.0

ODT is reporting a £3.0m 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 Q2 forecast for the year is based on 1,435 deceased donors versus a plan of 1,697. The related reduction in costs results in an a positive variance of £2.9m for year.

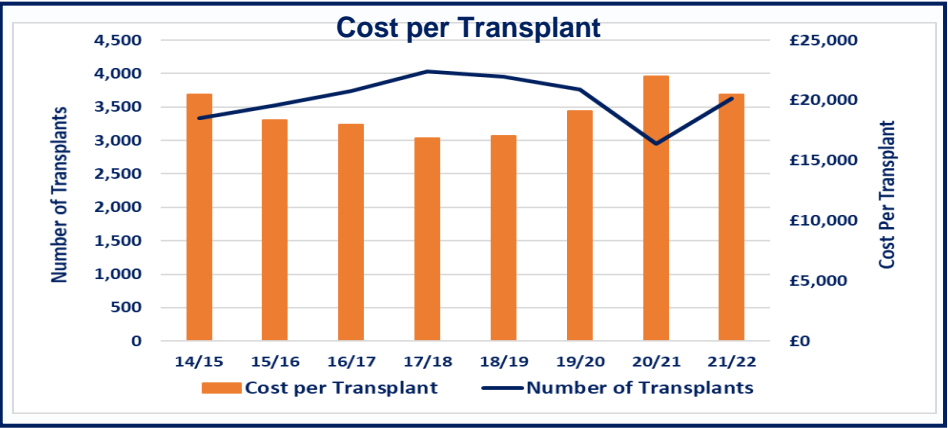
In addition an additional NORS team that was assumed in the budget (included in the ODT Development Fund budget line budget ) will not now happen, generating a positive variance of £2.2m.

Transformation spend is also forecast to be £1.0m 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 £6.0m.

The surplus cash generated by this variance is reflected in NHSBT cash flow forecast, however discussions with DHSC will take place towards the year end, in which the surplus cash will either be returned or carried forward against 2022/23 funding requirements.

ODT Transformation Detail								
DCD Hearts		WTE		Year to Date			Full Year	
		Bud.	Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.
NHSE Funding				0.5	0.5	0.0	0.8	0.8
Expenditure		1	0	(1.7)	(2.0)	(0.3)	(2.5)	(2.9)
Total		1	0	(1.2)	(1.5)	(0.3)	(1.7)	(2.1)
Donor Characterisation		Bud.	Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.
NHSE Funding				1.5	0.6	(0.9)	2.5	1.4
Expenditure		3	5	(1.3)	(0.5)	0.9	(2.5)	(1.4)
Total		3	5	0.2	0.1	(0.0)	0.0	0.0
Opt Out		Bud.	Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.
Scotland Funding				0.4	0.2	(0.2)	0.7	0.3
Expenditure		19	14	(1.6)	(1.4)	0.2	(3.2)	(2.5)
Total		19	14	(1.2)	(1.2)	0.0	(2.5)	(2.2)
ODT Development Fund		0	6	(2.7)	(1.2)	1.6	(7.2)	(3.9)
Transformation Total		23	25	(5.0)	(3.7)	1.3	(11.3)	(8.1)



## Tissue and Eye Services - October 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 has been reported year to date, the latest forecast anticipates that this will continue and result in a £1.8m positive variance at contribution level for the year (excluding stock movement).

TES I&E	WTE		Year to Date			Full Year		
(£)m	Bud.	Per Act.	Bud.	Act.	Var.	Bud.	Q2 Fcst.	Var.
Income						14.3	16.0	1.7
Cost of Sales						(0.8)	(0.7)	0.1
Expenditure	148	136	(7.0)	(6.8)	0.2	(12.0)	(11.9)	0.1
Surplus/(Deficit)	148	136	0.7	2.0	1.3	1.6	3.5	1.9



Cash Flow – as at October 2021

	Actual Apr-21 £k	Actual May-21 £k	Actual Jun-21 £k	Actual Jul-21 £k	Actual Aug-21 £k	Actual Sep-21 £k	Actual 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
Opening bank balance	53,211	49,942	44,169	32,800	61,342	70,557	63,531	64,245	65,310	64,742	60,285	47,015	53,211
Receipts													
Debtors & Other Receipts	33,878	35,028	37,837	35,339	42,097	30,109	41,722	34,904	34,573	34,919	32,679	36,942	430,026
Revenue Cash Limit	0	0	0	24,158	5,958	5,958	5,958	6,373	6,086	6,440	6,214	7,068	74,214
Revenue Cash Limit - Pensions Uplift	824	0	0	3,633	906	906	906	908	908	908	911	912	11,724
Revenue Cash Limit - Plasma for Medicine	0	0	0	9,090	2,465	0	2,965	6,168	3,500	3,500	4,500	8,312	40,500
Capital Cash Limit	0	0	0	0	0	0	8,000	0	3,000	0	5,000	5,000	21,000
Total Receipts	34,702	35,028	37,837	72,220	51,426	36,973	59,551	48,354	48,067	45,767	49,304	58,234	577,464
Payments													
Staff Expenses	15,253	20,370	20,881	17,657	20,983	23,376	24,681	21,401	20,283	20,394	20,881	28,387	254,549
Other Revenue Payments	22,286	19,669	27,681	25,403	20,739	20,231	23,510	24,688	26,852	27,830	27,508	33,903	300,301
Capital Charges Less DH Credit Due	0	0	0	0	0	0	10,184	0	0	0	10,183	0	20,367
Capital Payments	432	762	644	618	488	392	462	1,200	1,500	2,000	4,000	8,502	21,000
Total Payments	37,971	40,801	49,205	43,679	42,210	43,999	58,837	47,289	48,635	50,225	62,573	70,792	596,216
Closing bank balance	49,942	44,169	32,800	61,342	70,557	63,531	64,245	65,310	64,742	60,285	47,015	34,458	34,458

Debtor Days (Target is 22 days)	16	17	14	17	19	18	14
YTD BPPC By Value % (Target is 95%)	92.2%	95.1%	93.5%	94.0%	94.1%	93.6%	94.1%
YTD BPPC By Number % (Target is 95%)	94.3%	97.0%	96.1%	95.7%	95.1%	94.7%	94.7%

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
Total Overdue Debtors	3,474	893	629	407	5,403

Top 5 > 90 days Overdue Debtors £000's	Sep-21			Oct-21	
	>90 Days overdue £000's	Total Overdue £000's		>90 Days overdue £000's	Total Overdue £000's
BOLTON NHS FOUNDATION TRUST				37	81
BARTS HEALTH NHS TRUST				35	307
GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST				22	126
LEEDS TEACHING HOSPITALS NHS TRUST				21	445
HULL UNIVERSITY TEACHING HOSPITALS NHS TRUST				21	102
SOUTH TYNESIDE AND SUNDERLAND NHS FOUNDATION TRUST	69	183			
GUY'S AND ST. THOMAS' NHS FOUNDATION TRUST	66	597			
UNIVERSITY HOSPITALS COVENTRY & WARWICKSHIRE NHS T	53	134			
GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST	45	263			
LEEDS TEACHING HOSPITALS NHS TRUST	36	97			
Total 5 Overdue Debtors	269	1,274		136	1,061
Other Debtors	223	6,964		271	4,342
Total Overdue Debtors	492	8,239		407	5,403

Notional Split	£m
Blood	11.8
Clinical Services	9.5
ODT	13.2
	34.5

>90 DAYS OVERDUE	Profile by Month													
Target Range Between £0.5m and £1.0m	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		
Ledger Balance at month end	369	467	497	775	648	492	407							

Contribution Statement– as at October 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				
Income/Funding										
Prices	172.9	11.9	7.5	6.5	0.0	2.9	7.3	9.1	0.0	218.1
Central Funding from DHAs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	7.0
Grant in Aid (DHSC Funding)	24.3	0.3	0.2	0.2	0.1	2.5	0.1	0.2	41.5	69.4
Other	3.6	0.5	0.4	0.4	1.6	0.0	0.3	0.0	1.2	7.9
Total Income/Funding	200.8	12.6	8.0	7.1	1.6	5.5	7.7	9.4	49.7	302.4
Expenditure										
Variable Costs	(19.8)	(1.1)	(2.3)	(1.1)	(0.6)	(0.5)	(1.9)	(1.4)	(2.0)	(30.7)
Variable Contribution	181.0	11.5	5.8	5.9	1.0	5.0	5.8	8.0	47.7	271.7
Direct Costs	(97.6)	(5.9)	(4.4)	(3.9)	(1.2)	(2.5)	(3.0)	(6.4)	(36.7)	(161.4)
Direct Contribution	83.4	5.7	1.4	2.1	(0.1)	2.5	2.7	1.6	11.1	110.3
Direct Support Costs	(55.7)	(3.8)	(0.4)	(1.8)	(0.4)	(1.3)	(0.7)	(1.8)	(5.7)	(71.5)
Total Allocated Costs	(173.0)	(10.7)	(7.1)	(6.8)	(2.1)	(4.2)	(5.7)	(9.6)	(44.4)	(263.6)
Total Unallocated Costs	(17.7)	(1.4)	(0.9)	(0.8)	(0.3)	(0.5)	(0.7)	(1.2)	(6.4)	(29.9)
Operating Net Surplus / (Deficit)	10.1	0.5	0.1	(0.6)	(0.8)	0.7	1.3	(1.4)	(1.0)	8.9
Transformation	(7.3)	(0.2)	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)	-	(5.0)	(12.9)
Net Surplus / (Deficit) Inc Transformation	2.8	0.4	(0.0)	(0.7)	(0.8)	0.6	1.1	(1.4)	(6.1)	(4.0)
Budget	3.5	(0.4)	0.0	(1.0)	(0.8)	(0.5)	(0.2)	(2.8)	(9.2)	(11.5)
Variance	(0.7)	0.8	(0.0)	0.3	0.0	1.1	1.4	1.4	3.2	7.5
RAG	R	G	G	G	G	G	G	G	G	G

# Outlook and Items to Note

## Blood Pricing

Based on current capacity and cost run rate, the increase in income required for 2022/23 is c.a. 6%. This assumes pay inflation of 3.0% and includes 2.3% for Covid related costs (mostly blood collection capacity). The outlook, however, is deteriorating as a result of:

- The need for further additional capacity in blood collection (e.g. the proposed transfer of Westfield Stratford from plasma to whole blood).
- The introduction of anti HBc testing (and look back)
- Funding being unavailable for the loss of NCI income in 2022/23
- Inflation, but with gas, electricity and diesel being of immediate concern.

Taken together these would require an income lift > 8%. All of the items are potentially transient / non-recurring in nature but imply that 2022/23 will require short term prioritisation and mitigation measures to reduce the impact and smooth costs / pricing trends into 2023/24 (and when the Covid related capacity cost might also be removed).

The Executive Team is therefore considering the options in the run up to presenting formal pricing proposals at the January Board meeting. Options will revolve around a mix of transformation spending, use of cash reserves and applying target cost reductions in the budget. This will also involve a review of ambitions for pricing beyond 2022/23 and the opportunities (quantum and timing) for productivity improvement in the five year business plan.

The above reflects that there are many significant short term uncertainties and moving parts around both demand and supply in the blood supply chain. It is unlikely, however, that these will be resolved, or better intelligence received prior to the financial year end. 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)

The outcome of the SR21 process for NHBST has yet to be communicated by DHSC. This is not expected prior to the new year and may prove to be problematical with regard to building the detailed budgets.