

NHSBT Financial Performance Report 2025/26

June (Quarter 1) 2025

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Provisional Financial Performance - Exec Summary and Recommendations

Exec Summary

Blood and Transplant

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.

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.

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).

Report Recommendations / Approvals and Noting

Approval

- 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 [\(slide 6\)](#).

To Note

- i. Note; 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. Note; 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. Note; proposals to strengthen cost control have been factored into this report. ([Slide 4](#)) provides an update on cost overruns as we know them.
- iv. Note; 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. Note; Capital plan fully utilises this year's allocation - £25m and includes an element of over programming to mitigate any slippage. [\(slide 7\)](#)
- vi. Note; Cost improvement plan continues to carry some risk to delivery, and this is subject to ongoing review work to mitigate [\(slide 8\)](#).

Financial Performance – Income and Expenditure



2025-26 Q1 Financial Results; As of APM03 our financial position £3.6m ahead of plan (slide 3/table 1), with all divisions performing broadly at or above plan. The underlying position which excludes a non-cash stock movement is closer to £5.7m underspend. While we continue to address stock levels and further planning is underway to ensure resilience over the winter period, our year-to-date performance is stable and positive. However, it remains essential that we maintain our cost controls, meet the delivery on a challenging cost improvement programme and to also actively look for productivity opportunities wherever possible.

Table 1 – Q1 financial position:

		Month 03 Financial Performance							
		Period		Year-to-date			Full Year Outturn		
		Budget WTE	Actual WTE	Budget £m	Actual £m	Variance £m	Budget £m	Q1 Fcst £m	Variance £m
NHSBT	Income			167.8	168.4	0.6	687.5	687.7	0.2
	Expenditure	6,047	5,939	(165.9)	(162.9)	3.0	(700.3)	(697.0)	3.3
	Net I&E	6,047	5,939	1.9	5.5	3.6	(12.8)	(9.3)	3.5

2025-26 Quarter 1 Forecast; The full year forecast reports a favourable variance of £3.5m (verses £12.8m deficit budget - table 1 / slide 3). The underlying position at a divisional level is as follows:

- Blood Supply and Donor Experience (in line with plan)
- Clinical Services (in line with plan) CMT income shortfall crystallised at Q1 (-£1.3m), fully offset by higher than plan contribution in Pathology.
- Plasma for Medicine (+£1.5m) better than plan, driven by lower transformation and also higher than plan Plasma for Diagnostics (PfD) income.
- Tissue and Eye Services (+£0.5m) higher contribution derived from Serum Eye drop activity offsetting under delivery of the corneal plan.
- Organ Donation and Transplantation (in line with plan)
- Group Services (+£0.6m) underspends crystallised in Medical and Finance.
- Future Proofing Blood (+£0.9m) Reprofiled milestones into 2026-27, in principle, this is ringfenced to meet next year’s plan.

While the Q1 forecast reflects a positive financial position, several current issues have required mitigation. These are highlighted in **Slide 4**, which details both the cost pressures and the corresponding mitigation actions. At this relatively early stage of the financial year, we continue to present a position which suggests we can work within our financial envelope. We will continue to pay close attention to any non recurrent mitigations which will need to be addressed through the 2026-27 planning.

Current Issues within the 2025-26 Plan

Table 2 – Current Issues

While the Q1 forecast has presented a positive outturn, there are however, a number of current issues that have been identified through the forecast process. While most have been fully mitigated and therefore carry no residual cash impact, two issues are unresolved with work ongoing to remediate the residual impact. These will be reviewed as part of APM04, with an update to be brought to next month's ET.

Directorate	Description	Current Issues / Mitigation £m
Donor Experience	c£1m paper expected to support exit of amber alert. This will cover increased external mailing and national call centre activity.	Impact: Minimum of £1m. Mitigation: Still required and to be developed as a proposal for ET - APM04 (July).
Blood Supply	Lower procurement savings versus plan - unidentified cost improvement gap identified.	Impact: £0.3m under achievement of Cost Improvement Plan. Mitigation: Still required. Remediation plan to be developed for ET - APM04 (July).
Tissue and Eye Services	Corneal donation expected to be delivered at 90% of target activity.	Impact: Up to £0.9m loss income / non achievement of Eye Income Growth CIP scheme. Mitigation: Offset through lower corneal expenditure and higher Serum Eye Drop Income.
Clinical Services (Cellular and Molecular Therapies)	Lower than plan contribution of £1.3m within CMT	Impact: Up to £1.3m lower contribution / non achievement of CBC CIP scheme. Mitigation: Currently fully mitigated by higher contribution growth in Pathology.
Plasma for Medicine	Delayed of achieving ambient tube cost improvement scheme. Recurrent full year effect 2026-27	Impact: Up to £0.2m under achievement of Cost Improvement Plan. More than mitigated. Mitigation: More than mitigated through higher Plasma for Diagnostics income.
Organ Donation and Transplantation	£0.8m cost improvement shortfall has been identified versus target. This will likely be offset by non-recurrent underspends in 2025-26, however, this increases risk going into 2026-27.	Impact: £0.8m under achievement of Cost improvement plan. Mitigation: Currently, ODT are forecasted to work within their funding envelope.
Misc and Capital Charges	Underlying pressure being reported in the year-to-date position for i) HMRC VAT claims ii) higher than plan capital charges (non-cash)	Impact: £1.0m year to date. Mitigation: through misc. underspends.

Summary of Risks within the 2025/26 Financial Plan



Table 3 – Risk and Resolutions

Blood and Transplant

A number of risks were highlighted in the budget paper at the April Board. While these risks have not yet to materialised in this year's forecasting process. Should they do so, they would be upgraded to the current issues for closer monitoring and active remediation.

Description		Resolution	Cash risk £m
Blood and Group	Demand Management	Effective demand management has reduced blood and component activity - however this reduction in income remains broadly within our demand reduction reserve	-
	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	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 £2m
NHSBT	Agenda for Change Pay Deal higher (3.6% announced versus 2.8% in pricing/budgets)	DHSC have agreed to top slice the difference for Blood and Specialist Services. Funding for ODT is still to be confirmed (up to £1m)	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
	Unable to achieve savings / budget reductions (versus cost improvement programme of £16.6m)	Monthly tracking and reporting of identified savings / tighter controls on higher than plan expenditure	up to c£6m
	Spending Review 25 (SR25) phase 2 outcome	Risk that current baseline is reduced in year e.g. scenario of -2% or similar	£0m - £5m
	Selling Annual Leave	Unfunded cost pressure - based on previous years up take	Up to £0.7m
Total Risk			Up to £24m

A range of mitigation options are currently under active consideration, should any of the risks identified in the table materialise later in the year.

Financial Performance – Cash and Budget



Blood and Transplant

Cash Flow Profiling The closing cash balance as of June was £42m. Based on the quarter 1 forecast, the cash projection for the end of March 26 is £60m (table 4), reflecting a £3m improvement. However, there are number of trailing edges that still require our attention, e.g. National Insurance Contribution (£6.2m) / Capital Allocation (£25m) / Agenda for change top slice (£2.2m).

Table 4 – Cash Profiling

	Actual	Forecast								
£m	June	July	August	September	October	November	December	January	February	March
Opening Bank Balance	41	42	66	72	82	77	66	88	80	54
Total Receipts	55	82	64	83	54	49	83	52	47	99
Total Payments	-54	-58	-57	-73	-59	-60	-61	-61	-73	-93
Closing bank balance	42	66	72	82	77	66	88	80	54	60

2025-26 Pay Deal; We’ve now had notification of the final pay settlement (AfC 0.6% / Consultant 1.2% higher than planned assumptions). The impact of these is c£3m in expenditure terms. DHSC have confirmed £2.2m for NCG commissioned services. The balance of £0.8m for ODT remains subject to finalising SR25 phase 2. In the interim ODT will meet the additional costs of pay through their ring-fenced volume contingency.

The Board are asked to approve the budget adjustments, set out in the table below;

Table 5 – Requested Changes to Budget

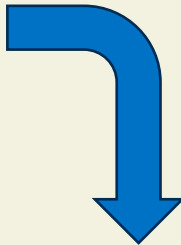
2025-26 NHSBT Financial Envelope Progression	Time	Net (£m)
Board approved Budget	Apr-25	(12.8)
NHSBT Pay Expenditure – Pay settlement 3.6% (vs 2.8% budgeted)	-	(3.0)
Organ Donation and Transplantation – Utilisation of contingency	-	0.8
DHSC Top Slice Funding – confirmed for NCG commissioned divisions	-	2.2
Proposed Budget (subject to Board approval)	Jul-25	(12.8)

2025/26 Capital Plan - Overview



Breakdown of Capital Plan 2025/26

£m	Plan – 2 nd Cut	Latest Position Q1
	£m	£m
Equipment – replenishment / replacement / service growth	5.0	4.6
BAU Projects – includes Filton Chillers / Liverpool ventilation works / combination of IT projects x 3	3.6	3.6
Transformation Projects – details below	22.6	20.8
Total	31.2	29.0
Over Programmed	(6.2)	(4.0)
Funding Allocation	25.0	25.0



Transformation Project Details 2025/26

Division	Site	Project Description	Indicative Bid 2025/26 (£m)	Latest Plan APM03 (£m)	Movement (£m)
Blood Supply	Brighton	Brighton Donor Centre (fit out costs)	£2.1	£2.1	-
	Manchester DC (NH)	Relocation of Norfolk House - Manchester DC	£0.6	£0.5	-£0.1
	Plymouth DC	Relocate Plymouth DC (fit out costs)	£0.6	£0.9	£0.3
	Shep Bush DC	Relocate Shepherd's Bush DC (fit out costs)	£1.9	£2.8	£0.9
	Stratford DC	Relocate Stratford DC (fit out costs)	£1.6	£1.6	-
Plasma for Medicine	New	PfM - New Donor Centre (Location TBC)	£1.8	£0.3	-£1.5
	Reading	PfM - Reading Plasma Donor Centre Relocation	£1.8	£0.3	-£1.5
Organ Donation Transplantation	National	Matching and Offering Software	£1.9	£1.9	-
DDTS	National	Blood Technology Modernisation	£6.7	£6.7	-
Estates & Facilities	Colindale	Colindale Refresh Programme (Year 1 of 3 - Tranche 2 & Windows /Cladding)	£1.8	£2.1	£0.3
	Southampton DC	Southampton - Donor Centre Relocation (fit out costs)	£0.7	£0.4	-£0.3
	Tooting	Hospital Services Remodelling & DC refurbishment Planning, Design & works - Tooting	£0.7	£0.7	-
	Southampton	Southampton - works to support and maintain building inc Hospital Services	£0.5	£0.5	-
Total			£22.6	£20.8	-£1.8

Blood and Transplant

Capital Summary

- At Q1 the latest plan is overprogrammed at £29m (vs £25m allocation) – minor movements from APM02 mainly within Transformation.
- Aggregate movement of CDEL plan mainly within Transformation projects e.g. Donor Centre projects
 - Shepherd’s Bush DC fitout (+£0.9m)
 - Reading DC (-£1.5m)
 - Plasma DC – new site (-£1.5m)
 - Plymouth DC (+£0.3m)
 - Colindale Programme (+£0.3m)
 - Southampton DC (-£0.3m).
- YTD Spend is c£2.7m – (Equipment and BAU £0.3m, Transformation £2.4m) mainly Blood Tech M, Colindale Programme & Southampton DC;
- At this stage the expectation is that we will fully spend against the £25m allocation for the year.

Cost Improvement Programme Summary



Blood and Transplant

Headline: The savings plan continues to be progressed; however, there are issues for mitigation of £2.2m. From a maturity perspective at Qtr 1, there continues to be c£6m of potential “risk” (including the issues for mitigation). The forecast remains in-line with the plan pending remediation of the issues identified.

In-Month Progress

- **People** – 100% of their 25/26 savings target (£0.3m) now delivered.
- **DDTS** – further £0.3m of schemes moved to delivery between May and June, now 73% of schemes delivered.
- **Nursing** – 50% (£0.13m) of the savings schemes moved to “delivery” between May and June.

Issues for Mitigation £2.2m

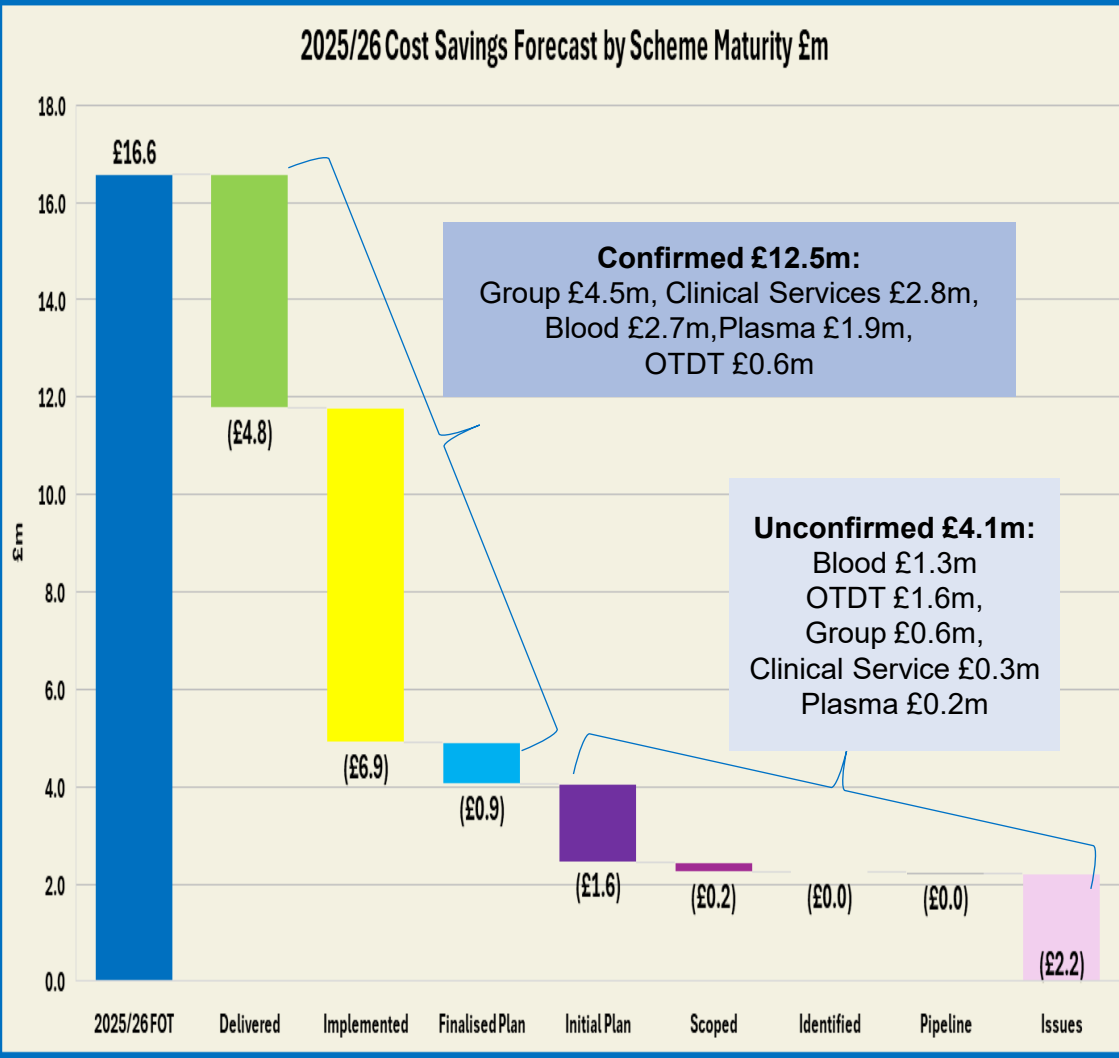
- **Organ Donation £0.8m forecast shortfall** – non recurrent mitigations to be investigated, ideas from the Division include Donor Characteristics, ANRP and Divisional underspends.
- **TES Cornea Contribution Growth £0.6m shortfall** – mitigation will be through increased sales in Serum Eye Drops and cornea variable cost reductions.
- **Clinical Services CBC/ATU Contribution Growth £0.3m shortfall** – mitigation is through non-recurrent budget management across the Division.
- **Blood Supply Procurement Savings £0.3m shortfall** – mitigation plans are still to be identified.
- **Plasma £0.2m forecast shortfall** – non-recurrent mitigation through additional plasma for diagnostics income.

Cost Improvement Programme: AP03 Divisional Performance



Blood and Transplant

Annual Plan	Unconfirmed	Issues for Mitigation	"Risks"
£16.6m	↓ £4.1m	↑ £2.2m	↓ £6m



2025/26 Forecast

Confirmed schemes have increased from £12.1m to **£12.5m**. The balance of the **Unconfirmed schemes** is **£4.1m**, which continue to require further progression. However, when set in the context of the year-to-date position, a current view of the “**risk**” increases to **c.£6m** which is calculated from the £4.1m of unconfirmed schemes plus £1.9m of optimism bias (25%) applied to Implemented and Finalised Plan schemes. The forecast remains in-line with the plan pending remediation plans.

At APM03, the **forecast includes £2.2m of issues for mitigation** that require remediation and discussed below:

- **Group Services in aggregate (Target - £5.1m)**
 - **In Summary - £4.5m Confirmed and £0.6m Unconfirmed schemes**
 - At APM03, **£3.1m has been delivered** (e.g. Stoke Gifford closure / £0.8m) , of which £2.5m is recurrent.
 - In addition, a £0.2m of **carry-over from 24/25 savings** has now been delivered.
- **Blood Supply (Target - £4m)**
 - **In Summary - £2.7m Confirmed and £1.3m Unconfirmed schemes.**
 - At APM03, **£0.5m has been delivered - Commercial savings to crystallise/July 25.**
 - procurement savings forecast reduced in this financial year and **remaining mitigations of £0.3m** are to be identified.
- **Clinical Services (Target - £3.1m)**
 - **In Summary - £2.8m Confirmed.**
 - At APM03, **£0.3m has been delivered** through Commercial.
 - **An issue of £0.3m** has been identified on the CBC/ATU contribution growth scheme which requires an agreed mitigation plan.
- **Organ and Tissue Donation and Transplantation (Target - £2.3m)**
 - **In Summary - £1.3m Confirmed and £1.0m Unconfirmed schemes.**
 - **An issue of £0.8m** shortfall has been identified, which requires a mitigation plan, ideas include reviewing donor characteristics and ANRP funding.
 - At APM03, **£0.1m has been delivered**
- **Plasma for Medicine (Target - £2.1m)**
 - **In Summary - £1.9m Confirmed.**
 - **An issue of £0.2m** has been identified on ambient tubes and an agreed remediation plan is to be put in place. This is likely to be mitigated through additional plasma for diagnostics income.
 - At APM03, **£0.8m has been delivered** through budget management activities.

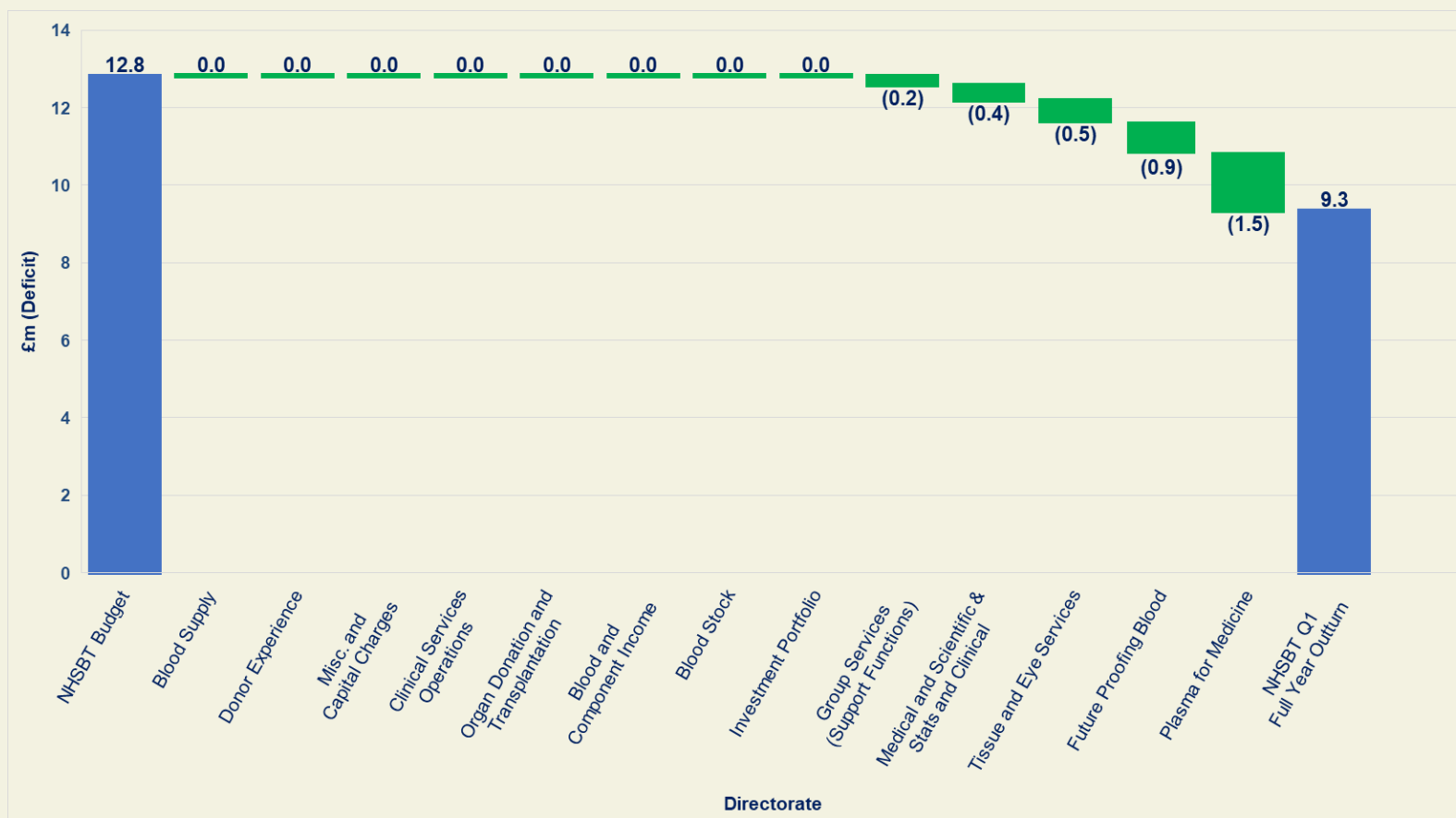
Appendices

Appendix 1: Q1 Forecast



NHS Blood and Transplant Full Year Forecast (Quarter 1)

Blood and Transplant



NB All stated as net income and expenditure



Budget and Forecast



Forecast variance (favourable)



Forecast variance (adverse)

2025-26 Quarter 1 Forecast; favourable variance of £3.5m (verses £12.8m deficit budget). The underlying position at a divisional level is as follows:

- Blood Supply and Marketing (in line with plan)
- Clinical Services (in line with plan) CMT income shortfall crystallised at Q1 (-£1.3m), offset by higher than plan contribution in Pathology.
- Plasma for Medicine (+£1.5m) better than plan, driven by lower transformation and also higher than plan PfD income.
- TES (+£0.5m) higher contribution derived from Serum Eye drop activity offsetting under delivery of the corneal plan.
- ODT (in line with plan)
- Group Services (+£0.6m) underspends crystallised in Medical and Finance.
- Future Proofing Blood (+£0.9m) Reprofiled milestones into 2026-27, in principle, this is ringfenced to meet next year's plan.

While the Q1 forecast reflects a positive financial position, several current issues have required mitigation. These are highlighted in **Slide 4**, which details both the cost pressures and the corresponding mitigation actions.

At this relatively early stage of the financial year, we continue to present a position which suggests we can work within our financial envelope. We will continue to pay close attention to any non recurrent mitigations which will need to be addressed through the 2026-27 planning.

Appendix 2 :2025/26 Income and Expenditure: Contribution Report – Full Year Budget



Blood and Transplant

Annual Budget 2025/26 £m	Blood Components inc. R&D	Plasma	Pathology and CAGT	TES	ODT	NHSBT
Total Income/Funding	395.9	25.8	107.1	27.1	131.7	687.5
Expenditure						
Variable Costs	(42.9)	(6.3)	(19.7)	(4.4)	(3.7)	(77.0)
Variable Contribution	353.0	19.4	87.4	22.7	128.0	610.5
Direct Costs	(145.2)	(12.7)	(55.2)	(15.5)	(86.5)	(315.0)
Direct Contribution	207.8	6.7	32.2	7.1	41.5	295.5
Direct Support Costs	(155.0)	(1.7)	(21.8)	(3.5)	(16.4)	(198.3)
Total Allocated Costs	(343.1)	(20.7)	(96.6)	(23.4)	(106.5)	(590.3)
Total Unallocated Costs	(41.2)	(2.9)	(11.5)	(2.7)	(13.4)	(71.7)
Operating Net Surplus / (Deficit)	11.7	2.1	(1.0)	1.0	11.7	25.5
Transformation	(19.0)	(4.8)	(3.0)	-	(11.5)	(38.3)
Net Surplus / (Deficit) Inc Transformation	(7.3)	(2.7)	(4.0)	1.0	0.2	(12.8)
2025/26 surplus / cash funded deficit	(8.4)	(2.8)	(2.1)	0.5	-	(12.8)
2025/26 underlying position	1.0	0.1	(1.9)	0.5	0.2	(0.0)
2024/25 underlying position	4.5	(0.2)	(2.3)	0.0	(2.0)	0.0
Movement	(3.5)	0.3	0.4	0.5	2.2	(0.0)

Overall full year
I&E position:
£12.8m deficit

- The above contribution report presents the full cost of our respective business units after allocation of overhead costs (group/support services) to achieve a full cost position.
- The full year position for ODT, TES, Pathology/CAGT and Plasma have all improved their underlying contribution from last year.

Appendix 3: 2025/26 YTD Income and Expenditure: Contribution Report M03



Blood and Transplant

June 2025 M03 - Year to date Actual £m	Blood & Components inc. R&D	Plasma	Pathology & CAGT	TES	ODT	NHSBT
Total Income/Funding	96.8	6.3	25.8	6.5	33.0	168.4
Expenditure						
Variable Costs	(10.4)	(1.8)	(4.4)	(0.9)	(1.0)	(18.5)
Variable Contribution	86.5	4.5	21.3	5.6	32.0	150.0
Direct Costs	(34.0)	(3.0)	(13.3)	(3.4)	(20.6)	(74.3)
Direct Contribution	52.5	1.6	8.0	2.3	11.4	75.7
Direct Support Costs	(36.3)	(0.4)	(5.3)	(0.9)	(3.7)	(46.5)
Total Allocated Costs	(80.6)	(5.2)	(23.0)	(5.1)	(25.3)	(139.3)
Total Unallocated Costs	(10.3)	(0.7)	(2.9)	(0.6)	(3.3)	(17.9)
Operating Net Surplus / (Deficit)	5.9	0.4	(0.2)	0.8	4.3	11.3
Transformation	(2.6)	(0.9)	(0.6)	-	(1.7)	(5.7)
Net Surplus / (Deficit) Inc Transformation	3.3	(0.4)	(0.7)	0.8	2.6	5.5
Budget	2.4	(0.4)	(2.3)	0.0	2.2	1.9
Variance	0.9	(0.1)	1.6	0.7	0.5	3.6
RAG	G	A	G	G	G	G

Year-to-date
I&E position at
M03 £3.6m
favourable
variance

- The year-to-date income and expenditure position after 3 months is c£3.6m favourable variance against plan overall for NHSBT – as shown in slide 7.
- 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 and transformation costs, with the exception of Plasma which is currently reporting amber based on a small YTD variance (expected to move into green in future periods).