

## Board Meeting in Public

Tuesday, 30 January 2024

<b>Title of Report</b>	Financial Report	<b>Agenda No.</b>	3.2
<b>Nature of Report</b>	<input checked="" type="checkbox"/> Official	<input type="checkbox"/> Official Sensitive	
<b>Author(s)</b>	Hannah Wigley – Senior Corporate Financial Planning Manager Mark Taylor – Assistant Finance Director		
<b>Lead Executive</b>	Carl Vincent – Chief Financial Officer		
<b>Non-Executive Director Sponsor</b> (if applicable)			
<b>Presented for</b> (tick all that applies)	<input type="checkbox"/> Approval	<input checked="" type="checkbox"/> Information	
	<input type="checkbox"/> Assurance	<input checked="" type="checkbox"/> Update	
<b>Purpose of the report and key issues</b>			
<p><b><u>NHSBT Overall</u></b> Following our quarter 3 forecast we continue to remain confident of being able to deliver this year's financial position within our agreed funding envelope. This position has though been achieved by the use of one-off cash reserves to meet additional collection costs and future proofing for blood plans in Blood. At a divisional level, we would make the following remarks:</p> <p><b><u>Investment Portfolio</u></b> As part of the quarter 3 reforecast, it feels reasonable to now crystallise a c£3m underspend (versus £11.5m prioritised plan). For noting, blood pricing in 2024/25 continues to include a recurrent fund for investment portfolio e.g., a repeat of the £11.5m made available in the current year. <b>Decision: albeit not urgent, we will need consider at some stage, whether this underspend is to remain ring fenced and form part of a prioritised transformation plan or be repurposed as part of a discrete spend to save investment fund.</b></p> <p><b><u>Plasma for Medicine</u></b> We are now seeing the potential for a higher level of plasma for diagnostics sales (£3m profiled across 2023/24 and 2024/25). This will form part of an improved cash reserve going into next year for PfM. <b>Decision: Also, not urgent at this stage, but there is the opportunity to review overall cash reserves for NHSBT as part of the wider budget review discussions planned to take place in early February 2024.</b></p> <p><b><u>Tissue and Eye Services</u></b> The quarter 3 forecast reaffirms an expected deficit position for the year end of c£0.6m. This continues to be driven by a combination of supply side challenges and also softer demand from hospitals. <b>Decision: While this is fundable in the current year through blood cash reserves, there is a risk that this could reoccur in the following year, and hence a decision whether a further contingency is required within a reset plan for 2024/25.</b></p>			

## Organ Donation and Transplantation

While ODT remains fundable for 2023/24, albeit we've used cash reserves to mitigate a recurrent operating deficit, this is not sustainable beyond the end of this year.

**Decision: although it is likely there will be cash reserves of c£3-4m carried forward into next year, there is an argument that this should be retained as a contingency/reserve versus unforeseen in year pressures / increased activity numbers e.g., part of NHSBT's wider working capital.**

## Previously Considered by

Included in the Executive Team papers for the 23/01/2024 meeting.

Recommendation

The Board is asked to note the report.

## Risk(s) identified (Link to Board Assurance Framework Risks)

The costs passed onto the NHS through our prices is a fundamental outcome of NHSBT's strategies and plans.

## Strategic Objective(s) this paper relates to: [Click on all that applies]

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|---|---|--|
| <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 |  |