

Laying Foundations, Building Partnerships for the Future





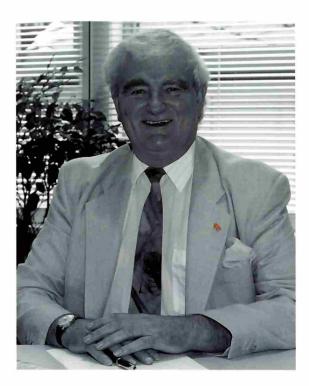
INDEX

INDEX	
Page 3	Chairman's Statement
Page 4	Laying Foundations
Page 6	Partnership with Hospitals
Page 8	Quality, Safety & Delivery
Page 10	The Future of Transfusion Medicine
Page 12	Strengthening Partnerships
Page 14	Donors
Page 16	Partnerships between Donors & Patients
Page 18	Bio Products Laboratory
Page 20	Board of Directors
Page 22	Core Objectives
Page 24	Financial Review
Page 26	Financial Statements

Clinical Issues	2000/01	1999/00
Adult Red Cells	2,221,007	2,227,223
Paediatric red cells for new born babies	50,861	52,003
Red cells for "intra-uterine" transfusion	218	231
Adult FFP	413,268	414,499
Paediatric FFP	7,109	7,858
Adult platelets	207,703	214,029
Paediatric platelets	9,938	9,805
Total	2,910,104	2,928,443
Adult FFP includes Cryoprecipitate and Cryo-poor FFP		

Laying Foundations, Building Partnerships for the Future

CHAIRMAN'S STATEMENT









This Annual Report gives an account of our work over the year and, following the style adopted last year, it takes the form of a narrative of the journey of blood within the National Blood Service (NBS).

In last year's Annual Report we followed the story of a blood donation from the giving by the donor to the receipt by the patient. This year we begin in the hospital and explore the journey of a blood donation back through the different departments of our organisation to the original donor. This clearly illustrates the number of tasks we carry out in the NBS to ensure we safely and efficiently collect, test, process and issue blood and blood products to meet the needs of patients.

As part of this overall activity we have embarked on a major exercise to examine in detail ways of making donation easier. The outcomes should help us recruit new donors and encourage existing donors to donate more frequently because of improvements to the donation process. Alongside this we have carried out a significant consultation exercise with our staff, convinced that by listening to their concerns and aspirations about their working life, the standard of service we provide to the public will improve. In addition, rapid developments in medical technology provide new opportunities and challenges which our research strategy has exploited. This is particularly the case with advances in stem cell biology which promises exciting new and novel products and therapies.

These have been some of the developments within our on-going programme of organisational change. This is a programme we have designed with the aim of delivering continuous improvement in the standards of service we provide to donors, patients and hospitals.

Finally, I have two significant matters to record. First, my appreciation and thanks to Dennis Allison, our longest serving nonexecutive Director, whose second term of appointment ended this year. We shall miss his wise counsel and support. He missed only one meeting in eight years some record! Secondly, I am proud to report that for the second year running, the National Blood Service was able to meet in full every hospital request for blood.

MIKE FOGDEN, CB CHAIRMAN NBS



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Every few months little Elizabeth Morris knows it's time for a pinking.

Elizabeth, 5, is the most vigorous and lively of children. "She's a total bundle of energy," says her mum Janet, "she never stops."

But sometimes Elizabeth pales and tires and her energy levels dive. This is hardly surprising: when she was just 17 months old doctors diagnosed her with Lymphoblastic Leukaemia (a form of cancer of the bone marrow). During two lengthy periods of chemotherapy, Elizabeth has been pinked - that's how she refers to a blood transfusion - dozens of times. And she doesn't mind a bit.

"She often knows when it is time for a transfusion, it's like she needs topping up," explains Janet. "We call it pinking because it brings her colour back, it makes her pink again."

When Elizabeth was 'pinked', she was one of thousands of patients who benefited from nearly two and a half million blood donations collected last year by the National Blood Service (NBS). The NBS delivers blood, blood components, blood products and tissues to hospitals throughout England and North Wales.

Our purpose is simple - to save and improve lives by meeting the needs of people like Elizabeth.

The past year has seen significant change within the NBS; a rolling national restructuring programme aimed at equipping the Service to keep up with the ever changing needs of hospitals and donors. Foundations have been put in place to strengthen and develop partnerships. One example is The Blood Stocks Management Scheme in which hospitals and the NBS share information via a secure web-based management system. Another is a growing collaboration with universities and clinical research centres to exploit advances in stem cell biology. All the while the NBS has continued to work with hospitals to provide blood and blood products of a high quality.



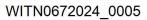






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OSPITALS

The foundation stone of our work remains in the collection, testing, processing, and issue of blood donations. As Elizabeth and her family will testify, patients can be confident that they will receive blood and blood products when they need them.

When Elizabeth's illness was first diagnosed, she underwent intensive chemotherapy at the Royal Manchester Children's Hospital and needed regular blood transfusions to support her treatment

"She sees the blood arriving in that bag and she knows it's for her from someone else," says mum Janet. "She also knows that the bag is the difference between her lying down and feeling listless and being able to charge around the garden."

Despite a relapse, Elizabeth is now responding well to a second course of treatment, under the care of Dr Richard F. Stevens, Consultant Paediatric Haematologist at The Royal Manchester Children's Hospital.

"Like all children with leukaemia, Elizabeth will require intensive supportive treatment, including blood and platelet transfusions," explains Dr Stevens. "The modern day treatment of childhood leukaemia is highly dependent on blood and platelet provision and clinicians depend on the continued support provided by the NBS."

Of course, the blood which Elizabeth receives has already travelled a sophisticated route through the NBS from when it was donated. It is of paramount importance that clinicians have confidence in the blood and blood products the NBS supplies to treat patients.

Those vital blood supplies are delivered to hospitals around the country by our **Transport Department**. Strict procedures are in place to ensure that the blood arrives safely, on time and to order. Deliveries take place on a daily basis to meet the needs of hospitals.

If hospitals make a special or urgent request for blood or blood products, our 24 hour service ensures hospitals receive what they peed as soon as

they need as soon as possible. This year saw a comprehensive review of the national supply chain and fleet management arrangements within the NBS. This will further improve service by reducing supply chain costs and raising customer service levels and overall efficiency.

Our success in the NBS is dependent on our

ability to work well with hospitals. Here our level of service is enhanced by our Hospital Liaison function. This involves our managers and NBS consultants working with hospital blood banks and consultants to achieve best service for patients and develop best transfusion practice. NHS Hospitals will soon have a NBS Hospital Liaison Manager working to resolve technical, financial, operational and diagnostic issues. Medical issues are covered by Hospital Liaison Consultants, and with the establishment of Regional and National Transfusion Committees further improvements in clinical transfusion practice have been made.

Alongside Hospital Liaison is the Blood Stocks Management Scheme (BSMS), another newly laid foundation stone in the partnership between the NBS and participating hospitals. This year the BSMS has introduced an innovative web-based management system for the





submission of data and feedback of performance. This sophisticated data base management system is accessed by hospitals through a secure route on the BSMS website. Hospitals input daily data on stock levels and wastage; viewing facilities allow them to review their own stock management against annonomised peer hospitals, which helps to promote more effective blood supply management.



FOUNDATIONS OF QUALITY, SAFETY

At the centre of the NBS is our Processing, Testing and Issue (PTI) Directorate with national responsibility for good manufacturing practice, blood processing, testing, blood and product issue and tissue services. This Directorate has been transformed in the past year to one national structure accelerating our aim of standardising activities across the country. Thus, benefits to hospitals and patients in relation to quality of product and service, are already being seen.

To ensure the continued safe, day to day operation of all PTI activities in a period of change, project groups have been established to deliver good practice and communications for instance in quality of product and service and health and safety. Significantly, four centres during the year were audited by the Medicines Control Agency (MCA) and no critical non-compliances were found.

To keep pace with change and ensure continuity of purpose a **National Blood Processing Systems Approval Group** was set up, overseeing the contracting process, evaluation and performance monitoring of blood packs. A new three year blood pack contract has resulted in significant savings.

As a part of our blood testing strategy, proposals were agreed for the supply of test kits for the next three years. To provide better reporting and quality monitoring, testing equipment has been standardised at no additional cost which will ultimately improve quality control and productivity.

Nucleic Acid Technology (NAT) a longstanding project to improve Hepatitis C virus testing continues to develop. This has recently involved building and equipping new laboratories, developing automated systems, recruiting and training of staff and introducing new patterns of work, transport and reporting.

Drawing on experience gained in emergency planning for the millennium period last year, the NBS Disaster and Major Incident Planning process was re-launched as **Emergency Planning**, focused on ensuring the continuity of PTI in the face of major or unforeseen incidents. The plans were successfully tested during the fuel problems seen last Autumn. The NBS can reassure hospital customers of continued supply in the most extreme situations.

Our Tissue Banks provide bone, skin and heart valves from consenting donors, for the benefit of patients undergoing hip replacement, burns treatment and heart valve surgery. The newly restructured **Tissue Services** laboratories are developing national clinical policies. Following a draft Code of Practice, issued from the Department of Health, work is ongoing to ensure Tissue Services laboratories meet this new audit system. These measures will reassure patients receiving grafts that tissue was properly obtained and audited against the highest standards.

For young Elizabeth Morris, undergoing intensive treatment for leukaemia, the ultimate aim is to find her a match for a bone marrow transplant. Our British Bone Marrow Registry (BBMR) is the ninth largest bone marrow registry in the world and contributes to an international panel through Bone Marrow Donors Worldwide. The BBMR has approximately 106,000 people who have volunteered to be bone marrow donors of whom approximately 74% are class I and II HLA typed. The BBMR has seen a promising increase in the number of bone marrow donors in the last year due to raised public awareness of the constant need for bone marrow donors.

NBS laboratories test blood samples and perform complex tissue typing. The BBMR, collaborating with other national bone marrow registries, provides the best possible chance of identifying donors for patients. We will simultaneously search UK registries and the worldwide database to find a suitable match for patients like Elizabeth.

With the introduction of our new national structure the Diagnostic **Development & Research Directorate** (DDR) has put forward proposals to consolidate Histocompatibility and Immunogenetics, including BBMR, into seven laboratories, providing high quality services for patients. As a result, sufferers of transfusion related reactions, people requiring matched platelets or solid organ transplantation (renal, heart, liver, corneal) and patients requiring haemopoietic stem cell transplantation are receiving an improved service. Typing and registration of bone marrow, cord blood and platelet donors, as well as immunogenetic diagnostic testing for patients with diseases associated with genes is also carried out.

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TRANSFUSION MEDICINE

Our NBS laboratories provide high quality services for the collection, processing and freezing of haemopoietic stem cells from bloodstream, bonemarrow and cord blood. These donations are extensively manipulated to separate the stem cells and other cell factions that are vital to the success of transplants.

Stem cell replacement holds the promise of treating a range of diseases and genetic disorders. A major part of our research strategy is to work with universities and clinical research centres to exploit advances in stem cell biology and develop novel products and therapies. By manipulating different types of leucocytes from the blood and bone marrow it is possible to generate cancer vaccines for use in patients with leukaemia and a range of solid cancers. Stem cells may also be treated in the laboratory so that they are redirected and can make a range of different cell types, for example nerves, heart muscle and liver.

In the future this type of development may lead to the treatment of large numbers of patients with common conditions such as heart disease and neurological disease. The NBS aims to be actively involved in providing these therapies from fully accredited state of the art facilities - and to be at the cutting edge of technological innovation bringing benefits to both hospitals and patients.

Red Cell Immunohaematology (RCI) is exploring options for electronic communication of ante-natal results with clinics. At the NBS National Transfusion Microbiology Reference Laboratories methods are being piloted for improvements in donor arm cleansing and decreasing the risk of bacterial contamination. Medical staff and representatives from the Quality, IT, Facilities and Hospital Liaison functions were involved in a strategic review of RCI to recommend best practice. A survey, undertaken with Hospital Liaison and RCI, found customer satisfaction generally high.

At the **Bristol Institute for Transfusion Sciences**, cellular research is focusing on leukaemia and sickle cell disease. The progress of one project may become very important to children like Elizabeth Morris - exploring the potential of leukaemia -specific T cells to prevent or treat relapse in acute lymphoblastic leukaemia patients after bone marrow transplantation.

This is just one illustration of an impressive range of high quality research and development undertaken at different NBS centres, often in collaboration with University departments.

In conjunction with the Division of Transfusion Medicine at Cambridge University we are studying viruses that may pose a threat to the blood supply.

Collaborative research with Imperial College, London has led to the production of several new monoclonal antibodies to the prion protein which are currently under evaluation for use in diagnostic testing for BSE and vCJD.

Through the DDR Directorate, national resources are being allocated for the conduct of clinical studies and developing best transfusion practice. The Clinical Studies Unit, a collaboration with the Medical Research Council Clinical Trials Unit, will be available to support all stages of clinical studies from their design through to data analysis.

Some of the most vital research by the NBS is conducted with hospital clinicians, for example to improve the use of blood in elective surgery and critical care.

VCJD PROJECT GROUP: PARTNERSHIP IN THE UK AND ABROAD

The transmissibility of vCJD is of great concern to all healthcare providers. It remains unknown whether or not a blood transfusion may be a route for transmitting vCJD.

Research directed at transmissibility and preventative measures are imperative for the NBS. We are collaborating with other UK blood services, academic research units, National Institute Biological Standards and Controls (NIBSC) and colleagues abroad in a wide ranging research programme, which receives advice from Department of Health specialists.

Research, for example to identify tests that might detect carriers, contributes to a growing understanding of vCJD and the safety of blood transfusion.

Working in partnership with other groups, the NBS has the best chance of managing complex problems such as vCJD.



Building - 11

STRENGTHENING PARTNERSHIPS WIT

None of our achievements in the past year would have been possible without the contribution of our staff. They often know better than anyone what the challenges are and how problems might be overcome.

Delivery of quality products and services depends on NBS staff. In the past year we have conducted a major 'listening exercise' prompted by our Staff Opinion Survey. Unsurprisingly, given the uncertainties generated by a period of almost continuous change, the survey showed a degree of dissatisfaction within the organisation. But this was in the context of staff who are proud of the NBS, committed to the Service and prepared to bring about necessary improvements.

To provide more than just a statistical picture, groups involving 200 staff identified a range of specific problems and recommended solutions which we are committed to supporting.

'The focus groups demonstrated that people with diverse problems, under the right leadership and vision, can pull together in the same direction to influence change', as one member of staff put it.

Keeping a Focus at Local Level

A challenge facing Senior Management has been to balance national functional arrangements with effective local delivery. This year a team of twenty three staff from all departments successfully developed and piloted a new model, the Local Service Group. This model will now be established at all blood centres. Local Service Groups will offer a framework for resolving local issues and share important information quickly. The Head of Centre will provide a local figure-head for each blood centre, with responsibilities towards local staff, customers, donors and the community at large as well as regular meetings with the Chief Executive.

Developing our nursing strategy

In December 2000, the National Blood Service undertook the first Nursing Needs Assessment.

The objectives of this project were to -

- Benchmark the NBS against the wider NHS and establish a baseline.
- To understand what resource was needed to implement and develop the NHS National Nursing Policy.
- To establish effective nursing direction and purpose.

The results showed that real progress had been made, and also confirmed that the NBS re-organisation would facilitate greater integration with the wider NHS.

The future for nursing in the NBS is set out in our nursing strategy and is dependent on collaboration with many stakeholders. This confirms that nursing plays a vital role in contributing to the NBS core purpose.

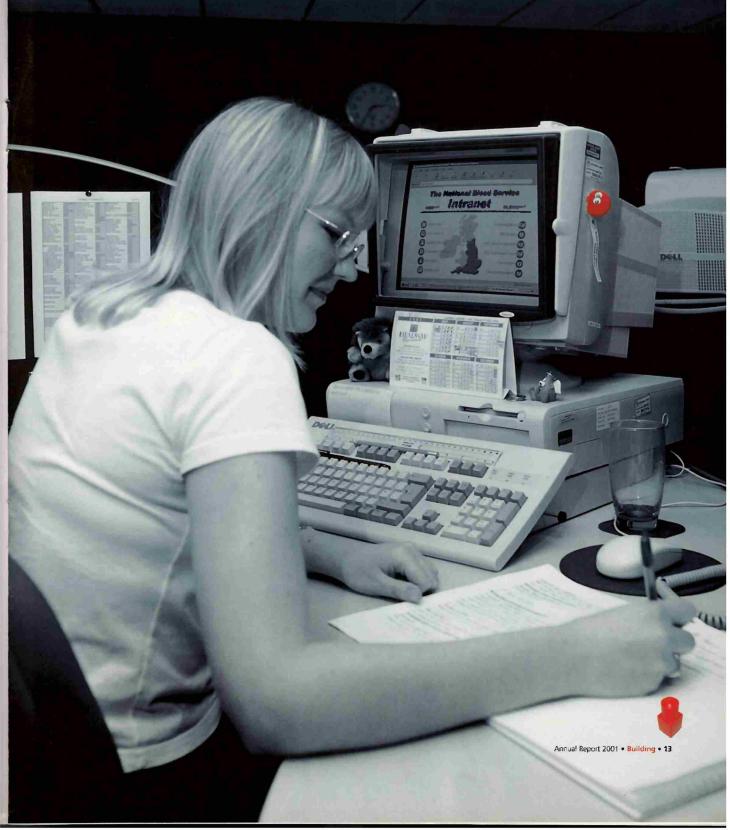








HIN THE NBS



Donors - A Partnership For Life

Like many people who have experienced the life-saving benefit of blood transfusion, Elizabeth's parents Janet and Jeremy, wanted to return the favour. Parents at Elizabeth's primary school decided to hold a blood donation day and when the Blood Service team arrived to conduct the special blood donor session, scores of parents and friends supported Elizabeth and other patients by giving blood.

"When people hear about Elizabeth they are always asking what they can do to help,, explained Janet. "This was the best possible thing they could do, giving blood themselves to help other patients across the country."

The NBS cannot take existing donors for granted or fail to develop programmes to recruit new donors. Fostering our partnership with donors is a critical task and we are committed to improving the donation process for both existing and new donors.

Changing demographics and lifestyle patterns make the task of collecting blood increasingly challenging. Our priorities must revolve around tailoring our service to the needs of donors. In order to improve our partnership with our donors we are tackling the longstanding problems of waiting times and variations in blood donor session practice.

This year our Services to Donors Directorate undertook a major Donation Process Review. This work is designed to provide donors with a more convenient service which meets their needs. Findings from our nationwide series of blood donor focus groups are the foundation blocks of our new partnership with donors. Initiatives from these groups include providing donors with more opportunities to donate at times that suit them, aiming to reduce waiting times and identifying what donors expect from the NBS.

As part of the Donation Process Review our Market Research and Analysis Department has managed a programme of donor research aimed at establishing the needs of donors if they are to continue giving blood. Researching donor opinion in areas as diverse as appointments, sponsorship and donor awards have informed the planning process, ensuring that restructuring of our collections support activity takes place in consultation with donors.

With the aim of keeping donors informed and updated about the work of the Service, we redesigned The Donor magazine and for the first time mailed it directly to blood donors. After the first issue our survey showed more than 80% of readers found it useful/interesting, and readership rocketed from 380,000 to 990,000. A huge increase in our postbag indicates the enthusiasm of donors to be kept up to date with NBS developments.

The NBS must continue to innovate and adapt to changing social patterns. One idea which has been successfully trialled involves session invitations being delivered to mobile phones by the use of SMS (text) messaging. This is a more efficient contact method for younger donors. The National Contact Centre (NCC) provides a 24 hour service built around the needs of our donors and the general public. A long term partnership with our Contact Centre solutions specialist improved standards of service for callers. Nearly 800,000 calls and e-mails are now being addressed annually by staff trained by the NBS. In this new partnership we are building a unique Contact Centre culture focused on meeting the needs of our callers not simply answering the call at speed. The NCC, which has already received a clutch of industry-wide awards, aims to ensure that donors receive a first class personal service.

Working with an independent telemarketing agency the volume of calls to remind donors to attend session has risen from approximately 40,000 to 50,000 a week. Frequently the issue for donors is not that they won't attend a particular session, but that they cannot. For the first time, leaflets detailing alternative sessions, are now being included with all letters inviting donors to attend a local blood donor session.

We have further simplified the ways in which potential donors can reach us with a bold redesign of our website. Visitors to **www.blood.co.uk** can enter their postcode and promptly find dates, times and venues for all donor sessions in their area. Visitors can also see at a glance daily blood stocks - and register to become a blood donor. The 'Aladdin's Cave' of information, testimonials, games and entertainment on the website helps to illustrate the diversity of the NBS. Publication of new NHS identity guidelines, dovetailing with NBS research on our own standards of public communication, has formed the foundations for an enhanced customer focus in all our communications, both in look and content. These provide a strong identity which supports our values and direction.















Building Partnerships Between D

The establishment of the Public and Customer Services Directorate provides the link between our service to donors and patients. The NBS is committed to work in partnership with all customers, from hospitals to donors, to ensure that they are at the heart of our service.

As we concentrate on recruiting and retaining donors, a key objective is to ensure that we are sensitive to the views and requirements of all customers. We must provide our operational managers with better information about customer priorities. This is illustrated by a review of how we handle complaints which has led to new procedures being put in place. We are also committed to improving the quality of response and speeding up the time it takes to reply.

There is a very simple connection between the patients who need blood and our donors nationwide. If we lose the trust of our donors or make their relationship with us too arduous, this could result in the loss of vital donations.

The continued demand for blood and blood products, and the extending boundaries of medical science make the previously unthinkable into practical reality. We must therefore redouble our efforts to provide a safe and efficient supply to hospitals for patients like Elizabeth Morris.

In a host of new and improved partnerships and collaborations, both internal and external, the NBS is adapting as a national service to meet the needs of all customers.







DONORS AND PATIENTS

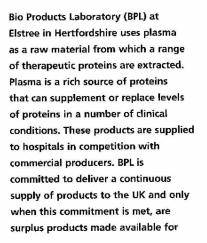






BIO PRODUCTS LABORATORY

V4 VESSEL STATUS



export. In the last year UK sales remained constant at £40.5m, whilst export sales increased to a record £12.7m.

BPL entered a new phase in its communication strategy with the revision of **bpl.co.uk** to provide a web site that details the many functions of BPL, plus dedicated 'therapy' areas addressing a number of haematological conditions for users to access. In addition, BPL has continued to support healthcare professionals and patients by the





ents by the provision of medical educational material and a series of newsletters providing a broad overview of current issues.

Key Regulatory successes in the year were the addition of **Guillian Barre** to the list of indications for Vigam. UK licences were granted for the introduction of solvent/detergent viral inactivation treatment into the manufacturing process for the complete range of BPL's hyperimmune immunoglobulins (anti-VZ, anti-D, anti-Hepatitis B, anti-Tetanus and anti-Rabies). The challenge of finding a suitable toxin to test batches of anti-tetanus IgG was resolved in discussions with NIBSC and validation of alternative methodology is now underway.

A comprehensive development programme to maintain BPL's products at the forefront of technology was continued during 2000. Work proceeded on the reformulation of the intravenous immunoglobulin Vigam Liquid and a new Factor VIII to replace 8Y for the treatment of Haemophilia A. We are working in partnership with several groups inside and outside the NBS in contracted laboratory studies, clinical trials and NBS-funded related research projects.

A major challenge in 2000 was maintaining UK product availability during two extended production shutdowns, as equipment required for the Haemacure contract was installed. Close co-operation with suppliers and engineers ensured all objectives were achieved within the 16-week timescale and although this restricted production capacity of plasma, we successfully managed the release of product to ensure that UK market demands were met throughout the year.

BPL continues to support the establishment of the NB5 NAT laboratories aiming to implement new technology that provides a real patient benefit as it becomes available.

Building 19

BOARD OF DIRECTORS



Barry Savery Director of Finance Prior to his present appointment, he was Director of Finance for the Bio-Products Laboratory. Has also had extensive experience in the financial and general management fields in the pharmaceutical, chemical and printing industries.



Angela Robinson Medical Director

Formerly a Consultant Haematologist and Transfusion Medicine Specialist in a joint post between Seacroft Children's and Infectious Diseases Hospital and the Yorkshire BTS, Angela became Director of YBTS in 1988 with Involvement In the reorganisation of the Regional Health Authority Services. Appointed Medical Director of the NBS in 1994.



Elisabeth Buggins Non-Executive Director Chairman of Walsall Community Health NHS Trust and the West Midlands Regional Lead for the NHS Confederation and Chairs the Communications Policy Committee. In collaboration with the NHS Executive Regional Office Elisabeth runs a development programme for nonexecutive Directors.



Paul Sabapathy OBE Non-Executive Director Retired in July 2000 as Chief Executive of North Birmingham Community NHS Trust. Currently Pro Chanceilor University of Central England, Member of the Standards Board for England, Member of West Midlands Industrial Development Board, Trustee of New Walsall Art Gallery and Member of Birmingham City Council Standards Committee.



Professor Willem (Pim) van Aken Consultant adviser to the Board, previously a Non-Executive Director Recently retired as Medical Director and Member of the Executive Board, Central Laboratory of The Netherlands Red Cross Blood Transfusion Service (CLB).



Martin Gorham Chief Executive Martin has spent his whole career to date in the NHS. He was Chief Executive of the London Ambulance Service (LAS) for 3'/s years, having been drafted in following the high profile failure of the LAS control computer. Martin has led the NBS towards its goal of "local services within a national framework".

Laying Foundations, Building Partnerships for the Future



Mike Fogden CB Chairman Chief Executive of the Employment Service from 1987, retiring in 1996. Currently Chairs the Public Management & Policy Association, Deputy Chair of the Civil Service Appeal Board and Chairman of the Investigating & Disciplinary Board of the Accountancy profession.



Jennie Gubbins Non-Executive Director A Partner in Trowers & Hamlins Solicitors since 1985 working with clients in the commercial and public sectors. Jennie is a Director of the Polka Children's Theatre in Wimbledon.

Audit Committee: Paul Sabapathy (Chair) Jennie Gubbins Dennis Allison

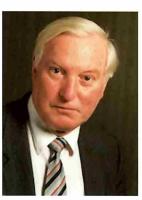
Remuneration Committee:

Mike Fogden (Chair) Martin Gorham Martin Hindle Elisabeth Buggins

Trust Fund Committee: Jennie Gubbins (Chair) Martin Gorham Angela Robinson Barry Savery



Martin Hindle Non-Executive Director Held senior positions in the pharmaceutical and telecommunications industries, recently retiring as Chief Executive for Cable & Wireless-Nautec. A member of the Royal Pharmaceutical Society.



Dennis Allison CB Vice Chairman

Retired Air Vice-Marshal whose career involved duty in over 40 countries and flying more than 140 types of aircraft. From 1986 to 1994 Dennis was Regional General Manager of the North Western Regional Health Authority.



Professor Sir Keith Peters FRS Non-Executive Director Regius Professor of Physic in the University of Cambridge since 1987 where he is head of the School of Clinical Medicine.



CORE OBJECTIVES

FORWARD PLANS

Supporting the NBS' core purpose, 'saving and improving lives by meeting patients' needs for blood, blood products, tissues and related services'are six corporate objectives encompassing the significant planned service developments:

- To provide sufficient blood, blood products, tissues and related services to current quality standards.
- To explore opportunities for continuous improvements in efficiency and quality.
- To develop safer and more effective products and services to new, improved quality standards.
- To promote the appropriate and efficacious use of blood, blood products, tissues and services.
- To modernise the donor recruitment, donor session and donor retention processes.
- To recruit, develop and retain an appropriately skilled, educated and motivated workforce.

These are incorporated in a three - year Corporate Plan and an annual Business Plan. The plans are the visible outputs of work, led by the **Corporate Development Directorate**, to create an integrated framework encompassing performance, planning and management at the corporate level and links individual directorate activity.

This integrated framework is the NBS response to the overall NHS Plan, with emphasis on national standards, quality, performance and working with stakeholders. This includes controls assurance and clinical governance, all of which is underpinned by a system of risk identification, evaluation and management.

By integrating strategic and business planning, the NBS recognises that performance management and quality systems are indivisible partners in the achievement of planned and prioritised service improvement.

Over time, the framework will enable the definition of clearer outcomes built around continual improvement of services and stakeholder driven planning. Future improvement can then be defined in terms of better results e.g. quality, safety, productivity, unit price, delivery times, responsiveness and stakeholder (including employee) satisfaction. It will reflect the key elements of the NHS Performance Assessment Framework (fair access, appropriate delivery, efficiency, patient/carer experience, health outcomes and health improvement) and will continue progress in allying the NBS with the mainstream NHS performance agenda.

In time, we will see the emergence of a visible and identifiable continuum from blood centre/collection team operational level through to corporate level. This will enable all staff to identify their part in, and contribution to, the setting and achievement of corporate objectives.

CONTROLS ASSURANCE STATEMENT JULY 2001

The Board acknowledges and accepts its responsibility for maintaining a sound system of internal control including risk management, and for reviewing its effectiveness.

As part of the NHS Controls Assurance Project, I, as Chief Executive, confirm that for the year ending 31 March 2001, and in accordance with NHS Executive HSC 2001/005 and HSC 1999/123 and supporting guidance, the Board has reviewed and endorsed an action plan resulting from an organisation-wide self-assessment against relevant risk management and organisational control standards produced by the NHS Executive. The Board will oversee implementation of the action plan.

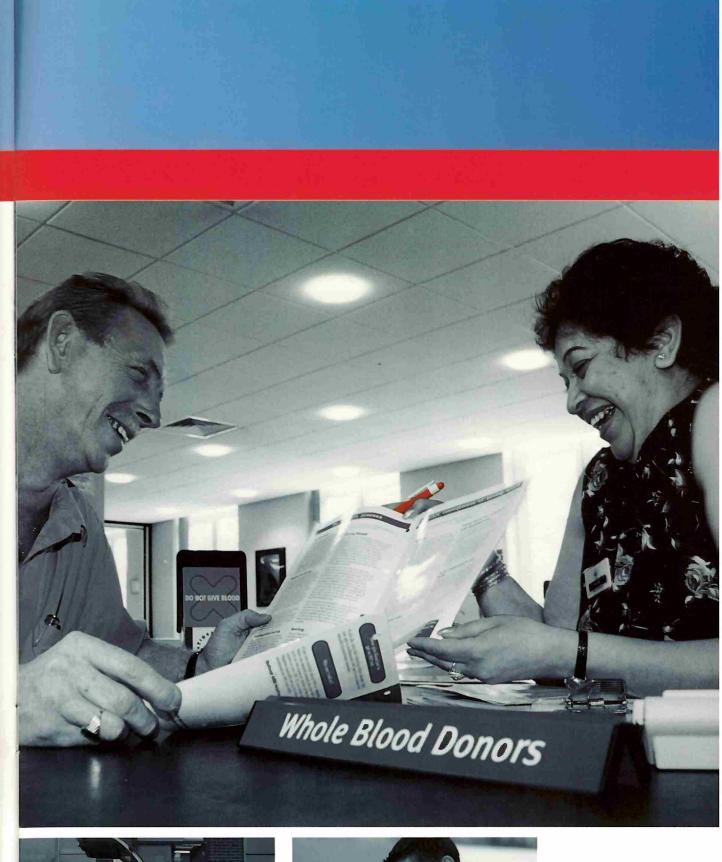
I confirm that in the Board's judgement the National Blood Authority has attained Level 1 of the NHS Executive's "control and risk maturity matrix" (see Annex A, HSC 2001/005).

The Board notes the report from the internal auditors and is satisfied that the existing arrangements are adequate to discharge all the required accountabilities

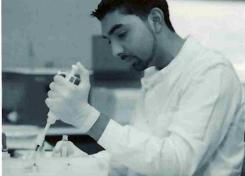
Signed:



Martin Gorham Chief Executive









FINANCIAL REVIEW

The National Blood Authority made a surplus of £5.1 million for the financial year ended 31 March 2001, compared with a surplus of £5.7 million the previous year.

The working capital position of the Authority, as shown in the Balance Sheet as at 31 March 2001, is considered to be satisfactory. Net current assets have grown during the year from £46.1 million to £51.0 million, and total net assets now stand at £217.0 million.

The Authority recovers its costs by charging NHS Trusts and other organisations for the supply of blood components and associated products and services. These costs only reflect the handling charges, as all blood collected is freely donated by volunteer donors. Capital funding is received on an annual basis from the Department of Health in order to purchase fixed assets. The appropriate levels of capital charges, in the form of interest and depreciation, are included within the Income and Expenditure Account.

The Authority is required to pay its suppliers in accordance with the CBI's Better Payment Practice Code. The target is to pay suppliers within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. During the Financial Year, 76% of supplier invoices, representing 78% by value, were paid within the 30 day target.

The Authority is a corporate trustee holding funds on trust to the value of £1.6 million. Separate accounts for the Trust Fund have been prepared for the Charity Commission and NHS Executive.

The accounts of the Authority include a statement on internal financial control, and this is part of the overall Controls Assurance Project instigated by the NHS Executive.

The cost of pay awards to senior managers was in line with guidance received from the Chief Executive of the NHS Executive, which was that the in-year increase in the pay bill should not exceed 3.25%.

The information included on pages 26 to 30 represents the Authority's financial statements in summary form. A full set of Accounts and the Trust Fund Accounts can be requested in writing from:

Barry Savery Director of Finance, Oak House, Reeds Crescent, Watford Hertfordshire, WD24 4QN

A register is kept of all Directors' interests and a copy of this register can also be obtained from Mr Savery.

Statement of Directors' responsibilities in respect of Internal Financial Control

The Chief Executive as Accountable Officer, together with the other Directors, have a responsibility for ensuring that an effective* system of internal financial control is maintained and operated in connection with the organisation's resources. To be effective the system must provide reasonable assurance of:

- the safeguarding of assets against unauthorised use or disposal;
- ii. the maintenance of proper accounting records; and
- iii. the reliability of financial information used within the organisation or for external publication.

No system can provide absolute assurance against material misstatement or loss but the system should provide reasonable assurance that material errors, irregularities or fraud are either prevented or would be detected within a timely period.

The Chief Executive as Accountable Officer, together with the other Directors, has a responsibility for reviewing the effectiveness* of the organisation's system of internal financial control. In carrying out the review in accordance with Chapter 7 of Volume B1 (Financial Governance) of the NHS Finance Manual which can be accessed online at www.doh.gov.uk/finman.htm, directors are required to confirm that the "minimum control standards" laid down by the NHS Executive have been in existence within the organisation throughout the financial year.

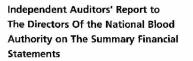
The Directors confirm that they have undertaken the review and the above requirements have been met.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance to be issued by the Treasury.

* The judgement on "effectiveness" is informed by the work of the internal auditors and managers who have responsibility for the development and maintenance of the financial control framework and by the comments made by the external auditors in their management letter and other reports.

Martin Gorham, Chief Executive



We have examined the summary financial statements set out on pages 26 to 30 and the directors' statement on internal financial control.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements and the directors' statement on internal financial control with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any mis-statements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements and the directors' statement on internal financial control are consistent with the statutory financial statements of the authority for the year ended 31 March 2001 on which we have issued an unqualified opinion.

Michael Haworth-Maden District Auditor 4th Floor

Millbank Tower Millbank London SW1P 4QP



FINANCIAL STATEMENTS

001		
2000/01	1999/00	
£000's	£000's	
326,373	305,173	
44	42	
118,047	107,718	
9,199	7,672	
109,914	89,743	
9,138	10,969	
6,509	7,118	
5,726	5,345	
8,355	8,743	
5,471	6,704	
4,667	4,910	
4,666	3,224	
25,510	25,853	
164	188	
13,854	21,275	
321,264	299,504	
5,109	5,669	
	2000/01 £000's 326,373 44 118,047 9,199 109,914 9,138 6,509 5,726 8,355 5,471 4,667 4,666 25,510 164 13,854 321,264	2000/011999/00£000's£000's£000's£000's326,373305,173326,373305,1734442118,047107,7189,1997,672109,91489,7439,13810,9696,5097,1185,7265,3458,3558,7435,4716,7044,6674,9104,6663,22425,51025,85316418813,85421,275321,264299,504



Balance Sheet for the year ended 31 March 2001			
	2000/01	1999/00	
	£000's	£000's	
Total Fixed Assets			
Intangible Assets	731	541	
Tangible Assets	174,181	175,544	
Net Current Assets			
Stocks	44,509	40,387	
Debtors	30,489	29,115	
Cash	199	453	
Creditors	(24,205)	(23,896)	
	50,992	46,059	
Provisions for Liabilities and Charges	(8,928)	(9,104)	
Total Net Assets	216,976	213,040	
Financed by:			
Capital Reserve	152,464	156,000	
Donation Reserve	38	88	
Revaluation Reserve	22,410	19,997	
Income and Expenditure reserve	42,064	36,955	
	216,976	213,040	

Building 27

FINANCIAL STATEMENTS

Cashflow Statement for the year ended 31 March 2001		
	2000/01	1999/00
	£000's	£000's
Operating Activities		
Net cash outflow from operating activities	(254)	(22)
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(12,519)	(17,777)
Receipts from sale of tangible fixed assets	19	62
	(12,500)	(17,715)
Net cash outflow before financing	(12,754)	(17,737)
Financing		
Capital Funding	12,519	17,777
Surrender of receipts from the sale of fixed assets	(19)	(62)
Net cash inflow from financing	12,500	17,715
Decrease in cash	(254)	(22)

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Statement of Total Recognised Gains and Losses

	2000/01	1999/00	
	£000's	£000's	
Surplus for the financial year	5,109	5,669	
Unrealised surplus on the revaluation of properties	2,532	12,751	
Fixed Asset impairment losses	(77)	(12,920)	
Total gain for the year	7,564	5,500	





FINANCIAL STATEMENTS

Authority Members Remuneration for the year ended 31 March 2001				
		2000/01	1999/00	
		£000's	£000's	
Authority Members Remuneration				
Non executive Members remuneration		44	42	
Executive Members remuneration				
Basic salaries		305	296	
Benefits		19	15	
Performance related bonuses		-	-	
Pension contributions		15	12	
Total Authority Members Remuneration		383	365	
		2000/01		
			Highest Paid	
	Chairman	Executive	Director	
Basic salary	22	96	120	
Benefits	-	6	4	
Performance related bonuses	-	-	-	
Pension contributions	-	5	6	
Pensions to former directors	-	-	-	
Total	22	107	130	
1999/00 totals	22	102	124	
Authority Members' Renumeration including basic salary	<i>y</i> ,			
benefits and pension contributions fell within the follow	ving ranges:	2000/01	1999/00	
£0 - £5,000		3	0	
10 - 15,000			6 	
£5,001 - £10,000		3	4	
£5,001 - £10,000 £15,001 - £20,000		0	4 1	
£5,001 - £10,000		-	4	

£55,001 -

£90,001 -

£100,000 -

£120,001 -

£60,000

£95,000

£105,000

£125,000

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