

# **NHSBT Financial Performance Report 2025/26**

Year to Date - August 2025

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# Financial Performance - Exec Summary and Recommendations



## Blood and Transplant

### Exec Summary

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.

The latest forecast reports an **improved position for the year, a deficit of £9.3m** (£3.5m ahead of plan). All divisions reporting in line or better than plan.

That said, a small number of issues remain for 2025-26 that require mitigation. These are primarily driven by the need for additional Donor Experience resource, to ensure a smooth exit from the amber alert, which finished late July. **To support strategies aimed at improving appointment booking rates, the Executive Team has approved a non-recurrent full-year budget overrun of £1.7m.** This will be **funded through the release of £1.5m from the contingency earmarked for DEX** within the budget build process. The remaining £0.2m will be covered through other NHSBT underspends.

It is also important to acknowledge the progress made since quarter 1. A number of previously identified finance issues in Organ Donation, Clinical Services and Tissues and Eye Services have now been fully mitigated for 2025–26 and have therefore been removed from the current issues table.

Overall, **we continue to present a position which suggests we can work within our financial envelope**, and we will continue to pay close attention to any non-recurrent mitigations which will need to be addressed through the 2026-27 planning process.

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### Report Recommendations: Noting

- i. Note; the ET have approved a £1.7m cost overrun in DEX to support and maintain the smooth exit out of amber alert.
- ii. Note; the latest forecast continues to align with the formal Q1 forecast, which confirms a fully sustainable position for 2025-26, where we are likely to deliver 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; Capital plan fully utilises this year's allocation - £25m and includes an element of over programming to mitigate potential slippage. [\(slide 7\)](#)
- v. 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 APM05 Financial Results;** As of APM05 our financial position reports £8.7m ahead of plan (slide 3/table 1), with all divisions performing broadly at or above plan. This positive variance is primarily attributable to lower than planned underlying expenditure year to date, driven by £4.2m in Pay, £3.8m in Non-Pay, and £2.3m due to delayed transformation activity.

While the year-to-date position reflects a significant improvement against plan, the latest forecast implies a catchup in much of this expenditure over the remainder of the year. As a result, the full year outturn position variance is expected to reduce to £3.5m ahead of plan.

**Table 1 – APM05 financial position:**

		Month 05 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			286.5	283.4	(3.0)	689.6	689.9	0.2
	Expenditure	6,050	5,985	(286.1)	(274.4)	11.8	(702.4)	(699.1)	3.3
	Net I&E	6,050	5,985	0.4	9.1	8.7	(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 - £1.7m pressure will be built into the Q2 forecast to support DEX.)
- Clinical Services (in line with plan) CMT income shortfall crystalised at Q1 (-£1.5m), 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 crystalised 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.

The latest forecast continues to reflect a positive overall position. There are, a small number of issues remain requiring mitigation for 2025-26, these are clearly outlined in **slide 4**. It is important to acknowledge the progress made since quarter 1. A number of previously identified issues have now been fully mitigated for 2025–26 and have therefore been removed from the current issues table.

We continue to present a position which suggests we can work within our financial envelope. Close monitoring of non-recurrent issues and mitigations is ongoing, with a view to how these will need to be addressed as part of the 2026-27 planning cycle.

# Update on Current Issues within the 2025-26 Plan

The table below highlights the current financial issues being monitored for 2025–26, updated for APM05. One outstanding item remains, requiring further mitigation / action, highlighted in blue.

- **Blood and Component income** is currently categorised as deliverable; however, this is dependent on issuing to plan for the remainder of the year and will therefore continue to be closely monitored.
- **Donor Experience** is forecasting cost over-runs of £1.7m, to support strategies aimed at improving appointment booking rates. This expenditure has been approved by the Executive Team and is being funded through corporate contingency.

It is important to acknowledge the progress made since Quarter 1. Several previously identified issues have now been fully mitigated, resulting in no residual financial impact for 2025–26. These items have therefore been removed from the current issues table.

Directorate	Description	Current Issues / Mitigation
Blood Supply	Lower procurement savings versus plan (£0.2m) - unidentified cost improvement gap identified and small underlying pressures coming through in Blood Donation additional hrs / overtime	<b>Impact:</b> Range of <b>£0.3m - £0.4m (an improvement of £0.4m from APM04)</b> <b>Mitigation:</b> Still required. Remediation plan to be developed
Blood and Component Income	Year to date issues are currently 2.5% below plan, resulting in an adverse variance of £1.9m (year to date).	<b>Impact:</b> <b>£2.0m</b> 98% of issues versus plan <b>Mitigation:</b> The forecast indicates that issues will align with plan for the remainder of the year, with the income shortfall at the beginning of the year, being fully covered by the demand reduction reserve.
Donor Experience	Forecast cost over-runs of £1.7m. The key driver being essential spend ensuring the smooth exit of amber alert and to maintain current levels of collections.  In addition to the £1.7m above, there is a further £0.3m potential pressure from unachieved vacancy factor within DEX, which may be flagged as an issue in future months if unable to mitigate partially or in full	<b>Impact:</b> Minimum of <b>£1.7m</b> . <b>Mitigation:</b> Cost overrun has been approved at the ET and will be funded through the release of the corporate contingency. There is £1.3m contingency remaining.

# Summary of Risks within the 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
Group Service	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
Specialist Services	2025-26 Planned volumes: CS and TES are reporting lower than plan activity in both CAGT and Corneal Income.	For 2025-26 this is been fully offset by other income streams however planning for 2026-27 would need to take into account any recurring impact of the volume changes.	Impact for next year Up to £3m
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	Unlikely that funding will be made available in 2025-26 (£0.5m) and now possible that future years would need to be managed through price, but subject to DHSC discussions.	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 £27m

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

**Cash Flow Profiling** The closing cash balance as of August was £59m. Based on the quarter 1 forecast, the cash projection for the end of March 26 is £60m (table 4). There are number of funding streams where confirmation of billing arrangements are outstanding; e.g.

- National Insurance Contribution (£6.2m)
- Capital Allocation (£25m)
- Agenda for change top slice (£2.2m), but we are confident these will be resolved soon.

**Table 4 – Cash Profiling**

	Actual	Forecast						
£m	August	September	October	November	December	January	February	March
Opening Bank Balance	64	59	66	76	80	81	83	69
Total Receipts	51	77	70	65	63	65	59	85
Total Payments	-56	-70	-60	-61	-62	-62	-74	-94
Closing bank balance	59	66	76	80	81	83	69	60

**Table 5 – Cash balance by division**

Division	Fcst Closing Cash	Deferred income	Ring Fenced	Underlying Cash
Blood	33.5	7.4	14.6	11.5
Clinical Services	4.0	1.4	0.0	2.6
ODT	6.9	2.9	0.0	4.0
Plasma	13.2	0.0	0.0	13.2
TES	2.6	0.0	0.0	2.6
NHSBT Total	60.1	11.6	14.6	33.9

**Blood Ring Fenced/ Committed Spend**  
£14.6m – Invest to save fund / Corporate Contingency  
£7.4m deferred income - Blood MoD dried plasma project (£6m) / Misc R&D grants incl. PANDA and NIHR projects

# 2025/26 Capital Plan - Overview



## Breakdown of Capital Plan 2025/26

£m	Plan – 2 <sup>nd</sup> Cut (£m)	Latest Position APM05 (£m)
Equipment – replenishment / replacement / service growth	5.0	4.1
BAU Projects – includes Filton Chillers / Liverpool ventilation works / combination of IT projects x 3	3.6	2.2
Transformation Projects – details below	22.6	20.7
Total	31.2	27.0
Over Programmed	(6.2)	(2.0)
Funding Allocation	25.0	25.0



## Transformation Project Details 2025/26

Division	Site	Project Description	Indicative Bid 2025/26 (£m)	Latest Plan APM05 (£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	£0.0
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	£1.7	-£0.2
DDTS	National	Blood Technology Modernisation	£6.7	£6.1	-£0.6
Estates & Facilities	Colindale	Colindale Refresh Programme ( Year 1 of 3 - Tranche 2 & Windows /Cladding)	£1.8	£3.1	£1.3
	Southampton DC	Southampton - Donor Centre Relocation (fit out costs)	£0.7	£0.3	-£0.4
	Tooting	Hospital Services Remodelling & DC refurbishment Planning, Design & works - Tooting	£0.7	£0.5	-£0.2
	Southampton	Southampton - works to support and maintain building inc Hospital Services	£0.5	£0.5	-
Total			£22.6	£20.7	-£1.9

## Blood and Transplant

### Capital Summary

- At APM05 the latest plan continues to be overprogrammed at £27.0m (vs £25m allocation) – movements from APM04 have been mainly within BAU projects;
- Movement versus APM04 shows a -£1.8m movement in the overall plan and the main differences are:
  - Filton Chillers (-£1.0m)
  - Liverpool Cryovot room works (-£0.4m)
  - Tooting Hospital Services works (-£0.2m)
  - Matching and Offering Software (-£0.2m);
- YTD Spend is c£5.8m – (Equipment and BAU £0.4m, Transformation £5.4m) mainly Blood Tech M, Colindale Programme & Brighton DC;
- At this stage the expectation continues to be that we will fully spend against the £25m allocation for the year.
- The plan at a line-item/detailed level, will be reviewed next month – redevelop a formal reforecast at Quarter 2, including risk / RAG status analysis.



# Cost Improvement Programme: Executive Summary



Blood and Transplant

**Headline:** The savings plan has seen progression between M4 and M5 with a reduction to the issues for mitigation from £2.1m to £0.2m. From a maturity perspective at M5, the level of “risk” (including the issues for mitigation) reduced from £5m to c£2.8m. The forecast remains in-line with the plan pending remediation of the issues identified.

## **In-Month Progress**

- **Organ Donation £0.8m** – the £0.8m of “issues for mitigation” previously reported will be remediated through lower expenditure within Donor Characterisation on a non-recurrent basis. It is anticipated that this saving scheme will be implemented by the end of November (M8).
- **TES Cornea Contribution Growth £0.6m** – This savings scheme has moved out of the “issues for mitigation”, it is forecasted that TES will deliver a break-even position through increased sales in serum eye drops, cornea variable cost reductions and multi-drop logistics savings.
- **DDTS £0.1m** – the previously reported issue for mitigation has been remediated through planned contract savings which will provide cash-releasing savings in 25/26 and expected savings for 26/27.
- **Plasma** – delivered 67% of their savings plan following the recent introduction of the ambient tube procurement savings.
- **Quality** - 50% of the Quality savings plan is now classed as “delivered” following successful skill mix and admin reviews.

## **Issues for Mitigation - £0.2m**

- **Blood Supply Procurement Savings £0.2m shortfall** – work continues within the Division to find remediation plans for the remaining £0.2m gap.



# Cost Improvement Programme: AP05 Divisional Performance



## Blood and Transplant

### Annual Plan

£16.6m

### Issues for Mitigation



£0.2m

### “Risks”



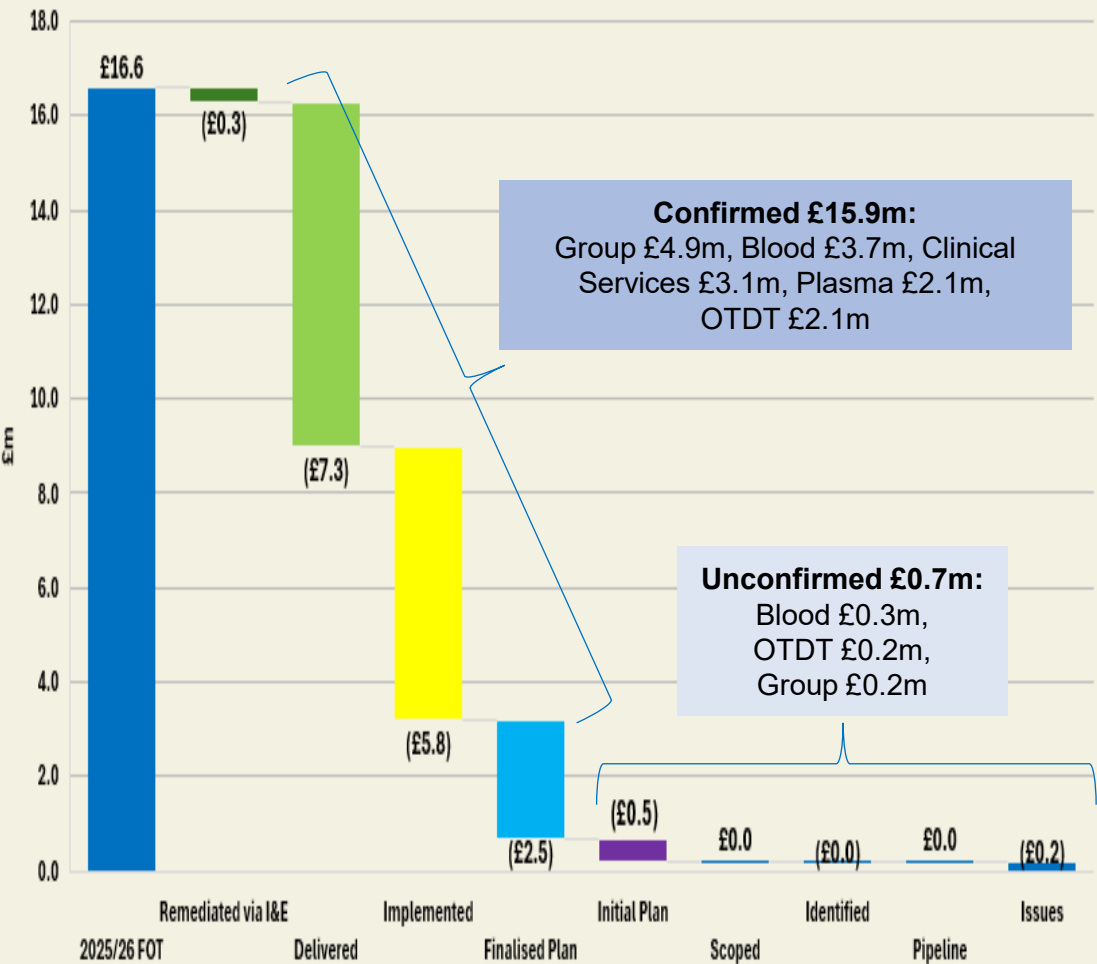
£2.8m

### Non-Recurrent



£5.4m

2025/26 Cost Savings Forecast by Scheme Maturity £m



### 2025/26 Forecast

**Confirmed schemes** have **increased** from £13.3m to **£15.9m** following progress made on remediating the issues for mitigation. The balance of the **Unconfirmed schemes** are **£0.7m, which continues to require further progression**. However, when set in the context of the year-to-date position, a current view of the “**risk**” has **reduced to c.£2.8m** which is calculated from the £0.7m of unconfirmed schemes, £2.1m of optimism bias (25%) applied to Implemented and Finalised Plan schemes. The forecast remains in-line with the plan pending remediation plans. The **non-recurrent carry-forward** is est. to be **£5.4m** (33%).

At APM05, the **forecast includes £0.2m of issues for mitigation** that require remediation and discussed below:

- **Group Services in aggregate (Target - £5.1m)**
  - **In Summary - £4.9m Confirmed and £0.2m Unconfirmed schemes**
  - At APM05, **£3.4m has been delivered (e.g. Stoke Gifford closure / £0.8m)**, of which £2.6m is recurrent.
  - In addition, a £0.2m of **carry-over from 24/25 savings** has been delivered.
- **Blood Supply (Target - £4m)**
  - **In Summary - £3.7m Confirmed and £0.3m Unconfirmed schemes.**
  - **An issue of 0.2m remains**, the Division continue to identify and review mitigation plans.
  - At AMP05, £2.0m has been “**delivered**” of which 97% is recurrent.
- **Clinical Services (Target - £3.1m)**
  - **In Summary - £3.1m Confirmed.**
  - The slippage on the CBC/ATU contribution growth scheme has been agreed to be mitigated through the Clinical Services I&E position.
  - At APM05, no change on the “delivered” value of £0.3m due to the schemes being based on vacancy factors and contribution growth.
- **Organ and Tissue Donation and Transplantation (Target - £2.3m)**
  - **In Summary - £2.1m Confirmed and £0.2m Unconfirmed schemes.**
  - **ODT**, a mitigation plan has been put into place to lower expenditure on donor characterisation to address the £0.8m, this is expected to implemented by the end of November.
  - **TES**, the reduction in cornea performance is being mitigated by increased sales of serum eye drops, reduction in variable cornea costs and expected savings on multi-drop logistics.
  - At APM05, no change on the “delivered” value of £0.1m.
- **Plasma for Medicine (Target - £2.1m)**
  - **In Summary – £2.1m Confirmed.**
  - The £0.2m slippage on the ambient tube procurement will be mitigated through additional plasma for diagnostics income expected in APM06. .
  - At APM05, the delivered value has increased to £1.4m from £0.8m following monitoring the implemented ambient tube procurement scheme.

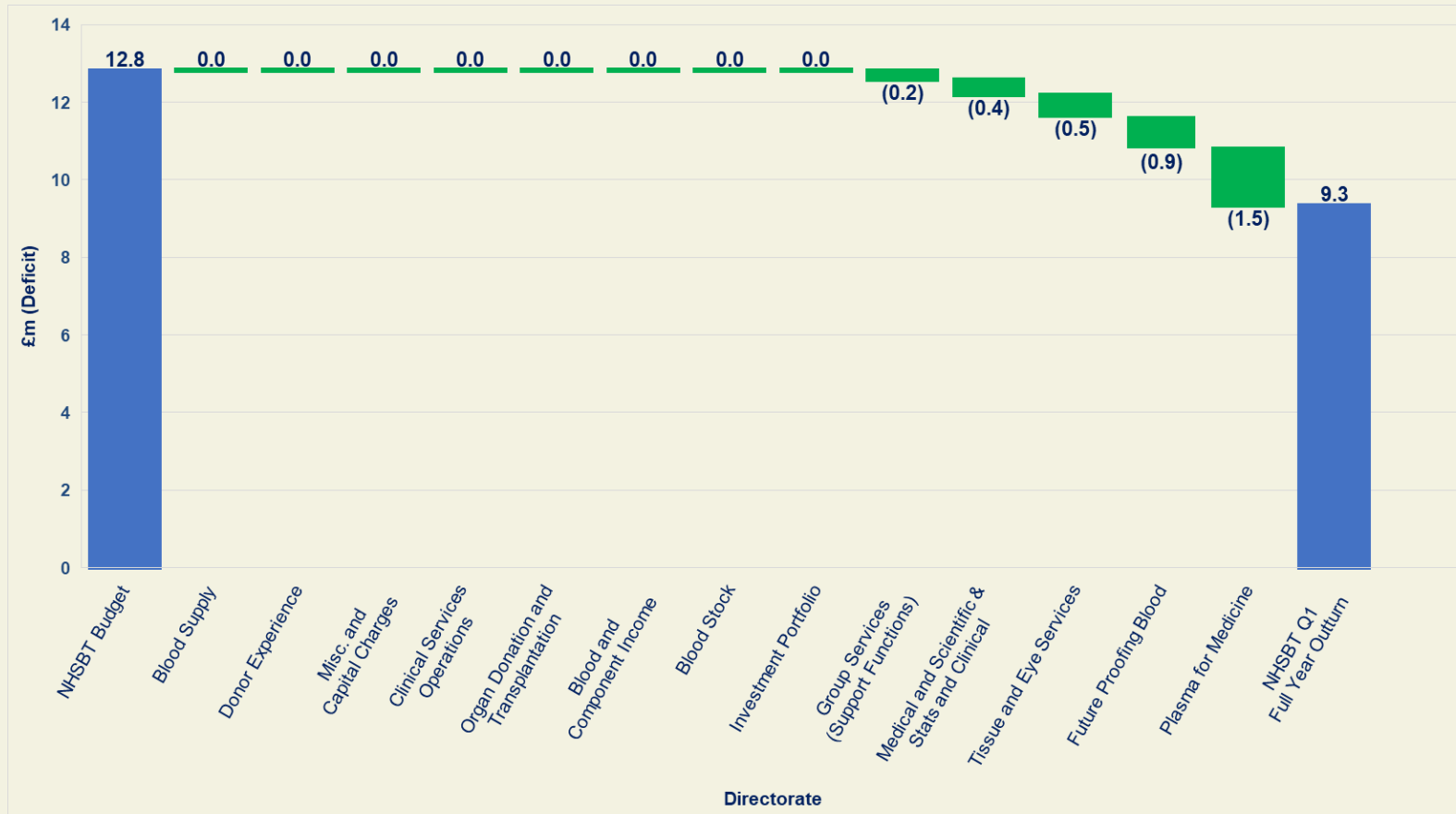
# Appendices

# 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.

# 2025/26 YTD Income and Expenditure: Contribution Report M05



## Blood and Transplant

August 2025 M05 - Year to date Actual £m	Blood & Components inc. R&D	Plasma	Pathology & CAGT	TES	ODT	NHSBT
<b>Total Income/Funding</b>	168.1	10.2	41.2	10.5	53.5	283.4
<b>Expenditure</b>						
Variable Costs	(17.3)	(2.7)	(7.6)	(1.5)	(1.7)	(30.7)
<b>Variable Contribution</b>	150.8	7.5	33.7	9.0	51.8	252.8
Direct Costs	(56.7)	(5.8)	(22.7)	(5.8)	(34.5)	(125.5)
<b>Direct Contribution</b>	94.1	1.7	10.9	3.2	17.3	127.2
Direct Support Costs	(62.5)	(0.8)	(8.6)	(1.4)	(6.2)	(79.6)
<b>Total Allocated Costs</b>	(136.5)	(9.3)	(38.9)	(8.7)	(42.4)	(235.8)
<b>Total Unallocated Costs</b>	(16.4)	(1.2)	(4.6)	(1.0)	(5.3)	(28.6)
<b>Operating Net Surplus / (Deficit)</b>	15.2	(0.4)	(2.3)	0.8	5.8	19.1
Transformation	(4.5)	(1.3)	(0.9)	-	(3.2)	(9.9)
<b>Net Surplus / (Deficit) Inc Transformation</b>	10.7	(1.7)	(3.2)	0.8	2.5	9.1
<b>Budget</b>	4.8	(0.9)	(4.8)	(0.2)	1.4	0.4
<b>Variance</b>	5.9	(0.8)	1.5	1.1	1.1	8.7
<b>RAG</b>	G	R	G	G	G	G

Year-to-date  
I&E position at  
M05 £8.7m  
favourable  
variance.

- The year-to-date income and expenditure position after 5 months is c£8.7m 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 reflects the delay in Diagnostic income and decrease in stocks (albeit this is expected to return to Green at month 6/7).**