

COVID-19

PLANNING FOR THE NEXT PHASE

With excess mortality rates on the way down and governments working towards slowly lifting lockdown, it can feel as though the pandemic is coming to a close and life may return to normal. However, not only has COVID-19 dramatically reshaped the future business outlook for

all funeral firms, there is also the very real prospect of a second peak of infections and deaths.

In this feature, we look at some of the things that funeral firms should be thinking about as they contemplate the months ahead.

WILL THERE BE A SECOND PEAK?



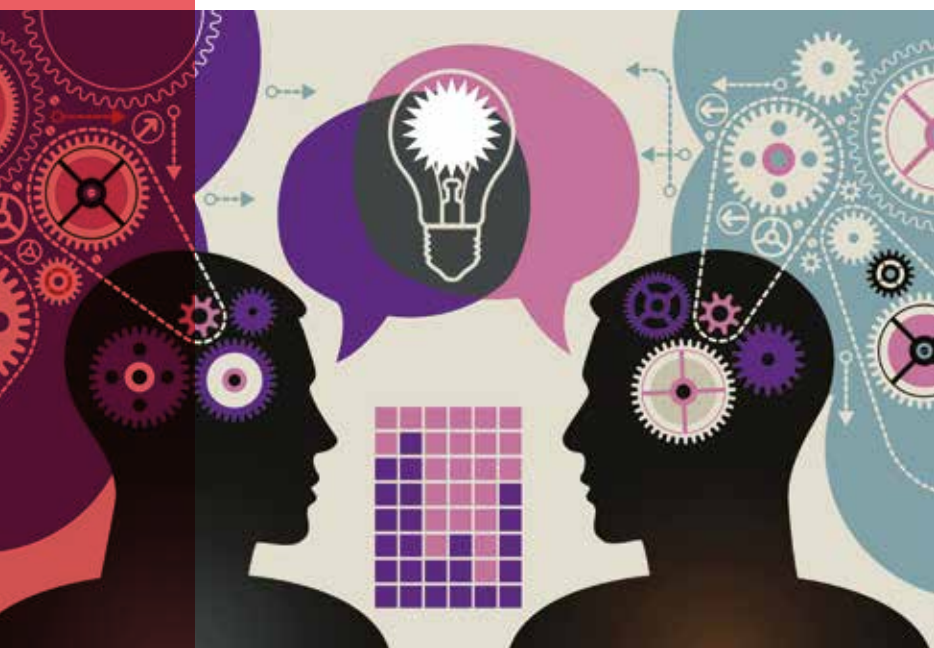
In late April, the National Association of Funeral Directors commissioned the consultancy firm, Europe Economics, to produce scenario models that show what the future path of the UK mortality rate might look like to September 2020, especially as lockdown is lifted.

The results suggest that, even if the Government was successful in controlling the spread of coronavirus at a national level, post-lockdown, some regions of the UK could be in for a significant second peak of deaths, from all causes, and that second peak could be higher if lockdown is lifted less successfully.

With funeral directors under significant and sustained pressure, the NAFD has been pressing Government on a weekly basis for the modelling data upon which it is basing its strategy for COVID-19 to support future planning. With no information being provided the research was, therefore, commissioned to provide funeral directors with some idea of what could come next, to allow them to plan effectively under various scenarios following a lifting of lockdown.

The scenarios, all of which are available on the NAFD's COVID 19 website in the *Advice for Funeral Directors* section, model potential deaths from all causes, not just COVID-19, and are based on bringing together published and respected data, including:-

- two scientific views of the Infection Fatality Rate, one promoted by Oxford University, the Swedish Government and Stanford University and the other promoted by Imperial College London and others;
- scientific analysis of the reproduction rate in different regions of the UK during the lockdown;
- Office for National Statistics (ONS), and equivalent, weekly deaths data from the four nations of the UK;
- a range of other known and published information about the COVID-19 pandemic.



Commenting on the findings, Andrew Lilico, leader of the Europe Economics team, said: “The current situation includes great uncertainty regarding both how things are now (eg the infection fatality rate of COVID-19 and how many people have already been infected) and how things might evolve in the future (especially regarding the reproduction rate post-lockdown and what will happen to non-COVID deaths).

“Although a number of overall figures for expected final fatalities from COVID-19 are discussed in the press, that is of limited value to funeral directors who need to understand how many deaths there might be in their regions at particular dates, and about deaths from causes other than COVID-19. We hope that the models we have produced, though they cover a range of possibilities reflecting current uncertainties, will assist funeral directors in making their business decisions and in providing the best service to bereaved people over the next few months.”

Jon Levett, Chief Executive Officer of the NAFD, added: “What is striking about the modelling is that, based upon the most cautious model of how many Britons have already become infected, different parts of the UK and different regions within England would see significant second peaks with even a successful lifting of the lockdown - most notably Scotland, Wales, and the North East & Yorkshire.

“If lockdown is lifted less successfully, the impact is even more striking, with the potential for those regions to see a second peak that is actually higher than the first. The North West and South West would also be significantly affected by a less than successful lifting of lockdown, while London, the East of England, Midlands and Northern Ireland are predicted to have a far lower impact.

“This suggests that, until such time as we know which of the two models is prevailing, funeral directors in many parts of the UK need to prepare themselves for a significant potential second peak in the death rate - should the Government’s easing of lockdown measures not go as well as they are hoping. It is a further indication of just how volatile the situation remains and the importance of working together to get this right as a nation, be that as individuals, as organisations or as governments.”

It should be noted that the data provides only an approximate indication of the range within which deaths in each area of the UK lie, under a set of plausible scenarios reflecting the very considerable scientific and policy uncertainty at this time. The models use epidemiological and other scientific assumptions drawn from the current literature, but do not endorse any specific conclusions given the very considerable scientific debate there is about many aspects of these matters at present.

ACTIONS TO TAKE

The very real threat of a second peak suggests that funeral directors should take stock of what happened in the last couple of months and, taking in feedback from across the entire business, review what went well and what could be done differently in the event of another peak.

You are advised to think about:-

1. holding a wash-up meeting with your management team, seeking feedback from all staff, to ensure you capture all ideas to help things work better next time;
2. ensuring all staff have opportunities to properly rest and recharge - and think through your future resourcing requirements now that you know more about how staffing numbers come under pressure due to self-isolation/shielding, etc. You should also speak to any employees who are furloughed to check in with them and keep them updated;
3. replenishing PPE stocks and talking to key suppliers, eg coffin manufacturers, about how to manage future pressures;
4. staying in touch with your local resilience forum, local funeral director network or NAFD Local Association/Area Federation - many of which are now meeting virtually;
5. undertaking a financial health-check of your business. See section above.



WHAT HAS COVID-19 DONE TO YOUR BOTTOM LINE?

At a time when many will still be incredibly busy delivering many additional funerals, it can seem somewhat counterintuitive to be worrying about the bottom line of your business.

But understanding the difference between revenue, profit and cash flow and ensuring you're not confusing being busy with making profit has, perhaps, never been more important - because of the unique circumstances that we find ourselves in.

If there's an imbalance between the revenue, cash flow and profitability of your business, it could be in serious trouble.

THE REVENUE, PROFIT AND CASH FLOW CONUNDRUM

Companies can sometimes believe they are financially healthy simply because they are busy.

But for funeral businesses, which are now restricted to offering very simple services, overall income may actually be lower despite all the additional work. At the same time you may be facing increased costs for staffing and key supplies like PPE, and cash flow may also be under challenge with a greater likelihood of client families having financial difficulties - the underlying position for your business might be significantly less healthy looking.

The good news is that there is more help from Government to support businesses than ever before. In last month's edition of this magazine we outlined all the Government support that is available to all businesses. However, given the funeral sector's central role in responding to the pandemic and the importance of having a robust funeral profession at this very difficult time, the Government approached both individual firms as well as trade associations to seek input about the potential support that might be needed by funeral firms, in the short and long term.

What is needed will vary from firm to firm and government support can take many forms. The NAFD has focused on issues that will be helpful for all firms, including interest free loans (which was subsequently granted through the introduction of Bounce Back loans), improvements to the typical 10-week wait for approval of Funeral Expenses Payments by the Department for Work & Pensions and a VAT freeze on PPE - which was announced at the beginning of the month.

In addition, funeral firms are able to access PPE, or order emergency supplies, through local resilience forums in England and Wales and through government-established links in Scotland and Northern Ireland.

However, while government PPE support may help with immediate and urgent needs, it certainly won't enable funeral firms to replenish their stock ahead of any second peak. And any support from Government will be short term and, in the case of the loans, will need to be repaid.

Therefore it's important to understand the true picture in respect of the financial health of your business.

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ACTION TO TAKE

You are advised to think about:-

1. taking some time, now, to work out the true costs of running your business that you incurred in pre-pandemic months (if you didn't already know this), comparing those figures to the costs you've incurred in the last couple of months;
2. looking at how your income has changed month on month. Look past not simply the number of funerals, but at the level of income and profit;
3. checking on cash flow and assessing whether you are at increased risk of having unpaid debts as the UK economy shrinks and more and more people find themselves out of work;
4. considering your forward plan. There have been tens of thousands of excess deaths already in 2020, and funerals that you might otherwise have arranged in the years to come have already happened and have been very simple arrangements. It is, therefore, likely that demand for funeral services will be lower in the next few years and competition for business will be tougher. Give thought to what that might mean for your business;
5. talking to your accountant now. Don't wait until the end of your financial year. They know your business and can give you good advice.

RESILIENCE AND WELLNESS IN THE FUNERAL SECTOR



The coronavirus (COVID-19) outbreak has changed life for all of us in the UK. Key workers, including funeral service employees, have been particularly affected - given the need to protect against the virus, changes to funeral services, the need to maintain social distancing - and the fact that this is taking place over an extended period of time.

As well as the changes and pressures at work, we recognise that many of you have different home responsibilities and pressures too - whether that is shielding a vulnerable person, home-schooling children, managing the home life while at work and, of course, concerns about going home having possibly come into contact with someone with COVID-19.

There is a whole gamut of emotions flowing through us all at the moment. The current turmoil may cause you to feel anxious, stressed, worried, sad, bored, lonely or frustrated, and the whole thing can feel quite overwhelming.

It's important to remember it is okay to feel this way and that everyone reacts differently.

Equally, there are many people going through the same and feeling exactly as you do.

Top 10 Self-care tips

For all those working longer hours, more shifts or dealing with stressful or upsetting situations, don't forget to take care of your physical and mental health.

1. Make sure you are getting your news from trusted sources.
2. Limit your exposure to social media if you find it is heightening your anxiety.
3. Stay connected to family and friends by phone, email or video calls.
4. Focus on the present, rather than worrying about the future.
5. Try relaxation techniques, like mindfulness and meditation, which can help deal with feelings of anxiety.
6. Maintain regular sleeping patterns and keep up good sleep practices - like avoiding screens before bed, cutting back on caffeine and creating a restful environment.
7. Eat decent food and drink plenty of water.
8. Take some exercise - and do things you enjoy in your spare time.
9. Express yourself - whether that's informally with colleagues, through daily debriefs or with those you love, talk about how you are feeling.
10. Seek help if you are finding things hard.

If you aren't feeling yourself, and would like support, help it out there, including from the NAFD. Hopefully, the country is on its way to getting back to normal - albeit a new type of normal - and so this situation is temporary and, for most of us, these difficult feelings will pass.

However, it remains very important to seek help and support if you are struggling.

NAFD COUNSELLING SUPPORT

The NAFD, too, is here to support you. We are offering all employees of member firms free counselling through Professional Help Ltd. The service offers one-to-one telephone support for anyone experiencing emotional stress or mental health concerns, as well as access to longer-term support and counselling and signposting to other appropriate services. Email support is also available.

To contact Professional Help, call 0333 242 3103 with the name of the firm you work for, or via email at NAFD@professionalhelp.org.uk. The email address can also be used to request a call back at a time convenient to the staff member.

HEALTH AND WELLNESS LINKS

NHS Every Mind Matters - 10 ways to improve your mental health:

<https://www.nhs.uk/oneyou/every-mind-matters/coronavirus-covid-19-anxiety-tips/>

NHS Mental Health helplines:

<https://www.nhs.uk/conditions/stress-anxiety-depression/mental-health-helplines/>

NAFD Counselling support:

Call 0333 242 3103 with the name of the firm you work for, or via email at NAFD@professionalhelp.org.uk.

World Health Organisation:

Wellbeing poster to display for your staff:

https://www.who.int/docs/default-source/coronaviruse/coping-with-stress.pdf?sfvrsn=9845bc3a_2

Samaritans:

www.samaritans.org.uk

Look After Yourself At Home

A podcast from James Collins, a performance nutritionist.

