

NHSBT

Financial Performance Report

2025/26

Year to Date - February 2026

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Executive Summary

2025/26 Budget – The 2025/26 plan includes a £12.8m planned deficit, enabling the release of cash reserves to support increased transformational investment. The budget aligns with business priorities, including enabling additional NHS activity and reducing reliance on the independent sector.

2025/26 Quarter 3 (Q3) Forecast - At Q3, NHSBT reported a £10m surplus, £23m ahead of budget, driven by a mix of operational activity levels, transformational underspends, and lower spend across ODT and corporate areas. Following the February reporting cycle, lower-than-expected Blood and Component demand has reduced the income forecast by £1m - £2m, with the year-end outturn now forecasting a c£8m - £9m surplus.

Cost Improvement Programme (CIP) - The £16.6m 2025/26 CIP target will be fully delivered by March 2026, though c£4m is non-recurrent and will be a carry forward into next years planning. Progress continues on the 2026/27 CIP, expected to now be around 3%.

Capital Programme We have drawn down £18m cash from DHSC, this could rise by a further £1m by the year end depending on completion of the respective plans. Our spend profile for 2025/26 is higher than the previous year and likely to continue with an upward trajectory into 2026/27.

Balance Sheet Working Capital This month's report includes additional analysis which looks at cash flow profile, stock levels and also Blood Supply Chain run rate. In overall terms, NHSBT continues to present a sustainable financial position.

Report Recommendations

- i. **Note**; all operating divisions including relevant Group Services costs are forecast to finish the current financial year at equal or better than plan. This includes the achievement of a cost improvement programme in full.
- ii. **Note**; the cash flow forecast for the remainder of this year and through to 2026/27, continues to provide assurance that NHSBT can meet its commitments, e.g. payroll and supplier payments. This position will continue to be closely monitored as part of wider treasury management.
- iii. **Note**; good progress continues to be made against the capital programme for 2025/26. Any carry forward commitments for year end will be prioritised against the following years allocation once confirmed.

NHSBT Overall Income and Expenditure Position

2025-26 APM11 Financial Results; At the end of February, the financial position reported a year to date £15.7m underspend against plan.

The overall year to date position is broadly driven by the following:

- **Operational Activity** £0.5m – as a result of increased volumes across Plasma, TES and Pathology, offset by lower Blood and Component issues.
- **Transformation** +£9.9m – several programmes reprofiled into next year, which include Donor Centre, Cyber and Donor Base Resilience programmes
- **ODT / Other** +£5.3m – while welcome, this year's favourable position will be needed to underpin ongoing budget build discussions for 2026-27.

Table 1 – APM11 Financial Position:

	Month 11 Financial Performance					
	Year-to-date			Full Year Outturn		
	Budget £m	Actual £m	Variance £m	Budget £m	Q3 Fcst £m	Variance £m
Operational Activity	147.0	147.5	0.5	164.1	163.8	(0.3)
Transformation	(32.4)	(22.5)	9.9	(38.3)	(28.6)	9.7
ODT/Other	(120.4)	(115.1)	5.3	(138.6)	(125.1)	13.5
NHSBT Total	(5.8)	10.0	15.7	(12.8)	10.1	22.9

Further analysis by division line item is provided in slide 4 and outlines the drivers for our Q3 forecast positive variance of £22.9m (versus £12.8m deficit plan). The key variances (transformation and ODT/other) will form part of our ongoing business planning for 2026-27 and the years beyond, with these resources being needed to deliver future plans.

Following the February reporting cycle, and a further decline in Blood and Component demand, the forecast position has slightly worsened by c£1m - £2m. This reflects the lower-than-expected demand seen in January and February. As a result, the full-year outturn is now projected to be closer to a £8m - £9m surplus, compared with the £10m reported at Quarter 3.

Detailed Income and Expenditure Statement



Blood and Transplant

Table 2 2025/26 NHSBT Financial Position

Category	Directorate	Year to date: Actuals			Full Year Outturn: Forecast			Commentary
		Budget	Actuals	Variance	Budget	Q3 Fcst.	Variance	
		£m	£m	£m	£m	£m	£m	
Operational Activity (Volume Driven)	Blood (I&E) - incl. DEX	115.4	112.3	(3.1)	128.2	125.9	(2.3)	Blood and component demand is 2.5% lower than plan (demand reduction risk share of £3.8m now not rebatable).
	CAGT (I&E)	11.0	8.5	(2.5)	13.1	9.5	(3.6)	Driven by CBC and CMT. Future commercialisation opportunities for these services being considered.
	Plasma for Medicine (I&E)	9.6	11.6	2.0	10.4	12.1	1.7	x2 additional / unplanned shipments of plasma for diagnostics. Potential for improved contribution in 2026-27.
	Tissue and Eye Services (I&E)	6.5	8.4	1.9	7.3	9.1	1.8	Activity higher than plan being seen for Serum Eye Drops. Expect to be recurrent within the 2026-27 plans.
	Pathology (I&E)	4.5	6.8	2.3	5.1	7.2	2.1	Higher than planned activity across RCI and H&I. Expected to be mostly recurrent in 2026-27.
Operational Activity Total		147.0	147.5	0.5	164.1	163.8	(0.3)	
Transformation Investment Portfolio	Blood and Group	(16.5)	(12.5)	4.0	(19.0)	(14.7)	4.3	Investment Portfolio; subject to formal review to restate 5 year pipeline - to include productivity led schemes.
	Organ Donation and Transplantation	(9.0)	(5.9)	3.1	(11.5)	(8.9)	2.7	ARCs programme mobilised - milestones reset which require funding in 2026-27 (OBC under dev., expected Jan-27)
	Plasma for Medicine	(4.2)	(2.5)	1.7	(4.8)	(3.0)	1.8	Plans for service expansion, through donor centre footprint / funding and plans carried forward into 2026-27
	Clinical Services	(2.7)	(1.7)	1.0	(3.0)	(2.0)	1.0	Combination of smaller projects in support of service strategies - funding still required and reprofiled into 2026-27
Transformation Total		(32.4)	(22.5)	9.9	(38.3)	(28.6)	9.7	
Baseline Operational Funding	Organ Donation and Transplantation (I&E)	38.6	39.3	0.7	39.2	46.6	7.5	Programme funding for 2025-26 fully required to underpin SR25 phase two flat cash funding over the next 3 years.
Corporate Services: Underspend	Net of Directorates	(160.9)	(155.1)	5.8	(175.9)	(171.8)	4.1	Mainly being driven by vacancies (£4.5m / 47 wte), baseline resources for 2026-27 subject to ongoing discussions.
Non Cash Adjustments	Stock and Cap Charges	1.9	0.6	(1.3)	1.4	0.0	(1.4)	Non cash accounting adjustments in the I&E position - these are non recurrent for 2025-26.
Contingencies	Corporate	0.0	0.0	0.0	(3.3)	0.0	3.3	Equivalent to 1/2% (turnover). In year risks and issues have been managed through other favourable variances.
ODT & Other Material Movements Total		(120.4)	(115.1)	5.3	(138.6)	(125.1)	13.5	
NHSBT Total		(5.8)	10.0	15.7	(12.8)	10.1	22.9	

Note; The impact of the annual fixed-asset revaluation is excluded from the current forecast (this will be finalised at the end of March-26 and is reliant on external indexation and a desktop valuation provided by our appointed valuers). A non-cash adjustment will be made at year-end once figures are provided.

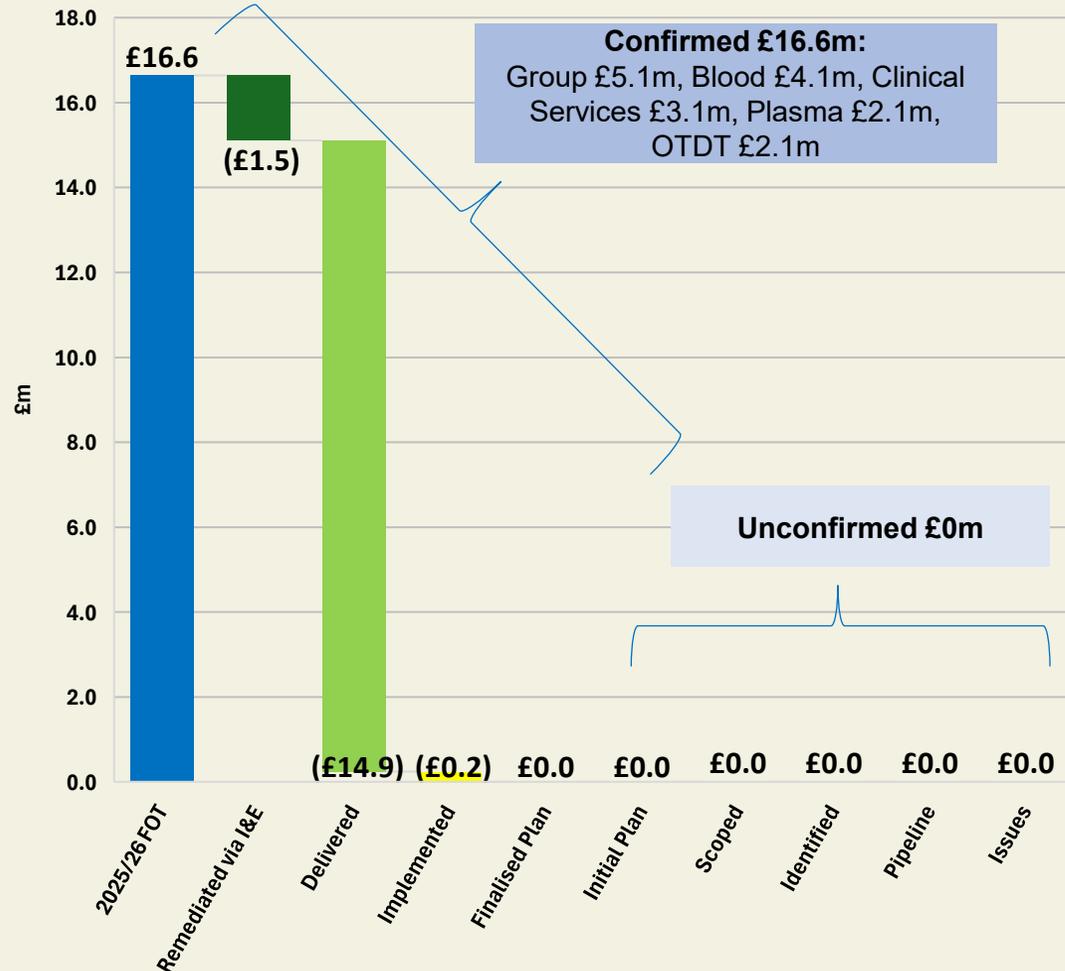
Cost Improvement Plan 2025/26: Divisional Performance (APM11)



Blood and Transplant

Annual Plan £16.6m	Issues for Mitigation £0m	"Risks" ↓ £0.1m	Non-Recurrent £3.6m
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2025/26 Cost Savings Forecast by Scheme Maturity £m



2025/26 Forecast

All schemes are now confirmed, with 89% (£14.9m) delivered, an improvement of £3.6m compared to January. The forecast continues to confirm we will achieve the planning total. There is however a **non-recurrent carry-forward into 2026/27 which is estimated to be c£3.6m (22%)**, it is expected this will be fully addressed through 2026/27 savings plans.

- **Group Services in aggregate (Target - £5.1m)**
 - In Summary - **£5.1m Confirmed, with £4.8m Delivered.**
 - There is high confidence that the remaining DDTS implemented schemes (£0.2m) will deliver in M12.
- **Blood Supply (Target - £4m)**
 - In Summary - **£4m Delivered (100%).**
 - Slippage on planned schemes have been offset with alternative schemes which are now delivered.
- **Clinical Services (Target - £3.1m)**
 - In Summary - **£3.1m Confirmed, with c£2.6m Delivered.**
 - The risks on CBC/ATU contribution growth scheme (£0.3m) and the TAS income (£0.1m); are being mitigated through the Clinical Services I&E position.
- **Organ and Tissue Donation and Transplantation (Target - £2.3m)**
 - In Summary - **£2.3m Confirmed, with £1.2m Delivered**
 - ODT, have c£1.1m being remediated via the I&E and will be carried forward to 2026/27.
- **Plasma for Medicine (Target - £2.1m)**
 - In Summary - **£2.1m delivered (100%).**
 - The £0.2m slippage on the ambient tube procurement has been mitigated through additional plasma for diagnostics income.

Capital Plan 2025/26: Progress Report (February 2026)



Blood and Transplant

Key points to note are as follows:

- As we approach year-end all stakeholders are working closely with the Capital team, to expedite all identified areas of spend;
- Forecast outturn continues to be adjusted and shared with the DHSC Finance Business Partner – headroom to be provided through to year end;
- Capital spend is accounted for as cash, with the latest drawdown being £18m from the DHSC – this might rise to be closer to £19m by year end;
- Spend is currently at £15.4m – the majority of which continues to be on Transformation Portfolio projects (£13m) - mainly Blood Tech Modernisation, Donor Centres, Colindale Investment Programme / planned spend is being synchronised with our payment runs;
- The capital budget for 2026/27 remains indicative at this stage, albeit we would expect confirmation over the next few weeks (ahead of 1st April);
- DHSC are aware that projects which have commenced in 2025/26 but will complete in 2026/27 will continue to be progressed vs milestones.

Breakdown of Capital Plan 2025/26

£m	Spend APM11 (£m)	Forecast Outturn (£m)
Transformation Projects – as included within the Investment Portfolio (Blood Tech Modernisation / Colindale Investment Programme / Donor Centre Fit Out costs x 6/ PfM Donor Centre Fit Out costs x 2 etc)	13.0	14-15
Equipment – replenishment / replacement / service growth across the supply chains	1.8	3.0
BAU Projects – includes Barnsley Storage roofed area / Cambridge Boiler works / WiFi Modernisation	0.6	1.0
Total	15.4	18-19

Balance Sheet - Cash Flow: Forecast – Fwd. Look



Blood and Transplant

Table 3 – 2025/26 Cash Profiling

	Actual Feb-26 £m	Forecast Mar-26 £m	Total £m
Opening bank balance	53	39	38
Receipts			
Debtors & Other Receipts	46	68	576
DHSC Revenue Cash Limit	0	58	170
DHSC Capital Cash Limit	0	25	26
Total Receipts	46	150	771
Payments			
Staff Expenses	30	42	351
Other Revenue Payments	28	35	330
Capital Charges	0	21	21
Capital Payments	2	10	25
Total Payments	60	108	728
Closing bank balance	39	81	81

Table 4 – 2026/27 Budget Cash Flow

Division £m	NHSBT
Forecast 2026/27 Opening Bank Balance	81
2026/27 Budget Surplus / (Deficit)	(14)
Closing Bank Balance March 27	67
Deferred Income	12
Invest to Save	15
Working Capital	40

Cash Flow Profiling

The closing cash balance at the end of February was £39m.

As we move towards year end, we are proactively managing both payments and receivables to resolve any outstanding queries.

In particular, we are working closely with the Department of Health and Social Care to progress billing for outstanding programme funding.

Based on the quarter 3 forecast, the cash projection for the end of March 26 is now up to **£81m (table 3)**.

It is important to note, that we would expect our working capital to come back down to more normal levels (**c£40m**), based on next years proposed budget and planning (table 4).

In addition to the examination of cash availability to NHSBT, the following two slides extrapolate the working capital forecasted cash flow (c£40m) and stress test this against uncertainties across stock levels and also planned run-rate for the Blood Supply Chain. While we continue to retain a level of one-off resilience these are finite and any in-year shocks would need to be remediated to repair the Balance sheet ahead of 2027/28.

Balance Sheet - Stock: Working Capital Resilience – Fwd. Look



Blood and Transplant

Table 5 – 2025/26 Non-Pay Expenditure Budget

Expenditure Type	2025/26 Budget £m
Consumables	38
Test Kits	18
Blood Bags	11
Harnesses	10
Organ Retrieval & Reimbursement	29
Marketing	16
Donor Venues	5
Transport Costs	31
Rent and Rates	8
Equipment & Equipment Maintenance	9
Premises Maintenance	9
Utilities	9
Cleaning Contract	5
Waste Disposal	2
Catering Contract	1
Travel & Expenses	9
Training and Conferences	3
External Services	11
Professional Fees	4
IT & Telephony	22
Office Consumables	2
Capital Charges	29
Contingency	8
Pension Contribution	22
Development Funds	37
Cost Releasing Efficiencies	-2
Other	3
	348

Consumables
Budget: £77m

Transport
Budget: £31m

Energy
Budget: £9m

Geopolitical instability is creating external volatility that could impact both the availability and pricing of critical consumables. This slide provides a high-level overview of our working-capital resilience and sets out how we are positioned to manage potential challenges should they arise.

Current State

Our consumables budget is **c£77m for 2025/26, (c£90m 2026/27)**. Based on current run-rate and inventory levels, we would expect to hold approx. **4-6 weeks of stock in our warehouses**.

The Commercial team is reviewing our most critical contracts and suppliers to assess contractual provisions, including requirements for suppliers to hold inventory and protection against price shocks.

Energy costs are also prone to further volatility. We have though forward bought energy, securing a significant proportion of next year's usage within the 2026/27 budget.

Resilience / Stress Test

Were there to be a stepped uplift in stock levels and or to strengthen resilience against in-year price shocks, we would need to reconsider our current decentralised approach to cash mgmt.

Based on our proposed **2026/27 budgets**, there is conservatively divisional working-capital reserves of £40m. In-year up to **£20m** of this reserve could be utilised to;

- increase stock holding beyond the current 4-6 week level,
- absorb significant price shocks on key contracts or energy costs,
- ensure continued security in meeting commitments (payroll / supplier payments).

While it's possible to manage an in-year shock, these could not be sustained recurrently.

Expenditure - Run Rate Analysis 2025/26: Blood Supply Chain

The **Blood Supply Chain** (responsible for the collection, manufacturing, testing and distribution of all Blood Components) accounts for **53%** of NHSBT's turnover. Akin to all the other divisions within NHSBT, it is critical that this key operational area is able to operate within agreed financial envelope(s).

- The latest moving average run rate for the **Blood Supply Chain (including Donor Experience)** is **£19.5m per month (outturn with budget)**.
- Next year's expenditure budget includes a recurring uplift of £7m (inflation / cost pressures / resilience). Average monthly budget will rise to **£20.6m for 2026/27. The uplift does not materially increase the overall level of resilience / capacity – with demand levels only marginally lower than forecasted for 2025/26.**
- **Business plan assumptions** – e.g. number of available appointments, fill rates, donor attendance, overall conversion required, have been adjusted to reflect the latest assumptions on performance, but in aggregate remain broadly consistent across the two years.
- **In summary**, while overall resources can support planned level of demand in 2026/27, there is limited additional financial headroom in the event of there being unplanned supply / demand side shocks. The geo-political situation is a further risk, driving the need for close monitoring next year.

Table 6 – Moving Average Trend; Blood Supply (incl. Donor Experience) Expenditure Budget and planning assumptions

Moving Average Trend £m	2025/26												2026/27
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Monthly Budget
Blood Supply	(17.0)	(17.1)	(17.2)	(17.3)	(17.4)	(17.5)	(17.3)	(17.3)	(17.4)	(17.5)	(17.6)	(17.7)	(18.3)
Donor Experience	(2.1)	(2.1)	(2.1)	(2.2)	(2.1)	(2.1)	(2.2)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(2.2)
Total Expenditure	(19.1)	(19.2)	(19.3)	(19.4)	(19.5)	(19.6)	(19.4)	(19.5)	(19.5)	(19.6)	(19.7)	(19.8)	(20.6)

Assumption	2025/26	2026/27	Change
Red Cell Issues (m)	1.355	1.339	(0.016)
Platelet Issues (m)	0.254	0.253	(0.001)
FFP, Cryo products (m)	0.390	0.380	(0.010)
Whole Blood Collections (m)	1.438	1.421	(0.017)