



Blood and Transplant

NHSBT Financial Performance Report

August 2024

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Executive Summary

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.

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).

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.

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.

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.

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.

2024/25 Update and Opportunities



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APM05 / August 2024 Accounts - considerations based on the latest results and forecast

2024/25 Overall Q1 forecast

We've seen a significant deterioration versus the quarter 1 forecast (i.e deficit of **£20.2m**, **£0.6m** downside versus deficit budget of **£19.6m**).

This is being broadly driven by our latest response to the amber alert, where a number of discreet schemes have been developed to underpin further resilience across the blood supply chain.

Financial Risk P05 / underpinning Fin 02,03,04 and 06

At the last ARGC and for those previous, we've been reporting an amber risk versus the principal risk around financial sustainability. The contents of this following report, will describe a number of challenges.

For noting: Reflecting the above, the P05 risk score remains at 20 (amber versus previous score of 16) based on our latest financial position. The ET were tasked and have completed a commission which was focused on generating in year savings to address a funding gap (Corporately estimated to be c£13m. Driven by Blood and ODT).

2024/25 In Year Savings Review

All Divisions have responded to a commission to review opportunities for in-year savings within 2024/25 following a request at the end of August. The commission has identified suggested savings of c£3m. These have been badged as having minimal implications for patient related activity / regulatory compliance.

For noting: The ET reviewed and discussed the additional savings identified in 2024/25 (c£3m). Further work will be undertaken in preparation for the Q2 reforecast process (including understanding the impact of lower cost for these directorates on the operational divisions). At this point the ET would look to formalise these findings as non-recurrent savings.

2024/25 Residual financial challenge

The residual financial challenge corporately (after the inclusion of the in-year savings review) would be in a range of £10–£13m. To fully mitigate this and restore the financial position, there are a number of further actions which can be taken. These include crystallising year to date upsides £5m, utilising the remaining corporate contingency £2m, and confirming with DHSC their support on FPB and winter resilience funding £5m.

For noting: In addition to the in-year savings review, ET also considered additional mitigating actions. The ET were assured that these were all achievable (subject to DHSC funding £5m) but wish to consider this further in the Q2 reforecast in terms of prioritising these options/savings. For clarity, these are all non-recurrent options and do not impact on the resources being made available in our opening baseline for 2025-26.

2024-25 NCG Commissioning

We are now close to finalising this process, the remaining issue relates to the treatment of the 2024-25 pay settlement and this will either be funded directly through prices charged to hospitals or via a top slice from DHSC. The likelihood is that this will be the latter, and were this to be the case, 2025-26 pricing would take this into consideration, as a brought forward 2024-25 cost.

For Noting: The intention will be that October billing will be at 2024-25 levels for blood and specialist services, with catch up invoices to follow. Our treasury position continues to be more closely monitored than is usual, while we complete this process.

2024/25 Financial Risk (P05) detail

Underpinning risk Fin 02,03,04 and 06



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Summary

The underlying forecast has remained broadly in line with last month, which continues to report;

- Blood Supply higher run rate on blood collection, plus the introduction of a contingency against further increases.
- Donor Experience the need for increased supply side resilience will result in significantly higher marketing costs.
- NCG Commissioning remains incomplete, therefore we are unable to bill at the required level, reducing cash each month.
- The prolonged billing at 2023-24 levels for Blood and Specialist Services is introducing increased complexity, with the risk of slower payments.
- AfC pay settlement is predominately linked to the NCG point above, and at this stage we don't yet have confirmation on the flow of funds.
- The ODT position continues to be fragile, and has now fully depleted its remaining £1m cash reserve
- All of the above points have an impact to our cash flow and hence our ability to meet payroll commitments / supplier terms and conditions.

Blood Supply Chain

Cost containment has been challenging through the early part of the year, and this is now being compounded by the need for a response to the amber alert and ministerial steers. We continue to reporting (if unmitigated) supply chain cost pressures of £13m across Blood Supply and DEX. This pressure is driven by a number of schemes to create capacity and appointments within the supply chain driving resilience around our blood stocks. These schemes will also need to form part of commissioning discussions with DHSC / NHSE and the NCG as part of the 2025-26 cycle and beyond.

- **£1.9m Full year pressure** Southampton re-provisioning expenditure. This is expected to be non-recurring

- **£7.7m Full year pressure** cost containment has been challenging through the early part of the year, this is also being compounded by the need for a response to the amber alert and ministerial steers

- **£3.7m Full year pressure** Amber alert media campaign combined with marketing activity add in an additional 800 appointments into our capacity

+ **£2.1m Full year underspend** Future Proofing Blood – delays on platelet smoothing and stabilise + (expected to be non-recurring improvement)

+ **£0.8m Full year improvement** Logistics and Blood income – predominately driven by higher click and collect activity.

National Commissioning Group and AfC pay settlement

Last month, the 5.5% AfC / 6% consultant pay deal was announced, 3.5% higher than our agreed NCG prices. Within our NCG commission, this 3.5% would be underwritten. We are yet to receive confirmation on the funds flow of this, and therefore, the budgets continue to reflect the 5% pay assumption approved at the board. A consequence of the outstanding funds flow means we continue to bill at 2023-24 prices, which in turn adds significant pressure to our cash and treasury management. The need to undertake a true up for 6 months of billing at 2023-24 pricing is likely to be complex and lead to hospitals receiving multiple invoices over an extended period. This will need careful handling with a very clear comms plan, communicated across all of our system partners.

Cash flow Management

The delays to completing the NCG process have had a material impact on both the level of cash being seen so far this year, and also debtors. To mitigate these pressures, we are working closely with DHSC and have requested that they make early payments against our agreed funding allocation this year. We've also rephased spend where we can. We are maintaining a closing balance of cash of no less than +£50m pcm.

Organ Donation and Transplantation

ODT are reporting emerging pressures against the NORS transport contract, predominately driven by higher use of flights. The latest forecast estimates a full year impact of £2.6m. While this is partially offset by lower activity levels and reduced matching and offering expenditure, ODT are forecasting a c£1.5m gap against their funding envelope. This completely depletes the working capital.

2024/25 Achievement of a breakeven position



	Pressures Best / worst case £m	Mitigation £m	Net Best / worst case £m	Comment
Blood Supply	(£10m- £13m)	£3m	(£7m-10m)	Forecast overspend is partially mitigated by 'FPB' underspends and Blood income.
DEX Marketing	(£4m)	£0m	(£4m)	Ministerial approval provided for non-recurrent media campaign expenditure planned this year in response to the amber alert £2m. A further £2m of costs included to add resilience in the form of an increase of c800 appointments a week to our capacity.
Donor Base	TBC	TBC	TBC	Subject to detailed costing, to support a ramp up of 1.2m donors versus current 0.8m.
ODT	(£3m)	£1.5m	(£1.5m)	Forecast overspend, completely depletes ODTs working capital.
	(£17m-£20m)	£4.5m	(£13m – £16m)	
Suggested in year savings (commission)		£3m	£0m - £3m	The majority of these costs have been identified by our group / support services and would be achieved through a combination of themes managed locally. E.g. vacancies, training and conferences, travel and subs and IT spend.
In year upsides (other divisions)		£4.8m	£0m - £4.8m	Crystallise forecast upsides versus budget across other divisions Clinical Services £1.4m, Plasma £2.5m and TES £1m
Corporate Contingency		£1.8m	£0m - £1.8m	Utilise the contingency built into budget (earmarked as additional Group Service post e.g. CNO/Quality)
*FPB / Winter contingency		£4.9m	£0m - £4.9m	Requested funding from DHSC (not yet clear whether these will be funded)
Remaining Funding Gap	(£17m-£20m)	£19m	(£0m-£16m)	

The table above, describes a set of options to achieve an underlying breakeven position for 2024-25. This will be reviewed as part of the Q2 reforecast/process and were there be a need to find further savings over and above these, options to achieve this are also listed out below.

- i) **Financial controls** – would likely involve a review of delegations / approval levels (unlikely to be popular and would need to be targeted);
- ii) **Zero based budgets** – opportunity to re-review the agreed budgets / test whether they're still required at funded levels / continue to drive and provide value to the service / customer (not something done routinely but could be joined up with items i and ii as a package);
- iii) **Transformation Portfolio** – could take the form of a delay/re-phasing of specific elements of the programme – generating non-recurrent cash (but...while we've seen year on year underspends in previous years, forcing further delays will surely increase our IT/Estates "debt" which adversely impacts upon business plan priorities / execution of business strategies – ability to generate / retain commercial opportunities and so on).
- iv) **Cash Reserves** – a "haircut" to divisional cash pots would generate cash non-recurrently (this has been tested with the ET previously and unsurprisingly was highly unpopular – eg adverse impact on planned transformation / service developments and so on);
- v) **Spend to Save** – (£3m) mainly driven by increased capitalisation, but could be re-purposed in-year to generate non-recurrent cash (but, removes the ability to fund future plans for "productivity" improvements, which is also counter-productive vs the need for following/future year savings and so on);

2024/25 Income and Expenditure: August year-to-date results & Quarter One Forecast.



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At quarter one we report a forecast outturn of £20.2m, which was £0.6m worse than plan. Since then, we have seen a significant deterioration to our position, which is being driven by our latest response to the amber alert, where a number of discreet schemes have been developed to underpin further resilience across the blood supply chain.

	WTE		August Year-to-Date (£m)			Full Year Forecast (£m)			Underlying Cash (£m)
	Bud.	Act.	Bud.	Act.	Var.	Bud.	Q1 Fcst.	Var.	
Blood Income	0	0	157	158	1	373	374	1	
Blood & Component Stock	0	0	1	2	1	0	(0)	(0)	
Blood Supply Expenditure	2,593	2,656	(79)	(82)	(3)	(194)	(200)	(5)	
Donor Experience and Communications	183	193	(10)	(11)	(1)	(25)	(25)	(0)	
Future Proofing Blood Programme	155	24	(1)	(1)	0	(6)	(3)	2	
Blood Supply Net I&E	2,931	2,872	67	66	(2)	149	146	(3)	7
Group Services	1,217	1,146	(70)	(69)	1	(175)	(175)	0	
Change Programme	0	67	(7)	(3)	4	(16)	(16)	(0)	
Organ Donation and Transplantation	492	491	4	4	0	5	5	(1)	0
Tissue and Eye Services	155	151	2	3	1	6	6	0	0
Clinical Services	912	879	5	6	1	11	12	1	6
Plasma for Medicine	106	131	(1)	0	1	(0)	2	2	10
NHSBT Total	5,814	5,737	0	6	6	(20)	(20)	(1)	23

**Medical and Stats results are reported in Group Services

Our latest forecast at M05 now indicates a full year deficit £27m, a worsening of £7m versus the quarter 1 forecast reported above

Blood Supply and DEX cost containment has been challenging through the early part of the year, and this is now being compounded by the need for a response to the amber alert and ministerial steers. In the latest forecast we are now reporting a full year funding gap of £13m across Blood Supply and DEX. This pressure is driven by a number of schemes to create capacity and appointments within the supply chain driving resilience around our blood stocks. These schemes will also need to form part of commissioning discussions with DHSC / NHSE and the NCG as part of the 2025-26 cycle and beyond.

Future Proofing Blood Anticipating a £2.1m underspend full year effect, driven by delays in platelet smooth and stabilise +. This underspend is partially mitigating overspends in Blood Supply baseline.

Investment Portfolio Latest plans continue to report to plan (£15.7m)

Organ Donation ODT are reporting emerging pressures against the NORS transport contract, predominately driven by higher use of flights. The latest forecast is estimating a full year impact of £2.6m. While this is partially offset by lower activity levels and reduced matching and offering expenditure, ODT are forecasting a c£1.5m gap against their funding envelope. Within the latest position, ODT have used up their remaining £1.0m working capital reserve to mitigate this gap, leaving no contingency for the remainder of the year.

Clinical Services (excl. Medical and Stats) the latest position for Clinical Services is reporting ahead of budget, with a number new of posts included in the 2024/25 budget build, which are currently being recruited to (August operating WTEs are 59 wte under established vs plan).

Tissues and Eye Services Having signed an agreement with NHSE which will improve the pathway for Corneas by increasing retrievals, there is a reasonable expectation that we will see an improvement to the level of contribution for this service (£0.3m reported in the Q1 forecast).

Plasma for Medicines At M05 we continue to report plasma ahead of plan. The first shipment for the PSA commenced at the end of August / 6 weeks later than planned. Production of plasma has continued to schedule, so the issue is one of timing of cash flows rather than loss of income.

Cash Please note, since the quarter 1 forecast, we have reported a significant deterioration of our planned cash flow. Blood and ODT have now both completely depleted their working capital, reducing our underlying cash flow (in the table to the left) to £15m.

2024/25 Income and Expenditure Statement



Blood and Transplant

Aug			Blood and Group	WTE		Year to Date			Full Year			Q1	
Budget	Actual	Variance		Budget	Actual	Budget	Actual	Variance	Prev. Yr Actual	Initial Budget	Latest Budget	Forecast	Variance
1,758	1,663	(95)	DHSC Programme Funding: Corporate			8,792	8,401	(391)	16,511	21,100	21,100	21,100	0
30,866	30,740	(126)	Blood and Components Income			154,229	155,015	786	317,905	367,168	367,168	367,447	279
492	412	(80)	Blood Supply Other Income			2,483	2,597	114	4,870	5,950	5,950	6,572	622
589	670	81	Group Services Income			2,949	2,696	(252)	6,355	7,075	7,075	6,131	(944)
33,705	33,484	(221)	Blood and Group Income			168,452	168,709	258	345,642	401,292	401,292	401,250	(43)
100	2,549	2,449	Blood and Components Stock Movement	0	0	613	1,513	900	383	0	0	(129)	(129)
(15,702)	(16,892)	(1,190)	Blood Supply	2,593	2,656	(79,119)	(81,728)	(2,610)	(182,856)	(194,433)	(194,433)	(199,801)	(5,368)
(295)	(146)	148	Future Proofing Blood Programme	155	24	(1,043)	(746)	298	(884)	(5,533)	(5,533)	(3,440)	2,093
(18,422)	(19,976)	(1,553)	Group Services	1,400	1,339	(92,160)	(91,420)	740	(203,015)	(227,749)	(227,749)	(227,124)	624
(1,308)	(564)	744	Blood and Group Change Programme	0	67	(6,542)	(3,002)	3,540	(6,395)	(15,700)	(15,700)	(15,700)	(0)
(35,627)	(35,029)	598	Blood and Group Expenditure	4,149	4,086	(178,251)	(175,383)	2,868	(392,767)	(443,415)	(443,415)	(446,195)	(2,780)
(1,922)	(1,545)	377	Blood and Group Total	4,149	4,086	(9,800)	(6,674)	3,126	(47,124)	(42,123)	(42,123)	(44,945)	(2,823)
			Plasma for Medicine										
0	0	0	DHSC Programme Funding: Plasma for Medicines			0	0	0	16,138	0	0	0	0
1	658	657	Plasma for Medicines Income			1,502	4,694	3,191	14,795	1,511	1,511	19,389	17,878
2,012	796	(1,216)	NHSE Income: Plasma for Medicine			5,024	1,796	(3,228)	5,000	19,108	19,108	1,511	(17,597)
2,013	1,455	(558)	Plasma Funding			6,526	6,490	(36)	35,933	20,619	20,619	20,900	281
0	0	0	Plasma for Medicines Stock Movement			0	0	0	(457)	0	0	0	0
(1,194)	(1,639)	(444)	Plasma for Medicines	106	131	(5,982)	(6,121)	(138)	(9,668)	(14,709)	(14,709)	(14,662)	47
(467)	(39)	428	Plasma for Medicines Change Programme	0	22	(1,554)	(849)	705	(4,752)	(6,000)	(6,000)	(4,500)	1,500
(1,661)	(1,678)	(16)	Plasma Expenditure			(7,536)	(6,970)	567	(14,877)	(20,709)	(20,709)	(19,162)	1,547
352	(223)	(575)	Plasma for Medicine Total	106	131	(1,010)	(480)	531	21,056	(90)	(90)	1,738	1,828
			Clinical Services										
347	347	0	DHSC Programme Funding: Clinical Services			1,734	1,734	0	4,162	4,161	4,161	4,162	0
7,160	7,063	(96)	Clinical Services Income			37,498	36,757	(741)	81,031	92,276	92,276	91,982	(294)
7,506	7,410	(96)	Clinical Services Income			39,232	38,491	(741)	85,193	96,437	96,437	96,144	(293)
(6,581)	(6,416)	165	Clinical Services	912	853	(32,977)	(31,441)	1,536	(72,337)	(82,108)	(82,108)	(80,885)	1,223
(219)	(195)	23	Clinical Services Change Programme	0	26	(1,053)	(811)	242	(2,022)	(3,250)	(3,250)	(3,250)	0
(6,799)	(6,611)	188	Clinical Services Expenditure			(34,030)	(32,252)	1,778	(74,359)	(85,358)	(85,358)	(84,135)	1,223
707	799	92	Clinical Services Total	912	879	5,202	6,239	1,037	10,835	11,080	11,080	12,009	930
			Organ Donation & Transplantation										
7,818	7,820	1	Programme Funding (DHSC and Devolved Nations)			39,092	39,072	(20)	91,101	82,014	93,822	93,900	78
39	28	(11)	NHSE Funding			197	273	76	885	3,195	473	497	23
7,858	7,848	(10)	ODT Income			39,290	39,345	55	91,986	85,209	94,295	94,396	101
(6,692)	(6,391)	300	Organ Donation and Transplantation Operations	490	483	(33,516)	(32,491)	1,025	(75,427)	(81,850)	(82,108)	(83,129)	(1,021)
(431)	(317)	114	Organ Donation and Transplantation Change Programme	2	8	(2,130)	(2,719)	(589)	(6,599)	(3,360)	(6,751)	(6,724)	28
(7,123)	(6,708)	415	ODT Expenditure			(35,646)	(35,210)	436	(82,026)	(85,211)	(88,860)	(89,853)	(994)
735	1,140	405	ODT Total	492	491	3,644	4,135	492	9,960	(1)	5,436	4,543	(892)
			Tissues and Eye Services										
1,198	1,447	249	Tissue and Eye Services Income			5,848	6,402	554	19,382	15,091	15,091	15,339	247
42	42	0	DHSC Programme Funding: Tissue and Eye Services			208	208	0	500	500	500	500	0
509	548	39	NHSE Income: Eye Services			2,571	2,654	83	0	6,162	6,162	6,162	0
1,749	2,037	288	TES Income			8,628	9,265	637	19,882	21,753	21,753	22,000	247
(1,271)	(1,320)	(50)	Tissue and Eye Services Operations	155	151	(6,370)	(6,060)	310	(13,983)	(15,633)	(15,633)	(15,537)	96
(1,271)	(1,320)	(50)	TES Expenditure			(6,370)	(6,060)	310	(13,983)	(15,633)	(15,633)	(15,537)	96
478	717	239	TES Total	155	151	2,258	3,205	946	5,899	6,120	6,120	6,464	344
			NHSBT Summary										
52,831	52,234	(597)	Income			262,128	262,300	172	578,636	625,310	634,396	634,690	294
(52,481)	(51,346)	1,135	Expenditure	5,814	5,737	(261,833)	(255,875)	5,959	(578,010)	(650,325)	(653,974)	(654,881)	(907)
351	888	538	NHSBT Surplus/(Deficit)	5,814	5,737	294	6,425	6,131	626	(25,014)	(19,578)	(20,191)	(613)

2024/25 Balance Sheet – August 2024



Blood and Transplant

	Aug-23 £k	Mar-24 £k	Aug-24 £k	Forecast £k
Fixed Assets b/f	195,812	182,949	183,909	183,909
ROU Asset (Operating & Finance Leases) B/F	73,659	67,626	69,242	69,242
Revaluation	8,306	(8,475)	0	0
Additions	1,650	15,151	3,432	21,000
NBV Disposals	(3)	(74)	0	0
ROU Additions and Disposals	0	7,307	(4)	0
ROU Depreciation & Interest	(683)	(5,692)	(3,177)	(5,692)
Depreciation (& Impairments)	(683)	(5,641)	(7,058)	(14,073)
Fixed Assets	278,059	253,151	246,345	254,366
Current Assets				
Stocks	19,473	20,127	20,443	18,178
Trade Debtors	24,175	50,940	20,989	24,566
Income Accruals	31,645	3,053	45,856	3,053
Prepayments	12,291	13,143	12,612	9,359
Other Debtors	2,723	3,760	3,587	3,760
Bank and Cash	29,979	24,441	64,601	37,615
	120,286	115,464	168,088	96,531
Less:-				
Current Liabilities				
Trade Creditors	10,823	4,450	9,722	5,780
Accruals	37,942	32,541	42,822	32,552
DH Cash Limit Drawn in Advance	(36,164)	0	9,344	0
DH Capital Charges payable	9,122	0	9,495	0
Others	32,917	11,594	22,771	11,103
	54,640	48,585	94,154	49,435
Net Current Assets	65,645	66,878	73,934	47,096
Finance Lease Creditor	7,950	7,868	7,868	7,868
ROU Liabilities	17,188	23,308	21,158	18,204
Provisions	1,240	1,371	1,565	1,371
Total Net Assets	310,271	287,484	289,690	274,042
Represented by:-				
Department of Health Funding				
General reserve b/f	211,208	204,316	209,490	209,490
Capital Cash Received	0	15,500	3,000	21,000
Capital Charges payable as Cash	(9,122)	(21,893)	(9,495)	(23,218)
Notional Interest Credit	3,259	7,028	2,275	8,966
Transfer Between Reserves	0	3,907	0	0
YTD I&E Surplus / (Deficit)	(26)	632	6,425	(20,192)
General Reserve	205,320	209,490	211,696	196,047
Revaluation & Donated Asset Reserve	104,952	77,994	77,994	77,994
	310,271	287,484	289,690	274,042

Income accruals currently at £46m. This is partly driven by a genuine income uplift in the 2024-25 budgets, but also driven by the need to accrue the difference between what has been billed (2023-24 pricing) and the interim 2024-25 prices.

This balance sheet movement impacts our cash reserve. While we are currently managing this through working capital, we are also paying particular attention to our treasury management, to ensure that we maintain cash levels at the desired level.

Q1 Cash Forecast Notional Split £m	Comment
Blood Supply £17.2m	£6.9m NHSBT working capital (the latest forecast this is now depleted, with a balance 0) £3.6m future proofing blood and investment portfolio reserve to support 24/25 £6.7m R&D and Transfusion deferred income
Clinical Services £6.8m	£5.9m General Reserve - committed to invest & support strategy (5-year plan) £0.9m MOD deferred income ring fenced and committed
Organ Donation & Transplantation £3.1m	£0.1m General Reserve - provides working capital & will be critical in supporting the overall operational position in 25-26 (the latest forecast this is now depleted, with a balance 0) £3.0m Ring fenced NHSE funding to support Donor Characterisation transformation
Plasma for Medicine £10.2m	£10.2m General Reserve - cash committed to support the key milestone of shipping plasma from July 2024, and also tied into key service investments (5-year plan).
Tissue and Eye Services £0.3m	£0.3m general reserve

Cash flow timetable

- We continue to bill at 2023-24 prices, pending final NCG outcome / agreed funds flow for AfC
- The agenda for change pay deal will be paid in October, with retrospective pay backdated to 1 April 2024.
- Billing true up will start increasing cash from November onwards, with cash inflow catch ups profiled over Nov – Mar.
- The cash flow assumes that billing delays will be fully caught up by the end of the year, and therefore no impact to our year end trade debtor's balance.
- DHSC funding requested in advance with October – December invoices being issued at the beginning of September (this equates to c£9m per month).

2024/25 YTD Income and Expenditure: Contribution Report M05



Blood and Transplant

August 2024 M05 - Year to date Actual £m	Blood & Components inc. R&D	Plasma	Pathology & CAGT	TES	ODT	NHSBT
Total Income/Funding	165.1	6.8	39.8	9.6	40.9	262.3
Expenditure						
Variable Costs	(18.0)	(3.0)	(6.9)	(1.3)	(1.6)	(30.9)
Variable Contribution	147.2	3.8	32.9	8.2	39.3	231.4
Direct Costs	(61.5)	(4.7)	(19.9)	(5.0)	(32.9)	(124.0)
Direct Contribution	85.7	(0.9)	13.0	3.2	6.5	107.5
Direct Support Costs	(50.5)	(0.7)	(8.0)	(1.4)	(4.1)	(64.8)
Total Allocated Costs	(130.0)	(8.4)	(34.8)	(7.8)	(38.6)	(219.6)
Total Unallocated Costs	(16.9)	(1.2)	(4.5)	(1.0)	(5.3)	(28.9)
Operating Net Surplus / (Deficit)	18.2	(2.7)	0.5	0.7	(2.9)	13.8
Transformation	(3.0)	(0.8)	(0.8)	-	(2.7)	(7.4)
Net Surplus / (Deficit) Inc Transformation	15.2	(3.5)	(0.4)	0.7	(5.6)	6.4
Budget	11.7	(4.1)	(1.2)	(0.2)	(5.9)	0.3
Variance	3.6	0.5	0.9	1.0	0.2	6.1
RAG	G	G	G	G	G	G

Year-to-date I&E position at M05 £6.1m favourable variance

- Year-to-date income and expenditure position after 5 months is c£6.1m favourable overall for NHSBT – as shown in slide 10.
- Post-ABC allocations, all supply chains are green and reporting ahead of plan indicating they each are contributing to their planned level of expected overheads in addition to their operational costs.
- Planned post-ABC positions for 2024/25 do however include deficits in ODT (-£12m) and Pathology & CAGT (-£2m), off-set (funded by) surplus in Blood (+£14m).

Capital Plan 2024/25 – Overview at APM05 – YTD spend £3.4m

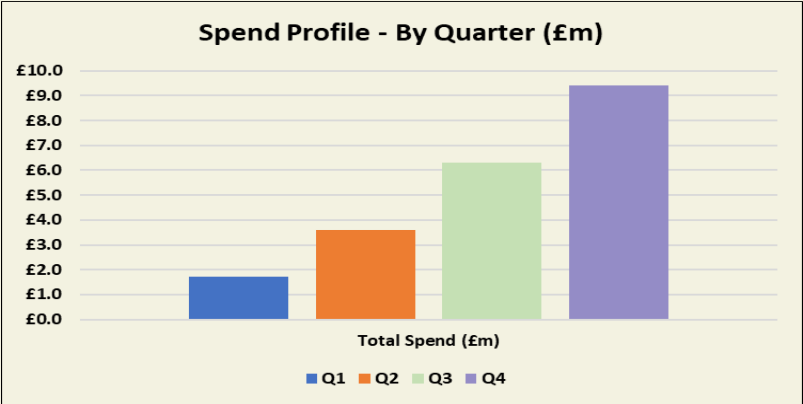


Blood and Transplant

Analysis of Projects	Value £m	Spend YTD (APM05) £m	Notes
Less than £100k - predominantly equipment purchases	2.1	0.6	71 projects in total of which: 16 projects complete (£0.6m); 22 projects - awaiting ATS forms (quotes, tenders, framework)
Between £100k - £500k - predominantly equipment purchases	2.5	0.2	13 projects in total of which: 3 projects part paid (£0.2m); 10 projects - awaiting ATS forms (mainly quotes / tenders)
Subtotal	4.6	0.8	
More than £500k - 11 projects			
DDTS – Major ICT upgrade	5.8	2.0	£2.0m spent YTD - spend profiled between Q1 - Q4
Estates - Colindale Refurbishment	3.0	-	Latest forecast - awaiting milestone payment schedule (Q3-Q4)
Estates - Brixton Donor Centre – Fitout	1.5	-	Part of Future Proofing Blood project - milestone payment schedule (Q3-Q4)
Estates - Brighton - Donor Centre Fitout	1.2	-	As above
Estates - Agile office transformation (Filton site)	0.7	-	Business case now approved / spend profile to follow
Estates - Filton plant and machinery	0.7	-	Business case under development / spend profile to follow
Estates - New Team Base fit out - Milton Keynes	0.5	0.3	Project expected to be completed by Q3
Clinical Services – Equipment replacement	1.4	-	Procurement process in train – spend profile to follow
DDTS - ICT infrastructure replacement	1.1	-	Procurement process in train – spend profile to follow
DDTS – ICT general maintenance / connectivity	0.5	0.3	Ongoing and expected to be completed by Q4.
Subtotal	16.4	2.6	
Total	21.0	3.4	

Summary

- Year-to-date spend for month 5 is c£3.4m (£2.0m relates to the majority ICT upgrade)
- £17.6m remaining for the next 7 months
- Indicative profile in the graph continues to suggest high spend in Q4



2024-25 previous reporting timeline / headlines



Blood and Transplant

Meeting	Headline
March 2024 Board	The 2024-25 budget of £25m was approved, subject to ODT and Stem cell funding confirmation from the Department of Health and Social Care (DHSC).
April 2024 ET	<p>Funding envelope confirmed by Department of Health and Social Care (DHSC). The ODT budget was updated reflecting a £5.4m improvement, bringing the overall budget deficit down to £19.6m (from £25m approved at March Board).</p> <p>We also advised that the National Commissioning Group (NCG) process for 2024-25 was still to be finalised, and as a result continued to bill at 2023-24 pricing. Discussions are ongoing with DHSC and NHS England (NHSE), which expect that this will result in further changes to our budget, although, we wouldn't expect there to be an adverse impact on the current deficit position of £19.6m</p>
June 2024 Board	The updated 2024-25 budget reflecting ODT's agreed funding position was approved at the June Board. No further updates from the National Commissioning Group (other than that described above at the April ET).
July 2024 Board	The first formal reforecast for 2024-25 was presented and described a shortfall of £3.0m in Blood.
August 2024 ET	In addition to the financial performance report, a mid-month paper was submitted, which summarised an increased level of risk to the position. The APM04 report describes a c£13m funding gap, with a commensurate impact on cash flow.
September 2024 ET	The ET discuss and reviewed options for maintaining a breakeven financial position for 2024-25 (versus the approved budget / June Board). These will be discussed again as part of Q2 forecast, with a view to confirming an agreed approach.