

NHSBT Financial Performance Report

February (APM11) 2025

Exec Summary

As described throughout the year, higher costs have been reported in the Blood Supply chain in order to maintain service and blood stock resilience. The quarter three forecast, confirmed that the unfunded gap within Blood of c£10-11m continues to require remediation. Earlier on in the year, a number of mitigating actions were presented RAG'd green/amber and red (with green the least likely to disrupt service). It was agreed that a combination of those options RAG'd green and amber would likely need to be utilised in order to restore the financial position, and as a result of this decision, no further commitments should be made against these options. A decision on which of these options to be deployed will be made once the final position for 2024-25 is confirmed.

Report Recommendations

- i) Confirm with DHSC the remittance date for their remaining programme funding e.g. overheads £10.7m and AfC headroom £1.3m (ref in the forecast position. slide 3).
- ii) All options RAG'd as green and amber will be ring fenced with no further commitments through to year-end. A final decision will be taken closer to the end of the year on precisely which of these will be deployed (ref. slide 11).

Financial Performance – Income and Expenditure APM11/February 25



Year-to-date position: Despite the overspends in Blood, at a high level, the overall income and expenditure position year to date (APM11) is reporting £16.2m better than plan (table 1 / slide 7). This is principally driven by a combination of lower activity within Organ Donation and Transplantation (ODT), improved contribution in Plasma and Tissue and Eye Services (TES), along with reprofiled transformation costs (into the following year). While the year-to-date position, and high-level forecast is showing a favourable movement against plan, much of these underspends are ring fenced, hence there is still the need to address the underlying blood position e.g. restore the financial position.

Table 1 – APM11 financial position:

		Month 11 Financial Performance							
		Period		Year-to-date			Quarter 3 Forecast		
		Budget WTE	Actual WTE	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
NHSBT	Income			579.2	583.0	3.9	632.9	638.2	5.4
	Expenditure	5,824	5,881	(594.5)	(582.1)	12.4	(652.2)	(647.5)	4.7
	Net I&E	5,824	5,881	(15.3)	1.0	16.2	(19.4)	(9.3)	10.1

Quarter three forecast: The full year forecast reports a favourable variance of £10.1m (verses £19.4m deficit budget - table 1 / slide 7). The underlying position at a divisional level is as follows:

- Blood Supply and Marketing (-£10m) including a combination of recurring / non-recurring pressures; these are detailed in slides (5-6).
- Clinical Services (+£0.2m) CBC income shortfall, offset by higher Pathology contribution and transformation underspends.
- TES (+£1.4m) higher contribution derived from Serum Eye drops / ocular activity combined with higher stock levels.
- Group Services (+£2.6m) crystalised cost improvement commission across all group service directorates.
- ODT (+£2.5m) donor activity reduced to 1,385 (versus plan 1,560), driving activity led underspends
- Plasma for Medicine (+£6.5m) better than plan, driven by lower transformation £2.2m and also higher than plan Plasma for Diagnostics income c£4m.
- Investment Portfolio & Future Proofing Blood(+£4.1m & £2.3m) Reprofiled milestones into 2025-26, in principle, this is ringfenced to meet 25/26 plan.

Following the latest draft forecast at month 11, it is likely that NHSBT will report an improved year end outturn versus the Q3 forecast, as reductions to the expenditure forecast have been crystalised. Although this has improved the overall position for NHSBT, mitigating choices (slide 11) are still required (c£10m - £11m Blood Supply Chain overspend) in order to deliver blood within the 2024-25 financial plan.

Financial Performance – Cash and Capital



Cash Flow Profiling The cash balance at the end of February was £73m, with the Q3 year-end position forecasted to be at £46m at the end of March 25, albeit the majority of this is ring fenced (table 3). The lower year-end balance then recognises planned and specific profiled payments e.g. capital charges pay-over / March’s pension and national insurance contributions, and back loaded capital spend. This approach is consistent with meeting ongoing commitments into the new year. It’s worth noting, that there expected to be further improvements to the position through the M11 forecast, in which case the cash balance is likely to finish higher at the end of the year (c£50m - £55m mark).

Table 3 - Cash Flow Profiling

£m	Actual	Forecast
	M11	M12
Opening Balance	67	73
Total Receipts	62	87
Total Payments	56	114
Closing balance	73	46

Capital expenditure year-to-date is £12.6m. At APM11 the latest plan (and best-case scenario table 4/ slide 5). At this late stage of the year our mostly likely outturn will be £16m (versus £21m full allocation provided by the DHSC).

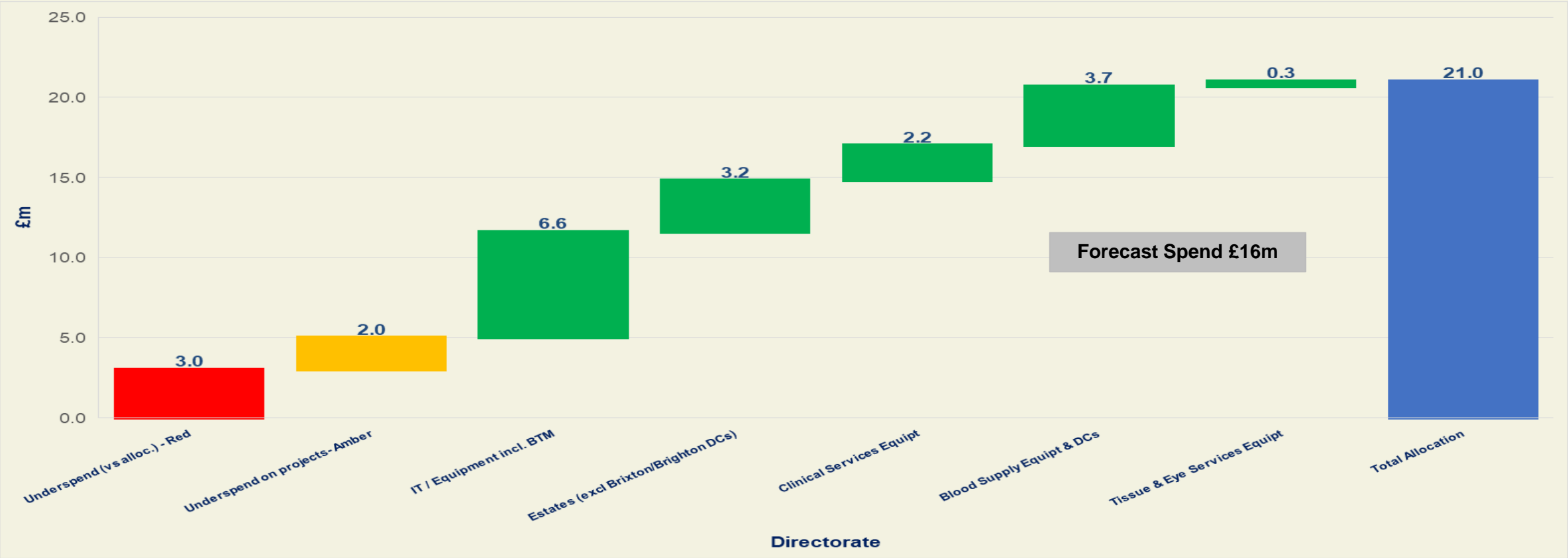
Table 4 – Capital Forecast

	DHSC Allocation (£m)	Most Likely (£m)	Variance (£m)
Capital Plan	£21	£16m	(£5m)

Capital Plan 2024/25 – Overview at APM11 – YTD Spend £12.6m



Blood and Transplant



Summary

- Year-to-date spend as at 14th of March is £14m, with £2m remaining to spend;
- Forecast Spend for 2024/25 – green projects continues at £16m with final drawdown to be submitted to DHSC by 21st March;
- Daily monitoring continues up until 31st March to ensure £16m spend – plan being reviewed to chase up deliveries / updates / slippages etc.,

Appendices

NB - Slides 7-12 were presented as part of the Q3 financial performance report and are unchanged from the AP09/AP10 report.

2024/25 NHSBT Financial Position for M11



Blood and Transplant

		Month 11 Financial Performance							
		Period		Year-to-date			Quarter 3 Forecast		
		Budget WTE	Actual WTE	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Blood Supply	Income			329.5	329.4	(0.1)	359.5	359.9	0.4
	Cost of Sales			1.0	(0.2)	(1.3)	0.0	0.7	0.7
	Expenditure	2,597	2,666	(179.2)	(184.0)	(4.8)	(195.2)	(202.2)	(7.0)
	Future Proofing Blood	155	39	(4.8)	(2.3)	2.5	(5.5)	(3.3)	2.2
	Net I&E	2,752	2,706	146.4	142.8	(3.6)	158.8	155.1	(3.6)
Plasma for Medicine	Income			18.6	22.5	3.9	20.6	25.2	4.6
	Expenditure	106	113	(13.5)	(13.6)	(0.1)	(14.8)	(15.1)	(0.3)
	Change Programme	0	39	(4.8)	(2.9)	1.9	(6.0)	(3.8)	2.2
	Net I&E	106	152	0.3	6.0	5.6	(0.2)	6.3	6.5
Organ Donation and Transplantation	Funding			97.4	97.9	0.4	106.3	106.9	0.6
	Expenditure	492	492	(80.6)	(78.5)	2.1	(89.3)	(87.3)	1.9
	Net I&E	492	492	16.8	19.3	2.5	17.0	19.5	2.5
Clinical Services	Operations Income			88.0	85.1	(2.9)	96.5	94.3	(2.2)
	Expenditure	874	835	(74.4)	(71.6)	2.8	(81.2)	(79.3)	1.9
	Change Programme	0	31	(2.8)	(2.3)	0.5	(3.3)	(2.8)	0.4
	Net I&E	874	866	10.8	11.2	0.4	12.0	12.2	0.2
Tissue and Eye Services	Operations Income			19.9	21.4	1.5	21.8	22.7	0.9
	Expenditure	156	159	(14.4)	(13.7)	0.7	(15.7)	(15.2)	0.5
	Net I&E	156	159	5.5	7.7	2.2	6.1	7.5	1.4
Group Services	Income			25.8	26.8	1.0	28.1	29.2	1.1
	Expenditure	1,444	1,423	(206.6)	(204.8)	1.7	(225.6)	(227.5)	(2.0)
	Blood and Group Investment	0	84	(14.4)	(8.1)	6.3	(15.7)	(11.6)	4.1
	Net I&E	1,444	1,507	(195.2)	(186.1)	9.1	(213.1)	(209.9)	3.2
NHSBT	Income			579.2	583.0	3.9	632.9	638.2	5.4
	Expenditure	5,824	5,881	(594.5)	(582.1)	12.4	(652.2)	(647.5)	4.7
	Net I&E	5,824	5,881	(15.3)	1.0	16.2	(19.4)	(9.3)	10.1

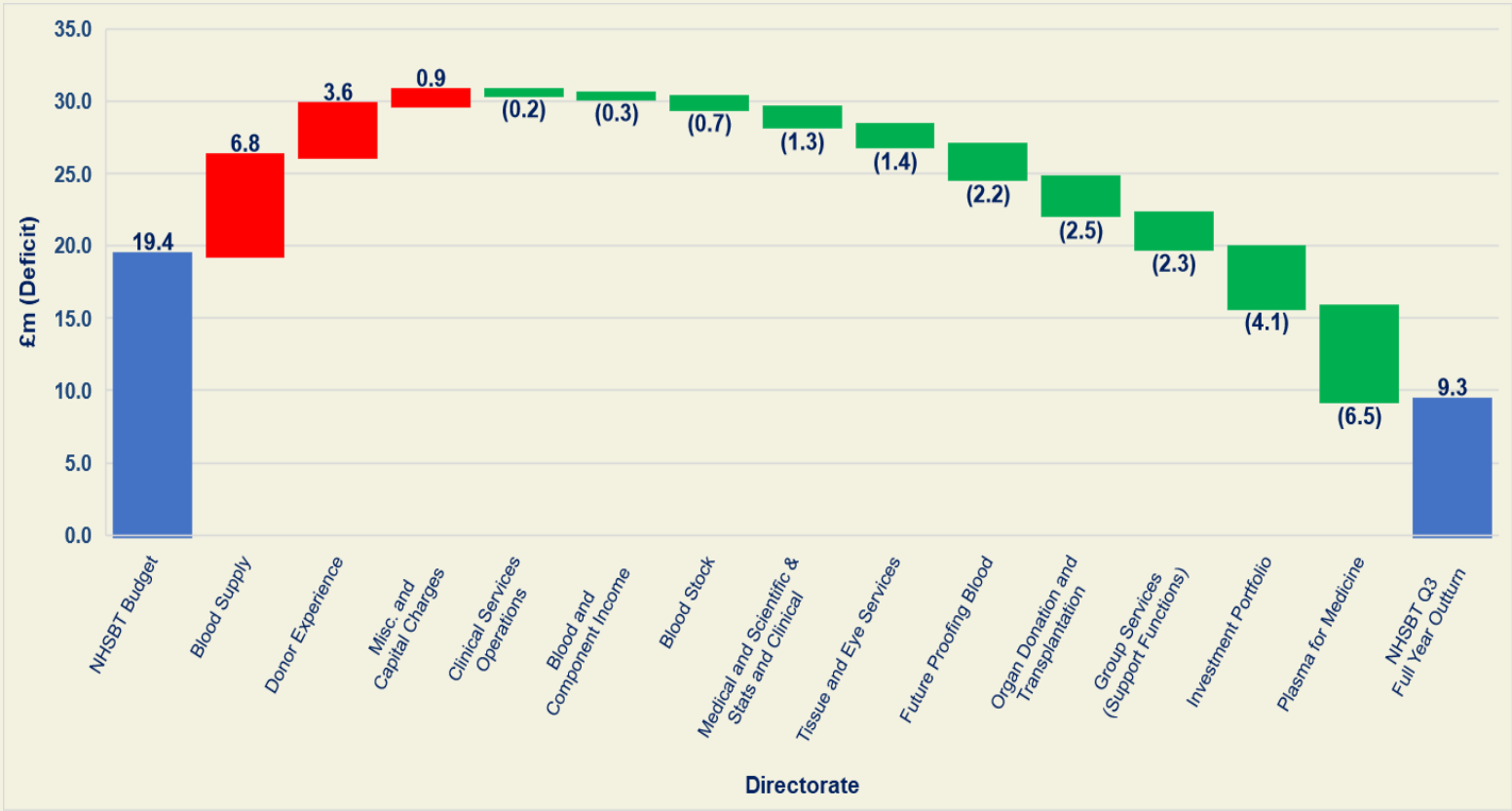
NHSBT year to date position is £16.2m favourable to plan.

Key movements are:

- i) Delayed expenditure in Blood and Group Investment Portfolio (+£6.3m) – some reprofiled into next year
- ii) Lower Plasma transformation spend (+£1.9m)
- iii) Lower activity related expenditure in ODT (+£2.5m)
- iv) Ahead of plan income for Serum Eye drops in Ocular (+£2.2m), plus higher stock levels (non cash)
- v) Underspends in Group Services, particularly DDTS and Estates (+£5.3m)
- vi) However, Blood Supply and DEX are reporting in year pressures of (c-£7.4m) as resourcing has increased to support Blood stock resilience.

NHSBT Q3 full year forecast is £10.1m favourable to plan driven by: details described on slide 8

NHS Blood and Transplant Full Year Forecast (Quarter 3)



NB Blood, Plasma, TES, ODT and Clinical Services are stated as net income and expenditure

● Budget and Forecast ● Forecast variance (favourable) ● Forecast variance (adverse)

NHSBT Q3 full year forecast is £10.1m favourable to plan driven by:

Blood Supply (I&E) (-£6.8m) including a combination of recurring / non-recurring pressures; these are detailed in slide 4.

Donor Experience (-£3.6m) includes additional expenditure in response to the amber alert and blood resilience, details provided in slide 5.

Misc. and Corporate. (-£0.9m) combination of pressures e.g., selling leave .

Clinical Services (+£0.2m) CBC income shortfall crystallised at Q2 (-£2m), offset by higher than plan contribution in Pathology and transformation underspends.

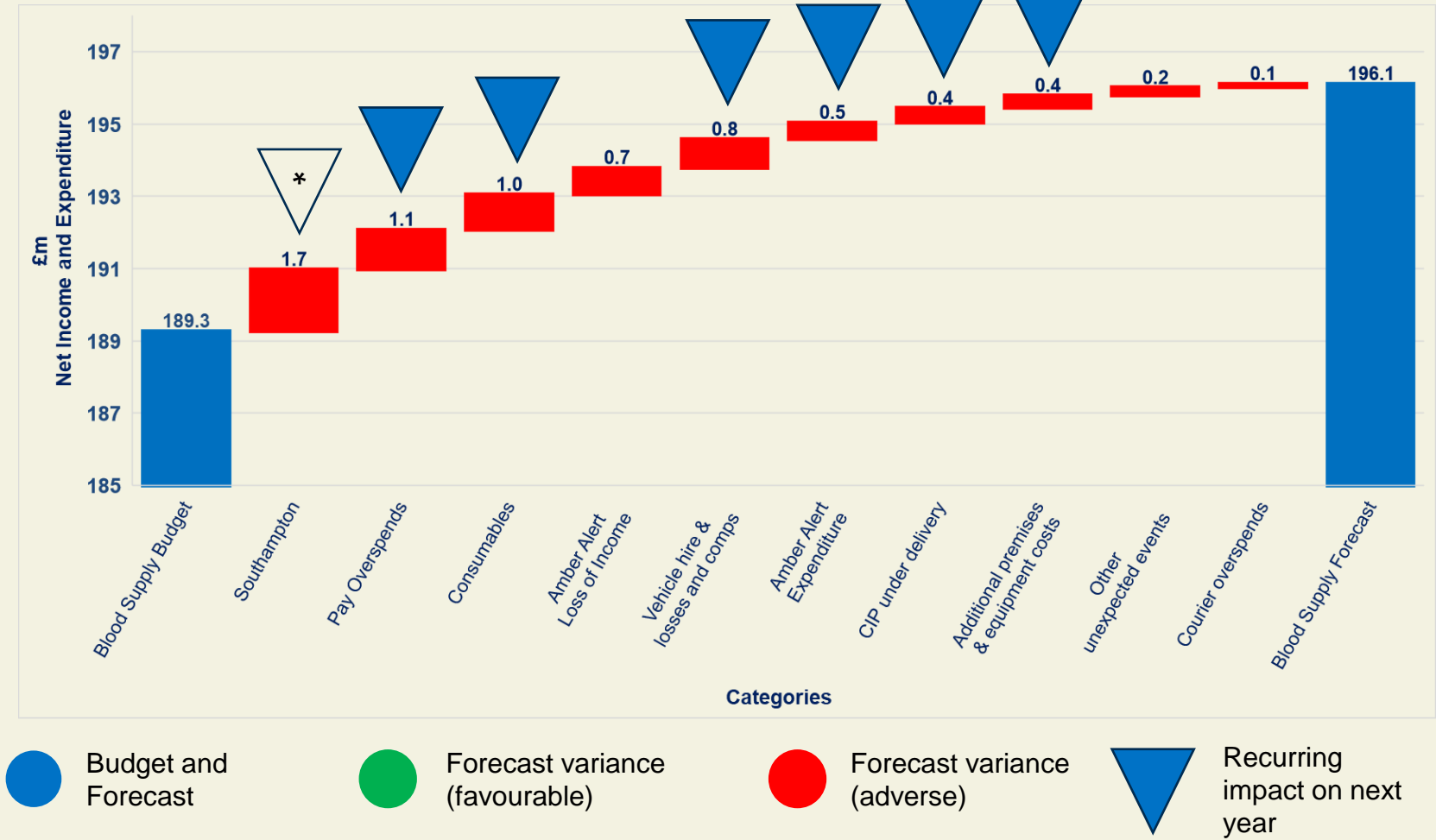
ODT (£2.5m) donor activity reduced to 1,385 (versus plan 1,560), driving activity led underspends

TES (+£1.4m) predominately Serum Eye drops / Ocular, with the balance from higher stock levels (£0.5m noncash).

Investment Portfolio & Future Proofing Blood (+£4.1m & £2.3m) Reprofiled milestones into 2025-26 (ring fenced).

Plasma for Medicine (+£6.5m) better than plan, driven by lower transformation and also higher than plan Plasma for Diagnostics income.

Blood Supply Full Year Forecast (Quarter 3)



Southampton £1.7m non recurrent increased logistics expenditure (non-recurring contingency built into 2025-26 budget)

Amber Alert £1.2m combination of pay lines and income loss which are deemed to be non-recurrent expenditure

Pay overspend £1.1m recruitment levels not within agreed vacancy factor (VF) / address in 2025/26.

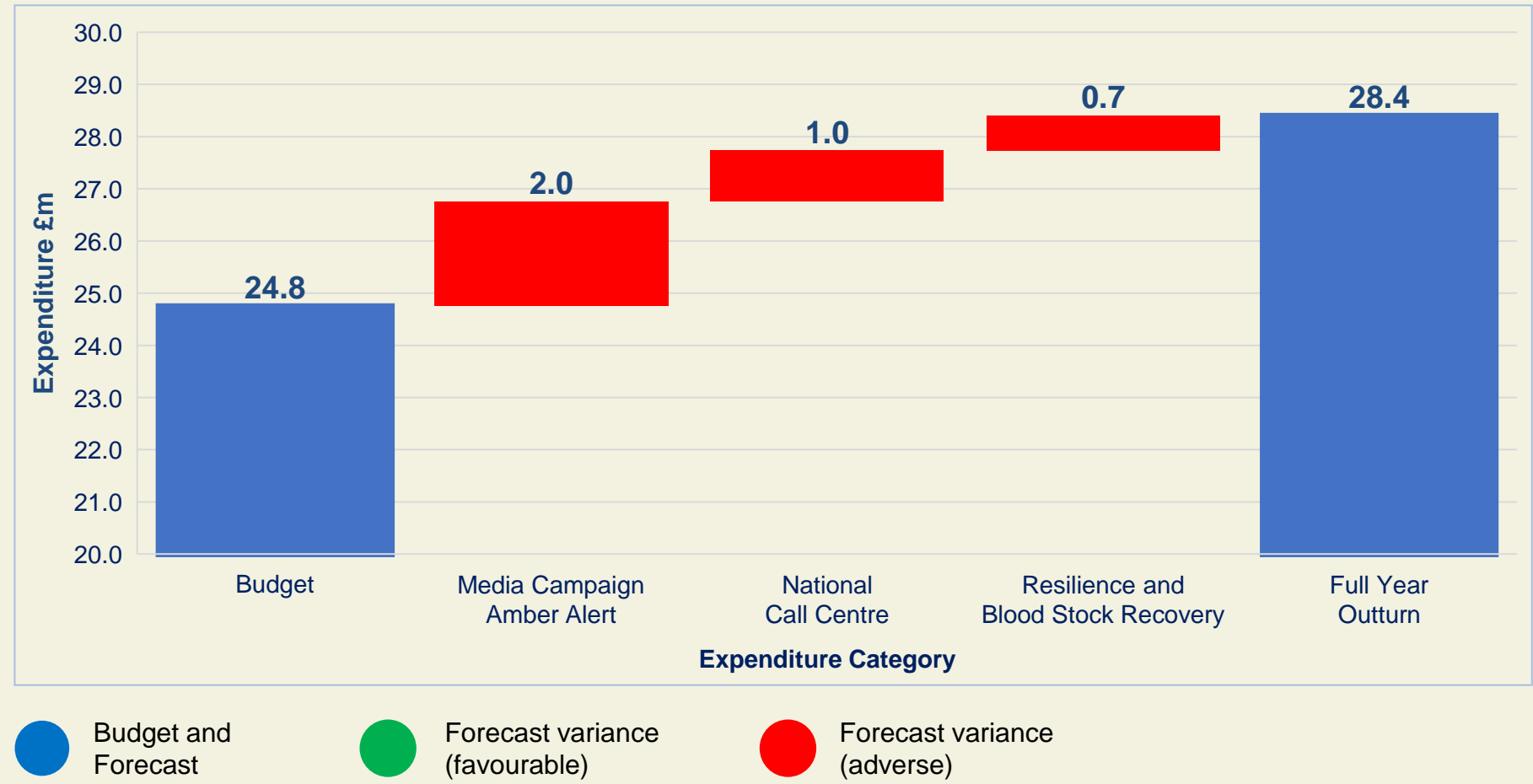
Consumables £1.0m reset against agreed business plan assumptions.

Pressure £m	2024-25	2025-26
	£m	£m
Pay overspends / < lower VF	1.1	1.4
Amber Alert	1.2	0.9
Consumables	1.0	1.0
Vehicle Hire	0.8	0.6
CIP under delivery	0.4	0.4
Premises and Equipment	0.3	0.2
Total	4.8	4.5

- A Southampton contingency has also been built into 2025-26 non recurrently
- Note that the recurrent element of this year's pressures has been built into the proposed 2025-26 budget.

Donor Experience Full Year Forecast (Quarter 3)

Blood and Transplant



Media Campaign £2m – stepped increase to activity in response to amber alert. Ministerial support provided

National Call Centre £1m – per the above and also in response to amber alert we've seen higher run rates / usage.

Resilience and Blood Stock Recovery £0.7m –additional work with our Partnerships, to support the increase in appointments and also activities to support the growth of our donor base.

DX 2025/26 The media campaign and blood stock recovery cost overruns are non-recurrent and should not fall over into 2025-26. However, next year's budget will include a c£1.5m contingency in the event of needing further resilience and also call centre run rates of £1m.

Blood Supply chain 2025/26 In aggregate there will be an increase to the cost base of c£7-8m e.g. c£5m Blood Supply (slide 5), with a further £2.5m referenced on this slide (DEX)

Financial Performance – Restoring the Financial Position



Actions for restoring the financial position: As outlined in previous reports, this slide suggests a number of potential mitigations that can be drawn upon to restore the Blood position for 2024-25.

Following the mini commission, where directors were required to identify the impact of releasing resource to restore the financial position, the responses have been consolidated in table two. The aim of the exercise was to identify funding of c£11m. Options have been broadly ranked to support the ET conversation and choices. It is suggested that those options ranked as green are least disruptive in impact terms to the service.

Recommendation: Agreed at the January performance ET, all options RAG Green and Amber will be ring fenced with no further commitments made against those areas between now and the end of the financial year. The intention being to confirm before year end which of those items will be used to mitigate the blood overspend – as above it suggested that in order of preference those items with a green RAG would be deployed first. Subject to finalising these choices we will continue to prepare the 2025-26 budget e.g. investment portfolio etc.

Table 2 – Actions to restore the financial position

Desc.	Option	Mitigation	Impact	Description	Ranking
Corporate Contingency	(1)	£1.8m	Remaining contingency within budget	Not committed and available to offset overspend.	
Demand Reduction Reserve Rebate	(1)	£2.4m	Withholding rebate from NHS Trusts	Likely to be received badly by NCG	
FPB / Winter contingency	(1)	£5.0m	Risk of non-receipt remains	We continue to await confirmation on whether DHSC will meet these funding requests in full.	
TES	(2)	£1.4m	Service Investment	Required to deliver improved SED service for customers.	
Plasma for Medicine	(2)	£4.1m	Service Investment e.g. DASP, TSC and DND	Required to deliver transformation and progress PfM strategy	
Group Services	(2)	£4.1m	Non recurrent underspends	Agreed and confirmed	
Investment Portfolio (Blood / Group)	(3)	£5.7m	Mostly part of investment Portfolio (£15.7m)	Dependant on 2025-26 settlement e.g. whether transformation fund needs to be resized to respond to working within 1% pricing cap	
Investment Portfolio (PfM)	(3)	£2.8m	Already committed to Transformation	If redirected would need to form part of investment portfolio funding.	
Invest to Save	(3)	£2.2m	Uncommitted balance	Implies future funding from transformation	
Red cell and Platelet resilience / FPB	(3)	£3.7m	Generated by in year underspend versus recurrent budget (£5.5m) + non recurrent cash (£1.2m)	Potentially will be funded as SR24 subject to funding envelopment confirmation	
Clinical Services	(4)	£3.8m	On going service development	Required to progress strategies across pathology and CAGT	
Plasma for Medicine	(4)	£7.5m	On going service development	Required to progress strategies	

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.
October 2024 ET	The ET agreed to implement option (1) of the mitigating levers to restore the 2024-25 financial position.
November 2024 Board	Latest budget approved by the Board, reflecting the AfC pay deal and associated income updates.
December 2024 ET	Recognised that further mitigations to restore the financial position will need to be considered as part of report Q3 forecast.
January 2025 ET	On restoring the 2024-25 position, the ET agreed no further commitments should be made against those options RAG'd green and amber. A final decision on which mitigating actions will be utilised towards the year end.