

Agenda No 8

AGENDA MANAGEMENT SHEET

Report Title:	Finance & Performance Monitoring 2023/24 – Quarter 2
Name of Committee:	Cabinet
Date of Meeting:	4 December 2023
Report Director:	Chief Officer - Finance and Performance
Portfolio:	Finance, Performance, Legal and Governance
Ward Relevance:	All wards
Prior Consultation:	None
Contact Officer:	Paul Conway, Finance Manager, paul.conway@rugby.gov.uk, 01788 533405
Public or Private:	Public
Report Subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies): <input checked="" type="checkbox"/> Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C) <input checked="" type="checkbox"/> Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E) <input checked="" type="checkbox"/> Residents live healthy, independent lives, with the most vulnerable protected. (HC) <input checked="" type="checkbox"/> Rugby Borough Council is a responsible, effective and efficient organisation. (O) Corporate Strategy 2021-2024 <input type="checkbox"/> This report does not specifically relate to any Council priorities but
Summary:	This report sets out the anticipated 2023/24 financial and performance position for the Council based on data at 30 September 2023 (Quarter 2). It also presents proposed 2023/24 budget adjustments for approval as required by Financial Standing Orders.

Financial Implications:	As detailed in the main report.
Risk Management Implications:	This report is intended to give Cabinet an overview of the Council's forecast spending and performance position for 2023/24 to inform future decision-making.
Environmental Implications:	There are no environmental implications arising from this report and therefore no Climate and Environmental Impact Assessment is required.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	There are no equality and diversity implications arising from the report and so no Equality Impact Assessment is required.
Options:	Members can elect to approve, amend or reject the budget requests listed at recommendation 2.
Recommendation:	<ol style="list-style-type: none"> 1. The Council's forecast financial position for 2023/24 be considered; 2. 2023/24 Budget Virements as detailed in section 5 be approved; and 3. performance information in section 6 be noted.
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 - 4 December 2023

Finance & Performance Monitoring 2023/24 – Quarter 2

Public Report of the Chief Financial Officer

RECOMMENDATION

1. The Council's forecast financial position for 2023/24 be considered;
2. 2023/24 budget virements as detailed in section 5 be approved; and
3. performance information in section 6 be noted.

Executive Summary

The main purpose of this report is to provide a summary of the 2023/24 forecast position for the General Fund and the Housing Revenue Account. Also included is information on the Council's savings programme, performance measures and a request to approve budget virements.

The key findings of this report are as follows:

- General Fund revenue (GF) - there is a forecast pressure across services of £1.562m. This is partly offset from savings in the net cost of borrowing, resulting in a net pressure of £0.282m.
- General Fund capital programme – the Capital programme is forecast to use £6.250m. This reflects a saving of (£0.298m).
- Housing Revenue Account (HRA) – there is a forecast pressure of £0.778m across services. This is offset by savings in the net cost of borrowing, resulting in a balanced position.
- Housing Revenue Account capital programme – the Capital programme is forecast to consume £18.802m. This reflects a saving of (£0.485m).
- Savings programme – the savings target for 2023/24 is (£2.053m). The latest projection is for (£1.881m) to be delivered. There is a further (£0.162m) at risk of not been achieved and (£0.010m) is viewed as undeliverable.
- Budget virements – there are £0.059m of budget transfers that reflect internal staff movements following the recent Information and Technology restructure, and the successful recruitment of posts relating to the Councils apprenticeship scheme.
- Performance measures – Quarter Two performance measures are detailed in Section 6

Members are requested to consider the Councils 2023/24 anticipated financial position and performance information in Section 6. It is also asked that members approve the budget virements contained in Section 5

1. INTRODUCTION

- 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 Housing Revenue Account is a statutory requirement for local authorities with a council housing stock. It contains all the expenditure and income relating to the direct provision of that stock. Included in the Housing Revenue Account are elements such as rent, service charges, maintenance, repairs, and property management.
- 1.4. The council takes a multiyear approach to its budget planning and monitoring, recognising that the two are inextricably linked. At three-month intervals officers provide their latest forecast expectations for each of the reporting units. This report offers the latest outlook based on the information available at the end of Quarter Two.
- 1.5. Throughout the report, officers refer to pressures and savings. A pressure is an instance whereby forecast costs have exceeded budget or forecast income has not met the target. This will be shown as a positive value. A saving occurs where forecast expenditure is lower than budget or forecast income is higher than the target. This is displayed using brackets.
- 1.6. This report also contains an update on savings proposals and the performance measures that are seen as fundamental to the Council's continued focus on improving its offering to the local community.

2. GENERAL FUND (GF) – (Appendix One)

2.1 GF Operating Position

2.2 The 2023/24 General Fund revenue forecast position is summarised in the table below.

Table 1. General Fund Revenue Forecast 2023/24

Type	Budget £000	Q1 Forecast £000	Q2 Forecast £000	Q2 Variance to Budget £000
Income	(24,210)	(23,950)	(23,662)	548
Expenditure	42,495	42,792	43,509	1,014
Cost of General Fund services	18,285	18,842	19,847	1,562
Corporate items	2,327	1,106	1,047	(1,280)
Total	20,612	19,948	20,894	282

2.3 For 2023/24 General Fund services are forecasting a £1.562m pressure, this is partly offset by savings associated with corporate items, the result is a net pressure of £0.282m. Several services are suffering from challenges that are impacting on the overall budget.

2.4 The main contributing factors are:

2.5 There is a reported pressure of £0.363m in planning income. The number of planning applications tends to be linked to uncertainty in the global economic market and interest rate rises making investors and individuals more cautious about commencing new development. On the back of this there has only been one major planning application submitted to the Council this year. The revenue stream will be closely monitored, and for Quarter Three a revised outlook will be produced.

2.6 During the year there can be appeals against the result of a planning application. When this occurs, the Council engages with external legal providers who will work on the matter on the organisation's behalf. There have been three major appeals that have required funding. This has contributed £0.112m to the overall pressure.

2.7 Green Waste are forecasting an overall pressure of £0.214m. £0.104m can be attributed to the use of agency staff. High levels of staff sickness and absence have necessitated the need to turn to the temporary market to ensure that the service continues to operate. There is also a need to use agency staff to cover holiday periods. The service is working with HR to help manage sickness and absence levels, whilst at the same time exploring initiatives to deliver efficiencies across working practices.

2.8 There is a pressure of £0.200m which is attributable to parking income. People working in a hybrid manner and increased online shopping and out-of-town shopping centres have reduced footfall in the town centre. Government modelling suggests that this trend is likely to continue.

2.8 The pressures on General Fund services are being alleviated by a (£1.072m) saving in the net cost of borrowing. Interest rates were budgeted at a prudent and responsible level. With Inflation remaining high, the Bank of England has continued to raise interest rates. Due to the level of cash reserves and delays in the capital programme, the Council has benefited from increased interest income and reduced interest expense exposure related to potential borrowing had the capital programme been on schedule.

2.10 A comprehensive list of the forecast pressures and savings +/- £0.040m by Portfolio can be found in appendix 1.

2.11 General Fund Capital

2.12 The approved General Fund capital programme is £18.386m. Reprofiting and expected savings have resulted in a 2023/24 forecast of £6.250m.

Table 3. General Fund Capital Programme 2023/24

Type	Original Budget £000	Budget Reprofiting £000	Reprofited Budget £000	Q2 Forecast £000	Q2 Variance to Budget £000
GF Capital Programme	18,386	(11,838)	6,548	6,250	(298)

2.13 The current forecast includes (£11.838m) of capital reprofiting. (£9.670m) is the planned loan to Caldecott Development Ltd. Due to inactivity on the initiative this loan has been reprofited to 2024/25.

2.14 As at Quarter Two there is a reported saving of (£0.298m) against this year's capital programme. The majority of this, (£0.200m), is associated to the Carbon Management Plan which is designed to help the organisation meet its carbon reduction objectives. Discussions are underway on how to best use any funding. Once this becomes clear a report will be laid before Cabinet to request the funds.

3. In Year Savings Programme

3.1 All savings proposals are required to have a delivery plan that is endorsed by Chief Officers. The 2023/24 savings target is (£2.053m). Current expectations are laid out below.

Table 2. Savings Proposals 2023/24

Type	Target £000	£000	£000	£000
Savings target	(2,053)	(1,881)	(162)	(10)

3.2 Of the (£2.053m), 92% are currently RAG rated green. This means under current projections, (£1.881m) of savings will be delivered. Details of the targets for each Portfolio can be found in appendix 1.

3.3 The Medium-Term Financial Strategy incorporates a saving target in each of the next three years. This reflects the challenging funding environment facing many local authorities, and the assembling of The Corporate Strategy Delivery Unit within the Council to deliver efficiencies and develop new ways of working.

4. HOUSING REVENUE ACCOUNT (HRA) – (Appendix Two)

4.1 HRA Operating Position

4.2 The 2023/24 forecast Housing Revenue Account position as at the end of 30 September 2023 is a (£0.049m) saving.

4.3 The HRA is a statutory account and any savings at the end of the year must be carried forward within this account to the next year. The projected (£0.049m) saving will be transferred to reserves at the end of the financial year. The 2023/24 reserves balance is forecast to be (£32.384m).

4.4 The latest revenue position is summarised in the table below.

Table 4. Housing Revenue Account Forecast 2023/24

Type	Budget £000	Q1 Forecast £000	Q2 Forecast £000	Q2 Variance to Budget £000
Income	(18,461)	(18,222)	(18,186)	275
Expenditure	13,682	14,056	14,185	503
Cost of HRA services	(4,779)	(4,166)	(4,001)	778
Interest and investment income/expense	913	300	135	(778)
Net cost after interest	(3,866)	(3,866)	(3,866)	0
Contribution to capital expenditure	3,817	3,817	3,817	0
Contributions to (+) / from (-) reserves	49	49	49	0
Total	0	0	0	0

4.5 The HRA is forecasting a £0.275m pressure in relation to income. There is currently a higher-than-expected level of voids, including properties that require substantial works. This means that operatives may have to work in properties for several weeks to bring them back to a suitable condition. This results in a delayed turnaround time given the scope of work required. Further detail around work in progress around void management is detailed in Appendix 3.

4.6 Several initiatives have been put in place across relevant services to highlight and target properties in potential disrepair before they are returned in such a poor condition. Support and advice on property care is also available to residents. Although there have been improvements since Quarter One, this is a long-term project that will take time to come to fruition.

4.7 A £0.503m pressure relates to expenditure carried out in relation to property repairs, in particular roofing works. Currently the Council don't have any internal roofers. There have been several rounds of recruitment where no one has applied for the role. External roofing companies are also struggling to find candidates. The salary expectations for roofers have risen considerably.

4.8 Material costs have also risen with inflation which is compounding the issue. We currently use one contractor for most of the work and a secondary company for smaller works. A review of the procurement framework is underway with the intention of opening out the tender process to encourage competition for the works. The service will also look at the make-up of the internal roles to see if there are opportunities to recruit roofers.

4.9 As with the General Fund, the HRA has benefited from interest rate decisions in relation to the net cost of borrowing. This has resulted in a (£0.778m) saving.

4.10 HRA Capital

4.11 The approved HRA capital programme is £30.114m. Reprofiling and expected savings have resulted in a 2023/24 forecast of £18.802m.

Table 5. Housing Revenue Account Capital Programme 2023/24

Type	Original Budget £000	Budget Reprofiling £000	Reprofiled Budget £000	Q2 Forecast £000	Q2 Variance to Budget £000
HRA Capital Programme	30,114	(10,827)	19,287	18,802	(485)

4.12 As at Quarter Two there is (£10.827m) of capital reprofiling. (£7.964m) relates to the Biart Place housing development. Delays in the planning process & subsequent main contractor award have pushed the construction start date into Quarter Three. This has resulted in funds earmarked for construction works in this financial year being transferred to subsequent years.

4.13 The current forecast contains (£0.485m) of savings. This is spread across several small schemes, the details of which can be found in appendix two.

5. SUPPLEMENTARY BUDGET REQUESTS AND VIREMENTS

5.1 Details of the supplementary budgets and virements, where approval is sought, are set out below:

Table 6. Virement requests

Portfolio Area	Value £	Details
Digital and Communications	43,510	Transfer of salary budget from Digital and Communications to Finance and Performance. This reflects the redeployment of posts following the recent Information and Technology restructure.
Apprenticeship Scheme	15,760	Transfer of salary budget from the apprenticeship scheme to Finance and Performance. This reflects the recruitment of an apprentice
Total	59,270	

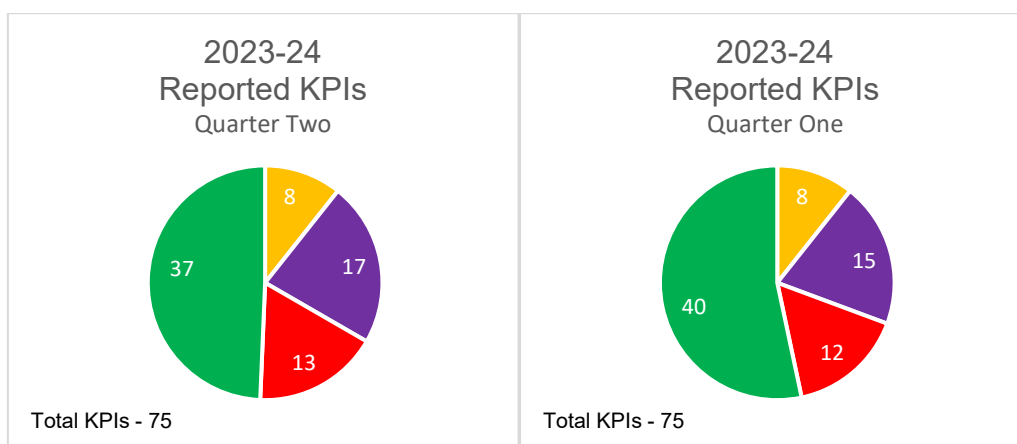
6. PERFORMANCE SUMMARY

- 6.1 The new reporting dashboard is starting to become embedded across the Council, with officers recognising the role it can play in driving performance.
- 6.2 Over the coming months officers will continue to develop the performance reporting measures. One enhancement that will become recognisable is the link between performance measures and the organisations finances. There should be a clear pattern between the two sets of data. Over time this will become useful information that will signal early warning signs that the Council can use to inform its decision making.
- 6.3 The 2023/24 Key performance indicators (KPI's) and key statistics can be accessed via the Power BI link shown below.

[Qtr 2 Performance dashboard](#)

6.4 Key Performance Indicators (KPIs)

- 6.5 A key performance indicator is a quantifiable measure used to evaluate the success of an organisation in meeting objectives for performance. Information relating to the first two reporting periods of this financial year can be found below.



- 6.6 There are 37 (49%) KPIs that are RAG rated green. This means that for those measures, current performance is equal to or above target. There are 17% of the KPIs are attracting a red rating, that reflects current achievement being below target. There are a number of measures coloured purple where data is not presently available.

6.7 Portfolio Analysis (KPIs)

- 6.5 Available within the dashboard is the ability to interrogate KPIs for each Portfolio. Information relating to the first two reporting periods of this financial year can be found in the table below.

Table 7. Key Performance Indicators

Portfolio	Quarter Two					Quarter One			
Communities and Homes	3	1	2	2		3	2	1	2
Digital and Communications	5	1	1	4		4	2	1	4
Finance and Performance	2	-	1	2		2	-	1	2
Legal and Governance	-	1	1	1		3	-	-	-
Growth and Investment	10	1	-	5		10	1	-	5
Leisure and Wellbeing	3	-	1	-		3	1	-	-
Operations and Traded Waste	3	-	5	1		2	-	6	1
Regulation and Safety	11	4	2	1		13	2	3	-
Council Target (All)	-	-	-	1		-	-	-	1
Grand Total	37	8	13	17		40	8	12	15

6.8 The Quarter Two highlights include a green rating within Digital and Communications for customer satisfaction. The metric demonstrates customer service provided to residents and businesses, both on the phone and via digital channels.

6.9 In Growth and Investment there is a green rating associated with the time it takes to decide on a planning application. The Council continues to exceed the government target in this area of its operations.

6.10 There are some KPIs that fall into the red category where action is been taken to bring them back in line.

6.11 Key Statistics

6.12 The Councils key statistics are important data points that provide insight and trends into measures that could be of interest to the wider community. There are currently 84 such measures.

6.13 For Quarter Two a positive trend has been reported for the number of young people participating in the Swim School Programme. This demonstrates the commitment to support the local community to lead healthy and active lifestyles.

6.14 Within Communities and Homes, the key statistic that reflects the number of households in temporary accommodation has improved. This has been achieved through reducing the number of households that have needed to use the service.

6.15 Information related to key statistics can be found on a separate tab within the dashboard.

6.16 Further Developments

6.17 The dashboard is now live for all stakeholders. This will help users to understand the organisations key measures, and the performance associated with each metric. Over time the performance catalogue will continue to evolve including more detailed trend analysis. New measures could be added, and current ones, that may no longer be viewed as critical, will be replaced.

Name of Meeting: Cabinet
Date of Meeting: 4 December 2023
Subject Matter: Finance & Performance Monitoring 2023/24 - Quarter 2
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.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Appendix 1 - General Fund Dashboard - Q2 2023-24

1) Revenue Forecasts

Portfolio	Current Net Budget	Exp to date plus commitments	Forecast	Employee Variance	Running Cost Variance	Income Variance	Pending Supplementary Budget/Virement	Total Variance
	£000	£000	£000	£000	£000	£000	£000	£000
Communities, Homes, Digital and Communications	2,720	5,691	2,735	(95)	(98)	208	(59)	75
Finance, Performance, Legal and Governance	3,443	1,981	3,690	56	156	35	59	188
Growth and Investment	1,511	1,719	1,931	(66)	285	200		420
Leisure and Wellbeing	4,060	3,269	4,273	(36)	153	96		213
Operation and Traded Services	5,333	2,137	5,679	305	213	(171)		347
Regulation and Safety	1,493	1,195	1,583	(103)	58	134		90
Chief Executive	(15)	(506)	74	81	8	0		89
Transformation Change Unit	(236)	77	(96)	(30)	126	45		141
Corporate Items - Other	2,327	2,080	1,047	(82)	(1,008)	(190)		(1,280)
Total Approved Budget	20,636	17,643	20,917	31	(107)	358	0	282

2) Head Count

Portfolio	Budgeted FTE's	Actual FTE's at Q2	Vacant FTE's
Communities and Homes, Digital and Communications	100.84	86.51	(14.33)
Finance and Performance, Legal and Governance	51.95	43.51	(8.44)
Growth and Investment	32.47	26.87	(5.60)
Leisure and Wellbeing	39.21	36.32	(2.89)
Operation and Traded Services	128.08	115.67	(12.41)
Regulation and Safety	40.16	35.79	(4.37)
Chief Executive	2.00	2.00	0.00
Transformation Change Unit	19.21	20.10	0.89
Total	413.92	366.77	(47.15)

3) Reserve Summary

Name of reserve	Balance at 01/04/23	Forecast contribution (to)/from	Balance at 31/03/24	Forecast contribution (to)/from	Balance at 31/03/25	Forecast contribution (to)/from	Balance at 31/03/26
	£000	£000	£000	£000	£000	£000	£000
Gen Fund Revenue Acc	(2,250)	0	(2,250)	0	(2,250)	0	(2,250)
GF Revenue Carry Forward Reserve	(168)	168	0	0	0	0	0
Business Rates Equalisation Reserve	(17,041)	1,785	(15,255)	(5,105)	(20,360)	(626)	(20,986)
Budget Stability Reserve	(2,871)	(50)	(2,921)	32	(2,890)		(2,890)
Other corporate reserves	(2,229)	318	(1,911)	0	(1,911)	0	(1,911)
Total corporate reserves	(24,559)	2,222	(22,338)	(5,073)	(27,411)	(626)	(28,037)
Communities, Homes, Digital and Communications	(616)	5	(611)	106	(505)	105	(400)
Finance, Performance, Legal and Governance	(59)	0	(59)	5	(54)	1	(53)
Growth and Investment	(322)	141	(181)	0	(181)	0	(181)
Leisure and Wellbeing	(105)	16	(89)	0	(89)	0	(89)
Operation and Traded Services	(126)	0	(126)	2	(124)	2	(122)
Regulation and Safety	(199)	89	(110)	(23)	(133)	(28)	(161)
Transformation Change Unit	(2,348)	338	(2,010)	288	(1,722)	150	(1,572)
Chief Executive	0						
Total Portfolio earmarked reserves	(3,775)	589	(3,186)	378	(2,808)	230	(2,578)
Total Reserves	(28,335)	2,811	(25,524)	(4,695)	(30,219)	(396)	(30,615)

4) Delivery of new savings & income targets

PORTFOLIO	Total	Red	Amber	Green
	£000s	£000s	£000s	£000s
Communities, Homes, Digital and Communications	(167)		(111)	(56)
Finance, Performance, Legal and Governance	(41)			(41)
Growth and Investment	(401)			(401)
Operation and Traded Services	(46)	(10)		(36)
Regulation and Safety	(227)			(227)
Chief Executive	(1)			(1)
Leisure and Wellbeing	(23)			(23)
Corporate Items	(1,147)		(51)	(1,096)
TOTAL GF	(2,053)	(10)	(162)	(1,881)
Red and Amber savings- further details				
		£000s	£000s	
Procurement Framework Pagabo			(51)	
Collection of street bins on unadopted roads across the borough		(10)		
Recharges to Warwickshire County Council for share of costs of Art Gallery and Museum			(96)	
Increase budget for Private Sector Leasing Properties			(15)	
TOTAL GF		(10)	(162)	

5) Capital Summary

Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofiting Requests	Total Variance
	£000	£000	£000	£000	£000
Communities, Homes, Digital and Communication	2,612	315	1,531	717	(364)
Finance, Performance, Legal & Governance	29	0	4		(25)
Growth and Investment	31	31	31		0
Leisure and Wellbeing	1,842	538	1,342	501	0
Operation and Traded Services	3,758	2,431	3,174	737	153
Regulation and Safety Capital	354	145	169	123	(63)
Chief Executive	9,760	0	0	9,760	0
Transformation Change Unit					
Grand Total	18,386	3,460	6,250	11,838	(298)

7) Revenue variance narrative

PORTFOLIO	Q2 Variance to Budget	Reported Q1 Variance	Movement between Q1 & Q2	Variances to budget +/- £40,000	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.	Q1 Pressure/(Saving)	Variances to Q2
Communities, Homes, Digital and Communications	75	(250)	325	78	Pressure	Income	Welfare Services	Income related to the Lifeline service	Subscription numbers do not enable the service to achieve the income target. In terms of trying to expand the service there has been difficulties in recruitment, due to the salary level and the unsociable working hours of the roles.	Due to the inability to increase numbers within the team, expansion of the service is difficult.	Continue to review the service and potentially realign the budget to meet current expectations.	62	16
				53	Pressure	Expense	Corporate Property and Maintenance	Repairs and maintenance costs	Sheer volume of requests for unplanned maintenance. Budget has not changed to keep pace with increasing costs and inflation. The vision of the Property Repairs Service supporting with such work has not materialised due to their lack of resources which has led to a dependency on external contractors.	Tends to be shocks that are difficult to plan for that incurs the expenses	Potentially realign the budget to meet current expectations.		
				(98)	Saving	Expense	Housing, Benefits and Advice	Staff vacancies	There are two vacancies within HABT (Benefit officer & Homelessness prevention officer). Barriers to recruitment are pay and Hybrid working requests. Three recruitment rounds have so far failed to date.	Unsuccessful recruitment has led to pressure on existing staff and delayed decisions. This can have a negative impact on the service and lead to MP enquiries. Potential for pushing people into crisis and forcing them to access services at the most expensive point of contact – i.e. needing temporary accommodation	There is a planned further round of recruitment. Due to the salary attached to the roles it is anticipated that this will prove unsuccessful. Service Manager to discuss with HR the possibility of market supplements to attract candidates	(198)	100
				(58)	Saving	Expense	Housing, Benefits and Advice	Bed & breakfast costs	There has been a great work deal of work undertaken to move families from B&B accommodation to existing housing stock.	As at 1st November there is currently only one family in B&B accommodation. This has led to a reduction in spend on temporary accommodation	Bed and breakfast costs are demand driven and the council has a statutory obligation to support going forward. The budget will reviewed again during the Quarter Three forecast process.		
				60	Pressure	Rental income	Housing, Benefits and Advice	Private sector leasing income	Damage to properties due to destruction by a vulnerable client base. The properties are classed as void due to a longer lead time on repair work.	Whilst properties are void no income is received and we are unable to recover recharges as the tenants are in receipt of benefits. Throughflow of bedspaces reduced as a result of properties needing repair. Whilst reliance on such accommodation is low for now there are peaks and troughs.	Looking to potentially procure an external supplier to undertake void works and reducing the supply of leased Houses in Multiple Occupation (HMOs). Property acquisition is in place as a means of helping us to withdraw from these expensive lease arrangements. Also looking to hand back another 2 HMOs when the lease period ends soon		
				40	Pressure	Expense	Housing, Benefits and Advice	Private sector leasing cleaning and repair costs	Poor state of vacated properties requiring additional expenditure on repairs	Throughflow of bedspaces reduced as a result of properties needing repairs. Whilst reliance on such accommodation is low for now there are peaks and troughs.	Contract cleaning specification to be reviewed early next year as its due for renewal in September 2024		
				(161)	Saving	Grant	Housing, Benefits and Advice	Homelessness prevention grant	Additional funding has been received to tackle homelessness. After reviewing the terms of the grant it can be used to fund various types of temporary accommodation.	The grant has been allocated and a portion of it will be used to offset some of the temporary accommodation pressures highlighted above. If there was an underspend it would need to be repaid to the government,	Utilise this funding to offset the pressures for in accordance with the grant conditions		
				80	Pressure	Expense	ITC & Support Services	CX regulatory software consultancy costs	The organisation has recently implemented CX regulatory software. A consultant was employed to help with this activity.	The consultants expertise was key in delivering the software ahead of schedule and enabling the organisation to benefit from the system sooner than anticipated	This is a one off cost borne in this financial year	0	80
Finance, Performance, Legal and Governance	188	136	52	99	Pressure	Expense	Financial Services	Staff vacancies	A difficult recruiting environment has led to continued vacancies within the team. A recruitment campaign during the summer didn't identify any suitable candidates. As interim measure contractors have been used to fill vacancies.	The cost of agency workers is a greater burden on our resources.	Two new recruitment campaigns have just been launched with any interviews due to be conducted in Quarter 3. There is also a potential need to revisit the salary level on one of the roles to make it more competitive in the open market.	0	99
Growth and Investment	420	6	414	363	Pressure	Income	Planning	Planning income	Based on the current level of income received there is an expectation that this years budget will not be achieved. There has only been one major planning application during the current financial year. The number of planning applications tends to be linked to uncertainty in the global economic market, interest rate rises and cost of living concerns making investors and individuals more cautious about commencing new development.	Unless there the current level of applications increases there will be a budgetary impact. Due to the peaks and troughs associated with planning applications it is difficult to determine exactly what that will be.	This revenue stream will be closely monitored and the forecast will be revisited during Quarter Three	0	363
				112	Pressure	Expense	Planning	Appeal costs	During the year there can be appeals against the result of a planning application. When this occurs the Council will engage with external legal providers to work on the matter on our behalf. There have been three major appeals that have required funding.	There will be a budgetary impact in this financial year	Closely monitor the costs and revisit the forecast at Quarter Three	50	62

PORTFOLIO	Q2 Variance to Budget	Reported Q1 Variance	Movement between Q1 & Q2	Variance 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.	Q1 Pressure/(Saving)	Variance to Q2
				(86)	Saving	Expense	Development Strategy	Staff vacancies	Recruitment to vacant roles has proved challenging	At a certain point during this year there were four vacant roles.	Two of the those posts have now been filled and a recruitment campaign is underway to fill the remaining posts.	(64)	(22)
Leisure and Wellbeing	213	198	15	150	Pressure	Income	Sports and Recreation	Under-achievement of budgeted income	An existing savings target currently RAG rated red based current service levels. There is also a projected income shortfall across On-Track, Play and Recreation and Sports Development. Vacancies across permanent and casual staff have also played a part in the current situation	This has resulted in a pressure on budgeted income.	There is a 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.		
				(58)	Saving	Expense	Sports and Recreation	Staff vacancies and under utilisation of casual staff	General recruitment has proved challenging.	This has created pressure on the service and reduced income opportunities	There is a recruitment campaign underway to fill vacant posts		
Operation and Traded Services	347	75	272	83	Pressure	Income	Green Waste	Shortfall in income compared to budget	The current budget for fees is not reflective of the actual activity within the service.	This has led to a negative impact on budget.	The current review of all fees and charges includes an annual CPI increase. The service will continue to be promoted to attract new customers.	0	83
				104	Pressure	Expense	Green Waste	Agency staff	The high levels of staff sickness and absence have necessitated the need to turn to the agency market to ensure that the service continues to operate. There is also a need to use agency staff to cover holiday periods.	Agency staff is an expensive resource.	The service is working with HR to help manage the sickness and absence levels. The service is currently looking into initiatives to deliver efficiencies across working practices	0	104
				(171)	Saving	Income	Trade Waste Collection	Additional income compared to budget	Following a fee review fees for 2023/24 are now comparable to other commercial waste providers. The budget also included modelling around the potential loss of customers due to the increased fee. The actual customer loss was a lot less than predicted.	Additional income	Continue to promote the service to attract new customers. Continue to review the customer base and realign the budget based on the actual customer numbers that were retained following the fee increase.		
				63	Pressure	Expense	Trade Waste Collection	Agency staff	The high levels of staff absence necessitated the need to turn to the agency market to ensure that the service continues to operate. There is also a need to use agency staff to cover holiday periods.	Agency staff is an expensive resource.	There service is working with HR to help manage the sickness and absence levels. The operation is currently looking into initiatives to drive efficiencies within the way the service is delivered		
				62	Pressure	Expense	Domestic Waste Collection/Recycling	Agency staff	The high levels of staff absence necessitated the need to turn to the agency market to ensure that the service continues to operate. There is also a need to use agency staff to cover holiday periods.	Agency staff is an expensive resource.	The service is working with HR to help manage the sickness and absence levels. The operation is currently looking into initiatives to drive efficiencies within the way the service is delivered	160	(98)
Regulation and Safety	90	163	(73)	200	Pressure	Income	Car Parking	Pay & display, season tickets, company leases and Rugby Central lease	Working styles and visitor numbers to the town centre have reduced. People are working in a hybrid manner and increased online shopping and out of town shopping centres have reduced footfall in the town centre	Reduced income when compared to previous years. Government modelling suggests that current working patterns and shopping habits are unlikely to reverse	A wider strategic review of car parking in the borough is going to take place and the results will inform next steps		

8) Capital variance narrative

PORTFOLIO	Q2 variance	Reason for variance
Communities, Homes, Digital and Communication	(364)	<p>Programme Details Corporate Property Enhancements £225,000 - estimated year end reprofiling of (£25,000) for ongoing works Carbon Management Plan £200,000 - savings of (£200,000) as discussions are underway to identify what the best options are and once they are known, a report will be submitted to request additional budget. Housing Acquisition Fund £294,000 Disabled Facilities Grant £768,000 - a supplementary budget of £63,000 needs to be requested for additional grant funding which is payable to NBBC. Great Central Walk Bridges £611,000 - reprofiling of (£461,000) for ongoing works Town Hall Adaptations £78,000 UKSPF White Good Programme £63,000 IT Desktop Refresh Programme £124,000 IT Infrastructure Refresh Programme £145,000 IT AV Equipment Refresh Programme £18,000 Digitalisation & Development £72,000 Parks & Grounds Inspection System £15,000 - saving of (£15,000) as existing apps are sufficient</p>
Finance, Performance, Legal & Governance	(25)	<p>Programme Details Corporate Asset Management System £29,000 - saving of (£25,000) as the new supplier integration has been delayed for 2 years so this is not required now</p>
Growth & Investment	0	<p>Programme Details UKSPF - Market Equipment £31,000</p>
Leisure and Wellbeing	0	<p>Programme Details RAGM Prevention Conservation £101,000 Open Spaces Safety Improvements £71,000 Open Space Glamara Park £10,000 Open Spaces Apple Grove/Sorrell Drive £224,000 Park Connectors Networks £167,000 - reprofiling of (£116,000) This is the match funding alongside external funding which has yet to be identified Open Spaces New Bilton Rec £150,000 Open Spaces Charwelton Drive £150,000 Alwyn Road Pavillion £435,000 - reprofiling of (£385,000) due to design changes and delays with end user requirements Athletics Track Refurb £16,000 UKSPF - Floodlights Project £50,000 UKSPF - Bicentenary Project £29,000 UKSPF - Band Stand works £19,000 Queen Elizabeth Jubilee Centre £420,000</p>
Operation and Traded Services	153	<p>Programme Details Street Furniture £42,000 Vehicles Replacement Programme £2,757,000 - Purchase of Waste Bins £88,000 Route Optimiser System £10,000 - pressure of £3,000 due to system updates. Sherbourne Recycling Loan £861,000</p>
Regulation and Safety	(63)	<p>Programme Details Rainsbrook Cemetery Prep £131,000- £61,000 of this to be reprofiled Memorial Safety £82,000- £62,000 of this to be reprofiled Croop Hill Chapel Refurb £60,000 - saving of (£60,000) It is anticipated that no works will be done this financial year as a report is required to update the planned works and for approval to be requested for the required budget Memorialisation Project £53,000 Safer Streets Funding CCTV £15,000 - saving of (£3,000) due to CCTV installation costs being less than first anticipated when the original bid was made to the Home Office for the grant.</p>
Chief Executive	0	<p>Programme Details Caldecott Development Loan £9,760,000 - to be reprofiled</p>
TOTAL GF	(298)	

Appendix 2 - Housing Revenue Account (HRA) Dashboard - Quarter 2 2023/24

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	(16,968)	(8,038)	(16,797)	0	0	172
Rent income from land and buildings	(115)	(61)	(115)	0	0	0
Charges for services	(1,236)	(558)	(1,131)	0	0	105
Contributions towards expenditure	(142)	(31)	(143)	0	0	(1)
Total Income	(18,461)	(8,688)	(18,186)	0	0	275
Transfer to Housing Repairs Account	4,304	2,259	4,854	0	0	550
Supervision & Management	5,725	4,157	5,695	0	0	(31)
Rent, rates, taxes and other charges	125	82	125	0	0	0
Depreciation and impairment	3,120	3,121	3,120	0	0	0
Debt management costs	24	0	24	0	0	0
Provision for bad or doubtful debts	66	0	50	0	0	(17)
Total Expenditure	13,364	9,619	13,867	0	0	503
HRA share of Corporate/Democratic Core Costs	318	0	318	0	0	0
Net cost of HRA services	(4,779)	931	(4,001)	0	0	778
Interest payable and similar charges	1,104	0	1,104	0	0	0
Interest and Investment Income	(191)	0	(969)	0	0	(778)
Net Operating expenditure	(3,866)	931	(3,866)	0	0	0
Contributions to (+) / from (-) reserves	49	1,100	49	0	0	0
Revenue Contributions to Capital Expenditure	3,817	0	3,817	0	0	0
(Surplus) / Deficit for the Year on HRA Services	0	2,031	0	0	0	0

2) Head Count- Vacancies (HRA)

Budgeted FTE's 23/24	Actual FTE's at Q2	Vacant FTE's at Q2
77.24	65.16	(12.08)

3) Reserves & Balances

Name of reserve / balance	Balance as at 1/04/23	Forecast contribution (to)/from	Forecast balance as at 31/03/24	Forecast contribution (to)/from	Forecast balance as at 31/03/25	Forecast contribution (to)/from	Forecast balance as at 31/03/26
	£000	£000	£000	£000	£000	£000	£000
Housing Revenue Account Balances	(4,085)	0	(4,085)	0	(4,085)	0	(4,085)
HRA Balances (Capital)	(17,436)	5,209	(12,227)	4,445	(7,782)	1,131	(6,651)
HRA Major Repairs Reserve	(5,061)	463	(5,061)	(560)	(5,621)	255	(5,366)
Housing Repairs Account	0	0	0	0	0	0	0
HRA Climate Change Reserve	(976)	0	(976)	0	(976)	0	(976)
HRA - Transformation Reserve	0	(100)	(100)	0	(100)	0	(100)
Sheltered Housing Rent Reserve	(358)	(48)	(406)	(48)	(454)	(48)	(502)
Right to buy Capital Receipts	(12,767)	3,237	(9,530)	2,857	(6,673)	674	(5,999)
	(40,683)	8,298	(32,384)	6,694	(25,690)	2,012	(23,678)

4) Capital Summary

Service	Current Budget	Total Expenditure	Forecast	Pending Supplementary Budget/ Virement/ Reprofiling	Total Variance
	£000	£000	£000	£000	£000
Automated Repairs System	74	0	90		16
Bell House Redevelopment	0	0	0		0
Biart Place - Capital	10,964	584	3,000	7,964	0
Biart Place Demolition	0	0	0		0
Cawston Meadows Houses	0	0	0		0
Garage Site HRA	0	0	0		0
Housing Management System	110	2	87	23	0
Laundries	0	2	0		0
Fire Risk Prevention Works	149	11	149		0
Rewiring	275	70	275		0
Lifeline Renewal Programme	83	48	83		0
Finlock Gutter Improvements	100	23	60		(40)
Rebuilding Retaining Walls	80	6	30		(50)
Replacement Footpaths	100	(2)	25		(75)
Door Security Systems	0	4	0		0
Energy efficiency measures - multi storey flats	0	0	0		0
Electrical Upgrades - Community Rooms	0	0	0		0
Boiler Works - Tanser Court	0	0	0		0
LED lighting	0	0	0		0
Roof Refurbishment - Tanser Court	0	0	0		0
Driveways	50	0	50		0
Fire Risk Prevention works voids	70	35	70		0
Rewiring Unplanned Renewals	100	48	100		0
Fire Risk Unplanned Renewals	90	0	25		(65)
Roofing unplanned renewals	100	0	40		(60)
Disabled Adaptations	250	79	250		0
Kitchen Modifications	1,171	414	875	296	0
Kitchen Modifications Voids	200	32	75		(125)
Kitchens non voids	56	1	40		(16)
Heating Upgrades	155	62	125		(30)
Bathroom Modifications	358	138	358		0
Bathroom Modifications - voids	100	45	90		(10)
Bathrooms non voids	60	14	30		(30)
Patterdale sheltered scheme improvements	0	0	0		0
Housing Window Replacement	10	0	10		0
Carbon Management Plan (HRA)	2,180	0	872	1,308	0
Mobysoft Rentsense Software	0	0	0		0
Purchase of Council Houses	8,093	4,812	8,093		0
Rugby Gateway - Bloor Homes	0	0	0		0
Rugby Gateway - Cala Homes	0	(3)	0		0
Rounds Gardens Capital	1,736	78	500	1,236	0
Rounds Gardens demolition	3,314	3,051	3,314		0
Property Repairs Team Vehicle	86	0	86		0
Overall Total	30,114	9,554	18,802	10,827	(485)

5) Revenue variance narrative

Service	Q2 Variance £000	Reason for variances				
		Pressure/ (saving)	Sub heading	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	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Rent income from dwellings	172	Pressure		There are more major repairs than was anticipated. The current criteria to join the housing waiting list is narrow	properties are taking longer to turnaround and re-let properties are remaining vacant for longer than desired	Currently working with PRS to profile the current workload housing allocation policy is currently under review
Rent income from land and buildings	0					
Charges for services	105	Pressure		There are more major repairs that expected. The current criteria to join the housing waiting list is narrow	properties are taking longer to turnaround and get re-let properties are remaining vacant for longer than desired	Currently working with PRS to profile the current workload housing allocation policy is currently under review
Contributions towards expenditure	(1)	saving				
Transfer to Housing Repairs Account	550	Pressure	90	The main cause of the pressure is inflation. Over the past 12 months the cost of materials has risen	This has placed pressure on the existing budget	The service is working with the main supplier to look at alternative products. This will include moving away from branded products and investigating the use of non branded alternatives. This will involve current purchasing practices realigning with the proposal
		Pressure	355	PRS don't have internal roofers to carry out the work. There have been several rounds of recruitment where no one has applied for the role. The main barrier to recruitment is the salary that is offered. The market rate for roofers is considerably higher. External roofing companies are also struggling to find candidates. Material costs have also risen with inflation. All repairs apart from a full re-roof are charged to revenue. We currently use one contractor for the majority of the work and a secondary company for smaller works	PRS are having to rely on external contractors to carry out all roofing work. External contractors are an expensive resource	PRS are reviewing the procurement framework with intention of opening out the tender process to encourage competition for the works. The service will also look at the make up of the internal roles to see if there are opportunities to recruit internal roofers.
			(56)	Relocation to Town Hall	Savings on running costs	Property is being transferred to Corporate Assets
Supervision & Management	(31)	saving		Staff vacancies within the service that is being offset by overtime and agency staff	Recruitment issues have led to increased spend on agency workers	Continue to review the service.

Rent, rates, taxes and other charges	0							
Debt management costs	0							
Provision for bad or doubtful debts	(17)	saving						
Interest and Investment Income	(778)	saving		Due to an increase in interest receivable, as a result of several rate increases since budget setting. Also, larger than anticipated reserve balances being available to invest.	saving may fluctuate depending on rate changes and the speed of delivery of the capital programme		will continue to be monitored during the year, largely out of the control of officers	
Contributions to (+) / from (-) reserves	0							
Revenue Contributions to Capital Expenditure	0							
TOTAL HRA	0							

6) Capital variance narrative

Service	Q2 Variance £000	Reason for variances
Automated Repairs System	16	provider agreed with initial cost with contingency of £90k to be recovered on annual maintenance costs
Biart Place - Capital	0	relates to the Biart Place housing development. Delays in the planning process & subsequent main contractor award have pushed the construction start date into Quarter Three. This has resulted in funds earmarked for construction works in this financial year being transferred to subsequent years.
Housing Management System	0	This is for phase 2 which is likely to complete this year. There is a potential reprofiling of £23k for ongoing works.
Fire Risk Prevention Works	0	£50k allocated so far, work is generated from fire door inspections which is unknown at the moment
Rewiring	0	Spend is driven by what is required by voids and is not known at present
Lifeline Renewal Programme	0	
Finlock Gutter Improvements	(40)	Following conversation with surveyors there is no committed spend as the majority of the works are non capital
Rebuilding Retaining Walls	(50)	Work is reactive & unpredictable. Only minor works currently highlighted, not yet committed
Replacement Footpaths	(75)	Work is reactive & unpredictable. No works currently committed, remaining budget for ad-hoc requests
Driveways	0	Large jobs planned in next quarter
Fire Risk Prevention works voids	0	
Rewiring Unplanned Renewals	0	54 remedial jobs raises with costs unknown at present
Fire Risk Unplanned Renewals	(65)	Work was delayed while clarity was sought from H&S as to training requirement of operatives, work will begin to be booked in.
Roofing unplanned renewals	(60)	Review of roofing being carried out
Disabled Adaptations	0	Budget is expected to be fully spent by year end
Kitchen Modifications	0	The forecast takes into account £296k to be reprofiled into 24/25. Commitments of £505k.
Kitchen Modifications Voids	(125)	£75k required for multiple void kitchens on planned programme for 23/24. £125k to be returned as a saving.
Kitchens non voids	(16)	2 schedules, storage is limited so they are delayed this quarter. £10k committed. Procuring contractor for work.
Heating Upgrades	(30)	£75k is committed against this with a possible saving of £30k due to some older jobs which were billed at older pricing
Bathroom Modifications	0	£247k is committed against this so full spend is expected
Bathroom Modifications - voids	(10)	Volume of voids requiring bathroom mods remains steady.
Bathrooms non voids	(30)	Surveyors have jobs to raise following inspections but not as many as originally thought
Housing Window Replacement	0	Full spend is expected by year end
Carbon Management Plan (HRA)	0	40% to be spent in 23/24 and 60% to be reprofiled to 24/25 in accordance with the grant funding. Contract negotiations are nearly finalised with start on site to be during September.
Purchase of Council Houses	0	To date we have acquired 28 properties with a further 9 likely to complete this financial year (2023/24) - these are at conveyancing. A further 20 properties are at various stages in the pipeline, therefore unconfirmed due to the competitive nature of the housing market.
Rounds Gardens Capital	0	
Rounds Gardens demolition	0	
Property Repairs Team Vehicle	0	Expected receipt 23/24 provided there are no delays
	(485)	

Appendix 3:

Briefing paper: Voids Management

1.0 Introduction

A property is void from the time when a tenancy ends through to the date when a new tenancy starts.

It is in the interests of both the Council and incoming tenants to ensure that the void period remains as short as possible. The HRA is dependent on the income from its rents and service charges in covering the cost of the provision of services. The prudent management of voids also ensures that resulting council tax and utility standing charge liabilities are minimised.

There is no exact science to predicting how many properties will be returned as void as so many variables determine this. Indeed, patterns of voids so far during 2023/24 appear to have bucked the trend of the previous 5 years.

Over the last 5 years an average of 20 new voids arise each month. However, during 2023/24 this has increased by 30%, with 26 properties a month coming back as void in the first 8 months of the financial year. As well as the number increasing, two other trends have been noted during 2023/24:

- Of the new voids arising during 2023/24, 50% have been classed as major voids (requiring substantial works ahead of relet). It is usual for this to be in the region of 15-20%
- Sadly, so far in 2023, there have been 40 properties returned due to the death of the tenant. Anecdotally, this is a substantially higher rate than we would generally expect. Of particular significance is that 25% of these have been general needs family housing, resulting in an increase in larger homes being returned unexpectedly.

2.0 Current position with voids properties

There are currently 155 void properties within the Housing Revenue Account (HRA) portfolio.

Of the remaining properties:

- Works are in progress for the 64 voids properties – 50% of which are classed as major voids due to the level of works required. This costs on average £4,000 per property
- 91 properties are in the process of being relet (18 of which are already under offer / awaiting sign up)

3.0 Issues with the void works process – managed by the Property Repairs Service (PRS)

Issue and impact	What we are doing about it
Properties being returned in a worse condition than previously: <ul style="list-style-type: none">• 50% classed as major voids averaging £4,000 per property to bring back into use.	Due to the volume of major void receipts, additional budget is required to continue to manage the delivery of the service. After breaking down the list of current void properties between major & standard voids and estimating the expected number of new voids that will enter the

<ul style="list-style-type: none"> • Creates challenges as new voids in poor condition continue to arise. • Often require the co-ordination of several trades at any one time • There remain issues with availability of labour with some trades particularly difficult to source, for example – plastering, painting and roofing. • Some properties will often require full redecoration, which has to be done last. • Rent losses / council tax and utility standing charge liabilities. 	<p>workstream, it has been identified that a supplementary budget of £485,000 is required to deal with the current pressure of £366,000 as well as any additional demand before the end of the financial year.</p> <p>This is seen a worst-case scenario and will be funded from the HRA Reserve, the balance of which stood at £4.085m at the start of this financial year.</p> <p>PRS will endeavour to keep this withdrawal of reserves to a minimum by utilising current capital schemes to fund items such as replacement kitchens and bathrooms.</p> <p>This balanced approach will ensure that the voids can be returned in an efficient manner and allow the service to enter the new financial year on a sturdier footing.</p> <p>PRS are currently working with the finance business partner to request a realistic budget for voids for 2024/25. This is completed with consideration of the Council's commercial pillars.</p> <p>Increased housing management resource approved by Council in October 2023 to enable annual tenant property visits to check both welfare and the property condition. Recruitment to new posts in progress.</p> <p>Pre termination inspections introduced (when we receive notice of intention to terminate a tenancy). Where repairs are required because of damage (outside of fair wear and tear) these will be arranged and the tenant recharged the cost.</p> <p>There are contractors visiting many of our homes to carry out gas and other compliance testing programmes. Contractors are encouraged to be the eyes and ears of the Council and report back any concerns they have including regarding the condition of the property. If concerns are raised, the Housing Services Team will carry out a home visit to establish facts and arrange appropriate follow up action.</p> <p>Estate inspections resumed so are to pro-actively identify properties that are potentially in a poor state of repair (taking note of potential warning signs such as unkempt gardens / damaged glazing) and initiate appropriate follow up.</p> <p>Report to Cabinet December 2023 requesting finding to conduct a stock condition survey – 60% of stock and a rolling programme of 20% per annum thereafter.</p>
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	<p>Proactive identification of works that is both safe and appropriate to complete around the tenant when they have moved in.</p> <p>Robust tenancy management with both parties being aware of their obligations from the start of the tenancy.</p> <p>Use of 12-month probationary tenancies for new tenants of the Council. If they have satisfactorily conducted their tenancy for 12 months, they we can convert to a secure tenancy after 12 months. A home visit informs part of the review process. If there are concerns, then the probationary period will be extended or, if appropriate, it will be ended.</p>
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4.0 issues with the lettings process – managed by the Housing Advice and Benefits Team (HABT)

Issue and impact	What we are doing about it
<p>Reduced numbers on the waiting list</p> <ul style="list-style-type: none"> • resulting in a more limited pool of applicants for different property types • some properties become harder to let (for example first floor sheltered no lift and rural vacancies) • less able to build sustainable communities as lettings are only being made to those in most acute need. • in the last 5 years, new affordable housing supply in Rugby has substantially increased. Indeed, 1,200 brand new affordable homes have been delivered, mainly by registered providers, and with the council delivering 125 of its own. 	<p>Reviewing the Housing allocations Policy to make it more accessible to those with an affordable housing need.</p> <p>To pilot letting harder to let properties via private letting agents (applicants will still need to comply with the requirements of the housing allocation policy but the potential reach / awareness of availability will increase)</p> <p>To revisit the redesignation programme for older people's housing to rebalance supply against reduced demand - particularly for properties where there is no lift. Currently accounts for 36% of our total stock. More usual to be about 11% in a local authority of this size.</p> <p>To revisit the incentive scheme to encourage take up of 1-bedroom sheltered vacancies (the selling point is the reduced bills and that we could potentially offer a service to facilitate the move)</p> <p>Actively consider sale of properties where appropriate to do so (there is already an established acquisitions and disposals policy that can be used to progress this)</p>

<ul style="list-style-type: none"> As part of the S106 agreements, RBC officers nominated applicants from the waiting list to occupy these new homes. This has would account for a reduction in waiting list numbers as pent-up demand was met. It is anticipated that waiting list demand will gradually increase as registered providers refocus their business activity on improving their existing stock and in doing so reducing their development programmes. 	<p>Creative use of vacant properties to reduce reliance on private sector leased properties to meet temporary accommodation requirements.</p>
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5.0 Ensuring a one team approach to the voids management process.

In December 2022, the Property Repairs Service relocated to the town hall, from its previous base in Albert Street. One of the key objectives of this move was to ensure co-location of PRS and HABT to facilitate more joined up working in respect of voids management and the word housing service in respect of day-to-day repairs.

Despite this client / contractor relationship being in place for several years, it was not until 2023 that a service level agreement (SLA) was formally introduced, as a means of ensuring that the roles of each team is prescribed, and expectations laid out in terms of performance and associated performance measures. The SLA, was developed with the support of consultancy advice, includes management of the voids process.

Specifically in respect of voids management, the teams (PRS, HABT and Housing Services) have weekly meetings to retain oversight of the process, the status of current voids, the identification of newly arising risks and issues, target completion dates. These meetings also provide an opportunity for the housing advice team to highlight high priority properties for return, based on customer need, for example to facilitate the exit of a household from temporary bed and breakfast accommodation.

The service managers have quarterly joint / collaborative performance management meetings with both relevant Chief Officers and the finance business partner present. This is a further opportunity to Interrogate performance data as a means helping to drive change and improvements.

The utilisation of consultancy support from internal Audit has also enabled the voids process to be run through Engage software to enable the identification of areas where work may need to progress simultaneously rather than sequentially. As a result, a detailed process map of running from key to key is now almost complete.

6.0 Conclusion

In summary, there has been a triple compounding effect on voids:

1. A higher than usual level of voids
2. They are coming back in a poor condition.

3. The recent high rate of new supply (1200 homes in the last 5 years) via registered providers, along with the constraints of the current Housing Allocations Policy, have reduced current waiting list demand.

There are measures in place to tackle the identified issues which are within the reasonable control of the Council. This is supported by the much improved and collaborative approach to void management across teams.