

AGENDA MANAGEMENT SHEET

Report Title: General Fund Budget Monitoring as at 31 December (Quarter three)

Name of Committee: Cabinet

Date of Meeting: 9 February 2026

Report Director: Chief Officer - Finance and Performance

Portfolio: Finance and Performance, Legal and Governance

Ward Relevance: All Wards

Prior Consultation: Portfolio holder and Leadership Team

Contact Officer: Gemma Lister – Lead Accountant
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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):
 A Healthier Rugby – To support people to live healthier, longer, and more independent lives.
 A Thriving Rugby – To deliver a thriving economy which brings Borough-wide investment and regenerates Rugby Town Centre.
 A Greener Rugby – To protect the environment and ensure the Borough adapts to climate change.
 A Fairer Rugby – To reduce inequalities and improve housing across the Borough.
[Corporate Strategy 2025-2035](#)
 This report does not specifically relate to any Council priorities but reporting on the budgets is an essential way demonstrating progress with all of the priorities.

Summary: This report sets out the 2025/26 General Fund financial position for both revenue and capital as at 31 December (Quarter three) and other

adjustments for approval as required by Financial Standing Orders

Financial Implications:	As detailed in the main body of the report
Risk Management/Health and Safety Implications:	This report is intended to give Cabinet an overview of the Council's General Fund forecast spending for 2025/26 to inform future decision-making.
Environmental Implications:	There are no environmental implications arising from this report therefore no Climate Change and Environment Impact Assessment has been completed.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	No new or existing policy or procedures has been recommended and equalities impact assessment is required for this report.
Options:	Members can elect to approve, amend or reject the budget virement requests listed at recommendation 2.
Recommendation:	<ol style="list-style-type: none">1. The Council's General Fund financial position for 2025/26 be considered; and2. IT BE RECOMMENDED TO COUNCIL THAT General fund revenue virements totalling £0.343m be approved.
Reasons for Recommendation:	A strong financial and performance management framework, including oversight by Members and all responsible officers is an essential part of delivering the Council's priorities and statutory duties.

Agenda No 5

Cabinet - 9 February 2026

General Fund Budget Monitoring as at 31 December (Quarter three)

Public Report of the Chief Officer - Finance and Performance

RECOMMENDATION

- (1) The Council's General Fund financial position for 2025/26 be considered;
and
- (2) IT BE RECOMMENDED TO COUNCIL THAT General fund revenue virements totalling £0.343m be approved.

Executive Summary

As part of the Council's financial reporting requirements, the purpose of this report is to inform Cabinet of the forecast year-end outturn position for 2025/26 of the General Fund, as at 31 December 2025 (Quarter three). Separate reports have been prepared for the Housing Revenue Account and Performance.

The key findings of this report are as follows:

- **General Fund Revenue** – in the General Fund there is a forecast saving for 2025/26 of (£0.271m). This comprises a £0.816m pressure across services, which is offset by a (£0.783m) saving in the net cost of borrowing and a projected saving against the Corporate Strategy budget (£0.300m). Since Quarter two there has been a favourable movement of (£0.882m). Details of this movement can be found in section 2.
- **General Fund Capital Programme** – the budget for the Capital Programme is £5.860m; there is a forecast saving of (£0.070m) for 2025/26.
- **Budget Virements** – there are £0.343m of revenue budget virements for which approval is sought.

1. Background

- 1.1. Local Authorities have a requirement to account separately for core operational services and the provision of dwellings. This is achieved by creating two reporting functions; the General Fund and the Housing Revenue Account.
- 1.2. The General Fund is the main revenue account of the local authority, which includes day-to-day income and expenditure on the provision of services. Activities within the General Fund include waste and recycling, parks and recreation and regulatory services.
- 1.3. The Council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. At monthly intervals officers work with Finance Business Partners to provide the latest forecast year-end outturn expectations for each service area. This report offers the latest outlook based on the information available as at 31 December 2025 (i.e. the end of Quarter Three of the 2025/26 financial year).
- 1.4. Throughout the report, pressures and savings are referred to. A pressure is an instance whereby forecast costs have exceeded budget or forecast income has not met target - these are shown as a 'positive' value. A saving occurs where forecast expenditure is lower than budget or forecast income is higher than the target - these are displayed as a 'negative' value, using brackets.
- 1.5. The forecasts within this report have been collected as at 31 December (Quarter three) and are the projected position for the year end 31 March (the full year position). Although there are pressures reported in the main report and Appendix 1, the requirement of the Chief Financial Officer is that officers carry out mitigation where possible to reduce pressures and ensure savings materialise. The results of this will be shown in the outturn report for 2025/26 when the final position is presented.

2. GF Operating Position (Appendix 1)

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

Table One: General Fund 2025/26 Forecast

Type	A Budget 2025/26 £000	B Year-End Forecast Outturn 2025/26 £000	C Pending Budget Virements £000	B-(A+C) Variance to Budget 2025/26 £000	Movement since Q2 £000	Potential mitigation as per section 2 £000	Revised Variance subject to successful mitigation
Cost of General Fund Services	24,785	25,601	0	816	(175)	(117)	699
Corporate Items	(1,851)	(2,938)	0	(1,087)	(707)	0	(1,087)
Total	22,934	22,663	0	(271)	(882)	(117)	(388)

2.2. Across the General Fund there is a forecast saving of (£0.271m) compared to the budget of £22.934m. The portfolio service variance is £0.816m, which is offset from savings in the net cost of borrowing of (£0.783m) and projected saving against the Corporate Strategy budget (£0.300m). In percentage terms there is a 3.29% pressure on Services, against a budget of £24.785m and an overall (1.18%) saving being reported against the overall budget, £22.934m.

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

2.4. Finance, Performance, Legal and Governance - pressure of £0.702m

- £0.462m – Salary and Agency costs – There are 7.8 FTE vacant posts within the Portfolio, this equates to 14% of the establishment. Details of the vacant roles are included in appendix 1. Where possible the use of agency has been rationalised through – holding posts vacant, hiring part time cover and also hiring support below the pay grade of the establishment post.

Finance and Performance,

There has been a significant reduction in the use of agency within the Financial Services team. Going into the final quarter of 2025/26, there are only 4 posts being covered by agency; 2 x Finance Business Partners, 1 x Senior ICT Officer and 1 x Technical Accountant (covering some duties of the Finance Manager role and producing the year end accounts). This is compared to having 9 agency workers in the team over the summer.

Legal and Governance

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

Whilst posts remain vacant agency support will remain to keep up with business continuity.

- £0.080m – Corporate Assurance Support - In order to deliver the internal audit plan external support has been contracted in from an external supplier. This variance is the net position as the costs of the CMAP contract is partly funded from the saving that is made from the vacant manager role in the team.
- **Movement since Quarter two - £0.033m** – there are no major variances to report since Quarter two monitoring.

2.5. Communities and Homes, Regulation and Safety – a pressure of £0.024m

- (£0.054m) – Bed and Breakfast Accommodation charge - Enhanced homeless prevention efforts and securing more suitable accommodation from existing stock and Private Sector Leases (PSLs) have ensured that Rugby Borough Council remains fully compliant with its statutory duties to provide suitable accommodation. The current saving reflects reduced reliance on costly B&B placements, achieved through effective prevention work and use of PSLs. If this approach continues, there will be sustained savings and improved budget stability. However, if prevention activity declines, costs could increase.
- (£0.043m) – Staff and agency costs – Within Regulation and Safety portfolio, there are two vacant posts and one long term sickness case which has ended during Quarter three. Agency staff have been hired to cover sickness and are continuing to support the Environmental Health team following a review of the service which has identified additional resource is required. A growth proposal is being considered for the 2026/27 budget to increase the establishment for the Environmental Health team.
- **Movement since Quarter two – (£0.109m)** – Grant due to be received by Central Government to offset the increased rental costs for Private Sector Leasing (PSL) properties due to market rent increases and delays in planned hand backs, (£0.210m). In addition to the increased grant income, savings will be made within the PSL service on External Contractors and utility bills, which have now been offered up to achieve the Communities and Homes 2% efficiency savings target for 2025/26, creating a movement of £0.062m. Vacant posts within the Regulation and Safety portfolio have been extended further due to not being recruited as previously anticipated at Quarter two, £0.025m. Increased income in the Car Parking service was previously offsetting increased external contractor costs within the service however, the income budget has now been permanently increased by (£0.034m) to achieve the 2% efficiency savings target for Regulation and Safety Portfolio.

2.6. Digital & Communications, Growth & Investment - a saving of (£0.290m)

- (£0.218m) – Staff Costs – Vacancies within the Digital & Communications portfolio have persisted throughout Quarter Three with professional roles proving a challenge to fill. A number of these roles are currently out for active recruitment.
- (£0.062m) – Staff and Agency costs – In addition to vacant posts as detailed in Appendix 1, the Planning Services team have also seen an increase in workload following the additional Planning Income resulting in the use of agency workers to backfill roles until the posts have been recruited to permanently.
- (£0.100m) – Town Centre Improvement Development Activities - Town centre spending has primarily been for feasibility work, and the Town Centre Regeneration Reserve has been the predominant fund used for this. It is anticipated some of the feasibility work will deliver workstreams to enhance public realm using this budget.
- (£0.128m) – Income for Planning performance and Pre application agreements – Continual rise in the number of applications submitted during 2025/26. The increase in income is positive but this has resulted in additional workload which

is being covered by agency due to vacancies within the team that is already causing pressure on existing staff.

- **Movement since Quarter two – (£0.021m)** – Increase in Planning Income for Prep applications and Planning Performance, (£0.108m) based on the current quarters actual income which is over and above the current budget for this type of Planning income. In order to achieve the 2% efficiency saving, 2 posts have been disestablished from the IT Services Team which are no longer required, £0.087m.

2.7. Operations & Traded Services – a pressure of £0.004m

- **(£0.189m)** – Staff and Agency costs – Net saving on staff and agency costs within the following Services; the Highways team due to recruitment being paused while the service is included in part of Phase two of the Portfolio restructure. Agency to cover the work for the Works Service Unit team where for a short period of time, recruitment was on hold whilst routes were being optimised.
- **£0.263m** – Overtime costs – High absence levels and lack of contractual overtime budget within the waste services, in addition to covering for vacant positions to ensure business continuity in statutory services e.g. the refuse service who have a statutory duty to collect household waste within the Borough.
- **Movement since Quarter two – (£0.121m)** – With the recommended end of the Street Scene team, forecasts have been adjusted to reflect reduced income, £0.065m. Additional Extended Producer Responsibility (EPR) grant to be received in February, (£0.285m). Delays in recruitment to the communications post working on the Food Waste Project has created a saving on communication related expenditure, (£0.49m). At the Work Services Unit, Consultants and External Contractors have been extended whilst the Fleet Manager was recruited to, £0.084m. The service has retained the external transport manager support, which provides resilience and is best practice. Several vehicles in the Street Cleansing Team have had major repairs in the last quarter that could not have been predicted. These vehicles are due to be replaced soon as part of the vehicle replacement scheme, £0.030m.

2.8. Partnership & Wellbeing - a pressure of £0.404m

- £0.145m – Rugby Art Gallery Business Rates – A check and challenge was submitted for the 2017 business rates listing which was successful and resulted in the Rugby Art Gallery Museum (RAGM) being revalued to £1. The Council has a business rates appeal lodged with the Valuation Office in relation to the RAGM for the 2023 listing. The organisation has had confirmation that the results will not be known until early 2026 (potentially 2026/27), although the reimbursement of rates paid will be received and the budget pressure for 2025/26 will be as included in the report.

- *Post 31 December Potential pressure mitigation*

The Valuation Office have shared the 2023 rating list and the RAGM has been valued at a £1. The ratings list is still in draft form and confirmation of the rebate has not been shared. The impact of the mitigation can be seen in table one above.

- £0.082m – Sport & Recreation Income – Vacancies covering permanent and casual staff have played a part in the income shortfall across On-Track, Play and Recreation and Sports Development. There is an ongoing recruitment campaign to fill the vacancies within the service. The Service is currently embarking on identifying additional income opportunities. This could include corporate sponsorship, a review of chargeable services and additional grant funding.
- **Movement since Quarter two - £0.097m** – Increased visibility of security at the Benn Hall to protect staff and the building during evening working, £0.017m. Increased costs to the Parks Service, £0.020m for External Contractors however, the service are reviewing whether these costs are to be funded through S106. A revised funding arrangement for a fixed-term Assistant HR Business Partner who is now covering a HR Business Partner role due to long-term sickness, moving away from the Transformation Reserve, £0.027m. The rental of three billboards has since been purchased since Quarter two within the Town Centre events team, £0.012m.

2.9. Organisational Change is reporting a saving of (£0.035m)

- There are no major variances to report on this Portfolio.
- **Movement since Quarter two - £0.001m** – there are no major variances to report since Quarter two monitoring.

2.10. Chief Executive is reporting a pressure of £0.007m

- There are no major variances to report on this Portfolio.
- **Movement since Quarter two – (£0.055m)** – Funding for LGR from the Budget Stability Reserve of (£0.025m) has now offset costs within the Portfolio. Spend relating to Climate change is now being funded from the Climate Change Reserve, (£0.015m).

2.11. Corporate Items is reporting a saving of (£1.087m)

- (£0.783m) – Net Cost of Borrowing – The pressures on General Fund services are being offset by a saving in the net cost of borrowing. Interest rates were budgeted at a prudent and responsible level, as market interest rates are expected to remain at an elevated level above those projections for at least until the end of the calendar year when there could be reductions. The Council has continued to see a benefit in Quarter Three but this benefit cannot be relied on in future periods - the expectation remains that at some point interest rates will begin to fall further.

- (£0.300m) – Corporate Strategy Budget – A permanent budget of £1.300m was approved during the Council Tax Setting report for 2025/26 specifically for schemes which support the delivery of the new corporate strategy. A saving has been identified as there are limited commitments against this at the moment, £0.509m.

3. Quarter three Area in focus – Collection Fund update

3.1. This quarters focus is to provide an update on the collection fund.

Council Tax

Council Tax Bills are issued annually and set out the total amount due for the financial year. Bills are based on the property's valuation band, set by the Valuation Office Agency.

Each year, Rugby Borough Council estimates how much Council tax is needed to be collected to fund General Fund services. The estimate is based on:

- How many properties there are
- How many discounts / exemptions apply
- Expected collection rates (for Rugby Borough Council we use 98.60%)
- The budget requirement for the year

At the end of the financial year, the actual amount collected is compared with the estimate made at the time of budget setting. This creates either a (surplus) or a deficit.

The Quarter Three monitoring for Council Tax is predicting a deficit of £0.667m. This is split between £0.245m relating to 2024/25 and £0.423m relating to 2025/26. Rugby retains 10% of the (surplus)/deficit and for 2025/26, this means there is a deficit of £0.071m.

The impact of reporting a deficit in 2025/26 means less has been collected than planned at the time of budget setting, therefore increasing the amount required to collect in 2026/27, with the majority of the deficit needing to come from the County Council.

Business rates

The current business rates retention system was introduced for the first time in 2013/14. Rugby Borough Council as a billing authority collects all the business rates in their local area on behalf of major precepting authorities and central government. The proportion of business rates each authority may retain in two-tier area like Warwickshire is 10% County Council, 40% Rugby Borough Council and remainder is retained centrally by the government. Local authorities are then allowed to keep 50% of any business rates they collect above their baseline level.

Because the amount of business rates an individual authority can collect varies enormously depending upon location and the characteristics of the authority, the government has introduced a system of top-ups and tariffs to redistribute

business rates around the country. Local councils with a relatively high level of business rates like Rugby pay a tariff into a national pot which is used to pay top-ups to those local authorities with relatively low levels of business rates. The level of top-ups and tariffs is confirmed each year by the government in the Local Government Financial Settlement and both top-ups and tariffs are updated each year by the business rates multiplier, in-line with inflation.

Rugby continues to be a member of the Coventry and Warwickshire business rates pool. This has meant that any tariff payable is made through the pool to central Government, along with the other Warwickshire Districts, the County Council and Coventry City Council. The operation of the Coventry and Warwickshire pool has meant that the tariff payments made by the council are reduced and more business rates income can be kept locally.

The Quarter Three monitoring for Business Rates is predicting a surplus of (£2.196m). This is split between (£0.770m) relating to 2024/25 and (£1.426m) relating to 2025/26.

The impact of reporting a surplus in 2025/26 means more has been collected than planned at the time of budget setting, this surplus will be paid to the relevant parties of the Collection Fund in 2026/27.

4. 2025/26 Savings Programme (Appendix 1)

4.1. The Council's 2025/26 savings programme totals (£0.514m). This financial year each portfolio was set a 2% efficiency saving to be achieved either through additional income or the permanent removal of expenditure budgets. Whilst there are specific amounts allocated to each portfolio, this is a collective effort between portfolios. At 31 December (Quarter three), 95% of the savings are forecast to be delivered by 31 March. Each portfolio has completed a savings delivery plan which will be used to track the progress of the savings with specific attention to the risks, opportunities and impact of delivery on services. A high level summary of the areas that will deliver this target is shown in appendix 1.

Table Three: General Fund Savings Programme

Type	Target £000	£000	£000	£000
Savings Target	(514)	(488)	(26)	-

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

5. General Fund Revenue Budget Virement Requests

5.1. Virements are transfers of budgets between services, under the constitution any virement up to £20,000 can be approved by the Chief Officer Finance and Performance, any movement between £20,001 and £75,000 requires Cabinet

approval and anything above this Council. Details of the proposed budget virements, where approval is sought are set out below.

Table Four: Budget Virement Requests

Service (from)	Service (to)	Amount £000	Details
Communities and Homes – Housing Benefits	Finance and Performance – Housing Benefits	(13,252)	Following the merge of the Revenues and Benefits service, the Housing Benefit budgets are to be transferred over to sit with the Benefits Team.
Communities and Homes – Housing Benefits	Finance and Performance – Housing Benefits	13,314	Following the merge of the Revenues and Benefits service, the Housing Benefit budgets are to be transferred over to sit with the Benefits Team.
Growth and Investment – Planning Services	Digital and Communications – Maintenance of Customer Services Systems	48	Budget for Planning system which was approved during the 2025/26 budget setting report is to be centralised along with all other system budgets, to offset the actual expenditure for the Planning System, Agile.
Regulation and Safety – Chief Officer	Regulation and Safety – Car Parking	34	The transfer of the 2% efficiency target which has now been achieved through the increase to car parking income, following the current trend.
Digital and Communications – Chief Officer	Digital and Communications – ICT Services	87	The transfer of the 2% efficiency target which has now been achieved through the disestablishment of 2 x posts.
Chief Executive	Chief Executive – Human Resources (HR)	27	The transfer of the 2% efficiency target which has now been achieved through the establishment of the Employee Relations Officer.
Communities and Homes – Chief Officer	Communities and Homes – Housing and Engagement	85	The transfer of the 2% efficiency target which has now been achieved through various budgets within the Housing and Engagement Team.
Total		343	

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

Table Five: Budget Virement Approved under Delegated Powers

Service (from)	Service (to)	Amount £000	Details
Operations and Traded Services – Chief Officer	Operations and Traded Services – Trade Waste	20	The transfer of the 2% efficiency target which has now been fully achieved by a reduction to repair and maintenance and fuel within the Trade Waste service based on current trend.
Total		20	

5.3. It is worth highlighting that the virements detailed on Appendix 1 do not show a total of £0.363m due to the reporting structure. The majority of virements requesting approval are within the same Portfolios.

6. Capital Programme (Appendix 1)

6.1. The approved General Fund capital programme is £5.860m. At the end of Quarter Three there is a saving of (£0.070m).

Table Six: General Fund Capital Programme

Type	Capital Budget 2025/26 £000	Q3 Forecast £000	Reprofiling Requests £000	Budget Virement Requests £000	Q3 Variance to Budget £000
GF Capital	5,860	5,208	(582)	0	(70)

6.2. As we enter into the final quarter of the financial year, the final position for the capital programme will be reported in the outturn report (quarter 4) detailing any final reprofiling of budgets.

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

Capital Budget Requests and Reprofiling

6.4. The table below details potential budget reprofiling of £0.582m to 2026/27.

Table Seven: Capital Budget Requests and Reprofiling

Capital Scheme	Reprofile Amount £000	Details
Rainsbrook Cemetery Preparation	217	Most of the remaining works on this cemetery scheme are now due to take place in 2026/27 due to seasonal constraints.
Alwyn Road Changing Roads	294	Officers continuing to work with community sports club and National Governing Body regarding the project and ensuring robust governance in place for future lease arrangements. It is likely that most of this budget will need to be reprofiled to 2026/27.
Alwyn Road Sports Pitches refurbishment	71	This is being done in line with the above works so the budget will need to be reprofiled to 2026/27 to align with the overall scheme.
Total	582	

7. Conclusion

7.1. Service areas are predicting a combined pressure of £0.816m – primarily driven by staffing vacancies, agency costs and demand-led pressures – these are largely mitigated by favourable movements in the corporate items, including reduced net borrowing costs and savings within the Corporate

Strategy budget. Between 30 September and 31 December there is a reduction in the pressure of (£0.882m). The Quarter two report to Cabinet endorsed the managing of the pressure through,

- **Robust and Reliable Forecasting**
- **Consideration of Expenditure**
- **Informed Recruitment Decisions**

7.2. Due to the timing of the reports being presented to Cabinet there is limited evidence of this taking place, the outturn report will have more details on this. However, the Council's continued focus on proactive budget management and targeted mitigation will be critical to ensuring that remaining pressures are addressed in the remaining three months of the financial year and then on to 2026/27.

7.3. Continued close oversight, active management of staffing and demand-led budgets, and delivery of the agreed savings plans will be essential to ensuring the Council concludes 2025/26 within its approved financial parameters and is well placed to manage future challenges.

Name of Meeting: Cabinet

Date of Meeting: 9 February 2026

Subject Matter: General Fund Budget Monitoring as at 31 December 2025 (Quarter three)

Originating Department: Finance and Performance

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

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink
1	General Fund Budget Monitoring 30 June (qtr 1)
2	General Fund Budget Monitoring 30 September (Quarter two)

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 3 2025-26

1) Revenue Forecasts

Portfolio	Current Net Budget	Exp to date plus commitments	Forecast	Pending Supplementary Budget/Virement	Total Variance Q3	Variance as a % of budget	Total Variance Q2	Movement
	£000	£000	£000	£000	£000		£000	£000
Finance, Performance, Legal & Governance	4,605	4,525	5,369	62	702	15%	669	33
Communities and Homes, Regulation and Safety	5,482	11,848	5,444	(62)	24	0%	133	(109)
Growth and Investment, Digital and Communications	5,445	5,249	5,155		(290)	-5%	(269)	(21)
Operations and Traded Services	4,408	4,968	4,412		4	0%	125	(121)
Partnerships and Wellbeing	4,177	3,465	4,554	(27)	404	10%	307	97
Organisational Change	360	480	325		(35)	-10%	(36)	1
Chief Executive	308	327	342	27	7	2%	62	(55)
Total- Services	24,785	30,862	25,601	0	816	3%	991	(175)
Corporate Items	(1,851)	(796)	(2,938)		(1,087)	59%	(380)	(707)
Grand Total	22,934	30,066	22,663	0	(271)	-1%	611	(882)

2) Reserve Summary

Name of reserve	Balance at 01/04/25	Forecast contribution (to)/from 25/26	Balance at 31/03/26	Forecast contribution (to)/from 26/27	Balance at 31/03/27	Balance at 31/03/28	Balance at 31/03/29
	£000	£000	£000	£000	£000	£000	£000
Gen Fund Revenue Acc	(2,250)		(2,250)	0	(2,250)	(2,250)	(2,250)
Business Rates Equalisation Reserve	(20,734)	2,648	(18,086)	0	(18,086)	(18,086)	(18,086)
Budget Stability Reserve	(2,410)	454	(1,956)	0	(1,956)	(1,956)	(1,956)
Town Centre Strategy Reserve	(4,603)	2,284	(2,319)	664	(1,655)	(1,190)	(758)
Other corporate reserves	(2,385)	221	(2,164)	103	(2,061)	(2,020)	(1,917)
Total corporate reserves	(32,380)	5,606	(26,774)	767	(26,007)	(25,502)	(24,967)
Finance, Performance, Legal & Governance	0	0	0	0	0	0	0
Communities and Homes, Regulation and Safety	(595)	9	(586)	(27)	(613)	(638)	(663)
Growth and Investment, Digital and Communications	(33)	0	(33)	0	(33)	(33)	(33)
Operations and Traded Services	0	0	0	0	0	0	0
Partnerships and Wellbeing	(91)	3	(88)	(6)	(94)	(100)	(100)
Organisational Change	(1,478)	384	(1,094)	0	(1,094)	(1,094)	(1,094)
Chief Executive	(896)	166	(730)	0	(730)	(730)	(730)
Total Portfolio earmarked reserves	(3,092)	562	(2,530)	(33)	(2,563)	(2,594)	(2,619)
Total Reserves	(35,473)	6,168	(29,305)	734	(28,571)	(28,097)	(27,587)

3) Capital Summary

Portfolio	Current Budget	Exp to date plus commitments	Forecast	Pending Reprofiting Requests/Pending Supplementary Budgets	Total Variance	Q2 Variance	Movement
	£000	£000	£000	£000	£000	£000	£000
Finance, Performance, Legal & Governance	137	37	137	0	0	0	0
Communities and Homes, Regulation and Safety	1,303	86	1,086	(217)	(0)	0	(0)
Growth and Investment, Digital and Communications	348	69	324	0	(24)	0	(24)
Operations and Traded Services	2,109	1,161	2,082	0	(27)	(17)	(10)
Partnerships and Wellbeing	1,963	94	1,579	(365)	(19)	0	(19)
Organisational Change	0	0	0	0	0	0	0
Chief Executive	0	0	0	0	0	0	0
Corporate items							
Grand Total	5,860	1,447	5,208	(582)	(70)	(17)	(53)

4) Head Count

Portfolio	Budgeted FTE's	Actual FTE's at Q3	Vacant FTE's
Finance, Performance, Legal & Governance	55.09	47.29	(7.80)
Communities and Homes, Regulation and Safety	96.03	79.32	(16.71)
Growth and Investment, Digital and Communications	79.93	68.96	(10.97)
Operations and Traded Services	139.81	126.61	(13.20)
Partnerships and Wellbeing	54.18	53.57	(0.61)
Organisational Change	12.40	7.68	(4.72)
Chief Executive	2.00	2.00	0.00
Total	439.44	385.43	-54.01

5) Delivery of new savings & income targets

PORTFOLIO	Total	Red	Amber	Green	Identified Savings
	£000s	£000s	£000s	£000s	
Finance, Performance, Legal & Governance	88			88	<u>Savings have been found through:</u> - the reduction of salary budget from 1FTE to 0.8FTE for a Finance Business Partner, - an increase to court fee income for Council Tax and NNDR recovery following a fee increase - a reduction to the external audit fee budget which is no longer required after a change in auditors - the disestablishment of a leadership and legal support officer.
Growth and Investment, Digital and Communications	105			105	<u>Savings have been found through:</u> - the reduction of development activities within the Economic Development Team following a review of spend - The disestablishment of 2 posts within the IT Services budget.
Communities and Homes, Regulation and Safety	119			119	<u>Savings have been found through:</u> - the increase in car parking income based on the current trend. - various savings made within the Housing Enablement Team based on increased grant provision for the service.
Operation and Traded Services	108			108	<u>Savings have been found through:</u> - the disestablishment of a post within Grounds Maintenance - the disestablishment of a post within the Highways Team - and a reduction to current spend on Fuel and Repairs and Maintenance within the Trade Waste service.
Partnerships and Wellbeing	67		26	41	<u>Savings have been found through:</u> - the disestablishment of a parks client officer within the Parks Service. - reduction to established hours for a Green Space Officer within the Parks Service. - additional income to be received from the profit share received through the GLL contract for the Queens Diamond Jubilee Leisure Centre. <u>Amber rated saving:</u> - Additional income for renewable heat initiative scheme for the heat pumps at the Queens Diamond Jubilee Leisure Centre. RBC are due to receive annual income that has not been claimed through historic account issues that the decarbonisation team within Communities and Homes are currently working with the provider to resolve.
Organisational Change	0				
Chief Executive	27			27	<u>Savings have been found through:</u> - The removal of budget for the Employee Relations Officer
TOTAL GF	514	0	26	488	TOTAL GF

6) Revenue Commentary

PORTFOLIO	Total Q3 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.
Finance & Performance, Legal & Governance	702	422	Pressure	Expenditure	Finance & Performance	Salary and Agency spend	<p>SALARY NARRATIVE The following posts are all vacant within the Portfolio:</p> <p>Financial Services - 1 x Finance Apprentice not being filled all year (1FTE) - 2 x Finance Business Partner (1FTE and 0.8FTE) - 1 x Finance Manager (1FTE) - 1 x Funding and Treasury Officer (1FTE) (From October onwards) - 1 x Senior ICT Officer (1FTE) - 1 x Accounts Payable and Procurement Officer (1FTE)</p> <p>Revenues and Benefits: - 1 x FTE Revenues Officer vacant post (filled from January) - 1 x FTE Benefits Officer vacant post</p> <p>Corporate Assurance: - 1 x Change Officer Post (1FTE) - 1 x Corporate Assurance Manager post (1FTE) (covered via CMAP) - 1 x Lead Auditor (1FTE)</p> <p>AGENCY NARRATIVE Financial Services The following posts are currently being filled by Agency: - 1 x Finance Business Partner (1FTE) - 1 x Finance Business Partner HRA (1FTE) - 2 x Payments Officer (2FTE) (permanent position filled by agency worker in November and additional member that was extended to help with training leaves on 19.12.25) - 1 x Senior ICT Officer (1FTE) - 1 x Finance Manager (1FTE) some of the duties are being filled by a Technical Accountant</p> <p>Revenues and Benefits The overspend in staff costs is mainly due to high use of temporary agency staff and increased overtime. <u>-Agency Staff Usage:</u> Seven agency staff were brought in for Revenues and Benefits. Only two covered standard vacancies, highlighting a gap in permanent staffing. The other five were hired to clear backlogs, indicating a temporary spike in workload or past under-resourcing. <u>-Overtime Costs:</u> Overtime was needed both to help clear the backlog and to ensure essential tasks were completed on time. This points to ongoing resource pressures even outside of backlog-related work.</p>	<p>Financial Services There is a heavy reliance on agency staff to cover vacant posts within the team and there is a risk these people could leave only giving a weeks notice. Lead accountants are picking up Deputy S151 duties to cover the S151 officer when required.</p> <p>Revenues and Benefits Benefits officer post will be readvertised January 2026.</p> <p>Corporate Assurance The management of the team is now covered via the CMAP contract. The Change officer and Lead Auditor post are currently on hold pending a review of requirements in 2025/26. The work is being covered through a contract for external internal audit support</p>	<p>Financial Service The recruitment is on hold for the Finance Manager position following a decision around what post in future will be the Deputy S151 officer following a leadership team restructure. The Accounts Payable and Procurement supervisor role is no longer being recruited to and the advert has gone out for a procurement officer due to the demand for a procurement officer here at Rugby Borough Council who can work alongside Nuneaton and Bedworth Borough Council which we have a shared service arrangement with. Finance business partner interviews will commence in the new year which has had to be pushed back due to staff sickness.</p> <p>Revenues and Benefits The agency cover will end once the posts have been filled.</p> <p>Corporate Assurance None at this stage</p>
		40	Pressure	Expenditure	Legal & Governance	Salary and Agency Costs	<p>SALARY NARRATIVE Legal Services - 2 x Senior Legal Officer (both 1FTE) - 1 x Legal Officer (1FTE) - 1 x Legal & Governance Manager (1FTE) - 1 x Assistant Legal Officer (1FTE)</p> <p>Democratic Services - 1 x Democratic Services Lead Officer (1FTE)</p> <p>Business Support - 1 x Business Support lead officer (0.92FTE)</p> <p>Chief Officer - Due to the position being held vacant for a period of time, this has created a (£0.030m) saving with the post now filled.</p> <p>Members Expenses: - Change in legislation to National Insurance contributions for members has caused a pressure on the service for 2025/26</p> <p>AGENCY NARRATIVE The pressure is due to agency being used to provide business continuity and is covering the following posts: 2 x Senior Legal Officers 1 x Legal Officer 1 x Assistant Legal Officer 1 x Chief Officer Legal and Governance (post filled September)</p>	<p>Legal Services Agency staff has been used to provide cover for the service.</p> <p>Democratic Services Day to day line management of Democratic and PA services still being undertaken by the Democratic and Support Services manager. There has been 2 unsuccessful recruitment campaigns for the role.</p> <p>Business Support No agency staff have been recruited to back fill this post resulting in an increased workload for the remaining staff within the team.</p> <p>Members Expenses: This has caused a pressure on the service of £0.012m.</p>	<p>Legal Services Underspends will go towards the cost of agency.</p> <p>Democratic Services This post will be reviewed before going out to recruit again.</p> <p>Business Support The post will be reviewed to understand to current needs of the team before replacing on a like for like basis.</p> <p>Members Expenses: Need to build the members NI contributions into the overall salary establishment to make sure the correct NI calculation is done in line with the rest of the Council.</p>
		47	Pressure	Expenditure	Revenues and Benefits	Postage Costs	<p>The annual billing expense for the 2024/25 period was incorrectly posted to the subsequent 2025/26 accounting year.</p>	<p>This has caused a pressure against this years postage budget which is already significantly lower then the current postage costs.</p>	<p>Moving Customer Communications to Digital Channels The transition to electronic communication is delivering significant savings. By sending reminders electronically, we anticipate an annual cost reduction of approximately £8,000.</p> <p>This push is supported by increased digital adoption: E-Billing is now utilized for 50% of all customer accounts, sharply reducing the volume of paper bills sent by post. Online accounts are held by 15% of residents, which is expected to further decrease our future reliance on postal services.</p>

PORTFOLIO	Total Q3 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.
Finance & Performance, Legal & Governance		(84)	Saving	Income	Revenues and Benefits	Court Fees	Court costs for summonses have been increased from £100 to £120 in Quarter 3 to better align with the actual cost of the recovery service.	This 20% increase corrects a historical undercharge, as we previously held the fee at £100 despite rising operational overheads.	While this moves us towards full cost recovery, we must monitor whether the higher fee impacts the overall collectability of the debt.
		80	Pressure	Expenditure	Corporate Assurance	External Contract Costs	This is covering the loss of resource from the vacant Change Officer and Assurance Manager Posts. Plus, providing further Risk Management services.	Failure to address the annual Internal Audit and Risk Management requirements would lead to a significant reduction in the level of control and assurance across the authority. Consequently, the Internal Audit Plan would not be completed.	The Internal Audit Plan will be delivered as planned and assurance provided at year end to support the AGS, in conjunction with a strong Risk Management Framework.
Communities, Homes, Regulation and Safety	24	(54)	Saving	Expenditure	Bed and Breakfast	Accommodation Charge	Enhanced homeless prevention efforts and securing more suitable accommodation from existing stock and Private Sector Leases (PSLs) have ensured that Rugby Borough Council remains fully compliant with its statutory duties to provide suitable accommodation.	The current saving reflects reduced reliance on costly B&B placements, achieved through effective prevention work and use of PSLs. If this approach continues, we anticipate sustained savings and improved budget stability. However, if prevention activity declines, costs could increase.	Maintain and strengthen prevention initiatives and PSL engagement to ensure savings are sustained and reduce future exposure to B&B costs.
		20	Pressure	Expenditure	Town Hall	Building Cleaning	Contract uplift not included in the 2025/26 budget.	Pressure on the service as the building needs to continue to be cleaned.	The budget has been updated for 2026/27 and includes the 2026/27 price rise too.
		(43)	Saving	Expenditure	Regulation and Safety	Salaries and Agency costs	<p>SALARY NARRATIVE Crime and Disorder - 1 x Project Officer (1FTE)</p> <p>Licencing Services - 1 x Trainee Licencing Officer (1FTE)</p> <p>AGENCY NARRATIVE Variance relates to an overspend on agency costs, due to staff vacancies and sickness within the Regulatory Services team.</p>	<p>Crime and Disorder In year saving of (£0.028m).</p> <p>Licencing Services In year saving of (£0.045m).</p> <p>The forecast takes into account the future impact of long term sickness</p>	<p>Crime and Disorder Post has now been filled and the in year saving will offset pressure elsewhere within the portfolio.</p> <p>Licencing Services This vacant post is due to be vacant all year and will offset pressure elsewhere within the Portfolio.</p> <p>It is anticipated that the overall pressure can be met within the portfolio</p>
		39	Pressure	Expenditure	Car Parking	External Contractors	Variance relates to unbudgeted spend on external contractors which relates to the Ringo service charge	Estimated pressure of the full year costs	Budget adjustment has been requested as part of the 2026/27 budget setting process to mitigate variance
Digital & Communications, Growth & Investment	(290)	(218)	Saving	Expenditure	Digital and Communications	Staff Costs	<p>ICT Services: - 1 x Systems Development Officer, - 1 x IT Trainer - 1 x ICT Apprentice.</p> <p>Customer Support Services: - 1 x Coaching Post being reviewed and transferred over to the Property Repairs Team.</p> <p>Data insights and Automation: - All 3 posts in the newly established team are not expected to be filled until February 2026.</p> <p>Communications, Consultation and Information Team: - Food waste Communications fixed term position filled 2 months later than anticipated, causing a saving.</p>	<p>ICT Services: Development officer roles is currently out to recruitment. Working with Development and Growth in regard to Senior Spatial Data Officer. Trainer and Apprentice to be reviewed following recruitment of vacant roles.</p> <p>Customer Support Services: - Transfer of post to the HRA will result in an underspend showing on the service for 25/26 but an increase to the HRA recharge at the end of the year.</p> <p>Data insights and Automation: - Creates a saving due to posts not being filled until February.</p> <p>Communications, Consultation and Information Team: - Creates a saving due to fixed term employee not recruited to until 2 months after approval for the budget.</p>	<p>ICT Services: Recruitment program underway as outlined.</p> <p>Customer Support Services: Customer Contact Centre is now at full compliment and focus is on structured, quality training and retention. Also focus on wellbeing of staff to ensure good moral and low levels of sickness</p> <p>Data Insights and Automation: Posts will be advertised in the new year.</p> <p>Communications Consultation and Information Team: There will have to be a request put forward at outturn to carry forward 2 months of the budget.</p>
		59	Pressure	Expenditure	ICT Services	External Contractor	Contractor costs have been committed to provide backfill whilst recruitment is undertaken.	There should be no impact as costs will be offset with salary savings.	Salary savings due to vacant roles will offset costs.
		59	Pressure	Expenditure	ICT Services	Software Licences	Renewal for Microsoft Office higher than anticipated Budget.	Budget for 2026.27 has been adjusted.	No action possible by service.
		(62)	Saving	Expenditure	Growth and Investment	Salaries and Agency Costs	<p>SALARY NARRATIVE Planning Services - 2 x Planning Officers (1FTE) - 1 x Principal Planning Officer (1 FTE) - 1 x Senior Planning Enforcement Officer (1 FTE) - 1 x Planning Enforcement Officer (1 FTE)</p> <p>Economic Development - 1 x Business Growth and Inward Investment Officer (1FTE)</p> <p>Development Strategy - 2 x posts are currently filled on a part time basis but the posts are held on the establishment as full time. - 1 x vacant Senior Spatial Officer which is not being recruited to following a review.</p> <p>AGENCY NARRATIVE The spend on agency staff is a consequence of the vacancies in the team and increased workload which needs to be addressed to ensure that we can maintain statutory services but also to help the well being of existing staff on whom the workload would otherwise fall.</p>	<p>Planning Services 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.</p> <p>Economic Development Struggles with recruiting to the post has resulted in somebody being recruited on a lower grade with the intention of training them up.</p> <p>Development Strategy During 2025/26 posts were transferred from Digital and Communications to join the Development Strategy team. One of the posts was vacant following the previous employee retiring earlier on in the year. It has since been established that the two posts could be reconfigured into 1 post. This was done during Quarter 3 and a saving has been identified permanently.</p> <p>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>Planning Services Active recruitment drives to try and fill the latest identified vacant posts has failed. Securing experienced, competent and qualified individuals remains a considerable challenge and we have failed to recruit to the principal officer level three times during 24/25, so there is a continued need to rely on agency staff in the interim to ensure statutory services are delivered. We intend to go back out again soon, however, in Oct 2025 the Government's Public Accounts Committee published a report identifying a serious problem of a lack of staffing capacity and capability of planners in local authorities with an imbalance between the public and private sector.</p> <p>Economic Development With an unsuccessful recruitment campaign so far, other options are being considered for this role.</p> <p>Development Strategy The 2026/27 budget has been reduced and the vacant post has been offered up as a saving.</p> <p>Ongoing vacancies is leading to greater reliance on agency staff. This will continued to be monitored but is rising due to an increase in vacancies and the inability to fill those posts but also increased workload. However, increased income from planning performance agreements and pre-application fees can help mitigate this cost.</p>
		(128)	Saving	Income	Planning Services	Planning Income	Continual rise in the number of planning performance agreements and paid pre-apps.	Greater income received, but this does also mean additional workload.	To manage the additional workload, additional temporary staff (agency workers) have been employed to compensate for additional workload but are being offset by the additional income.
		(100)	Saving	Expenditure	Town Centre Improvements	Development Activities	Town centre spending has primarily been for feasibility work and the Town Centre Regeneration Reserve has been the predominant fund used for this. It is anticipated some of the feasibility work will deliver workstreams to enhance public realm using this budget.	Underspend is going towards overspends within the Growth and Investment Portfolio.	A plan is in place for a shop front grant scheme which this budget would be the primary source of funding

PORTFOLIO	Total Q3 Variance to Budget	Variances to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.
Operations and Traded Services	4	(189)	Saving	Expenditure	Operations & Traded Portfolio	Salaries and Agency costs	<p>Highways Services - 2 x Highways Operatives (1 FTE) - 1 x Civil Contracts Officer (1FTE)</p> <p>Grounds Maintenance - 1 x Grounds Maintenance Operative (1 FTE) - 1 x Grounds person (1FTE) - 2 x Gardeners (1FTE)</p> <p>Domestic Waste Collections and Recycling - 1 x Driver (1 FTE) - 4 x Loaders (1 FTE)</p> <p>Street Cleansing - 2 x Street Cleaners (1 FTE)</p> <p>Garage Services - 1 x Vehicle Mechanic (1FTE)</p> <p>Domestic Waste Collection and Recycling Due to staff absence and vacant positions agency staff are required to ensure that regulatory rounds are completed.</p> <p>Household Green Waste High absence levels.</p> <p>Street Cleansing Vacant positions and long term sickness absence.</p> <p>Garage Services To cover the vacant vehicle mechanic.</p>	<p>Highways Services The service is currently working in a reduced capacity in part due to vacant positions and also ability to carry out certain work streams which require qualified staff to manage. This is currently under review.</p> <p>Grounds Maintenance Due to vacant positions we have extended agency placements to cover the workload and chargehands have been more involved in outside works. Work rotas have been altered to improve efficiency, with agency workers undertaking the fundamental fieldwork.</p> <p>Domestic Waste Collections and Recycling The collection routes are being optimised so recruitment was temporarily put on hold so that we could determine exactly how many staff were required.</p> <p>Street Cleansing Two team members left the team through redeployment and medical retirement. The positions were expected to be filled during a recruitment drive, however this was not successful.</p> <p>Garage Services Recruitment took longer than expected due to eligibility criteria be met.</p> <p>Domestic Waste Collection and Recycling Although absence levels remain high, routes are being reorganised to reduce reliance on agency staff. With a clearer understanding of current vacancies, recruitment will now proceed to help minimise agency overspend.</p> <p>Household Green Waste Due to high staff sickness absence within the team, agency staff have been required to cover the rounds.</p> <p>Street Cleansing Recruitment to vacant positions was temporarily on hold and two roles were swapped round with the Refuse team. Long term sick meant a reliance on agency staff to cover some of the street cleansing tasks.</p> <p>Garage Services Recruitment took longer than expected due to eligibility criteria be met.</p>	<p>Highways Services This service is included in the Phase 2 restructure, as such no immediate changes will be made to the work the team can currently undertake. Savings on salaries are expected to continue until after the restructure.</p> <p>Grounds Maintenance All posts have been filled.</p> <p>Domestic Waste Collections and Recycling Redistribute staff from optimised routes and recruit to the vacant positions.</p> <p>Street Cleansing These savings are offset against the pressure on overtime and agency spend. Recruitment has also now taken place and two roles were swapped with the refuse team to become street sweeping drivers and 2 x street cleansing posts were transferred to the refuse team and changed into waste collection loaders.</p> <p>Garage Services Position is now filled and some of saving will be offset against agency spend, no further savings expected.</p> <p>Domestic Waste Collection and Recycling Redistribute staff from optimised routes and recruit to vacant positions should reduce agency costs, although high absence is still a pressure. Robust management with HR support is tackling long term sickness absence with staff redeployed to jobs within the council suitable for their requirements. Medical retirement has also taken place with AIP and disciplinary action taken where appropriate for repeat offenders. Additional training has been provided to try and reduce the high volume of sickness within the team.</p> <p>Household Green Waste High absence continues to be an issue, however plans have been put in place to support collections during normal working hours and robust management with HR support is tackling long term sickness absence. As the requirement for garden waste collection reduces over the winter period the aim is to condense rounds to reduce reliance on agency staff as absence continues to be an issue.</p> <p>Street Cleansing This pressure will be offset against direct employment costs, vacancies are recruited to and two positions amended to street sweeper. This will reduce the reliance on agency staff. Robust management with HR support is tackling long term sickness absence with staff redeployed to jobs within the council suitable for their requirements. Medical retirement has also take place with AIP and disciplinary action taken where appropriate for repeat offenders.</p> <p>Garage Services Position now filled so agency spend should remain static and overspend will be offset against savings in direct employment costs</p>
		263	Pressure	Expenditure	Operations & Traded Portfolio	Overtime	<p>Domestic Waste Collection and Recycling Due to staff absence and vacant positions staff are required to work overtime to ensure that regulatory rounds are completed. Overtime is also paid for bank holiday working for the whole collection team.</p> <p>Bulky Waste Contractual overtime agreed and back paid - as part of the street cleansing claim and review.</p> <p>Household Green Waste Collections High absence levels due to sickness.</p> <p>Street Cleansing Vacant positions and contractual overtime and overnight road closures have resulted in a pressure.</p> <p>Works Services Depot Contractual overtime for some office staff.</p> <p>Garage Services Vacant Position for Vehicle Mechanic.</p>	<p>Domestic Waste Collection and Recycling Overtime has been required to ensure that postponed or suspended rounds are completed due to sickness and absence.</p> <p>Bulky Waste No additional changes expected, unable to reduce one off costs.</p> <p>Household Green Waste Collections High absence within the service has led to overtime to catch up on delayed or suspended rounds. This includes assisting with cover for refuse rounds that are statutory collections.</p> <p>Street Cleansing Recruitment to vacant position meant that some tasks had to be completed out of hours, this particularly affected the street sweeping. While route optimisation was taking place a decision was made not to recruit to vacant positions as we expected to reduce a round and have additional staff available to fill vacant positions. Contractual overtime for street cleansing drivers was not on the budget so presents a pressure. Overnight closures for road sweeping mean that staff covering these shifts are paid overtime.</p> <p>Works Services Depot Contractual overtime was not initially factored into the budget which has led to a financial pressure. This is unlikely to change during the next two quarters.</p> <p>Garage Services Vacancy now recruited to which should reduce unexpected overtime.</p>	<p>Domestic Waste Collection and Recycling Continue to schedule rounds during normal working hours without the reliance on overtime. Dependent upon the Christmas working pattern there may be additional overtime payments.</p> <p>Bulky Waste No further savings to be made in 2025/26 but will be added to future budget setting.</p> <p>Household Green Waste Collections High absence continues to be an issue, however plans have been put in place to support collections during normal working hours and will be offset against agency cost savings. Robust management with HR support is tackling long term sickness absence.</p> <p>Street Cleansing Recruitment has now taken place and two roles were amended from refuse to become street sweeping drivers, this will reduce the reliance of this task being completed as overtime. The contractual overtime and the cost of road closures should be added to the budget for next year as is not accounted for this year. Vacant positions are now filled which will also reduce the cost of staff covering shifts on</p> <p>Works Services Depot Contractual overtime for office staff is under review with the upcoming phase 2 restructure of the depot staff. This will address some of the issues of contractual overtime. Phase 3 of the restructure TBC will address the remaining contractual overtime issues. As such there will still be an overspend, albeit progressively reduced.</p> <p>Garage Services A new transport manager starts in November 2025 who will review the whole service.</p>
		(90)	Saving	Expenditure	Operations & Traded Portfolio	Transportation Costs	<p>Vehicles are being replaced every 5 years as part of the Vehicle replacement Capital Scheme. This has resulted in a saving on fuel, repairs and maintenance and other transportation costs.</p>	<p>The predicted fuel cost rise was not as severe as first forecast. This coupled with the Ground Maintenance departments fleet being upgraded with newer vehicles and two electric fleet has reduced the fuel consumption.</p>	<p>Review fuel prices and consumption at budget setting.</p> <p>As we move into the winter period and look to consolidate the rounds there should be further savings on fuel usage. With fewer potential garden waste collection and reduced tonnage, fewer vehicles will be required. Those vehicles in use will also have lighter loads that will reduce fuel usage.</p>

PORTFOLIO	Total Q3 Variance to Budget	Variations to budget	Pressure/(Saving)	Expenditure Type	Service Area	Description	Root Cause Analysis - When you have found a material variance you must first determine the root cause of the variance.	Impact - Next, quantify the impact. This involves not only understanding the impact to the current month; also if no changes are made, what the go-forward impact to the business is for both favourable and unfavourable budget variances.	Action - The final part of any analysis should include an action for the business. What can be put in place to mitigate the impact.	
Partnerships and Wellbeing	404	145	Pressure	Expenditure	Rugby Art Gallery & Museum	Rates	A check and challenge was submitted for the 2017 listing which was successful and resulted in the RAGM being revalued to £1, however the 2023 listing meant the building was revalued back up resulting in a new Business Rates bill.	Due to the 2023 valuations listing the RAGM was put back to its original value meaning the Council was liable for business rates in 2024/25 resulting in a variance due to the budget being removed following the successful appeal of the 2017 listing.	There is currently an active check and challenge in with the VOA office, if successful the rebate will be paid back into the Budget Stability reserve.	
		(53)	Saving	Expenditure	Human Resources	Staff Costs	The (£53,000) saving is the net position for salary costs and includes the forecast for the drawdown from the Transformation Reserve. This is due to: - HR Business Partner works reduced hours but the post is budgeted as 1 FTE. - Saving on the Talent and Resourcing post as it was not filled until July. - HR Advisor fixed term role was vacant during the summer. This post is offset by the Transformation Fund which is showing as pressure.	Talent and Resourcing post is now filled so there will be no gap in that area of the team going forward. The HR advisor role will not be replaced following the post being fixed term and due to come to an end during 2025-26. It was in place to work solely at the Work Services Unit. If this is required in future, a business case will be put forward for approval to the Transformation Programme Board.	The HR Advisor post will be removed during the 2026/27 budget setting process.	
		47	Pressure	Expenditure	Human Resources	Consultancy Costs	Costs incurred for external advice / attendance for grievance or disciplinary hearings.		There is no budget for disciplinary or grievance costs and the invoices sit on HR due to the confidential nature of the invoices.	Once invoices have been paid, the costs will be transferred to the services they relate to and be reported within those areas.
		45	Pressure	Expenditure	Benn Hall	Security Costs	Expenditure relates to unbudgeted security costs		Daily daytime security on a Monday to Friday has now stopped, however Evening security will continue for the protection of staff and the building so there will be a continued unbudgeted pressure.	Investigation for the use of body cameras though this would come at additional cost which could be mitigated through the increased cost of evening room hire charges.
		82	Pressure	Income	Sport & Recreation	Reimbursements	Income pressure relating to delivery of school and community delivery		Pressure will continue due to the inability to generate level of income without increased staffing provision	There are currently no viable options to cover the shortfall
Organisational Change	(35)	(139)	Saving	Expenditure	Transformation Change Unit - Organisational	Staffing Costs	The following posts are vacant: - 1 x Transformation Programme Manager (1FTE) Vacant from November - 1 x Data Analyst (1FTE) Fixed Term - 1 x Transformation Business Partner (1FTE) Secondment - 2 x Transformation Project Officers (2 FTE)	If the Transformation Programme Manager becomes vacant recruitment will take place to ensure service delivery	The budget will be reviewed during the 2026/27 budget setting process.	
		101	Pressure	Income	Transformation Change Unit - Organisational	Contribution from reserve	The vacant posts were mostly offset by a contribution from the Transformation Reserve however, with the posts now vacant, the contribution from the reserve has reduced causing a variance against the budget that has been set.	The budget was set based on a number of posts remaining in the establishment all year and as this has not happened, it has resulted in a reduced contribution from the reserve, causing a pressure.	The budget will be reviewed during the 2026/27 budget setting process.	
Chief Executive Office	7	No variances +/- £40,000								
Corporate Items	(1,087)	(783)	Saving	Income	Council	Net cost of Borrowing	It is anticipated that the interest earnings from our investments will be higher than originally budgeted, as market interest rates are expected to remain elevated and decline more gradually than forecasted, based on the latest MUFG projections. Our updated estimate reflects a prudent approach that factors in this slower rate trajectory.	This benefit can not be relied upon in future periods as the expectation remains that at some point interest rates will begin to fall.	Keep under review	
		(300)	Saving	Expenditure	Council	Corporate Strategy Delivery Fund	Unspent funds being released to offset Portfolio overspend.	Fund is not being used for it's intended purpose and is having to mitigate pressures elsewhere.	An improved plan of spend to be produced against the Corporate Strategy Delivery Fund to ensure the fund is spent as intended in future years.	

7) Capital variance narrative							
PORTFOLIO	Scheme	Current Budget	Expenditure plus commitments £000	Current Forecast £000	Pending Reprofitting Requests £000	Variance £000	Narrative
Finance, Performance, Legal & Governance	Income Management System	30	0	30	0	0	Upgrade of the income management system which is due to go live in December.
	Invoice Scanning	30	30	30	0	0	Invoice scanning software; this is expected to be implemented during Quarter 4 of 2025/26
	Financial Management System Upgrade	77	8	77	0	0	Upgrade of the finance system; scheme is currently in progress. Committed spend higher than budget due to duplicate PO which is in the process of being cancelled.
		137	37	137	0	0	
Communities, Homes, Regulation and Safety	Great Central Walk Bridge	31	(74)	31	0	(0)	This scheme was created for the refurbishment of bridges on the old railway line.
	Disabled Facilities Grant	890	0	890	0	(0)	This grant will be passed on in full to HEART (Nuneaton and Bedworth Borough Council) for allocating out the funding.
	Rainsbrook Cemetery preparation	302	159	85	(217)	0	Most of the remaining works on this cemetery scheme are now due to take place in 26/27 due to seasonal constraints.
	Memorial Safety	80	1	80	0	0	This scheme is on the capital programme to allow for Headstone refurbishments to take place in Cemeteries to make them safe. There was a delay in the tender process at the start of the financial year, delaying the project start date where further delays may now occur due to weather conditions. A reprofitting request will be submitted at Quarter 4 when actual spend is known.
		1,303	86	1,086	(217)	(0)	
Growth and Investment, Digital and Communications	ICT Renewal Programme	114	51	90	0	(24)	This scheme is the annual ICT renewal programme for the replacement of client devices e.g. Laptops.
	ICT refresh programme - Infrastructure	90	21	80	0	(10)	This scheme is the annual ICT renewal programme for the replacement of physical and virtual servers, firewalls, backup and business continuity systems.
	ICT refresh programme - AV equipment	18	20	28	0	10	This scheme is the annual ICT renewal programme for the replacement of equipment within meeting rooms, the Council Chamber and other work spaces which require IT equipment e.g. Microsoft Teams devices.
	Digitalisation and Development Programme	45	5	45	0	0	This scheme was created to drive digitalisation across the organisation.
	Town Centre Strategy (Capital)- St Andrews Church	81	0	81	0	0	Contribution to St Andrews Church capital improvements as part of Town Centre Regeneration
	Direct Debit Digitalisation	0	(28)	0	0	0	Supplier is being chased for remaining invoice in connection to last years capital scheme.
		348	69	324	0	(24)	
Operations and Traded Services	Street Furniture	42	8	15	0	(27)	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	67	88	0	0	This scheme is for the acquisition of domestic refuse bins for new housing developments. Most of the funds are financed through S106 contributions and other developer income. A year end journal will allocate Section 106 funds.
	Food Waste Caddies & Bins	419	302	419	0	(0)	Caddies for new mandatory Food Waste Service, due to be received in 2025/26
	WSU Depot Yard Re-Configuration	718	292	718	0	(0)	WSU depot reconfiguration- in progress and expected to be complete by year end
	Purchase of Vehicles	842	493	842	0	0	Vehicle replacement programme for the General Fund.
		2,109	1,161	2,082	0	(27)	
Partnerships and Wellbeing	Open Spaces Refurbishment - Safety Improvements	168	40	168	0	0	No expected variance
	Park Connector Network	70	0	70	0	0	No expected variance
	New Bilton Recreation Ground Refurbishment	140	(7)	140	0	0	No expected variance
	Open Spaces Refurbishment - Charwelton Drive	142	33	142	0	0	No expected variance
	Alwyn Road Changing Rooms	324	18	11	(294)	(19)	Officers continuing to work with community sports club and National Governing Body regarding the project and ensuring robust governance in place for future lease arrangements. It is likely that most of this budget will need to be reprofiled to 26/27
	Alwyn Road Sports Pitches refurbishment	71	0	0	(71)	0	This is being done in line with the above works so the budget will need be reprofiled to 26/27 to align with the overall scheme
	Open spaces refurbishment - Bawnmore rd play area	150	2	150	0	0	No expected variance
	Betony Road Play Area	90	0	90	0	0	No expected variance
	Cawston Green Gym	44	0	44	0	0	No expected variance
	Frobisher Road	150	0	150	0	0	No expected variance
	Centenary Park Allotments Newbold	176	0	176	0	(0)	No expected variance
	Brindley Road/Lennon Close Play Areas and Hillmorton Recreation Ground	78	8	78	0	0	No expected variance
	Queen's Diamond Jubilee Leisure Centre Project	360	0	360	0	0	Gym refresh and wet change upgrades to Leisure Centre.
		1,963	94	1,579	(365)	(19)	
General Fund Total		5,860	1,447	5,208	(582)	(70)	