NHS
Blood and Transplant

NHSBT
Financial Performance Report 2026/27

Year to Date - August 2026

Executive Summary

NHS Blood and Transplant

2026/27 Overall Position

- NHSBT has delivered a **positive financial position at APM05**, with all divisions performing in line with or ahead of plan.

Income and Expenditure Performance

- **Year to date - £5.8m favourable to plan**, with most divisions operating at or above target. This continues with the favourable performance seen through last year.

- **Quarter 1 forecast - £1.0m adverse to plan**, reflecting the full-year impact of reduced blood and component demand and a technical non-cash capital charges adjustment. However, revised demand assumptions from Central Planning mean that the overall position will be expected to markedly improve by quarter 2.

Key Risks & Emerging Pressures

- **CIP delivery risk:** remains at £7m-£9m, bilateral meetings to be held with directors across September and October to finalise plans / close any residual gaps.
- **Geopolitical uncertainty:** continues to create **external market volatility**, with potential implications for the availability and cost of critical consumables.

Capital Position

- £35m DHSC allocation confirmed; plan over-programmed to c£38m as a mitigation to unforeseen delivery risk and slippage. The expectation is that we will fully spend against the allocation for the year (based on transformation fully utilising their requested level of spend this year **n = 70%**).

Cash

- We are working closely with DHSC to confirm this year's schedule of remittance for programme funding. Cash also remains under pressure as a result of delayed NCG finalisation and associated income delays. The aim being to ensure that we are able to work with £40m working capital across each month this year.

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) CIPs fully achieved recurrently and ii) also the planned delivery of transformation programmes vs agreed funding.**

Report Noting and Approvals

To Note – Blood Component demand has been reset to be significantly higher than Q1 forecast, improving the income and expenditure position.
To Note – Engagement on the cost improvement programme remains positive (leaving a residual gap of c£7m - £9m to be closed) .

NHSBT APM05 Income and Expenditure Position

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Overview

NHSBT continues to deliver a positive financial position, broadly in line with the Quarter 1 forecast across most divisions. However, since the Quarter 1 forecast, and following the latest central planning assumptions, the outlook for Blood and Component Demand has improved, reducing the risk associated with the £5.2m income shortfall reflected in the Q1 forecast.

At APM05, year-to-date red cell demand remains 1% below plan, while platelet demand is 4.6% below plan, resulting in a year-to-date income shortfall of £1.7m (net of DRR). Latest central planning forecasts assume an increase in red cell demand over the remainder of the year. If achieved this would offset the year-to-date shortfall, however if demand remains at current levels this could result in an adverse income variance of £1m to £3m by the end of the year (versus £5.2m reported in the Q1 forecast).

2026/27 Income and Expenditure Position

Budget – The latest budget reflects a planned deficit of £23.2m which was approved at the July Board.

Year to date - reports £5.8m ahead of plan, with Clinical Services, TES, ODT and Plasma all delivering above their budget (table 1).

Quarter 1 Forecast – reports a deficit of £24.2m against a planned deficit of £23.2m. While this represents a £1.0m adverse variance, the reported position includes a £3.2m adverse non-cash technical adjustment. Excluding these items, **the underlying financial position is £2.2m favourable to budget.** Note, the blood improvement described above will be formally recognised through the Q2 forecast. Delivery this financial position is dependant on fully achieving the cost improvement programme for 2026/27 (Target £25m – up to £9m gap to find).

Table 1 – APM05 Income and Expenditure Position:

	M05; Financial Performance					
	Year to Date			Quarter 1 Forecast		
	Budget £m	Actual £m	Variance £m	Budget £m	Fcst. £m	Variance £m
Baseline	13.8	21.2	7.4	23.5	20.1	(3.4)
Transformation	(13.7)	(10.4)	3.3	(48.0)	(42.4)	5.6
Non Cash	2.2	(2.6)	(4.8)	1.3	(1.9)	(3.2)
NHSBT Total	**2.3**	**8.1**	**5.8**	**(23.2)**	**(24.2)**	**(1.0)**

Table 2 – Q1 Forecast Variance:

Quarter 1 Income and Expenditure Forecast Variance		£m
Recurrent	Blood and Component Demand	(5.2)
	Blood Bag Inflation	(0.5)
	Better than plan performance other Divisions	2.3
Non Recurrent	Investment Portfolio	2.0
	Invest to Save	1.1
	National Apheresis Capacity	2.5
Non Cash	Capital Charges; Peppercorn leases	(2.4)
	Blood and Component Stock	(0.8)
NHSBT Q1 Forecast Variance		**(1.0)**

Detailed Income and Expenditure

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This table provides the detailed position of the summary table provided on the previous slide

1. **Year to date:** £5.8m better than plan
2. **Quarter 1 Forecast:** £1.0m adverse to plan (against a £23.2m budget deficit)
3. **Key:** Underspend or better than plan / (overspend or underachievement against plan)

Category	Directorate	Year to Date Variance £m	Q1 Forecast Variance £m	Commentary
Operational Activity and Corporate Services *Variances here will directly impact on Cash*	Blood (I&E)	(0.5)	(5.7)	- Year-to-date blood and componant demand lower than plan, resulting in an income shortfall of £1.7m (net of DRR). - Latest central planning forecasts assume an increase in red cell demand over the remainder of the year - if achieved this would offset the year-to-date shortfall - If demand remains at current levels this could result in an adverse income variance of £1m to £3m by the end of the year.
	Donor Experience (I&E)	0.6	0.0	Year to date, Donor Experience are showing underspends in marketing activity - catch up expected throughout the remainder of the year.
	CAGT (I&E)	1.0	0.4	All directorates within CAGT are reporting higher than plan.
	Plasma for Medicine (I&E)	0.6	0.5	Value of 2 Plasma for Dignostics shipments is higher than budget
	Tissue and Eye Services (I&E)	0.4	0.0	Lower income across a number of income streams (Corneas / Cardio / Femoral Heads). However more than offset by lower transport and consumable spend
	Medical and Clinical & Stats (I&E)	0.3	0.2	Vacancies within Transfusion and the Stats & Clinical Research team combined with additional saving on the NHSIA annual premium.
	Pathology (I&E)	0.5	0.7	Continuing the positive year to date trajectory in H&I and RCI.
	Organ Donation and Transplantation (I&E)	2.3	(0.7)	Increased cost per unit for Donor Characterisation activity (transport) and non recurrent Donor Campaign spend. Note: ODT continue to hold £6.4m contingency.
	Corporate Services	2.0	1.3	Pay underspends crystalised in DDTS / Quality and People.
Operations and Corporate Services Total		**7.4**	**(3.4)**	
Transformation Investment Portfolio *Cash Ring Fenced for completion of ongoing projects*	Blood and Group	0.8	0.0	
	Organ Donation and Transplantation	0.8	1.6	Revenue underspends in matching and offering
	Plasma for Medicine	0.5	0.3	
	Clinical Services	1.3	2.5	The year-to-date underspend relates to National Apheresis capacity. An underspend is anticipated against this programme, with expenditure expected to be incurred in future years.
	Invest to Save	(0.2)	1.1	
Transformation Total		**3.3**	**5.6**	
Technical Adjustments *Non Cash*	Stock and Cap Charges	(4.8)	(3.2)	£2.5m adverse variance in capital charges, primarily relating to peppercorn leases & ROU asset revaluations. Note is this a non cash technical adjustment in the accounts. £0.8m Blood and Component Stock Adj - this is also a non cash technical adjustment
NHSBT I&E Total		**5.8**	**(1.0)**	

The forecast provided in the table is the Q1 forecast. Following latest intelligence and insights our overall financial position is expected to improve by £2m to £5m – driven through higher Blood and Component demand. This will be updated for the Q2 forecast.

Investment Portfolio – APM05 (Broadly reflects the Q1 position)

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Within the initial 2026/27 financial position up to £81m of funding was made available to support the prioritised investment portfolio, comprising £39m revenue, £27m capital, and £15m invest-to-save (I2S) funding. However, based on the agreed business plan, the starting plan for 2026/27 was agreed to be at **£71m**.

The latest forecast continues to report investment expenditure of £71m, in line with the agreed plan. While there have been some minor movements between divisions and changes in funding sources during the year (e.g. revenue to capital), these have **not** impacted the overall forecast investment level.

Table 4 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	Capital
Funded recurrently through prices	11.8	8.2	1.4		2.2	**11.8**		
Programme Funded	43.6	4.0		12.6		**16.6**		27.0
Cash Funded	25.6	4.3	1.1	0.0	5.2	**10.6**	15.0	
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**
Quarter 1 Forecast	**70.8**	**16.5**	**3.0**	**7.9**	**7.1**	**34.5**	**7.9**	**28.4**

Notes

i) **National Apheresis Capacity** – £3m of expenditure budget was reallocated from the ODT ARCs programme to Clinical Services to support National Apheresis Capacity. As this was a late amendment to the investment portfolio, only £0.5m of expenditure is expected to be incurred in-year. The overall programme is forecast to require £8m of investment over the next three years funded by DHSC.

ii) **Invest-to-Save (DASP)** – The latest forecast for the DASP programme is £7.9m, compared with a starting plan / revised budget of £9.0m, reflecting a £1.1m underspend against plan.

iii) **Capital Investment** – The increase in capital requirements is primarily driven by **Donor Centre fit-out programmes**, resulting in a higher capital funding requirement than assumed in the starting plan.

iv) **Q1 forecast variance** £5.6m (prev. slide) reflects a combination of Divisional prog. underspend (£34.5m vs £39m budget) and I2S (£7.9m vs £9m budget)

Cost Improvement Plan Summary – 2026/27 APM05 (August 2026)

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- **The plan for 2026/27 remains at £24.6m.**
- **At APM05 we continue to report a risk/gap of c£7m-£9m (reflecting a range of potential outcomes).**
- **Underlying this are concerns that up to £12m of this years plans might be delivered non-recurrently.**
- **Bilateral meetings will be held with the Directors across September / October to review their respective plans.**

Key Messages

Assurance

- **£5.6m delivered YTD (FYE in 2026/27 is forecast at £12m, increase of £1.6m)**
- 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 £0.9m under-recovered.
- c.£7m-£9m risks identified/gap.
- 49% phased to Q4 (delivery risk).
- £12.0m future year exposure.

Actions for M6

- **Agree plans** to address £1.1m Directorate unidentified savings.
- **Support acceleration** of £0.5m of unconfirmed schemes.
- **Optimism bias** of up to £1.2m
- **Review and confirm** deployment of £5.7m corporate levers.

Status	Plan	Forecast Delivered	Confirmed	Risk
AMBER	£24.6M	£12m	£5m	£7M-£9M

Cash Flow: Forecast

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- Cash balances remain under pressure due to delays in finalising the NCG arrangements and the associated income receipts.
- August closed with a cash balance of **£37m**, with NCG catch-up income now expected to be received during **October and November**.
- In principle receipt is required for the **DHSC funding allocation of up to £71m** during September to maintain a stable cash position.
- DHSC continues to receive regular updates on NHSBT's cash flow position.

Table 5 – 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**	**52**	**37**	**21**	**76**	**82**	**118**	**106**	**86**
Receipts	33	48	80	47	41	44	133	65	99	56	48	112
Payments	(51)	(57)	(58)	(59)	(56)	(60)	(78)	(59)	(63)	(68)	(68)	(124)
Closing bank balance	**50**	**42**	**63**	**52**	**37**	**21**	**76**	**82**	**118**	**106**	**86**	**74**

General Demand Reserve

The General Reserve balance will improve by c£3m-£6m reflecting the latest Blood position. This will restate the general reserve back up to c££17-20m. In principle, we'd utilise this balance to support transformation initiatives, however, we will continue to review this in the context of any competing emerging pressures, strategic priorities and corporate cost improvement mitigation.

Cash Split	£m
General Demand Reserve	14
Combined Working Capital	50
Deferred Income	10
Closing Bank Balance	**74**

2026/27 Capital Plan - Overview

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- Capital plan is slightly lower this month at c£38m (vs DHSC capital allocation - £35m) - continues to be over-programmed (as a mitigation to any in-year slippage up to c£3m) - Transformation Portfolio continues to make up c70% of the plan (detailed below) and at APM05 is forecasted to spend £26.3m;
- Supergroup routinely reviews and tests performance versus planned transformation spend, with CDEL milestones integral to this process;
- **YTD Spend at APM05 is £9.3m** - predominantly within the Transformation Portfolio e.g. Blood Tech Modernisation, BS / PfM Donor Centres – majority of spend is profiled in the second part of the year (Q1/Q2 - c£12m, Q3 - c£11m and Q4 - c£12m). Full reforecast to be provided at Q2.

Key point to note are as follows:

- Maturity of the plan continues to be developed, with c60% progressing as planned and c30% approved to progress. Remaining c10% remain at initial stage. All governed through established assurance / approval processes (e.g. OBC / FBC/ Commercial), with clear accountability across relevant stakeholders.

Table 6: Breakdown of Capital Plan 2026/27

£m	Latest Plan	Spend – APM05
	£m	£m
Equipment – replenishment / replacement / service growth	6.2	1.2
BAU Projects – includes Colindale Switch Panel / Solar Panels x 8 projects / Fleet Electric Vehicles	5.1	0.8
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)	26.3	7.3
Contingencies – on projects which are centrally held	0.7	-
Total	**38.3**	**9.3**
Over Programmed	**(3.3)**	
Funding Allocation	**35.0**	

Table 7: Breakdown of Investment Portfolio 2026/27

Transformation Portfolio - Detailed	Latest Plan
	£m
Blood Supply: Donor Centres x 4 – Relocation/ Fit Out Costs	12.2
PfM: Donor Centres x 3 – Relocation/ Fit Out Costs & Permanent Freezer Solution	4.7
DDTS: Blood Tech Modernisation	6.2
ODT: Matching & Offering	2.4
Estates: Colindale Investment Programme	0.7
Other Minor Projects: e.g. DASP	0.1
Total	**26.3**

2026/27 YTD Income and Expenditure: Contribution Report M05

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August 2026 M05 - Year to date Actual £m	Blood & Components inc. R&D	Plasma	Pathology & CAGT	TES	ODT	NHSBT
Total Income/Funding	168.6	11.5	47.9	11.5	59.3	298.8
Expenditure						
Variable Costs	-16.9	-2.6	-8.1	-1.8	-3.7	-33.1
Variable Contribution	151.7	8.8	39.8	9.7	55.6	265.7
Direct Costs	-62.9	-4.5	-23.2	-6.1	-35.4	-132.1
Direct Contribution	88.9	4.3	16.6	3.6	20.2	133.6
Direct Support Costs	-63.9	-1.1	-8.8	-1.8	-5.6	-81.2
Total Allocated Costs	-143.7	-8.3	-40.2	-9.6	-44.6	-246.4
Total Unallocated Costs	-19.8	-1.2	-5.4	-1.3	-6.2	-33.9
Operating Net Surplus / (Deficit)	5.1	2.0	2.3	0.6	8.5	18.5
Transformation	-6.4	-1.1	-0.9	0.0	-2.1	-10.4
Net Surplus / (Deficit) Inc Transformation	-1.3	0.9	1.5	0.6	6.4	8.1
Budget	0.4	-0.4	-1.3	0.0	3.5	2.3
Variance	-1.7	1.3	2.8	0.6	2.9	5.8
RAG	R	G	G	G	G	G

Year-to-date I&E position at M05 £5.8m favourable variance.

- The year-to-date income and expenditure outturn position for 2026/27 is c£5.8m favourable variance against plan overall for NHSBT.
- 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 Blood, which reports **red** reflecting the adverse **impact of lower demand / income for Red Cells and Platelets and reduced stock levels versus plan**. Following the latest blood and component demand forecast, this is expected to improve over the remainder of the year.