

Board Meeting in Public Tuesday, 24 September 2024

Title of Report	NHSBT Financial Performance Report	Agenda No.	3.3
Nature of Report	<input checked="" type="checkbox"/> Official <input type="checkbox"/> Official Sensitive		
Author(s)	Mark Taylor – Assistant Finance Director Hannah Wigley – Senior Corporate Financial Planning Manager		
Lead Executive	Carl Vincent – Chief Financial Officer		
Non-Executive Director Sponsor	Click or tap here to enter text.		
Presented for (tick all that applies)	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Update		
Purpose of the report and key issues			
The purpose of this paper is to describe the emerging financial position for 2024-25, highlighting any consideration for the ET and Board.			
Previously Considered by			
Included in the ET papers for the 17/09/2024 meeting.			
Recommendation	<p>The overall income and expenditure position year to date (August APM05) is reporting £6m better than plan. This is principally driven by a combination of improved contributions from Clinical Services and Tissue and Eye Services, along with lower than profiled transformation costs.</p> <p>However, the forecast position recognises that our Blood Supply and Donor Experience directorates are incurring significantly higher costs in response to the amber alert (late July). The impact of these costs is to move the position from a year-to-date surplus, to an adverse £8m worse than plan (a movement of £14m).</p> <p>In response to this worsening, the ET have identified additional potential savings in year, and as part of a number of options to improve the position are able to demonstrate a route to maintaining an underlying breakeven position this year (versus the board approved deficit budget of £19.6m). These will be crystallised as part of the Q2 reforecast.</p> <p>The budget agreed at the Board in June, will need to be revised to reflect the finalised pay settlement for 2024-25. This remains subject to completing the commissioning process for Blood and Specialist Services which we are confident of doing in the very near future.</p> <p>As a consequence of the above, NHSBT has continued to bill its blood and specialist services customers at 2023-24 rates. Hospitals have been routinely advised and are aware that once the commissioning process is complete, NHSBT will be applying 2024-25 prices and also issuing additional invoices to recover the difference.</p>		

	<p>Billing at the lower rate has meant that NHSBT has seen a reduced level of income during the early part of the year, and as a consequence, has adopted increased monitoring of treasury to ensure it meets ongoing commitments.</p>
<p>Risk(s) identified (Link to Board Assurance Framework Risks)</p>	
<p>Principal Risk 05 Finance – for NHSBT is unable to maintain long term financial sustainability caused by insufficient funding or unexpected cost increases resulting in NHSBT being unable to meet expectations or obligations.</p> <p>Through the year to date results and an early look of the forecast, we are reporting higher than plan pressures in Blood Supply. The paper describes future options for risk mitigation in order to deliver the financial year within our funding envelope. Any unmitigated pressures that crystallise in 2024-25, would subsequently cause pressure to the next years pricing and funding.</p>	
<p>Strategic Objective(s) this paper relates to: [Click on all that applies]</p>	
<p> <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. </p>	