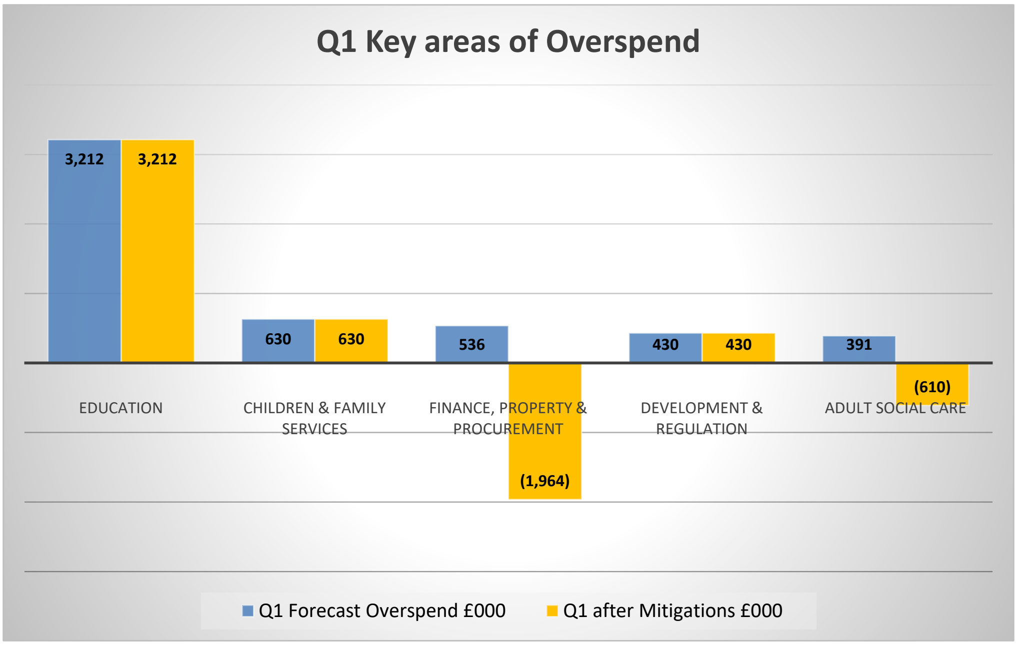
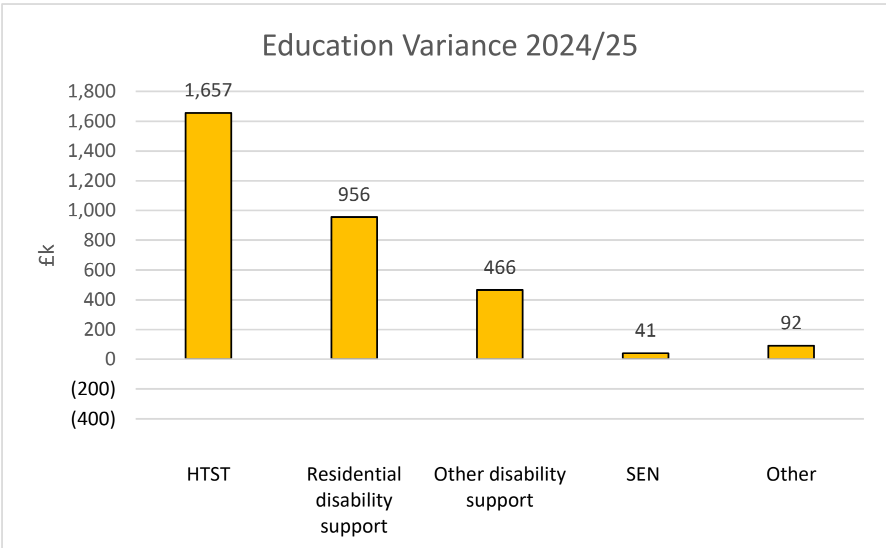
Appendix A: Key Pressures and Overspends
2024/25 Revenue Financial Performance Quarter One

1. Summary



2. Education

2.1 The Education forecast is a £3.2m overspend, which is 28% of the £11.6m budget.



2.2 Home to School Transport (HTST) is overspending by £1.6m as continued increase in demand is being seen in pupils entitled to transport in both mainstream and SEN. This equates to 52% of the total overspend reported for Education. At this early stage in the year, the forecast is based on current contract costs and transport allocations as tendering is currently underway for September requirements. Whilst the service continues to try and identify savings, there may be an increase in cost should the total amount of contracts have to increase.

- A Home to School transport group has been set up and meet regularly. A Transformation project has been proposed to look at savings. This focuses on contractual and procurement issues with a view to ensuring the Council is consistently achieving best value.

- A sufficiency strategy for both mainstream and SEND education is being finalised. This will identify where additional capacity is required to ensure all pupils needs can be met as close to home as possible. This will reduce the call on HTST as there will be reduced need to access high cost provision outside of West Berkshire.

- A review of Home To School Transport expenditure has shown that some costs should be funded as part of an induvial child’s package of support, linked to their Special Educational Needs. Addressing these issues will reduce the pressure on the HTST budget, but increase pressure on High Needs Block.

2.3 Residential disability support packages are forecast to be £1m overspent due to increasingly complex and high level care packages.

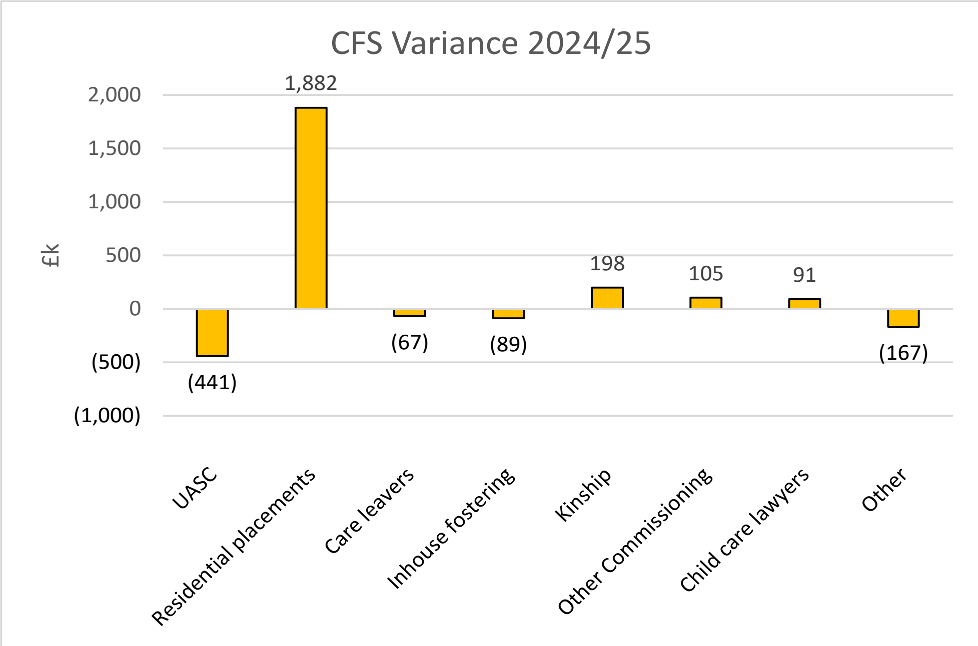
2.4 Other disability support is forecasting a £0.5m overspend. There is an increased level of requests for support for families in their own homes. The team remains focussed on supporting needs at home wherever possible reducing the high cost residential placements.

2.5 The 2024-25 savings target of £0.9m is £0.1m red, £0.6m amber, and £0.2m yellow and green. The red is due to the HTST review, which although is finding savings, increased demand means the target cannot be met. The amber is from residential disability increases in costs and the managed recruitment process.

2.6 Actions to get to breakeven are focussed on reducing spend in all areas apart from business critical spend and reducing use of agency staff where possible.

3. Children and Family Services

3.1 In CFS, the forecast is a £0.6m over spend, which is 2.7% of the net budget of £23.5m. This is after the use of Transformation Funding of £0.9m. The overspend before these reductions would be £1.5m as shown in the chart below:



3.2 There is a £1.6m overspend in placements (which incorporates UASC, residential, care leavers, inhouse fostering, kinship and other commissioning). The children in care population has stabilised, however there is increased complexity in the needs of children who have recently entered care alongside shortages of placements nationally. Placements for mental health and emotional wellbeing needs, and provision for teenagers continue to be a particular challenge. There is a cohort of young people with very high care needs requiring specialist residential provision at significant cost and a national shortage of appropriate residential placements with many Local Authorities competing to find homes for children with a limited availability. Many children in high-cost residential provision were initially supported in foster placements, however due to the complexity of their needs those placements broke down, with their care needs proving too great to deliver safely, resulting in residential placements.

- The service continue to effectively manage placements as part of the Children and Family service Accommodation & Resources Panel. Residential placements are scrutinised and reviewed frequently via the panel chaired by the new Service Director.

- The placement budget is rigorously managed, and more recently this has been reviewed and more robust mechanisms put in place to ensure this is reviewed regularly.

- Commissioning and Contract Management are a priority moving forward to ensure placements are both affordable and appropriate to meet needs.

- CFS continue to monitor and analyse the complexity of the needs of the children coming into care. This informs our foster care recruitment and training strategy as well as strengthening our influence at multi-agency focus areas such as ICB led mental health, The Youth Justice Support Team work and with education to reduce school exclusions.

- 79% of our children in care who are fostered are placed in house foster homes. Placements overseen by our in-house family placement team are our first preference as we can offer timely support, placements are local and offer best value. We are actively seeking to increase the number of in-house foster carers, and have recently recruited to a post which will support this area further. Additional in house supports to foster carers (fostering hub, mental health team) will enable increasing numbers of children to live in lower cost 'In house' placements. There is a robust plan in place for some children to appropriately safely step down from costly residential care.

- A gap for us is the lack of joint funding to support some of our high-cost placements. It is considered that there are more options here to explore around commissioning, contract management and joint funding, specifically from the ICB. This will be explored over the next quarter.

- Longer term options are also being explored.

- Early Intervention continues to be developed to transform social care practice supporting children to remain with their families safely, reducing the children requiring statutory services, and reducing those entering care.

3.3 Childcare lawyers is £0.1m overspent due to an increase in child protection plans. Increased demand as identified above with the increase in child protection plans which have led to pre-proceedings being initiated and consequently increases the number of cases in the court arena. This is a joint arrangement managed by Reading.

- Following a recent internal audit of this service, there is more work to be done to ensure the use of legal services are approved and appropriate.

- New guidance has been issued around this and the new Service Director will keep this under review.

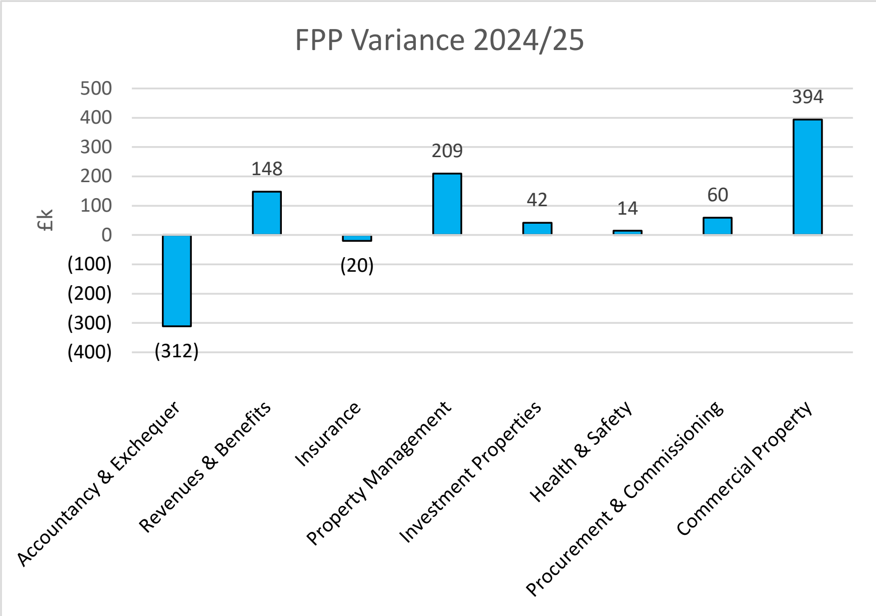
3.4 The 2024-25 savings target of £1.7m is £0.5m red, £1m amber, and £0.1m yellow and green. The red is due to delayed recruitment for a market management post and a foster carer recruitment post. The amber savings are for delayed recruitment to a placement funding post and difficulty meeting the managed recruitment saving.

3.5 Underspends are being seen in staffing, particularly in the Contact, Advice and Assessment Team.

3.6 Recruitment in West Berkshire continues to be a priority to increase the permanent workforce and reduce reliance on agency.

4. Finance, Property & Procurement

4.1 The Finance, Property & Procurement Service has a forecasted overspend of £536k at Quarter One.



4.2 Mitigations have been identified from a review of accruals policy which would amount to a forecast saving of £2.5m, bringing the service in with a £2m saving.

4.3 Revenues & Benefits has a £95k forecasted pressure relating to the ICT system which was upgraded and moved to the cloud, and a £115k shortfall in Cost & Penalties income. The pressures created through the system upgrade and penalties income will be addressed through the 2025/26 budget process.

4.4 Property Services (Property Management, Investment Properties and Health & Safety) have a forecast £265k overspend. This is largely due to two corporate buildings awaiting sale where savings have been taken in anticipation of the properties being sold. If they are sold within the current financial year then there will not be an impact to 2025/26.

4.5 Procurement & Commissioning has a £60k pressure forecasted as the service are unlikely to achieve their full staffing efficiency target. There are growing demands on the team due to the service improvement work due to the upcoming demands of the Procurement Act.

4.6 Commercial Property has a loss of income from the sale of a commercial property at the end of the 2023-24 financial year, which hadn't been anticipated at the point the income target was built. This target will be removed as part of the next budget build.

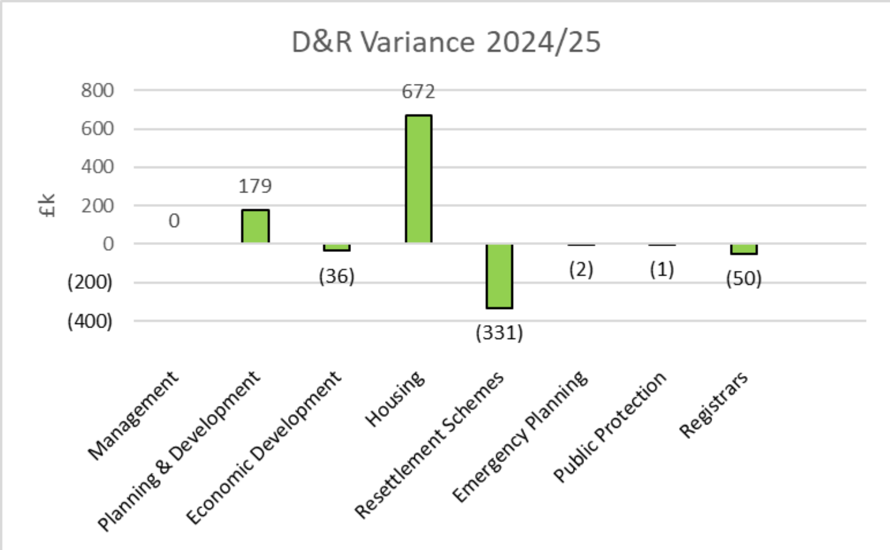
4.7 The 2024/25 savings target of £5.7m is £110k red and £5.6m green. The red relates to the corporate buildings awaiting sale.

4.8 A review of accruals accounting policy has been undertaken which should lead to an estimated saving of £2.5m.

4.9 Other mitigations are shown within the capital financing budgets.

5. Development and Regulation

5.1 The Development & Regulation Department has a forecasted overspend of £430k at Quarter One. This represents an 7.3% overspend on a net budget of £5.4m.



5.2 Planning and Development have a pressure of £230k across Planning Income streams. Planning Applications in the first quarter are down by 16% compared to the same period in 2023/24. Quarter One last year had the highest number of applications, however when comparing the Quarter Four Applications from 2023/24 to the first quarter of this year then applications have increased by 4%. It has been recently reported that there is a national 11% decrease in Planning Applications for the period January to March 2024 in "Planning" Magazine.

5.3 The other issues facing Planning Applications Fee income is the nature of the applications that are being made. There has been a reduction in the number of major applications, which attracted the higher fees. As a comparison in the first quarter there were 10 major applications compared to 20 in Quarter One of 2023/24.

5.4 The current trends may be a result of a few reasons. New requirements for some applications by way of Biodiversity Net Gain (BNG), particularly on the larger application types, may be part of the cause in stopping applications coming in until the requirements around BNG are worked up in more detail and become more of a known entity. The other potential issue is that applicants, particularly housebuilders, may be holding off due to the current issues with the economy.

- Following the general election there are clear indications that there will be changes in the near future to the planning system, but no indication of the details or timeline.

- More locally, the Local Plan Review is going through the Examination. Once the Plan has progressed to being of greater weight/adoption, applicants may be more likely to submit applications where they may have held off before whilst the Plan was in its early stages and was of limited weight in considering proposals.

- The pressure for Planning Application Fee income will likely continue in the next financial year if there is not an increase in applications, specifically any major applications which would attract a larger fee.

- There are a number of larger applications expected over the next few years but it will be dependent on when the applications are submitted as to whether the income is achieved in 2025/26.

- In December 2023 it was announced that Planning Application Fees are increased on an annual basis in April, linked with CPI. Therefore if demand stayed consistent the budget pressure would narrow due to an increase in fees.

5.5 There is a forecasted pressure of £130k relating to the Local Plan. This forecast is factoring in an estimate for additional work as part of the Examination process. Once the Local Plan is through the Examination process the final costs will be more certain.

- This pressure is being partially offset through underspend of £91k consultancy budgets across the service.

- There is an underspend across the Planning Service of £196k on staffing budgets, of which £82k has been achieved from utilising external grants to fund existing posts.

- Proposals as part of the Service Action Plan which was presented at Star Chamber on 22nd July include the potential of further Planning Performance Agreements, an update to Fees & Charges in year to include some more additional chargeable services and looking at vacant posts.

5.6 The Housing overspend is largely from emergency accommodation which is currently forecasted to overspend by £500k due to the level of demand / presentations of families. Last financial year the average presentations per month were 79 households per month. In the first quarter of 2024/25 there have been an average of 63 households per month. The annual budget is based on an average of 25 households per month.

- Currently there are 40 households in emergency accommodation, of which 28 have move-on arrangements in place.

- Within Housing further work is being undertaken in partnership with MHCLG to develop a B&B elimination plan which would significantly reduce the cost of housing families in emergencies by reducing reliance on commercial placements.

- There are also other projects, such as Walnut Close being converted into Temporary Accommodation to help increase capacity and reduce the requirement for B&B placements to support families presenting as homeless.

- Further review of repairs and maintenance of Temporary Accommodation portfolio, where only emergency works will be carried out during tenancies. There will be additional reviews on whether works can be capitalised as part of a larger refurbishment works when properties are void when multiple repairs can be grouped together.

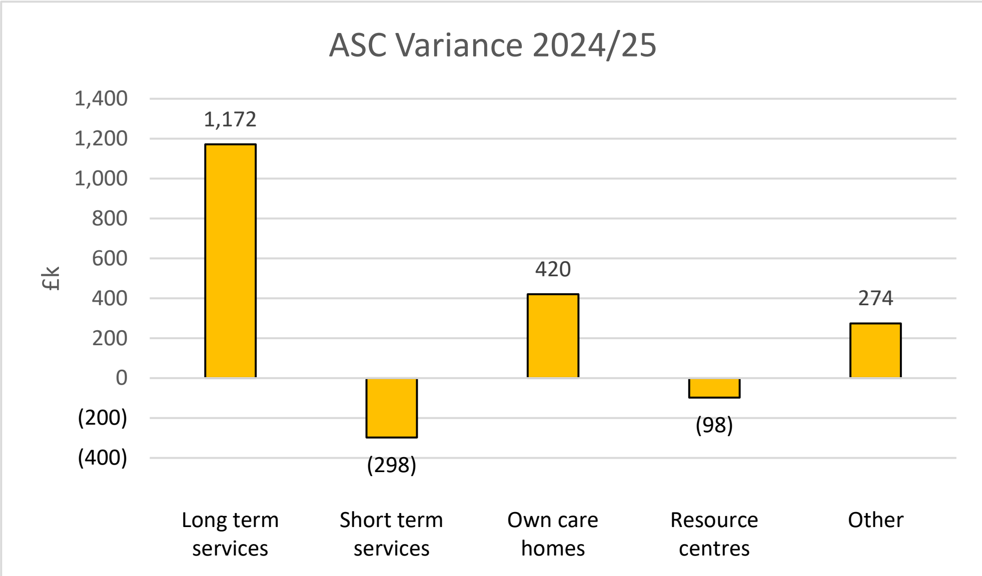
5.7 The 2024/25 savings target of £0.5m is all yellow and green.

5.8 The Department are continuing to explore mitigation options to bring the overspend position down by the end of the Financial Year.

5.9 Finally, there is potential for additional income from the various migration support schemes the Housing Service is providing. Numbers of arrivals are unknown so it is difficult to forecast the potential income to be received, as well as the level of support the arrivals will require.

6. Adult Social Care

6.1 The Adult Social Care budget manager forecast is an overspend of £1.5m at Quarter One as shown in the following chart.



6.2 This could be reduced to £391k with the use of £344k Transformation funding and £735k mitigations. Further mitigations are also underway totalling £1m, which would bring the service to an underspend of £0.6m.

6.3 Budget Managers are forecasting an overspend of £1.2m relating to Long term services. This is made up of an additional £2.8m of forecast expenditure offset by additional income of £1.6m, through client contributions. The overspend has been generated by:

(a) Higher annualised client numbers than modelled, 1950 compared to 1915, at June 2024, which can be attributed to higher levels of new requests for support (mirroring the national picture set out by the Association of Directors of Adult Social Services in their Spring Budget Survey and CIPFA publication July 2024 Managing rising demand in adult and children's social care). This includes a high demand for Mental Health support.

(b) Lower than modelled occupancy within one of our own care homes has meant clients have been placed in externally commissioned beds.

- The service will continue to take actions to suppress the demand within the market including reinforcing the 3 conversations model which suppresses the need for long term services. Current performance in the community teams is exceeding the target to manage needs through the provision of information, advice, equipment etc. without the need for funded care.

- Ensuring technology enabled care (TEC) is installed wherever possible. Whilst this will not necessarily reduce the numbers receiving care it will impact on the amount of care being delivered.

- Market Management Lead is working with local providers to ensure supply and demand are better aligned, and consequently offering better value for money to ASC.

- ASC with Accountancy continue to monitor net weekly spend on long term services carefully. All requests for long term services are scrutinised weekly at Good Practice Forum by senior management to ensure Care Act compliance and also make best uses of resources. It is important to note that we cannot refuse to meet eligible care needs for financial reasons.

6.4 Our own care homes have an overspend of £420k. There is a pressure of £648k at Willows due to 13% of posts being vacant and cover required through agency. The home has a high proportion of high needs clients where additional care is required. This overspend includes a savings target of £250k relating to the Care Home transformation project which will not be achieved in year.

- The overspend at Willows is partially offset with underspends at Birchwood (£166k) and Notrees (£62k). Birchwood are currently forecasting an overachievement on income and Notrees on staffing.

- Following a consultation exercise for the Council's 2024/25 budget, the public were asked for their views on the closure or transfer to another provider of the Willows Edge Care Home. Subsequently Members have decided that they want to look to transfer both Willows Edge and Birchwood at the same time. We are in the process of issuing and Invitation to Tender (ITT) for these two homes. The current proposal is to award a contract in November 2024 with final transfer in March 2025.

6.5 There has been an increase in Transport costs from January 2024, causing a pressure of £168k which is currently being investigated.

6.6 There is still a national shortage of Social Workers, Occupational Therapists and Carers and this is contributing to increased costs relating to staffing across some areas of Adult Social Care and within our Care Homes.

- We are continuing to explore options to recruit permanent staff to fill vacancies across the whole of ASC in conjunction with HR.

- We have already increased our sponsorship licence.

- Active work, led by the ASC Workforce board, seeks to encourage new entrants into the workforce including "growing our own". This is in a national context of a very challenging workforce position as highlighted in the recent CQC Annual Report ("State of Care").

6.7 The 2024-25 savings target of £4m is £0.25m red, £0.3m amber, £0.7m yellow and £2.7m green. The red is due to a delay in the care home transformation. The ambers are due to transport charges and learning disability reviews.

6.8 An underspend of £298k on short term services is forecast by budget managers due to reduced demand within Physical Support 65+, Mental Health 18-64 and Learning Disability 18-64 mostly due to changes within some transition client's packages where they were forecast to have further educational placements, which are classed as short term, but have now moved onto long term services.

6.9 Transformation funding of £0.3m will be applied and mitigations of £0.7m are underway with an action plan to break even being worked on. Other actions include permanent recruitment options and growing our own workforce. The service continues to take action to suppress market demand.

6.10 The Joint Service Directors and the senior management team are working on an updated action plan detailing proposals for a breakeven position at year end, of which £1m has been included in the Quarter One forecast.

6.11 ASC are seeing an ageing population, with higher acuity as well as increased costs with higher provision of care needed, particularly around future demand in both care homes and domiciliary care provision. ASC will be recommending that our new local MP's lobby central government on these issues.