

AGENDA MANAGEMENT SHEET

Report Title:	Finance and Performance Monitoring – Quarter 1 2024/25
Name of Committee:	Cabinet
Date of Meeting:	16 September 2024
Report Director:	Chief Officer - Finance and Performance
Portfolio:	Finance, Performance, Legal and Governance
Ward Relevance:	All Wards
Prior Consultation:	All Group Leaders
Contact Officer:	Paul Conway Finance Manager and Deputy S151 Officer paul.conway@rugby.gov.uk
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 2024/25 Quarter 1 finance and performance position for the Council and other adjustments for approval as required by Financial Standing Orders.
Financial Implications:	As detailed in the main report.

Risk Management/Health and Safety Implications:	This report is intended to give Cabinet an overview of the Council's forecast spending and performance position for 2024/25 to inform future decision-making.
Environmental Implications:	There are no environmental implications arising from this report and no environmental assessment is required for this report.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	No new or existing policy or procedure has been recommended and no Equalities Impact Assessment is required for this report.
Options:	Members can elect to approve, amend or reject the budget virement requests listed at recommendation 3.
Recommendation:	<ol style="list-style-type: none"> 1) The Council's forecast financial position for 2024/25 be considered; 2) Performance information in section 5 be noted; and 3) IT BE RECOMMENDED TO COUNCIL THAT the 2024/25 budget virements as detailed in section 4 to be approved.
Reasons for Recommendation:	A strong financial and performance management framework, including oversight by Councillors and the Leadership Team, is an essential part of delivering the Council's Corporate Strategy.

Cabinet - 16 September 2024

Finance and Performance Monitoring – Quarter 1 2024/25

Public Report of the Chief Financial Officer

Recommendation

- 1) The Council's forecast financial position for 2024/25 be considered;
- 2) Performance information in section 5 be noted; and
- 3) IT BE RECOMMENDED TO COUNCIL THAT the 2024/25 budget virements as detailed in section 4 to be approved.

1. EXECUTIVE SUMMARY

- 1.1. The main purpose of this report is to provide a summary of the 2024/25 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.
- 1.2. This is the first report on the financial position of the organisation following the change in the political administration in June. Following the introduction of the new Corporate Strategy and agreeing the priorities for the forthcoming years, there may need to be changes to spending plans, these will feature in future reports.
- 1.3. The key findings of this report are as follows:
 - **General Fund revenue** – in the General Fund there is a forecast pressure of £0.217m. This comprises of a £0.510m pressure across services which is offset by a (£0.293m) saving in the net cost of borrowing.
 - **General Fund capital programme** – the budget for the Capital programme is £8.270m compared to a £7.857m forecast. This reflects (£0.413m) of reprofiling due to scheme changes.
 - **Housing Revenue Account** – there is a forecast pressure of £0.823m across the HRA. This will reduce the contribution to reserves at the end of the year to keep the HRA main account balanced.
 - **Housing Revenue Account capital programme** – the Capital programme is forecast to consume £22.200m. This reflects a saving of (£0.193m).
 - **Savings programme** – the savings target for 2024/25 is (£3.033m). The latest projection is for (£2.990m) to be delivered. There is (£0.043m) at risk of not being achieved.

- **Budget virements** – there are £0.536m of budget virements that are seeking approval.
- **Performance measures** – quarter one (Q1) performance measures are detailed in Section 5.

2. BACKGROUND

- 2.1. Local Authorities have a requirement to account separately for core operational services and the provision of dwellings. This is achieved by creating two reporting functions. The General Fund and the Housing Revenue Account.
- 2.2. The General Fund is the main revenue account of the local authority, which includes day-to-day income and expenditure on the provision of services. Activities within the General Fund include waste and recycling, parks and recreation and regulatory services.
- 2.3. The 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.
- 2.4. 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 30 June 2024 (Q1).
- 2.5. 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. 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.
- 2.6. 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.

3. GENERAL FUND (GF)

GF Operating Position (Appendix 1)

- 3.1. The 2024/25 General Fund revenue forecast position is summarised below.

Table 1: General Fund 2024/25 Forecast

Type	Budget £000	Q1 Forecast £000	Q1 Variance to Budget £000
Cost of General Fund services	19,640	20,150	510
Corporate items	2,106	1,813	(293)
Total	21,746	21,963	217

- 3.2. Across the Council there is a forecast pressure of £0.217m compared to the budget of £21.746m. The service variance is £0.510m, which is offset from savings in the net cost of borrowing of (£0.293m).
- 3.3. The main contributing factors to the pressures are shown below. Further details of portfolio variances can be found in Appendix 1.
- 3.4. Operations and Traded Services is reporting a pressure of £0.397m:
- £0.223m – External Contractors/Income – expenditure related to the Sherborne facility is currently forecasting a pressure of £0.174m. Recycling materials are selling at less than was predicted and the gate fee is higher than anticipated, this is due to volatility in the market and higher than anticipated contamination levels. The facility is still in its infancy and the Council are working with the site and partner authorities to understand any potential challenges. Further detail will be reported as that work progresses. The use of a third-party haulage company is causing a pressure of £0.096m due to increased haulage required from the waste depot in Rugby to the Sherbourne facility or energy waste plant. The pressure is partly offset from the income reimbursed by Warwickshire County Council for recycling and a rebate from the Sherbourne Facility.
 - £0.280m – Staff and agency costs – the high levels of staff sickness, absence and vacancies 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. The service is working with HR to help manage sickness and absence levels as well as exploring initiatives to deliver efficiencies across working practices.
- 3.5. Finance and Performance, Legal and Governance reports a pressure of £0.345m:
- £0.115m – Audit Fees – as recommended to Council by Audit and Ethics Committee in December 2021, Rugby opted into the national procurement process for the new contract in relation to the external audit of the accounts. Officers expected an increase in the region of 150%, however the contract price was only communicated after the 2024/25 budget was set. Audit fees has risen considerably across the sector, the work has not increased and the Council is no greater risk than it was in previous years but the cost of the 2023/24 audit will be £179,000. The contract has been set and there is no ability to reduce or negotiate this, therefore the pressure will need to form part of the 2025/26 budget setting process.
 - £0.130m – Staff and agency costs – recruitment and retention of key roles continues to be a challenge, this is not unique for Rugby. Agency staff have been brought in to cover for vacant posts within the Portfolio. Experienced agency staff with the right level of skills are highly sought after and come at a premium cost.

3.6. Digital and Communications, Growth and Investment is reporting a saving of (£0.126m):

- (£0.100m) – Staff Costs – vacancies within the Portfolio have persisted through Quarter One. Professional roles have proved challenging to fill and specialist agencies have now been sought to assist with recruitment.

3.7. Corporate Items is reporting a saving of (£0.293m):

- (£0.293m) – Net Cost of Borrowing – the pressures on General Fund services are being alleviated by a saving in the net cost of borrowing. Interest rates were budgeted at a prudent and responsible level. With the Bank of England continuing to keep rates at an elevated level the Council has continued to see a benefit during the first quarter of this year. However, this benefit cannot be relied upon in future periods as the expectation remains that at some point interest rates will begin to fall.

GF Savings Programme (Appendix 1)

3.8. The councils 2024/25 savings programme totalled (£3.033m). 99% of the savings are forecast to be delivered.

Table Two: General Fund Savings Programme

Type	Target £000	£000	£000	£000
Savings target	(3,033)	(2,990)	(43)	-

3.9. The impact of non-delivery of savings plans means that the Councils reserve balances may need to be used to fund the pressures, or Council will be asked to approve additional savings proposals to ensure a balanced Medium Term Financial Plan. Progress on the plans will continue to be reported throughout the 2024/25 financial year.

GF Capital Programme

3.10. The approved General Fund capital programme is £8.270m, there is currently no reported variance.

Table Three: General Fund Capital Programme

Type	Revised Budget £000	Budget Reprofiled £000	Reprofiled Budget £000	Q1 Forecast £000	Variance to Budget £000
GF Capital	8,270	(413)	7,857	7,857	0

3.11. Where project timelines deviate from the original plan, reprofiling of the budget takes place. Currently within the general fund there is (£0.413m) of reprofiling. Of this total, (£0.385m) is related to the Alwyn Road changing rooms project. This is currently at design stage and main works aren't due to begin until April 2025. This is not an issue, however if schemes span multiple years there is a risk of increased costs although this is no projected at this time it will be monitored. As well as pushing costs back, on occasions

schemes will take place quicker than the original plan, in these circumstances there will be a positive balance for reprofiling.

3.12. A detailed summary of all the GF Capital programme for 2024/25 is shown in Appendix 1.

4. HOUSING REVENUE ACCOUNT (HRA)

HRA Operating Position (Appendix 2)

4.1. Housing rents were set by Council on 6 February 2024. Rent increases for 2024/25 were capped at 7.7% as announced in the Autumn Budget Statement on 22 November 2023.

4.2. The 2024/25 HRA revenue forecast position is summarised below.

Table Four: HRA Revenue Outturn Position

Type	Revised Budget £000	2024/25 Forecast £000	Outturn Variance to Budget £000
Income	(19,806)	(19,792)	14
Expenditure	15,422	16,231	809
Cost of HRA services	(4,384)	(3,561)	823
Interest and investment income/expense	(10)	(10)	0
Net cost after interest	(4,394)	(3,571)	823
Contribution to capital expenditure	4,345	3,522	(823)
Contributions to (+) / from (-) reserves	49	49	0
Total	0	0	0

4.3. Although the HRA will report a balanced position, where there are significant variances within function, they are shown below.

4.4. The Housing Repairs Account is reporting a pressure of £1.090m. This is due to the following factors:

- £0.650m – External Contractor spend – the pressure on spend from contractors can be attributed to the following.
- Due to a high volume of work being received that requires major works the service has been required to engage with specialist contractors.
- The Property Repairs team does not employ any roofers within the service, this is due in part to market conditions and the ability of the service to successfully recruit. As a result, roofing works is currently undertaken by a contractor. It is worth noting that if there were an internally employed roofing team to undertake the work, the costs would still be high as a large part of the cost relates to scaffolding where costs have increased across the sector, plus the scope of work required would also remain consistent.

- There are benefits to outsourcing the roofing works which include the reduced risk to the council given the high-risk nature of the work, the resilience an external provider can provide and the specialist skills that the local authority does not possess.
- A further high contractor spend over the past twelve month was on fencing works, this can be attributed to the extreme weather events within the Borough. Given the volume of work reported by tenants, contractors were required to support the direct labour force in the delivery of these services. The service is exploring options to bring fencing works inhouse to reduce costs and a review of all open jobs is underway. Measures taken to reduce spend include reducing the scope of works conducted on voids to minimise costs, while meeting lettable standard and reviewing of tenant and landlord responsibilities for responsive repairs.
- Officers are currently undertaking a review of the costs included in the reported pressure to determine whether any of the activity can be re allocated to the capital programme. Future reports will detail the impact of this.
- £0.263m – Contract Income – a budget was set with the intention to offer more external services. Due to the volume of internal works and pressure on the service to deliver in a timely manner, expansion of the service has not been possible. The service is planning to undertake a review to understand if there may be potential future capacity to offer additional external services.

4.5. Supervision and Management is reporting a (£0.296m) saving:

- (£0.296m) - Staff Costs – there are vacancies within Supervision and Management that have been difficult to recruit to or where recruitment activity has been paused. The service is currently reviewing different options with the intention of readvertising certain roles imminently.

HRA Capital

4.6. The approved HRA capital programme is £23.468m. Reprofiling and expected savings have resulted in a 2024/25 forecast of £22.200m.

Table Five: HRA Capital Programme

Type	Revised Budget £000	Budget Reprofiling £000	Reprofiled Budget £000	Q1 Forecast £000	Variance to Budget £000
HRA Capital Programme	23,468	(1,075)	22,393	22,200	(193)

4.7. The HRA capital programme is forecasting a (£0.193m) of savings. However, on the overall Biart Place scheme there is a 2024/25 forecast pressure of £0.201m. This comprises of a 2024/25 pressure of £0.396m on the construction budget and a saving of (£0.195m) on the design element.

4.8. The value for construction works is higher than originally budgeted, due to inflation in the period between the budget being approved and the final

contract being signed and from onsite compensation events. These costs relate to unexpected changes to the work that was not included in the original contract and include such items as making safe unidentified services and delays associated with extreme weather events in February 2024. The compensation events are difficult to predict, however, as the scheme progresses then the risk profile of these events occurring is diminishing as this is the phase of the project where the abnormal and unknown events tend to materialise.

4.9. Some of the pressures are being mitigated by a saving in the design phase of the scheme. With the design of the scheme complete and the successful novation of the architects and civil/structural engineers to the main contractor, future costs associated with design are included in the construction budget. This saving has occurred as when the budget was approved it included the option of Rugby retaining the design team for the whole scheme rather than them being novated to the main contractor.

4.10. Details of the HRA capital programme can be found in Appendix 2.

5. BUDGET VIREMENT REQUESTS

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

Table Six: Budget Virements

Portfolio	Value £	Details
From Growth and Investment to Regulation and Safety	302,180	To realign the Town Centre CCTV budget from Growth and Investment to Regulation and Safety so it is managed by the officers who use the CCTV most frequently.
From Corporate Items/Funding to Communities and Homes	234,040	To realign the Housing Benefit Administration Subsidy grant from Corporate Items to the Housing department where it can directly offset the expenditure incurred within the service.

6. PERFORMANCE SUMMARY

6.1. This section of the report summarises the performance of the organisation against key performance indicators (KPIs) for Q1. It provides a snapshot of key achievements and areas requiring improvement across various service areas.

6.2. For the first quarter of this financial year the Council has been continuing to explore new ways of presenting the performance information, whilst this work continues, the existing Power Bi dashboard continues to be operational and can be found [here](#). Work will continue between officers and members to develop this further, and updates will be reported in the coming months.

Q1 Highlights

6.3. During Q1 there has been a number of instances where performance has exceeded target. They include:

- The number of missed green waste bin collections has continued its downward trajectory, from 223 in the final quarter of 2023/24, to 173 in the first quarter of this financial year. Given that approximately half of the residents are subscribed to the service, the waste collection crews remain ever vigilant, observing whether a bin has been presented for collection.
- Another measure where performance is RAG rated green is the annual Housing Delivery Test where Rugby continues to exceed performance. High recent annual housing completions means that the Borough's performance on the government's metric remains strong
- In the first quarter of this financial year all the reported fly tipping incidents were investigated to identify if further work is required. Within the West Midlands Rugby has the fourth highest incidences of fly tipping for second tier authorities behind Warwick, Nuneaton and Bromsgrove. Additional work and resource allocated has been completed this quarter to tackle urban fly tipping on private land in alleyways.

Areas for Improvement

- 6.4. In certain areas performance has fell below the targets that were set at the beginning of the year. Some examples of this include:
- Although the percentage of major voids completed on time has increased from the final quarter of 2023/24, at 67%, it is still below the target of 80%. Major void receipts continue to be exceptionally high at 42% of all receipts. Despite utilising contractors for support the Council are still below target due to the scope of the work required on the properties handed back in. The service is currently in the final stages of working with Fusion21 framework to procure a larger contractor to provide additional support.
 - The percentage of sundry income outstanding more than 28 days after payment due date is currently below target. The overall debt outstanding is mainly historic with the in-year performance aligned to target. Historic debt will be reviewed to understand what proportion is collectable. The service has implanted new recovery processes and is working with PaymentPlan to establish methods of collecting money earlier in the payment cycle.
 - The percentage of roles offered within 65 days is currently RAG rated Amber. Professional roles including the Lead Accountant, Corporate Assurance Manager and Principal Planning Officers have proved challenging to fill within the 65 days. We are now posting our key roles on targeted job boards directly and purchasing LinkedIn jobs for professional roles.
- 6.5. 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: 16 September 2024

Subject Matter: Finance and Performance Monitoring – Quarter 1 2024/25

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

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
Finance, Performance, Legal & Governance	3,645	1,399	3,990	87	276	(18)		345
Communities and Homes, Regulation and Safety	5,261	3,908	5,180	(62)	49	(68)		(81)
Growth and Investment, Digital and Communications	1,746	1,159	1,620	3	1,070	(1,199)		(126)
Operations and Traded Services	5,012	579	5,409	275	222	(100)		397
Partnerships and Wellbeing	3,867	820	3,921	(92)	132	14		54
Organisational Change	109	100	31	(261)	1	182		(78)
Chief Executive	(0)	84	(1)	(1)	0	0		(1)
Corporate Items	2,106	763	1,813	0	(293)	(0)		(293)
Total Approved Budget	21,746	8,812	21,963	(51)	1,457	(1,189)	0	217

2) Head Count

Portfolio	Budgeted FTE's	Actual FTE's at Q1	Vacant FTE's
Finance, Performance, Legal & Governance	55.09	43.84	(11.25)
Communities and Homes, Regulation and Safety	96.10	87.43	(8.67)
Growth and Investment, Digital and Communications	79.68	66.81	(12.87)
Operations and Traded Services	125.84	128.26	2.42
Partnerships and Wellbeing	51.93	48.30	(3.63)
Organisational Change	15.40	8.08	(7.32)
Chief Executive	2.00	2.00	0.00
Total	426.04	384.72	(41.32)

3) Reserve Summary

Name of reserve	Balance at 01/04/24	Forecast contribution (to)/from	Balance at 31/03/25	Forecast contribution (to)/from	Balance at 31/03/26	Forecast contribution (to)/from	Balance at 31/03/27	Forecast contribution (to)/from	Balance at 31/03/28
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Gen Fund Revenue Acc	(2,250)	0	(2,250)	0	(2,250)	0	(2,250)	0	(2,250)
Business Rates Equalisation Reserve	(16,740)	(5,173)	(21,913)	(630)	(22,543)	(1,168)	(23,711)	(1,383)	(25,094)
Budget Stability Reserve	(3,013)	194	(2,819)	805	(2,014)	0	(2,014)	0	(2,014)
Town Centre Strategy Reserve	(4,810)	376	(4,434)	400	(4,034)	400	(3,634)	400	(3,234)
Other corporate reserves	(2,340)	(208)	(2,548)	287	(2,261)	103	(2,158)	103	(2,055)
Total corporate reserves	(29,153)	(4,811)	(33,964)	862	(33,102)	(665)	(33,767)	(880)	(34,647)
Finance, Performance, Legal & Governance	(59)	3	(56)	3	(53)	3	(50)	3	(47)
Communities and Homes, Regulation and Safety	(773)	(28)	(801)	(38)	(839)	(43)	(882)	42	(840)
Growth and Investment, Digital and Communications	(376)	0	(376)	0	(376)	0	(376)	0	(376)
Operations and Traded Services	(84)	0	(84)	0	(84)	0	(84)	0	(84)
Partnerships and Wellbeing	(100)	24	(76)	24	(52)	(6)	(58)	(6)	(64)
Organisational Change	0	0	0	0	0	0	0	0	0
Chief Executive	(2,901)	384	(2,517)	50	(2,467)	0	(2,467)	0	(2,467)
Total Portfolio earmarked reserves	(4,293)	383	(3,910)	39	(3,871)	(46)	(3,917)	39	(3,878)
Total Reserves	(33,446)	(4,428)	(37,874)	901	(36,973)	(711)	(37,684)	(841)	(38,525)

4) Delivery of new savings & income targets

PORTFOLIO	Total	Red	Amber	Green
	£000s	£000s	£000s	£000s
Finance, Performance, Legal & Governance	144			144
Growth and Investment, Digital and Communications	321			321
Communities and Homes, Regulation and Safety	369			369
Operation and Traded Services	245			245
Partnerships and Wellbeing	764			764
Organisational Change	0			0
Chief Executive	43			43
Corporate Items	1,147		43	1,104
TOTAL GF	3,033	0	43	2,990
Red and Amber savings- further details				
		£000s	£000s	
Corporate Items	Income related to the PAGOBO initiative		43	

5) Capital Summary

Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofiling Requests	Total Variance
	£000	£000	£000	£000	£000
Finance, Performance, Legal & Governance	30	0	30		0
Communities and Homes, Regulation and Safety	4,288	1,977	4,260	(28)	0
Growth and Investment, Digital and Communications	455	21	440		(15)
Operations and Traded Services	1,619	515	1,619		0
Partnerships and Wellbeing	1,878	108	1,508	(385)	15
Organisational Change	0	0	0		0
Chief Executive	0	0	0		0
Grand Total	8,270	2,621	7,857	(413)	0

7) Revenue variance narrative

PORTFOLIO	Total Q1 Variance to Budget	Item Variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Finance, Performance, Legal & Governance	345	130	Pressure	Expenditure	Finance & Performance Portfolio	Salaries and Agency costs	<p>Financial Services: A difficult recruiting environment for Finance professionals has resulted in using contractors as an interim measure to fill vacancies within the team.</p> <p>Revenues Team: An agency worker has been brought in to cover a vacant post within the team. Another agency worker has been brought in to provide cover and support to the Senior Systems Officer whilst processes are being reviewed.</p> <p>Corporate Assurance: Vacant Corporate Assurance Manager being filled by consultant until appointed to and a vacant Change Officer post which has resulted in more reliance on an external company so the audit plan for 2024/25 can still be achieved on time.</p>	<p>Financial Services: Experienced agency staff with the right level of skills are highly sought after and come at a premium cost.</p> <p>Revenues Team: This has allowed the team to maintain standard service provision.</p> <p>Corporate Assurance: The posts are being filled by a consultant and external contractor to allow for the Audit Plan 2024/25 to be achieved on time.</p>	<p>Financial Services: Another round of recruitment will commence during August for two roles within the team.</p> <p>Revenues Team: The Agency workers will continue to help with the backlog of work caused by system issues which have now been resolved. The backlog is estimated to take between 3 - 4 months to clear.</p> <p>Corporate Assurance: External spend will continue to be monitored and reviewed</p>
		115	Pressure	Expenditure	General Financial Services	External Audit Fees	The contract price of external audit fees was confirmed after the budget was set.	Impact on 2024/25 budget which was set prior to the announcement of the contract values.	Limited action as the fees are set nationally. Include as part of the 2025/26 budget setting process
Communities and Homes, Regulation and Safety	(81)	(105)	Saving	Expenditure	Regulation & Safety Portfolio	Salaries and Wages	<p>Bereavement Services: There is a vacant Bereavement Services Team Leader</p> <p>Safety and Resilience: There are 2 Safety and Resilience Officer posts currently vacant.</p> <p>Licensing: There are 2 vacant posts with the service. They are a Trainee Licensing Officer and an Enforcement Support Officer.</p>	<p>Bereavement Services: To reduce their gas bill, the service are planning on running two shifts per day. That means they will only have to start one cremator - normally two are switched on during the day to cope with the day's requirements. The cost of running a cremator is primarily the startup costs, once they are at the optimum temperature, they use less gas. Once the Bereavement Services Team Leader has been recruited to, the new shift pattern can start and the service should start to see a reduced gas bill.</p> <p>Safety and Resilience: With two vacant safety and resilience officers, services across the Council are not being exposed to the Safety and Resilience team as they should be.</p> <p>Licensing: Until the Enforcement Support Officer is recruited to, there will be a reliance on the Community Wardens to attend and repair broken machines within our car parks. With their primary focus being community work, it does cause a time lag in getting the machines back up and running.</p>	<p>Bereavement Services: Recruitment has been successful and employee will start September.</p> <p>Safety and Resilience: The posts have both been recruited to with the new employees due to start in August.</p> <p>Licensing: Vacancy estimated to be filled by the start of Quarter 4 once the job description has been reassessed.</p>
Growth and Investment, Digital and Communications	(126)	(100)	Saving	Salaries	Digital and Communications Portfolio	Salaries and Agency Costs	<p>Communications: There is a vacant Marketing Officer.</p> <p>ICT Services: There are 3 vacancies within the services. They are a GIS Specialist, a Senior ICT Officer and a Senior Business Analyst.</p> <p>Customer Services: There are 4 vacant posts within the service. They are a Team Leader, Customer Services Coach, Customer Experience Lead and an apprentice.</p> <p>Apprenticeship Scheme: There is a vacant corporate apprentice post.</p>	<p>Communications: With the vacant post, there is a pressure on the service.</p> <p>ICT Services: Agency workers have been used to cover the vacancies due to the nature of the service.</p> <p>Customer Services: These posts are likely to still be vacant for Quarter 2 whilst the posts are advertised. This is causing pressure on the service with a reduced workforce.</p> <p>Apprenticeship Scheme: There are no impacts on the service to this post being vacant. It has been decided that the corporate apprentice could be moved across to the Grounds Maintenance team.</p>	<p>Communications: If recruitment is successful, the post is estimated to be filled by October.</p> <p>ICT Services: These posts are being advertised through a specialist agency which will incur a recruitment fee with a the posts estimated to be recruitment by December, assuming new recruits notice period.</p> <p>Customer Services: The vacancies are yet to be advertised and there has been a redistribution of hours due to an employee retiring. Internal advertisement has also been considered to offer promotion opportunities.</p> <p>Apprenticeship Scheme: The Grounds Maintenance are reaching out to colleges with the aim of recruiting an apprentice.</p>
Operations and Traded Services	397	223	Pressure	Other Running Expenses/Income	Domestic Waste Collection	External Contractor & Operator	<p>Sherbourne Recycling: £174,000 pressure due to less than expected income received for recycling materials and high gate fees.</p> <p>Bulk Freight: £96,000 pressure due to increased haulage costs for materials from the waste depot in Rugby to the end destinations such as Sherbourne or energy from waste plant.</p> <p>The pressure is offset from the income reimbursed by Warwickshire County Council for Recycling.</p>	<p>Sherbourne Recycling: Recycling materials not selling at the predicted costs, meaning that the income is less than expected. Gate fees are also higher than budgeted for.</p> <p>Bulk Freight: Waste collection crews not currently direct delivering enough loads.</p>	<p>Sherbourne Recycling: Working with Sherbourne and partner authorities to understand why there is a reduction in income and what action needs to be taken.</p> <p>Bulk Freight: More teams to direct deliver to end destinations to reduce the cost of haulage. Potential budget increase for 25/26.</p>
		280	Pressure	Expenditure	Operations & Traded Portfolio	Salaries & Wages	The high levels of staff sickness, absence and vacancies 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.	The service will continue to overspend on agency until staff sickness and absence levels are reduced.	The service is working with HR to help manage sickness and absence levels as well as exploring initiatives to deliver efficiencies across working practices.
PORTFOLIO	Q1 Variance to Budget	Variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Organisational Change	(78)	(64)	Saving	Expenditure	Transformation Change Unit	Salaries & Wages	There is a vacant Programme Lead within the service. There is a Project Officer post which is filled on a part time basis however, the budget is set as 1 FTE.	The impact on the service is that work is having to be managed within the current establishment until the vacancy is filled.	Advert for the vacant post will be out shortly. This will be on an internal basis to start with to allow for promotion opportunities. If successful, the post is predicted to be filled by September.
Corporate Items	(293)	(293)	Saving	Income		Net cost of Borrowing	The pressures on General Fund services are being alleviated by a saving in the net cost of borrowing. Interest rates were budgeted at a prudent and responsible level. With the Bank of England continuing to keep rates at an elevated level the Council has continued to see a benefit during the first quarter of this year	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

8) Capital variance narrative

PORTFOLIO	Q1 variance	Scheme	Current Budget £000	Expenditure plus commitments £000	Current Forecast £000	Pending Reprofitting Requests £000	Variance £000	Narrative
Finance, Performance, Legal & Governance	0	Income Management System	30	0	30	0	0	The scheme was created because the Council needs to migrate the payment card system over to an upgraded cloud based version to avoid the current system becoming non-compliant with regulations.
			30	0	30	0	0	
Communities and Homes, Regulation and Safety	0	Lawrence Sheriff Almshouses	78	49	50	(28)	0	The final instalment of the grant is not scheduled to be paid until 2025/26
		Corporate Property Enhancements	157	10	157	0	0	This scheme was created to provide funds for enhancement works to take place across all corporate buildings.
		Housing Acquisition Fund	294	0	294	0	0	This scheme is used to purchase properties to add to our Housing Stock.
		Great Central Walk Bridge	371	16	371	0	0	This scheme was created for the refurbishment of bridges on the old railway line.
		Disabled Facilities Grant	768	0	768	0	0	This grant will be passed on in full to the third party responsible for allocating out the funding.
		Rainsbrook Cemetery preparation	2,492	1,911	2,492	0	0	This scheme was created to create a cemetery area at Rainsbrook Crematorium.
		Memorial Safety	60	1	60	0	0	This scheme is on the capital programme to allow for Headstone refurbishments to take place in Cemeteries to make them safe.
		Safer Streets	68	(11)	68	0	This scheme has been created for the purchase of additional CCTV cameras and upgrades around the Rugby area and improved lighting around St Andrews Church and Trinity Graveyard. The scheme is funded through the Safer Street 4 initiative and a joint application with Warwickshire County Council and the Police and Crime Commissioner was successfully approved in 2022/23.	
			4,288	1,977	4,260	(28)	0	
Growth and Investment, Digital and Communications	(15)	UKSPF Capital- Business and Community Hub	200	0	200	0	0	This scheme has been created to provide a physical and virtual space where local businesses, residents and delivery partners can come together.
		ICT Renewal Programme	114	15	114	0	0	This scheme is the annual ICT renewal programme for the replacement of client devices e.g. Laptops.
		ICT refresh programme - Infrastructure	50	(1)	50	0	0	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	0	18	0	0	This scheme is the annual ICT renewal programme for the replacement of equipment within meeting rooms, the Council Chamber and other work spaces which require IT equipment e.g. Microsoft Teams devices.
		Digitalisation and Development Programme	58	1	58	0	0	This scheme was created to drive digitalisation across the organisation.
			440	21	440	0	0	
Operations and Traded Services	0	Street Furniture	42	0	42	0	0	This scheme was created to allow for an annual refresh of bins, benches, bus shelters and other items within our Borough.
		Purchase of Waste Bins	88	0	88	0	0	This scheme is for the acquisition of domestic refuse bins for new housing developments. This scheme is financed through S106 contributions and other developer income.
		Purchase of Vehicles	1,489	515	1,489	0	0	This scheme allows for the regular replacement of Vehicles and Equipment for front line services within the General Fund.
			1,619	515	1,619	0	0	
Partnerships and Wellbeing	15	Open Spaces Refurbishment - Safety Improvements	118	0	118	0	0	This scheme has been created to allow for health and safety reviews to be carried out at various Play Area sites.
		Park Connector Network	237	0	237	0	0	This scheme has been created to connect Parks in the Borough with footpaths throughout Rugby.
		New Bilton Recreation Ground Refurbishment	150	0	150	0	0	This scheme has been created to refurbish the Play Area located at New Bilton Recreation Ground.
		Open Spaces Refurbishment - Charwelton Drive	150	0	150	0	0	This scheme has been created to refurbish the Play Area located at Charwelton Drive.
		Alwyn Road Changing Rooms	425	10	40	(385)	0	This is in the design stage of the scheme. The main works will begin in approximately April 2025, so most of the budget will be reprofiled into 25/26
		Open spaces refurbishment - Bawnmore rd play area	150	0	150	0	0	This scheme has been created to refurbish the Play Area located at Bawnmore Road.
		Betony Road Play Area	93	0	93	0	0	This scheme has been created to refurbish the Play Area located at Betony Road.
		Cawston Green Gym	44	0	44	0	0	This scheme has been created to refurbish the Green Gym space at Cawston Green.
		Centenary Park Allotments Newbold	71	0	71	0	0	This scheme has been created to development an allotment site at Centenary Park in Newbold.
		Brindley Road/Lennon Close Play Areas and Hillmorton Recreation Ground	80	0	80	0	0	This scheme has been created to refurbish the play areas at the following locations; Brindley Road, Lennon Close and Hillmorton Recreation Ground.
		play equipment refurbishment and youth provision	50	0	50	0	0	This scheme has been created to refurbish equipment that can be funded from Section 106 monies.
		Swimming Pool Support Fund	185	0	185	0	0	This scheme has been created to pass the grant funding onto our swimming pool operators. The grant was awarded to support with capital improvements to the Leisure Centre, specifically the swimming pool area.
		UKSPF Capital - St. Andrew's Garden Improvements	36	27	36	0	0	This scheme will provide improvements to make the area more secure through landscaping works.
		UKSPF Capital - Newbold Quarry accessibility Improvements	51	56	51	0	0	This scheme will secure the public space which as a disused quarry has health and safety implications.
		UKSPF Capital - Caldecott Park Accessibility Improvements	18	1	18	0	0	This scheme will provide improvements including installing toddler play equipment and improved paths around flowerbeds.
UKSPF Capital - Albert Street Hoarding	13	13	13	0	0	The remaining artist works on the hoarding installed at the site are now complete.		
UKSPF Capital- Pytchley Road Path Improvements	21	0	21	0	0	Approval received in July 2024 for a Park Connector scheme project to improve accessibility from Great Central Walk to Pytchely Road Bridge.		
			1,893	108	1,508	(385)	0	
General Fund Total	0		8,270	2,621	7,857	(413)	0	

Appendix 2 - Housing Revenue Account (HRA) Dashboard - Quarter 1 2024/25

1) Revenue Summary

Service	Current Budget	Total Income/Expenditure	Forecast	Pending Supplementary Budget /Virement	Pending Reserve Movement Requests	Total Variance
	£000	£000	£000	£000	£000	£000
Rent income from dwellings	(18,342)	(3,767)	(18,318)	0	0	24
Rent income from land and buildings	(129)	(26)	(124)	0	0	5
Charges for services	(1,180)	(233)	(1,180)	0	0	0
Contributions towards expenditure	(155)	(29)	(170)	0	0	(15)
Total Income	(19,806)	(4,055)	(19,792)	0	0	14
Transfer to Housing Repairs Account	4,779	1,530	5,869	0	0	1,090
Supervision & Management	6,810	699	6,514	0	0	(296)
Rent, rates, taxes and other charges	125	228	140	0	0	15
Depreciation and impairment	3,324	0	3,324	0	0	0
Provision for bad or doubtful debts	66	0	66	0	0	0
Total Expenditure	15,104	2,457	15,913	0	0	809
HRA share of Corporate/Democratic Core Costs	318	0	318	0	0	0
Net cost of HRA services	(4,384)	(1,598)	(3,561)	0	0	823
Interest payable and similar charges	1,105	0	1,105	0	0	0
Interest and Investment Income	(1,115)	0	(1,115)	0	0	0
Net Operating expenditure	(4,394)	(1,598)	(3,571)	0	0	823
Contributions to (+) / from (-) reserves	49	0	49	0	0	0
Revenue Contributions to Capital Expenditure	4,345	0	3,522	0	0	(823)
(Surplus) / Deficit for the Year on HRA Services	0	(1,598)	0	0	0	0

2) Head Count- Vacancies (HRA)

Service	Budgeted FTE's 24/25	Actual FTE's at Q1	Vacant FTE's at Q1
Housing	48.41	36.00	(12.41)
Property Repairs Service	50.32	44.03	(6.29)
	98.73	80.03	(18.70)

3) Reserves & Balances

Name of reserve / balance	Balance as at 1/04/24	Forecast contribution (to)/from	Forecast balance as at 31/03/25	Forecast contribution (to)/from	Forecast balance as at 31/03/26	Forecast contribution (to)/from	Forecast balance as at 31/03/27
	£000	£000	£000	£000	£000	£000	£000
Housing Revenue Account Balances	(4,085)	0	(4,085)	0	(4,085)	0	(4,085)
HRA Capital Balances	(15,498)	132	(15,366)	(4,795)	(20,161)	(4,225)	(24,386)
HRA Major Repairs Reserve	(5,802)	756	(5,046)	(756)	(5,802)	(512)	(6,314)
Housing Repairs Account	(16)	16	0	0	0	0	0
HRA Climate Change Reserve	(1,512)	1,315	(197)	0	(197)	0	(197)
HRA - Transformation Reserve	(77)	(77)	(154)	0	(154)	0	(154)
Sheltered Housing Rent Reserve	(407)	(49)	(456)	(51)	(507)	(53)	(560)
Right to buy Capital Receipts	(12,040)	2,600	(9,440)	0	(9,440)	0	(9,440)
	(39,437)	4,693	(34,744)	(5,602)	(40,346)	(4,790)	(45,136)

5) Revenue variance narrative

Service	Q1 Variance £000	Item variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Housing Repairs Account	1,090	650	Pressure	Expenditure	Property Repairs Team	External Contractors	There is a large volume of unplanned works within the service, especially in relation to roofing. The Property Repairs team does not employ any roofers within the service, this is due in part to market conditions and the ability of the service to successfully recruit. As a result, roofing works is currently undertaken by a contractor. It is worth noting that if there were an internally employed roofing team to undertake the work, the costs would still be high as a large part of the cost relates to scaffolding where costs have increased across the sector, plus the scope of work required would also remain consistent. A further high contractor spend over the past twelve months was on fencing works, this can be attributed to the extreme weather events within the Borough. Given the volume of work reported by tenants, contractors were required to support the direct labour force in the delivery of these services.	This work will create a 2024/25 budget pressure.	Work is underway to determine if any of the current expenditure can be capitalised. Scaffold costs and labour costs in this industry continue to rise. A new contractor is being procured and will utilise the NATFED schedule of rates for quoted works. The service are bringing fencing jons back inhouse to reduce costs and a review of all open jobs is underway. Surveys to ensure that we meet our commitments to council requirements but no additional works to be carried out.
		263	Pressure	Income	Property Repairs Team	Contract Income - Internal	Due to the volume of internal works and pressure on the service to deliver in a timely manner, expansion of the service has not been possible	Pressure on this years income target	Income Target to be reviewed during 2024/25
Supervision & Management	(296)		Saving	Expenditure	HRA	Salaries	There are vacancies within Supervision and Management that have been difficult to recruit to or where recruitment activity has been paused.		The service is currently reviewing different options with the intention of readvertising certain roles imminently.

4) Capital Summary

Service	Current Budget £000	Total Expenditure £000	Forecast £000	Pending Supplementary Budget/ Virement/ Reprofiling £000	Total Variance £000	Narrative
Biart Place - Construction	9,455	1,652	13,226	3,375	396	The value for construction works is higher than originally budgeted, largely due to inflation in the period between the budget being approved and the final contract being signed. There is also a pressure arising from onsite change events, submitted by the main contractor under the terms of the NEC3 contract. As construction is getting out of the ground then the risk profile of these events occurring is diminishing as this is the phase of the project where the abnormal and unknown events tend to materialise. £3.375m budget reprofiling required to realign budgets based on the current programme.
Biart Place- Design	221	18	26	0	(195)	With the design of the scheme complete and the successful novation of the architects and civil / structural engineers to the main contractor, future costs associated with design are included in the construction budget. This saving has occurred as when the budget was approved it included the option of RBC retaining the design team for the whole scheme rather than them being novated to the main contractor.
Housing Management System	82	31	82	0	0	
Fire Risk Prevention Works	100	3	100	0	0	Expected to spend all budgets - around 50% actually committed
Rewiring	160	44	160	0	0	Expected to spend all of budget spend currently on track
Lifeline Renewal Programme	46	13	60	0	14	
Finlock Gutter Improvements	100	8	100	0	0	
Rebuilding Retaining Walls	102	5	102	0	0	
Replacement Footpaths	119	(14)	119	0	0	
Driveways	40	(14)	40	0	0	
Fire Risk Prevention works voids	70	24	90	0	20	Virement required between Fire Risk work schemes
Rewiring Unplanned Renewals	100	0	100	0	0	Currently expected to budget.
Fire Risk Unplanned Renewals	60	0	40	0	(20)	Virement required between Fire Risk work schemes
Roofing unplanned renewals	62	0	62	0	0	
Lesley Souter house new boiler and building management system	68	74	74	0	6	
Disabled Adaptations	250	51	250	0	0	Budget currently on track to spend
Kitchen Modifications	859	234	859	0	0	Expected to spend all budgets - around 75% already allocated
Kitchen Modifications Voids	200	15	65	0	(135)	Virement required between Kitchen schemes
Kitchens non voids	52	47	185	0	133	Virement required between Kitchen schemes
Heating Upgrades	60	17	60	0	0	Expected to spend budget - scheme currently on track
Bathroom Modifications	358	36	358	0	0	
Bathroom Modifications - voids	100	19	100	0	0	
Bathrooms non voids	50	(0)	50	0	0	
Carbon Management Plan (HRA)	1,315	547	1,309	0	(6)	Full budget to be spent but will review at Q2
Purchase of Council Houses	7,450	2,138	4,000	(3,450)	0	Following a review of market conditions and specific client requirements it is unlikely that the full £7.450m will be utilised in this financial year.
Rugby Gateway - Cala Homes	0	(3)	0	0	0	
Rounds Gardens Capital	0	1	0	0	0	
Rounds Gardens demolition	522	46	115	0	(407)	Demolition works are completed; final account yet to be agreed. Concrete barriers installed on site. Site is secured, with access only for maintenance vehicles. Low level fencing is in place. Circa £400k saving against original budget
Rounds Gardens- Design and Legal Fees	1,381	0	381	(1,000)	0	£1m to be reprofiled to 25/26- initial design works started in July to be followed by more detailed design. Awaiting further outputs from design before next stage (detailed design) and further contractual commitment.
Property Repairs Team Vehicle	86	0	86	0	0	
Overall Total	23,468	4,992	22,200	(1,075)	(193)	