

Appendix A: Key Pressures, Overspends and Action Plans

2024/25 Revenue Financial Performance Quarter Two

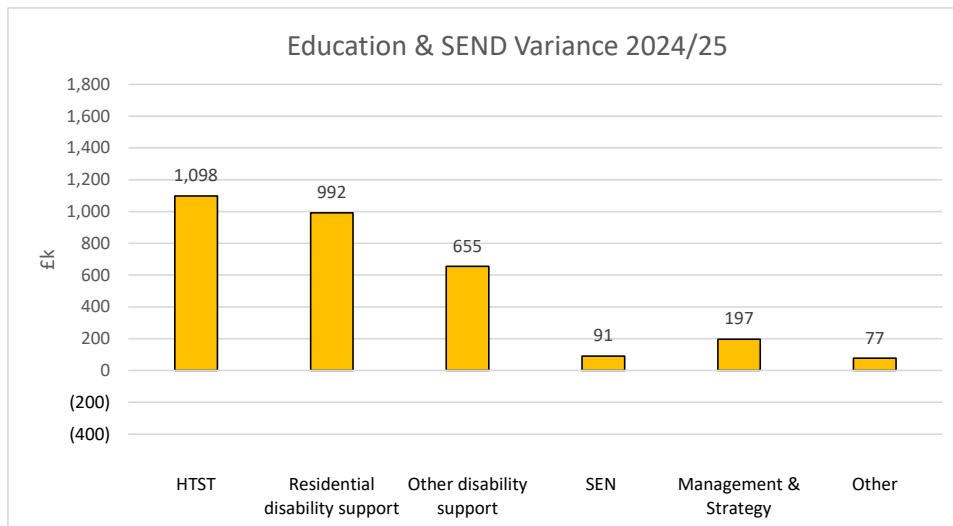
1. Summary

1.1 This appendix covers the main areas of overspend and the action plans underway to address this.

Service	Quarter Two Forecast Position				Further Mitigations in Forecast	Year End Forecast Variance (under) / over (£)
	Budget Manager Forecast over / (under)spend (£)	Transformation Funding in Forecast (£)	Reserves/ Mitigations in Forecast (£)	Revised Forecast Variance (under) / over (£)	Achievability Green (£)	
Adult Social Care	£2,194,610	(£1,355,260)	(£953,610)	(£114,260)	(£1,269,918)	(£1,384,178)
Children's Social Care	£1,973,360	(£1,159,340)	(£43,140)	£770,880	£0	£770,880
Education & SEND	£3,110,250	£0	£0	£3,110,250	£0	£3,110,250
Community Services	£121,890	£0	£0	£121,890	(£45,000)	£76,890
Environment	£263,000	£0	(£263,000)	£0	(£46,000)	(£46,000)
Development & Housing	£587,380	£0	£0	£587,380	(£107,600)	£479,780
Finance, Property & Procurement	£1,303,410	(£133,380)	(£64,829)	£1,105,201	(£2,500,000)	(£1,394,799)
Strategy, ICT and Governance	£677,000	(£751,400)	£0	(£74,400)		(£74,400)
Transformation	£347,200	(£347,200)	£0	£0		£0
Directors & Chief Exec	£468,830	(£195,540)	£0	£273,290		£273,290
Capital Financing	£96,860	£0	£0	£96,860		£96,860
Risk Mgt	£0	£0	£0	£0		£0
Transformation	£0	£0	£0	£0		£0
Use of Reserves	£0	£0	£185,000	£185,000		£185,000
DSG	£0	£0	£0	£0		£0
Public Health SSR	£0	£0	£0	£0		£0
Total Forecast Outturn	£11,143,790	(£3,942,120)	(£1,139,579)	£6,062,091	(£3,968,518)	£2,093,573

2. Education and SEND

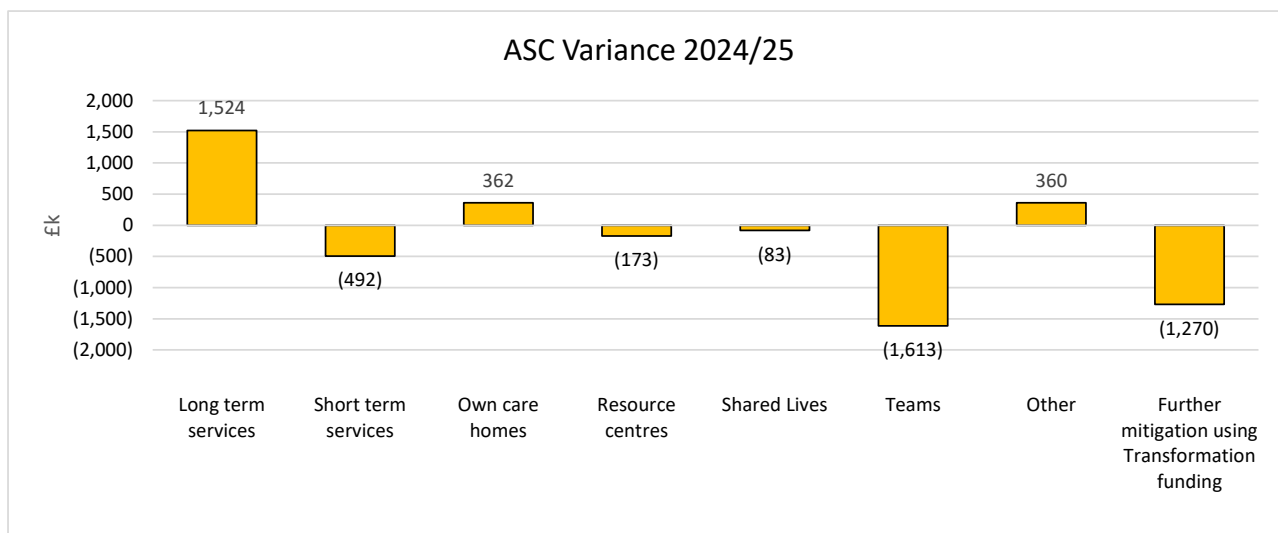
2.1 The Education and SEND forecast is a £3.1m overspend, which is 27% of the £11.6m budget.



- 2.2 Home to School Transport (HTST) is overspending by £1.1m as increased demand continues to be seen in pupils entitled to transport in both mainstream and SEN. The forecast has reduced by £0.5m from last quarter. The client team have been reviewing contracts, retendering, merging and bringing in house which has led to a day rate saving for some routes.
- 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 £0.7m overspend due to the increased level of requests for support for families in their own homes.
- 2.5 The 2024-25 savings target of £0.9m is £0.4m red, £0.2m amber, and £0.3m 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 Action plan:
- Actions to breakeven are focussed on reducing spend in all areas apart from business critical spend and reducing use of agency staff where possible.
 - 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 and 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 HTST expenditure has shown that some costs should be funded as part of an individual 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.
 - These items are all included in the forecast.

3. Adult Social Care

- 3.1 The Adult Social Care budget manager forecast is an overspend of £2.2m at Quarter Two. This could be reduced to a £114k underspend with the use of £1.4m transformation funding and £0.9m mitigations. Further use of transformation funding totalling £1.3m is being proposed, which would bring the service to an underspend of £1.4m.
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3.2 Long term services are forecasting an overspend of £1.25m generated by:

- (a) Higher annualised client numbers than modelled, 1964 compared to 1946, at September 2024, which can be attributed to higher levels of new requests for support. 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.

3.3 Our own care homes have an overspend of £362k.

There is a pressure of £549k at Willows due to 11% 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 (£82k) and Notrees (£106k). Birchwood are currently forecasting an overachievement on income and Notrees has a saving 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 an 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.

3.4 There has been an increase in Transport costs from January 2024, causing a pressure of £212k which is currently being investigated.

3.5 Teams are forecasting an underspend of £1.6m, of which £1.4m is the use of transformation funding towards staffing costs on prevention projects.

3.6 An underspend of £492k 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.

3.7 The 2024-25 savings target of £4m is £0.25m red, £0.1m amber, £0.4m yellow and £3.2m green. The red is due to a delay in the care home transformation. The amber is due to learning disability reviews.

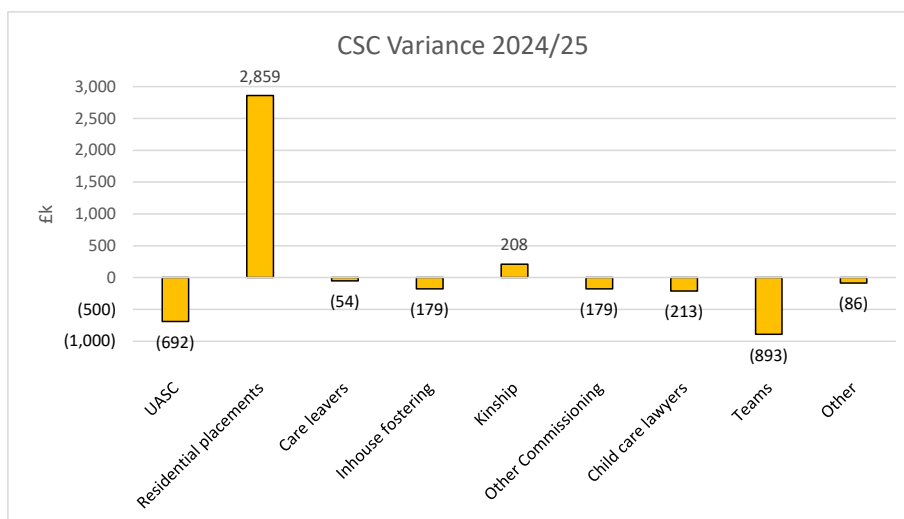
3.8 Action Plan:

The action plan items included in the forecast total £2.4m.

- £150k of this relates to a review of the domiciliary care provider hourly rates with the intention to standardise rates.
- The remaining items are the use of transformation funding to support prevention activities. These include Tier 1 conversations to avoid long term services and provision of reablement services to reduce the need for long term services.

4. Children’s Social Care

4.1 In CSC, the forecast is a £0.8m over spend, which is 3.3% of the net budget of £23.5m. This is after the use of Transformation Funding and reserves of £1.2m.



4.2 There is a £2m overspend in placements (which incorporates UASC, residential, care leavers, inhouse fostering, kinship and other commissioning).

- The children in care population has stabilised in the last year with 180 children currently in care. 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.
- 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.

4.3 Teams across CSC are forecasting an underspend of £893k after being funded for transformation projects.

4.4 Use of the childcare lawyer service has decreased during the last quarter resulting in a £216k forecast underspend.

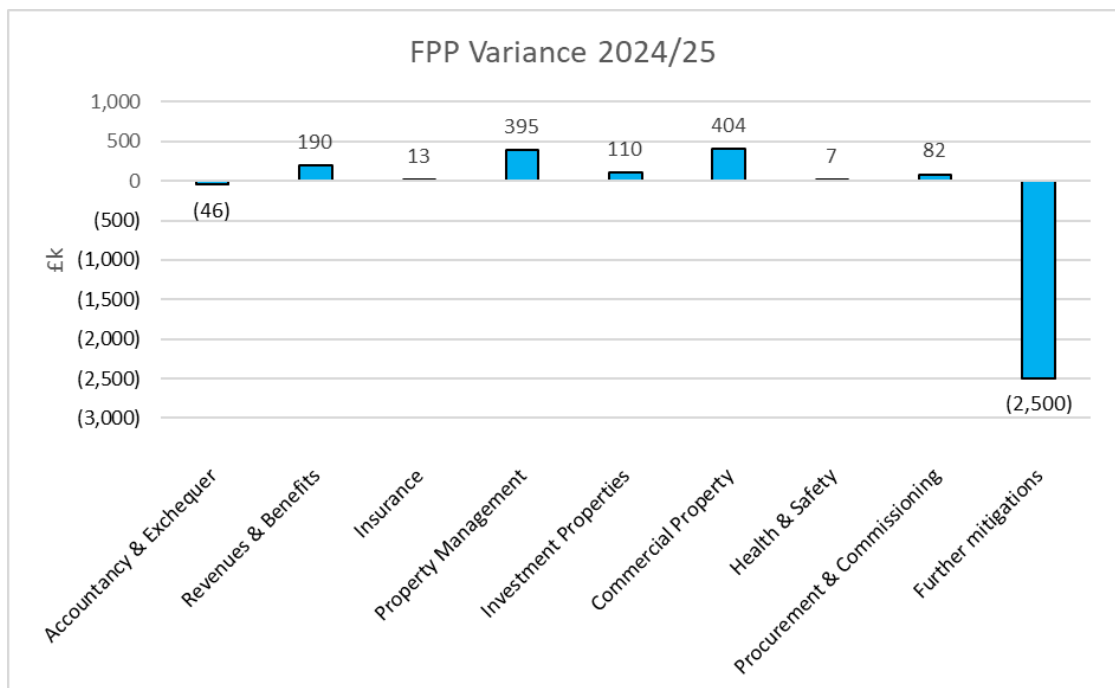
4.5 The 2024-25 savings target of £1.7m is £0.3m red, £0.5m amber, and £0.9m yellow and green. The red is due to delayed recruitment for a foster carer recruitment post. The amber savings are for delayed recruitment to a placement funding post.

4.6 Action plan:

- Within the current forecast there is £1.1m use of transformation funding supporting the project to recruit and retain staff to build a permanent workforce.
- Further plans will be brought to the Star Chamber and are not yet included in the forecast.

5. Finance, Property & Procurement

5.1 The Finance, Property & Procurement Service has a forecasted overspend of £1.1k at Quarter Two, which after mitigations could be reduced to an underspend of £.



5.2 Revenues & Benefits have a £190k pressure due to ICT system costs, staffing pressures, print and postage.

5.3 Property Management have a forecast £395k 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.

5.4 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.

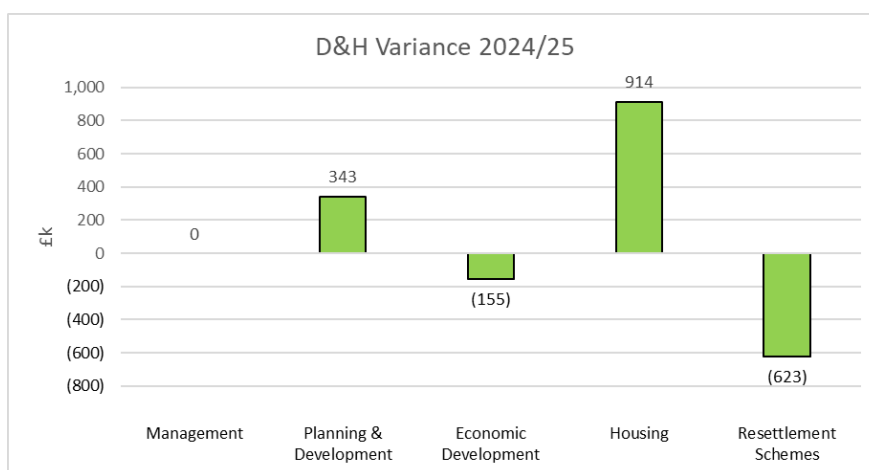
5.5 The 2024/25 savings target of £5.7m is £127k red and £5.6m green. The red relates to the corporate buildings awaiting sale.

5.6 Action Plan:

- Mitigations have been identified from a review of accruals policy which would amount to a forecast saving of £2.5m.

6. Development and Housing

6.1 The Development & Housing Department has a forecasted overspend of £587k at Quarter One. This could be reduced to £480k after mitigations.



6.2 Planning and Development have a pressure of £343k across Planning Income streams.

- Planning Applications are down by 23% compared to the same period over the last six years.
- There has been a reduction in the number of major applications, which attracted the higher fees.
- 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.
- The current trends may be due to new requirements for some applications by way of Biodiversity Net Gain (BNG), particularly on the larger application types, and applicants, particularly housebuilders, may be holding off due to the current issues with the economy.

6.3 The £0.9m Housing overspend is largely from emergency accommodation which is currently forecasted to overspend by £833k 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 half of 2024/25 there have been an average of 65 households per month. The annual budget is based on an average of 25 households per month.

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

6.5 Action plan:

- As part of the Place Action Plan which is being developed for Star Chamber on 19th November, a review of vacant posts is being undertaken.
 - Following Quarter Two Budget Monitoring the Place Directorate are looking at options to help mitigate the impact of the two main pressures within the department – Emergency Accommodation & Planning Income.
 - 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.
 - There are 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.
 - 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.
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