

Committee Name and Date of Committee Meeting

Cabinet – 15 September 2025

Report Title

July 2025/26 Financial Monitoring Report

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

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Ward(s) Affected

Borough-Wide

Report Summary

The report sets out the financial position as at the end of July 2025 and forecast for the remainder of the financial year, based on actual costs and income for the first four months of 2025/26. Financial performance is a key element within the assessment of the Council's overall performance framework and is essential to achievement of the objectives within the Council's policy agenda. To that end, this is the second financial monitoring report of a series of reports for the current financial year which will continue to be brought forward to Cabinet on a regular basis.

As of July 2025, the Council's financial position for 2025/26 remains positive, although there is now a forecast overspend of £2.4m. This position is made up of a Directorate overspend of £7.7m, offset by a projected Central Service underspend of £5.3m. Whilst this is an overspend, the Council expects to be able to manage this pressure during the year and return to a balanced position following mitigating actions.

As of July 2025, the Council currently estimates an overspend against the Directorates of £7.7m for the financial year 2025/26. This is largely due to demand led pressures in relation to Children's residential placements and placement types. Increased costs are also being felt across the wider Children's social care market, this is leading to market prices increasing at above inflation levels, placing further pressures on the Council's Budget. These pressures were anticipated, and a corporate provision was maintained within Central Services as part of the Budget and Council Tax Report 2025/26.

The Local Government Pay Award has been agreed at 3.2% at all pay bands up to senior officer. The impact of this is a cost of £2.3m above the budget that was allocated when setting the Council's Budget. The Council has no control over the level of pay award agreed.

Central Services is forecasting an underspend of £5.3m, reflecting use of the £5.4m Social Care Contingency approved within the Council's Budget and Council Tax Report 2025/26, the impact of the Local Government Pay Award and savings generated within the Council's Treasury Management Strategy.

The Council's Treasury Management Strategy continues to perform well, with the Council's approach to borrowing adapted to minimise the level of borrowing and borrow short term to ultimately minimise interest costs. The position has also improved following the outturn for 2024/25 because of re-profiling of the capital programme delivery, which pushes back the need to borrow. It is estimated that this approach should see the Council generate savings to support Council wide pressures. However, it should be noted that the Council's Budget and Council Tax Report 2025/26 approved a requirement for the Treasury Management Strategy to save at least £3m in 2025/26. This is on track however economic and market conditions are out of the Council's control.

The report also provides an updated position on the Council's Capital Programme.

Recommendations

That Cabinet:

1. Note the current General Fund Revenue Budget forecast overspend of £2.4m.
2. Note whilst there is a projected overspend, the Council expects to be able to manage this pressure during the year and return to a balanced position following mitigating actions. Should that not be possible the Council will need to draw on its reserves to balance the 2025/26 financial position.
3. Note the updated position of the Capital Programme.

List of Appendices Included

Appendix 1 Equalities Impact Assessment

Appendix 2 Carbon Impact Assessment

Background Papers

Budget and Council Tax 2025/26 Report to Council on 5th March 2025

Budget Monitoring, May 2025 to Cabinet July 2025

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

July 2025/26 Financial Monitoring Report

1. Background

- 1.1** As part of its performance and control framework the Council is required to produce regular and timely reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance so that, where necessary, actions can be agreed and implemented to bring expenditure in line with the approved budget for the financial year.
- 1.2** Delivery of the Council's Revenue Budget, Medium Term Financial Strategy (MTFS) and Capital Programme within the parameters agreed by Council is essential if the Council's objectives are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.
- 1.3** This report is the second in a series of financial monitoring reports to Cabinet for 2025/26, setting out the projected year end revenue budget financial position in light of actual costs and income for the first four months of the financial year.

2. Key Issues

- 2.1** Table 1 below shows, by directorate, the summary forecast revenue outturn position.

Table 1: Forecast Revenue Outturn 2025/26 as at July 2025

Directorate	Budget 2025/26	Forecast Outturn 2025/26	Forecast Variance over/under (-)
	£m	£m	£m
Children and Young People's Services (CYPS)	72.2	77.8	5.6
Adult Care, Housing & Public Health (ACH&PH)	144.2	146.2	2.0
Regeneration and Environment Services (R&E)	52.9	53.4	0.5
Finance and Customer Services (FCS)	38.3	38.3	0.0
Assistant Chief Executive (ACX)	8.9	8.5	-0.4
Central Services (CS)	42.4	37.1	-5.3
Directorate Forecast Outturn	359.0	361.4	2.4
Dedicated Schools Grant			3.1
Housing Revenue Account (HRA)			-0.2

- 2.2** As at July 2025, the Council's financial position for 2025/26 remains positive, although there is now a forecast overspend of £2.4m. This position is made up of a Directorate overspend of £7.7m, offset by a projected Central Service underspend of £5.3m. Whilst this is an overspend, the Council expects to be able to manage this pressure during the year and return to a balanced position following mitigating actions. However, it is possible that the Council may need to call on reserves to achieve a balanced outturn.
- 2.3** The Council currently estimates a directorate overspend of £7.7m for the financial year 2025/26. The Council's overspend position at this point is largely due to placement pressures within Children and Young People's Services (£5m), and the cost of care packages in Adult Social Care (£2m).
- 2.4** As part of setting the Council's Budget and MTFs for 2025/26 the Council set a Social Care Contingency budget to act as a provision to support anticipated pressures across Social Care placements, principally linked to CYPS placements. Central Services is forecasting an underspend of £5.3m, reflecting use of this £5.4m Social Care Contingency approved within the Council's Budget and Council Tax Report 2025/26, the impact of the Local Government Pay Award and savings generated within the Council's Treasury Management Strategy.
- 2.5** The budget as approved at Council on 5th March 2025 included provisions, allocations for inflation, pay award and anticipated cost pressures. These budgets are held centrally at the start of the year and allocated to services as costs are confirmed and incurred. The table below sets out the headline reasons for the movement between opening budgets and the latest budget that has been forecast against in this report.

2.6 Table 2: Budget Movements during 2025/26

Directorate	Opening Budget 2025/26	Pay Award / Fees & Charges Income Inflation	Contract Inflation & Central Provision Allocations to Services	Service Transfers between Directorates	Latest Budget 2025/26
	£m	£m	£m	£m	£m
CYPS	68.8	0.8	2.7	0	72.2
ACH&PH	135.9	0.9	7.4	0	144.2
R&E	48.6	1.0	3.4	-0.1	52.9
FCS	35.1	1.1	1.3	0.9	38.3
ACX	8.3	0.2	0.2	0.2	8.9
CS	62.3	-4.0	-15.0	-0.9	42.4
TOTAL	359.0	0.0	0.0	0.0	359.0

- 2.7** The Council's Budget and Council Tax report 2025/26 included the delivery of £7.720m of previously agreed savings to be delivered across the Directorates. At present, £1.831m of delivery has been secured. The biggest challenges at present on delivery relate to CYPS Placements, which is forecast as a significant cost pressure again in 2025/26. It remains challenging to clearly link the positive outcomes being delivered by CYPS in terms of reduced LAC numbers to the savings targets, principally as the service has seen rising market cost pressures and a number of significantly high cost placements. In reality, the reduction in number of placements has taken place but the rising costs of those placements remaining has outstripped the savings achieved. The table below shows the total amount of all savings to be delivered during 2025/26 and the amount that has been delivered to date.

Table 3: Delivery of Agreed Savings

Directorate	2025/26 Saving to be delivered £'000	Secured as at 31st July 2025 £'000	Still to be delivered £'000
Adult Care, Housing and Public Health	600	150	450
Children's and Young Peoples Services	6,163	1,372	4,791
Regeneration and Environment	731	83	648
Total	7,494	1,605	5,889

- 2.8** The following sections provide further information regarding the Council's forecast outturn of £2.4m, the key reasons for forecast under or overspends within directorates and the progress of savings delivery.

2.9 Children and Young People Services Directorate (£5.6m forecast overspend)

- 2.9.1** Children & Young People Services has a budget pressure of £5.6m at the end of July 2025 (an increase of £1.1m compared to May's reported position) primarily driven by pressures in Children's Social Care placements (£5.0m) and Education / Inclusion budgets (£0.6m).

- 2.9.2** The placements forecast overspend of £5.0m represents a significant increase of £0.7m to the previously reported position and is due to 10 new unanticipated external residential placements during July and August. In addition, the unit costs of some existing placements have risen, reflecting both the increasing complexity of needs among some children in care and persistent challenges within the external residential placement market.

2.9.3 The following are some key points to note in the latest placement forecasts:

- The overall number of children in care has remained stable, with 457 children at the end of July, compared to 459 in June.
- External residential placements continue to be the key driver of the forecast overspend, given their significantly higher cost.
- Occupancy levels in Council-owned children's homes currently stand at 73%, against a budgeted profile of 85%. However, this is projected to rise to 87% by the end of the current quarter due to planned placements.
- The number of children placed with foster carers (both in-house and via independent fostering agencies) stands at 303, which is below the budgeted figure of 325. This shortfall reflects ongoing regional challenges in recruitment and retention within the fostering sector, as well as breakdowns of some placements of children with complex needs.

2.9.4 Despite these pressures, the Council continues to make year-on-year progress in reducing overall placement costs and demand. However, the mix of placement types, increasing unit cost and complexity of care needs remain significant challenges for the Directorate. It is also important to note that the number of Unaccompanied Asylum-Seeking Children (UASC) continues to impact both demand levels and the availability of suitable placement options.

2.9.5 A forecast overspend of £0.6m is currently anticipated against the Education & Inclusion Services. This is mainly attributed to a shortfall in Education Psychology Service trading income from schools as well as the continued use of locum and agency staff to maintain core statutory provision. A review of the service is required to address these impacts.

2.9.6 A balanced budget position is currently forecast against the Home to School Transport budgets managed within CYPS (for children in care and post 16 learners with Education, Health and Care Plans).

2.9.7 A review of existing budgets and spending commitments across the directorate is currently underway, aimed at identifying options to mitigate rising cost pressures. Where grant conditions permit and agreed outcomes are not affected, opportunities to redirect grant funding will be considered.

Dedicated Schools Grant (DSG) (£3.1m forecast deficit)

2.9.8 A net surplus of £1.2m is forecast across all 21 maintained schools for 2025/26. This surplus is ring-fenced for use by individual schools. Within this overall position, four schools are projecting budget deficits totalling £463k. Budget recovery plans will be agreed with each of these schools to return them to a balanced or surplus position within an appropriate timeframe.

2.9.9 A cost pressure of £3.1m is currently forecast against the central DSG budgets and mainly relates to the Special Educational Needs and Disabilities (SEND) / High Needs Block. The forecast deficit reflects sustained cost / demand pressures across the SEND system. The DSG reserve is forecast to show

a £3.5m cumulative deficit at year-end, which will be carried forward under the DSG deficits statutory override and protections. Work is underway to extend the DSG Management Plan over a five-year period, in line with DfE requirements. This will be informed by the recent SEND needs and sufficiency analysis, ensuring alignment with local priorities and demand forecasts.

2.10 Adult Care, Housing and Public Health (£2.0m overspend)

2.10.1 The directorate is now forecasting an overspend of £2m. Care packages are projected to overspend by £2m as a result of big increases in residential and nursing care, especially in short-term placements, during the period. The two main areas of pressure continue to be older people and mental health support, due to increased numbers as well as increased complexity, and cost.

2.10.2 Direct payments are underspending in all areas and there has been increased income collection as a result of increased numbers of people in care. Work is on-going to reduce the number and complexity of support packages through more preventative and targeted support including through the increased use of Enablement.

2.10.3 Salary costs are another area of risk as in-house provision spend on agency has led to an overspend which is mostly offset by vacancies and underspends in other social work salaries. This overspend has been caused in part by high levels of sickness. A review of the use of agency and the underlying issues around vacancies will be required.

2.10.4 Neighbourhood Services (Housing) is forecast to come in on budget. The cost of homelessness will be closely monitored over the year. A number of temporary accommodation properties have been acquired to reduce the spend on hotels. At the end of July 2025 there were 13 households in hotels, up from 5 in May 25.

2.10.5 Public Health is also forecast to budget at this stage.

2.11 Regeneration and Environment Directorate (£0.5m forecast overspend)

2.11.1 The Directorate is forecasting an overspend of £0.5m that is principally due to delays in the delivery of the approved route optimisation saving within Waste Management. Within each service there are a number of offsetting over and underspends that are explained below.

2.11.2 The Waste service is forecasting delayed delivery of the £0.5m saving approved as part of the Budget and Council Tax Report 2025/26. As work progresses on the route optimisation plan that will increase the efficiency of waste rounds, the position with regards to the delivery of this saving will become clearer. However, the full year impact of the saving will not be realised in 2025/26. The Markets service is forecasting a £0.4m overspend because of income shortfalls which is a similar position to previous years, though is expected to improve as the redevelopment of the markets completes. Within Culture Sport and Tourism,

there is a £0.4m overspend owing to assorted income pressures within Country Parks, works to trees on Highways and additional staffing.

- 2.11.3** These pressures are offset by a £0.3m underspend in Community Safety and Regulation owing to vacancies and delays in implementation of the new Safer Streets team. Licensing is also projecting a £0.2m underspend as a result of vacancies, which is a similar position to last year. The RIDO team is capitalising staff salaries of project managers delivering the capital programme, resulting in a £0.2m underspend.

2.12 Finance and Customer Services (£0.0m balanced position)

- 2.12.1** Overall, the directorate is reporting a balanced position. Whilst there are some financial challenges within the wider directorate, projected savings on Legal disbursements along with robust budget management and additional income generation in Building Cleaning are expected to offset those pressures.

- 2.12.2** Property and Facilities Services (PFS) is forecast to be overspent by £0.1m. There's an underspend of £1.2m within Cleaning as income is above budget. This is largely offset by Facilities Management's £0.6m overspend due to assorted building costs, largely repairs and maintenance being above budget. Across PFS there is £0.1m overspend on staffing as a result of a restructure that is underway. This position has worsened £0.6m since the last report to Cabinet, largely because Catering is now £0.4m overspent following a full review of the forecast position after a number of contract changes and the first half term of trading.

- 2.12.3** Within Customer, Information and Digital Services, increased costs on postage and print are creating a budget pressure. Ongoing recruitment challenges are creating a temporary cost reduction, which is offset by over-recruitment within Customer Services contact centre to help manage the difficulties caused by high staff turnover in this area, that impacts on call waiting times.

- 2.12.4** Legal Services faces ongoing demand for legal support with child protection hearings and court case costs relating to Looked After Children. Ongoing difficulties in recruiting to key posts are currently resulting in the extended use of locum solicitors and external suppliers. However, the number of cases remains volatile and will continue to be monitored closely, along with an internal development programme for trainee solicitors.

2.13 Assistant Chief Executive (£0.4m underspend)

- 2.13.1** The service is currently forecasting an underspend of £370k. Contributing factors include external grant income and a number of vacancies across the Directorate, in addition to overachievement of income from salary sacrifice schemes.

2.14 Central Services (£5.3m underspend)

- 2.14.1** Central Services has a £5.3m forecast underspend, reflecting use of the Social Care Contingency set aside when the Budget was approved and the net impact of the Local Government Pay Award and additional Treasury Management savings.
- 2.14.2** There continues to be significant financial challenges as a result of increased costs and the impact of the 2025/26 Local Government Pay Award. Ongoing uncertainty in the global and UK economy remains a significant budget risk and as such will need to continue to be closely monitored.
- 2.14.3** The Council's Treasury Management functions are expected to continue to perform well for the bulk of 2025/26. The use of short term borrowing only as required, along with slippage on the Capital programme in 2024/25 means that the level of financing costs for 2025/26 will be less than anticipated. The benefits from the Treasury Management function are being used to support wider inflationary and pay award pressures that the Council will face during 2025/26, however it should be noted that as the Capital programme progresses, these short-term opportunities will diminish.
- 2.14.4** The Central Services budgets are made up of a number of corporate budgets for levies and charges such as the Integrated Transport Levy (ITA), PFI Financing, and Treasury Management. A list of the main budget areas within Central Services was provided as part of the Council's Budget and Council Tax Report 2025/26, approved at Council on 5th March 2025. The costs within this area are largely fixed costs, set out prior to the start of a financial year, not specific to a particular Directorate and are therefore not controllable by the directorates and thus held centrally.

2.15 Housing Revenue Account (HRA) (£0.2m underspend)

- 2.15.1** The Housing Revenue Account is a statutory ring-fenced account that the Council has to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The HRA is currently forecast to underspend by £200k in the year due to reduced energy costs and higher rental income than forecast.

2.16 Capital Programme Update

- 2.16.1** The Capital Programme 2025/26 has been updated following the 2024/25 outturn and the latest information on project position and delivery plans. The revised Capital Programme is £209.479m split between the General Fund £144.733m and HRA £64.746m. This is a decrease of £1.545m from the position reported to Cabinet on 7th July 2025, the majority of which relates to the reprofiling of schemes. The movement is based on the latest profiles of expenditure against schemes, including slippage re-profiles and corrections of £1.907m and new grant funding added to the programme of £362k.

2.16.2 Table 4: Variations to the Capital Programme 2025/26 to 2028/29

	Total Impact £m	2025/26 Impact £m	Post 2025/26 Impact £m
Revised Grant and Funding Estimates	1.993	0.362	1.631
Slippage / reprofiling	0.000	-1.910	1.910
Budget corrections	0.003	0.003	0.000
Total	1.996	-1.545	3.541

2.16.3 The main items contributing to the reprofiling of the Capital Programme are:

- **Castle View Day Care Centre and Adult Care units**, £2.103m slippage. Delays have arisen due to issues with utilities infrastructure which are currently being progressed with National grid and Yorkshire Water. As a result, some costs are now expected to fall in 2026/27.
- **Brampton Vale Strategic Acquisition (9 units)**, £1.735m saving. The scale of this scheme was reduced from 58 to 9 units. All 9 units are expected to complete in December 2025. The remaining budget will be returned to the future years of the Housing Growth programme to be reallocated.
- **Albert Club, West Melton (9 units)**, new acquisition scheme with a budget of £1.821m brought forward to 2025/26. This project comprises the purchase of nine new affordable homes at the Albert Club development in West Melton (Wath-Upon-Deerne) under the Small Sites Homebuilding Initiative.
- **Clement Street, Kimberworth (6 units)**, new acquisition scheme with a budget of £1.214m brought forward into 2025/26. This project comprises the purchase of six new affordable homes at the Clement Street development in Kimberworth under the Small Sites Homebuilder Initiative.
- **Community Safety & Street Scene Customer & Digital Plan**, £675k slippage. IT continue to undertake security and compliance exercises with further meetings scheduled for information gathering and to continue progressing the business case. It is expected that only the pre contract works will now be completed in 2025/26, with contract costs now expected in 2026/27.
- **Rivelin Way, Waverley 3C (13 units)**, £2.180m acceleration. The delivery of the 13 properties has been brought forward from 2026-27 to 2025-26. Two of the units were handed over in July 2025 and the remaining 11 units should be completed by the end of December 2025.

- **A6022 Swinton to Doncaster**, £650k slippage. Scoping works have been undertaken, and the scheme has been confirmed to align with funding required. Final scoping works are taking place prior to Member and Public engagement. Legal Orders will be processed late 2025 with works scheduled to commence on site during 2026/27.

2.16.4 New grant funded schemes are added to the Capital Programme on an ongoing basis in accordance with the Financial and Procurement Procedure Rules. Grant schemes added or reduced since the July Cabinet report are listed below:

Table 5: New Grant/HRA funded Schemes added to the programme

Directorate/Scheme	2025/26 £m	Post 2025/26 £m
Assistant Chief Executive		
Badsley Moor Lane Primary Community Hub - School full contribution not required	-0.016	0.000
Children and Young People Services		
Education Funding Agency – Schools Maintenance grant	0.035	1.631
Regeneration and Environment		
City Region Sustainable Transport Scheme	0.132	0.000
UK Shared Prosperity Fund	0.270	0.000
DLUHC – Regeneration Grant	-0.059	0.000
Total	0.362	1.631

2.17 Capital Programme Variations

2.17.1 There are no variations to the Capital Programme that are either key decision value or a change in use of corporate resources and as such need reporting to Cabinet.

2.18 MCA Approvals

2.18.1 The South Yorkshire Mayoral Combined Authority (SYMCA) acts as accountable body for a number of different Government funding streams and as the accountable body for Gainshare. New funding has been received through SYMCA of £270k UKSPF funding, to provide a local small grants programme to enable businesses to improve shop units in the town centre and on other local high streets. A further £132k CRSTS funding for operational activity and to fund the identification of new priority crossings has also been approved.

2.19 Capital Programme to 2028/29

2.19.1 The proposed updated Capital Programme to 2028/29 is shown by directorate below.

Table 6: Proposed Updated Capital programme 2025/26 to 2028/29

Directorate	2025/26 Budget £m	2026/27 Budget £m	2027/28 Budget £m	2028/29 Budget £m	Total Budget £m
General Fund Capital					
Children and Young People's Services	14.903	10.037	7.283	17.682	49.904
Regeneration and Environment	103.131	50.060	15.523	10.340	179.055
Adult Care & Housing	11.727	7.098	8.969	6.927	34.721
Assistant Chief Executive	0.424	0.210	0.210	0.210	1.055
Finance and Customer Services	14.547	17.484	7.967	19.443	59.441
Capitalisation Direction					
Total General Fund Capital	144.733	84.890	39.951	54.602	324.176
Total HRA Capital	64.746	74.914	47.190	107.489	294.339
Total RMBC Capital Programme	209.479	159.804	87.141	162.091	618.515

2.19.2 The Capital Programme for 2025/26 remains ambitious even with a significant level of re-profiling of schemes into 2026/27. The Council will therefore need to keep close control of project spend profiles and delivery milestones to keep these projects on track. The Council will also need to review the deliverability of this increased capital programme and potentially, re-profile some schemes into future financial years.

2.20 Funding Position of capital programme 2025/26

Table 7: Funding of the Approved Capital Programme

Funding Stream	2025/26 Budget £m
Grants and Contributions	70.404
Unsupported Borrowing	73.642
Capital Receipts	0.551
HRA Contribution	0.137
Total Funding - General Fund	144.733
Grants and Contributions	4.315
Unsupported Borrowing	17.313
Housing Major Repairs Allowance	36.964
Capital Receipts	2.970
Revenue Contribution	3.183
Total Funding - HRA	64.746
Total	209.479

2.21 Capital Receipts

2.21.1 To date General Fund useable capital receipts of £0.009m have been generated. Although loan repayments will be received during the financial year, these cannot be used to support the revenue budget as only those receipts by the disposal of property, plant and equipment can be used in that way.

Description	Total as at 31st July 2025 £m
Miscellaneous	-0.001
Total Capital Receipts (Excluding loan repayments)	-0.001
Repayment of Loans	-0.008
Total Capital Receipts	-0.009

2.22 Capital Achievements

2.22.1 The following outputs have been achieved during the 2025/26 financial year to date:

- Completion of the phase 1 £4 million Towns and Villages Fund programme. Work at Brinsworth has now completed which concludes the Towns & Villages programme.
- Road Safety - Seven of twelve tranche 1 schemes are complete. Consultants are in commission for seven of twelve tranche 2 scheme.
- Highway and footway improvements - Spend to date £296k which is 17% of the available budget. This funding will deliver the repair of 135 footways - 32 completed plus patching works on other sections of the footway network.
- CCTV - Capital spending within the current financial year has supported the installation of new CCTV systems, as well as the enhancement of existing units, across several parks and green spaces. This includes locations such as Ferham, Coronation, and Clifton. The CCTV Team continues to work in close partnership with RMBC IT Services to meet the commitment of fully retiring BT analogue networks by December 2025.
- Children's Playgrounds – Chestnut Grove Play Area in Dinnington completed in May 2025.
- Water Splash facility at Clifton Park - The water splash facility at Clifton Park opened to the public on the w/c 21 July 2025.
- Town Centre Regeneration – Opening of Vetro Lounge and Sygnature Dish at Forge Island in April and July 2025 respectively.
- Transport – Park and Ride facility at Parkgate became operational in May 2025.
- Waverley Primary School Phase 2 – Practical completion of the extension was achieved in July 2025.
- Children's Residential Homes – Oak House opened in July 2025 and Hazelwood Lodge capital works have completed with Ofsted registration submitted.
- Rother Valley Country Park – Automated number plate recognition pay machines have been installed and are operational.
- Ward budgets – a total of 45 projects have been completed to the end of July 2025.

2.23 Updated 2025/26 Capital Budget vs Original Budget

In order to enable effective monitoring and scrutiny of the movement in the capital budget during the year the below table shows the current 2025/26 capital budget against the original capital budget reported to Cabinet in July.

Directorate	Original Budget £m	Updated Budget £m
General Fund Capital		
Children and Young People's Services	14.879	14.903
Regeneration and Environment	104.493	103.131
Adult Care & Housing	13.902	11.727
Assistant Chief Executive	0.441	0.424
Finance and Customer Services	15.561	14.547
Capitalisation Direction		
Total General Fund Capital	149.275	144.733
Total HRA Capital	61.749	64.746
Total RMBC Capital Programme	211.024	209.479

3. Options considered and recommended proposal

- 3.1** With regard to the current forecast net revenue budget overspend of £2.4m that the Council is forecasting, further management actions continue to be identified with the clear aim of ensuring a balanced budget position can be achieved. It is currently assumed that the current overspend position can be mitigated before the end of the financial year but if mitigation actions cannot be identified then the Council will need to use reserves to balance the outturn position.

4. Consultation on proposal

- 4.1** The Council consulted on the proposed budget for 2025/26, as part of producing the Budget and Council Tax Report 2025/26. Details of the consultation are set out in the Budget and Council Tax 2025/26 report approved by Council on 5th March 2025.

5. Timetable and Accountability for Implementing this Decision

- 5.1** Strategic Directors, Managers and Budget Holders will ensure ongoing tight management and close scrutiny of spend this financial year.
- 5.2** Financial Monitoring reports are taken to Cabinet meetings during the year. The Financial Outturn report for 2025/26 will be taken to Cabinet in July 2026.

6. Financial and Procurement Advice and Implications

- 6.1** The Council's overspend position is detailed within the report along with the estimated impact of current financial pressures from inflation and increases in demand. This position continues to be monitored closely. Control over spending remains critical to both maintaining the robust Reserves Strategy and Medium Term Financial Strategy.
- 6.2** An update on the Council's Medium Term Financial Strategy will be provided to Cabinet later in 2025. This will provide a more detailed update on the Council's Medium Term Financial Planning factoring in the impact of the current year financial pressures and the longer term impacts on the MTFS and reserves strategy.
- 6.3** There are no direct procurement implications arising from the recommendations detailed in this report. Project specific implications have been addressed in the Key Issues section.

7. Legal Advice and Implications

- 7.1** There are no direct legal implications arising from the report

8. Human Resources Advice and Implications

- 8.1** There are no direct Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1** The report includes reference to the cost pressures on both Children's and Adult Social care budget.

10. Equalities and Human Rights Advice and Implications

- 10.1** This is a finance update report, providing a review of current progress to date on the Council's revenue and capital budgets, any equalities and human rights impacts from service delivery have been or will be detailed as service budgets, capital projects are pulled together for inclusion within the Council's revenue budget or capital programme. The Equality Impact Assessment is attached as Appendix 1 to the report.

11. Implications for CO2 Emissions and Climate Change

- 11.1** There are no direct implications arising from the report. The Carbon Impact Assessment is attached as Appendix 2 to the report.

12. Implications for Partners

- 12.1** At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's budget is paramount. Careful scrutiny of expenditure

and income across all services and close budget monitoring therefore remain a top priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience

13. Accountable Officers

Rob Mahon, Assistant Director – Financial Services

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	John Edwards	26.8.25
Assistant Director, Financial Services (Deputy S.151 Officer)	Rob Mahon	22.8.25
Assistant Director, Legal Services (Monitoring Officer)	Phillip Horsfield	22.8.25

Report Author: Rob Mahon, Assistant Director – Financial Services
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