Blood and Transplant

NHSBT
Financial Performance Report
2026/27

Year to Date - May 2026

Executive Summary

Blood and Transplant

2026/27 Budget & Financial Position
- A balanced and sustainable £720m funding envelope has been set, aligning income and expenditure to support operational delivery and recurrent transformation.
- Included in the financial position, there is also up to £81m of funding available for our prioritised investment portfolio, which comprises of +£39m revenue, +£27m capital, +£15m invest-to-save. The agreed starting plan for the year is £71m (v £81m available funds).

Year-to-Date Performance
- £3m favourable variance to plan, with most divisions operating at or above target. This continues with the favourable performance seen through last year.

Key Risks & Emerging Pressures
- **Income risk:** Lower blood and component demand is now forecast to reduce income by at least £4m for the full year (with a risk this could increase further).
- **CIP delivery risk:** The £25m target incorporates c.£15m of savings which are unidentified/unconfirmed (Quarter 1 reviews will now need to crystallise plans).
- **Commissioning:** the delay to finalising 2026/27 Blood and Specialist Services pricing is impacting debtors/ working capital; interim billing is at 2025/26 prices.

Capital Position
- £35m DHSC allocation confirmed; plan over-programmed to £41.7m as a mitigation to unforeseen delivery risk and slippage (full reforecast at Quarter 1).

Budget Update
- Post approval of the budget in March 2026, we've now seen a number of material updates. The Board is requested to approve the updated 2026/27 budget position versus the previously approved £14.2m deficit budget.

Forward Look
The organisation remains financially stable and delivering the business plan within the agreed financial envelope; however, the following will continue to require close monitoring through the year **i) impact of lower demand on Blood & Component income and operational performance in-year; ii) CIP's fully achieved recurrently and iii) delivery of all the transformation plans vs agreed funding.**

Report Noting and Approvals

To Note – Blood and Component demand significantly lower than plan (22k red cells) creating an unforeseen pressure on income and expenditure.
To Note – Close monitoring of the planned investments is being routinely undertaken with the expectation of a formal quarter 1 review vs £81m funds.
To Note – Engagement on the cost improvement programme remains positive, albeit there continues to be an over-reliance on budget cost cutting.
To Approve – The updated 2026/27 budget position, reflecting a number of material updates from the previously approved £14.2m deficit budget

NHSBT APM02 Income and Expenditure Position

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2026/27 Income and Expenditure Budget; Our budget is set on a balanced £720m funding envelope, comprising programme funding, fees and charges, NHSE contracts and devolved government income, with income and expenditure aligned to fully support operational delivery and funded transformation on a recurrent basis. Service Line reporting is based on full cost recovery for each of the divisions. Our budget is also underpinned by a £25m Cost Improvement Programme.

2026/27 APM02 Income and Expenditure Position At APM02, the financial position reports £3m ahead of plan, with Clinical Services, TES, ODT and Plasma all delivering at or above their budget (table 1 / slide 3).

We are still however, seeing a decrease in Blood and Component Demand against plan. For context and as part of the 2026/27 planning process, unit prices were adjusted accordingly to reflect lower demand levels (<16k red cells). This has now though been superseded by a subsequent in-year update from the Demand Reporting Group (May 2026), which crystalised a further reduction in forecast demand (**22k units for red cells and 7k units for platelets**). This change implies a full year income shortfall of £8m against plan. As a part mitigation the risk share rebate with hospitals (agreed as part of the National Commissioning group negotiations for 2026/27) would not now be issued in 2026/27 (budgeted at £4m). This results in a minimum full year adverse variance of **£4m on Blood Components income**. These changes to demand/fixed costs, will need to be brought into future N**CG discussions for 2027/28 pricing** /SR 27-29.

Table 1 – APM02 Year to Date Income and Expenditure Position:

	M02; Financial Performance					
	Year to Date			Full Year Outturn		
	Budget £m	Actual £m	Variance £m	Budget £m	Actual £m	Variance £m
Operational Activity	23.1	25.2	2.1	144.9	144.9	0.0
Transformation	(4.3)	(3.9)	0.5	(39.0)	(39.0)	0.0
ODT/Other	(18.5)	(18.0)	0.5	(120.1)	(120.1)	0.0
NHSBT Total	**0.3**	**3.3**	**3.1**	**(14.2)**	**(14.2)**	**0.0**

Detailed Income and Expenditure Statement

NHS Blood and Transplant

Table 2 2026/27 NHSBT Financial Position

Category	Directorate	Year to Date Accounts Budget £m	Year to Date Accounts Actuals £m	Year to Date Accounts Variance £m	Annual Budget £m	Commentary
Operational Activity (Volume Driven)	Blood (I&E)	27.2	26.7	(0.5)	159.7	Overall, Blood and Components demand is lower than target (Red Cells 2% & Platelets 3%) resulting in a full year £8.1m loss of income. This is partially offset by the DRR (£3.8m) which leaves a net loss of £4.3m. We are also seeing a full year £0.6m pressure in Blood Supply relating to a price increase on Blood Bags.
Operational Activity (Volume Driven)	Donor Experience (I&E)	(4.2)	(3.9)	0.3	(26.9)	Tracking closely against plan
Operational Activity (Volume Driven)	CAGT (I&E)	1.2	2.1	0.9	12.6	Early activity improvement against plan crystalised in TAS.
Operational Activity (Volume Driven)	Plasma for Medicine (I&E)	1.9	1.9	(0.0)	10.9	Value of 2 PfD shipments is higher than budget
Operational Activity (Volume Driven)	Tissue and Eye Services (I&E)	0.8	1.3	0.5	7.6	Tissues remain on plan but have used some of their contingency to manage lower activity in corneas (£1.1m) and cardio (£0.3m), as a result of reduced retrieval rates. While some of the impact is offset by lower activity related costs, £0.4m of the TES contingency has been required to meet the shortfall.
Operational Activity (Volume Driven)	Medical and Clinical & Stats (I&E)	(4.3)	(3.8)	0.5	(25.3)	Tracking closely against plan
Operational Activity (Volume Driven)	Pathology (I&E)	0.5	0.9	0.5	6.2	Early year improvements against plan have been crystalised in the forecast for H&I
Operational Activity Total		**23.1**	**25.2**	**2.1**	**144.9**	
Transformation Investment Portfolio	Blood and Group	(2.4)	(2.5)	(0.0)	(16.5)	An additional slide has been added to provide further details on the Transformation Investment Portfolio
Transformation Investment Portfolio	Organ Donation and Transplantation	(1.2)	(0.6)	0.5	(12.6)	
Transformation Investment Portfolio	Plasma for Medicine	(0.5)	(0.5)	0.0	(7.4)	
Transformation Investment Portfolio	Clinical Services	(0.3)	(0.3)	(0.0)	(2.5)	
Transformation Total		**(4.3)**	**(3.9)**	**0.5**	**(39.0)**	
Baseline Operational Funding	Organ Donation and Transplantation (I&E)	7.9	8.3	0.4	41.4	Year to date, donor numbers are 15 below plan. The latest plans assume this gap will be made up over the rest of the year to meet the full year target of 1,455
Corporate Services: Underspend	Net of Directorates	(27.2)	(25.8)	1.4	(161.6)	Still early in the year, Group Services are balanced to plan. A full review will be undertaken for Q1 forecast to crystalise any known underspends.
Non Cash Adjustments	Stock and Cap Charges	0.8	(0.5)	(1.3)	0.0	Although there is a year-to-date overspend in capital charges, in previous years this has been offset through asset relifing exercises. It is important to note that this position does not impact our cash balance.
ODT & Other Material Movements Total		**(18.5)**	**(18.0)**	**0.5**	**(120.1)**	
NHSBT I&E Total		**0.3**	**3.3**	**3.1**	**(14.2)**	

Note: the first formal reforecast will be presented through the Quarter 1 report.

Blood and Components: Demand Impact – Detailed Analysis

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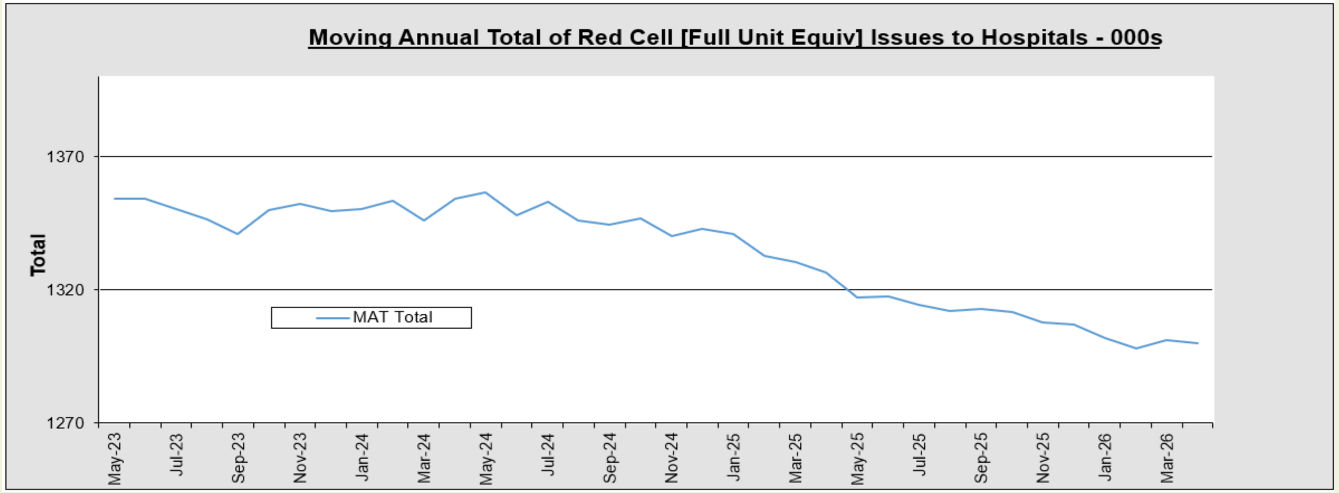
Table 3 – Sensitivity Analysis on 2026/27 Blood Component Income

Product Group	2022/23 (Actual)	2023/24 (Actual)	2024/25 (Actual)	2025/26 (Actual)	2026/27 *Latest view* (Reduction c22k units)	2026/27 *Scenario 1* (Further Decline c8k units)	2026/27 *Scenario 2* (Further Decline c8k units)
Red Cells (units)	1,363	1,347	1,330	1,320	1,317	1,309	1,301
Platelets (units)	249	250	248	246	246	245	244
FFP (units)	176	169	173	172	171	171	171
Cryo (units)	40	41	42	42	44	44	44
Net Impact on Income (£m)	-£0.4m	-£1.2m	-£0.8m	-£5.9m	-£4.3m	-£6.2m	-£8.0m

Table 4 – MAT of Red Cell Issues to Hospitals



Budget and Full Year Impact - For context and as part of the 2026/27 planning process, unit prices were adjusted accordingly to reflect lower demand levels (<16k red cells). This has now though been superseded by a subsequent in-year update from the Demand Reporting Group (May 2026), which crystalised a further reduction in forecast demand (**22k units for red cells and 7k units for platelets**). This change implies a full year income shortfall of £8m against plan. As a part mitigation the risk share rebate with hospitals would not now be issued in 2026/27 (budgeted at £4m). This results in a minimum full year adverse variance of **£4m on Blood Components income**.

Further to the above, **Table 3** sets out a sensitivity analysis of Blood Component income should demand decline further beyond the revised forecast. A reduction of a further 8k units would result in an additional £2m loss of income, whilst a 16k unit reduction would equate to a further £3.7m income shortfall.

The MAT analysis indicates a sustained decline in hospital demand over recent years. As part of the 2027/28 planning cycle, further discussions will be required to assess how this reduction in activity aligns with our largely fixed cost base, alongside the risk and impact of increasing expiries.

Action - these changes will be discussed in detail as part of the pricing negotiations for 2027/28 with the National Commissioning Group.

Investment Portfolio

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2026-27 - Investment Portfolio Budget; The Board approved an up to £81m envelope for the financial year to support Investment Portfolio programmes and projects, of which £10.6m would be funded from cash reserves and £15m of "Invest to Save" cash reserves to be made available. Early plans estimate that up to c**£9m of the Invest to Save** will be required this year, allowing some flexibility to prioritise more programmes in year through the investment portfolio board. The agreed starting plan for the year is **£71m** (v £81m available funds).

2026-27 - Month 2 spend / forecast; Year to date, transformation spend was broadly equal to plan at **c£4m.** As it is early in the financial year, no formal forecast is being reported at this stage.

Table 5 Investment Portfolio 2026/27 Available Funding – The breakdown below shows the available funding and subsequent plan for each Division.

Desc. £m	Funding Available	Blood & Group	Clinical Services	ODT	Plasma	Divisional Total	Invest to Save Reserve	Capital
Funded recurrently through prices	11.8	8.2	1.4	-	2.2	11.8	-	-
Programme funded	43.6	4	-	12.6	-	16.6	-	27
Cash funded	25.6	4.3	1.1	0	5.2	10.6	15	-
Total	81.0	16.5	2.5	12.6	7.4	39.0	15.0	27.0
Starting Plan	70.4	18.4	2.5	9.9	5.3	36.0	9.0	25.4

Notes;

i) Programme funding adjustment at Q1 will reflect a movement between ODT/ARCs and National Apheresis Capacity (to reflect ministerial priorities).

ii) Invest to Save/DASP; £15m has been ring fenced for transformation, with plans to date totalling £9m (total DASP revenue costs estimated at £47m / requires further c£30m to be identified across the life of the programme).

iii) Total capital allocation for 2026/27 is £35m - £27m for Transformation and £8m for Equipment and BAU projects;

Investment Portfolio Key Projects –

Blood Supply – Donor Centre programme: (£11.9m) - Manchester /Plymouth / Shepards Bush / Stratford

Corporate/DDTS - in-flight multi-year programmes: Blood Tech Modernisation (£6.1m) and Pulse Stabilise & Protect (£2.8m)

ODT – Assessment and Recovery Centres (ARC's) programme (£6.5m) and Matching and Offering (£3.4m)

DASP – Donor and Session Platform (c£8m).

Cost Improvement Plan Summary – 2026/27 APM02 (May 2026)

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On track to deliver the £24.6m target, but there is a risk of c£15m from unidentified / unconfirmed savings.
Delivered: £1.2m YTD (£4.7m forecast); £8.2m corporate levers require deployment decisions.

Key Messages

Assurance

- **1.2m delivered YTD (forecast £4.7m)**
- Forecast on track
- Strong Directorate commitment
- QIA process strengthening.
- 2027/28 mandate has been agreed £25.3m – work ongoing

Risks

- **Emerging delivery risks (unidentified/unconfirmed savings gap)**
- YTD £1.4m under-recovered
- c.£15m risks identified
- 61% phased to Q4 (delivery risk)
- £14.3m future year exposure

Actions for Q1

- **Agree plans** to address £3.1m unidentified savings.
- **Support acceleration** of £3.9m of unconfirmed schemes.
- **Review and confirm** deployment of £8.2m corporate levers.

Status AMBER	Forecast £24.6M	Risk £15.2M

Cost Improvement Plan: 2026/27 APM02 High Level Performance

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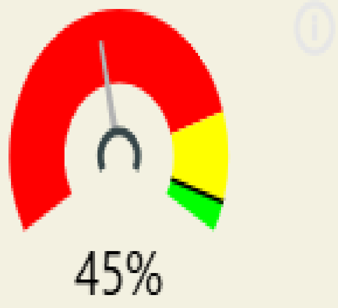
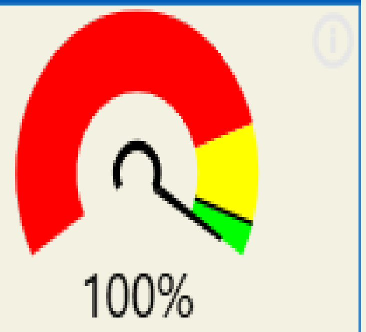
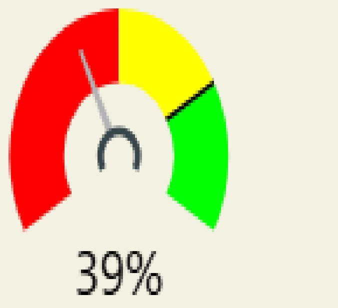
YEAR TO DATE DELIVERED VS PLAN %



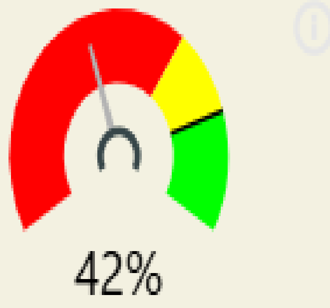
FORECAST VS OVERALL TARGET %



% FORECAST PHASED INTO QUARTERS 1-3



FORECAST RECURRENT %



2026/27 Plan & Performance

Plan: NHSBT target is **£24.6m**, which is split across directorates (**£16.4m**) and corporate (**£8.2m** - specific levers to be confirmed during the financial year).

The breakdown of the plans remain as follows:

- **Confirmed plans**: £9.5m;
- **Unconfirmed plans**: £3.9m;
- **Plans to be identified** : £3.1m;
- **Corporate plans/levers to be confirmed (profiled APM12)** : £8.2m.

Year to Date: Directorate/Corporate – Delivered vs Plan %

- **Directorate targets (£16.4m) have been profiled evenly through the year in GL.** In May, **year to date** savings are £1.2m (vs plan of £2.6m, **under recovery of £1.4m**) of which c£1m has been transacted.

Forecast: Directorate/Corporate - vs Target %

- This is currently at **Green** and confirms that Directorates will all fully deliver vs plans/target **(£16.4m)** and we'll also identify Corporate levers **(£8.2m).**
- At this point in the year 39% (£9.6m) phased into Q1-3 leaving **c£15m (61%) phased into Quarter 4** (with the primary drivers being £11.3m - combining Corporate - £8.2m; and Directorate Plans to be identified- £3.1m).
- Also important to note that at this stage, the forecast implies that there is only c£10.3m (42%) of recurrent schemes in the programmes, with **further work required to mitigate a delivery risk of £14.3m (ensure that any c/fwd into 2027/28 is minimised).**

Cost Improvement Plan: 2026/27 YTD & Unidentified

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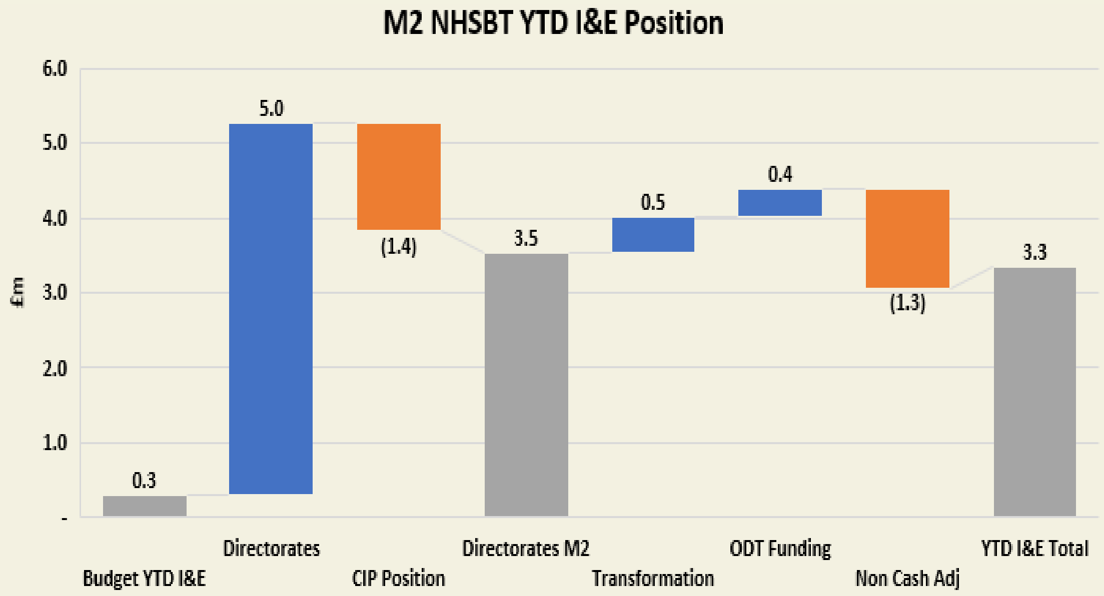

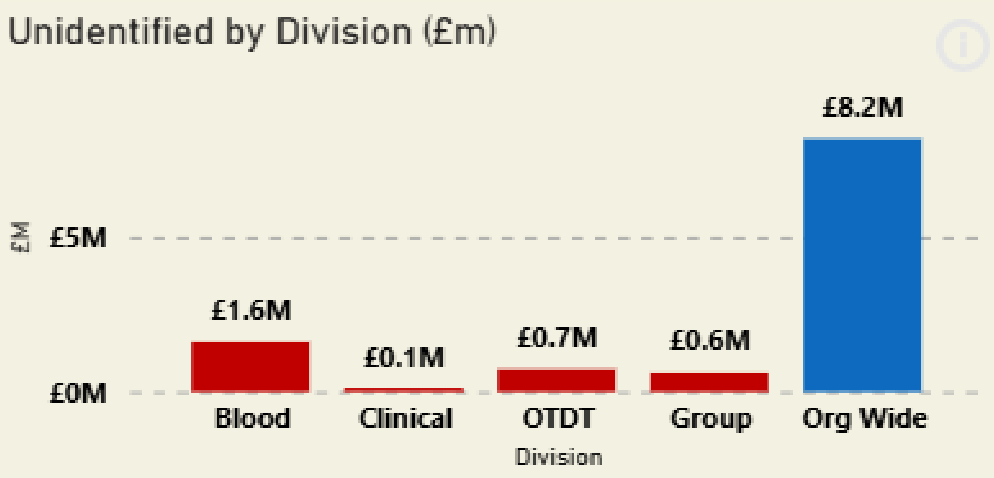

2026/27 YTD

The NHSBT overall I&E position at month 2 shows a positive variance of £3.1m. Within this there is a Directorate underperformance on CIP of c.£1.4m.

The **overall** cost improvement target is equivalent to achieving savings of **c.£2m per month,** with the **Directorate plans** being **c.£1.3m per month** of this.

All areas except Plasma and TES are behind the plan as at month 2, with a year-to-date underperformance of £1.4m. All Directorate plans have been phased equally across the year including the "to be identified" savings element.

At present, the "to be identified" element of the savings target has been included in the forecast for March 2027, until schemes are identified. **There is a risk with 61% (£15m) of the forecast being phased into quarter 4.**

2026/27 Unidentified

The total "to be identified" savings has improved by c£0.7m in May reducing to £11.3m of which the organisation wide pressures and risks of £8.2m are the main driver.

Actions (cross reference to summary page):

- **Directorates are asked to review the maturity statuses of their forecasts and update AP03 reporting and consider how plans can be accelerated.**
- **Directorates are requested to develop additional plans by the end of June to address the unidentified savings.**
- **ET on a quarterly basis to review options and actions to assess how we will meet the corporate savings target of £8.2m.**

Budget: Proposed Updates

Approved Budget - At the March Board, a budget deficit of £14.2m was approved for 2026/27. This includes £3.6m of non-recurrent BAU funding (Marketing & Southampton) and £10.6m allocated to cash-funded transformation. Since this was approved in March 2026, there have been a number of material updates. These are categorised and discussed below. The Board are asked to approve;

<u>Proposed Budget Updates</u>

Invest to save - We are now proposing to extend the budget deficit of £14.2m by a further **£9.0m** to reflect the approved plans against the invest to save. At the moment we have £7m for DASP / £1.5m for NCC / £0.5m smaller investments. Any further plans to spend against the remaining £6m of the Invest to Save fund, would then be reflected as an adverse variance in reporting.

Proposed ARCs/National Apheresis Capacity – confirmation of the SR 25 programme funding budget for 2026/27 reflected an adjustment to fund Clinical Services National Apheresis Capacity as a ministerial priority (£3m). The previous level of ARC's funding would be adjusted accordingly.

ODT Devolved Nation Funding – In March 2026 there were ongoing discussions with the Devolved Governments to confirm their respective fair-share contributions. Scotland, have now confirmed an uplift of £2.3m higher than the previously approved 2026/27 budget. This is a recurrent increase and will be built into ODT's income and expenditure and will not affect the bottom line.

Stem Cell Programme Funding – Additional funding has been confirmed from the Department of Health and Social Care (DHSC) to support delivery of the stem cell programme. This will be reflected in the financial position as £0.4m of DHSC income matched by £0.4m of associated expenditure, resulting in a net nil impact on the bottom line. Note, £0.4m was already included in the approved budget.

<u>Table 6 – Proposed Budget Updates</u>

2026-27 NHSBT Financial Envelope Progression	Time	Inc.	Exp.	Net (£m)
Board approved Budget	**Mar-26**	720.0	(734.2)	**(14.2)**
Create: Invest to Save Expenditure Budget	-	-	(9.0)	**(9.0)**
ODT: Scotland Income Uplift	-	2.3	(2.3)	-
ODT: Reallocating ARCs funding	-	(3.0)	3.0	-
Clinical Services: Creating National Apheresis Capacity	-	3.0	(3.0)	-
Clinical Services: Stem Cell Programme Funding and Expenditure	-	0.4	(0.4)	-
Proposed Budget (subject to Board approval)	**Jul-26**	**722.7**	**(745.9)**	**(23.2)**

Cash Flow: Forecast

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Cash Flow Profiling: the closing cash balance at the end of May was £42m.

Based on the approved budget and invest to save plans, the projected **cash balance at the end of March 2027 is £72m** (Table 5). A formal cash reforecast will be presented at Quarter 1, reflecting the latest position.

The current cash position is £63m. Close monitoring is in place regarding cash and debtor performance, particularly reflecting:

(1) the monthly impact of billing at 2025/26 prices pending finalisation of the NCG;

(2) increased debtor balances driven by delays in socialising contracts and issuing final price lists.

We are working with the Department of Health and Social Care to agree a payment schedule for the programme funding allocation, with a quarterly profile proposed to support our cash flow management.

Table 7 – 2026/27 Budget Cash Flow

	Actual			Forecast								
£m	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Opening Bank Balance	68	50	42	63	67	55	97	83	74	107	95	75
Total Receipts	33	48	80	64	51	109	57	50	98	59	48	108
Total Payments	-51	-57	-58	-61	-63	-67	-71	-59	-65	-71	-69	-110
Closing Bank Balance	**50**	**42**	**63**	**67**	**55**	**97**	**83**	**74**	**107**	**95**	**75**	**72**

General Demand Reserve

At the 2025/26 year end, the general reserve stood at £27m. Of this, £9m has so far been allocated to the 2026/27 investment portfolio (DASP and National Call Centre tender), leaving a balance of £18m. While in principle this remaining balance will be made available for transformation programmes, we should be mindful there could be in theory other unforeseen calls on this fund.

Cash Split	£m
General Demand Reserve	18
Combined Working Capital	44
Deferred Income	10
Closing Bank Balance	**72**

2026/27 Capital Plan - Overview

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Exec Summary

- Latest plan continues to be overprogrammed at £41.7m (vs £35m allocation) – forecasts will be formally updated as part of Quarter 1;
- The programme has multiple projects which we will keep under close review e.g. Colindale Investment Programme / Donor Centres;
- Routine reviews will continue with a full CDEL reforecast as part of the Q1 report e.g. Investment Portfolio incl. related CDEL/IPB oversight;
- YTD Spend at APM02 is £4.1m - this is mainly brought forward accruals and creditors – majority spend within the Transformation Portfolio.

Key points to note are as follows:

i) Quarter 1 – at this stage the expectation is that we will fully spend against the £35m allocation for the year;

ii) In parallel, an indicative high-level capital forward look is being developed as part of a reset 5-year financial strategy and plan (rev/cap).

Table 8: Breakdown of Capital Plan 2026/27

£m	Latest Plan	Spend – APM02	Notes
	£m	£m	
Equipment – replenishment / replacement / service growth	6.6	1.0	C/fwd projects (from 2025/26) paid YTD
BAU Projects – includes Colindale Switch Panel / Solar Panels x 8 projects / Fleet Electric Vehicles	6.6	0.7	
Transformation Projects – as included within the Investment Portfolio (Blood Tech Modernisation – re-platforming of Pulse / Colindale Investment Programme / Donor Centre Fit Out costs x 4/ Plasma Donor Centre Fit Out costs x 3 etc)	27.8	2.4	Ongoing projects (incl. c/fwd from 2025/26) paid cumulatively to APM02
Contingencies – on projects which are centrally held	0.7	-	
Total	**41.7**	**4.1**	
Over Programmed	**(6.7)**		
Funding Allocation	**35.0**		