

Board Meeting in Public Tuesday, 28 March 2023

Title of Report	Finance Report	Agenda No.	3.4
Nature of Report (tick one)	<input checked="" type="checkbox"/> Official	<input type="checkbox"/> Official Sensitive	
Author(s)	Hannah Wigley, Senior Corporate Financial Planning Manager Mark Taylor, Assistant Finance Director		
Lead Executive	Carl Vincent, Chief Financial Officer		
Non-Executive Director Sponsor (if applicable)			
Presented for (tick all that applies)	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Information <input type="checkbox"/> Assurance <input type="checkbox"/> Update		
Purpose of the report and key issues			
This report provides an overview of the organisation's year to date financial position, updates to the projected full year outturn and any subsequent movements on the year end cash reserve.			
Previously Considered by			
This was reviewed at the Executive Team meeting on the 22nd March 2023.			
Recommendation	<p>The Board is asked to note.</p> <ul style="list-style-type: none"> • There are no material changes in the forecast from the M10 finance report. • Blood and Group Services continue to remain confident that the 2022/23 financial plan will be delivered within the agreed resourcing envelope, although this is based on operational spend about budget and lower than budget transformation spend. Since the quarter 3 forecast, we have seen a small improvement to the forecast financial position. Consequently, we will be heading into 2023/24 with a higher cash reserve, providing a contingency to mitigate underlying risk in Blood and Donor Experience next year. • Organ Donation and Transplantation – the forecast outturn implies large underspends driven by lower activity-based expenditure. The current cash flow assumes we will still draw down the fully allocated programme funding, which will be carried forward as cash reserves into next year (subject to DHSC agreement). The outlook for 2023/24 results in an operating deficit, as a growing cost base is met by flat funding. 		

Blood and Transplant

	<ul style="list-style-type: none"> • 2022/23 Pay Inflation Proposal – the offer in principle, if accepted by the trade unions will likely impact the organisation by c£12m. DHSC guidance has been sought on the source of funding for this additional cost. • 2023/24 Pay Inflation Proposal – the Government have offered a 5% pay award to all agenda for change staff (versus 3% included in the 2023/24 budget and NCG pricing proposals). It was agreed at the NCG that were the pay rise to exceed 3% then we would invoice hospitals mid-year for the difference. This would cover Blood and Group, Clinical Services and Tissues. Discussion with DHSC will be ongoing on whether ODT will receive additional programme funding to cover the inflation gap, or whether this will be met by cash reserves.
Risk(s) identified (Link to Board Assurance Framework Risks)	
<p>The financial position has implications to the pricing strategy for NHSBT, which is a strategic issue for the organisation.</p>	
Strategic Objective(s) this paper relates to: [Click on all that applies]	
<input checked="" type="checkbox"/> Collaborate with partners <input checked="" type="checkbox"/> Invest in people and culture <input checked="" type="checkbox"/> Drive innovation <input checked="" type="checkbox"/> Modernise our operations <input checked="" type="checkbox"/> Grow and diversify our donor base	
Appendices:	