

Appendix 1 - Nationally Recognised Demand Driven Pressures

The main contributors towards the Quarter 1 pressures faced by the council are nationally recognised pressures in demand service-based areas including Homelessness (£7.6m forecast net overspend), Adult Social Care (£3.5m forecast net overspend) and Special Education Need and Disabilities (SEND) (£2.2m forecast net overspend). Further recent national context of these pressures are provided below.

Homelessness

A National Audit Office (NAO) report on the effectiveness of government in tackling homelessness published in July 2024 demonstrates the urgent need for a new approach. The NAO's key findings include;

- Homelessness has increased in recent years and is now at the highest level since comparable data collection began in the early 2000s.
- A shortage of available housing makes it expensive for local authorities to house people in temporary accommodation, as well as harder for people to find a home.
- Local authority spending on homelessness services has more than doubled since 2010/11. This puts severe financial strain on councils. Central government's funding arrangements for local authorities' homelessness services remain complex, fragmented, and sometimes uncertain.

Although homelessness is a major challenge around the UK, London faces the most extreme pressures and accounts for almost 60% of all homeless households in temporary accommodation in England.

Local authorities play a vital role in supporting struggling households to avoid homelessness. Councils require appropriate levels of funding and investment to ensure local services have the resources needed in the face of rising levels of demand for support, including supporting councils to access more accommodation to address the shortage of temporary accommodation.

Currently the Housing Benefit subsidy has been frozen at 2011 Local Housing Allowance (LHA) rates – even though temporary accommodation has become significantly more expensive over the past 13 years. As the NAO highlights, the 'subsidy gap' is a major concern for councils. This is especially the case for London boroughs as they increasingly rely on relatively high-cost temporary accommodation options in B&Bs and commercial hotels.

Adult Social Care

A survey conducted in the spring of all Adult Social Care Directors in England by the Association of Directors of Adult Social Services (ADASS) highlighted that Directors are in a place where, collectively, they overspent more on adult social care budgets than in recent history; where complexity of need is increasing and where over 400,000 people are waiting for an assessment, care to begin or an assessment of their needs.

The survey found that Adult social care budgets in 2023/24 were overspent by £586m, the highest levels for at least a decade and that the overall £903m savings required from respondents for 2024/25 are at their highest levels since 2016/17 with an increasing reliance on one-off reserves to prop up budgets – which is not sustainable.

The survey highlighted the need to invest in people, how the Government must seize the opportunity to engage with people who work in social care and who access care and support to proactively shape policy and spending decisions and to provide greater stability and certainty for councils, care providers and people who draw on care and support through multi-year funding settlements. This will enable adult social care to innovate and evolve away from traditional models of care to those which seek to enable people to live as independently for as long as possible in their community. The Government needs to view adult social care and the NHS as interdependent, rather than separate entities. Pressures from one feed into the other and to invest in social care and recognise the importance of adult social care to all of our lives.

Special Education Need and Disabilities (SEND)

The Local Government Association recently reported that Councils share the Government's ambition of making sure every child with Special Educational Needs and Disabilities (SEND) gets the high-quality support that they need. Reforms to the SEND system, set out in the Children and Families Act 2014 have, however, failed to achieve the goal of improving provision for children with SEND.

The Government should use the SEND improvement plan to recognise the interconnection between special educational needs, emotional needs and mental health. However, current proposals do not go far enough in tackling the rising demand of mental health need, nor sufficiently focus on the particular needs of children with special educational needs.

The previously announced additional funding for 2024/25, does not go far enough in helping councils support all children and young people with SEND, when demand for Education, Health and Care Plans (EHCPs) continues to rise year-on-year. This increase in demand is a significant root cause for continued increases in the costs of SEN transport, driven by both the rising volumes of children accessing transport as well as rising pressures and the need for additional Education Psychology and SEND casework support.