

Board Meeting in Public Tuesday, 03 February 2026

Title of Paper	NHSBT Financial Performance Report	Agenda No.	3.3
Nature of Paper	<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	Ian Murphy		
Presenter(s) at Meeting	Mark Taylor – Assistant Finance Director		
Presented for	<input type="checkbox"/> Approval <input type="checkbox"/> Information <input checked="" type="checkbox"/> Assurance <input type="checkbox"/> Update		
Is there a plan to communicate this to the organisation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yet to be determined		
Executive Summary			
<p>The <u>approved budget for 2025-26</u> reflects a planned deficit of £12.8m which provides a good opportunity to release some of our cash reserves in support of increased transformational investment for the organisation. The financial plan is aligned to business plan priorities, many of which will see NHSBT undertaking increased activity on behalf of the NHS and also reducing wider system reliance on the independent sector.</p> <p>Our <u>Q3 revenue forecast</u> continues with the positive results seen through the year and we would expect these to continue to the year end. We are now reporting a surplus of £10m, which is £23m ahead of budget. A detailed explanation of these movements is presented in slide 4 and broadly categorises these as Operational, Transformational and ODT / Other key movements. Plans and actions for 2025-26 and where applicable 2026-27, are in place for each of these categories.</p> <p>As part of delivering a sustainable financial position for 2025-26, plans include a challenging <u>cost improvement programme (CIP)</u> of £16.6m. We are pleased to now confirm that this will be fully delivered by March-2026. Work is now also well underway to develop plans which will underpin our 2026-27 CIP, which is likely to be closer to 3% this time around.</p> <p>We continue to progress with our <u>capital planning during 2025-26</u>, and we now expect to be spending in the region of £17m this year. In broad terms this combines investment in our critical national infrastructure e.g. IT and Estates, and also the replacement and replenishment of our equipment. Planning for future years 2026-30, is also underway with DHSC, key will be a reset transformation programme and progression of a productivity pipeline.</p>			
Previously Considered by			
Presented and noted at the ET meeting on 20th January			
Recommendation			
<u>Report Recommendations: For Noting</u>			
<p>i. Note; the much-improved financial position in 2025-26 will be expected to result in higher cash reserves going into 2026-27 and these will form part of wider investment led discussions ahead of the March 26 Board.</p>			

- ii. **Note**; directorate budgets will be reviewed during February 26 to ensure that all areas are able to work within their **indicative allocations for 2026-27**, with a particular focus being on alignment with business plan priorities and strategic objectives.
- iii. **Note**; there are ongoing discussions with DHSC to confirm our **capital allocation** requirements over the period 2026-30. Important consideration will be given to the resource requirements needed to achieve deliverability against any stepped increase in capital spend.

Risk(s) identified (Link to Board Assurance Framework Risks)

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.

Strategic Objective(s) this paper relates to:

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|---|---|--|
| <input checked="" type="checkbox"/> Collaborate with partners | <input checked="" type="checkbox"/> Invest in people and culture | <input checked="" type="checkbox"/> Drive innovation |
| <input checked="" type="checkbox"/> Modernise our operations | <input checked="" type="checkbox"/> Grow and diversify our donor base | |

Appendices: