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|-----------------------------|---|-------------|----------------------------|
| Report Title | 2021/22 Financial Planning Round | | |
| Sponsoring Executive | Dinah McLannahan, Chief Finance Officer | | |
| Report Author | Simon Sheppard, Operational Director of Finance | | |
| Meeting | Trust Board (Public) | Date | 1 st April 2021 |

1. Suggested discussion points *[two or three issues you consider the Trust Board should focus on]*

It now seems very likely if not now confirmed that a block income arrangement introduced during Covid will continue for the first half of 2122. The value will be based on reported actuals in Q3 of 2021. Depending on the extent to which Covid costs reduce and additional funding flows are available for inflation and cost pressures such as CNST, there should be financial headroom to fund residual recurrent Covid costs and additional restoration and recovery over and above that funded in base budgets.

Beyond the block we are expecting to continue with system based allocations in the context of system wide financial management and return to organisational financial improvement trajectories. Expenditure budgets remain aligned to the MMUH LTFM, and we have an affordability methodology approach which will begin reporting by the end of April, covering activity, capacity and cost. This will have to be incorporated in to system wide programmes of recovery and restoration, and acute care collaboration.

It is possible that a move to blended / block contracts, and on the basis that there is collectively enough money in our system to cover costs, that the issue of an underlying deficit may disappear, but we should continue to maintain a route to breakeven at all times and within that a clear understanding of the non-recurrent and recurrent factors within that position. We are maintaining behind these indicative deficit positions a route back to a break even position, and as the constituent parts of that bridge become known we can confirm the resultant position.

2. Alignment to 2020 Vision *[indicate with an 'X' which Plan this paper supports]*

| | | | | | |
|----------------|----------|--------------------------|--|-------------------------------------|----------|
| Safety Plan | | Public Health Plan | | People Plan & Education Plan | x |
| Quality Plan | | Research and Development | | Estates Plan | x |
| Financial Plan | x | Digital Plan | | Other <i>[specify in the paper]</i> | |

3. Previous consideration *[where has this paper been previously discussed?]*

CLE 23rd March, FIC 26th March

4. Recommendation(s)

The Trust Board is asked to:

- a. Discuss and note the contents of the report

5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and where shown elaborate]*

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|----------------------------|-------------------|-----------------|--|---|----------|-----------------------|
| Trust Risk Register | x | 3688, 3689 | | | | |
| Board Assurance Framework | x | SBAF 9, SBAF 10 | | | | |
| Equality Impact Assessment | Is this required? | Y | | N | x | If 'Y' date completed |
| Quality Impact Assessment | Is this required? | Y | | N | x | If 'Y' date completed |