

Follow-up Response to HWOSC Meeting on 5 November 2013

Mental Health Services – Further Information Regarding Costs

1. Fixed Costs Associated with an Empty Ward

Approximately half of the total costs of running a ward are fixed costs. The major element of the fixed costs are estate costs, such as capital charges and depreciation costs of the closed ward area, which still continue to be incurred despite the ward not being used for patient care.

Capital Charges and Depreciation

Capital charges is an annual 3.5% charge on the asset value held by the Sussex Partnership NHS Foundation Trust and repaid to the Department of Health. Depreciation is an annual charge based on the life of the asset.

The capital charges and depreciation costs are based on the relevant size of the ward and account for around 70% of the fixed costs .

Estates Costs

In addition to this, a further 6% relates to general estate costs, such as utilities and maintenance, that also still continue to be incurred despite the ward being closed.

Corporate Overheads & Management Costs

The remaining 24% relates to the relevant share of operational management costs and corporate overheads, inherent in the full cost of the ward, but which could not be released while the option to re-open beds was maintained. The cost is based on the relative share of costs of the closed ward.

2. Bed Day Price Info – Adult Inpatient

Average Sussex Partnership NHS Foundation Trust Bed Day Price = **£335**

Average Extra Contractual Referral (From the Independent Sector) - Bed Day Price = **£550**