Corporate Monitoring

Appendix 3 (1) People

People Budget Monitoring Report as at 31st March 2020

1. Summary

People Directorate has overspent by £18.400m for 2019/20, an increase of £3.767m to the forecast position reported at Quarter 3 (Q3).

Original Budget		Revised Budget	Outturn	Outturn Variance	Previous Quarter	Change in variance
£m	Service Area	£m	£m	£m	£m	£m
0.183	Director & Support	0.187	0.325	0.138	0.068	0.070
	AD Education and Skills					
8.774	Schools & Learning	17.027	16.893	(0.133)	0.107	(0.240)
2.401	Learning & Skills	3.038	3.305	0.267	0.216	0.051
11.175		20.064	20.198	0.134	0.323	(0.189)
	AD Children and Young People					
9.711	Early Help	9.189	8.498	(0.691)	(0.671)	(0.020)
46.770	Children & Families	47.004	54.436	7.431	7.601	(0.170)
2.441	Other Directorate Budgets	1.816	2.156	0.340	0.336	0.004
58.922		58.010	65.090	7.080	7.266	(0.186)
	AD Adults					
73.277	Older Adults	71.874	74.551	2.677	2.534	0.143
39.563	Younger Adults	36.729	50.010	13.281	9.657	3.624
17.349	Other Costs	16.657	16.726	0.070	0.024	0.046
(36.111)	Personal Contributions	(36.111)	(35.531)	0.580	0.256	0.324
(42.586)	Better Care Fund	(43.456)	(43.457)	0.000	0.000	0.000
51.492		45.692	62.299	16.607	12.471	4.136
2.124	AD Integration	4.766	5.110	0.344	0.345	(0.001)
47.487	AD Provider Services	50.860	44.958	(5.902)	(5.840)	(0.062)
(0.193)	Director of Public Health	0.282	0.282	0.000	0.000	0.000
8.612	Capital Charges	8.612	8.612	0.000	0.000	0.000
179.802	Total People	188.473	206.874	18.400	14.633	3.767
0.000	COVID19	0.143	0.143	0.000	0.000	0.000
179.802	Total People	188.616	207.016	18.400	14.633	3.767

The increase of £3.767m since Q3 is due to increases to expenditure on:

- Younger Adults £3.624m due to a decrease in savings delivery through Promoting Independence and additional demographic pressures.
- Personal Contributions £0.324m due to bad debt write offs. In addition, an improvement in the positon on the bad debt provision of (£0.216m) has been offset by a decrease in full fee payers, £0.216m.
- Net other reductions of (£0.181m).

2. Transfers from or to Earmarked Reserves

2.1 The following increases to or creation of EMRs have been made:

- £0.016m transfer to Learning Improvement reserve in respect of the School Improvement Monitoring and Brokering grant for expenditure committed in 2020-21
- £0.116m creation of HJ Williams EMR following a bequest in respect of Cumbria Care

2.2 The following have been drawn down from EMRs:

- £0.289m drawdown from Public Health Reserve
- £0.204m drawdown from Ways to Welfare Reserve
- £0.213m drawdown from Innovation Fund Reserve for remodelling of workforce learning
- £0.240m drawdown from Innovation Fund Reserve for Promoting Independence - Additional Capacity
- £0.120m drawdown from Innovation Fund Reserve for CLA Recovery Plan - Additional Capacity
- £0.010m drawdown from Innovation Fund Reserve for SEND Improvement Plan
- £0.019m drawdown from External Apprenticeships Reserve
- £0.024m drawdown from School Improvement Reserve
- £0.722m drawdown from Focus Family Reserve
- £0.152m drawdown from L&D Reserve
- £0.019m drawdown from Skills for Jobs/Future Jobs Fund reserve in respect of Care Leavers and NEETs in traineeships and work experience for expenditure committed in 2020-21
- £0.074m drawdown from Innovation Fund Reserve for Thriving Communities
- £0.143m drawdown from COVID19 emergency funding

3. Service Positions

3.1 COVID-19

The recent COVID-19 pandemic is anticipated to have a significant impact across a number of Council services, with those most vulnerable in our society most at risk. As such People Directorate expect to see pressures across a number of key areas in supporting individuals, our employees and the NHS throughout the pandemic.

Initial funding of £16.068m has been provided by Government to support the Council in its response to the pandemic, particularly across Adults and Children's Social Care, and other Council services outside the People Directorate.

In the early stages of the response People have seen £0.143m of COVIDpressures leading to the end of March 2020 which have been funded by the aforementioned funding. Key areas of spend in 2019/20 are:

- Day Care Service £0.085m. Providers of day care services closed in response to the outbreak. The Council continues to make payments to service providers in order to ensure they are supported financially through the pandemic and they are able to resume business once restrictions ease.

- Transport Services £0.047m. In line with the closure of day care services, service users are no longer travelling to these services. As a result, the need for transport has stopped. Again, in order to ensure providers are supported through this period, the Council is supporting providers through 75% of commissioned costs as per contractual terms.
- Social care services are part funded through personal contributions from service users, subject to a financial assessment. The inclusion of the above costs recognises that where services are suspended the collection of personal contributions will also be suspended resulting in reduced income to the Council.
- Equipment Store £0.009m. Costs have been incurred for personal protective equipment (PPE) and hire of portacabins for the safe cleaning of equipment. PPE costs are anticipated significantly as staff, care workers, and providers are supported in protective measures to carry out service delivery safely and effectively.
- Residential Care Beds block purchase £0.002m. This initial cost is anticipated to increase significantly in 2020/21 as more block purchases of nursing care beds are made to support the NHS in its discharge requirements as it focuses on the COVID-19 response.

3.2 AD – Education & Skills £0.134m

The service overspent by £0.134m, a decrease of (£0.189m) compared to the Q3 forecast.

Schools and Learning has underspent by (£0.133m). This is due to:

Inclusive Learning £0.777m

- £0.841m relating to Direct Payments and Homecare. This has reduced by (£0.012m) since Q3 due to an increase in clawed back income and health contributions of (£0.019m) offset by an increase in the overall value of direct payments of £0.007m;
- (£0.064m) on staff teams.

Learning Improvement (£0.795m)

- (£0.265m) due to vacancies and a staff restructure;
- (£0.530m) relating to the release of uncommitted expenditure.

Other Schools & Learning (£0.115m)

Learning & Skills overspent by £0.267m, an increase of £0.051m compared to Q3, and is due to:

- £0.079m under delivery of savings against the deep dive review;
- Learning Support Service £0.126m due to reduced buy-in from schools who are directly employing teaching assistants;
- Cumbria Outdoors £0.155m relating to reduced income following cancellation of bookings due to emergency fire safety maintenance works;
- Music Service £0.011m.

- Learning & Development (£0.104m) following planned utilisation of earmarked reserves to be drawn down in-year and release of uncommitted expenditure.

3.3 AD Children and Young People – Early Help (£0.691m)

The outturn underspend of (£0.691m) is due to an under spend of (£0.727m) on the Focussed Families budget offset by other net overspends of £0.036m. The under spend on Focussed Families is to offset other Children and Young People pressures.

3.4 AD Children and Young People – Children and Families £7.431m

The outturn over spend of £7.431m at Q4 is a decrease of (£0.170m) compared to the forecast £7.601m at Q3. The over spend and outturn movements in Q4 are set out below:

- (3.4.1) CLA placements pressures £4.060m
- (3.4.2) Other Children and Family Pressures £3.371m
    - Non CLA placement pressures £0.306m
    - Pathway payments (£0.416m)
    - EPW marginal cost pressure £1.575m
    - Child Protection / Child and Family Support teams staffing cost pressures £0.418m
    - Special Guardianship Order (SGO) placements £0.771m
    - Adoption Inter-Agency Fees £0.566m
    - Other net overspends £0.151m

3.4.1 CLA Placements £4.060m

The CLA Placements budget was based on current CLA numbers adjusted for assumptions on exits and new demand. Planned savings identified in the CLA Recovery Plan were then overlaid on top. The outturn CLA placements overspend of £4.060m is an increase of £0.075m from Q3. The over spend comprises two elements:

a) CLA Recovery Plan underlying shortfall pressure £1.722m
b) Placement cost pressure including additional demand, placement mix and other changes £2.338m

The following table shows the movement in CLA numbers in more detail, with CLA numbers at 31st March being 722, a decrease of 16 CLAs from Q3:

CLA Movements 2019/20 to Quarter 4 (Q4)	1 April 2019	Q3	New Entrants	Exits	Placement Changes		Q4	Total Outturn Spend Q4	Average weekly direct unit cost	
					In	Out		£m	2019-20 £	2018-19 £
Foster placement - own provision	220	255	14	-6	26	-31	258	6.458	380	383
Foster placement - family and friends	62	100	6	-5	10	-15	96			
Residential placement - own provision	11	12	2	-2	7	-4	15	1.278	2,350	2,566
Foster placement - other provision	203	173	3	-3	16	-18	171	8.033	827	834
Residential placement - other provision	97	86	1	-7	10	-9	81	14.939	3,274	3,276
Secure accommodation	0	0	0	0	0	0	0	0.000	0	0
Adoptive placement	22	25	0	-12	6	0	19	0.000	0	0
Placed with parents	45	60	0	-7	9	-5	57	0.000	0	0
Other - NHS/Health Trust/Remand	3	3	3	-2	2	-3	3	0.000	0	0
Other - Independent living	20	22	1	-4	6	-4	21	0.732	1,472	3,047
Other - Family Placements	0	2	2	0	0	-3	1	0.000	0	0
Total	**683**	**738**	**32**	**-48**	**92**	**-92**	**722**	**31.440**	**1,015**	**1,094**
Net effect of moves Q3 - Q4			**£0.090m**	**-£0.197m**	**£0.182m**					
Budget								**27.380**		
Variance								**4.060**		
Q3 Variance								**3.985**		
Movement in variance Q3 - Q4								**0.075**		

The main reasons for the variance are as follows.

a) MTFP Savings / CLA Recovery Plan £1.722m

The budget was based on the assumption that the number of CLAs would be 660 at 1st April 2019. The actual number of placements at 1st April 2019 was 683. It also assumed that CLA numbers would reduce to 642 by 31st March 2020 based on the impact of the CLA Recovery Plan.

Due to high CLA numbers leading to the 2019/20 financial year, a forecast of likely full year expenditure was prepared as of 1st April 2019, which estimated it to be £33.195m. This represented a budget pressure of £6.035m. As such the service were tasked with putting into place a CLA Recovery Plan to recover this position. At April 2019 the plan totalled £3.258m, reducing the forecast pressure to £2.777m. The CLA Recovery Plan totalling £3.258m was revised at Q2 to £3.653m due to greater forecast delivery of savings.

Of the revised £3.653m target, savings of £4.313m have been delivered in 2019/20. This represents an over achievement of £0.660m in savings.

Successes have been seen in a number of areas. Children who can return home from high cost (residential) placements saw the revised target of £1.189m over achieved by £0.499m. The recruitment of foster carers delivered £0.167m more than the £0.185m target, and negotiated price reductions through commissioning, combined with external foster placement exchange days (step downs in care provision) has seen £0.126m more savings delivered than the £0.100m target.

Finally, recharges to the NHS for health contributions towards packages of care for children with complex needs have over delivered by £0.120m. This is made up of £1.001m of accruals for health referrals which will be invoiced early 2020/21, as well as £0.419m relating to appropriateness of existing contributions, already invoiced. At Q3 £1.300m had been assumed in forecasts. These over deliveries of savings are part offset by non-achievement of targets across a number of smaller areas, some of which will see delivery in 2020/21.

b) Placement cost pressure from additional demand, placement mix and other changes £2.338m

Changes in CLA placements, as shown below, have added £2.338m pressure over the course of the year. This represents an increase in pressure of £0.735m from Q3.

	YTD total at Q3	Q4 movement	Total
New Placements	+184	+32	216
Exits	-129	-48	-177
TOTAL	**+55**	**-16**	**+39**
Placement Changes	289	92	381

Placement cost pressure from additional demand, changes in the mix of placement types together with other changes contributed £2.338m to the CLA placements overspend over the course of the year.

The budget assumed that there would be 660 CLAs at 1 April 2019. However the actual number was 23 higher at 683. There were significant increases in Q1 with numbers rising to 716 CLAs by the end of the quarter. After an initial increase in Q2, numbers fell back to remain unchanged at 716. Q3 saw further increases reaching a high of 738 at the end of Q3 before reducing to 722 at Q4. Based on the impact of the CLA Recovery Plan, the budget assumed CLAs of 642 by the year end. The actual closing position of 722 CLAs is therefore 80 above this level, which is the key reason for the overspend due to additional demand in placement cost pressures.

The net impact of the movement in forecasts from Q3 to Q4 is £0.075m. This movement can be summarised as follows:

- **New entrants £0.090m**
  The 32 new entrants during Q4 added costs of £0.090m. Wherever possible, placements to internal foster provision (the more cost effective of placements) are maximised. This is supported by a programme to recruit new internal foster carers. Of the 32 new entrants, 14 (44%) were to internal foster placements and contributed £0.028m to costs.

  One new entry into external residential provision added costs of £0.033 and six further entries to other placement types added £0.029m. 11 new entrants had no impact on budget with six entering family and friends foster placements, one held on remand, two cared for by the NHS and two entering an in-house residential placement.

- **Exits (£0.197m)**
  Of the 48 exits during Q4, 32 had no impact on the budget with 27 being from nil cost placements (adoptive placements, placed with parents, family and friends foster

placements, remand and NHS) and 5 exiting on turning 18 which are already forecast. The remaining 16 exits saved (£0.197m), with the majority of these savings coming from 7 external residential placements (£0.164m). Of the residential exits, 3 related to the CLA Recovery Plan and had an impact of (£0.082m) in this financial year.

- **Placement moves and other changes £0.182m**
  - Placement changes £0.064m
    There were 92 placement changes in Q4 resulting in a £0.064m increase in placement costs. Net moves of one into external residential placements resulted in additional pressure of £0.077m. The remaining net saving of (£0.013m) resulted from a net decrease of five each from in-house and family and friend foster placements, two from external foster provision and a net increase of two into independent living. The remaining moves were across nil and low cost placements.
  - Other Placement Cost changes £0.343m
    Net other changes include savings around slippage for the new internal residential homes, where previously it had been assumed that savings would be delivered, leading to an increase in pressure of £0.071m. Also, changes across a number of other placements and the finalisation of costs for year-end saw a further increase of £0.272m.
  - SEN review of high cost placements (£0.225m)
    A review took place in the funding split relating to a number of placements where there was an education element to the package of care. At Q3, early indications showed that a fair split of costs would result in a (£0.845m) reduction in CLA costs and was factored into forecasts at Q3. Finalisation of this work identified savings of (£1.070m), a movement of (£0.225m) from Q3.

New measures were introduced in the year to strengthen oversight and scrutiny of the CLA Recovery Plan led by the Acting Director – Economy and Infrastructure. The first meeting of the new CLA Recovery Board was held on the 31st July 2019 and met regularly since to progress the measures.

The Board focussed on all areas of the CLA Recovery Plan with a revised and enhanced focus on decision making processes and supported the remodelling of services that support children and families with outcomes being the prevention of children becoming looked after and support for those currently looked after to return home. Similar oversight is in place for 2020/21 to ensure that the service continues their long term programme of improvement and savings delivery.

2.3.2 Other Children and Family Pressures £3.371m

Other Children and Family Pressures reported an outturn over spend of £3.371m at Q4, a decrease of (£0.244m) compared to the £3.615m reported at Q3. The two main elements of this movement are (£0.168m) relating to lower than forecast inter agency adoption fees and a (£0.069m) reduction in staff cost pressures in the Child Protection and Child and Family Support teams. Small movements across the remaining following budgets make up the balancing net decrease of (£0.007m).

The £3.371m outturn overspend consists of:

- Non CLA Placement Pressure £0.306m
  The non CLA placement pressure relates primarily to seven residential SEND placements of children who are not looked after but whose placements are funded by the Service. There are ongoing discussions to review these cases and ensure appropriate and fair partner funding of future placement costs. The Q4 outturn is in line with the £0.304m forecast at Q3.

- Pathways Payments (£0.416m)
  The outturn underspend is primarily due to underspend on the Pathways subsistence and maintenance. This is under review with the likelihood that underspends are realigned to offset other Children & Family pressures for 2020/21. The forecast underspend has increased by (£0.035m) in Q4 compared to the (£0.381m) reported at Q3.

- Children and Families EPW Costs £1.575m
  The EPW overspend in is line with the £1.574m forecast at Q3. The overspend is due to agency staff covering vacant social worker posts in a number of teams across the county but most notably in the west. The service has faced ongoing recruitment and retention challenges leading to EPW contracts being extended until the end of March 2020. Recognising the pressures in the recruitment of EPWs in the support and protect teams in West, a managed service was in place during the year working with a number of Child in Need cases. This arrangement is for this financial year only.

- Child Protection/Child and Family Support teams staffing cost pressures £0.418m
  There are staffing budget pressures in a number of areas in particular the Support and Protection Teams and FAST teams. This is due mostly to the appointment of ten Family Resilience Workers (FRWs). This additional commitment is aimed at reducing the number of new entrants to care and so reducing placement costs. The pressure decreased by (£0.069m) in Q4 compared to the £0.487m forecast at Q3.

- Special Guardianship Order (SGO) placements £0.771m
  The Council has a statutory obligation to make a financial contribution to the support plan for SGO children. This is an ongoing pressure with an increase in the number of orders resulting in an increase to this budget pressure from £0.588m in 2018/19. However, if these children remained looked after, the cost would be significantly more. The pressure decreased by (£0.024m) compared to the £0.795m Q3 position.

- Adoption Inter-Agency fees £0.566m
  The Council has a statutory duty to provide adoption recruitment and support services. A fee is payable where the adoption is arranged by another local authority or through an agency. The existing contract with ARC has been extended until the commencement of the Regional Adoption Agency. In 2019/20 it was originally forecast that 20 adoptions would be handled at a cost of £32k each which

exceeded the available budget. In Q3 the estimate increased to 28. However, by the end of the year 23 were delivered resulting in a decrease of (£0.168m) compared to the £0.734m pressure forecast at Q3.

- Other net overspends £0.151m
  Other net overspends total £0.151m an increase of £0.048m on the £0.103m Q3 forecast.

3.5 AD Children & Young People – Other Directorate Budgets £0.340m

The outturn over spend of £0.340m is a small increase of £0.004m compared to the £0.336m pressure reported at Q3. The over spend is predominantly due to staffing cost pressures in the Business Support teams and includes a number of backdated regrades confirmed in December.

3.6 AD Adults – Older Adults £2.677m

The service has over spent by £2.677m in 2019/20, an increase of £0.143m to the position reported at Q3, which is largely due to a change in the savings delivery of General Domiciliary Care (GDC) savings.

The key variances are:

- Underlying pressure £1.853m
  The underlying demographic pressure total of £1.853m is an increase of £0.018m to the position reported at Q3.
  The budget assumes any new demand pressure, including demographic pressures, are offset by early intervention. Since material long term cost reductions from reviews, recommissioning of services or recharge of costs in line with statutory responsibilities contribute to savings approved through the MTFP the service has limited opportunity to offset demographic pressures within the available budget.

- Non delivery of the Extra Care Housing MTFP saving £0.078m
  This position is the same as that for Q3. It relates to the expansion of extra care housing from 2018/19 of (£0.410m) that were re-profiled into 2019/20 at (£0.078m) and 2020/21 at (£0.332m). There has been no expansion of extra care housing in 2019/20 and as a result the saving of (£0.078m) could not be achieved.

- Non delivery of the Reablement MTFP saving £0.500m
  This position remains unchanged from Q3. MTFP savings in relation to Reablement of (£0.500m) were re-profiled from 2018/19 and could not be delivered over and above savings accruing to Promoting Independence and management of underlying demographic pressures. As a result the 2019/20 saving of (£0.500m) could not be achieved.

- Non delivery of the Day Care Service Review MTFP £0.121m

This position remains unchanged from Q3. MTFP savings in relation to the Day Care Service Review of (£0.121m) were re-profiled from 2018/19 and could not be delivered over and above savings accruing to Promoting Independence and management of underlying demographic pressures. As a result the 2019/20 saving of (£0.121m) could not be achieved.

- Part delivery of GDC Saving, leading to a pressure of £0.125m
  (£0.475m) of the GDC Review MTFP saving of (£0.600m), which is a step up from 2018/19, has been saved leading to an additional pressure of £0.125m compared to Q3. The saving target totals (£1.200m), (£0.600m) from 2018/19 with an additional step-up of (£0.600m) in 2019/20. (£0.378m) has been achieved by reducing use of day time spot purchased activity. (£0.697m) has been achieved by reducing and bringing in-house night services. The balance of (£0.125m) was intended to be achieved by recharging the cost of 100% health task packages to the NHS but this has not been progressed during 2019/20.

The position includes delivery of MTFP savings of (£2.075m) comprising:

Savings step-up from 2018/19
- GDC Review (£0.475m)

New savings in 2019/20
- Promoting Independence (£1.600m) – note full delivery here differs to the positon reported in Younger Adults

3.7 AD Adults - Younger Adults £13.281m

The service has overspent by £13.281m for 2019/20, an increase of £3.624m to the position reported at Q3. The key variances are:

- Underlying pressure £5.703m
  This is an increase of £0.346m from the position reported at Q3 with the main new approvals not forecast at Q3 being:

Package reference	£m	Description
Additional high cost placement costs		
A179164	0.067	New s117 Outcounty residential backdated to Nov
A109704	0.071	Extension of Cambian residential backdated to Oct
A111744	0.074	New Underley residential backdated to Oct
A8405	0.162	New Ann House residential backdated to May
A70916	0.037	One of ISF payment
Net other costs	(0.065)	All services
	0.346	Net Increase to costs

£1.000m has been provided to fund new admissions to the service through the Transforming Care programme and this has funded the full year effect of prior year placements. Since material long term cost reductions from reviews, recommissioning of services or recharge of costs in line with statutory responsibilities contribute to savings approved through the MTFP the service has had limited opportunity to offset demographic pressures within the available budget.

- Non delivery of the LD Service Review MTFP saving £0.742m
  This position is unchanged from Q3. Savings related to the Learning Disability Service Review of (£0.742m) were re-profiled from 2018/19. This saving could not be delivered this year, as there has been insufficient social worker capacity to deliver the review in addition to the Promoting Independence saving. The original review was from 2016/17. Due to the historic nature of this savings and the fact that reviews in Promoting Independence are looking at the same LD cohort of people, the saving could not be achieved.

- Non delivery of the Day Care Service Review MTFP saving £0.614m.
  This position is unchanged from Q3. The Older Adults Day Care Service Review savings target of £0.614m that were re-profiled from 2018/19 could not be delivered in 2019/20.

- Shortfall in the delivery of 2019/20 Promoting Independence savings of £6.076m
  This is an increase of £3.291m from the position reported at Q3, and is discussed in more detail below.

- Write-off of NHS debtors £0.147m
  Finalisation of charges to partners in relation to funding of packages of care indicates that after allowing for the bad debt provision, there will be £0.147m chargeable to People.

Promoting Independence delivery (Older and Younger Adults):
Promoting Independence progress (for both older Adults and Younger Adults) is summarised in the table below:

	Q3 Forecast	Q4 Outturn	Change
Older Adults	1.600	1.600	0.000
Younger Adults	11.564	8.273	(3.291)
Gross Saving	13.164	9.873	(3.291)
Additional costs of EPWs*	(0.560)	(0.560)	0.000
Net Saving	12.604	9.313	(3.291)
Target	15.389	15.389	0.000
Shortfall	(2.785)	(6.076)	(3.291)

*An additional £0.240m has been spent on EPWs funded through the Innovation Fund.

Gross savings of £9.873m are from the sources summarised below. The outturn position includes accruals for activity accounted for but not invoiced in year totalling £6.670m for the period 2017/18 to 2019/20.

Savings achieved through PIP have reduced by £3.291m from the position forecast at Q3 leading to an increase in pressure on Younger Adults. £0.231m relates to the reduction to the position recoverable through Ordinary Residence claims and £0.428m to unrecoverable accruals made at year end 208/19. The balance, £2.632m, is from savings achieved through package cost reductions or additional funding agreements with the NHS. At Q3 the forecast assumed that savings of £4.676m would be achieved from reviews in progress and reviews to allocate. £2.044m of this has been achieved during Q3 with the shortfall resulting from slippage progressing reviews.

3.8 AD Adults – Personal Contributions £0.580m

The Personal Contributions budget totals (£36.111m). There has been an over spend on personal contributions of £0.580m in 2019/20, an increase of £0.324m from the position reported at Q3. The key variances are:

- Accounts recommended for write-off £0.324m
- Increase to bad debt provision for remaining accounts £0.148m
- Shortfall on current year charges £0.108m

The change to the position reported at Q3 is:

- Accounts recommended for write-off – an increase of £0.324m
- Increase to bad debt provision – a reduction of (£0.216m)
- Shortfall on current year charges – an increase of £0.216m

There has been a long term trend of aging of debt which requires an increase to the bad debt provision to reflect the risk that debt cannot be recovered. Outstanding debt on personal contributions is £12.567m at year end 2019/20 (after allowing from recommended write-offs), a reduction of £0.394m from year end 2018/19. However, unpaid debt over 1 year old has increased by £0.484m (after allowing for recommended write-offs) over that period and this is largely responsible for the increase to the bad debt provision being £0.148m. The reduction of (£0.216m) to the position reported at Q3 is due to the impact of recommending accounts for write-off (£0.097m), discussed below, and actions by the community finance team to recover older debt (£0.109m).

116 accounts have been recommended for approval for write off at a cost of £0.324m. The largest contribution to this is from 86 accounts at a cost of £0.200m where there is insufficient funds in the deceased estate to pay the outstanding debt. The impact of this is for a reduction to the bad debt provision of (£0.097m), discussed above.

Charges in year have overspent by £0.108m. This is a worsening £0.216m of the net (£0.108m) surplus forecast at Q3. It is due largely to a reduction to the number of full fee payers in service from 377 at Q3 to 366 at year end.

3.9 AD – Integration 0.344m

The AD Integration budget totals £4.776m and has over spent by £0.344m a reduction of (£0.001m) to the over spend position of £0.345m reported at Q3. The key variances are:

- Quality Assurance £0.293m
- Processed Back Office Staff regrade £0.193m
- Provision for outstanding regrades £0.113m (not included at Q3)

- Baseline staffing costs (£0.255m)

The Quality Assurance budget has overspent by £0.293m due to retaining 8 fte Statutory Independent Reviewing Officer above establishment including 3 fte EPWs to address demand from the number of looked after children in service.

3.10 AD – Provider Services (£5.902m)

The outturn position for Provider Services is an under spend of (£5.902m), which is an increase of (£0.062m), to the under spend position of (£5.840m) reported at Q3.

Older Adults – Residential (£1.479m)
An investment pot of £2.481m was created following the delivery of savings included in the MTFP in order to fund costs associated with further investment and development of Cumbria Care residential provision. This has been used to fund additional staffing costs in new and existing homes, to invest in new systems and technology and for essential maintenance. Uncommitted budget of (£1.200m) was released from the investment pot at Q2 with a further (£0.090m) released at P8. The remaining underspend of (£0.189m) is the result of a temporary reduction in service managers, and staff vacancies due to low occupancy.

Disability & Mental Health - Day Services £0.530m
£0.358m of the £0.530m DMH Day Service overspend relates to historic MTFP savings. None of the saving was achieved in 2019/20, however work is underway to review the delivery approach of achieving the saving going forward. The remaining £0.172m relates to an ongoing overspend across the service and actions to mitigate this are being reviewed.

Reablement (£1.783m)
The outturn under spend of (£1.783m) in Reablement is an increase of (£0.097m) compared to Q3 (£1.686m). It relates to the revised timeline of a programme of recruitment into new teams, to ensure staff are supported, trained, and new support at home teams are introduced in a planned and effective way.

Community Equipment Service (£2.909m)
The outturn underspend of (£2.909m) in the Community Equipment Service is due to the decision to capitalise this expenditure.

Other variances (£0.261m)
Small underspends are forecast across the service with the majority due to reductions in Cumbria Care management relating to reduced expenditure on computing and external audit fees.

3.11 Director of Public Health (£0.000m)

The Director of Public Health outturn position is to budget.

In Q1, due to the reduction in the Public Health Grant and to support committed spend within the service, £0.837m was drawn down from the Public Health Grant Earmarked Reserve. At year end, £0.289m of the reserve drawdown had been utilised in 2019/20, and (£0.548m) was returned to the Public Health Grant reserve at year end.

Reserve	**Reserve Balance £ as at 01/04/2019**	**In Year Drawdown**	**In year Contribution**	**Drawdown under spend**	**Balance in reserve 01/04/2020**
Public Health	0.837	-0.837	0.000	0.548	0.548

The return to reserve is based on underspends on demand led contracts, an underspend against Prevention due to revised timelines for initiating a number of schemes, offset by additional forecast expenditure on staffing and 0-19 Early Help.