

NHSBT Finance Report

April 2023

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Executive Summary 2023/24

Blood and Group Services in arriving on the budget for the year, it was agreed that Blood Supply would receive an increase of c£2m / collection staff and manufacturing. It was also identified at the time, that there was a potential downside risk of up to a further £2m. In response, a contingency was identified for both Blood and also Donor Experience. Over and above these assumptions we are continuing to see a higher than funded run rate, driven by collection teams and national operations (overtime and agency). Were this to continue at the same trajectory, we would see we an unfunded pressure of c£5.0m for the year. This has been incorporated as part of the overall risk picture in the following page.

Organ Donation and Transplantation - ODT has entered 2023/24 in a stable position. The activity underspends reported in last years position has resulted in ODT carrying c£8.0m cash reserves into 2023/24, which will be used to fund the -£3.1m operational deficit (resulting from DHSC flat funding and increasing operating expenditure). The balance will provide a contingency to meet additional pressures outside the budget i.e. increased activity and additional pay inflation. The underlying deficit is expected to increase again in 2024/25, and were we to see flat funding through SR21 for that year, cash will be required to bridge the gap (c£5m+).

Tissue and Eye Services – The plan for 2023/24 includes a significant income reset with an average price uplift of c11% over all products. This prudent approach balances a more achievable volume assumption and higher prices, with the expectation that this will deliver a break even position. In the April results, TES have achieved their income plan this month. Looking forward, the impact of the price rise will need to be watched closely, to ensure demand for these products does not soften as a result of this increase.

Plasma for Medicine– For 2023/24 the plasma plan is fully funded by a combination of cash reserves and Plasma for Diagnostics income. The procurement process for a fractionator to manufacture UK plasma will come to a conclusion by mid May. In terms of funding the service going forward, discussions are ongoing with NHS England to agree the SLA to part fund collection costs this year (expected to commence early November 2023). Subject to these negotiations, NHS England would be expected to fully fund the service from 2024/25 onwards.

Clinical Services – The outlook for 2023/24 remains in line expectations. The overall plan also includes transformation spend of £3.3m, of which £1.5m will be funded by cash reserve.

NCG Billing – In lieu of having a finalised NCG agreed pricing for 2023/24, we've been communicating with our customers on the adoption of interim arrangements during quarter 1, e.g. applying 2022/23 prices where necessary. Once finalised, we will issue a one off invoice to catch up on any under recovered income.

Cash – The cash flow position for 2023/24 remains unchanged versus our forecasted position for the year. However, if we were to see further risks materialise during the year, it is likely that this will need to be mitigated using some of our cash reserves. The impact has been summarised in the following slide, as part of our broader risk discussion.

Capital Update - The request for 2023/24 is £21m (versus £10.5m expenditure in 2022/23). There continues to be an open dialogue with DHSC via Lord Markham, reviewing priorities for the year, in particular planned IT spend.

Executive Summary cont.

At last months ET, we presented a long list of emerging risks and uncertainties for 2023/24, rather than repeat this, the below is an excerpt of the key items we would again like to highlight:

Developing Financial Risks

Blood Supply Capacity; based on current run rate	(£5.0m) If the current run rate were to continue unabated, this would result into a full year unfunded pressure of c£5m.
Blood Supply Capacity; based on Ministerial Steer	(£11.5m) Subject to detailed plans being developed, assumes indicative 6 month impact, feels like this could be worst case.
Estates; Southampton Roof Repair	(£5.0m) Following the closure of the building, early estimates for roof repair and reprovisioning service costs (possibly up to £10m).

Total Risk	(£21.5m)
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Contingencies / Cash Reserves

Contingencies built into 2023/24 budget	£1.5m Contingency included in the approved 2023/24 pricing and funding envelope
Blood Cash Reserve	£9.0m Cash reserves carried forward from 2022/23 (including £6m DHSC working capital cash)
NHSBT working capital / transformation (blend TBC)	£11.0m To retain the funding envelope approved at the March board.

Total Contingency	£21.5m
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While the above presents a position whereby we are able to mitigate identified risks (this does not include any additional savings/efficiencies driven by the Lord Markham review), to do so, would create a significant pressure and challenge to our financial position both in 2023/24 and also 2024/25. Were we to see some/all these risks to crystallise, this would require a detailed discussion with ET, on how we would need to respond.

The above is also dependant on the following factors:

2022/23 Pay Inflation – DHSC have confirmed that NHSBT can overspend to meet these increased costs (£11.9m) / funding and expenditure accounted for in 2022/23 position.

2023/24 Pay Inflation – NHS England have agreed to meet the unfunded Blood and Group Services element of the 2023/24 pay deal (£3.5m).

2023/24 Pension costs – DHSC advised of incremental increase required for pension costs, this is yet to be confirmed (£1.8m).

NHSBT Summary I&E statement - April 2023

Year to date surplus of £0.1m for NHSBT overall, £3.0m ahead of plan

Apr			Blood and Group	WTE		Year to Date			Full Year	
Budget	Actual	Variance		Budget	Actual	Budget	Actual	Variance	Prev. Yr Actual	Budget
1,092	1,092	0	DHSC Programme Funding: Corporate			1,092	1,092	0	41,110	16,740
24,882	24,877	(5)	Blood and Components Income			24,882	24,877	(5)	306,488	319,054
318	352	35	Blood Supply Other Income			318	352	35	4,354	4,374
557	335	(223)	Group Services Income			557	335	(223)	6,727	6,803
26,849	26,655	(193)	Blood and Group Income			26,849	26,655	(193)	358,679	346,971
(518)	556	1,075	Blood Supply Cost of Sales	0	0	(518)	556	1,075	1,078	0
(14,212)	(14,691)	(479)	Blood Supply	2,597	2,603	(14,212)	(14,691)	(479)	(175,323)	(178,649)
(16,739)	(14,654)	2,086	Group Services	1,243	1,141	(16,739)	(14,654)	2,086	(194,027)	(203,037)
(600)	(381)	219	Blood and Group Change Programme	0	51	(600)	(381)	219	(7,929)	(12,000)
(32,070)	(29,169)	2,900	Blood and Group Expenditure	3,840	3,795	(32,070)	(29,169)	2,900	(376,200)	(393,686)
(5,221)	(2,514)	2,707	Blood and Group Total	3,840	3,795	(5,221)	(2,514)	2,707	(17,521)	(46,715)
Plasma for Medicine										
1,176	922	(254)	DHSC Programme Funding: Plasma for Medicines			1,176	922	(254)	6,807	14,117
708	649	(59)	Plasma for Medicines Income			708	649	(59)	10,454	8,500
1,885	1,571	(314)	Plasma Funding			1,885	1,571	(314)	17,261	22,617
0	0	0	Plasma for Medicines Stock Movement			0	0	0	965	0
(1,065)	(751)	314	Plasma for Medicine	141	143	(1,065)	(751)	314	(12,449)	(17,483)
(1,065)	(751)	314	Plasma Expenditure			(1,065)	(751)	314	(11,484)	(17,483)
820	820	0	Plasma for Medicine Total	141	143	820	820	0	5,777	5,133
Clinical Services										
347	347	0	DHSC Programme Funding: Clinical Services			347	347	0	4,162	4,162
5,614	5,981	367	Clinical Services Income			5,614	5,981	367	73,844	82,358
5,961	6,328	367	Clinical Services Income			5,961	6,328	367	78,006	86,520
(5,704)	(5,675)	29	Clinical Services	855	786	(5,704)	(5,675)	29	(64,867)	(72,712)
(102)	(49)	53	Clinical Services Change Programme	0	7	(102)	(49)	53	(1,871)	(3,252)
(5,806)	(5,725)	81	Clinical Services Expenditure			(5,806)	(5,725)	81	(66,739)	(75,964)
155	603	448	Clinical Services Total	855	792	155	603	448	11,267	10,556
Organ Donation & Transplantation										
7,033	7,033	0	Programme Funding (DHSC and Devolved Nations)			7,033	7,033	0	84,818	84,396
0	0	0	Programme Funding - Opt Out			0	0	0	2,041	0
327	250	(77)	NHSE Funding			327	250	(77)	3,450	3,920
7,360	7,283	(77)	ODT Income			7,360	7,283	(77)	90,309	88,317
(5,834)	(5,985)	(150)	Organ Donation and Transplantation Operations	483	468	(5,834)	(5,985)	(150)	(71,035)	(73,680)
(538)	(548)	(11)	Organ Donation and Transplantation Change Programme	18	22	(538)	(548)	(11)	(6,603)	(6,312)
(6,372)	(6,533)	(161)	ODT Expenditure			(6,372)	(6,533)	(161)	(77,638)	(79,992)
987	750	(237)	ODT Total	500	490	987	750	(237)	12,670	8,325
Tissues and Eye Services										
1,408	1,422	13	Tissue and Eye Services Income			1,408	1,422	13	16,293	19,870
42	42	0	DHSC Programme Funding: Tissue and Eye Services			42	42	0	500	500
1,450	1,463	13	TES Income			1,450	1,463	13	16,793	20,370
(1,111)	(1,062)	49	Tissue and Eye Services Operations	156	153	(1,111)	(1,062)	49	(13,159)	(14,361)
(1,111)	(1,062)	49	TES Expenditure			(1,111)	(1,062)	49	(13,159)	(14,361)
339	402	63	TES Total	156	153	339	402	63	3,634	6,008
NHSBT Summary										
43,504	43,300	(203)	Income			43,504	43,300	(203)	561,048	564,794
(46,424)	(43,240)	3,184	Expenditure	5,492	5,373	(46,424)	(43,240)	3,184	(545,220)	(581,487)
(2,920)	60	2,980	NHSBT Surplus/(Deficit)	5,492	5,373	(2,920)	60	2,980	15,828	(16,693)

Blood and Group - April 2023

Blood Supply (£)m	WTE		Year to Date Actual		
	Bud.	Act.	Bud.	Act.	Var.
Blood and Component Income			24.9	24.9	(0.0)
Other Blood Supply Income			0.3	0.4	0.0
Total Income			25.2	25.2	0.0
Cost of Sales - Blood Component Stock Movement			(0.5)	0.6	1.1
Blood Donation	1,335	1,374	(5.2)	(5.7)	(0.5)
Director	57	3	(0.3)	(0.0)	0.2
Logistics	307	323	(2.0)	(2.0)	0.0
National Operations	652	650	(5.0)	(5.2)	(0.2)
Nursing	72	91	(0.4)	(0.4)	(0.0)
Planning Performance and Stock	86	77	(0.8)	(0.8)	0.1
Strategy	16	18	(0.1)	(0.1)	(0.0)
Technical and Scientific Development	73	67	(0.5)	(0.5)	0.0
Total Expenditure	2,597	2,603	(14.7)	(14.1)	0.6

Blood Supply Operating Surplus/(Deficit)	2,597	2,603	10.5	11.1	0.6
Group Services (incl. Change Programme)	1,243	1,192	(15.7)	(13.6)	2.1
Blood and Group Surplus/(Deficit)	3,840	3,795	(5.2)	(2.5)	2.7

As we head into 2023/24, it was agreed that Blood Supply would receive an increase of c£2m for collection staff and manufacturing capacity. It was also identified at the time, that there was a potential downside risk of up to a further £2m, . In response, a contingency was identified for both Blood and Group to mitigate some of this risk. Over and above these assumptions we are continuing to see a higher than funded run rate, driven by collection teams and national operations (overtime and agency). Were this to continue at the same trajectory, we would see we an unfunded pressure of c£5.0m for the year.

Group Services - April 2023

Group Services (£)m	WTE		Year to Date Actual		
	Bud.	Act.	Bud.	Act.	Var.
Programme Funding			1.1	1.1	0.0
Group Services Income			0.1	0.1	0.0
Medical			0.3	0.1	(0.2)
Research & Development			0.2	0.1	(0.1)
Total Income			1.6	1.4	(0.2)
Chief Executive and Board	6	5	(0.1)	(0.0)	0.0
Donor Experience and Communications	193	185	(2.6)	(2.3)	0.4
Quality	130	131	(0.7)	(0.7)	(0.0)
Estates & Facilities	79	76	(4.7)	(4.0)	0.7
Finance	120	94	(0.6)	(0.5)	0.1
Strategy and Transformation	14	14	(0.1)	(0.1)	0.0
People	150	138	(0.9)	(0.8)	0.1
Digital, Data and Technology Services	299	281	(3.6)	(3.4)	0.2
Research & Development	45	28	(0.5)	(0.3)	0.2
Medical	207	189	(1.6)	(1.4)	0.2
Miscellaneous and Capital Charges	0	0	(1.3)	(1.1)	0.2
Total Expenditure	1,243	1,141	(16.7)	(14.7)	2.1
Operating Surplus/(Deficit)	1,243	1,141	(15.1)	(13.2)	1.9
Change Programme	0	51	(0.6)	(0.4)	0.2
Group Services Surplus/(Deficit)	1,243	1,192	(15.7)	(13.6)	2.1

At month one Group Services are reporting a favourable variance of £2.1m against plan. This is driven by small surpluses across most directorates. The £0.7m underspend reported against Estates & Facilities is delayed expenditure relating to planned maintenance and lower utility rates.

Clinical Services - April 2023 (operating contributions - pre ABC analysis)

(£)m	WTE		Year to Date Actual		
	Budget	Actual	Budget	Actual	Variance
Red Cell Immunohematology (inc Reagents and IBGRL)					
Income			1.7	1.7	0.0
Expenditure			(1.3)	(1.3)	(0.0)
RCI - direct contribution	226	215	0.4	0.4	0.0
Histocompatibility & Immunogenetics					
Income			1.5	1.6	0.1
Expenditure			(1.5)	(1.6)	(0.0)
H&I - direct contribution	216	202	(0.0)	0.0	0.0
Pathology Total - WTE / direct contribution	442	417	0.4	0.5	0.1
Therapeutic Apheresis Services					
Income			1.1	1.1	0.1
Expenditure			(0.9)	(0.8)	0.1
TAS - direct contribution	116	103	0.2	0.3	0.1
Cord Blood Bank and British Bone Marrow Registry					
Income - prices			0.7	0.8	0.1
Expenditure			(0.3)	(0.3)	0.0
SCGT - direct contribution	48	45	0.4	0.5	0.1
CBC					
Income			0.0	0.0	0.0
Expenditure			(0.3)	(0.4)	(0.1)
CBC - direct contribution	39	34	(0.3)	(0.4)	(0.1)
Cellular & Molecular Therapies (exc CBC)					
Income			1.0	1.2	0.1
Expenditure			(0.9)	(0.9)	(0.0)
CMT I&E	121	110	0.1	0.2	0.1
CAGT Total - WTE / direct contribution	325	292	0.3	0.6	0.2
Transfusion excl. R&D / Medical (within Group Services)	38	35	(0.1)	(0.1)	0.0
DTS Management	51	42	(0.4)	(0.3)	0.1
TOTAL - WTE / Operating Surplus/(Deficit)	855	786	0.3	0.7	0.4
Change Programme	0	7	(0.1)	(0.0)	0.1
TOTAL - WTE / Clinical Services Surplus/(Deficit)	855	792	0.2	0.6	0.5

Clinical Services (pre ABC analysis) is reporting £0.5m ahead of plan at month 1. This is primarily driven by a combination of higher activity income in both Pathology and CAGT.

Organ Donation and Transplant – April 2023

ODT I&E (£)m	WTE		Year to Date Actual		
	Bud.	Act.	Bud.	Act.	Var.
Programme Funding			5.9	5.9	0.0
Devolved Administrations and Other Income			1.1	1.1	0.0
NHSE Income			0.3	0.2	(0.1)
Total Funding			7.4	7.3	(0.1)
Operating Expenditure	483	468	(5.8)	(6.0)	(0.2)
Transformation	18	22	(0.5)	(0.5)	(0.0)
Total Expenditure	500	490	(6.4)	(6.5)	(0.2)
ODT Surplus/(Deficit)	500	490	1.0	0.7	(0.2)

Similarly to Blood, ODT has entered 2023/24 in a stable position. The activity underspends reported in last years position has resulted in ODT carrying c£8.0m cash reserves into 2023/24, which will be used to fund the -£3.1m operational deficit (resulting from DHSC flat funding and increasing operating expenditure). The balance will provide a contingency to meet additional pressures outside the budget i.e. increased activity and additional pay inflation. The underlying deficit is expected to increase again in 2024/25, and were we to see flat funding through SR21 for that year, cash will be required to bridge the gap (c£5m+).

Additional funding has also been confirmed, with DHSC agreeing a further £3.9m in 2023/24 being made available for DCD Hearts and HHV8. A bid was also submitted for CLU & ANRP funds (£3.3m), however we have still not received correspondence on these and therefore are not reflected in the financial position at this stage.

Tissue and Eye Services – April 2023

The plan for 2023/24 includes a significant income reset with an average price uplift of c11% over all products.

This prudent approach balances a more achievable volume assumption and higher prices, with the expectation is that this will deliver a break even position. In the April results, TES have achieve their income plan, reporting in line with budget, but uncertainty remains on whether demand of services will continue to meet the income target, once the market recognise the full impact of a 11% price uplift.

TES I&E (£)m	WTE		Year to Date Actual		
	Bud.	Per Act.	Bud.	Act.	Var.
Income			1.4	1.5	0.0
Cost of Sales			0.0	(0.0)	(0.0)
Expenditure	156	153	(1.1)	(1.1)	0.0
Surplus/(Deficit)	156	153	0.3	0.4	0.1

Plasma for Medicine - April 2023

Plasma for Medicine (£)m	WTE		Year to Date		
	Bud.	Act.	Bud.	Act.	Var.
Programme Funding			1.2	0.9	(0.3)
Plasma for Diagnostics Income			0.7	0.6	(0.1)
Expenditure	141	143	(1.1)	(0.8)	0.3
Programme Surplus/(Deficit)	141	143	0.8	0.8	0.0

For 2023/24 the plasma plan remains fully funded by a combination of cash reserves and Plasma for Diagnostics income.

The procurement process for a fractionator to manufacture UK plasma will come to a conclusion by mid May. In terms of funding the service going forward, discussions are ongoing with NHS England to agree the SLA to part fund collection costs this year (expected to commence early November 2023). Subject to these negotiations, NHS England would be expected to fully fund the service from 2024/25 onwards.

Cash Flow – as at April 2023

	Actual Apr-23 £k	Budget May-23 £k	Budget Jun-23 £k	Budget Jul-23 £k	Budget Aug-23 £k	Budget Sep-23 £k	Budget Oct-23 £k	Budget Nov-23 £k	Budget Dec-23 £k	Budget Jan-24 £k	Budget Feb-24 £k	Budget Mar-24 £k	Total £k
Opening bank balance	50,684	54,627	72,895	88,007	86,097	81,020	83,290	79,476	69,418	71,666	76,450	73,459	73,459
Receipts													
Debtors & Other Receipts	31,936	36,959	33,059	33,168	34,313	35,550	37,493	34,362	31,793	37,077	38,380	40,705	424,795
Revenue Cash Limit	0	18,000	30,749	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,287	105,292
Revenue Cash Limit - Pensions Uplift	0	0	3,275	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	13,100
Revenue Cash Limit - DCD Hearts	0	0	900	300	300	300	300	300	300	300	300	300	3,600
Capital Cash Limit	0	0	0	3,000	0	0	3,000	0	3,000	5,000	0	7,000	21,000
Total Receipts	31,936	54,959	67,983	43,841	41,987	43,224	48,166	42,036	42,466	49,751	46,054	55,384	567,787
Payments													
Staff Expenses	13,159	21,550	23,454	22,247	22,271	22,283	22,314	22,273	22,271	22,275	22,270	30,765	267,133
Other Revenue Payments	14,508	14,942	29,116	22,504	24,293	18,171	17,799	28,322	16,447	20,691	22,275	37,176	266,243
Capital Charges Less DH Credit Due	0	0	0	0	0	0	10,867	0	0	0	0	10,867	21,734
Capital Payments	326	200	300	1,000	500	500	1,000	1,500	1,500	2,000	4,500	7,674	21,000
Total Payments	27,993	36,692	52,870	45,752	47,064	40,954	51,980	52,095	40,218	44,966	49,045	86,482	576,110
Closing bank balance	54,627	72,895	88,007	86,097	81,020	83,290	79,476	69,418	71,666	76,450	73,459	42,361	42,361

Debtor Days (Target is 22 days)	39
YTD BPPC By Value % (Target is 95%)	88.3%
YTD BPPC By Number % (Target is 95%)	92.3%



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	22,620	883	193	505	24,201

Top 5 > 90 days Overdue Debtors £000's	Mar-23		Apr-23	
	>90 Days overdue £000's	Total Overdue £000's	>90 Days overdue £000's	Total Overdue £000's
BARTS HEALTH NHS TRUST	157	402	66	177
SOUTH AFRICAN BONE MARROW REGISTRY	50	50	50	50
GREAT ORMOND STREET HOSPITAL FOR CHILDREN NHS FOUN			38	141
IMPERIAL COLLEGE HEALTHCARE NHS TRUST	28	66	28	38
GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST			23	78
CAMBRIDGE UNIVERSITY HOSPITALS NHS FOUNDATION TRUST	27	89		
CWM TAF MORGANNWG UNIVERSITY LOCAL HEALTH BOARD	21	28		
Total 5 Overdue Debtors	283	635	205	484
Other Debtors	293	4,033	300	23,717
Total Overdue Debtors	576	4,668	505	24,201

Notional Split	£m
Blood	23.8
Clinical Services	7.0
ODT	9.5
Plasma	2.0
NHSBT Total	42.3

>90 DAYS OVERDUE	Profile by Month													
	Actual Apr-23 £000s	Actual May-23 £000s	Actual Jun-23 £000s	Actual Jul-23 £000s	Actual Aug-23 £000s	Actual Sep-23 £000s	Actual Oct-23 £000s	Actual Nov-23 £000s	Actual Dec-23 £000s	Actual Jan-24 £000s	Actual Feb-24 £000s	Actual Nov-23 £000s	Actual Mar-24 £000s	
	Target Range Between £0.5m and £1.0m													
Ledger Balance at month end	505													