

Emergency Response to COVID 19 pandemic – estimated financial implications as at Period 9

1. Background

On the 23rd March 2020 the Prime Minister announced a number of restrictions to limit the spread of coronavirus. The restrictions included;

- Shops selling non-essential items were to close, along with cafes, pubs, restaurants, nightclubs and other places where people meet in groups. Gathering of more than two people not from the same household were banned including weddings and baptisms.
- Everyone had to stay at home and only leave if they had a “reasonable excuse” including travel to work, but only when you could not work from home.

The potential of the virus is not isolated to the immediate health effects and pressure on vital health and social care services. The economic impact could be significant on a large percentage of the population.

A major incident was declared in the region by the Humber Local Resilience Forum with available staff and resources being focussed on delivering critical services. The council established a Covid 19 10 point plan (see Report to Cabinet, Hull City Council Covid 19 – Response and Update Report 18th May 2020) this included;

- Overseeing and reconciling the financial and organisational impact “We will be capturing the financial impact of the may additional burdens being placed on the council and the loss of income from services, such as Hull Culture and Leisure, to reduce the organisational risk, and ensure we lobby Government for much more additional financial support to cover these costs so they are not borne in the long run by our local residents and businesses.”

2. Estimated financial impact and government funding as at period 9

The following table represents the potential financial impact of the COVID 19 response on our organisation as at Period 9

Service area/impact	£m	Description of cost or income loss
Adult Social Care* <i>see breakdown</i>	16.870	Support for the vulnerable including infection control measures for those in residential/homecare/support ed living setting.
Public Health	5.126	Mitigating and management of local out breaks of COVID 19 utilising the test and trace government funding.
CYPFS – Safeguarding	9.944	Support for the vulnerable including those living in

		residential accommodation and where accommodation requirement is likely to increase.
CYPFS – City safe	0.496	Support and additional activities for young people, and impact upon income received at Hull Training and Karting Centre.
CYPFS – Early help	0.616	Support and activities
CYPFS – Learning	0.278	Compliance with social distancing measure impact on Home to School Transport and the anticipated increase in requirement for Education Psychologists once children return to school.
Street scene	4.233	The loss of Parking income through the closure of the car parks along with impact on waste management and trade waste.
Housing	2.452	Support and protecting the vulnerable homeless and those sleeping rough through the provision of accommodation and essential supplies. Impact on income on housing services.
Customer Services	0.580	LRF management of Excess Deaths and loss of income from Registrars.
Digital and IT	0.850	Essential systems, software and hardware to ensure Council functioning during critical period. Support for the workforce including solutions for remote working, virtual meetings and collaboration.
Town Clerk	0.116	Additional Locum for Children Cases and loss of income on land charges.
Finance and transformation	0.805	Operational support and income loss due to court costs.
Property	1.551	Organisation response to infection control through PPE, supporting those vulnerable and shielding. Income losses

		due to closure of café facilities.
Regeneration	0.414	Organisational communication and support for Care leavers.
Major Projects	0.679	Potential impact of not holding Hull Fair in 2020.
Theatres and Halls	1.381	Closure of all culture facilities
Leisure and Culture	3.104	Closure of all leisure facilities.
DSG – High Needs	0.370	Support for vulnerable children with SEND and an increased requirement for alternative provision.
DSG – Early Years	0.071	Nursery provision over Easter Holidays for Key Workers and future requirement for Early years support.
HRA	1.781	Protection and support for workforce, estimated capital and revenue impact on HRA schemes.
Capital Projects	2.000	Potential impact upon capital schemes, delays to programmes, increased set up costs of stopping and re-starting schemes.
Hardship funds	4.251	To economically support vulnerable people and households via Council Tax Relief.
Food and rural affairs – hardship allocation	0.455	MHCLG/Dept. for Environment hardship
Covid Winter Grant	1.229	Food and essentials
Retained business Rates	5.400	Impact on local businesses, some may have to down size or may fail due to the response and social distancing measures.
Council tax receipt losses	4.000	An anticipated increase in LCTS claimants.
Council tax payment failure	1.229	Estimated impact on Council Tax collection rates.
Integrated financial plan and joint commissioning	2.919	Impact and delays in delivery of the plan and realignment of funding also delays in delivery of the planned joint commissioning projects.
Commercial income losses	2.132	Sites closing and increase in bad debt and write offs.

Total estimated impact 2020/21	75.332	Gross COVID impact
Plus: 2019/20 est cost	2.020	Emergency response costs related to 2019/20 financial year.
Total estimated impact	77.352	Gross COVID impact
Less: government funding		
MHCLG - Emergency funding	(9.851)	Tranche 1
MHCLG – Emergency funding	(7.152)	Tranche 2
MHCLG – Emergency funding	(3.143)	Tranche 3
MHCLG – Emergency funding	(8.774)	Tranche 4
MHCLG – Hardship fund	(4.251)	
MHCLG/Dept. Enviro. – Hardship fund	(0.455)	
MHCLG – Clinically Extremely Vulnerable	(0.169)	
Winter Grant Scheme	(1.229)	Food and essentials
New Burden Funding	(0.262)	
Dept. Health – Test and Trace	(2.235)	
Contain Out-break Management Fund	(2.088)	June to 2 Dec
Contain Out-break Management Fund	(1.044)	2 Dec to 29 Dec
Surge Funding	(0.202)	
Dept. Health – Infection Control	(2.998)	
Dept. Health – Infection Control	(2.571)	
MHCLG – Safe opening high streets	(0.230)	
Dept. Transport – Bus Service Support	(0.294)	
Dept. Transport – Home to School Transport	(0.473)	
MHCLG – Rough Sleepers	(0.014)	
MHCLG - Rough Sleepers	(0.731)	
Housing Benefit	(0.160)	Est
NHS £1.3bn – LA recharge	(4.434)	Tranche 1
MHCLG – Sales, Fees and charges reclaim	(4.774)	Est for 2020/21
Total government funding	(57.534)	
Estimated COVID pressure 2020/21	19.818	
Less: Capital items	(3.863)	
Less: DSG High Needs/Early Years	(0.441)	
Less: HRA	(1.781)	
Less: Collection fund 2021/22 impact	(10.629)	impact on 2021/22
Less: HCAL COVID impact	(3.104)	
Net revenue impact	0.000	As reported in Table 3

Notes to the above:

1. The table represents total estimated organisational impact regardless of funding source.
2. All figures are estimated based upon the current information and the COVID situation at a point in time and are subject to further changes as further information becomes available.
3. The above table excludes the Department for Business grant of £67.956m to support local business.

Adult Social Care – breakdown of COVID 19 impact

Adult Social Care	£m	External funding
Gross est. expenditure and income loss	16.870	
Less:		
CCG reclaim	(4.429)	NHS £1.3bn funding
Infection Control	(5.569)	Dept for health funding
Income loss	(0.319)	MHCLG income loss scheme
Net impact	6.553	COVID 19 ASC impact

Note: It is estimated that 86% of Adult Social Care expenditure goes to external providers.