

Agenda No 8

AGENDA MANAGEMENT SHEET

Report Title:	Finance and Performance Monitoring – Quarter 2 2024/25
Name of Committee:	Cabinet
Date of Meeting:	2 December 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 paul.conway@rugby.gov.uk
Public or Private:	Public
Report Subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities: (C) Climate (E) Economy (HC) Health and Communities (O) Organisation	<p>This report relates to the following priority(ies):</p> <p><input checked="" type="checkbox"/> Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)</p> <p><input checked="" type="checkbox"/> Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)</p> <p><input checked="" type="checkbox"/> Residents live healthy, independent lives, with the most vulnerable protected. (HC)</p> <p><input checked="" type="checkbox"/> Rugby Borough Council is a responsible, effective and efficient organisation. (O)</p> <p>Corporate Strategy 2021-2024</p> <p><input type="checkbox"/> This report does not specifically relate to any Council priorities but</p>
Summary:	This report sets out the 2024/25 Quarter 2 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; and 2) performance information in section 5 of the report be noted.
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 - 2 December 2024

Finance and Performance Monitoring – Quarter 2 2024/25

Public Report of the Chief Financial Officer

Recommendation

- 1) The Council's forecast financial position for 2024/25 be considered; and
- 2) performance information in section 5 of the report be noted.

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 and performance measures.
- 1.2. The key findings of this report are as follows:
 - **General Fund revenue** – in the General Fund there is a forecast pressure of £0.850m. This comprises of a £1.402m pressure across services which is offset by a (£0.552m) saving in the net cost of borrowing.
 - **General Fund capital programme** – the budget for the Capital programme is £9.172m compared to a £8.750m forecast. This majority of the difference reflects (£0.413m) of reprofiling due to scheme changes.
 - **Housing Revenue Account** – there is a forecast pressure of £0.230m 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 £21.008m. This reflects a saving of (£0.254m).
 - **Savings programme** – the savings target for 2024/25 is (£3.033m). The latest projection is for (£2.972m) to be delivered. There is (£0.061m) at risk of not being achieved.
 - **Performance measures** – quarter two 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 September 2024 (Quarter Two).
- 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	Q2 Forecast £000	Q2 Variance to Budget £000
Cost of General Fund services	19,640	20,150	21,042	1,402
Corporate items	2,106	1,813	1,554	(552)
Total	21,746	21,963	22,596	850

- 3.2. Across the Council there is a forecast pressure of £0.850m compared to the budget of £21.746m. The service variance is £1.402m, which is offset from savings in the net cost of borrowing of (£0.552m).
- 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. Staffing and agency costs across the Council are reporting a pressure of - £0.510m:
 - There are several services that are experiencing pressures relating to staffing costs. Operations and Traded are enduring elevated levels of staff sickness and absence. This has necessitated the need to turn to the

agency market and offer overtime to ensure that the service continues to operate. On average the Council is currently losing 5.1 days per FTE to short term sickness and illness. Within the professional services functions such as Legal, Finance and Planning, agency staff are being utilised to cover key roles within the teams. Experienced agency staff with the right level of skills are highly sought after and come at a premium cost. The current staff turnover rate across the Council is 15.7% against a year end target of 13.4%. Vacancies within services such as Information Technology are producing savings that are offsetting against the overall pressure.

3.5. Costs associated with the Sherborne Recycling Facility are forecast to produce a pressure of £0.365m:

- As reported at quarter one the Sherborne facility is forecasting a pressure against the original business plan. The gate fee is higher than anticipated due to higher debt servicing costs and increased overheads at the site. Recycling materials are selling at less than was predicted which is due to volatility in the market and higher than anticipated contamination levels. The use of a third-party haulage company is causing a pressure due to increased haulage required from the waste depot in Rugby to the Sherborne 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 Sherborne Facility. The facility is currently in the process of producing a detailed forecast update which will be available to Sherborne partners during quarter three.

3.6. Planning income is currently reporting a forecast pressure of £0.150m:

- The number of major applications which attract large fees is lower than what was anticipated when compared against the 5 year average which was the basis on how the budget was set. This has had an impact on the income forecast. Householder applications have kept pace with prior years but as the fees are significantly smaller this is not having an impact on the pressure. Income generated will be kept under review because forecasting demand is traditionally complicated even with the detailed data officers hold on development in the Borough.
- The Council offers a paid pre-app service for potential development schemes which is well used and officers discuss potential timeframes with applicants/developers. However, fee income is entirely out of the Council's control and developers for commercial sensitivity reasons tend to be cautious on what they disclose.

3.7. External Audit Fees are reporting a pressure of £0.115m

- The quarter one forecast contained the audit fee pressure. Rugby is part of the national procurement process for external audit services. For 2024/25 officers expected an increase in the contract value of 150%. However, the contract price was only communicated after the 2024/25 budget was set. Audit fees have 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 current forecast 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. Further to the above and due to the 2023/24 audit taking longer than was originally planned there is the mechanism through the PSSA agreement that the Council could incur potential additional charges.

3.8. Net cost of borrowing is reporting a saving of (£0.593m)

- 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 second 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)

3.9. The Council's 2024/25 savings programme totalled (£3.033m). 98% of the savings are forecast to be delivered.

Table Two: General Fund Savings Programme

Type	Target £000	£000	£000	£000
Savings target	(3,033)	(2,972)	(61)	-

3.10. The impact of non-delivery of savings plans means that the Council's 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.

3.11. In addition to the savings approved as part of the budget setting process, the general fund also has embedded savings in relation to digitalisation (£0.173m) and a general corporate savings target (£0.300m) as at quarter 2 these are ranked as Amber.

GF Capital Programme

3.12. The approved General Fund capital programme is £9.172m, there is currently (£0.074m) of forecast savings.

Table Three: General Fund Capital Programme

Type	Revised Budget £000	Budget Reprofiled £000	Reprofiled Budget £000	Q1 Forecast £000	Q2 Forecast £000	Variance to Budget £000
GF Capital	9,172	(413)	8,759	7,857	8,685	(74)

3.13. 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 not 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.

- 3.14. 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. The Housing Revenue Account is forecasting a pressure of £0.230m that will be offset by a reduction in the planned contribution to reserves to produce a balanced budget.

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

Table Four: HRA Revenue Outturn Position

Type	Revised Budget £000	Q1 Forecast £000	Q2 Forecast £000	Outturn Variance to Budget £000
Income	(19,806)	(19,792)	(19,793)	13
Expenditure	15,422	16,231	15,751	328
Cost of HRA services	(4,384)	(3,561)	(4,042)	341
Interest and investment income/expense	(10)	(10)	(121)	(111)
Net cost/(surplus) after interest	(4,394)	(3,571)	(4,163)	230
Contribution to capital expenditure	4,345	3,522	4,114	(230)
Contributions to (+) / from (-) reserves	49	49	49	0
Total	0	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 £0.636m. This is due to the following factors:
- There is a £0.355m pressure relating to external contractors and material costs. This is due to a high volume of work being received that requires major works the service has been required to engage with specialist contractors. As reported during the first budget monitoring report of 2024/25 the majority of the pressure relates to roofing costs.
 - The roofing work for the team is undertaken by a contractor due to the nature of the expertise and the difficulty in recruitment. 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.

- During quarter two officers undertook a review of the year-to-date costs and were able to reclassify £0.160m as capital spend. Ongoing costs in this area will continue to be reviewed and where appropriate they will be added to the capital programme. However, this may result in a report being presented to Council requesting an additional capital budget.
- £0.266m – 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 (£0.323m) saving:

- (£0.390m) – Staff Costs - There are vacancies within Supervision and Management that are providing a saving where roles 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.

4.6. Net cost of borrowing is reporting a saving of (£0.111m)

- Similarly to the General Fund the HRA is benefiting from interest rates remaining at elevated levels.

HRA Capital

4.7. The approved HRA capital programme is £23.468m and includes the Council's house building programme of works.

Table Five: HRA Capital Programme

Type	Revised Budget £000	Budget Reprofiling £000	Reprofiled Budget £000	Q1 Forecast £000	Q2 Forecast £000	Variance to Budget £000
HRA Capital Programme	23,468	(2,206)	21,262	22,200	21,008	(254)

4.8. The HRA capital programme is forecasting a (£0.254m) saving. There is a (£0.407m) saving related to the demolition work at Rounds Gardens. Where demolition is complete and concrete barriers have been installed to secure the site with access only available to maintenance vehicles. Initial design works for the site started in July and will be followed by more detailed plans.

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

5. PERFORMANCE SUMMARY

- 5.1. This section of the report summarises the performance of the organisation against key performance indicators (KPIs) for Q2. It provides a snapshot of key achievements and areas requiring improvement across various service areas.

Table Six: Performance Summary

Quarter Two Performance	Total	RAG Rating			
Key Performance Indicators	76	42	14	11	9

- 5.2. The Power Bi dashboard that contains the full suite of measures can be found [here](#).

Q2 Highlights

- 5.3. During Q2 there has been a number of instances where performance has exceeded target. They include:
- The percentage of sundry debts collected has improved by 28% from quarter one. This is due to changes in billing practices and the introduction of new payment methods such as payment at point of delivery.
 - The Council continues to be able to comfortably demonstrate a pipeline of more than 5 years' worth of housing land supply assessed against the Local Plan. With current supply available being 6.1 years.
 - Another metric that is currently rated green is the number of days taken to new taxi driver applications. The target is within 12 days with the current time taken being 1 day.

Areas for Improvement

- 5.4. In certain areas performance has fell below the targets that were set at the beginning of the year. Some examples of this include:
- There was a decrease in the percentage of all year non domestic rates collected The target is 97.4% with 93.0% collected by Quarter 2.
 - Within the property repairs service major void receipts continue to be high. Despite utilising contractors for support, we are still below target due to the scope of the work required on the properties handed back in. A framework is being initiated with procurement to invite the existing contractors to apply, this has 5 lots including voids and will help RBC to be best placed to deliver the service. The lettings team are also managing to pre let properties before they are being received back from the service.
 - The percentage of planned food inspections completed is currently rated red. This in part is due to officer capacity. There were an additional 25

visits to E rated premises as part of the Covid catch-up, or new business registration visit. Any deficits will be caught up over next two return periods.

- 5.5. 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: 2 December 2024

Subject Matter: Finance and Performance Monitoring – Quarter 2
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

Appendix 1 - General Fund Dashboard - Quarter 2 2024-25

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	2,935	4,371	435	574	(219)		726
Communities and Homes, Regulation and Safety	5,563	7,959	5,466	33	82	(212)		(97)
Growth and Investment, Digital and Communications	1,444	2,553	1,384	(141)	1,271	(1,015)		(60)
Operations and Traded Services	5,012	2,021	5,908	552	408	(64)		896
Partnerships and Wellbeing	3,867	1,670	3,906	(104)	132	10		38
Organisational Change	109	212	8	(286)	9	177		(100)
Chief Executive	(0)	155	(1)	(1)	0	0		(1)
Corporate Items	2,106	1,258	1,554	150	(702)	(0)		(552)
Total Approved Budget	21,746	18,764	22,595	638	1,775	(1,321)	0	850

2) Head Count			
Portfolio	Budgeted FTE's	Actual FTE's at Q2	Vacant FTE's
Finance, Performance, Legal & Governance	55.09	44.57	(10.52)
Communities and Homes, Regulation and Safety	96.10	89.56	(6.54)
Growth and Investment, Digital and Communications	79.68	63.87	(15.81)
Operations and Traded Services	125.84	126.62	0.78
Partnerships and Wellbeing	51.93	52.61	0.68
Organisational Change	15.40	9.40	(6.00)
Chief Executive	2.00	2.00	0.00
Total	426.04	388.64	(37.40)

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)	0	(2,819)	0	(2,819)	0	(2,819)
Town Centre Strategy Reserve	(4,810)	692	(4,118)	400	(3,718)	400	(3,318)	400	(2,918)
Other corporate reserves	(2,340)	(208)	(2,547)	103	(2,444)	103	(2,341)	103	(2,238)
Total corporate reserves	(29,152)	(4,495)	(33,648)	(127)	(33,775)	(665)	(34,440)	(880)	(35,320)
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	(33,445)	(4,112)	(37,558)	(88)	(37,646)	(711)	(38,357)	(841)	(39,198)

4) Delivery of new savings & income targets				
PORTFOLIO	Total	Red	Amber	Green
	£000s	£000s	£000s	£000s
Finance, Performance, Legal & Governance	144		18	126
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	61	2,972
Red and Amber savings- further details				
		£000s	£000s	
Corporate Items	Income related to the PAGOBO initiative		43	
Pension recharges	2024/25 WCC Pension Recharges		18	

5) Capital Summary					
Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofilling Requests	Total Variance
	£000	£000	£000	£000	£000
Finance, Performance, Legal & Governance	30	0	30		0
Communities and Homes, Regulation and Safety	4,288	2,083	4,167	(28)	(93)
Growth and Investment, Digital and Communications	1,343	142	1,362		19
Operations and Traded Services	1,619	855	1,619		0
Partnerships and Wellbeing	1,893	326	1,507	(385)	(0)
Organisational Change	0	0	0		0

Chief Executive	0	0	0		0
Grand Total	9,172	3,407	8,685	(413)	(74)

Digital & Communications, Growth & Investment	(60)	(250)	Saving	Expenditure	Digital and Communicatio ns Portfolio	Staff Costs	Communications: There is a vacant Marketing Officer £32,000 variance. ICT Services: £126,000 variance relates to 3 vacancies within the services. They are a GIS Specialist, a Senior ICT Officer and a Senior Business Analyst.	Communications: With the vacant post, there is a pressure on the service. ICT Services: Agency workers have been used to cover the vacancies due to the nature of the service.	Communications: If recruitment is successful, the post is estimated to be filled by January. ICT Services: These posts are being advertised through a specialist
		53	Pressure	Expenditure	Digital and Communicatio ns Portfolio	Recruitment Costs	This cost relates to the expected recruitment cost for ICT Services and Communications. It is based off historical costs and the fact that the service will need to use a specialist agency to recruit the vacant posts.	Please see above notes. The posts are likely to be vacant for most of Q3 due to potential notice periods and having to use a recruitment agency. Consultancy agency is being used to cover the positions in the intrim.	Continuing use of consultants and agency are covering the positions until suitable candidates can be found to fill the positions on a permanent basis. The servcie is using proven recruitment agencies.
		27	Pressure	Expenditure	ITC & Support Service	Consultancy Costs	Consultants are being used to cover the work required by some of the vacant posts. Consultants are covering the essential operational tasks and are employed on a monthly basis.	Once the vacant posts are filled the consultancy costs will be reduced. There will be some crossover time to enable the consultant to pass on any tasks to the FTE once they are in post.	Service are using consultants that are know to them and have provided support in the past as well as negotiating lower fees for offering longer fixed contracts based off expected timelines for the vacant post to be filled.
		150	Pressure	Income	Planning Services	Planning Income	<p>Ongoing uncertainty in the global economic market, interest rate levels and cost of living concerns is making investors and individuals more cautious about commencing development. Impact from initially the General Election in July 24 and now the scheduled Budget by the new administration at end of Oct 24 adding further uncertainty and meaning the submission of major applications in particular are being delayed or held back.</p> <p>The Ministry of Housing, Communities and Local Government, has reported that across the country planning application submissions and determinations during 23/24 dropped by 11% compared to 22/23. Rugby Borough Council has not been immune from this trend, although based on current trends for Q1 & Q2 of 24/25 the Council is projected to receive slightly more applications during 24/25 than it did for 23/24 and be back to annual levels that were seen pre-pandemic. However, there has been a drop in the number of major applications and those with the larger fees for the reasons explained above.</p>	<p>Potential short term overspend and greater pressure to fulfil our statutory duties as uncertainty over fee income remains.</p>	<p>RBC offer a paid pre-app service for potential development schemes which is well used and we discuss potential timeframes with applicants/developers. However, fee income is entirely out of officers control and developers for commercial sensitivity reasons tend to be cautious on what they will tell us. We are monitoring revenue streams and costs very closely as one single application could attract a fee of several £100,000s.</p>
		(332)	Savings	Expenditure	Growth & Investment Portfolio	Salary Costs	<p>Development Strategy: 2 posts which are budgeted as 1 FTE but both posts are filled with part time hours. 1 vacant Senior Planning Officer.</p> <p>Major Projects & Economic Development: The Economic Development team have struggled to recruit to two posts during the year but was fully staffed at the end of 2023/24. The Economic Development Lead post has been vacant as of Mid-August and is currently being covered by a consultant and the Economic Development Officer Post will also be vacant from mid-October 2024. A vacant PPO in major projects from May-September 2024, post is now filled from early September 2024.</p> <p>Land Charges: The Land Charges and Planning Technical Officer role was filled during Q1 but then became vacant again during Q2. Planning Services - Underspend on salaries and wages resulted from several vacancies within the team. At the end of Q2, two principal planning officer posts and one graduate planning officer post remain vacant.</p> <p>Agency: Used to fill vacant Senior Planning Officer Post.The Economic Development Lead Post has been vacant since August 2024 and now the Economic Development Officer (Mid-October) and with the focus of the Economic Strategy by the Council post election and the need to focus resource to spend UK Government Funding (UKSPF), consultancy staff are required to deliver our corporate priorities.</p>	<p>Agency is being used to fill the vacant posts which comes at a higher cost. A consultant is picking up work that would have been allocated to the Economic Development Lead and further consultant that has been employed to deal with UKSPF projects is also absorbing some work the Economic Development Officer conducted. The vacant post within the Local Planning Authority results in the service being unable to fulfil its statutory duties and could potentially fail provide a Local Land Charge service in a timely manner. The vacant posts within the Local Planning Authority results in the service being unable to fulfil its statutory duties and provide decisions in a timely manner. This can lead to stifling economic growth and uncertainty with developers and investors. It also exposes the Council to potentially more appeals and expense if performance targets are not achieved. Agency: Additional cost, offset by underspend on salaries & wages. Work is being distributed across remaining members of staff until consultancy staff are in place. Agency staff that are proficient and experienced enough with the right level of skills in planning are highly sought after and come at a premium cost.</p>	<p>Salaries & Wages: Use of agency to fill vacant posts will be reviewed in Q4 2024-25. Approval in October was given by Cabinet for an Economic Development Manager. The Council will advertise the vacant posts for: Economic Development Manager, Senior Economic Development Officer (Economic Development Lead)and Economic Development Officer in October 2024. If the recruitment is be unsuccessful, the service will need to look at the reasons why the posts aren't attracting interest. which may require market supplements as these are not attached to the posts currently. The Role has been advertised and shortlisting is currently underway. It is hoped a suitable candidate can be found to enable the Council to fulfil its statutory functions and reduce the additional burden on the team. Active recruitment drives to try and fill the latest identified vacant posts has failed. Securing experienced, competent and qualified individuals remains a considerable challenge and we have failed to recruit to principal officer level twice this financial year, so there is a continued need to rely on agency staff in the interim to ensure statutory services are delivered.</p> <p>To embed consutancy staff in to focus and deliver the UK Government Grants as well as the Economimc Strategy. The longer term action is to investigate the current structure and resource across Major Projects and Economic Development, which is underway. Further vacancies will lead to greater reliance on agency staff. This will be monitored but is rising due to an increase in vacancies and the inability to fill those posts.</p>
		292	Pressure	Expenditure	Growth & Investment Portfolio	Agency Costs	The spend on agency staff was as a consequence of the vacancies in the team which needed to be filled to ensure that we could maintain statutory services but also to help the well being of existing staff on whom the workload would otherwise fall.		
Operations and Traded Services	896	366	Pressure	Other Running Expenses/In come	Domestic Waste Collection	External Contractor & Operator	<p>Sherbourne Recycling: £270,000 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>There are currently four vacancies across the Development Management Team and whilst some of these roles are backfilled by agency staff to ensure the Council is fulfilling its statutory duties this monitoring is ongoing in light of a drop in fee income.</p>
		607	Pressure	Expenditure	Operations & Traded Portfolio	Salaries & Wages	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. Agency are also used to cover Annual Leave as there are no operatives availbe to cover on this the Establishemnet list. Agency is also being used to fill 2 vacant office staff positions until approval for salaries to be added to the establishment list have been approved. These are the Fleet Manager and WSU Finance admin assistant.	The service will continue to overspend on agency until staff sickness and absence levels are reduced. A growth form had been requested for additional pool of staff to cover the Annual leave for existing operatives only, the high level of sickness is expected to lower as this is managed over the rest of the financial year.	The service is working with HR to help manage sickness and absence levels as well as exploring initiatives to deliver efficiencies across working practices. There is currently 7 Long Term Sick.

PORTFOLIO	Q2 Variance to Budget	Variances to budget	Pressure/(S aving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Partnerships and Wellbeing	38								

[illegible]

8) Capital variance narrative								
PORTFOLIO	Q2 variance	Scheme	Current Budget £000	Expenditure plus commitments £000	Current Forecast £000	Pending Reprofiling 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.
	0.00	0	0	0	30	0	0	0
Communities and Homes, Regulation and Safety	(93)	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	22	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. There are no likely purchases at this time that meet the requirements.
		Great Central Walk Bridge	371	276	278	0	(93)	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.
		UKSPF - White Good Scheme	0	1	0	0	0	
		Rainsbrook Cemetery preparation	2,492	1,730	2,492	0	0	This project is to create a cemetery area at Rainsbrook Crematorium.
		Memorial Safety	60	8	60	0	0	This scheme is on the capital programme to allow for Headstone refurbishments to take place in Cemeteries to make them safe. The next stage of the project is to enagage with suppliers. The project is expected to be complete by 31st March 2025
		Safer Streets	68	3	68	0	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. A meeting with WCC on the 30th October 2024 will provide a full update.
	0.00	0	4,288	2,088	4,167	(28)	(93)	
Growth and Investment, Digital and Communications	19	UKSPF Capital- Business and Community Hub	255	1	255	0	0	This scheme has been created to provide a physical and virtual space where local businesses, residents and delivery partners can come together.
		UKSPF Capital- Rugby College EV workshop	750	0	750	0	0	UKSPF grant will be passed to Rugby College to implement this scheme to create an Electric vehicle Workshop
		ICT Renewal Programme	114	6	114	0	0	This scheme is the annual ICT renewal programme for the replacement of client devices e.g. Laptops. A year end journal will allocate funds to the servcies that have used this throughtout the financial year.
		ICT refresh programme - Infrastructure	50	8	50	0	0	This scheme is the annual ICT renewal programme for the replacement of physical and virtual servicers, firewalls, backup and business continuity systems.
		ICT refresh programme - AV equipment	18	3	18	0	0	This scheme is the annual ICT renewal programme for the replacement of equipment within meeting rooms, the Council Chamber and other work spaces which require IT equipment e.g. Microsoft Teams devices.
		Digitalisation and Development Programme	58	7	58	0	0	This scheme was created to drive digitalisation across the organisation.
		Direct Debit Digitalisation	98	116	117	0	19	This scheme has nearly completed and will end by March 2024
		Sophos Intercept	0	0	0	0	0	
	0.00		1,343	142	1,362	0	19	
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. Will be spent at Outturn as orders are being placed for new Big Belly Bins in the Town Centre.
		Purchase of Waste Bins	88	95	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. A year end journal will allocate Section 106 funds.
		Purchase of Vehicles	1,489	761	1,489	0	0	This scheme allows for the regular replacement of Vehicles and Equipment for front line services within the General Fund.
	0.00		1,619	855	1,619	0	0	
Partnerships and Wellbeing	0	Open Spaces Refurbishment - Safety Improvements	118	0	118	0	0	£0.111m paid to contractor for Safety Improvements October 2024
		Park Connector Network	237	162	237	0	0	Crowthorns park connector project completed October 2024. Other projects to be brought forward by end of the year.
		New Bilton Recreation Ground Refurbishment	150	11	150	0	0	Appointed landscape architect & CDM is progressing. Expected to be completed by March 2025
		Open Spaces Refurbishment - Charwelton Drive	150	9	150	0	0	Appointed landscape architect & CDM is progressing. Expected to be completed by March 2025
		Alwyn Road Changing Rooms	425	22	40	(385)	0	This is in the design stage of the scheme and an outline planning application has been submitted. Should this be approved, the construction works will begin in 2025/26 so the budget will be reprofiled accordingly.
		Open spaces refurbishment - Bawnmore rd play area	150	0	150	0	0	Appointed landscape architect & CDM is progressing. Expected to be completed by March 2025
		Betony Road Play Area	93	0	93	0	0	Betony road site visit October 2024. Will be completed by March 2025
		Cawston Green Gym	44	0	44	0	(0)	Section 106 funded possibility project to be brought forward as capacity allows. Will be completed in 2 year capital rules.
		Centenary Park Allotments Newbold	71	0	71	0	0	Feaseability study completed. Ground clearance finished. Inital drawings recieved. Further paper being written regarding future funding.
		Brindley Road/Lenition Close Play Areas and Hillmorton Recreation Ground	80	0	80	0	(0)	Equipment replacement taken place at Hillmorton and surfacing & equipment renovations being planned at Brindley Road
		play equipment refurbishment and youth provision	50	11	50	0	0	Section 106 funding for ad hoc repair & Maintenance works as required
		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	14	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	1	21	0	0	A Park Connector scheme project to improve accessibility from Great Central Walk to Pytchely Road Bridge; works are currently in progress.
			1,893	326	1,507	(385)	(0)	
General Fund Total	(74)		9,142	3,412	8,685	(413)	(74)	

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

1) Revenue Summary						
Service	Current Budget	Total Income/ Expenditure	Forecast	Pending Supplement ary Budget /Virement	Pending Reserve Movement Requests	Total Variance
	£000	£000	£000	£000	£000	£000
Rent income from dwellings	(18,342)	(9,794)	(18,318)	0	0	24
Rent income from land and buildings	(129)	(62)	(124)	0	0	5
Charges for services	(1,180)	(589)	(1,180)	0	0	0
Contributions towards expenditure	(154)	(30)	(170)	0	0	(16)
Total Income	(19,806)	(10,475)	(19,793)	0	0	13
Transfer to Housing Repairs Account	4,779	2,711	5,416	0	0	636
Supervision & Management	6,810	1,543	6,487	0	0	(323)
Rent, rates, taxes and other charges	125	220	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	15,105	4,473	15,433	0	0	328
HRA share of Corporate/Democratic Core Costs	318	0	318	0	0	0
Net cost of HRA services	(4,384)	(6,002)	(4,042)	0	0	341
Interest payable and similar charges	1,104	0	1,113	0	0	8
Interest and Investment Income	(1,115)	0	(1,234)	0	0	(119)
Net Operating expenditure	(4,394)	(6,002)	(4,163)	0	0	230
Contributions to (+) / from (-) reserves	49	0	49	0	0	0
Revenue Contributions to Capital Expenditure	4,345	0	4,114	0	0	(230)
(Surplus) / Deficit for the Year on HRA Services	0	(6,002)	(0)	0	0	(0)

2) Head Count- Vacancies (HRA)			
Service	Budgeted FTE's 24/25	Actual FTE's at Q2	Vacant FTE's at Q2
Housing	48.41	35.80	(12.61)
Property Repairs Service	50.32	45.22	(5.10)
	98.73	81.02	(17.71)

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	Q2 Variance £000	Item variances to budget	Pressure/(Savi ng)	Expenditure Type	Service Areea	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	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	636	355	Pressure	Other Running Expenses	Property Repairs Team	External Contractors and materials	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.	This work will create a 2024/25 budget pressure.	£160k has been capitalised during quarter two. 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.
		266	Pressure	Accounting Adjustments	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, which was the intention when the income budget was devised	Pressure on this years income target	Income target to be reviewed during 2025/26 budget setting.
Supervision & Management	(323)	(390)	Savings	Expenditure	Supervision & Management	Salary 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.
Interest and Investment Inc	(111)		Saving	Expenditure	HRA	Net Cost of Borrowing	The pressures on the HRA 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 half of the 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

4) Capital Summary

Service	Current Budget	Total Expenditure	Forecast	Pending Supplement ary Budget/ Virement/ Reprofilling	Total Variance	Narrative
	£000	£000	£000	£000	£000	
Biart Place - Construction	9,455	4,803	13,233	3,375	403	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	82	82	0	0	
Fire Risk Prevention Works	100	28	100	0	0	Expected to spend all budgets - around 50% actually committed
Rewiring	160	92	160	0	0	Expected to spend all of budget spend currently on track
Lifeline Renewal Programme	46	14	46	0	0	
Finlock Gutter Improvements	100	101	100	0	0	
Rebuilding Retaining Walls	102	40	102	0	0	
Replacement Footpaths	119	9	85	0	(34)	
Driveways	40	(14)	40	0	0	
Fire Risk Prevention works voids	70	42	90	0	20	Virement required between Fire Risk work schemes
Rewiring Unplanned Renewals	100	0	75	0	(25)	Currently expected to budget.
Fire Risk Unplanned Renewals	60	6	40	0	(20)	Virement required between Fire Risk work schemes
Roofing unplanned renewals	62	30	62	0	0	
Lesley Souter house new boiler and building management system	68	74	74	0	6	
Disabled Adaptations	250	103	250	0	0	Budget currently on track to spend
Kitchen Modifications	859	573	859	0	0	Expected to spend all budgets - around 75% already allocated
Kitchen Modifications Voids	200	28	65	0	(135)	Virement required between Kitchen schemes
Kitchens non voids	52	108	185	0	133	Virement required between Kitchen schemes
Heating Upgrades	60	42	60	0	0	Expected to spend budget - scheme currently on track
Bathroom Modifications	358	133	358	0	0	
Bathroom Modifications - voids	100	37	100	0	0	
Bathrooms non voids	50	11	50	0	0	
Carbon Management Plan (HRA)	1,315	570	1,315	0	0	Expected to spend budget
Purchase of Council Houses	7,450	2,473	3,000	(4,450)	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, however, opportunities may still arise through right of first refusal. £4.450m to be reprofiled to 25/26, with a number of acquisitions already secured for completion next year.
Rugby Gateway - Cala Homes	0	(3)	0	0	0	
Rounds Gardens demolition	522	75	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	104	250	(1,131)	0	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. £1.131m to be reprofiled to 2025/26
Property Repairs Team Vehicle	86	0	86	0	0	
Overall Total	23,468	9,578	21,008	(2,206)	(254)	