

Board Meeting in Public

Tuesday, 26 March 2024

Title of Report	Financial Report	Agenda No.	3.2
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 checked="" type="checkbox"/> Update	
Purpose of the report and key issues			
<p><u>2023-24 NHSBT Overall</u> 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 and resilience costs in Blood. As we are approaching the end of our financial year, we would like to highlight the following remarks.</p> <p><u>Capital</u> Year-to-date we have spent c£9.6m on capital, with a further £4.4m of orders raised to be delivered before the end of the year. We are confident we will be able to fully meet our capital plan, whereby all purchases will be delivered with payments made by the end of March. A further £2.7m has been identified through our capitalisation review, which will be adjusted to capital, and subsequently improve our forecasted revenue position. Confirmed decision at Executive Team (ET): The £2.7m improvement to our revenue position will form an invest to save cash reserve next year, to support our productivity programme which is to be agreed (see also connected decision around the investment portfolio).</p> <p><u>Organ Donation and Transplantation (ODT)</u> In February, ODT welcomed additional funding of £1m to support the agenda for change pay deal pressure, subsequently improving our 2023-24 position and closing cash reserves. This will either provide us with working capital or will be critical in supporting the overall operational position subject to final funding agreements. Subject to finalising funding for 2024-25 (operating cost/ other initiatives including donation after circulatory death hearts/ abdominal normothermic regional perfusion / Clinical leads in utilisation), it is likely we will be required to underwrite ODT costs, at risk in the early part of next year. We would expect this to be c£1.5m per calendar month. To Note: although it is likely there will be cash reserves of c£7m carried forward into next year, it is important to recognised that this cash will be called upon, if we do not get fully funded.</p>			

Future Proofing Blood

Department of Health and Social Care (DHSC) funding for £3.6m will be fully utilised in 2023-24. c£2.1m on investments (this is slightly lower than we previously forecasted due to additional capitalisation of project costs), with the balance being used to meet in year recurrent run rates. The requirement for a further investment will now be c£1.6m and will be met from our general cash reserves in 2024-25.

To Note: This approach has been advised to DHSC.

Plasma for Medicine

We continue to see 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.

To Note: The cash reserves carried forward into 2024-25 are based on several factors including the need to meet the key milestone of shipping plasma from July 2024.

Investment Portfolio

Our latest Blood and Group Investment Portfolio now forecasting a spend of £6.0m (£5.5m lower than budget). Of which, £0.8m was capitalised (as part of the capitalisation review) and a further £3.0m remains committed and ring fenced as part of the 2024-25 budget.

Confirmed decision at ET: for the remaining balance (c£1.7m) will form part of the invest to save reserve, combined with the £2.7m capital decision above, creating a £4.5m invest to save reserve for 2024-25.

Previously Considered by

Included in the ET papers for the 19 March 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. | |