

Board Meeting in Public

Tuesday, 22 July 2025

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	-		
Presenter(s) at Meeting	Mark Taylor – Assistant Finance Director		
Presented for	<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			
<p>The budget for 2025-26 reflects a planned deficit of £12.8m 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.</p> <p>Following the review of our forecasts at quarter 1, we are now reporting an improved position for the year – a deficit of £9.3m (£3.5m ahead of plan). All divisions are reporting in line or better than plan. There are, however, a couple of issues which remain under discussion (slide 4) and these will be resolved ahead of reporting APM04.</p> <p>The Board are also asked to approve a budget update, following the confirmation of the 2025-26 agenda for change (AfC) / consultant pay settlement. Whereby the additional costs of c£3m will be met through increased (Department of Health and Social Care (DHSC) funding / utilisation of existing contingencies (slide 6).</p>			
Previously Considered by			
Included in the ET papers for the 15/07/2025 meeting.			
Recommendation	<u>Report Recommendations / Approvals and Noting</u> <u>Approval</u> i. We've now had notification of the final pay settlement (AfC 0.6% / Consultant 1.2% higher than planned assumptions). The Board are asked to approve the budget adjustments presented on slide 6, which increases funding and expenditure to reflect the latest pay deal in our budget (slide 6) .		

	<p><u>To Note</u></p> <ul style="list-style-type: none"> i. that the Annual Report and Accounts for 2024-25 are now nearing completion. The accounts are due to be formally laid before the English Parliament on 17 July ii. Q1 forecast confirms a fully sustainable position for 2025-26, where we are likely to delivery this year within our financial envelope (slide 3). iii. Proposals to strengthen cost control have been factored into this report. (Slide 4) provides an update on cost overruns as we know them. iv. The positive results reported in the year-to-date position does though still need to be set in the wider context of environmental risks (slide 5). v. Capital plan fully utilises this year's allocation - £25m and includes an element of over programming to mitigate any slippage. (slide 7) vi. Cost improvement plan continues to carry some risk to delivery, and this is subject to ongoing review work to mitigate (slide 8).
<p>Risk(s) identified (Link to Board Assurance Framework Risks)</p>	
<p>BAF-05 The proposals set out in the paper aim to balance financial resilience, the need to deliver resilient services, and external expectations of price increases. If we are unable to secure sufficient increases in funding there is a risk that we overspend and further undermine our long term financial resilience, or that we decide to cut costs in a way that undermines our ability to meet expectations of the volume and quality of our services. Although our proposed price increases are lower than in the last two years we continue to make the deliberate choice, to ensure that our services maintain service resilience, which matches the Board's low risk appetite for service resilience relative to financial risks.</p>	
<p>Strategic Objective(s) this paper relates to: [Click on all that applies]</p>	
<div> <input checked="" type="checkbox"/> Collaborate with partners <input checked="" type="checkbox"/> Invest in people and culture <input checked="" type="checkbox"/> Drive innovation </div> <div> <input checked="" type="checkbox"/> Modernise our operations <input checked="" type="checkbox"/> Grow and diversify our donor base. </div>	