NHSBT
Financial Performance Report 2026/27

Year to Date - October 2026

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Executive Summary

NHS Blood and Transplant

- NHSBT is forecasting a year-end deficit of £24m, £1m adverse to the planned deficit of £23m.
- Operational performance remains broadly in line with plan. However, long-term financial sustainability remains dependent on addressing an estimated £11m CIP non recurrent shortfall, currently going to be carried forward into 2027/28.
- The forecast includes a £20m risk adjustment applied since Q2 to reflect identified financial risks. Should these risks not materialise, the year-end position would be reinstated accordingly
- Current performance continues to benefit from non-recurrent items, including transformation programme underspends and released budget contingencies.
- Capital expenditure is forecast is expected to remain close to the £35m DHSC allocation. NHSBT continues to work closely with DHSC to confirm the final capital drawdown requirement as part of APM08 reporting

Report Noting

- **To note**: Forecast is broadly aligned with budget, but includes a £20m prudent risk adjustment
- **To note:** Up to £11m of the £24.6m CIP target is currently non-recurrent and must now be converted to recurrent savings to avoid a financial pressure recurring in 2027/28.
- **To note:** NHSBT to confirm the CDEL final drawdown before Christmas, enabling any surplus funding to be redeployed across the system or applied to wider financial pressures.

NHSBT APM07 Income and Expenditure Position

NHS Blood and Transplant

Overview

- While operational performance continues to be broadly in line with plan across the Divisions, achieving sustainability remains dependent on remediating a potential £11m CiP c.fwd into 2027/28.
- NHSBT is currently forecasting a year-end deficit of £24m compared with a planned deficit of £23m, representing an adverse variance of £1m (this is an adjustment to the reported Q2 forecast referenced in the APM06 report).
- The Q2 forecast has been adjusted downward by £19m (to reflect a more prudent view of underlying risks). Were these not to crystallise the position would be reinstated (e.g. a return to the initial Q2 forecast e.g. £24m deficit plus £19m, equal to a £5m deficit).
- The potential improvement of £19m at Q2 was driven largely by non-recurrent factors, including transformation programme underspends and the release of uncommitted budget contingencies.

Table 1 – APM07 Income and Expenditure Position:

	M07; Financial Performance					
	Year to Date			Full Year Outturn		
	Budget £m	Actual £m	Variance £m	Budget £m	Q2+ Fcst. £m	Variance £m
Baseline	21.8	30.8	9.0	23.5	35.2	11.7
Transformation	(20.9)	(15.4)	5.5	(48.0)	(37.7)	10.3
Non Cash	2.5	(4.2)	(6.6)	1.3	(1.9)	(3.2)
Technical Adjustment	0.0	0.0	0.0	0.0	(19.7)	(19.7)
NHSBT Total	**3.4**	**11.2**	**7.9**	**(23.2)**	**(24.2)**	**(0.9)**

Table 2 – Q2+ Forecast Variance:

Quarter 2+ Income and Expenditure Forecast Variance		
General Cash Reserve	Better than Plan in Baseline Forecast	5.4
	Corporate Cost Improvement Plan	(5.2)
	Release of contingencies	9.7
	Technical Adjustment	(19.7)
Ring Fenced Underspend	Investment Portfolio	5.8
	Invest to Save	2.0
	National Apheresis Capacity	2.5
	National Call Centre	1.8
Non Cash	Capital Charges; Peppercorn / ROU	(2.5)
	Blood and Component Stock	(0.7)
NHSBT Q2+ Forecast Variance		(0.9)

Table 3 – Progression of NHSBT Financial Position

2026/27 Financial Position (£m)	Deficit	Closing Cash
Approved Plan	(£14.2m)	£80.8m
Updated Plan	(£23.2m)	£71.8m
Q1 Forecast	(£24.2m)	£73.9m
Q2 Forecast	(£4.5m)	£93.7m
Q2+ Forecast	(£24.2m)	£73.9m

Note: Adjustment is to manage the risk of an in-year technical change (pending external advice)

Detailed Income and Expenditure

Table 4: provides the detailed position of the summary table provided on the previous slide

1. **Year to date:** £7.9m better than plan
2. **Quarter 2+ Forecast:** £24.2m deficit versus a £23.2m budget deficit
3. **Key:** Underspend or better than plan / (overspend or underachievement against plan)

NHS Blood and Transplant

Category	Directorate	Year to Date Accounts			Q2+ Forecast			Commentary
		Bud.	Act.	Var.	Bud.	Fcst.	Var.	
		£m	£m	£m	£m	£m	£m	
Baseline Budgets *Improved direct general reserves*	Blood (I&E)	92.1	92.7	0.6	156.0	156.0	(0.0)	Year-to-date red cell demand starting to exceed monthly target to an improved at 0.3% below plan ytd, while platelet demand is 4.5% below plan, resulting in a year-to-date **income shortfall of £1.3m** (net of demand reduction reserve). 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 £2m by the end of the year.
	Donor Experience (I&E)	(14.9)	(14.0)	0.9	(27.5)	(25.7)	1.8	Marketing expenditure expected to catch up. The £1.8m fcst variance relates to the NCC contingency which is profiled in M12 (not reflected in ytd position)
	Cell Apheresis and Gene Therapies (CAGT) (I&E)	9.1	10.5	1.4	15.8	17.2	1.4	Underspend predominately driven through lower expenditure
	Plasma for Medicine (I&E)	6.7	8.2	1.5	10.9	11.9	0.9	Value of 2 Plasma for Diagnostics shipments is higher than budget, and lower non pay expenditure
	Tissue and Eye Services (I&E)	4.9	5.1	0.2	7.7	9.1	1.4	Broadly in line with budget, the fcst variance related to £1.6m contingency profiled into M12 (not reflected in the ytd position yet)
	Medical and Scientific (I&E)	(14.8)	(14.3)	0.5	(25.3)	(24.6)	0.7	Predominately pay underspends
	Pathology (I&E)	4.1	4.5	0.4	6.5	7.2	0.7	Higher activity crystalised in H&I
	Organ Donation and Transplantation (I&E)	23.4	27.0	3.6	35.3	40.8	5.5	Underspends being reflected in activity based budgets. The £5m in the fcst relates to a budget contingency which is not yet reflected in the ytd position.
	Corporate Directorates	(91.9)	(88.9)	2.9	(161.1)	(156.6)	4.5	Pay underspends crystalised in People, DDTS and Quality. Within the forecast a £3.3m contingency which is currently profiled in M12
	Corporate Cost Improvement Programme	3.0	0.0	(3.0)	5.2	0.0	(5.2)	The corporate cost improvement programme can be full mitigated through crystalised improvement in baseline budgets (albeit non recurrently).
Baseline Total		**21.8**	**30.8**	**9.0**	**23.5**	**35.2**	**11.7**	
Transformation Investment Portfolio *Ring Fenced Cash to complete projects in flight*	Blood and Group	(8.9)	(7.8)	1.0	(16.5)	(15.3)	1.2	Underspends reflected here, are in principle ring fenced and carried forward into future years.
	Organ Donation and Transplantation	(3.8)	(2.7)	1.1	(9.6)	(7.1)	2.4	
	Plasma for Medicine	(2.7)	(1.9)	0.8	(7.4)	(5.8)	1.7	
	Clinical Services	(3.0)	(1.1)	1.9	(5.5)	(2.5)	3.0	
	Invest to Save	(2.6)	(1.9)	0.6	(9.0)	(7.0)	2.0	
Transformation Total		**(20.9)**	**(15.4)**	**5.5**	**(48.0)**	**(37.7)**	**10.3**	
Non Cash Adjustments	Stock and Cap Charges	2.5	(4.2)	(6.6)	1.3	(1.9)	(3.2)	£2.3m adverse movement predominately relating to Blood and Component stock. £4.3m adverse variance in capital charges, primarily relating to peppercorn leases & ROU asset revaluations. A re-lifing exercise is planned later in the year, which is expected to partially lower this variance.
Technical Risk	Misc.	0.0	0.0	0.0	0.0	(19.7)	(19.7)	Adjustment is to manage the risk an in year technical change (pending external advice)
NHSBT I&E Total		**3.4**	**11.2**	**7.9**	**(23.2)**	**(24.2)**	**(0.9)**	

Note: the financial position includes £11m of non recurrent savings

Investment Portfolio – Q2

NHS Blood and Transplant

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 reports investment expenditure of £64m.

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	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	3.0	9.6		16.6		27.0
Cash Funded	25.6	4.3	1.1		5.2	10.6	15.0	
Total	**81.0**	**16.5**	**5.5**	**9.6**	**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
Quarter 2 Forecast	63.8	15.3	2.5	7.1	5.8	30.7	7.0	26.1

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, with little 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)** – latest forecast for the DASP programme is £6.2m, compared with a starting plan / revised budget of £9.0m

iii) **Assessment and Recovery Centres (ARC's)** – latest forecast for the ARC's programme is £4.9m compared with the £6.8m budget, reflecting the latest programme position.

Cost Improvement Plan Summary – 2026/27 APM07 (October 2026)

NHS Blood and Transplant

Plan	Forecast Delivered	Forecast Confirmed	26/27 Risk	Carry Forward Risk
£24.6M	£17.4M	£1.4M	£6M to £6.5M	**£10.9M**

Key Messages:

- Year to date delivered cash releasing benefits are £8.8m (full year effect £17.4m).
- Of the remaining cash releasing plans for 2026/27 up to £6.5m are at risk.
- Subject to delivering the full £24.6m there is a risk that up to £10.9m will be done non recurrently.
- It is essential that any non recurrent plans are converted into recurrent plans ahead of 2027/28 to avoid an accumulative impact ahead of the next financial year.

2026/27 Actions:

- Non-recurrent carry-forward:
  - Directorates to review opportunities to convert non-recurrent savings to recurrent to minimise future year risk.
  - There will also be consideration given as to whether the residual non recurrent savings can be mitigated through increasing organisational governance (e.g. tighter grip and control)

2027/28:

- c.£11m of opportunities have been identified against an indicative design principle of 2% / £14m, of which £3m are “confirmed”. Action is needed by Directorates to identify additional opportunities and increase scheme maturity.

CIP Carry Forward Risk 2027/28

NHS Blood and Transplant

2027/28 Carry Forward Risk £10.9m

	Potential 26/27 Carry Forward £m
NHSBT	**10.9**
Directorate Analysis	
Blood Supply	2.0
Estates	0.9
Finance	0.1
ODT	2.7
Corporate	5.2
Total	**10.9**
Mitigations	
Pensions actuary reduction	(2.7)
Mitigated Carry Forward	**8.2**

- The current view of the carried forward into 2027/28 is £10.9m.
- Directorates are advised to develop recurrent remediations. If recurrent schemes are not identified, then Directorates will incur higher CIP targets in 2027/28.
- It is anticipated that the carry forward risk can be mitigated by c.£2.7m through a pension reduction which would reduce the risk to £8.2m.
- A residual risk remains in the following areas, and will be a carried forward CIP target if not mitigated:
    - ODT £2.7m, recurrent mitigation proposed, subject to CFO review.
    - Corporate, £2.5m
    - Blood Supply, £2.0m
    - Estates, £0.8m
    - Finance, £0.1m
- The progress on the carried forward risk will be reported in the ET performance report throughout the remainder of the year.

Cash Flow: Forecast

•**Cash balances remain strong**, with cash at the end of October of **£50m** and the latest Q2+ forecast indicating a year-end balance of **£74m**. This reflects a combination of lower-than-planned transformation expenditure and the non-utilisation of some budget contingencies.

•**The headline cash position should be considered in context**, as a significant proportion of forecast balances are either ring-fenced for programmes in flight or required to support working capital and organisational resilience

•**The use of reserves will continue to be reviewed throughout the year**, taking account of developing financial pressures, strategic investment priorities.

Table 6 – 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**	**55**	**50**	**46**	**76**	**112**	**103**
Receipts	33	48	80	47	41	77	54	57	93	104	56	118
Payments	(51)	(57)	(58)	(59)	(56)	(59)	(59)	(61)	(64)	(67)	(66)	(148)
Closing bank balance	**50**	**42**	**63**	**52**	**37**	**55**	**50**	**46**	**76**	**112**	**103**	**74**

Cash Split	£m
Ring Fenced Cash	30
Combined Working Capital (all divisions)	33
Deferred Income	11
Closing Bank Balance	**74**

Ring Fenced Cash	£m
Plasma	2
ODT (ARCs)	2
Blood (Invest to Save)	23
Clinical Services (National Apheresis Capacity)	3

2026/27 Capital Plan - Overview

NHS Blood and Transplant

Exec Summary

- DHSC have provided NHSBT with a capital budget of £35m for 2026/27.
- **YTD Spend at APM07 is £13.6m** - predominantly within the Transformation Portfolio e.g. Blood Tech Modernisation, Blood Supply / Plasma Donor Centres – majority of spend continues to be profiled in the latter part of the year.
- Transformation projects represent **c80% of total planned expenditure in 2026/27 (we over-programme through the year to try and remediate any unplanned slippage, so that we can spend all/close to the budgeted allocation).**
- We continue to work closely with **DHSC system partners** and recognise the importance of confirming a final drawdown figure before Xmas (to support any underspends being either reallocated across other ALB 's or as an offset to current system pressures).

Table 6: Breakdown of Capital Plan 2026/27

£m	Latest Plan	Spend – APM07
	£m	£m
Equipment – replenishment / replacement / service growth	6.2	1.6
BAU Projects – includes Colindale Switch Panel / Solar Panels x 8 projects / Fleet EV	5.9	0.9
Transformation Projects – as included within the Investment Portfolio (BTM / Colindale Investment Programme / Donor Centre Fit Out costs x 4/ PfM Donor Centre Fit Out costs x 3 etc)	27.3	11.1
Contingencies – on projects which are centrally held	0.6	-
Sub-Total	**40.0**	**13.6**
Over Programmed / Optimism Bias	**(5.0)**	
Total Plan	**35.0**	

2026/27 Income and Expenditure Plan: Full Year Contribution Report M06

Annual Budget 2026/27 £m	Blood Components inc. R&D	Plasma	Pathology and CAGT	Tissues and Eye Services	Organ Donation and Transplantation	NHSBT
Total Income/Funding	407	27	116	31	142	723
Expenditure						
Variable Costs	(41)	(7)	(20)	(5)	(8)	(80)
Variable Contribution	366	21	96	26	134	642
Direct Costs	(153)	(13)	(58)	(19)	(96)	(339)
Direct Contribution	213	8	38	8	37	303
Direct Support Costs	(162)	(3)	(22)	(4)	(13)	(204)
Total Allocated Costs	(356)	(22)	(100)	(28)	(118)	(623)
Total Unallocated Costs	(43)	(3)	(12)	(3)	(14)	(75)
Operating Net Surplus / (Deficit)	9	2	4	0	10	25
Transformation	(26)	(7)	(6)	-	(10)	(48)
Net Surplus / (Deficit) Inc Transformation	(17)	(6)	(1)	0	1	(23)
2026/27 surplus / cash funded deficit	17	5	1	-	-	23
2026/27 underlying position £m	0	(0)	(0)	0	1	0
2026/27 underlying position %	0%	-1%	0%	0%	0%	0%

- The Annual Budget 2026/27 contribution report presents the full-cost position of each business unit following the allocation of corporate and support service overheads. On this basis, **all Services are reporting an underlying position that is broadly breakeven** and within the agreed 1% tolerance.
- This outcome reflects our core financial design principles, whereby cost is aligned to price and full-cost recovery is applied across all product and service groups, helping to minimise cross-subsidisation of publicly funded services.
- The allocation methodology is underpinned by an activity-based costing approach, with direct and indirect costs allocated through primary, secondary and tertiary cost drivers to reflect service consumption and operational activity.
- Cost allocations of our group services continue to be reviewed and refined through collaboration across directorates. Any proposed changes arising from this work will be shared with stakeholders ahead of future iterations.

2026/27 YTD Income and Expenditure: Contribution Report M07

October 2026 M07 - Year to date Actual £m	Blood Components inc. R&D	Plasma	Pathology and CAGT	Tissues and Eye Services	Organ Donation and Transplantation	NHSBT
Total Income/Funding	237	16	68	16	83	42
Expenditure						
Variable Costs	-24	-4	-11	-3	-5	-4
Variable Contribution	213	13	57	14	78	37
Direct Costs	-89	-5	-33	-9	-50	-166
Direct Contribution	124	7	24	5	28	189
Direct Support Costs	-90	-2	-12	-2	-8	-114
Total Allocated Costs	-203	-11	-57	-14	-62	-346
Total Unallocated Costs	-28	-2	-8	-2	-9	-48
Operating Net Surplus / (Deficit)	6	4	4	1	12	27
Transformation	-10	-2	-1	0	-3	-16
Net Surplus / (Deficit) Inc Transformation	-3	2	3	1	9	11
Budget	0	-1	-1	0	5	3
Variance	-3	3	3	0	4	8
RAG	R	G	G	G	G	G

Year-to-date I&E position at M07 £8m favourable variance.

- The year-to-date income and expenditure outturn position for 2026/27 is **c£8m** favourable variance against plan overall for NHSBT, as shown in slide 3.
- All services 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 reduced stock levels (v end of 2025/26).
- No further management action is required for Blood, as the in-month stock movements are a point-in-time position and are expected to fluctuate during the year. Ongoing stock management will continue through the established 'BOLT' governance framework.