

NHSBT

Financial Performance Report

2025/26

April 2025

This report is an addendum to the previously submitted APM12 report.

A decorative graphic at the bottom of the page consisting of several overlapping, wavy blue shapes that create a sense of movement and depth.

Provisional Financial Performance - Exec Summary and Recommendations

Exec Summary

The **accounts for 2024-25** have now closed, and the preparation of our year end statutory accounts continues, meaning that our figures remain provisional and subject to audit / ARGC review. At the April performance ET, the reported interim position was an £33m surplus against plan. This improvement has been predominately driven by the provision of additional funding at the year end from NHS England / Department of Health and Social Care (DHSC), which was provided to mitigate the cost overruns in blood seen through the year and also provided support to winter pressures. It's important to recognise that these are one-off cash improvements, and while this will improve our balance sheet this does not alleviate the tight budgetary position for 2025-26. While work continues on the annual report of accounts and financial statements, there is the potential for further minor adjustments to the balance sheet.

As we head into **2025-26**, we have started the year £2.6m better than the planned position, with all divisions in line or reporting better than plan. While the results are positive, it is still very early in the year, and these will be subject to further review as part of the quarter 1 forecast work. It is however worth noting that we continue to address current low stock levels and will need to respond to winter resilience plans in the latter part of the year. Taking this into account, we continue to have a tight budgetary position this year, with an ongoing need to closely control our costs, meet the delivery on a challenging cost improvement programme and to also continually look for productivity opportunities where they exist.

Report Recommendations / For Noting

- i) Note; that the 2024-25 financial position is provisional and subject to audit and ARGC review.
- ii) Note; that we continue to have a sustainable financial position for 2025-26 with the deficit of £12.8m mainly fundable through reserves for transformation.
- iii) Note; Capital plan fully utilises this year's allocation and includes an element of over programming to mitigate any rephasing.
- iv) Note; Cost improvement plan continues to carry some risk to delivery, and this is subject to ongoing review work to mitigate.
- v) Note; Cash position early in the year required close monitoring / latest forecast continues to show that NHSBT can meet its commitments through the year.
- vi) Note; In the wider context of government efficiency initiatives, we will be bringing forward further proposals to strengthen cost control/governance.

Financial Performance – Income and Expenditure



2025-26 APM01 Financial Results; As we head into **2025-26**, we have started the year £2.6m better than the planned position (slide 3/table 1), with all divisions in line or reporting better than plan. While the results are positive, it is still very early in the year, and these will be subject to further review as part of the quarter 1 forecast work. It is however worth noting that we continue to address current low stock levels and will need to respond to winter resilience plans in the latter part of the year. Taking this into account, we continue to have a tight budgetary position this year, with an ongoing need to closely control our costs, meet the delivery on a challenging cost improvement programme and to also continually look for productivity opportunities where they exist.

Table 1 – APM01 financial position:

		Month 01 Financial Performance							
		Period		Year-to-date			Full Year Forecast		
		Budget WTE	Actual WTE	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
NHSBT	Income			55.5	55.2	(0.3)	687.8	687.8	0.0
	Expenditure	6,045	5,908	(55.3)	(52.5)	2.9	(700.6)	(700.6)	0.0
	Net I&E	6,045	5,908	0.2	2.8	2.6	(12.8)	(12.8)	0.0

2025-26 Approved Budget; The budget for 2025-26 is a deficit of £12.8m (slide 3/table 1) predominately driven through non recurrent expenditure (Transformation), approved at the April Board. The financial plan is aligned to business plan priorities, and the sustainable position is fully funded versus expected volumes and activity. However, there are a number of underlying downside risks which we will need to closely monitor as the financial year progresses, and these are itemised on the following slide (slide 4 / table 2). The full year forecast will be provided at quarter 1, albeit any material changes before then would be referenced in the report.

Note: to align to the latest organisational structures and post the approved budget, there has been a one off series of cross function budget adjustments;

- To reflect the full establishment of the Chief Nurse directorate (£3.7m / 43 wte) - from Clinical Services and ODT.
- To reflect Research Governance to the Chief Scientific Officer (£4.8m / 29 wte) - from Stats to Medical.
- Realigning Brixton Group Services costs from Future Proofing Blood (£0.8m / 0 wte) to Estates and Donor Experience.

This does not change the overall approved position in £ or WTE.

Summary of Risks and Resolutions within the 2025/26 Financial Plan



Table 2 – Risk and Resolutions

Blood and Transplant

Description		Resolution	Cash risk £m
Blood and Group	Supply shock / disruption	High level of management focus, and performance tracking. Developing business case for capacity growth in blood, and changes to operating model for platelets (<i>consistent with April Board Paper</i>)	Up to £5m
	Blood and Group: unable to achieve savings / budget reductions	Monthly tracking and reporting of identified savings / tighter controls on higher than plan expenditure (<i>slide 7</i>)	c£5m-£8m
	Energy costs fluctuations	Monthly tracking and reporting of position against plan through the year, with early escalation and mitigation options reviewed.	Up to £1m
ODT	High volume of organ donations (April reporting higher than target)	We are actively working to increase the number of organs donated but have planned on the basis of a realistic target. c£2m Contingency included in budget	Up to £3m
Specialist Services	Planned volumes: At this early stage of the year, there is an underlying risk to the achievement of these targets	In the event of these planned volumes not being delivered we would need to explore plans to mitigate any adverse impacts.	Up to £3m
NHSBT	Agenda for Change Pay Deal higher than 2.8%	The NHS Pay Review Body has advised a 3% pay rise for Agenda for Change employees versus 2.8% that was included in pricing and budgets.	Up to £1m
	Infected Blood Inquiry	Funding subject to the outcome of spending review 25 phase 2 (June/July)	Up to £1m
	Employers National; Insurance Contribution – c£6m (DHSC does not meet costs)	Expect full funding to be provided by the Department of Health and Social Care (DHSC)	£6m-£7m
Total Risk			Up to £29m

Note:

- NHSBT has already received specific Directions spend related to merchandising and the use of external venues. These have now been brought into our wider controls.
- The financial plan does include a small contingency of £3.3m which could potentially be used to address unforeseen risks. At this point in the year £0.5m of the contingency has been allocated to support blood supply pressures, leaving a balance of £2.8m.

Cash Flow Profiling The closing cash balance as of April was £50m. Based on the approved budget, the cash projection for the end of March 26 is £56m (table 3 – increase of £18m which is a combination of working capital adjustments less the £12.8m deficit budget)

Table 3 – Cash Profiling

£m	Actual	Forecast										
	April	May	June	July	August	September	October	November	December	January	February	March
Opening bank balance	38	50	39	77	68	67	76	70	59	82	74	48
Total Receipts	57	46	95	48	56	82	54	49	82	52	48	100
Total Payments	-44	-57	-57	-57	-57	-73	-60	-60	-60	-61	-73	-92
Closing bank balance	50	39	77	68	67	76	70	59	82	74	48	56

Cash Flow Notes

- Ideally, we’d expect to be reporting a closing cash position at the end of each month of c£40m+ (payroll + 2 supplier payment runs)
- The year end position (£56m) reflects both working capital adjustments (catch up of outstanding invoices at year end) + the £12.8m budget deficit.
- In summary the year end closing balance of £56m translates to a working capital/reserve of £30m (analysed in table 4).
- Deferred income referenced in the table 4 relates to specific funding received for discrete projects – Blood MoD dried plasma project (£6m) and ODT Donor Characterisation

Table 4 – Cash Split by Division

Division £m	Comment
Blood Supply £32m	£10.0m NHSBT working capital versus in year unforeseen pressures £14.6m invest to save in support of future productivity plans £7.4m R&D and Transfusion deferred income
Clinical Services £3.9m	Funding required to invest & support business strategies (5-year plan) £1.4m MOD deferred income ring fenced and committed
ODT £6.4m	£3.6m Contingency against unforeseen in year pressures / transformation activity e.g. ARCs £2.9m Ring fenced NHSE funding to support Donor Characterisation transformation
Plasma for Medicine £11.7m	Mainly generated by additional commercial sales, and now to support further self-sufficiency led transformation.
Tissue and Eye Services £2.0m	Contingency in the event of lower volumes / to support transformative activities.

Exec Summary

- Board approved a capital plan to spend £25m in April – the detail has now been reviewed to arrive at a 2nd cut. We’ve overprogrammed as a mitigation action for slippage. Thematically capital broadly falls into 3 categories i) Equipment; ii) BAU Projects and iii) Transformation;
- The bulk of the costs are Transformation and will have oversight by the Supergroup – the wider plan will be presented to the ET quarterly;
- As part of our rolling review, planned costs are assessed and we’ve already seen some minor adjustments as in the table below (latest position);
- YTD Spend at APM01 is £0.7m (Equipment & BAU - £0.2m, Transformation £0.5m) - this is mainly brought forward accruals and creditors – the trajectory of spend will increase through the year.

Key points to note are as follows:

- Overprogramming the plan at £30.7m continues to be a prudent approach at this early stage in the financial year;
- A full reforecast of the plan will be undertaken at Q1 – the expectation is that we will fully spend against the £25m allocation for the year.

Breakdown of Capital Plan 2025/26

£m	Plan – 2 nd Cut	Plan - Latest Position
	£m	£m
Equipment – replenishment / replacement / service growth	5.0	4.7
BAU Projects – includes Filton Chillers / Liverpool ventilation works / combination of IT projects x 3	3.6	3.6
Transformation Projects – as included within the Investment Portfolio (BTM / Colindale Investment Programme / Donor Centre Fit Out costs x 6/ PfM Donor Centre Fit Out costs x 2 etc)	22.6	22.4
Total	31.2	30.7
Funding Allocation	25.0	25.0
Over Programme	(6.2)	(5.7)

Cost Improvement Programme: 2025/26 Plan & 2026/27 Forward Look



Blood and Transplant

Annual Plan

£16.6m

Confirmed



£11.2m

Unconfirmed



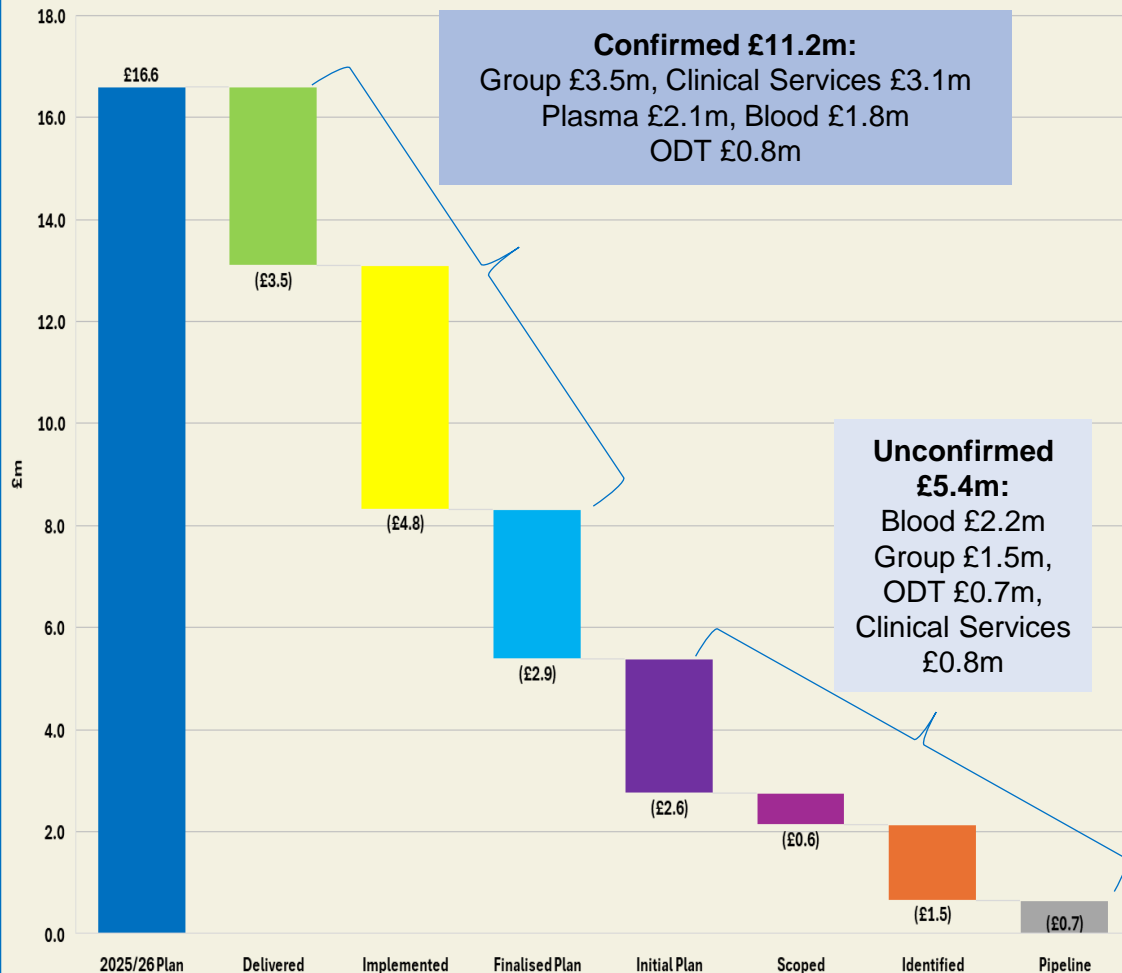
£5.4m

Forecast vs Plan



£16.4m

2025/26 Cost Savings Plan by Scheme Maturity £m



2025/26 Plan:

- At the **April Board**, the savings plan was raised from £12.4m to **£16.6m** for 2025/26.
- Confirmed schemes** have increased from £9.6m to £10.3m. The balance of the **Unconfirmed schemes** is **£5.4m, which continue to require further progression.**
- In aggregate terms the risk to the plan (including those within the "Implemented" & "Finalised" Plan section) would now be ranged between c£5m-£8m.

At APM01, the **forecast is marginally below plan** (£0.2m) and will be remediated and discussed below:

- Group Services in aggregate (Target - £5m)**
 - In Summary - £3.5m Confirmed and £1.5m Unconfirmed schemes**
 - At APM01, **£2.2m has been delivered** (eg Stoke Gifford closure / £0.8m) , of which £1.6m is recurrent.
 - In addition, a £0.2m of **carry-over from 24/25 savings** has now been delivered.
- Blood Supply (Target - £4m)**
 - In Summary - £1.8m Confirmed and £2.2m Unconfirmed schemes.**
 - At AMP01, **£0.25m has been delivered** - Commercial savings to crystallise/July 25.
- Clinical Services (Target - £3.1m)**
 - In Summary - £3.1m Confirmed.**
 - At APM01, **£0.3m has been delivered** through Commercial. Further reliance on Vacancy Factor/ Contribution growth - both of which need to be recurrent into 26/27.
- Organ and Tissue Donation and Transplantation (Target - £2.3m)**
 - In Summary - £0.8m Confirmed and £1.6m Unconfirmed schemes.** The Division continue to work through options and there is a scheduled "Design Session" in May.
 - At APM01, **£0.1m has been delivered** non-recurrently - BTS has been rescheduled.
- Plasma for Medicine (Target - £2.1m)**
 - In Summary - £1.9m Confirmed. Remediation of £0.2m shortfall underway.**
 - At APM01, **£0.8m has been delivered** through budget management activities.

2026/27 Forward Look:

- At this stage, we are working to an **indicative plan of 2% (£13.2m)**; but will seek to identify 3% - providing contingency against any slippage.
- At the start of **April**; £7.7m identified for 2026/27 - **now increased to £7.9m.**
- 2026/27** plans will be used to inform future pricing discussion with the NCG.

Appendices

Year to Date Results: APM01 2024/25

		Month 01 Financial Performance							
		Period		Year-to-date			Full Year Forecast		
		Budget WTE	Actual WTE	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Blood Supply	Income			29.5	29.4	(0.1)	366.5	366.5	0.0
	Cost of Sales			1.0	0.2	(0.8)	0.0	0.0	0.0
	Expenditure	2,735	2,715	(17.8)	(17.0)	0.8	(209.1)	(209.1)	0.0
	Future Proofing Blood	129	21	(0.3)	(0.1)	0.2	(4.6)	(4.6)	0.0
	Net I&E	2,865	2,736	12.4	12.5	0.0	152.8	152.8	0.0
Plasma for Medicine	Income			2.0	2.0	0.0	24.8	24.8	0.0
	Expenditure	108	113	(1.2)	(1.3)	(0.0)	(14.4)	(14.4)	0.0
	Change Programme	0	37	(0.2)	(0.2)	(0.0)	(4.8)	(4.8)	0.0
	Net I&E	108	149	0.6	0.6	(0.0)	5.6	5.6	0.0
Organ Donation and Transplantation	Funding			10.6	10.6	0.0	127.2	127.2	0.0
	Expenditure	486	455	(7.6)	(7.3)	0.3	(99.7)	(99.7)	0.0
	Net I&E	486	455	3.0	3.3	0.3	27.5	27.5	0.0
Clinical Services	Operations Income			8.1	8.0	(0.1)	103.8	103.8	0.0
	Expenditure	896	839	(7.2)	(6.8)	0.4	(87.1)	(87.1)	0.0
	Change Programme	0	23	(0.2)	(0.1)	0.1	(3.0)	(3.0)	0.0
	Net I&E	896	863	0.7	1.0	0.3	13.7	13.7	0.0
Tissue and Eye Services	Operations Income			2.0	2.2	0.2	26.2	26.2	0.0
	Expenditure	163	159	(1.6)	(1.4)	0.1	(18.9)	(18.9)	0.0
	Net I&E	163	159	0.5	0.8	0.3	7.3	7.3	0.0
Group Services	Income			3.3	3.0	(0.3)	39.4	39.4	0.0
	Expenditure	1,528	1,444	(19.3)	(17.8)	1.6	(240.0)	(240.0)	0.0
	Blood and Group Investment	0	102	(0.9)	(0.6)	0.3	(19.0)	(19.0)	0.0
	Net I&E	1,528	1,547	(17.0)	(15.4)	1.6	(219.6)	(219.6)	0.0
NHSBT	Income			55.5	55.2	(0.3)	687.8	687.8	0.0
	Expenditure	6,045	5,908	(55.3)	(52.5)	2.9	(700.6)	(700.6)	0.0
	Net I&E	6,045	5,908	0.2	2.8	2.6	(12.8)	(12.8)	0.0

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While the results are positive, it is still very early in the year, and these will be subject to further review as part of the quarter 1 forecast work. It is however worth noting that we continue to address current low stock levels and will need to respond to winter resilience plans in the latter part of the year.

Taking this into account, we continue to have a tight budgetary position this year, with an ongoing need to closely control our costs, meet the delivery on a challenging cost improvement programme and to also continually look for productivity opportunities where they exist.