

Director of Finance – Public Trust Board
Finance Update – Covid 19
7 MAY 2020

Background

NHS Bodies have been assured that the resources for Covid19 will be covered in full by additional funding.

The purpose of this paper is to:

- Outline the nature of 2019/20 Covid costs (at a high level)
- Whether funding is expected to cover this
- Financial Governance arrangements for the Pandemic

The nature of the 2019/20 Covid19 Costs – Direct Costs

Normally for the Trust, the majority of our costs would be for staffing. This will be the case for the full costs of Pandemic, however given that the planning for Covid19 began towards the end of the financial year, most staffing costs will occur in 2020/21.

The majority of the direct costs for Covid19 would be the non-payroll costs, particularly those associated with PPE and cleaning consumables.

A final area of direct cost would be lost income associated with a range of areas from Restaurants, non NHS Patients, Commercial Contracts and Car Park income.

2019/20 Covid19 Costs – Indirect Costs

One indirect impact of the pandemic is that staff had a reduced ability to take leave, particularly in March 2020. This is the end of our leave year; therefore we had more accrued leave than normal.

Under finance rules, we are required to account for all leave not taken at year-end at full salary cost.

Funding Expected

I can confirm that we have received a commitment to fund the full cost of Covid19, both Direct and Indirect Costs, for 2019/20.

The funding amount we are accruing is for £2.85m and will cover, in full, all our commitments, including an estimate of the additional leave not taken at year-end.

Financial Governance

I can assure Trust Board that we are closely monitoring our costs of the pandemic and we are in close communication with DoH & HSCB colleagues at all stages of this pandemic.

The Trust has a robust approach to the overall governance of the pandemic, and all Directorates are working with Finance colleagues to identify costs / commitments early.

From 21 April 2020, a new Business Case approach has been introduced to ensure appropriate cover for all commitments.

I can also assure Trust Board that the Trust is taking all opportunities to review commitments and minimise costs where possible.

It must be noted, however, that our use of PPE has increased by over 2,000% and prices have increased significantly also. We will not avoid costs by reducing our purchasing of vital PPE.

I will keep Trust Board informed of financial commitments for the Covid19 Pandemic.

Neil Guckian
Director of Finance

**Trust Board – Public Meeting
7 May 2020**

Director:	Neil Guckian, Director of Finance
Paper:	Finance Update – Covid19
Background:	<p>The Trust has been assured that the resources for Covid19 will be fully funded.</p> <p>There are a range of costs in 2019/20, both Direct and Indirect.</p> <p>Direct costs range from PPE and Consumable Costs, to some Staffing costs (most will be in the next financial year) and include lost income.</p> <p>Indirect Costs would relate to the annual leave which couldn't be taken – we are required to account for the full value of such accrued annual leave.</p> <p>The Trust has been fully funded for 2019/20 costs of the Covid19 Pandemic.</p> <p>We have processes in place to minimise costs and mitigate risks, whilst ensuring patients and staff are safe.</p>
Action:	Trust Board to note funding available and general approach to cost mitigation.