

## Agenda No 15

### **AGENDA MANAGEMENT SHEET**

<b>Report Title:</b>	Finance Quarter One 2025/26 General Fund Revenue & Capital Monitoring
<b>Name of Committee:</b>	Cabinet
<b>Date of Meeting:</b>	15 September 2025
<b>Report Director:</b>	Chief Officer - Finance and Performance
<b>Portfolio:</b>	Finance and Performance, Legal and Governance
<b>Ward Relevance:</b>	All Wards
<b>Prior Consultation:</b>	Leadership team
<b>Contact Officer:</b>	Lisa Marshall, Lead Accountant, lisa.marshall@rugby.gov.uk
<b>Public or Private:</b>	Public
<b>Report Subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	<p>This report relates to the following priority(ies):</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> A Healthier Rugby – To support people to live healthier, longer, and more independent lives.</li><li><input checked="" type="checkbox"/> A Thriving Rugby – To deliver a thriving economy which brings Borough-wide investment and regenerates Rugby Town Centre.</li><li><input checked="" type="checkbox"/> A Greener Rugby – To protect the environment and ensure the Borough adapts to climate change.</li><li><input checked="" type="checkbox"/> A Fairer Rugby – To reduce inequalities and improve housing across the Borough.</li></ul> <p><a href="#">Corporate Strategy 2025-2035</a></p> <p><input type="checkbox"/> This report does not specifically relate to any Council priorities but supports all of them</p>
<b>Summary:</b>	This report sets out the 2025/26 Quarter One General Fund financial position for both revenue and capital and other adjustments for approval as required by Financial Standing Orders
<b>Financial Implications:</b>	As detailed in the main body of the report

<b>Risk Management/Health and Safety Implications:</b>	This report is intended to give Cabinet an overview of the Council's General Fund forecast spending for 2025/26 to inform future decision-making.
<b>Environmental Implications:</b>	There are no environmental implications arising from this report.
<b>Legal Implications:</b>	There are no legal implications arising from this report.
<b>Equality and Diversity:</b>	No new or existing policy or procedures has been recommended and equalities impact assessment is required for this report.
<b>Options:</b>	Members can elect to approve, amend or reject the budget virement and budget transfer requests listed at recommendations 2 and 3.
<b>Recommendation:</b>	<p>(1) The Council's General Fund financial position for 2025/26 be considered; and</p> <p>(2) IT BE RECOMMENDED TO COUNCIL THAT General Fund virements totalling £0.212m be approved.</p>
<b>Reasons for Recommendation:</b>	A strong financial management framework, including oversight by Members and all responsible officers is an essential part of delivering the Council's priorities and statutory duties.

**Cabinet - 15 September 2025**

**Finance Quarter One 2025/26 General Fund Revenue & Capital Monitoring**

**Public Report of the Chief Officer - Finance and Performance**

**RECOMMENDATION**

- (1) The Council's General Fund financial position for 2025/26 be considered; and
- (2) IT BE RECOMMENDED TO COUNCIL THAT General Fund virements totalling £0.212m be approved.

**1. Executive Summary**

1.1. As part of the Council's financial reporting requirements, the purpose of this report is to inform Cabinet of the forecast year-end outturn position for 2025/26 of the General Fund, as at 30 June 2025. Separate reports have been prepared for the Housing Revenue Account and Performance (previously, all three areas were included in a single report).

1.2. The key findings of this report are as follows:

- **General Fund Revenue** – in the General Fund there is a forecast pressure for 2025/26 of £0.141m. This can be further analysed as a £0.522m pressure across services, which is partially offset by a (£0.381m) saving in the net cost of borrowing.
- **General Fund Capital Programme** – the budget for the Capital Programme is £6.427m; this is currently forecast as a balanced position for 2025/26.
- **Budget Virements** – there are £0.212m of budget virements for which approval is sought, see section 6 for more details.

**2. Background**

2.1. Local Authorities have a requirement to account separately for core operational services and the provision of dwellings. This is achieved by creating two reporting functions; the General Fund and the Housing Revenue Account.

2.2. The General Fund is the main revenue account of the local authority, which includes day-to-day income and expenditure on the provision of services. Activities

within the General Fund include waste and recycling, parks and recreation and regulatory services.

2.3. The Council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. At three-month intervals officers work with Finance Business Partners to provide the latest forecast year-end outturn expectations for each service area. This report offers the latest outlook based on the information available as at 30 June 2025 (i.e. the end of Quarter One of the 2025/26 financial year). Due to the Council's Committee timetable, the September Cabinet meeting is the earliest opportunity to put the Quarter One report before members.

2.4. Throughout the report, pressures and savings are referred to. A pressure is an instance whereby forecast costs have exceeded budget or forecast income has not met target - these are shown as a 'positive' value. A saving occurs where forecast expenditure is lower than budget or forecast income is higher than the target - these are displayed as a 'negative' value, using brackets.

### 3. General Fund (GF)

#### 3.1. GF Operating Position (Appendix 1)

3.2. The 2025/26 General Fund year-end outturn revenue forecast position as at the end of Quarter One is summarised below.

Table One: General Fund 2025/26 Forecast

Type	Budget 2025/26 £000	Year-End Forecast Outturn 2025/26 £000	Variance to Budget 2025/26 £000
Cost of General Fund Services	24,784	25,104	522
Corporate Items	(1,961)	(2,139)	(381)
<b>Total</b>	<b>22,823</b>	<b>22,965</b>	<b>141</b>

3.3. The main contributing factors (i.e. those over £0.100m) to the pressures are shown below. Further details of portfolio variances can be found in Appendix 1.

3.4. Operations & Traded Services is reporting a pressure of **£0.135m**

- £0.102m – Refuse Service Staffing Costs – Current staffing shortages are impacting the ability to provide regulatory bin collections services alongside high levels of sickness within the Waste & Recycling services team which are placing further strain on day-to-day operations. Vacant roles are being filled through the use of agency staff or overtime for employed roles to maintain service continuity. Services are working with HR to help manage sickness and absence levels as well as exploring initiatives to deliver efficiencies across working practices.

### 3.5. Communities & Homes, Regulation & Safety is reporting a pressure of **£0.155m**

- £0.097m – Staff & Agency Costs – Vacancies within the Housing Advice and Benefits team have persisted throughout Quarter One due to the difficulty in recruiting experienced Housing Benefit staff due to the national transition over to the Universal Credit scheme. As a result, savings from vacancies have been offset by agency costs in order to keep up with the workload and to allow the team to satisfy their statutory duties. If people fall into crisis as a result of delays in administering claims, then this could potentially increase homelessness within the borough. A review of agency staffing is being undertaken to identify areas where costs can be reduced.

### 3.6. Partnership & Wellbeing is reporting a pressure of **£0.235m**

- £0.145m – Rugby Art Gallery Business Rates – A check and challenge was submitted for the 2017 business rates listing which was successful and resulted in the Rugby Art Gallery Museum being revalued to £1. The Council was reimbursed for this in 2023/24, and it was decided to remove the business rates budget from the service with the intention that the Art Gallery will be revalued to £1 in future years. Another claim has been submitted for the 2023 listing in 2024/25, and we still await the outcome. Upon success of the check and challenge, the Council will be reimbursed with business rates costs that were paid up until the check and challenge is complete. Until confirmation that the check and challenge has been successful, it is prudent to show the amount as a pressure in the Council's budget monitoring reports.
- £0.090m – Sport & Recreation Income – Vacancies covering permanent and casual staff have played a part in the income shortfall across On-Track, Play and Recreation and Sports Development. There is an ongoing recruitment campaign to fill the vacancies within the service. The Service is currently embarking on identifying additional income opportunities. This could include corporate sponsorship and additional grant funding.

### 3.7. Digital & Communications, Growth & Investment is reporting a saving of **(£0.105m)**

- (£0.149m) – Staff Costs – Vacancies within the Digital & Communications portfolio have persisted throughout Quarter One with professional roles proving a challenge to fill. A number of these roles are currently out for active recruitment, and it is hoped these would be filled during Quarter Two.

### 3.8. Corporate Items is reporting a saving of **(£0.381m)**

- (£0.381m) – Net Cost of Borrowing – The pressures on General Fund services are being offset by a saving in the net cost of borrowing. Interest rates were budgeted at a prudent and responsible level, as market interest rates are expected to remain at an elevated level. The Council has continued to see a benefit in Quarter One, but this benefit cannot be relied on in future periods - the expectation remains that at some point interest rates will begin to fall further.

## 4. Staffing and Agency Forecasts

4.1. With the introduction of the new style of reporting there will be a quarterly focus on key areas, with it being early in the reporting cycle there is limited data available to officers. For this report staffing and agency has been selected as it has been a key topic for a number of years now. Below is a summary of the latest reported position by portfolio.

Table Two: General Fund Salaries Vs Agency

Portfolio	Staffing Variance (£000s)	Agency Variance (£000s)	Net Position between Staffing & Agency Costs (£000s)
Finance Performance, Legal & Governance	(117)	119	2
Communities & Homes, Regulation & safety	(198)	244	46
Growth & Investment, Digital & Communications	(204)	38	(167)
Operations & Traded Services	(114)	213	98
Partnerships & Wellbeing	(79)	-	(79)
Organisational Change	(285)	35	(250)
Chief Executive	44	-	44
<b>Total</b>	<b>(953)</b>	<b>648</b>	<b>(305)</b>

4.2. The total General Fund staffing budget for 2025/26 is £21.395m compared to a forecast of £20.442m resulting in a forecast underspend of £0.953m. This variance is due to the high number of vacant positions across the organisation.

4.3. The total General Fund agency budget for 2025/26 is £0.395m compared to a forecast of £1.043m resulting in a forecast overspend of £0.648m. This variance is mainly due to agency staff covering vacant roles, although it also includes agency staff deployed to cover staff sickness absences to ensure continuity of service delivery.

4.4. In 2025/26 a number of approaches have been used to provide consistency in reporting. As a default, all vacant positions have been forecast to be vacant for a period of three months. This takes into account the average notice period for staff and then the recruitment process to on board a new member of the team. There is sometimes a requirement for agency support for vacant posts and also posts for officers on long term sick. It has been agreed by leadership time that this will be closely managed and that there will be an effort to keep both the costs and the length of contracts to a minimum. It is likely that the forecasts will change each month. This will be reported monthly to leadership team and the impact of this will feature in future months.

## 5. General Fund Savings Programme (Appendix 1)

5.1. The Councils 2025/26 savings programme totals (£0.217m). This financial year each portfolio was set a 2% efficiency saving to be achieved either through additional income or the permanent removal of expenditure budgets. Although 2% of the budget equates to £0.514m the remaining £0.217m will be delivered to achieve pre-approved savings from previous years that have traditionally been delivered on a temporary basis. Whilst there are specific amounts allocated to each portfolio, this is a collective effort between portfolios. At the end of Quarter One, 100% of the savings are forecast to be delivered by the end of 2025/26.

**Table Three: General Fund Savings Programme**

Type	Target £000	£000	£000	£000
Savings Target	(217)	(217)	-	-

5.2. The impact of partial or full non-delivery of the savings programme would mean that the Council's reserve balances may need to be used to fund the pressures, or Council could be asked to approve additional savings proposals to ensure a balanced Medium Term Financial Plan. Progress on the savings programme will continue to be reported throughout the 2025/26 financial year.

## 6. Budget Virement Requests

6.1. Details of the budget virements, where approval is sought are set out below.

**Table Four: Budget Virement Requests**

Service (from)	Service (to)	Amount £000	Details
Borough Elections	Corporate Savings (One-Off)	140	Planned election budget not required due to fallow year <b>(2025/26 only)</b>
Grounds Maintenance	Savings Delivery Programme	48	A vacant post has been disestablished <b>(permanent)</b>
Financial Service	IT Services	24	To realign software costs to where the expenditure has been incurred <b>(permanent)</b>
<b>Total</b>		<b>212</b>	

6.2. The below budget virement has been approved by the Chief Officer for Finance and Performance under their delegated powers.

**Table Five: Budget Virement Approved under Delegated Powers**

Service (from)	Service (to)	Amount £000	Details
Customer Service Centre	Corporate Savings (One-Off)	14	Salary underspend due to vacant post given towards the Corporate Savings Target <b>(2025/26 only)</b>
<b>Total</b>		<b>14</b>	

## 7. General Fund Capital Programme (Appendix 1)

7.1. The approved General Fund capital programme is £6.427m. At the end of Quarter One there are no variances to report against the proposed budget.

Table Six: General Fund Capital Programme

Type	Capital Budget 2025/26 £000	Q1 Forecast £000	Q1 Variance to Budget £000
GF Capital	6,427	6,427	0
<b>Total</b>	<b>6,427</b>	<b>6,427</b>	<b>0</b>

7.2. As the financial year progresses, the capital programme will continue to be assessed to ensure the appropriate forecast are put in place and to identify any potential slippage into future years.

7.3. A detailed summary of all the General Fund Capital programme for 2025/26 is shown in Appendix 1.

## 8. Significant Updates Since 30 June

8.1. The information presented in the above report is based on Quarter One, ending 30 June 2025. On 23 July the 2025/26 pay settlement for Local Government was approved at 3.2% for all staff on a pro rata basis. For forecasting purposes 4% was used as a forecast as intelligence from officers expected that the budgeted 2.5% was not going to be sufficient. The forecast adjustment for the Qtr2 report will be in the region of £0.190m saving against the previous forecast.

8.2. As reported in paragraph 3.7, the Council has a business rates appeal lodged with the Valuation Office, officers are still waiting on the results of this, but it is anticipated that the appeal will be successful and the council will receive a refund of £0.145m

8.3. Although not an official forecast, the impact of the above is as follows.

Table Seven: Significant Update Adjustment Impact

Type	Variance to Budget £000	Potential adjustments £000	Revised Variance £000
Cost of General Fund Services	522	(335)	187
Corporate Items	(381)	-	(381)
<b>Total</b>	<b>141</b>	<b>(335)</b>	<b>(194)</b>

**Name of Meeting:** Cabinet

**Date of Meeting:** 15 September 2025

**Subject Matter:** Finance Quarter One 2025/26 General Fund Revenue & Capital Monitoring

**Originating Department:** Finance and Performance

**DO ANY BACKGROUND PAPERS APPLY**  YES  NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Appendix 1 - General Fund Dashboard - Quarter 1 2025-26

1) Revenue Forecasts

Portfolio	Current Net Budget	Exp to date plus commitments	Forecast	Pending Supplementary Budget/Virement	Total Variance Q1	Variance as a % of budget
	£000	£000	£000	£000	£000	
Finance, Performance, Legal & Governance	4,405	993	4,328	(164)	87	2%
Communities and Homes, Regulation and Safety	6,005	2,854	6,159		155	3%
Growth and Investment, Digital and Communications	5,219	1,293	5,100	10	(129)	-2%
Operations and Traded Services	4,425	508	4,511	(48)	135	3%
Partnerships and Wellbeing	4,244	851	4,479		235	6%
Organisational Change	178	114	135		(42)	-24%
Chief Executive	310	95	391		81	26%
<b>Total- Services</b>	<b>24,784</b>	<b>6,707</b>	<b>25,104</b>	<b>(203)</b>	<b>522</b>	<b>2%</b>
Corporate Items	(1,961)	692	(2,139)	203	(381)	19%
<b>Grand Total</b>	<b>22,823</b>	<b>7,399</b>	<b>22,965</b>	<b>(0)</b>	<b>141</b>	<b>1%</b>

## 2) Reserve Summary

Name of reserve	Balance at 01/04/25	Forecast contribution (to)/from 25/26	Balance at 31/03/26	Forecast contribution (to)/from 26/27	Balance at 31/03/27	Balance at 31/03/28	Balance at 31/03/29
	£000	£000	£000	£000	£000	£000	£000
Gen Fund Revenue Acc	(2,250)		(2,250)	0	(2,250)	(2,250)	(2,250)
Business Rates Equalisation Reserve	(20,734)	2,648	(18,086)	0	(18,086)	(18,086)	(18,086)
Budget Stability Reserve	(2,410)	454	(1,956)	0	(1,956)	(1,956)	(1,956)
Town Centre Strategy Reserve	(4,603)	1,905	(2,698)	466	(2,232)	(1,807)	(1,375)
Other corporate reserves	(2,385)	221	(2,164)	103	(2,061)	(2,020)	(1,917)
<b>Total corporate reserves</b>	<b>(32,380)</b>	<b>5,227</b>	<b>(27,153)</b>	<b>569</b>	<b>(26,584)</b>	<b>(26,119)</b>	<b>(25,584)</b>
Finance, Performance, Legal & Governance	0	0	0	0	0	0	0
Communities and Homes, Regulation and Safety	(595)	0	(595)	0	(595)	(595)	(595)
Growth and Investment, Digital and Communications	(33)	33	0	0	0	0	0
Operations and Traded Services	0	0	0	0	0	0	0
Partnerships and Wellbeing	(91)	0	(91)	0	(91)	(91)	(91)
Organisational Change	0	0	0	0	0	0	0
Chief Executive	(2,801)	50	(2,751)	0	(2,751)	(2,751)	(2,751)
<b>Total Portfolio earmarked reserves</b>	<b>(3,519)</b>	<b>83</b>	<b>(3,436)</b>	<b>0</b>	<b>(3,436)</b>	<b>(3,436)</b>	<b>(3,436)</b>
<b>Total Reserves</b>	<b>(35,900)</b>	<b>5,310</b>	<b>(30,590)</b>	<b>569</b>	<b>(30,021)</b>	<b>(29,556)</b>	<b>(29,021)</b>

### 3) Capital Summary

Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofiting Requests	Total Variance
	£000	£000	£000	£000	£000
Finance, Performance, Legal & Governance	107	18	107		0
Communities and Homes, Regulation and Safety	1,181	(327)	1,181		0
Growth and Investment, Digital and Communications	267	(17)	267		0
Operations and Traded Services	3,374	42	3,374		(0)
Partnerships and Wellbeing	1,498	38	1,498		0
Organisational Change	0	0	0		0
Chief Executive	0	0	0		0
Corporate items					
<b>Grand Total</b>	<b>6,427</b>	<b>(247)</b>	<b>6,427</b>	<b>0</b>	<b>(0)</b>

#### 4) Head Count

Portfolio	Budgeted FTE's	Actual FTE's at Q1	Vacant FTE's
Finance, Performance, Legal & Governance	55.09	44.98	(10.11)
Communities and Homes, Regulation and Safety	96.03	88.16	(7.87)
Growth and Investment, Digital and Communications	79.93	64.93	(15.00)
Operations and Traded Services	140.78	125.78	(15.00)
Partnerships and Wellbeing	54.18	52.43	(1.75)
Organisational Change	12.40	7.40	(5.00)
Chief Executive	2.00	2.00	0.00
<b>Total</b>	<b>440.41</b>	<b>385.68</b>	<b>-54.73</b>

#### 5) Delivery of new savings & income targets

PORTFOLIO	Total	Red	Amber	Green
	£000s	£000s	£000s	£000s
Finance, Performance, Legal & Governance	88			88
Growth and Investment, Digital and Communications	105			105
Communities and Homes, Regulation and Safety	119			119
Operation and Traded Services	108			108
Partnerships and Wellbeing	67			67
Organisational Change				
Chief Executive	27			27
Corporate Items				
<b>TOTAL GF</b>	<b>514</b>	<b>0</b>	<b>0</b>	<b>514</b>

6) Revenue Commentary

PORTFOLIO	Total Q1 Variance to Budget	Variations to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Legal & Governance, Finance & Performance	87	(79)	Saving	Expenditure	Finance & Performance	Salaries	<p>(£50,000) Financial Services - Saving is due vacant posts FTE1 - 3 x Finance Business Partner. FTE 1-Senior ICT Officer, 1x FTE1- Payments Officer, 1x FTE - Payments Officer,FTE1 - Team Leader Accounts Payable &amp; Procurement.</p> <p>(£29,000) Corporate Assurance - 1x FTE1 Change Officer post remains open . 1x FTE1 Assurance Manager post will not be filled in this financial year, however, this post is being covered by CMAP.</p>	<p>Financial Services - Forecast outturn figure is based on the assumption that vacant posts will remain vacant for three more months, then filled. Impact of posts being vacant from Apr-Sept will mean an inevitable underspend at year end</p> <p>Corporate Assurance - CMAP will be providing management support so there will no impact on service delivery. Whilst the change post is being reviewed external support will be procured.</p>	<p>Financial Services - Finance vacancies remains unfilled</p> <p>Corporate Assurance - none at this stage</p>
		99	Pressure	Expenditure	Finance & Performance / Legal & Governance	Agency Staff	<p>Finance and Performance £32,000 Council Tax &amp; Business Rates Collection - Agency staff brought in to cover vacant posts and to reduce the waiting time currently experienced by users of the service. £51,000 Financial Services - Agency staff brought in to cover vacant posts and reduce the waiting time for service users</p> <p>Legal and Governance £16,000 Democratic Services - Agency staff to cover the vacant roles within Legal Services</p>	<p>Finance and Performance Council Tax &amp; Business Rates Collection - This has allowed the team to maintain our staffing levels and reduce waiting times for users of the service. Financial Services - Forecast outturn figure is based on the assumption that vacant posts will remain vacant for three more months, then filled. Impact of posts being vacant from Apr-Sept will mean an inevitable overspend on agency at year end</p> <p>Legal and Governance Democratic Services - Agency cover to fill up the vacant position</p>	<p>Finance and Performance Council Tax &amp; Business Rates Collection - Will recruit to the permanent post. This will be taken in consideration with the impact of the Revenues and Benefits team merger from July 2025 Financial Services - Re-advertise Finance Manager vacancy Advertise FBP vacancies Restructure AP team and advertise vacant posts</p> <p>Legal and Governance Democratic Services - Cost will be monitored closely</p>
		47	Pressure	Expenditure	Finance & Performance / Legal & Governance	Consultancy Costs	<p>£28,000 Financial services - External support commissioned to undertake review of Agresso system and provide technical support</p> <p>£19,000 Corporate Assurance - This is covering the loss of resource from the vacant Change Officer. However the costs of the external suppliers and the activity will be driven by business need and the budget available</p>	<p>Financial services - The review will help to put an action plan together to ensure the organisation is using the system to the best of its abilities, this will create time gains</p> <p>Corporate Assurance - With the external partner (CMAP) only beginning work with RBC in April over the next few months a revised audit plan is being formulated and will be presented to Audit and Ethics Committee in September</p>	<p>Financial services - Develop a clear plan for absorbing 25/26 External support costs within existing Financial Services budget</p> <p>Corporate Assurance - The revised audit plan will identify the requirements for the organisation</p>
Regulation & Safety, Communities & Homes	155	(147)	Saving	Expenditure	Housing Advice & Benefit Team	Salaries	<p>The team has five vacancies at present being filled by agency staff. Cost is covered by grant and salary saving.</p> <p>2x Benefits officer post - £56,000 saving 2x Homelessness Prevention officers - £41,000 saving 1x Next Steps Accommodation officer - £31,000 saving</p>	<p>After two rounds of unsuccessful recruitment officers are now reviewing the posts as career graded posts to increase the number of applications but also removing the need for housing experience as officers plan to grow and develop permanent staff</p>	<p>There is a spend to save element as the new recruits will need help and support and the service will still need full time cover - this will be covered by homeless team grant funding</p>
		244	Pressure	Expenditure	Communities & Homes - Housing Advice & Benefits Team	Agency Staff	<p>1x Cover for vacant Benefits Officer posts - £31,000 1x Cover for vacant Housing Options Officer. £67,000 1x Cover for recently filled Benefits Officer role. £16,000 1x Cover for vacant Bens Officer post. £14,000</p> <p>Additional 1x Benefits Subsidy &amp; Systems officer. Role not in structure, continues to support team. Will be moving to new Revs + Bens team cost centre. £4,100 Additional 1x Benefits Officer to help with HB/CTR backlog. £11,400</p> <p>Planned additions: Housing Reviews and Quality Assurance Officer - 3 month post. DK to confirm where this is being funded form. £17,000. Enabling Strategy Officer Post - 6 month. To cover Mat leave inclusive of overheads. Net effect £13,000. Unaccrued Agency costs from FY24/25 amounting to £32,000 falling in this years accounts.</p>	<p>The additional support of agency staff across the service along with the cost pressure arising from unaccrued agency work relating to FY2425 will have a net impact of £97000 related staffing.</p>	<p>Vacant Benefits officer role - We have done two rounds of recruitment and now looking at amending the job profiles to take on people with limited to no experience as a trainee / apprentice style job role.</p> <p>Agency spend to be covered by Grants &amp; Funds: Additional Benefits Officer post - £61,568 (To be covered by Asylum Dispersal fund)</p> <p>Early intervention Officer - 6 Month post. This will be funded by the homeless prevention grant. £31,850</p> <p>The agency accrual process will also be reviewed in light of the pressures faced this financial year for costs relating to last year.</p>

PORTFOLIO	Total Q1 Variance to Budget	Variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Digital & Communications, Growth & Investment	(129)	(149)	Saving	Expenditure	Digital and Communications	Staff Costs	£14,000 Communications Team - 1 x Communications Officer vacant. £83,000 ICT Services - 1 x Service Desk analyst, 1 x Systems Development Officer 1 x Senior Spatial Data Officer, 1 x IT Trainer and 1 x ICT Apprentice. £52,000 Customer Support Services - 1 x CRM Analyst & Customer Service Experience Lead , 1 x Customer Service Advisor and 1 x Customer Service Coach.	Communications Team - vacant post due to be advertised late summer ICT Services - Service Desk and Development officer roles are currently out to recruitment. Working with Development and Growth in regard to the transfer of the Senior Spatial Data Officer and GIS Specialist (post currently filled). Trainer and Apprentice to be reviewed following recruitment of the two roles aforementioned. Customer Support Services - CRM Analyst readvertised and closes July. 1 x CSA role filled and will start in July. Customer Services Coach is currently advertised internally and closes in July.	Communications Team - vacant post expected to be filled late 2025. ICT Services - Recruitment process underway for vacant posts. Council approval being requested to transfer Senior Spatial Officer to Development & Growth Customer Support Services - 1 x CSA filled and starts in July. 1 x CSA advertised and closes in August. Customer Services Coach is currently advertised internally and closes in July, this post is being considered for transferal to Property Repairs Services. Previous attempts at filling roles using Agency workers has proved unsuccessful.
		59	Pressure	Expenditure	ICT Services	Consultancy Costs	ICT Services - Consultancy costs have been committed to provide backfill whilst recruitment is undertaken to fill vacant posts within the department.	Some budget pressure offset against savings in Direct Employment Costs.	Service working with HR to minimise the impact by advertising vacancies and recruit to vacant roles as soon as possible.
Operations and Traded Services	135	102	Pressure	Expenditure	Operations & Traded Portfolio	Salaries	£253,000 Savings for Salaries, National Insurance and Pension contributions are offset against pressures of £162,000 for Overtime and £193,000 for Agency	Current staffing shortages are impacting our ability to provide regulatory bin collection services. Vacant roles must be filled either through agency staff or overtime to maintain service continuity.  Additionally, high levels of sickness within the Waste and Recycling Services team are placing further strain on operations. The team are recruiting to these vacant positions as soon as possible to reduce reliance on temporary measures and ensure long term service stability.	Services are advertising all vacant positions and working with HR to address current high sickness levels within waste & recycling services
		52	Pressure	Expenditure	Operations & Traded Portfolio	Other Running Expenses	£120k Waste & Recycling Pressure - Sherbourne Recycling Facility Gate Fees. £47k WSU Depot Pressure - Consultancy Costs £12k Waste & Recycling Pressure - External contractors (£128k) Trade Waste Saving - Other Running Expenses	Sherbourne Recycling Facility gate Fees are likely to add additional pressure throughout the financial year due to gate fee increases and additional tonnage for recycling. Some of this pressure will be offset against Recycling Credits and expected Recylate income. Consultancy costs for WSU Depot are likely to trend until the end of summer. External Contractors pressure is likely to trend until a new contract is secured with 3rd party contractors for haulage of recycling waste to Sherbourne Recycling Facility. Trade Waste savings are expected on cost of disposal following review of service fees that resulted in the loss of some customers. Some saving has been offset against loss of income.	Sherbourne Recycling Facility - service will be enhancing communication regarding recycling in an effort to reduce contamination rates and lower associated costs. Consultancy costs - are not expected to continue past summer 2025 when a full operational review should be completed. External Contractors -Currently offering out to tender the contract for 3rd party contractors to secure best service and rates. This should also result in a lower price per load than current. Trade Waste - although a temporary loss of some customers has been experience, following an expected full review of current rounds to ensure efficiencies, the service is planning an advertising campaign to secure new customers. The service is also currently experiencing a return of some of the previous lost clients.

PORTFOLIO	Total Q1 Variance to Budget	Variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Partnerships and Wellbeing	235	145	Pressure	Expenditure	Rugby Art Gallery & Museum	Rates	A check and challenge was submitted for the 2017 listing which was successful and resulted in the RAGM being revalued to £1, however the 2023 listing meant the building was revalued back up resulting in a new Business Rates bill.	Due to the 2023 valuations listing the RAGM was put back to its original value meaning the Council was liable for business rates in 2024/25 resulting in a variance due to the budget being removed following the successful appeal of the 2017 listing.	There is currently an active check and challenge in with the VOA office, if successful the rebate will be paid back into the Budget Stability reserve.
		90	Pressure	Income	Sport & Recreation	Reimbursements	Income pressure relating to delivery of school and community delivery	Pressure will continue due to the inability to generate level of income without increased staffing provision	There are currently no viable options to cover the shortfall
Chief Executive Office	81	68	Pressure	Expenditure	Chief Executive	Salaries	Variance relates to additional costs associated with recruitment and increased salary costs against the budgeted position	Costs have already been incurred, so this will remain as a pressure for 2025/26	It will be necessary to identify efficiencies in other staffing budgets across the Council to absorb this pressure
Corporate Items	(381)	(381)	Saving	Income	Council	Net cost of Borrowing	We are anticipating higher interest earnings from our investments than originally budgeted, as market interest rates are expected to remain elevated and decline more gradually than forecasted, based on the latest MUFG projections. Our updated estimate reflects a prudent approach that factors in this slower rate trajectory.	This benefit can not be relied upon in future periods as the expectation remains that at some point interest rates will begin to fall.	Keep under review

7) Capital variance narrative

PORTFOLIO	Scheme	Current Budget	Expenditure plus commitments £000	Current Forecast £000	Pending Reprofiting Requests £000	Variance £000	Narrative
Finance, Performance, Legal & Governance	Income Management System	30	0	30	0	0	Upgrade of the income management system
	Financial Management System Upgrade	77	18	77	0	0	Upgrade of the finance system; scheme is currently in progress
		107	18	107	0	0	
Communities and Homes, Regulation and Safety	Great Central Walk Bridge	31	(279)	31	0	0	This scheme was created for the refurbishment of bridges on the old railway line.
	Disabled Facilities Grant	768	0	768	0	0	This grant will be passed on in full to HEART (Nuneaton and Bedworth Borough Council) for allocating out the funding.
	Rainsbrook Cemetery preparation	302	(52)	302	0	0	Most of the Cemetery construction was done in 2024/25. The remainder of the scheme is expected to complete in 2025/26
	Memorial Safety	80	0	80	0	0	This scheme is on the capital programme to allow for Headstone refurbishments to take place in Cemeteries to make them safe.
		1,181	(329)	1,181	0	0	
Growth and Investment, Digital and Communications	ICT Renewal Programme	114	7	114	0	0	This scheme is the annual ICT renewal programme for the replacement of client devices e.g. Laptops. A year end journal will allocate funds to the services that have used this throughout the financial year.
	ICT refresh programme - Infrastructure	90	(2)	90	0	0	This scheme is the annual ICT renewal programme for the replacement of physical and virtual servers, firewalls, backup and business continuity systems.
	ICT refresh programme - AV equipment	18	3	18	0	0	This scheme is the annual ICT renewal programme for the replacement of equipment within meeting rooms, the Council Chamber and other work spaces which require IT equipment e.g. Microsoft Teams devices.
	Digitalisation and Development Programme	45	3	45	0	0	This scheme was created to drive digitalisation across the organisation.
		267	(17)	267	0	0	
Operations and Traded Services	Street Furniture	42	1	42	0	0	This scheme was created to allow for an annual refresh of bins, benches, bus shelters and other items within our Borough.
	Purchase of Waste Bins	88	21	88	0	0	This scheme is for the acquisition of domestic refuse bins for new housing developments. Most of the funds are financed through S106 contributions and other developer income. A year end journal will allocate Section 106 funds.
	Food Waste Caddies & Bins	419	0	419	0	0	Caddies for new mandatory Food Waste Service, starting in 26/27
	WSU Depot Yard Re-Configuration	718	0	718	0	(0)	WSU depot reconfiguration- in progress and expected to be complete by year end
	Purchase of Vehicles	842	20	842	0	0	Vehicle replacement programme for GF
	Food Waste Vehicles	1,265	0	1,265	0	0	Vehicles for new mandatory Food Waste service, starting in 26/27
		3,374	42	3,374	0	(0)	
Partnerships and Wellbeing	Open Spaces Refurbishment - Safety Improvements	168	19	168	0	0	No expected variance
	Park Connector Network	70	0	70	0	0	No expected variance
	New Bilton Recreation Ground Refurbishment	140	(7)	140	0	0	No expected variance
	Open Spaces Refurbishment - Charwelton Drive	142	(6)	142	0	0	No expected variance
	Alwyn Road Changing Rooms	324	13	324	0	0	Outline planning permission has been approved and the scheme is progressing. This is being funded via Section 106 and a third party contribution
	Alwyn Road Sports Pitches refurbishment	71	0	71	0	0	This is being done in line with the changing rooms refurbishment scheme and is funded via Section 106
	Open spaces refurbishment - Bawnmore rd play area	300	2	300	0	0	No expected variance
	Betony Road Play Area	90	0	90	0	0	No expected variance
	Cawston Green Gym	44	0	44	0	0	No expected variance
	Centenary Park Allotments Newbold	71	0	71	0	0	No expected variance
Brindley Road/Lennon Close Play Areas and Hillmorton Recreation Ground	78	10	78	0	0	No expected variance	
		1,498	29	1,498	0	0	
<b>General Fund Total</b>		<b>6,427</b>	<b>(256)</b>	<b>6,427</b>	<b>0</b>	<b>(0)</b>	

Appendix 2 - Housing Revenue Account (HRA) Dashboard - Quarter 1 2025/26

1) Revenue Summary

Service	Current Budget	Total Income/ Expenditure	Forecast	Pending Supplementary Budget /irement	Pending Reserve Movement Requests	Total Variance
	£000	£000	£000	£000	£000	£000
Rent income from dwellings	(19,229)	(0)	(19,229)	0	0	0
Rent income from land and buildings	(129)	(0)	(129)	0	0	0
Charges for services	(1,212)	0	(1,212)	0	0	0
Contributions towards expenditure	(153)	(29)	(152)	0	0	1
<b>Total Income</b>	<b>(20,722)</b>	<b>(29)</b>	<b>(20,722)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer to Housing Repairs Account	5,874	1,937	6,861	0	0	988
Supervision & Management	0	0	0	0	0	0
Supervision & Management	1,128	105	971	0	0	(157)
Supervision & Management	2,068	387	1,881	0	0	(187)
Supervision & Management	3,658	0	3,658	0	0	0
Supervision & Management adj for CDC	(318)	0	(318)	0	0	0
Supervision & Management	0	(0)	0	0	0	0
Supervision & Management	4	4	4	0	0	0
Supervision & Management	664	133	508	0	0	(156)
Supervision & Management	0	0	0	0	0	0
Supervision & Management adj for income	0	0	0	0	0	0
Supervision & Management	7,205	628	6,704	0	0	(502)
Rent, rates, taxes and other charges	0	(53)	0	0	0	0
Depreciation and impairment	3,368	0	3,368	0	0	0
Debt management costs	0	0	0	0	0	0
Provision for bad or doubtful debts	69	0	69	0	0	0
<b>Total Expenditure</b>	<b>16,515</b>	<b>2,513</b>	<b>17,002</b>	<b>0</b>	<b>0</b>	<b>485</b>
HRA share of Corporate/Democratic Core Costs	318	0	318	0	0	0
<b>Net cost of HRA services</b>	<b>(3,888)</b>	<b>2,484</b>	<b>(3,403)</b>	<b>0</b>	<b>0</b>	<b>486</b>
Interest payable and similar charges	1,105	0	1,104	0	0	(1)
Interest and Investment Income	(1,063)	0	(1,063)	0	0	0
<b>Net Operating expenditure</b>	<b>(3,846)</b>	<b>2,484</b>	<b>(3,361)</b>	<b>0</b>	<b>0</b>	<b>485</b>
Contributions to (+) / from (-) reserves	50	0	50	0	0	0
Revenue Contributions to Capital Expenditure	3,796	0	3,311	0	0	(485)
<b>(Surplus) / Deficit for the Year on HRA Services</b>	<b>(0)</b>	<b>2,484</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

2) Head Count- Vacancies (HRA)

Service	Budgeted FTE's 25/26	Actual FTE's at Q1	Vacant FTE's at Q1
Housing	48.80	31.80	(17.00)
Property Repairs Service	50.23	48.42	(1.81)
	99.03	80.22	(18.81)

3) Reserves & Balances

Name of reserve / balance	Balance as at 1/04/25	Forecast contribution (to)/from	Forecast balance as at 31/03/26	Forecast contribution (to)/from	Forecast balance as at 31/03/27	Forecast contribution (to)/from	Forecast balance as at 31/03/28
	£000	£000	£000	£000	£000	£000	£000
Housing Revenue Account Balances	(4,085)	0	(4,085)	0	(4,085)	0	(4,085)
HRA Capital Balances	(17,621)	10,631	(6,990)	(3,953)	(10,943)	(4,225)	(15,168)
HRA Major Repairs Reserve	(6,127)	(756)	(6,883)	(412)	(7,295)	(512)	(7,807)
Housing Repairs Account	0	0	0	0	0	0	0
HRA Climate Change Reserve	(1,512)	601	(911)	0	(911)	0	(911)
HRA - Transformation Reserve	(227)	0	(227)	0	(227)	0	(227)
Sheltered Housing Rent Reserve	(456)	(49)	(505)	(51)	(556)	(53)	(609)
Right to buy Capital Receipts	(12,023)	2,350	(9,673)	424	(9,249)	0	(9,249)
	(42,051)	12,777	(29,273)	(3,992)	(33,265)	(4,790)	(38,055)

5) Revenue variance narrative

Service	Q1 Variance £000	Item variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Housing Repairs Account	988	979	Pressure	Expenditure	Unplanned Maintenance and Repair (UMR00)	External Contractor & Operator	Forecasted overspend due custom of raising invoices at a nil value instead of applying an estimate	A continuation of the current process will result in a cost pressure against the overall HRA budget	Going forward, the team will be utilising the NatFed schedule of rates, to forecast costs and support the effective management of budgets. The schedule of rates is a widely used industry standard for pricing maintenance and repairs works, particularly in social housing. The exception to this is specialist works - the team are going back through to find and record the quotes (which are being obtained). The practice of nil value jobs is to cease immediately to permit effective management of day to day budgets and accruals. Audit are to advise on any additional improvements to processes.
		(217)	Savings	Expenditure	Void works	R&M External Contractors	Forecasted underspend based on run-rate. Further information to be provided by service manager	Based on the current run rate, the Void works service R&M External contractors' cost are on a trajectory to be underspent at year end, however spend over the coming periods cannot be predicted as this is demand led.	Any underspend realised at year-end against this budget may be utilised and offset against overspends in other budget lines.
		50	Pressure	Expenditure	Housing Planned Maintenance (UMR30)	Gas Heating Systems	Tanser Court temporary boiler rental costs are running at £4.3k per month. Monthly servicing and repair costs are £35k per month. Monthly chargeable works are averaging £700 per month and audits are £850 per month. Potential overspend of £50k due to Tanser Court	The impact will be an overspend as there is no movement on the new communal boiler installation. A decision is being worked on as to whether to replace the system with a more sustainable installation such as ground source heat pumps instead of fossil fuel (gas).	The decision sits with the Asset Maintenance Manager and until a viable scheme is decided upon, the rental costs will continue for the temporary gas boiler.
		132	Pressure	Expenditure	Housing Planned Maintenance (UMR30)	Electrical Maintenance	Average monthly electrical response repair work is running at approximately £31.75k. This is a responsive repair budget, so the outturn is only estimated. Possible overspend	This is a responsive repair budget and the budget amount for 2025/2026 has been based on previous year's spend. Work cannot be predicted to a finite amount. The current spend aggregated to 12 months shows an upward trend in response repairs, hence the potential overspend	Ongoing monthly analysis of spend will be ongoing but unfortunately there cannot be anything put in place to mitigate responsive repair costs.
Supervision & Management	(502)	(157)	Saving	Expenditure	Sheltered Housing (AGP)	Salaries	13 ILC roles budgeted but should only be 12 ILC posts. 8 perm ILCs currently in post. Posts being kept vacant pending a review of the service. Using the spare budget to fund a Tenancy Support Temp (Grade D) - currently in post and have advertised for a Temp Housing. Several Independent Living Officer positions are vacant pending a review of the service.	Represents a saving although the positions could require support from other agency recruitment elsewhere in the service as well as agency staff covering these roles.	Service review to commence shortly
		(186)	Saving	Expenditure	Housing Management (MAN22)	Salaries	Possible duplication of Housing Officer role and a vacant Tenancy support assistant role which has budget remaining but prevented from recruiting as is FTC. £200k agency staff budget being utilised by Lead Officer for HM & Support, Lead Officer, IT officer and Tenancy Support Admin which have been forecasted to £82k based on run rate.	Saving to the service	Forecasted underspend may be used to support the service short term.
		(141)	Saving	Expenditure	Control Centre	Salaries	There should be 12 Control Centre Operator posts, but establishment budget assumes 13, and currently 5 in post. The 6/7 vacancies are being covered by agency staff.	Significant agency staff spending	Service is under review

4) Capital Summary

Service	Current Budget	Total Expenditure	Forecast	Pending Supplementary Budget/ Virement/ Reprofiling	Total Variance	Narrative
	£000	£000	£000	£000	£000	
Navigation Way (formerly Biart Place)- Construction	5,567	1,698	6,836	1,088	181	The pressure on this Housing scheme mainly relates to compensation events (i.e. events outside of the contract) due on the main construction contract. The value of known events at Q1 payable during 2025/26 is circa £150k. As the scheme progresses the risk of these events occurring is expected to reduce. The variance expected across the whole scheme is circa 2%
Housing Management System	77	0	60		(17)	Current spend on Consultancy fees linked to housing management system will be transferred to this budget.
Fire Risk Prevention Works	100	8	100		0	
Rewiring	160	11	160		0	
Lifeline Renewal Programme	60	13	30		(30)	Good progress has been made with the upgrading of equipment from analogue to digital, therefore it not anticipated that all the budget will be required.
Finlock Gutter Improvements	100	0	100		0	
Rebuilding Retaining Walls	50	(22)	50		0	
Replacement Footpaths	100	(55)	100		0	
Driveways	25	(15)	25		0	
Fire Risk Prevention works voids	70	9	70		0	
Rewiring Unplanned Renewals	177	27	177		0	
Fire Risk Unplanned Renewals	60	0	60		0	
Roofing unplanned renewals	50	0	50		0	
Disabled Adaptations	250	20	250		0	
Kitchen Modifications	1,510	232	1,510		0	
Kitchen Modifications Voids	200	0	200		0	
Kitchens non voids	52	(7)	52		0	
Heating Upgrades	20	6	20		0	
Bathroom Modifications	90	0	90		0	
Bathroom Modifications - voids	100	11	100		0	
Bathrooms non voids	50	(9)	50		0	
Carbon Management Plan (HRA)	59	(29)	59		0	
Purchase of Council Houses	6,740	247	6,740		0	Housing acquisition opportunities that arise and align with required demand will continue to be pursued throughout the remainder of the financial year. Therefore, the estimated spend is likely to increase but cannot be forecast currently due to the nature of property acquisitions and changes in need demand.
Rugby Gateway - Cala Homes	0	(3)	0		0	
Rounds Gardens demolition	338	1	338		0	The remaining works on this demolition element of the Housing scheme are due to complete in 2025/26
Rounds Gardens- Design and Legal Fees	1,252	7	1,252		0	Feasibility design work is currently ongoing for this Housing scheme
<b>Overall Total</b>	<b>17,257</b>	<b>2,151</b>	<b>18,479</b>	<b>1,088</b>	<b>134</b>	