

## Agenda No 7

### AGENDA MANAGEMENT SHEET

<b>Report Title:</b>	General Fund Budget Monitoring as at 30 September (Quarter 2)
<b>Name of Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 December 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>	Portfolio holder and Leadership Team
<b>Contact Officer:</b>	Gemma Lister – Lead Accountant <a href="mailto:gemma.lister@rugby.gov.uk">gemma.lister@rugby.gov.uk</a> 01788 533406
<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>	This report relates to the following priority(ies): <input checked="" type="checkbox"/> A Healthier Rugby – To support people to live healthier, longer, and more independent lives. <input checked="" type="checkbox"/> A Thriving Rugby – To deliver a thriving economy which brings Borough-wide investment and regenerates Rugby Town Centre. <input checked="" type="checkbox"/> A Greener Rugby – To protect the environment and ensure the Borough adapts to climate change. <input checked="" type="checkbox"/> A Fairer Rugby – To reduce inequalities and improve housing across the Borough. <a href="#">Corporate Strategy 2025-2035</a>
<b>Summary:</b>	This report sets out the 2025/26 General Fund financial position for both revenue and capital as at 30 September (Quarter 2) and other adjustments for approval as required by Financial Standing Orders
<b>Financial Implications:</b>	As detailed in the main body of the report

**Risk Management/Health and Safety Implications:** 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.

**Environmental Implications:** There are no environmental implications arising from this report therefore no Climate Change and Environment Impact Assessment has been completed.

**Legal Implications:** There are no legal implications arising from this report.

**Equality and Diversity:** No new or existing policy or procedures has been recommended and equalities impact assessment is required for this report.

**Options:** Members can elect to approve, amend or reject the budget virement and budget transfer requests listed at recommendations 2 and 3.

**Recommendation:**

1. The Council's General Fund financial position for 2025/26 be considered;
2. t the measures identified in section 7 to combat the pressure be endorsed;

**IT BE RECOMMENDED TO COUNCIL THAT**

3. General fund revenue virements totalling £1.257m be approved;
4. The 2025/26 Disabled Facility Grant Capital allocation be increased by £0.122m in relation to the additional grant funding received
5. The creation of a reserve for Extended Producer Responsibility for Packaging (EPR) be approved

**Reasons for Recommendation:** A strong financial and performance management framework, including oversight by Members and all responsible officers is an essential part of delivering the Council's priorities and statutory duties.

### Cabinet - 1 December 2025

#### General Fund Budget Monitoring as at 30 September (Quarter 2)

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

##### RECOMMENDATION

1. The Council's General Fund financial position for 2025/26 be considered;
2. the measures identified in section 7 to combat the pressure be endorsed;

##### IT BE RECOMMENDED TO COUNCIL THAT:

3. General fund revenue virements totalling £1.257m be approved;
4. The 2025/26 Disabled Facility Grant Capital allocation be increased by £0.122m in relation to the additional grant funding received.;
5. The creation of a reserve for Extended Producer Responsibility for Packaging (EPR) be approved

#### Executive Summary

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 September 2025 (quarter 2). Separate reports have been prepared for the Housing Revenue Account and Performance.

The key finding of this report are as follows:

- **General Fund Revenue** – in the General Fund there is a forecast pressure for 2025/26 of £0.429m. This comprises a £0.992m pressure across services, which is partially offset by a (£0.381m) saving in the net cost of borrowing. The movement since quarter 1 has been an increase overspend of £0.470m.
- **General Fund Capital Programme** – the budget for the Capital Programme is £6.382m; there is an forecast saving of (£0.017m) for 2025/26.
- **Budget Virements** – there are £1.212m of revenue budget virements for which approval is sought. This is largely due to the realignment of budgets following the merger of the Revenues and Benefits merger and the allocation of the 2025/26 savings target across portfolios.

## 1. Background

1.1. 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.

1.2. 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.

1.3. The Council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. At monthly 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 September 2025 (i.e. the end of Quarter Two of the 2025/26 financial year). Due to the Council's Committee timetable, the December Cabinet meeting is the earliest opportunity to put the Quarter Two report before members, however draft information was circulated to the administration and leadership team during October.

1.4. 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.

1.5. The forecasts within this report have been collected at 30 September (quarter 2) and are the projected position for the year end 31 March (the full year position). Although there are pressures reported in the main report and Appendix 1, the expectation is that officers carry out mitigation where possible to reduce pressures and ensure savings materialise. The results of this will feature in future reports.

## 2. GF Operating Position (Appendix 1)

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

Table One: General Fund 2025/26 Forecast

Type	A Budget 2025/26 £000	B Year- End Forecast Outturn 2025/26 £000	C Pending Budget Virements £000	B-(A+C) Variance to Budget 2025/26 £000	Movement since Q1 £000	Potential mitigation as per section 2 £000	Revised Variance subject to successful mitigation
Cost of General Fund Services	24,959	25,637	(313)	992	470	(270)	722
Corporate Items	(2,134)	(2,201)	313	(381)	0	0	(381)

<b>Total</b>	<b>22,825</b>	<b>23,436</b>	<b>0</b>	<b>610</b>	<b>470</b>	<b>(270)</b>	<b>341</b>
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2.2. Across the Council there is a forecast pressure of £0.610m compared to the budget of £22.825m. The service variance is £0.992m, which is partially offset from savings in the net cost of borrowing of (£0.381m). In percentage terms this equates to a 3.9% pressure on services, an overall pressure of 2.67% if corporate items are included.

2.3. The main contributing factors to the position are shown below. Further details of portfolio variances can be found in Appendix 1.

#### **2.4. Finance, Performance, Legal and Governance - pressure of £0.669m**

- £0.449m – Salary Costs – There are 7.8 FTE vacant within the Portfolio, this equates to 14% of the establishment. Details of the vacant roles are included in appendix 1. Where possible the use of agency has been rationalised through – holding posts vacant, hiring part time cover and also hiring support below the pay grade of the establishment post.

For a period over the summer months the accounts payable team had to employ additional support. Due to a period of long term sickness it was taking an increasing amount of time to pay suppliers. As the position in the team is stabilising the use of agency is reducing with 6 contracts being ended between August and September. The accounts payable function now has two members of permanent staff (full compliment) and has recently had approval to install AI to automate the payment of invoices. The benefits of this will be seen over the next few months.

With a new Chief Officer for Legal and Governance joining the organisation during September, a review of staffing will shortly take place in this team as well.

Whilst posts remain vacant to retain service delivery, it is anticipated that agency workers will remain to keep up with business continuity.

- £0.80m External Corporate Assurance Support

Included in the vacant posts above is the Corporate Assurance Manager, Lead Auditor and the Change Officer. In order to deliver the internal audit plan external support has been contracted in from an external supplier. The costs of the CMAP contract will be funded from the saving from the vacant manager role in the team and a virement to align the budget is included in section 5.

#### **2.5. Operations & Traded Services - pressure of £0.125m**

- £0.081m – 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. The service has been redistributing staff from optimised routes and has been recruiting to vacant positions, reducing the reliance on agency. Although high absence is still a pressure, robust management with HR support is tackling long term sickness absence with staff who are being redeployed to jobs within the council suitable for their requirements. Medical retirement has also taken place with AIP and disciplinary action taken where appropriate for repeat offenders. Additional training has been provided to try and reduce the high volume of muscular skeletal injuries and counselling support for those experiencing mental health issues.

- *Post 30 September Potential pressure mitigation*

As a Waste Collection Authority (WCA), from 1 April 2025 RBC will receive a payment that covers estimated net efficiency costs associated with collection of household packaging waste from kerbside and communal collections, and waste brought to sites only. An allocation of £0.921m will be received as part of a £1.100bn payout. The payment can cover the cost of handling, sorting and sale of dry recycle where appropriate. Officers have received notification that the 2025/26 allocation could be higher than the original projection, subject to confirmation that the budget pressure in Operations and Traded services is eligible for the grant, this will be used to offset the in year pressure of £0.125m. A reserve has been recommended in this report to be created to allow the service to use the £0.921m allocation in line with the conditions over multiple years.

## **2.6. Communities & Homes, Regulation & Safety - a pressure of £0.133m**

- £0.202m – Private Sector Leasing Rental Income - Higher-than-budgeted rental costs due to market rent increases and delays in planned hand backs, with extend lease durations beyond forecast assumptions. This however, is variable due to the statutory requirements to provide accommodation and is something that is assessed on a weekly and monthly basis. The pressure is partially offset by a reduction of (£0.057m) to the cost of utilities following recent handbacks and if they continue as planned, further savings may be realised, helping to mitigate rental cost pressures.

## **2.7. Partnership & Wellbeing - a pressure of £0.307m**

- £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 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 officers still await the outcome. Upon success of the check and challenge, the Council will be reimbursed with business rates costs that were paid. 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.

- £0.082m – 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, a review of chargeable services and additional grant funding.
- *Post 30 September Potential mitigation*

The Council has a business rates appeal lodged with the Valuation Office in relation to the RAGM, 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. The organisation has had confirmation that the results will not be known until early 2026 (potentially 2026/27), although the reimbursement of rates paid will be received and the budget pressure for 2025/26 will be as included in the report.

## **2.8. Digital & Communications, Growth & Investment - a saving of (£0.270m)**

- (£0.134m) – Staff Costs – Vacancies within the Digital & Communications portfolio have persisted throughout Quarter Two with professional roles proving a challenge to fill. A number of these roles are currently out for active recruitment.
- (£0.100m) – Town Centre Improvement Development Activities - Town centre spending has primarily been for feasibility work, and the Town Centre Regeneration Reserve has been the predominant fund used for this. It is anticipated some of the feasibility work will deliver workstreams to enhance public realm using this budget. A plan is in place for a shop front grant scheme which this budget would be the primary source of funding.

## **2.9. 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 above those projections for at least until the end of the calendar year when there could be reductions. 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.

## **3. Quarter 2 Area in focus - Staffing and Agency Costs**

3.1. As mentioned in the quarter 1 report, with the new style of reporting, there will be a quarterly focus on key areas. With the majority of pressures across the Portfolios relating to staffing costs, the focus for a second quarter in a row will be around the staffing and agency forecasts. Below is a summary of the latest reported position by Portfolio.

Table Two: General Fund Salaries Vs Agency

<b>Portfolio</b>	<b>Staffing Variance</b>	<b>Agency Variance</b>	<b>Net Position between Staffing &amp; Agency Costs</b>
Finance Performance, Legal & Governance	(592)	1,041	449
Communities & Homes, Regulation & safety	(252)	197	(56)
Growth & Investment, Digital & Communications	(431)	203	(228)
Operations & Traded Services	(446)	247	(199)
Partnerships & Wellbeing	(29)	24	(5)
Organisational Change	(328)	60	(268)
Chief Executive	3	0	3
<b>Total</b>	<b>(2,075)</b>	<b>1,771</b>	<b>(304)</b>

3.2. The total General Fund staffing budget for 2025/26 is £21.781m compared to a forecast of £19.634m resulting in a forecast underspend of (£2.146m). This variance is due to the high number of vacant positions across the organisation.

3.3. The total General Fund agency budget for 2025/26 is £0.443m compared to a forecast of £2.214m resulting in a forecast overspend of £1.771m. 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.

3.4. What the table above shows is that although there is use of agency staffing to deliver general fund services, in overall terms the spend is lower than the saving from vacant posts. The only portfolio where there is an overall pressure on staffing is Finance Performance, Legal and Governance. The situation in this service can be pinpointed to a number of key areas;

- The difficulty in replacing technical roles in the Financial Services and Legal Services team. Most roles have to be advertised a number of times before being filled.
- The additional resourcing required over the summer to deal with the complications coming from long term sickness in the accounts payable team (now resolved with a full permanent team in place and a move towards automated invoice processing)
- The premium for agency staff in these areas are significantly higher than the permanent day rate, especially so in the case of the deputy Statutory roles - Financial Services Manager (deputy Section 151 officer) and Legal Services Manager (deputy Monitoring Officer)

#### 4. 2025/26 Savings Programme (Appendix 1)

4.1. The Council's 2025/26 savings programme totals (£0.514m). 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. Whilst there are specific amounts allocated to each portfolio, this is a collective effort between portfolios. At the end of Quarter Two, 100% of the savings are

forecast to be delivered by the end of 2025/26. Each portfolio has completed a savings delivery plan which will be used to track the progress of the savings with specific attention to the risks, opportunities and impact of delivery on services. A high level summary of the areas that will deliver this target is shown in appendix 1.

**Table Three: General Fund Savings Programme**

Type	Target £000	£000	£000	£000
Savings Target	(514)	(514)	-	-

4.2. 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.

## 5. General Fund Revenue Budget Virement Requests

5.1. Virements are transfers of budgets between services, under the constitution any virement up to £20,000 can be approved by the Chief Officer Finance and Performance, any movement between £20,001 and £75,000 requires Cabinet approval and anything above this Council. Details of the proposed budget virements, where approval is sought are set out below.

**Table Four: Budget Virement Requests**

Service (from)	Service (to)	Amount £000	Details
Chief Officer for Leisure & Wellbeing	Corporate Savings	67	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the Chief Officer budget based on their element of the savings left to be achieved.
Chief Officer for Regulation & Safety	Corporate Savings	34	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the Chief Officer budget based on their element of the savings left to be achieved.
Chief Officer for Legal & Governance	Corporate Savings	37	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the Chief Officer budget based on their element of the savings left to be achieved.
Chief Officer for Digital & Communications	Corporate Savings	87	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the Chief Officer budget based on their element of the savings left to be achieved.
Chief Officer for Communities & Homes	Corporate Savings	85	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the

			Chief Officer budget based on their element of the savings left to be achieved.
Chief Executive	Corporate Savings	27	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the Chief Officer budget based on their element of the savings left to be achieved.
Council Tax and NDR Collection (Finance & Performance)	Revenues & Benefits (Finance & Performance)	180	Transfer of budgets for the Council Tax and NDR Collection team as part of the Revenues & Benefits merger.
Community Advice and Support Team (Communities & Homes)	Revenues & Benefits (Finance & Performance)	454	Transfer of budgets for the Housing Benefits team as part of the Revenues & Benefits merger.
General Financial Services (Finance & Performance)	Revenues & Benefits (Finance & Performance)	40	Transfer of budget to cover the costs of the annual Housing Subsidy Audit which will now be directly charged to the team.
General Financial Services (Finance & Performance)	Corporate Savings	24	External Audit Fee budget to be offset against the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26.
ICT & Support Services (Digital & Communications)	Development Strategy (Growth & Investment)	80	The transfer of 1 x Senior Spatial Data Officer and 1 x GIS Specialist due to the nature of the work carried out by these roles. The transfer of income for the Street Name and Numbering service which is completed by the posts also moving to Growth & Investment.
Maintenance of Customer Services Systems (Digital and Communications)	Corporate Savings	30	Permanent saving as budget is no longer required for the Direct Debit Digitalisation project.
Highways (Operations & Traded Services)	Corporate Savings	40	Permanent salary savings for vacant post to offset against the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26.
Corporate Assurance (Finance & Performance)	Corporate Assurance (Finance & Performance)	72	Temporary transfer of salary underspend for Corporate Assurance manager to offset costs on Consultancy.
<b>Total</b>		<b>1,257</b>	

5.2. 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
Financial Services (Finance & Performance)	Corporate Savings	11	Post reduced to 0.8FTE as was increased in error during 2025/26 budget setting. This will be permanently offsetting

			the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26.
Economic Development (Growth & Investment)	Corporate Savings	18	Development Activities budget reduced to offset against the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26.
Operations & Traded Services Chief Officer	Corporate Savings	20	Transfer of the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the individual Chief Officer budget based on their element of the savings left to be achieved.
Revenues & Benefits Team (Finance & Performance)	Corporate Savings	16	Court Fee Income increased to offset the 2% Efficiency Savings Target approved during Council Tax Setting 2025/26 from corporate savings to the individual Chief Officer budgets based on their element of the savings left to be achieved.
<b>Total</b>		<b>65</b>	

## 6. Capital Programme (Appendix 1)

6.1. The approved General Fund capital programme is £6.382m. At the end of Quarter Two there is a saving of (£0.017m).

Table Six: General Fund Capital Programme

Type	Capital Budget 2025/26 £000	Q2 Forecast £000	Reprofiling Requests £000	Budget Virement Requests £000	Q2 Variance to Budget £000
GF Capital	6,382	4,857	(1,630)	122	(17)
<b>Total</b>	<b>6,382</b>	<b>4,857</b>	<b>(1,630)</b>	<b>122</b>	<b>(17)</b>

6.2. 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.

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

## Capital Budget Requests and Reprofilling

6.4. The table below details potential budget reprofilling of £1.630m to 2026/27 and a supplementary budget request of £0.122m to increase the 2025/26 Capital Programme.

Table Seven: Capital Budget Requests and Reprofilling

Capital Scheme	Reprofile Amount £000	Supplementary budget request £000	Details
Disabled Facilities Grant		122	The grant allocation is higher than anticipated at the time of Budget Setting for 2025/26 with the budget being set at £0.768m. The Grant is passed onto HEART (A project administered by Nuneaton and Bedworth Borough Council).
Food Waste Vehicles	(1,265)		Vehicles for mandatory Food Waste Service due to be received in April 2026.
Alwyn Road Changing Rooms	(294)		Officers continuing to work with community sports clubs and National Governing Body regarding the project and ensuring robust governance is in place for future lease arrangements. It is likely that most of this budget will need to be reprofilled to 2026/27.
Alwyn Road Sports Pitches refurbishment	(71)		This is being done in line with the capital scheme mentioned above and will need to be reprofilled into 2026/27.
<b>Total</b>	<b>(1,630)</b>	<b>122</b>	

## 7. Conclusions

7.1. There is currently a budget pressure being reported in the general fund. In percentage terms this equates to a 3.9% pressure on services, an overall pressure of 2.67% if corporate items are included, however this pressure needs to be either addressed with further action or financed from the Corporate reserves held within the general fund.

7.2. As per appendix 1, the balance of these reserves is projected to be £27.093m at 31 March. Although there will still be a significant balance, it is not demonstrating financial stability reserves if used in this way. If the pressures are not mitigated against this will have an impact on future years savings targets as the costs would need to be met from the general fund. The way in which Leadership will take account of the situation will be three fold.

- **Robust and Reliable Forecasting**

Accurate forecasting is critical to support strategic decision-making and to avoid actions being taken on incorrect assumptions. Any budget allocations that are unlikely to be incurred must be declared promptly, as this will improve the overall financial position.

- **Consideration of Expenditure**

Where possible, non-essential work should be deferred to manage resources effectively and maintain financial resilience.

- **Informed Recruitment Decisions**

When a post becomes vacant, a review will be undertaken to determine whether the role needs to be filled in its current form. A Recruitment Justification Form has been introduced and must be completed and assessed by the Leadership Team prior to commencing any recruitment process. This measure does not constitute a recruitment freeze at this stage but ensures that all appointments are justified and aligned with organisational priorities.

7.3. The requirement from the Chief Financial Officer is that these measures are adopted by all and will be reviewed on a monthly basis. The 2025/26 budget monitoring has monthly forecasts on staffing and “significant variances” this is presented to the Medium Term Financial Strategy Group, the portfolio holder for Finance and Performance and also to the Chair and Vice Chair of Scrutiny.

7.4. In an enhancement to prior years monitoring, where there are large pressures within the general fund, the budget manager (in conjunction with the Chief Officer) are required to fill in a “variance control questionnaire”. This is a suite of ten questions to get more of an understanding of the issues and the potential resolutions. These will be presented to the Medium Term Financial Strategy Group and progress will be monitored on a monthly basis. The areas currently being considered are;

- Financial Services Team,
- Sport and recreation
- Sherbourne Recycling Facility

7.5. Following a successful trial this will be embedded across the organisation.

**Name of Meeting:** Cabinet

**Date of Meeting:** 1 December 2025

**Subject Matter:** General Fund Budget Monitoring as at 30 September (Quarter 2)

**Originating Department:** Finance and Performance

**DO ANY BACKGROUND PAPERS APPLY**  **YES**  **NO**

**LIST OF BACKGROUND PAPERS**

<b>Doc No</b>	<b>Title of Document and Hyperlink</b>
1	<a href="#">General Fund Budget Monitoring 30 June (qtr 1)</a>

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 2 2025-26

1) Revenue Forecasts

Portfolio	Current Net Budget	Exp to date plus commitments	Forecast	Pending Supplementary Budget/Virement	Total Variance Q2	Variance as a % of budget	Total Variance Q1	Movement
	£000	£000	£000	£000	£000		£000	£000
Finance, Performance, Legal & Governance	4,241	69,147	5,277	366	669	16%	87	582
Communities and Homes, Regulation and Safety	6,052	116,481	5,612	(573)	133	2%	155	(22)
Growth and Investment, Digital and Communications	5,439	55,239	5,034	(135)	(270)	-5%	(129)	(141)
Operations and Traded Services	4,495	1,331,779	4,560	(60)	125	3%	135	(10)
Partnerships and Wellbeing	4,244	43,785	4,484	(67)	307	7%	235	72
Organisational Change	178	312	324	183	(36)	-20%	(42)	6
Chief Executive	310	215	345	(27)	62	20%	81	(19)
<b>Total- Services</b>	<b>24,959</b>	<b>1,616,959</b>	<b>25,637</b>	<b>(313)</b>	<b>992</b>	<b>4%</b>	<b>522</b>	<b>470</b>
Corporate Items	(2,134)	(759)	(2,201)	313	(381)	18%	(381)	(0)
<b>Grand Total</b>	<b>22,825</b>	<b>1,616,200</b>	<b>23,436</b>	<b>0</b>	<b>610</b>	<b>3%</b>	<b>141</b>	<b>469</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)	1,965	(2,638)	466	(2,172)	(1,747)	(1,315)
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>5,287</b>	<b>(27,093)</b>	<b>569</b>	<b>(26,524)</b>	<b>(26,059)</b>	<b>(25,524)</b>
Finance, Performance, Legal & Governance	0	0	0	0	0	0	0
Communities and Homes, Regulation and Safety	(595)	9	(586)	(27)	(613)	(638)	(663)
Growth and Investment, Digital and Communications	(33)	0	(33)	0	(33)	(33)	(33)
Operations and Traded Services	0	0	0	0	0	0	0
Partnerships and Wellbeing	(91)	3	(88)	(6)	(94)	(100)	(100)
Organisational Change	(1,478)	145	(1,333)	0	(1,333)	(1,333)	(1,333)
Chief Executive	(896)	0	(896)	0	(896)	(896)	(896)
<b>Total Portfolio earmarked reserves</b>	<b>(3,092)</b>	<b>157</b>	<b>(2,935)</b>	<b>(33)</b>	<b>(2,968)</b>	<b>(2,999)</b>	<b>(3,024)</b>
<b>Total Reserves</b>	<b>(35,473)</b>	<b>5,444</b>	<b>(30,029)</b>	<b>536</b>	<b>(29,493)</b>	<b>(29,059)</b>	<b>(28,549)</b>

### 3) Capital Summary

Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofiting Requests/Pending Supplementary Budgets	Total Variance	Q1 Variance	Movement
	£000	£000	£000	£000	£000	£000	£000
Finance, Performance, Legal & Governance	107	141	107		0	0	0
Communities and Homes, Regulation and Safety	1,181	168	1,303	122	(0)	0	(0)
Growth and Investment, Digital and Communications	267	56	267		0	0	0
Operations and Traded Services	3,374	165,272	2,092	(1,265)	(17)	0	(17)
Partnerships and Wellbeing	1,453	45	1,088	(365)	0	0	0
Organisational Change	0	0	0		0	0	0
Chief Executive	0	0	0		0	0	0
Corporate items							
<b>Grand Total</b>	<b>6,382</b>	<b>165,682</b>	<b>4,857</b>	<b>(1,508)</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>

#### 4) Head Count

Portfolio	Budgeted FTE's	Actual FTE's at Q2	Vacant FTE's
Finance, Performance, Legal & Governance	55.09	47.29	(7.80)
Communities and Homes, Regulation and Safety	96.03	89.71	(6.32)
Growth and Investment, Digital and Communications	79.93	68.96	(10.97)
Operations and Traded Services	140.78	124.61	(16.17)
Partnerships and Wellbeing	54.18	53.67	(0.51)
Organisational Change	12.40	7.68	(4.72)
Chief Executive	2.00	2.00	0.00
<b>Total</b>	<b>440.41</b>	<b>393.92</b>	<b>-46.49</b>

5) Delivery of new savings & income targets

PORTFOLIO	Total	Red	Amber	Green	Identified Savings
	£000s	£000s	£000s	£000s	
Finance, Performance, Legal & Governance	88			88	Savings have been found through the reduction of salary budget from 1FTE to 0.8FTE for a Finance Business Partner, an increase to court fee income for Council Tax and NNDR recovery following a fee increase and a reduction to the external audit fee budget which is no longer required after a change in auditors.
Growth and Investment, Digital and Communications	105			105	Savings have been found through the reduction of development activities within the Economic Development Team following a review of spend. The rest of the savings will be identified with an update provided in the Quarter 3 report.
Communities and Homes, Regulation and Safety	119			119	Savings will be identified with an update provided in the Quarter 3 report.
Operation and Traded Services	108			108	Savings have been found through the diestablishment of a post within Grounds Maintenance, the disestablishment of another post in the Highways Team and the rest will be identified with an update provided in the Quarter 3 report.
Partnerships and Wellbeing	67			67	Savings will be identified with an update provided in the Quarter 3 report.
Organisational Change					
Chief Executive	27			27	Savings will be identified with an update provided in the Quarter 3 report.
Corporate Items					Corporate Items
<b>TOTAL GF</b>	<b>514</b>	<b>0</b>	<b>0</b>	<b>514</b>	<b>TOTAL GF</b>

6) Revenue Commentary

PORTFOLIO	Total Q2 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.
Legal & Governance, Finance & Performance	669	(434)	Saving	Expenditure	Finance & Performance	Salaries	<p><b>The following posts are all vacant within the Portfolio:</b></p> <p><b>Financial Services</b></p> <ul style="list-style-type: none"> <li>- 1 x Finance Apprentice not being filled all year (1FTE)</li> <li>- 2 x Finance Business Partner (1FTE and 0.8FTE)</li> <li>- 1 x Finance Manager (1FTE)</li> <li>- 1 x Funding and Treasury Officer (1FTE) (From October onwards)</li> <li>- 1 x Senior ICT Officer (1FTE)</li> <li>- 1 x Payments Officer (1FTE) (filled from November onwards)</li> </ul> <p><b>Revenues and Benefits:</b></p> <ul style="list-style-type: none"> <li>- 1 x FTE Revenues Officer vacant post</li> <li>- 1 x FTE Benefits Officer vacant post</li> </ul> <p><b>Corporate Assurance:</b></p> <ul style="list-style-type: none"> <li>- 1 x Change Officer Post (1FTE)</li> <li>- 1 x Corporate Assurance Manager post (1FTE) (covered via CMAP)</li> <li>- 1 x Lead Auditor (1FTE)</li> </ul>	<p><b>Financial Services</b></p> <p>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><b>Revenues and Benefits</b></p> <p>Posts were both advertised but no appointment was made. The posts will be readvertised.</p> <p><b>Corporate Assurance</b></p> <p>The management of the team is now covered via the CMAP contract. The Change officer and Lead Auditor post are currently on hold pending a review of requirements in 2025/26. The work is being covered through a contract for external internal audit support</p>	<p><b>Financial Service.</b> Payments Officer interviews commenced during October and the Finance Business Partner interviews due to commence early November. The apprentice role will be advertised to coincide with the ending of the school/college summer term. The other posts are subject to a review before recruitment takes place.</p> <p><b>Revenues and Benefits</b></p> <p>The agency cover will end once the posts have been filled.</p> <p><b>Corporate Assurance</b></p> <p>None at this stage</p>
		(191)	Saving	Expenditure	Legal & Governance	Salaries	<p><b>Legal Services</b></p> <ul style="list-style-type: none"> <li>- 2 x Senior Legal Officer (both 1FTE)</li> <li>- 1 x Legal Officer (1FTE)</li> <li>- 1 x Legal &amp; Governance Manager (1FTE)</li> <li>- 1 x Assistant Legal Officer (1FTE)</li> </ul> <p><b>Democratic Services</b></p> <ul style="list-style-type: none"> <li>- 1 x Democratic Services Lead Officer (1FTE)</li> </ul> <p><b>Business Support</b></p> <ul style="list-style-type: none"> <li>- 1 x Business Support lead officer (0.92FTE)</li> </ul> <p><b>Chief Officer</b></p> <ul style="list-style-type: none"> <li>- Due to the position being held vacant for a period of time, this has created a (£0.030m) saving with the post now filled.</li> </ul>	<p><b>Legal Services</b></p> <p>Agency staff has been used to provide cover for the service.</p> <p><b>Democratic Services</b></p> <p>Day to day line management of Democratic and PA services still being undertaken by the Democratic and Support Services manager. There has been 2 unsuccessful recruitment campaigns for the role.</p> <p><b>Business Support</b></p> <p>No agency staff have been recruited to back fill this post resulting in an increased workload for the remaining staff within the team.</p>	<p><b>Legal Services</b></p> <p>Underspends will go towards the cost of agency.</p> <p><b>Democratic Services</b></p> <p>This post will be reviewed before going out to recruit again.</p> <p><b>Business Support</b></p> <p>The post will be reviewed to understand to current needs of the team before replacing on a like for like basis.</p>
		782	Pressure	Expenditure	Finance & Performance	Agency Staff	<p><b>Financial Services</b></p> <p>The following posts are currently being filled by Agency:</p> <ul style="list-style-type: none"> <li>- 1 x Finance Business Partner (1FTE)</li> <li>- 1 x Payments Officer (1FTE)</li> <li>- 1 x Senior ICT Officer (1FTE)</li> <li>- 1 x Finance Manager (1FTE) some of the duties are being filled by a Technical Accountant</li> </ul> <p><b>Revenues and Benefits</b></p> <p>The overspend in staff costs is mainly due to high use of temporary agency staff and increased overtime.</p> <p><b>-Agency Staff Usage:</b> Seven agency staff were brought in for Revenues and Benefits. Only two covered standard vacancies, highlighting a gap in permanent staffing. The other five were hired to clear backlogs, indicating a temporary spike in workload or past under-resourcing.</p> <p><b>- Overtime Costs:</b> Overtime was needed both to help clear the backlog and to ensure essential tasks were completed on time. This points to ongoing resource pressures even outside of backlog-related work.</p>	<p><b>Financial Services</b></p> <p>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 April-September will mean an inevitable overspend on agency at year end.</p> <p><b>Revenues and Benefits</b></p> <p>This has allowed us to maintain our establishment level and continue to reduce the backlog of cases for both Revenues and Benefits</p>	<p><b>Financial Services</b></p> <p>Payments Officer interviews commenced during October and the Finance Business Partner interviews due to commence early November.</p> <p><b>Revenues and Benefits:</b></p> <ul style="list-style-type: none"> <li>- Agency usage for vacant posts will stop immediately upon those posts being filled permanently.</li> <li>- All remaining Benefits agency staff will complete their assignments by December 14, 2025.</li> <li>- One Revenues agency position concluded on October 2nd.</li> </ul>
		273	Pressure	Expenditure	Legal & Governance	Agency Staff	<p>The pressure is due to agency being used to provide business continuity and is covering the following posts:</p> <ul style="list-style-type: none"> <li>2 x Senior Legal Officers</li> <li>1 x Legal Officer</li> <li>1 x Assistant Legal Officer</li> <li>1 x Chief Officer Legal and Governance (post filled September)</li> </ul>	<p>Salary underspends have been offsetting the majority of the agency costs.</p>	<p>The new Chief Officer is working with the interim Legal Services manager to review the performance of the Legal Services team.</p>
		45	Pressure	Expenditure	Revenues and Benefits	Postage Costs	<p>The annual billing expense for the 2024/25 period was incorrectly posted to the subsequent 2025/26 accounting year.</p>	<p>This has caused a pressure against this years postage budget which is already significantly lower than the current postage costs.</p>	<p><b>Moving Customer Communications to Digital Channels</b></p> <p>The transition to electronic communication is delivering significant savings. By sending reminders electronically, we anticipate an annual cost reduction of approximately £8,000.</p> <p>This push is supported by increased digital adoption:</p> <p>E-Billing is now utilized for 50% of all customer accounts, sharply reducing the volume of paper bills sent by post.</p> <p>Online accounts are held by 15% of residents, which is expected to further decrease our future reliance on postal services.</p>
		80	Pressure	Expenditure	Corporate Assurance	External Contract Costs	<p>This is covering the loss of resource from the vacant Change Officer and Assurance Manager Posts. Plus, providing further Risk Management services.</p>	<p>Failure to address the annual Internal Audit and Risk Management requirements would lead to a significant reduction in the level of control and assurance across the authority. Consequently, the Internal Audit Plan would not be completed.</p>	<p>The Internal Audit Plan will be delivered as planned and assurance provided at year end to support the AGS, in conjunction with a strong Risk Management Framework.</p>

PORTFOLIO	Total Q2 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.
Regulation & Safety, Communities & Homes	133	(102)	Saving	Expenditure	Communities & Homes	Salaries	The team currently has three vacancies being covered by agency staff, with costs offset by grant funding and salary savings. Previous recruitment rounds were unsuccessful due to market conditions and role requirements. To address this, one job description was amended to create a trainee role, enabling us to grow and develop talent internally. This approach has been highly successful, attracting over 80 applications and resulting in an appointment to that post. We have also appointed to one other full-time role. The remaining vacancy is maternity cover, currently filled by agency. Although advertised as a secondment, it has not been filled, so it will now be covered again by agency.  There has also been a delay in the recruitment of a Decarbonisation Officer	The unsuccessful recruitment rounds initially created a risk of prolonged reliance on agency staff, increasing costs and reducing service stability. The introduction of a trainee-level role will significantly improve recruitment outcomes, it has attracted over 80 applications and resulting in successful appointments. This approach will reduce agency costs over time, but there is still a short-term impact as maternity cover remains unfilled and will require agency support. If no further action is taken, the service could continue to face cost pressures and operational challenges until all vacancies are permanently filled	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.  The Decarbonisation Officer is going to be filled as at 1 October.
		157	Pressure	Expenditure	Communities & Homes	Agency Costs	<b>Housing Team</b> - 1x Housing Options Officer (To be covered by Asylum Dispersal fund)  <b>Planned additions:</b> Housing Reviews and Quality Assurance Officer - now appointed to full time  <b>Enabling Strategy Officer Post</b> - To cover maternity leave for 6 months.  Unaccrued Agency costs from the previous financial year amounting to £31,893 falling in this years accounts.	All from grant funding and no expected overspend, other than maternity cover which would not be covered by grant unless there is excess left come towards the end of the financial year	Grant funding to cover agency overspend to be confirmed.
		202	Pressure	Income	Private Sector Leasing	Rents	Higher-than-budgeted rental costs for PSL properties due to market rent increases and delays in planned hand backs, with extended lease durations beyond forecast assumptions. The budget also needs further review based on current demand. This however is variable due to the statutory requirements to provide accommodation and is something that is assessed by the service manager on a weekly and monthly basis.	If no changes are made, this pressure will continue for the remainder of the year, however will be updated each month based on revised Housing Benefit / Subsidy costs. Service manager meeting each month with benefits team to review this.	Accelerate PSL hand backs to reduce exposure to high rental costs – however this is based on the needs of the service, providing interim accommodation is a statutory requirement – service manager is reviewing the forecasted trends on homelessness. Forthcoming renters rights act will have a positive impact here as on of the leading causes of homelessness to rugby is section 21 notices. Renegotiate lease terms where possible to secure lower rents or early termination. (2 additional hand backs have been identified this month). Increase use of alternative accommodation (e.g., temporary or council-owned units) to reduce reliance on PSL. Review placement strategy to ensure PSL is only used where absolutely necessary. Statutory Requirement: We are reviewing subsidy and Housing Benefit (HB) claims for Temporary Accommodation properties to ensure compliance and maximise recovery. Historical Analysis: Review previous years' budgets to identify trends, understand why variances occurred, and apply lessons learned to future planning.
		(85)	Saving	Expenditure	Temporary Accommodation	Accommodation Charge	Improved recovery of accommodation charges from clients in temporary accommodation, supported by stronger collection processes and higher occupancy levels.	If sustained, this saving will partially offset pressures in other areas, improving the net position for the service.	Maintain robust collection processes and continue monitoring occupancy trends. Explore further efficiencies in billing and recovery to maximise income. Ensure compliance checks to avoid arrears and maintain recovery performance. Statutory Requirement: Continue reviewing subsidy and HB claims for Temporary Accommodation properties to ensure full recovery and compliance. Historical Analysis: Compare previous years' budgets and performance to identify best practices and areas for improvement.
		(57)	Saving	Expenditure	Private Sector Leasing	Utilities	Lower utility costs due to a reduction in PSL properties following recent hand backs, reducing overall consumption and associated charges	If PSL hand backs continue as planned, further savings may be realised, helping to mitigate rental cost pressures.	Continue planned PSL hand backs and monitor utility spend to confirm ongoing reductions. Update forecasts regularly to reflect savings and ensure accurate reporting. Consider energy efficiency measures for remaining PSL properties to maximise savings. Statutory Requirement: Review subsidy and HB claims for Temporary Accommodation properties to ensure compliance and maximise recovery. Historical Analysis: Use previous years' data to validate assumptions and improve forecasting accuracy.
		(76)	Saving	Expenditure	Regulation and Safety	Salaries	<b>Crime and Disorder</b> - 1 x Project Officer (1FTE)  <b>Licensing Services</b> - 1 x Trainee Licensing Officer (1FTE)	<b>Crime and Disorder</b> In year saving of (£0.031m).  <b>Licensing Services</b> In year saving of (£0.045m).	<b>Crime and Disorder</b> Post has now been filled and the in year saving will offset pressure elsewhere within the portfolio.  <b>Licensing Services</b> This vacant post is due to be vacant all year and will offset pressure elsewhere within the Portfolio.
		44	Pressure	Expenditure	Regulation and Safety	Agency Costs	Variance relates to an overspend on agency costs, due to staff vacancies and sickness within the Regulatory Services team.	The forecast takes into account the future impact of long term sickness	It is anticipated that the overall pressure can be met within the portfolio

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Digital & Communications, Growth & Investment	(270)	(134)	Saving	Expenditure	Digital and Communications	Staff Costs	<b>ICT Services:</b> - 1 x Systems Development Officer, - 1 x IT Trainer - 1 x ICT Apprentice.  <b>Customer Support Services:</b> - 1 x Coaching Post being reviewed and transferred over to the Property Repairs Team.	<b>ICT Services:</b> Development officer roles is currently out to recruitment. Working with Development and Growth in regard to Senior Spatial Data Officer. Trainer and Apprentice to be reviewed following recruitment of vacant roles.  <b>Customer Support Services:</b> - Transfer of post to the HRA will result in an underspend showing on the service for 25/26 but an increase to the HRA recharge at the end of the year.	<b>ICT Services:</b> Recruitment program underway as outlined.  <b>Customer Support Services:</b> Customer Contact Centre is now at full compliment and focus is on structured, quality training and retention. Also focus on wellbeing of staff to ensure good moral and low levels of sickness
		59	Pressure	Expenditure	ICT Services	External Contractor	Contractor costs have been committed to provide backfill whilst recruitment is undertaken.	There should be no impact as costs will be offset with salary savings.	Salary savings due to vacant roles will offset costs.
		(228)	Saving	Expenditure	Growth and Investment	Salaries	<b>Development Strategy</b> - 1 x Senior Spatial Data Officer (1FTE)  <b>Planning Services</b> - 1 x Planning Officer (1FTE) - 1 x Principal Planning Officer (1 FTE)  <b>Economic Development</b> - 1 x Business Growth and Inward Investment Officer (1FTE)	<b>Development Strategy</b> Post has only recently moved across to the service so current impact on the team is unknown.  <b>Planning Services</b> The vacant posts within the Local Planning Authority results in the service being unable to fulfil its statutory duties and provide decisions in a timely manner. This can lead to stifling economic growth and uncertainty with developers and investors. It also exposes the Council to potentially more appeals and expense if performance targets are not achieved.	<b>Development Strategy</b> Recruitment underway for the post.  <b>Planning Services</b> Active recruitment drives to try and fill the latest identified vacant posts has failed. Securing experienced, competent and qualified individuals remains a considerable challenge and we have failed to recruit to the principal officer level three times during 24/25, so there is a continued need to rely on agency staff in the interim to ensure statutory services are delivered. We intend to go back out again soon, however, in Oct 2025 the Government's Public Accounts Committee published a report identifying a serious problem of a lack of staffing capacity and capability of planners in local authorities with an imbalance between the public and private sector.  <b>Economic Development</b> With an unsuccessful recruitment campaign so far, other options are being considered for this role.
		194	Pressure	Expenditure	Growth and Investment	Agency Costs	The spend on agency staff is a consequence of the vacancies in the team and increased workload which needs to be addressed to ensure that we can maintain statutory services but also to help the well being of existing staff on whom the workload would otherwise fall.	Agency staff that are proficient and experienced enough with the right level of skills in planning are highly sought after and come at a premium cost.	Ongoing vacancies is leading to greater reliance on agency staff. This will continued to be monitored but is rising due to an increase in vacancies and the inability to fill those posts but also increased workload. However, increased income from planning performance agreements and pre-application fees can help mitigate this cost.
		(100)	Saving	Expenditure	Town Centre Improvements	Development Activities	Town centre spending has primarily been for feasibility work and the Town Centre Regeneration Reserve has been the predominant fund used for this. It is anticipated some of the feasibility work will deliver workstreams to enhance public realm using this budget.	Underspend is going towards overspends within the Growth and Investment Portfolio.	A plan is in place for a shop front grant scheme which this budget would be the primary source of funding
Operations and Traded Services	125	(414)	Saving	Expenditure	Operations & Traded Portfolio	Salaries	<b>Highways Services</b> - 2 x Highways Operatives (1 FTE) - 1 x Civil Contracts Officer (1FTE)  <b>Grounds Maintenance</b> - 1 x Grounds Maintenance Operative (1 FTE) - 1 x Grounds person (1FTE) - 2 x Gardeners (1FTE)  <b>Domestic Waste Collections and Recycling</b> - 1 x Driver (1 FTE) - 4 x Loaders (1 FTE)  <b>Street Cleansing</b> - 2 x Street Cleaners (1 FTE)  <b>Garage Services</b> - 1 x Vehicle Mechanic (1FTE)	<b>Highways Services</b> The service is currently working in a reduced capacity in part due to vacant positions and also ability to carry out certain work streams which require qualified staff to manage. This is currently under review.  <b>Grounds Maintenance</b> Due to vacant positions we have extended agency placements to cover the workload and chargehands have been more involved in outside works. Work rotas have been altered to improve efficiency, with agency workers undertaking the fundamental fieldwork.  <b>Domestic Waste Collections and Recycling</b> The collection routes are being optimised so recruitment was temporarily put on hold so that we could determine exactly how many staff were required.  <b>Street Cleansing</b> Two team members left the team through redeployment and medical retirement. The positions were expected to be filled during a recruitment drive, however this was not successful.  <b>Garage Services</b> Recruitment took longer than expected due to eligibility criteria be met.	<b>Highways Services</b> This service is included in the Phase 2 restructure, as such no immediate changes will be made to the work the team can currently undertake. Savings on salaries are expected to continue until after the restructure.  <b>Grounds Maintenance</b> All posts have been filled.  <b>Domestic Waste Collections and Recycling</b> Redistribute staff from optimised routes and recruit to the vacant positions.  <b>Street Cleansing</b> These savings are offset against the pressure on overtime and agency spend. Recruitment has also now taken place and two roles were swapped with the refuse team to become street sweeping drivers and 2 x street cleansing posts were transferred to the refuse team and changed into waste collection loaders.  <b>Garage Services</b> Position is now filled and some of saving will be offset against agency spend, no further savings expected.
		257	Pressure	Expenditure	Operations & Traded Portfolio	Agency Costs	<b>Domestic Waste Collection and Recycling</b> Due to staff absence and vacant positions agency staff are required to ensure that regulatory rounds are completed.  <b>Household Green Waste</b> High absence levels.  <b>Street Cleansing</b> Vacant positions and long term sickness absence.  <b>Garage Services</b> To cover the vacant vehicle mechanic.	<b>Domestic Waste Collection and Recycling</b> Although absence levels remain high, routes are being reorganised to reduce reliance on agency staff. With a clearer understanding of current vacancies, recruitment will now proceed to help minimise agency overspend.  <b>Household Green Waste</b> Due to high staff sickness absence within the team, agency staff have been required to cover the rounds.  <b>Street Cleansing</b> Recruitment to vacant positions was temporarily on hold and two roles were swapped round with the Refuse team. Long term sick meant a reliance on agency staff to cover some of the street cleansing tasks.  <b>Garage Services</b> Recruitment took longer than expected due to eligibility criteria be met.	<b>Domestic Waste Collection and Recycling</b> Redistribute staff from optimised routes and recruit to vacant positions should reduce agency costs, although high absence is still a pressure. Robust management with HR support is tackling long term sickness absence with staff redeployed to jobs within the council suitable for their requirements. Medical retirement has also taken place with AIP and disciplinary action taken where appropriate for repeat offenders. Additional training has been provided to try and reduce the high volume of sickness within the team.  <b>Household Green Waste</b> High absence continues to be an issue, however plans have been put in place to support collections during normal working hours and robust management with HR support is tackling long term sickness absence. As the requirement for garden waste collection reduces over the winter period the aim is to condense rounds to reduce reliance on agency staff as absence continues to be an issue.

PORTFOLIO	Total Q2 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.
Operations and Traded Services	125								<p><b>Street Cleansing</b> This pressure will be offset against direct employment costs, vacancies are recruited to and two positions amended to street sweeper. This will reduce the reliance on agency staff. Robust management with HR support is tackling long term sickness absence with staff redeployed to jobs within the council suitable for their requirements. Medical retirement has also take place with AIP and disciplinary action taken where appropriate for repeat offenders.</p> <p><b>Garage Services</b> Position now filled so agency spend should remain static and overspend will be offset against savings in direct employment costs</p>
		238	Pressure	Expenditure	Operations & Traded Portfolio	Overtime	<p><b>Domestic Waste Collection and Recycling</b> Due to staff absence and vacant positions staff are required to work overtime to ensure that regulatory rounds are completed. Overtime is also paid for bank holiday working for the whole collection team.</p> <p><b>Bulky Waste</b> Contractual overtime agreed and back paid - as part of the street cleansing claim and review.</p> <p><b>Household Green Waste Collections</b> High absence levels due to sickness.</p> <p><b>Street Cleansing</b> Vacant positions and contractual overtime and overnight road closures have resulted in a pressure.</p> <p><b>Works Services Depot</b> Contractual overtime for some office staff.</p> <p><b>Garage Services</b> Vacant Position for Vehicle Mechanic.</p>	<p><b>Domestic Waste Collection and Recycling</b> Overtime has been required to ensure that postponed or suspended rounds are completed due to sickness and absence.</p> <p><b>Bulky Waste</b> No additional changes expected, unable to reduce one off costs.</p> <p><b>Household Green Waste Collections</b> High absence within the service has led to overtime to catch up on delayed or suspended rounds. This includes assisting with cover for refuse rounds that are statutory collections.</p> <p><b>Street Cleansing</b> Recruitment to vacant position meant that some tasks had to be completed out of hours, this particularly affected the street sweeping. While route optimisation was taking place a decision was made not to recruit to vacant positions as we expected to reduce a round and have additional staff available to fill vacant positions. Contractual overtime for street cleansing drivers was not on the budget so presents a pressure. Overnight closures for road sweeping mean that staff covering these shifts are paid overtime.</p>	<p><b>Domestic Waste Collection and Recycling</b> Continue to schedule rounds during normal working hours without the reliance on overtime. Dependent upon the Christmas working pattern there may be additional overtime payments.</p> <p><b>Bulky Waste</b> No further savings to be made in 2025/26 but will be added to future budget setting.</p> <p><b>Household Green Waste Collections</b> High absence continues to be an issue, however plans have been put in place to support collections during normal working hours and will be offset against agency cost savings. Robust management with HR support is tackling long term sickness absence.</p> <p><b>Street Cleansing</b> Recruitment has now taken place and two roles were amended from refuse to become street sweeping drivers, this will reduce the reliance of this task being completed as overtime. The contractual overtime and the cost of road closures should be added to the budget for next year as is not accounted for this year. Vacant positions are now filled which will also reduce the cost of staff covering shifts on overtime.</p>
									<p><b>Works Services Depot</b> Contractual overtime was not initially factored into the budget which has led to a financial pressure. This is unlikely to change during the next two quarters.</p> <p><b>Garage Services</b> Vacancy now recruited to which should reduce unexpected overtime.</p>
Partnerships and Wellbeing	307	144	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.
		82	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
Organisational Change	(36)	(139)	Saving	Expenditure	Transformation Change Unit - Organisational	Staffing Costs	The following posts are vacant: - 1 x Transformation Programme Manager (1FTE) Vacant from November - 1 x Data Analyst (1FTE) Fixed Term - 1 x Transformation Business Partner (1FTE) Secondment - 2 x Transformation Project Officers (2 FTE)	If the Transformation Programme Manager becomes vacant recruitment will take place to ensure service delivery	The budget will be reviewed during the 2026/27 budget setting process.
		101	Pressure	Income	Transformation Change Unit - Organisational	Contribution from reserve	The vacant posts were mostly offset by a contribution from the Transformation Reserve however, with the posts now vacant, the contribution from the reserve has reduced causing a variance against the budget that has been set.	The budget was set based on a number of posts remaining in the establishment all year and as this has not happened, it has resulted in a reduced contribution from the reserve, causing a pressure.	The budget will be reviewed during the 2026/27 budget setting process.
Chief Executive Office	62	46	Pressure	Expenditure	Chief Executive	Consultancy Costs	One off pieces of work relating to the Local Government Review.		
Corporate Items	(381)	(381)	Saving	Income	Council	Net cost of Borrowing	It is anticipated that the interest earnings from our investments will be higher 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 Reprofitting Requests £000	Variance £000	Narrative
Finance, Performance, Legal & Governance	Income Management System	30	0	30	0	0	Upgrade of the income management system which is due to go live in December.
	Financial Management System Upgrade	77	83	77	0	0	Upgrade of the finance system; scheme is currently in progress. Committed spend higher than budget due to duplicate PO which is in the process of being cancelled.
		107	83	107	0	0	
Communities, Homes, Regulation and Safety	Great Central Walk Bridge	31	(75)	31	0	0	This scheme was created for the refurbishment of bridges on the old railway line.
	Disabled Facilities Grant	768	0	890	0	122	This grant will be passed on in full to HEART (Nuneaton and Bedworth Borough Council) for allocating out the funding.
	Rainsbrook Cemetery preparation	302	237	302	0	0	Most of the Cemetery construction was completed in 2024/25. The remainder of the scheme is expected to complete in 2025/26
	Memorial Safety	80	1	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	163	1,303	0	122	
Growth and Investment, Digital and Communications	ICT Renewal Programme	114	35	114	0	0	This scheme is the annual ICT renewal programme for the replacement of client devices e.g. Laptops.
	ICT refresh programme - Infrastructure	90	21	80	0	(10)	This scheme is the annual ICT renewal programme for the replacement of physical and virtual services, firewalls, backup and business continuity systems.
	ICT refresh programme - AV equipment	18	20	28	0	10	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	5	45	0	0	This scheme was created to drive digitalisation across the organisation.
	Town Centre Strategy (Capital)- St Andrews Church	81	0	81	0	0	Contribution to St Andrews Church capital improvements as part of Town Centre Regeneration
	Direct Debit Digitalisation	0	(28)	0	0	0	Supplier is being chased for remaining invoice in connection to last years capital scheme.
		348	53	348	0	0	
Operations and Traded Services	Street Furniture	42	2	25	0	(17)	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	41	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, due to be received in 2025/26
	WSU Depot Yard Re-Configuration	718	164,680	718	0	(0)	WSU depot reconfiguration- in progress and expected to be complete by year end
	Purchase of Vehicles	842	160	842	0	0	Vehicle replacement programme for the General Fund.
	Food Waste Vehicles	1,265	1	0	(1,265)	0	Vehicles for new mandatory Food Waste service, due to be received in April 2026 so budget to be reprofiled to 26/27
		3,374	164,885	2,092	(1,265)	(17)	
Partnerships and Wellbeing	Open Spaces Refurbishment - Safety Improvements	168	30	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	18	30	(294)	0	Officers continuing to work with community sports club and National Governing Body regarding the project and ensuring robust governance in place for future lease arrangements. It is likely that most of this budget will need to be reprofiled to 26/27
	Alwyn Road Sports Pitches refurbishment	71	0	0	(71)	0	This is being done in line with the above works so the budget will need to be reprofiled to 26/27 to align with the overall scheme
	Open spaces refurbishment - Bawnmore rd play area	150	2	150	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	176	0	176	0	0	No expected variance
	Brindley Road/Lennon Close Play Areas and Hillmorton Recreation Ground	78	10	78	0	0	No expected variance
		1,453	46	1,088	(365)	0	