

## COVID-19

### 1. Introduction

On 31 December 2019, the World Health Organisation (WHO) was informed of a cluster of cases of pneumonia of unknown cause detected in Wuhan, Hubei Province, China. A novel coronavirus (SARS coronavirus-2 (SARS-CoV-2)) was subsequently identified from patient samples.

On the 11th March 2020, the outbreak of coronavirus (COVID-19) spread across Cumbria and an emergency was declared. As a major incident was declared part-way through Quarter 4 reporting period, service delivery plans and associated expenditure have been affected.

Government instigated an action plan which had two overriding aims: to protect the NHS by strengthening social care and community support and to protect life by safeguarding those who are most vulnerable.

### 2. Government Emergency Funding relating to COVID-19

#### 1st Allocation – received in 2019/20

As part of its plan, Government announced in the Budget 2020 an initial allocation of £5bn for the NHS to respond to the outbreak. On 19<sup>th</sup> March the government announced that £2.9bn of this £5bn was provided to strengthen care for the vulnerable and of this, £1.6bn was to be allocated directly to local authorities as Emergency Funding to help respond to COVID-19 pressures across all services.

On 20 March the Council received notification that it was to receive £16.086m (based on the existing needs based formula used in the allocation of Adult Social Care funding) on 27 March 2020. Confirmation was also provided that the balance of £1.3bn, from the £2.9bn announced to support the vulnerable, would be used through Clinical Commissioning Groups to separately fund the additional costs of hospital discharges and of avoiding admissions to hospital thus protecting Hospital capacity.

This funding is not ring-fenced and is intended to help the Council address specific pressures we, and our providers, are facing in response to the pandemic.

## 2<sup>nd</sup> Allocation - to be received in 2020/21

A second allocation of £1.6bn was announced for Local Government on 18<sup>th</sup> April 2020 with specific Local Authority allocations released on 28<sup>th</sup> April 2020. The apportionment of this second funding allocation is based on population with a 65/35 split between County and Districts in two tier Counties. The Council will receive £9.118m from this second allocation with it being due to be received in May, the specific date is still to be confirmed. This brings the total funding allocated to Cumbria to date, to £25.204m.

Funding received in respect of responding to COVID19 has been transferred to a "COVID19 Emergency Funding" Earmarked Reserve, as approved in a Leader Decision Record dated 7<sup>th</sup> April 2020, which can be seen in Appendix 4 : Earmarked Reserves. The value of the Earmarked Reserve at 31 March 2020 being £15.041m as a result of the funding received on 27 March 2020 being £16.085m less the amount utilised in 2019/20 of £1.044m.

### **3. Purpose of the funding**

The letter received from the Ministry of Housing, Communities and Local Government dated 20 March 2020 confirming the initial allocation of Emergency Funding stated that this funding should enable Councils to do the following:

- **Meet the increased demand for adult social care and enable councils to provide additional support to social care providers.** We expect that the majority of this funding will need to be spent on providing the Adult Social Care services required to respond to the Coronavirus crisis.
- **CCGs will separately be funding additional costs of discharging and keeping people out of hospital,** including social care costs - commissioned by the local authority unless existing local arrangements suggest otherwise. It is essential that 'boundary issues' do not cause delays. Therefore, we would expect the local authority to place an appropriate portion of the funding they choose to dedicate to adult social care from the £1.6bn into a pooled budget with the local CCG, to ensure that there is no risk of debates about which fund should pay.
- **Meet the cost of extra demand and higher business-as-usual costs of providing children's social care,** including as a result of school closures and the need for increased accommodation to address the need for isolation, including for unaccompanied asylum-seeking children. We recognise the existing funding pressures on children's social care, and the additional pressures Covid-19 will make, and are in close contact with the Association of Directors of Children's Services. Furthermore, the Government is continuing to pay funding to local authorities for the free

early years entitlements during any periods of nursery, preschool or childminder closures, or where children cannot attend due to Covid-19.

- **Provide additional support for the homeless and rough sleepers**, including where self-isolation is needed. This is on top of the £3.2m emergency fund announced on 17 March to help rough sleepers, or those at risk of rough sleeping, to self-isolate.
- **Support those at higher risk of severe illness from COVID-19, who may soon be asked to self-isolate in their homes for the duration of the pandemic.** This funding is available to support initial costs incurred by LAs in their critical role in supporting those within the most clinically high-risk cohort who also have no reliable social network (i.e. who are both at high risk clinically and socially). The model for this support and the role local authorities will play in it has been discussed closely with the LGA and the 9 regional chief executives. We will keep costs closely under review.
- **Meet pressures across other services**, as a result of reduced income, rising costs or increased demand.

#### 4. 2019/20 Impact

The impact in the 2019/20 financial year of £1.044m is shown in the table below, however this financial impact is not significant as the majority of the immediate consequence will be felt in 2020/21. These costs have been reported within individual service areas and have been funded by a drawdown of the COVID19 Emergency Funding Earmarked Reserve.

	£m
People – Day Services to ensure supply available post COVID19	0.085
People – Transport to ensure supply available post COVID19	0.047
People – Personal Protective Equipment and additional Community equipment storage	0.009
People – Residential Care block purchase to ensure bed capacity	0.002

Fire - PPE	0.001
Economy & Infrastructure - Development of vacant care homes to provide additional hospital capacity	0.400
Other Corporate items – Non receipt of CCHL Dividend	0.500
<b>Total</b>	<b>1.044</b>

## **5. Ongoing Impact during 2020/21**

On 15<sup>th</sup> April 2020 the Council submitted its first COVID-19 return to MHCLG providing an initial analysis and estimate of the consequences of COVID-19 on the Council for the periods March and April 2020 and the remainder of the year 2020-21.

These initial estimates are being refined for the next submission due on 15<sup>th</sup> May 2020 with the outcome of this submission being reported separately.